

March 2, 2011

**FINANCIAL REPORT**  
**FOR THE ELEVENTH FISCAL PERIOD**  
**(August 1, 2010 – January 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 semiannual securities report: April 25, 2011  
 Scheduled date for commencing distribution payments: April 1, 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 eliminate amounts of less than ¥1 million and percentage figures have been rounded to one decimal place.

### 1. PERFORMANCE FOR THE ELEVENTH FISCAL PERIOD

JLF's Eleventh Fiscal Period is the six months from August 1, 2010 to January 31, 2011.

#### (1) Business Results

	Operating Revenue	Period-on-Period Change	Operating Income	Period-on-Period Change	Ordinary Income	Period-on-Period Change
Eleventh Fiscal Period	¥5,433mn	12.4%	¥2,895mn	13.6%	¥2,595mn	14.0%
Tenth Fiscal Period	¥4,834mn	5.6%	¥2,549mn	8.3%	¥2,276mn	7.9%

	Net Income	Period-on-Period Change	Net Income per Unit	Net Income to Unitholders' Equity	Ordinary Income to Total Assets	Ordinary Income to Operating Revenue
Eleventh Fiscal Period	¥2,594mn	14.0%	¥17,857	2.7%	1.9%	47.8%
Tenth Fiscal Period	¥2,275mn	8.0%	¥17,486	2.6%	1.8%	47.1%

#### (2) Distributions

	Distribution per Unit (excluding distribution in excess of earnings)	Total Distributions	Distribution in Excess of Earnings per Unit	Total Distributions in Excess of Earnings	Payout Ratio	Distributions to Net Assets
Eleventh Fiscal Period	¥17,528	¥2,594mn	¥0	–	99.9%	2.6%
Tenth Fiscal Period	¥17,330	¥2,275mn	¥0	–	100.0%	2.5%

#### (3) Financial Position

	Total Assets	Net Assets	Net Assets to Total Assets	Net Assets per Unit
Eleventh Fiscal Period	¥145,523mn	¥100,154mn	68.8%	¥676,716
Tenth Fiscal Period	¥127,652mn	¥89,721mn	70.3%	¥683,335

Reference: Unitholders' equity      Eleventh Fiscal Period: ¥100,154mn      Tenth Fiscal Period: ¥89,721mn

#### (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
Eleventh Fiscal Period	¥4,231mn	(¥17,542mn)	¥14,767mn	¥7,239mn
Tenth Fiscal Period	¥2,805mn	(¥9,232mn)	¥3,304mn	¥5,783mn

## 2. FORECASTS OF RESULTS FOR THE TWELFTH AND THIRTEENTH FISCAL PERIODS

JLF's Twelfth Fiscal Period is the six months from February 1, 2011 to July 31, 2011.

JLF's Thirteenth Fiscal Period is the six months from August 1, 2011 to January 31, 2012.

	Operating Revenue	Period-on-Period Change	Operating Income	Period-on-Period Change	Ordinary Income	Period-on-Period Change
Twelfth Fiscal Period	¥5,471mn	0.7%	¥2,806mn	(3.1%)	¥2,517mn	(3.0%)
Thirteenth Fiscal Period	¥5,360mn	(2.0)%	¥2,745mn	(2.2%)	¥2,444mn	(2.9%)

	Net Income	Period-on-Period Change	Distribution per Unit (excluding distribution in excess of earnings)	Distribution in Excess of Earnings per Unit
Twelfth Fiscal Period	¥2,516mn	(3.0%)	¥17,000	¥0
Thirteenth Fiscal Period	¥2,443mn	(2.9%)	¥16,500	¥0

Reference: Estimated net income per unit      Twelfth Fiscal Period: ¥17,000      Thirteenth Fiscal Period: ¥16,500

