

August 12, 2010

For Immediate Release**Real Estate Investment Fund Issuer**

Japan Logistics Fund, Inc.
4-3 Hitotsubashi 2-chome, Chiyoda-ku, Tokyo
Reiji Fujita, Executive Director
(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 August 12, 2010. 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: 16,000 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, 2010 (Mon.) and August 25, 2010 (Wed.) (“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 Cordial Securities Inc. and Nomura Securities Co., Ltd. as co-lead managers, and will also include the following underwriters: Daiwa Securities Capital Markets Co., Ltd., UBS Securities Japan Ltd., Mizuho Securities Co., Ltd., and Mitsubishi UFJ Morgan Stanley 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 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.
- (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

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- 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 26, 2010 (Thu.) to August 27, 2010 (Fri.)
Subject to demand, the application period may be moved up. The earliest application period shall be August 24, 2010 (Tue.) through August 25, 2010 (Wed.).
 - (8) Payment date: September 1, 2010 (Wed.)
Subject to demand, the payment date may be moved up. The earliest payment date applicable shall be August 30, 2010 (Mon.).
 - (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 Financial Instruments and Exchange Law.

2. Secondary offering of investment units (Over-allotment)

- (1) Seller: Nikko Cordial Securities Inc.
- (2) The number of units offered: 700 units
The above number represents the maximum number of investment units to be offered. The number may decrease, or the secondary offering by over-allotment itself may be cancelled, depending on the degree of demand and other conditions. The number of investment units to be offered shall be determined at the Board of Directors meeting, to be held on the price determination date, in consideration of the degree of demand and other conditions.
- (3) Offer price: To be determined
(to be decided on the price determination date. The offer price is to be the same as the public offering issue price (offer price).)
- (4) Total amount of issue value: To be determined.
- (5) Offering method: Nikko Cordial Securities Inc. will make an offering of the maximum of 700 units of the Fund that it borrows from Mitsui & Co., Ltd., which is an investor of the Fund, in consideration of the degree of demand and other conditions in the public offering.
- (6) Application unit: One unit or more in multiples of one unit
- (7) Application period: The same application period as the primary offering
- (8) Settlement date: The first business day immediately following the payment date for the primary offering
- (9) 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.
- (10) The aforementioned items shall be subject to the effectiveness of the securities registration statement in accordance with the Financial Instruments and Exchange Law.

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

- (1) Total number of units to be issued: 700 units
- (2) Allottee and number of units to be issued: Nikko Cordial Securities Inc. 700 units
- (3) Issue value: To be determined (To be decided at the Board of Directors meeting, to be held on the price determination date. The issue price is to be the same as the public offering issue price.)
- (4) Total amount of issue value: To be determined.
- (5) Application units: One unit or more in multiples of one unit
- (6) Application date: September 22, 2010 (Wed.)
- (7) Payment date: September 24, 2010 (Fri.)
- (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 Financial Instruments and Exchange Law.

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Note:

- (1) A secondary offering by over-allotment may be effected by Nikko Cordial Securities Inc., the lead manager of the public offering, after considering demand and other conditions, of up to a limit of 700 units borrowed (hereafter “borrowed units”) from Mitsui & Co., Ltd., an investor of the Fund (hereafter, “secondary offering by over-allotment”). The number of units to be offered through the secondary offering by over-allotment is the upper limit and may be reduced, or the offering through over-allotment itself may be suspended, depending on demand and other conditions.

In order to cause Nikko Cordial Securities Inc. to acquire the units of the Fund necessary to repay the borrowed units by Nikko Cordial Securities Inc. in connection with the secondary offering by over-allotment, the Fund resolved, at the Board of Directors’ meeting held on August 12, 2010 (Thu.), that 700 new units of the Fund be issued and allocated to Nikko Cordial Securities Inc. (hereafter “third-party allotment”) with a payment date of September 24, 2010 (Fri.).

In addition, Nikko Cordial Securities, Inc. may, within the period commencing on the day immediately following the end of the application period for the public offering and the secondary offering by over-allotment and ending on September 17, 2010 (Fri.) (hereafter, “syndicate cover transaction period”), purchase up to the maximum number of units of the Fund sold in the secondary offering by over-allotment on the Tokyo Stock Exchange (hereafter, “syndicate cover transaction”) with the aim of repaying the borrowed units. All the units of the Fund procured by Nikko Cordial Securities Inc. through syndicate cover transaction will be allocated to repay the borrowed units. In the syndicate cover transaction period, Nikko Cordial Securities may, at its discretion, choose not to enter into any syndicate cover transaction, or to terminate such transaction prior to reaching the maximum number of units to be issued in the secondary offering by over-allotment.

Moreover, Nikko Cordial Securities Inc. may effect stabilization transactions in relation to the public offering and secondary offering by over-allotment, and allocate all or part of the units of the Fund purchased through stabilization transactions, to repayment of the borrowed units.

