

July 31, 2007

For Immediate Release

Real Estate Investment Fund Issuer

Japan Logistics Fund, Inc.
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Representative: Executive Director Ryo Yamakawa
(Securities Code: 8967)

Asset Management Company

Mitsui & Co., Logistics Partners Ltd.
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Notice Concerning the Additional Issue of New Investment Units and a Secondary Offering

Japan Logistics Fund, Inc. (hereinafter referred to as the “Fund”) today announced its decision to issue new investment units and to conduct a secondary offering. This decision was resolved at the Board of Directors meeting held on July 31, 2007. The detail of the resolving are outlined below.

1. Issue of new investment units through public offering (Primary Offering)

- (1) Total number of units to be issued: 13,500 units
- (2) Issue value: To be determined (The issue price for new investment units shall be determined by a resolution of the Board of Directors meeting scheduled to be held on a date between August 23, 2007 (Thursday) and August 27, 2007 (Monday) (“the Issue Price Determination Date”)).
- (3) Total amount of issue value: To be determined.
- (4) Offering method: Public offering. All units shall be underwritten by a group of underwriters that will be led by Nikko Citigroup Limited and Daiwa Securities SMBC Co., Ltd. as co-lead managers, and will also include the following underwriters: Nomura Securities Co., Ltd., Mizuho Securities Co., Ltd., Shinko Securities Co., Ltd., and Mitsubishi UFJ Securities Co., Ltd. (collectively the “underwriters”).
The issue price in the primary offering (offer price) shall provisionally be calculated by multiplying the Tokyo Stock Exchange (“TSE”) closing price on the Issue Price Determination Date (the closing price on the day immediately preceding the Issue Price Determination Date in the event there is no closing price) by a factor of 0.90 to 1.00 (amount less than 1 yen to be omitted) and subject to demand.

Note: This document is a public announcement regarding the issue of new investment units and a secondary offering thereof, and has not been prepared as an inducement or invitation to investment. We caution readers to refer to the Fund’s offering circular for the Issue of new investment units and secondary offering and the notices of amendments thereto, and to undertake any investment decision at their own judgment and responsibility.

- (5) Underwriting agreement: The Underwriters shall pay the total amount of underwriting value (issue value) to the Fund on the payment date that is set forth in item (8) below, and the difference between the issue price in the primary public offering and the underwriting value (issue value) shall be distributed to the Underwriters as underwriting fee. The Fund shall not pay any underwriting commission.
- (6) Application units: One unit or more in multiples of one unit
- (7) Application period: August 28, 2007 (Tuesday) to August 30, 2007 (Thursday)
Subject to demand, the application period may be moved up. The earliest application period shall be August 24, 2007 (Friday) through August 28, 2007 (Tuesday).
- (8) Payment date: September 4, 2007 (Tuesday)
Subject to demand, the payment date may be moved up. The earliest payment date applicable shall be August 31, 2007 (Friday).
- (9) Settlement date: The first business day after the payment date
- (10) The issue price and other items required for the issue of new investment units shall be determined at a future Board of Directors meeting.
- (11) The aforementioned items shall be subject to the effectiveness of the securities registration statement in accordance with the Securities and Exchange Law.