## 3. OTHER

### (1) Changes in accounting policies

- (i) Changes accompanying amendments to accounting standards, etc.: Yes
- (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:
  - Eleventh Fiscal Period: 148,000 units
  - Tenth Fiscal Period: 131,300 units
- (ii) Number of own investment units issued and outstanding at end of period:
  - Eleventh Fiscal Period: 0 units
  - Tenth Fiscal Period: 0 units

## ANNOUNCEMENT OF ELEVENTH FISCAL PERIOD RESULTS

### Asset Management Policies and Asset Management Situation

#### 1. Asset Management Policies

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

#### 2. Asset Management Situation

##### (1) Overview of the Period under Review

JLF's fiscal period under review in this financial report is the Eleventh Fiscal Period from August 1, 2010 to January 31, 2011.

##### (a) Main Developments of JLF

As Japan's first REIT specializing in investments in logistics centers, JLF invests in real estate, etc. that are supplied for use as logistics centers with a focus on those 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 Eleventh Fiscal Period (January 31, 2011), JLF held a total of 28 real estate properties (total acquisition value of ¥143,240 million) and had total assets of ¥145,523 million.

##### (b) Investment Environment and Asset Management Results

Thanks to Quantitative Easing in the U.S. and peak out of rapid yen appreciation, Japanese stock market recovered steadily. However, as Japanese economy deeply depends on exports to Asian countries whose economy rebounded earlier than the other regions, and on Japanese government's economic stimulus package, prospect of recovery seems still unclear.

Regarding logistics properties leasing market, while some tenants continuously sought rent cut as a way of cost reduction, there were other tenants which consolidated their distribution center to build more efficient logistics network. As a result, demand of the properties with the potential to become the core of the consolidation remained robust, and the rent of those stayed almost flat. Although we saw a couple of tenants' lease terminations due to their logistics function consolidation, most of our tenants stayed with us, for we consistently provided solutions for our tenants' needs.

There were more transactions in logistics properties acquisition market, but most of the cases were mid to small size assets. The transaction volume of the S-class properties is, by nature, small and new developments stopped since 2008. In addition the current holders of the existing S-class properties have no incentive to rush into sell their assets thanks to the financial market recovery. Under this difficult circumstance, JLF acquired Ichikawa II Logistics Center, an S-class with multi-tenant property, from ProLogis based on pipeline support agreement.

##### (c) Capital Procurement

During the 11<sup>th</sup> period, additional investment units were issued in August 2010 in order to raise funds to acquire a property. As a result, the number of issued investment units at the end of the 11<sup>th</sup> period rose to 148,000 (16,700 units increase), and the unitholders' capital to 97,559 million yen (10,113 million yen increase.)

As for interest-bearing debt, we raised 7,000 million yen through short-term loans in order to acquire the new property. However, this loan, coupled with another loan of 3,000 million yen which came the redemption date on November 2010, was repaid by issuance of the 1<sup>st</sup> Investment Corporation Bond of 8,000 million yen and long-term loan of 2,000 million yen, which translates into the total interest-bearing debt of 37,200 million yen and an interest-bearing debt ratio\* of 27.6%.

Also, we has been assigned issuer credit ratings of "AA (outlook: stable)" from Rating and Investment Information, Inc. (R&I) and "A1 (outlook: negative)" from Moody's Investors Service, Inc. (Moody's).

\* interest-bearing debt ratio = Total Debt / (Total Debt + Total Unitholders' Equity)

#### **(d) Business Results and Cash Distributions**

As a result of the asset management described above, JLF recorded operating revenue of ¥5,433 million, operating income of ¥2,895 million, ordinary income of ¥2,595 million and net income of ¥2,594 million in the Eleventh Fiscal Period.

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 unappropriated retained earnings excluding fractions of the distribution per investment unit that are less than ¥1. Accordingly, JLF declared a distribution per investment unit of ¥17,528.

#### **(2) Outlook for the Next Fiscal Period**

##### **(a) Recognition of the Environment**

The prospect of Japanese economy continues to be unclear because of the expiration of the government stimulus package, concerns for inflation in emerging countries and for economic slowdowns of the U.S. and Europe. However, we believe the business environment becomes favorable to us steadily, for the Bank of Japan started purchasing J-REIT's debt and equity that resulted in stabilizing financial conditions of the REIT, and for consumer consumption shows the sign of recovery mainly in consumer products and e-commerce.

