



For Immediate Release

Real Estate Investment Trust

Japan Logistics Fund, Inc.

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Executive Director

(Security Code: 8967)

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Notice Concerning Acquisition of a New Asset (Musashimurayama Logistics Center)

Japan Logistics Fund, Inc. (hereinafter referred to as “JLF”) announced today that JLF has decided to acquire a new asset, as detailed below:

1. Rationale for the acquisition

In order to improve the quality of its portfolio of inland locations within the Tokyo Metropolitan Area, JLF has authorized the acquisition of “Musashimurayama Logistics Center” (hereinafter referred to as “this asset”) in accordance with its investment targets and policies stipulated its Articles of Incorporation.

Characteristics of this asset

- **Excellent inland location within the Tokyo Metropolitan Area adjacent to major consumption and production areas**
- **Highly versatile facility specifications equipped with L-shaped double-sided loading docks**
- **Long-term contract with VANTEC CORPORATION, a group company of a leading 3PL company**

2. Outline of the property to be acquired

(1) Asset to be acquired:	The trust beneficiary right of a domestic real estate
(2) Name of the asset:	Musashimurayama Logistics Center
(3) Acquisition price:	8,650 million yen (excluding expenses associated with the acquisition, fixed property tax, urban planning tax, and consumption tax)
(4) Date of contract:	August 1, 2013 (Expected)
(5) Date of closing:	August 1, 2013 (Expected)
(6) Seller:	SN Musashi LLC
(7) Company source:	Bank loans and cash in hand
(8) Payment method:	Lump-sum payment on the day of closing

With regard to financing, please refer to Notice Concerning Loans dated July 25, 2013.

3. Outline of the property to be acquired

Outline of the asset			Outline of the appraisal				
Asset type		Trust beneficiary right of real estate	Real estate appraiser		The Tanizawa Sōgō Appraisal Co., Ltd.		
Date of the acquisition (Expected)		August 1, 2013	Date of the appraisal		June 30, 2013		
Acquisition price		8,650 million yen	Appraisal value		8,670 million yen		
Trustee		Mizuho Trust & Banking Co., Ltd.	Income approach		8,670 million yen		
End of the trust		July 31, 2023					
Land	Location (Note 1)	1-26-1 Inadaira, Musashimurayama-shi, Tokyo	Discounted cash flow approach	8,650 million yen			
	Site area	32,745.39 m ²					
	Zoning	Industrial area				Discount rate	1st to 10th year: 5.3% In the 11th year:5.4%
	Floor-area ratio	200%				Terminal cap rate	5.6%
	Building-to-land ratio	60%	Direct capitalization approach		8,730 million yen		
	Type of ownership	Ownership					
Building	Structure/Story (Note 1)	Steel frame with aluminum roofing sheet 4-story building		Cap rate	5.3%		
	Date of the completion (Note 1)	July 8, 2003					
	Total floor area (Note 1)	40,884.25 m ²	Cost approach		8,350 million yen		
	Total rentable area	40,884.25 m ²					
	Usage (Note 1)	Warehouse	Land (Percentage)	58.1%			
	Type of ownership	Ownership					
Property management company (Expected)		Mitsui Fudosan Building Management Co., Ltd.	Building (Percentage)		41.9%		
Outline of the lease contract			Outline of the engineering report				
Number of tenants		1	Survey company		Tokio Marine & Nichido Risk Consulting Co., Ltd.		
Annual rent (excluding consumption tax)		Not disclosed (Note 2)	Issue date of engineering report		July 5, 2013		
Lease deposit		Not disclosed (Note 2)	Urgent repairs		—		
Total rent area (Note 3)	40,884.25 m ²		Short-term repairs		—		
			Long-term repairs		181,878 thousand yen		
Occupancy		100.0%	PML (Note 5)		12%		
Expected income/expense (Note 4)			Design company, construction company and building certification company				
Income (including auxiliary income)		Not disclosed (Note 2)	Design company		Daiwa House Industry Co., Ltd.		
NOI (Net Operating Income)		498 million yen	Construction company		Daiwa House Industry Co., Ltd.		
NOI yield (based on acquisition price)		5.8%	Building certification company		UHEC		
Special remarks:							
First refusal right pertaining to the sale of this asset or its trust beneficiary right has been granted to VANTEC CORPORATION.							
(Note 1) According to the indication of the real estate registry.							
(Note 2) Not disclosed, as unable to obtain the tenants’ consent.							
(Note 3) In general, there are minor differences between the definition of “rentable area” determined by JLF and the definition of “rental area” determined by lease contracts. It is possible that some of the rent area is not included in rentable area. The total rent area represents the sum of the rentable area included in rent area.							
(Note 4) The figures are not the forecasts for the fiscal period ending July 31, 2013 or the fiscal period ending January 31, 2014, but the normalized estimation based on annual income/expense projection.							