2. Issue of new investment units by a third-party allotment(third-party allotment)

- (1) Total number of units to be issued: 500 units
As described in item (3) below, Nikko Citigroup Limited may conduct the secondary offering of investment units borrowed (“borrowed units”) from an unitholder of the Fund (“secondary offering by way of an over-allotment), namely, Mitsui & Co., Ltd. to a maximum of 500 units. In connection with above, the Fund may issue an additional 500 units by way of a third-party allotment, which will be allotted to Nikko Citigroup Limited (“Third-party Allotment”). In order to return the borrowed units, the Fund shall grant Nikko Citigroup Limited an option to purchase up to 500 units that will be additionally issued by way of a third-party allotment (“greenshoe option”).
If Nikko Citigroup Limited does not apply for all or a part of the units to be issued, then the issue of such units shall be forfeited.
- (2) Prospect subscriber: Nikko Citigroup Limited
- (3) Issue value: To be determined (same as the issue value for the primary offering).
- (4) Total amount of issue value: To be determined.
- (5) Application date: September 26, 2007 (Wednesday)
- (6) Payment date: September 27, 2007 (Tuesday)
- (7) Application units: One unit or more in multiples of one unit
- (8) The issue price and other items required for the issue of new investment units shall be determined at a future Board of Directors meeting.
- (9) If no payment shall be made for all or a part of the investment units issued, by the payment date set forth above, then the issue of such units shall be canceled.
- (10) If the primary offering is canceled, then the issue of new investment units through a Third-Party Allotment shall also be canceled.
- (11) The aforementioned items shall be subject to the effectiveness of the securities registration statement in accordance with the Securities and Exchange Law.

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3. Secondary offering of investment units(over-allotment)

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| (1) Seller and the number of units offered: | 500 units offered by Nikko Citigroup Limited
The number of units offered as specified above is the number of units offered by Nikko Citigroup Limited in a secondary offering by way of an over-allotment that will take into consideration the demand for the units and other factors. Thus, the number of units offered in a secondary offering by way of an over-allotment is the maximum limit and may be lowered, or the secondary offering may be canceled depending upon demand or other factors. The investment units that are subject to a secondary offering by way of an over-allotment are to be borrowed by Nikko Citigroup Limited from an unitholder of the Fund, namely, Mitsui & Co., to a maximum 500 units. |
| (2) Offer price: | To be determined (same as the issue price in the primary offering). |
| (3) Total amount of issue value: | To be determined. |
| (4) Application period: | The same application period as the primary offering |
| (5) Settlement date: | The first business day immediately following the payment date for the primary offering |
| (6) Application units: | One unit or more in multiples of one unit |
| (7) The offer price and other items required for the secondary offering of the investment units shall be determined at a future Board of Directors meeting. | |
| (8) The aforementioned items shall be subject to the effectiveness of the securities registration statement in accordance with the Securities and Exchange Law. | |

Note:

In conducting the secondary offering by way of an over-allotment, the Fund, in order for Nikko Citigroup Limited to purchase the investment units to facilitate the return of the borrowed units, has resolved to, as stated in item 2. above, conduct a Third-Party Allotment and grant Nikko Citigroup Limited a greenshoe option exercisable until September 21, 2007 (Friday).

In addition, Nikko Citigroup Limited may seek to purchase the investment units up to a maximum of 500 units (the maximum number of investment units under secondary offering [over-allotment]) through the TSE (hereinafter referred as “Syndicate Covering Transaction”) in order to affect the return of the investment units borrowed from the day immediately following the end of the application period through the exercise period of the greenshoe option (hereinafter referred to as “the Syndicate Covering Transaction Period”).

Moreover, during the period between the first business day immediately following the Issue Price Determination Date through the end of the application date, Nikko Citigroup Limited may undertake a stabilization and apply the investment unit acquired under it to return the borrowed investment units.

Even during the syndicate covering transaction period, Nikko Citigroup Limited has the discretion not to conduct any syndicate covering transaction or terminate a syndicate covering transaction that involves a number of units that is below the number offered in connection with the secondary offering by way of an over-allotment.

Nikko Citigroup Limited plans to apply for the Third-Party Allotment by exercising the greenshoe option with respect to the number of units remaining after subtracting the number of units purchased through the syndicated covering transaction from the number of units purchased through the syndicate covering transaction and/or the stabilization from the number of units offered in connection with the secondary offering by way of an over-allotment.