Nonetheless, as the consolidations described above continue, demand for the S-class properties will get stronger, which results in the rent level of those properties to bottom out. We also understand that substantial rent rebound requires fundamental economic recovery and sustainable CPI rise, though. In response to this market environment, JLF will make every effort for leasing to stabilize our business. In addition, we are currently studying the possibility of additional CapEx in order to renew the competitive advantage of our properties.

Environmental change of competition, especially strategic movement of global players, is in progress. We expect the change will stimulate Japanese logistics properties acquisition market. Also, recovering financial market and strong demand for the S-class properties encourage developers to re-start new constructions. We may see more development projects to come soon. JLF keeps, with long term investment horizon, building stable portfolio through further AUM expansion by leveraging sponsor network, the pipeline support agreement with ProLogis, and our own information sources.

##### **(b) Future Asset Management Policies and Pending Issues**

Under such an investment environment, JLF will conduct asset management in an aim to achieve stable revenue over the medium to long term based on the following policies:

(i) Operational management of portfolio properties

- Renewal of lease contracts

Regarding the renewal of lease contracts, JLF will conduct operational management by adopting leasing to existing tenants for the medium to long term as its basic policy. JLF will also seek to stabilize revenue by regarding switching to long-term lease contracts as another option to consider upon the renewal of lease contracts. When an existing tenant decides to leave a property, JLF will engage in leasing activities with a mind to keep leasing ongoing without interruption in view of maintaining profitability.

Lease contracts for logistics center properties currently held by JLF have an average period of 7.5 years remaining when calculated by a weighted average based on annual contract rent, a figure that indicates JLF can anticipate ongoing stable revenue.

- Strengthening of tenant relations

By maintaining close contacts with existing tenants, JLF will work to increase their overall satisfaction. Specific examples include responding to needs for greater floor area in existing logistics centers, and increasing the functionality and otherwise renovating the logistics centers as appropriate in line with tenant needs and industry trends.

- Appropriate maintenance management of portfolio properties

JLF will perform repairs and renovations on portfolio properties with due heed paid to keeping construction expenses relatively unchanged over time. In addition, by selecting appropriate property management companies to provide efficient maintenance management suited to the characteristics of each property, as well as improving the quality of and standardizing the various procedures of maintenance management at the asset management company, JLF will work to optimize the maintenance management of portfolio properties.

(ii) New property acquisitions

- Sourcing of property information

To avoid price and acquisition competition with rival companies as much as possible, JLF will strive to obtain property information early and promote negotiated transactions by leveraging the extensive networks of Mitsui & Co., Ltd., The Chuo Mitsui Trust and Banking Company, Ltd. and Kenedix, Inc., which are the shareholders of JLF's asset management company. In addition, JLF will endeavor to secure new independent information sourcing channels to establish a framework for acquiring properties at even more favorable terms.

- Specifications of properties for acquisition

In the acquisition of properties, JLF will make investment decisions with weight placed on the location and versatility of facilities, which are essential factors for stable and long-term management of logistics centers. Specifically, as a rule, JLF will avoid acquiring properties that have unique structures and facilities suited only for use by 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 in mind. In order to also minimize fluctuations in revenue resulting from tenants leaving properties, JLF will work to build a portfolio that considers for such factors as the degree of dependency on a single tenant, as well as diversification in terms of the industry to which tenants belong and the remaining period of lease contracts with each tenant.

(iii) Financial strategy

In carrying out financial activities by such means as borrowing from financial institutions and increasing capital through public offerings, JLF will give top priority to ensuring sustainable growth of its distribution per investment unit, and will pay heed to maintaining a conservative debt ratio. Regarding financing with interest-bearing liabilities, JLF will seek to diversify funding sources and methods to reduce refinancing risks and will consider the possibility of issuing investment corporation bonds when opportunities arise. Furthermore, regarding tenant leasehold and security deposits, JLF will undertake efficient cash management such as by using it to fund some of the acquisition of properties.

