

September 11, 2014

For Immediate Release
Real Estate Investment Trust

Japan Logistics Fund, Inc.
Representative: Takayuki Kawashima
Executive Director
(Security Code: 8967)

Asset Management Company

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Notice Concerning Disposition and Lease Termination of Assets (2 properties)

Mitsui & Co., Logistics Partners Ltd. (hereafter referred to as “MLP”), the asset management company of Japan Logistics Fund Inc. (hereafter referred to as “JLF”), announced today that MLP has decided the disposition and lease termination of the assets, as detailed below:

1. Outline of the disposition
(1) Assets to be disposed (2 properties)

Asset number	Name of the asset	Date of contract	Expected date of disposition	Expected disposition price (million yen) (Note 1)	Book value (million yen) (Note 2)	Difference between disposition price and book value (million yen) (Note 3)	Buyer
M-7	Funabashi Nishiura Logistics Center II	September 11, 2014	September 30, 2014	14,000	7,953	2,830	Japan Logistics II TMK
M-10	Yokosuka Logistics Center				3,215		

(Note 1) The figure does not include disposition fee, adjustments fixed asset taxes and city planning taxes, consumption taxes, etc. Expected disposition price of each asset is not disclosed, for unable to obtain the buyer’s consent.

(Note 2) These figures indicate expected values as of the expected date of disposition and are rounded down to millions of yen.

(Note 3) This figure is simply calculated by deducting sum of the book values from expected disposition price, as reference.
The figure may differ from the actual profit and loss on this disposition of assets.

(2) Change of annual rent: The net change of annual rent associated with the disposition of assets and the acquisition of new assets, specified in the “Notice Concerning Acquisition and Lease Initiation of New Assets (2 properties)” dated September 11, 2014, will decrease by 217 million yen.

2. Rationale for the disposition and the lease termination

JLF has authorized the disposition of “Funabashi Nishiura Logistics Center II” and “Yokosuka Logistics Center” in accordance with the investment targets and policies stipulated in its Articles of Incorporation, and in the view of the portfolio management in response to real estate market trend, and characteristic of each holding property. JLF has been pursuing stability and continuous growth of dividends based on the growth strategy “stable + Growth”, and set constructing “muscular portfolio” as its first priority. Together with the acquisition of the assets specified in the “Notice Concerning Acquisition and Lease Initiation of New Assets (2 properties)” dated September 11, 2014, this disposition will significantly contribute to the improvement of its portfolio.

Proceeds from the disposition will be used to the acquisition of the properties, expenses of the acquisition associated costs, and repayment of existing loans.

3. Details of the assets to be disposed and lease contracts to be terminated

[M-7 Funabashi Nishiura Logistics Center II]

Outline of the asset					
Type of the asset		Trust beneficiary right of real estate			
Date of the acquisition		March 17, 2006	Acquisition price		9,330 million yen
Trustee		Sumitomo Mitsui Trust Bank Co., Limited	End of the trust		October 13, 2015
Land	Location (address)	3-8-1 Nishiura, Funabashi, Chiba	Building	Structure/Story	Steel-frame structure, galvanized steel roof, 5 stories
	Site area	39,686 m ²		Date of completion	December 26, 1985, etc.
	Zoning	Industrial area		Total floor area	73,880.92 m ²
	Floor-area ratio	200%		Total rentable area	73,859.32 m ²
	Building-to-land ratio	60%		Usage	Warehouse
	Type of ownership	Ownership		Type of ownership	Ownership
Outline of the appraisal					
Real estate appraiser		The Tanizawa Sogo Appraisal Co., Ltd.			
Date of appraisal		July 31, 2014			
Appraisal value		11,700 million yen			
Outline of the lease contract					
Name of tenant		Tri-net Logistics Co., Ltd.			
Annual rent (excluding consumption tax)		780 million yen	Lease deposit		130 million yen
Total rent area		73,859.32 m ²	Ratio		100.0%
Lease period		10 years	Date of termination (Expected)		September 30, 2014

[M-10 Yokosuka Logistics Center]

