



For Immediate Release

Real Estate Investment Trust

Japan Logistics Fund, Inc.

Representative: Takayuki Kawashima

Executive Director

(Security Code: 8967)

Asset Management Company

Mitsui & Co., Logistics Partners Ltd.

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**Notice Concerning the Issuance of New Investment Units
and Secondary Offering of Investment Units**

Japan Logistics Fund, Inc. (hereinafter referred to as “JLF”) announced today that its Board of Directors has resolved the issuance of new investment units and the secondary offering of investment units as detailed below:

1. Issuance of new investment units (Domestic Public Offering)

- (1) Total number of units to be issued: 16,000 units
- (2) Issue price: 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 September 25, 2013 (Wed.) and September 30, 2013 (Mon.). (“Issue Price Determination Date”))
- (3) Total amount of issue price: To be determined.
- (4) Offering method: Domestic Public offering. All units shall be underwritten by a group of underwriters that will be led by SMBC Nikko Securities Inc. and Nomura Securities Co., Ltd. as co-lead managers, and will also include the following underwriters: UBS Securities Japan Ltd., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., Daiwa Securities Co. Ltd., Mizuho Securities Co., Ltd. and Tokai Tokyo Securities Co., Ltd. (collectively together with the co-lead managers, the “Underwriters”)

The issue price of the public offering 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 (amounts less than 1 yen to be omitted) and subject to demand.

Note: This document is a public announcement regarding the issuance of new investment units of JLF and secondary offering thereof, and has not been prepared for the purpose of solicitation of investment. Investors should carefully read JLF’s offering circular for the issue of new investment units and secondary offering and the notices of amendments thereto (if any), and make any investment decision at their own judgment and responsibility.

- (5) Underwriting agreement: The Underwriters shall pay the net proceeds to JLF on the payment date that is set forth in paragraph (8) below, and the difference between the issue price in the public offering and the net proceeds shall be distributed to the Underwriters. JLF shall not pay any underwriting fees.
- (6) Application units: One unit or more in multiples of one unit.
- (7) Subscription period: From September 26, 2013 (Thu.) to September 27, 2013 (Fri.). Subject to demand, the subscription period may be postponed. The latest subscription period shall be October 1, 2013 (Tue.) to October 2, 2013 (Wed.).
- (8) Payment date: October 2, 2013 (Wed.). Subject to demand, the payment date may be postponed. The latest payment date applicable shall be October 7, 2013 (Mon.).
- (9) Delivery date: First business day after the payment date.
- (10) Issue price, net proceeds and other items required for the issuance of new investment units shall be determined at a future Board of Directors' meeting. Any amendments, etc. before the formal determination, however, shall be left to the discretion of the executive director in charge.
- (11) The aforementioned items shall be subject to the effectiveness of the securities registration statement in accordance with the Financial Instruments and Exchange Act.

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

- (1) Seller: SMBC Nikko Securities Inc.
- (2) The number of units offered: 2,000
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 Issue Price Determination Date in consideration of the degree of demand and other conditions.
- (3) Offer price: To be determined.
(To be decided on the Issue Price Determination Date. The offer price is to be the same as the public offering issue price.)
- (4) Total amount of offer value: To be determined.
- (5) Offering method: SMBC Nikko Securities Inc. will make an offering of up to 2,000 units of JLF's investment units ("Borrowed Units") borrowed from Mitsui & Co., Ltd. and Sumitomo Mitsui Trust Bank, Limited, unitholders of JLF, 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) Subscription period: The same subscription period as in the primary offering.
- (8) Delivery date: The 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. Any amendments, etc. before the formal determination, however, shall be left to the discretion of the executive director in charge.

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- (10) The aforementioned items shall be subject to the effectiveness of the securities registration statement in accordance with the Financial Instruments and Exchange Act.

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

- (1) Total number of units to be issued: 2,000
- (2) Allottee and number of units to be issued: SMBC Nikko Securities Inc.; 2,000 units
- (3) Issue price: To be determined.
(To be decided at the Board of Directors' meeting to be held on the Issue Price Determination Date. The issue price is to be the same as the public offering issue price.)
- (4) Total amount of issue price: To be determined.
- (5) Application units: One unit or more in multiples of one unit.
- (6) Subscription date: October 25, 2013 (Fri.)
- (7) Payment date: October 28, 2013 (Mon.)
- (8) Issue price and other items required for the issue of new investment units through the Third-party Allotment shall be determined at a future Board of Directors' meeting. Any amendments, etc. before the formal determination, however, shall be left to the discretion of the executive director in charge.
- (9) If no payment shall be made for all or part of the investment units issued by the payment date set forth above, the issue of such units shall be cancelled.
- (10) If the public offering is cancelled, the issue of new investment units through the Third-party Allotment shall also be cancelled.
- (11) The aforementioned items shall be subject to the effectiveness of the securities registration statement in accordance with the Financial Instruments and Exchange Act.