## FINANCIAL STATEMENTS

### 1. Balance Sheets

	(Unit: thousand yen)	
	Tenth Fiscal Period (as of July 31, 2010)	Eleventh Fiscal Period (as of January 31, 2011)
<b>Assets</b>		
<b>Current assets</b>		
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 taxes receivable	372,002	287,517
Other	—	249
<b>Total current assets</b>	<b>6,230,584</b>	<b>7,569,268</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings	6,113,402	6,119,622
Accumulated depreciation	(475,748)	(567,931)
Buildings, net	5,637,653	5,551,690
Structures	112,415	112,415
Accumulated depreciation	(15,650)	(18,436)
Structures, net	96,765	93,979
Tools, furniture and fixtures	—	500
Accumulated depreciation	—	(31)
Tools, furniture and fixtures, net	—	468
Land	6,391,096	6,391,096
Buildings in trust	63,068,601	72,880,618
Accumulated depreciation	(7,220,800)	(8,160,525)
Buildings in trust, net	55,847,800	64,720,092
Structures in trust	2,088,737	2,297,711
Accumulated depreciation	(393,337)	(446,400)
Structures in trust, net	1,695,399	1,851,310
Machinery and equipment in trust	1,842	1,842
Accumulated depreciation	(204)	(274)
Machinery and equipment in trust, net	1,637	1,567
Tools, furniture and fixtures in trust	10,796	15,939
Accumulated depreciation	(3,635)	(4,597)
Tools, furniture and fixtures in trust, net	7,160	11,342
Land in trust	51,608,476	59,178,830
<b>Total property, plant and equipment</b>	<b>121,285,989</b>	<b>137,800,379</b>
<b>Intangible assets</b>		
Other	327	298
<b>Total intangible assets</b>	327	298
<b>Investments and other assets</b>		
Long-term prepaid expenses	123,321	100,453
Guarantee deposits	10,000	10,000
Other	2,000	2,000
<b>Total investments and other assets</b>	135,321	112,453
<b>Total noncurrent assets</b>	<b>121,421,638</b>	<b>137,913,131</b>
<b>Deferred assets</b>		
Investment corporation bond issuance costs	—	41,491
<b>Total deferred assets</b>	—	41,491
<b>Total assets</b>	<b>127,652,222</b>	<b>145,523,890</b>

	(Unit: thousand yen)	
	Tenth Fiscal Period (as of July 31, 2010)	Eleventh Fiscal Period (as of January 31, 2011)
<b>Liabilities</b>		
<b>Current liabilities</b>		
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
<b>Total current liabilities</b>	<b>6,283,440</b>	<b>4,641,107</b>
<b>Noncurrent liabilities</b>		
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
<b>Total noncurrent liabilities</b>	<b>31,646,789</b>	<b>40,728,668</b>
<b>Total liabilities</b>	<b>37,930,229</b>	<b>45,369,776</b>
<b>Net Assets</b>		
<b>Unitholders' equity</b>		
Unitholders' capital	87,446,543	97,559,929
<b>Surplus</b>		
Unappropriated retained earnings (undisposed loss)	2,275,450	2,594,184
<b>Total surplus</b>	<b>2,275,450</b>	<b>2,594,184</b>
<b>Total unitholders' equity</b>	<b>89,721,993</b>	<b>100,154,113</b>
Valuation and translation adjustments	89,721,993	100,154,113
<b>Total net assets</b>	<b>89,721,993</b>	<b>100,154,113</b>
<b>Total liabilities and net assets</b>	<b>127,652,222</b>	<b>145,523,890</b>

## 2. Statements of Income

(Unit: thousand yen)