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Accordingly, if the number of units offered in connection with the secondary offering by way of an over-allotment has decreased, then the secondary offering by way of an over-allotment itself has been canceled, or if any syndicate covering transaction and/or stabilization has been conducted, then Nikko Citigroup Limited shall exercise the greenshoe option according to the number of units affected and the number of units applied for through the Third-Party Allotment shall be decreased. As a result, the number of units to be issued according to the Third-Party Allotment shall, due to forfeiture, be decreased by the applied number of units, or no units may be issued at all.

4. Number of investment units issued and outstanding after the issue of the new investment units

Current number of investment units issued and outstanding:	108,800 units
Increase in the number of investment units by the primary offering:	13,500 units
Total number of investment units issued and outstanding after the primary offering:	122,300 units
Increase in the number of investment units by way of third-party allotment(plan):	500 units
Total number of investment units issued and outstanding after the third-party allotment::	122,800 units

5. Use of proceeds

The fund intends to purchase specified assets as defined under Article 2.1 of the Investment Trust Law with the proceeds obtained through the primary offering totaling Yen 14,048,000,000 and a maximum of Yen 520,000,000 obtained through third-party allotment and the exercise of the greenshoe option.

6. Distributions to investors

(1) Basic policy regarding cash distributions

Cash distributions shall be made in line with the distribution policies provided for in the Articles of Incorporation of the Fund.

(2) Distributions in past periods

	Fiscal Period Ending January 31, 2006	Fiscal Period Ending July 31, 2006	Fiscal Period Ending January 31, 2007
Net Income per Unit (Yen)	17,414	14,505	15,175
Distributions per Unit (Yen)	17,344	14,194	15,175
Payout Ratio	99.9%	100.0%	99.9%
Weight Average Number of Units for each period	59,259 units	106,460 units	108,800 units

Note:

1. Net Income per Unit = Net Income ÷ Weight Average Number of Units for each period
2. Although the Fiscal Period Ending January 31, 2006 ran from February 22, 2005 to January 31, 2006, the actual operating period was from May 9, 2005 to January 31, 2006.

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7. Other

(1) Pre-arranged allocation of investment units
Not applicable

(2) Limitations on sales and additional issues of investment units

- 1) Mitsui & Co., Ltd. Chuo Mitsui and Trust Banking Co., Ltd., and Kenedix, Inc. are the unitholders of the Fund holding 1,400 units, 840 units, and 560 units, respectively, of the investment units as of July 31, 2007. The three companies have agreed with the co-lead managers not to, without the prior written approval of the co-lead managers, sell any of the investment units owned for a 1-year period after the settlement date.
- 2) The Fund has agreed with the co-lead managers not to, without the prior written approval of the co-lead managers, issue additional investment units (except additional issues that are offered in connection with the allotment of units to Nikko Citigroup Limited through the greenshoe option as described in item 2. above) for a 90-days period after the settlement date.

(3) Equity finance activities in the past years

1) Equity finance

(Thousands of yen unless otherwise stated)

Date	Issue Amount	Investment Amount after Issue	Remarks
February 22, 2005	500,000	500,000	Private placement
May 6, 2005	29,562,775	30,062,775	Public Offering
June 1, 2005	1,486,100	31,548,875	Third-Party allotment
February 8, 2006	35,668,755	67,217,630	Public Offering
March 8, 2006	2,147,796	69,365,426	Third-Party allotment

2) Recent trends in unit price

	Fiscal Period Ending January 31, 2006	Fiscal Period Ending July 31, 2006	Fiscal Period Ending January 31, 2007	Fiscal Period Ending July 31, 2007
Opening	650,000	823,000	840,000	1,150,000
High	855,000	905,000	1,190,000	1,410,000
Low	650,000	748,000	840,000	900,000
Closing	810,000	848,000	1,150,000	985,000

Note:

1. The Fund listed on Tokyo Stock Exchange`s Real Estate Investment Trust market on May 9, 2005.
2. As of July 30, 2007

(End)

*The Fund`s website: <http://8967.jp/eng/>

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