Nikko Cordial Securities Inc. plans to underwrite the allotment under this issue of new units by a third-party allotment of a number of units of the Fund obtained by deducting the number of units purchased through stabilizing transaction and syndicate cover transaction that are to be used to return the borrowed units, from the number of units to be offered in the over-allotment. For this reason, the units to be issued by third-party allotment may not be subscribed in whole or in part, and as a result, the subscription right will be forfeited and the final number of units with respect to the third-party allotment may be reduced to the same extent, or the issue itself may be suspended.

Whether the secondary offering by over-allotment is exercised and the number of units to be subscribed when the secondary offering by over-allotment is exercised will be determined on the issue price determination date. In case the secondary offering by over-allotment is not exercised, Nikko Cordial Securities Inc. will not borrow units of the Fund from the aforementioned investor of the Fund. Consequently, in case the secondary offering by over-allotment is not exercised, Nikko Cordial Securities Inc. will not respond or apply for the third-party allotment and the subscription right will be forfeited and then issue of new units by third-party allotment will not take place at all. Similarly, the syndicate cover transaction on the Tokyo Stock Exchange will not be exercised.

- (2) The transaction stated in (1) above shall be made by Nikko Cordial Securities Inc. in consultation with Nomura Securities Co., Ltd..

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

Current number of investment units issued and outstanding:	131,300 units
Increase in the number of investment units by the primary offering:	16,000 units
Total number of investment units issued and outstanding after the primary offering:	147,300 units
Increase in the number of investment units by way of third-party allotment (plan):	700 units
Total number of investment units issued and outstanding after the third-party allotment:	148,000 units

(Note) These figures are based on the assumption that the new units to be issued by third-party allotment are all applied by Nikko Cordial Securities Inc..

5. Reason for the issue of units

The issue of new units was decided on in order to expand the asset size through acquiring a new specified asset after considering the situations of the real estate market, current level of Interest-bearing debt ratio and level of dividend payout.

6. Total amount to be procured, use of proceeds and scheduled outlay period

(1) Total amount to be procured (approximate net balance)

¥10,941,000,000 (maximum)

(Note) The above figures represents the sum of ¥10,483,000,000 in net proceeds from the public offering and the ¥458,000,000 maximum net proceeds from the issue of new units by third-party allotment. The above-mentioned amounts are estimated amounts as of August 12, 2010.

(2) Specific use of proceeds and scheduled outlay period

The net proceeds from the primary offering shall be allocated for the acquisition of specified asset to be acquired (mentioned in “Notice concerning the Acquisition of the Interest of Trust Beneficial Right” released on August 12, 2010). The net proceeds from the issue of new units by third-party allotment shall be allocated for partial repayment of the borrowings.

7. Designation of distributives

Not applicable

8. Outlook

Please refer to “Notice Concerning Forecasts of Financial Results for the Fiscal Periods Ending January 31, 2011 and July 31, 2011” on August 12, 2010.

9. Management conditions and states of equity finance during the three most recent fiscal periods

(1) Management conditions during the three most recent fiscal periods

	Fiscal Period Ending January 31, 2009	Fiscal Period Ending July 31, 2009	Fiscal Period Ending January 31, 2010
Net Income per Unit (Yen)	16,558	15,950	17,234
Distributions per Unit (Yen)	16,559	15,951	17,234
Payout Ratio	100.0%	100.0%	99.9%
Net Assets per Unit (Yen)	687,217	686,609	687,892

(Note) The net income per unit is calculated based on the average number of units during the period.

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(2) Recent unit price conditions

① Changes in unit prices in the three most recent fiscal periods

	Fiscal Period Ending January 31, 2009	Fiscal Period Ending July 31, 2009	Fiscal Period Ending January 31, 2010
Opening	640,000	495,000	660,000
High	675,000	664,000	749,000
Low	478,000	452,000	625,000
Closing	500,000	640,000	633,000

② Changes in unit prices during the last six months

	February	March	April	May	June	July
Opening	635,000	658,000	731,000	746,000	688,000	689,000
High	669,000	768,000	752,000	755,000	709,000	733,000
Low	602,000	656,000	712,000	678,000	648,000	680,000
Closing	655,000	749,000	752,000	684,000	691,000	709,000

③ Unit prices on the business day immediately prior to the resolution date of the issue

	August 11, 2010
Opening	674,000
High	674,000
Low	664,000
Closing	665,000

10. Limitations on sales and additional issues of investment units

- (1) Mitsui & Co., Ltd. is a unitholder of the Fund holding 1,400 units of the investment units as of August 12, 2010. The company has 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 (However, excluding where investment units are lent for the purpose of secondary offering by over-allotment).
- (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 for the third-party allotment) for a 90 days period after the settlement date.
- (3) The co-lead managers have the authority to cancel all or part of this restriction or to shorten such restriction period at its direction.

(End)

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

This notice is the English translation of the announcement in Japanese on our website. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

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