	Tenth Fiscal Period	Eleventh Fiscal Period
	From: February 1, 2010	From: August 1, 2010
	To: July 31, 2010	To: January 31, 2011
Operating revenue		
Rent revenue - real estate	4,709,846	5,278,632
Other lease business revenue	124,858	155,316
Total operating revenue	4,834,704	5,433,949
Operating expenses		
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' compensations	5,400	5,400
Other operating expenses	57,622	47,295
Total operating expenses	2,285,254	2,538,806
Operating income	2,549,449	2,895,142
Non-operating income		
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
Total non-operating income	13,771	8,370
Non-operating expenses		
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
Total non-operating expenses	286,882	308,341
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)
Total income taxes	962	1,009
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

### 3. Statements of Cash Flows

(Unit: thousand yen)

	Tenth Fiscal Period From: February 1, 2010 To: July 31, 2010	Eleventh Fiscal Period From: August 1, 2010 To: January 31, 2011
Net cash provided by (used in) operating activities		
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 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
Other, net	(13,948)	41,641
Subtotal	3,043,522	4,478,167
Interest income received	1,146	890
Interest expenses paid	(238,873)	(246,957)
Income taxes paid	(473)	(1,011)
Net cash provided by (used in) operating activities	2,805,322	4,231,089
Net cash provided by (used in) investment activities		
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) investment activities	(9,232,629)	(17,542,619)
Net cash provided by (used in) financing activities		
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
Payment of investment corporation bond issuance costs	—	(40,963)
Dividends paid	(2,105,469)	(2,273,513)
Net cash provided by (used in) financing activities	3,304,654	14,767,074
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

## 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	0.0	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	75.0	10.5
O-4	Kazo	Kazo, Saitama	03/04/08	13,039.17	25,130.62	100.0	9.5
<b>Portfolio Total/Average (Note)</b>				526,879.94	714,969.97	96.6	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	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	9,050	5.2	5.5	–	842	8.0	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	3,000	5.0/5.2	5.5	5.2	N/A	N/A	1
M-5	Urayasu Chidori	6,000	4.2	9,310	4.9/5.1	5.2	4.9	494	4.7	1
M-6	Funabashi Nishiura	5,700	4.0	6,790	5.0/5.2	5.4	5.1	435	4.2	2
M-7	Funabashi Nishiura II	9,330	6.5	11,900	5.0/5.2	5.8	5.5	780	7.4	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	1.2	1
M-10	Yokosuka	3,305	2.3	3,520	5.7	6.3	6.0	296	2.8	1
M-11	Yachiyo	2,266	1.6	1,860	5.6	6.1	5.8	0	0.0	0
M-12	Yokohama Fukuura	9,800	6.8	9,990	5.5	5.6	5.3	N/A	N/A	4
M-13	Yachiyo II	5,300	3.7	6,220	5.2/5.4	5.8	5.5	387	3.7	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	6.7	1
M-17	Narashino II	7,875	5.5	8,370	5.3/5.4	5.5	5.2	N/A	N/A	3
M-18	Ichikawa II	17,415	12.2	18,700	5.0/5.1	5.3	5.0	N/A	N/A	2
T-1	Daito	9,762	6.8	16,300	5.6	5.7	5.4	N/A	N/A	1
T-2	Osaka Fukuzaki	4,096	2.9	5,220	5.5	5.6	5.3	326	3.1	1
T-3	Chubu Haruhi	685	0.5	779	5.4	5.7	–	33	0.3	1
T-4	Kadoma	989	0.7	1,160	5.6	5.7	5.4	N/A	N/A	1
T-5	Komaki	2,100	1.5	1,890	5.4/5.6	5.7	5.4	N/A	N/A	1
T-6	Komaki II	1,800	1.3	1,780	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	4,150	5.6/5.7	5.9	5.6	N/A	N/A	1
O-4	Kazo	3,790	2.6	3,780	5.6	5.7	5.4	248	2.4	1
<b>Portfolio Total (Note)</b>		143,240	100.0	166,879				10,504	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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