Note:

Secondary offering by over-allotment:

- (1) A secondary offering by over-allotment may be conducted by SMBC Nikko Securities Inc., after considering demand and other conditions, of up to a limit of 2,000 units borrowed ("Borrowed Units") from Mitsui & Co., Ltd. and Sumitomo Mitsui Trust Bank, Limited, unitholders of JLF ("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 Secondary Offering by Over-allotment itself may be suspended, depending on demand and other conditions.

In order to cause SMBC Nikko Securities Inc. to acquire the units of JLF necessary to repay the borrowed units by SMBC Nikko Securities Inc. in connection with the Secondary Offering by Over-allotment, JLF has resolved, at the Board of Directors' meeting held on September 13, 2013 (Fri.), that 2,000 new units of JLF be issued and allocated to SMBC Nikko Securities Inc. ("Third-party Allotment") with a payment date of October 28, 2013 (Mon.)

In addition, SMBC Nikko 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 October 23, 2013 (Wed.) ("Syndicate Cover Transaction Period"), purchase up to the maximum number of units of JLF sold in the Secondary Offering by Over-allotment on the Tokyo Stock Exchange ("Syndicate Cover Transaction") with the aim of settling the borrowed units. All the units of JLF procured by SMBC Nikko Securities Inc. through Syndicate Cover Transaction will be allocated to settle the borrowed units. In the Syndicate Cover Transaction Period, SMBC Nikko Securities Inc. 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, SMBC Nikko Securities Inc. may conduct stabilization transactions in relation to the public offering and Secondary Offering by Over-allotment, and allocate all or part of the units of JLF purchased through stabilization transactions, for settlement of the Borrowed Units.

SMBC Nikko Securities Inc. intends to underwrite the issuance of new units by a Third-party Allotment to settle the Borrowed Units. The number of units obtained by a Third-party Allotment will be the number of units to be offered in the over-allotment deducted by the number of units purchased through stabilizing transaction and Syndicate Cover Transaction. 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 how many units will be subscribed if the Secondary Offering by Over-allotment is exercised will be determined on the Issue Price Determination Date. In the event that the Secondary Offering by Over-allotment is not exercised, SMBC Nikko Securities Inc. will not borrow units of JLF from the aforementioned investors of JLF. Consequently, in the event that the Secondary Offering by Over-allotment is not exercised, SMBC Nikko Securities Inc. will not accept or subscribe the Third-party Allotment and the subscription right will be forfeited, and then issuance 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 SMBC Nikko Securities Inc. in consultation with Nomura Securities Co., Ltd.

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

Current number of investment units outstanding:	148,000
Increase in the number of investment units by the public offering:	16,000
Total number of investment units outstanding after the public offering:	164,000
Increase in the number of investment units by Third-party Allotment	2,000 ^(Note)
Total number of investment units outstanding after the Third-party Allotment:	166,000 ^(Note)

(Note) These figures are based on the assumption that all the new units to be issued by Third-party Allotment are subscribed by SMBC Nikko Securities Inc.

5. Reason for the issuance of new investment units

The issuance of new investment units was decided in order to expand the asset size through acquiring a new asset after contemplating the situations of the real estate market, the current level of interest-bearing debt ratio and the level of dividend per unit.

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

- (1) Total amount to be procured (Approximate net balance)
¥15,107,000,000 (maximum)

(Note) The figure represents the sum of ¥13,429,000,000 in net proceeds from the public offering, and ¥1,678,000,000 maximum net proceeds from the issuance of new units by Third-party Allotment. These amounts are estimates as of September 13, 2013.

- (2) The use of proceeds and scheduled outlay period

The net proceeds from the public offering shall be used for the acquisition of the beneficiary right of domestic real estate trust (Three assets; Total amount of acquisition: ¥19,171,000,000) ("Newly

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Acquired Assets”) which are specified in “Notice Concerning Acquisition of New Assets (3 Properties)” dated September 13, 2013. Residual proceeds, if any, will be used to partial repayment of borrowings with respect to the acquisition of the Newly Acquired Assets. The net proceeds from the issuance of new units by Third-party Allotment will be used for partial repayment of the borrowings.