Outline of the asset					
Type of the asset		Trust beneficiary right of real estate			
Date of the acquisition		February 9, 2006	Acquisition price		3,305 million yen
Trustee		Mizuho Trust & Banking Co., Ltd.	End of the trust		June 15, 2015
Land	Location (address)	2873-17 Natsushima-cho, Yokosuka, Kanagawa	Building	Structure/Story	Steel-frame structure, galvanized steel sheet roof, 5 stories
	Site area	11,790.09 m ²		Date of completion	July 31, 1990
	Zoning	Industrial area		Total floor area	21,364.11 m ²
	Floor-area ratio	200%		Total rentable area	21,234.51 m ²
	Building-to-land ratio	60%		Usage	Warehouse and office
	Type of ownership	Ownership		Type of ownership	Ownership
Outline of the appraisal					
Real estate appraiser		The Tanizawa Sogo Appraisal Co., Ltd.			
Date of appraisal		July 31, 2014			
Appraisal value		2,670 million yen			
Outline of the lease contract					
Name of tenant		LOGIPAL EXPRESS INC.			
Annual rent (excluding consumption tax)		Not disclosed (Note)	Lease deposit		Not disclosed (Note)
Total rent area		21,234.51 m ²	Ratio		100.0%
Lease period		5 years / 4 years and 8 months	Date of termination (Expected)		September 30, 2014

(Note) Not disclosed, for unable to obtain the tenants' consent.

4. Outline of the buyer

Name of the company	Japan Logistics II TMK
Address	Tokyo Kyodo Accounting Office, 1-1 Marunouchi 3-chome, Chiyoda-ku, Tokyo
Representative	Masakazu Hongo, Director
Principle business lines	Acquisition, management, and disposition of the specified real estate according to plans for asset securitization based on the Act on Securitization of Assets, etc.
Capital	100 thousand yen (As of August 13, 2014)
Date of establishment	November 13, 2013
Relationship to JLF and MLP	The buyer has no relationship, either in capital or in personnel, with JLF and MLP. There are no transactions that should be noted in the period ended July 2014, with JLF and MLP. In addition, the buyer is not classified as a related party of either JLF or MLP.

5. Current conditions of the buyer

The buyer has no material conflict of interest with either JLF or MLP.

6. Outline of the brokerage

Name of the company	CBRE K.K.
Address	2-1-1 Marunouchi, Chiyoda-ku, Tokyo
Representative	Benjamin Mark Duncan, President and Representative Director & CEO
Principle business lines	Providing comprehensive commercial real estate services to domestic and international clients
Capital	150 million yen (As of April 1, 2014)
Date of establishment	February 21, 1970
Relationship to JLF and MLP	The broker has no relationship, either in capital or in personnel, with JLF and MLP. There are no transactions that should be noted in the period ended July 2014, with JLF and MLP. In addition, the broker is not classified as a related party of either JLF or MLP.
Broker fee	Not disclosed (Note)

(Note) Not disclosed, for unable to obtain the brokers' consent.

Name of the company	Mitsubishi UFJ Trust and Banking Corporation
Address	4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Representative	Tatsuo Wakabayashi, President and Chairman
Principle business lines	1. Trust Business 2. Banking Business 3. Other business (brokerage business for dealings in trust beneficiary right and real estate, etc.)
Capital	324,479 million yen (As of March 31, 2014)
Date of establishment	March 10, 1927
Relationship to JLF and MLP	The broker has no relationship, either in capital or in personnel, with JLF and MLP. There are no transactions that should be noted in the period ended July 2014, with JLF and MLP. In addition, the broker is not classified as a related party of either JLF or MLP.
Broker fee	Not disclosed (Note)

(Note) Not disclosed, for unable to obtain the brokers' consent.

7. Transaction with an interested party

These disposition and brokerage of properties are not classified with the transactions with interested parties, and have no material conflict of interest with JLF or MLP.

8. Future prospects

The financial forecasts for the fiscal period ending January 2015 (the 19th fiscal period) and July 2015 (the 20th fiscal period), taking into account of this disposition, are shown in the "REIT Financial Report for the Fiscal Period ended July 31, 2014 (The 18th Period)", announced on September 11, 2014.

(End)

(Reference press releases)

- "Notice Concerning Acquisition and Lease Initiation of New Assets (2 Properties)" dated September 11, 2014

*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.