7. Designation of allottees

The Underwriters plan to allot 160 units out of the investment units to be issued by public offering to Mitsui & Co., Ltd. which is one of the unitholders of JLF and a shareholder of Mitsui & Co., Logistics Partners Ltd., the asset management company of JLF, as an allottee designated by JLF.

8. Outlook

Please refer to “Notice Concerning Amendment of the Forecasts for the Fiscal Period Ending January 31, 2014 and the Forecasts for the Fiscal Period Ending July 31, 2014” dated September 13, 2013.

9. Summary of financial results and history of equity finance during the three most recent fiscal periods

(1) Summary of financial results during the three most recent fiscal periods

	Fiscal Period Ended July 31, 2012 (The 14 th fiscal period)	Fiscal Period Ended January 31, 2013 (The 15 th fiscal period)	Fiscal Period Ended July 31, 2013 (Note2) (The 16 th fiscal period)
Net income per unit (Yen)	17,688	18,214	14,362
Dividend per unit (Yen) (Including distribution in excess of earnings)	17,689	18,215	17,500
Dividend per unit (Yen) (Excluding distribution in excess of earnings)	17,689	18,215	14,362
Distribution in excess of earnings per unit (Yen)	0	0	3,138
Payout ratio	100.0%	100.0%	99.9%
Net assets per unit (Yen) (Note 1)	676,878	677,403	673,551

Notes 1: As of the date of this document, audit by accounting auditors has not been completed for the figures for the Fiscal Period Ended July 31, 2013 (The 16th fiscal period) in accordance with Article 193 paragraph 2 (1) of the Financial Instruments and Exchange Act.

2: Net income per unit is calculated based on the average number of units outstanding during the period.

(2) Recent Unit Price Conditions

i) Changes in unit price in the three most recent fiscal periods

(Yen)	Fiscal Period Ended July 31, 2012 (The 14 th fiscal period)	Fiscal Period Ended January 31, 2013 (The 15 th fiscal period)	Fiscal Period Ended July 31, 2013 (The 16 th fiscal period)
Opening	618,000	691,000	820,000
High	730,000	815,000	1,148,000
Low	615,000	671,000	782,000
Closing	691,000	811,000	870,000

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ii) Changes in unit price during the last six months

(Yen)	March 2013	April	May	June	July	August
Opening	884,000	1,102,000	1,050,000	931,000	920,000	880,000
High	1,145,000	1,148,000	1,062,000	949,000	935,000	906,000
Low	880,000	950,000	866,000	816,000	859,000	861,000
Closing	1,099,000	1,054,000	942,000	909,000	870,000	892,000

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

(Yen)	September 12, 2013
Opening	927,000
High	932,000
Low	916,000
Closing	927,000

- (3) Status of equity finance during the three most recent fiscal periods
Not applicable.

10. Restrictions on sale and issuance of investment units

- (1) Mitsui & Co., Ltd. will be required to promise with the co-lead managers not to, without prior written approval of the co-lead managers, sell any of the investment units of JLF (1,400 units) held prior to the public offering as well as those (160 units) to be acquired by the company through public offering during the period from the Issue Price Determination Date to the date on which one year has lapsed from the settlement date (except for investment units lent to the lead manager of the relevant offering for the purpose of secondary offering by over-allotment for which the seller is also the lead manager for the offering of the investment units of JLF (including public offering)).

Co-lead managers will have the authority to cancel all or part of the relevant agreed restrictions at their discretion during the said restricted period, or shorten the said restricted period.

- (2) Sumitomo Mitsui Trust Bank, Limited has agreed with the co-lead managers with respect to public offering not to, without prior written approval of the co-lead managers, sell any of the investment units held prior to the public offering during the period from the Issue Price Determination Date to the date on which one year has elapsed from the settlement date (except for investment units lent to the lead manager of the relevant offering for the purpose of secondary offering by over-allotment for which the seller is also the lead manager for the offering of the investment units of JLF (including public offering)).
- (3) JLF has agreed with respect to public offering with the co-lead managers not to, without prior written approval of the co-lead managers, issue investment units (except for the Third-party Allotment) during the period from the Issue Price Determination Date to the date on which 90 days have elapsed from the settlement date.
- (4) In either case stated in paragraph (2) or (3) above, the co-lead managers will have the authority to cancel all or part of the relevant agreed restrictions at their discretion during the said restricted period, or shorten the said restricted period.

(End)

*JLF'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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