4. Characteristics of this asset

(1) Geographical characteristics

This property locates in Tama Area. Because Tama Area is close to the heart of the Tokyo Metropolis, the largest consumption area in Japan, the area is suitable for storage and distribution centers catering to the general consumer goods market. In addition, it is a promising area in terms of logistics needs as numerous factories are located in this area.

The property allows access to the broader Tokyo area by using National Route 16, a major arterial route in the Tokyo metropolitan area. With the further development of the Metropolitan Inter-City Expressway, transport convenience is expected to be further enhanced in the future.

In addition, as the property locates in an area where factories and logistics facilities are concentrated, it is possible to operate 24 hours a day without any complaints about noise. At the same time, the property is surrounded by residential areas and an extensive bus network, and it is easy to secure a labor force. The property meets all the locational conditions required for contemporary distribution operations.

(2) Facility characteristics

The facility is highly versatile logistics center with standard specs such as an effective column interval of 11 m, an effective ceiling height of 6.0 m (5.5 m on the third floor), and a standard floor load capacity of 1.5t/m².

The facility has double-sided L-shaped loading docks (high floor type) and ample vertical transport equipment (3 elevators and 14 vertical transport devices), therefore enabling efficient inflow, outflow, internal flow and storage. The facility’s specs also make it possible for multiple tenants use. In addition, the main loading dock with an overall length exceeding 192 m has eaves of 15 m wide and 6 m tall, offering sufficient space for loading work by large wing body trucks and enabling work in the rain without impediment.

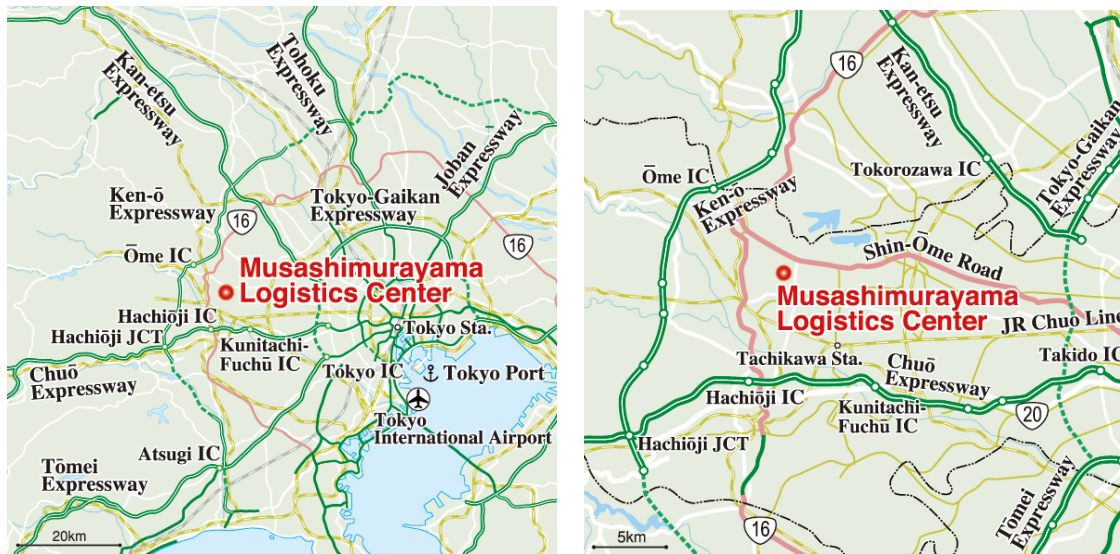
Furthermore, by securing ample parking spaces as well as dining and resting spaces for workers, the facility offers a friendly work environment to its tenant companies.

(3) Tenants

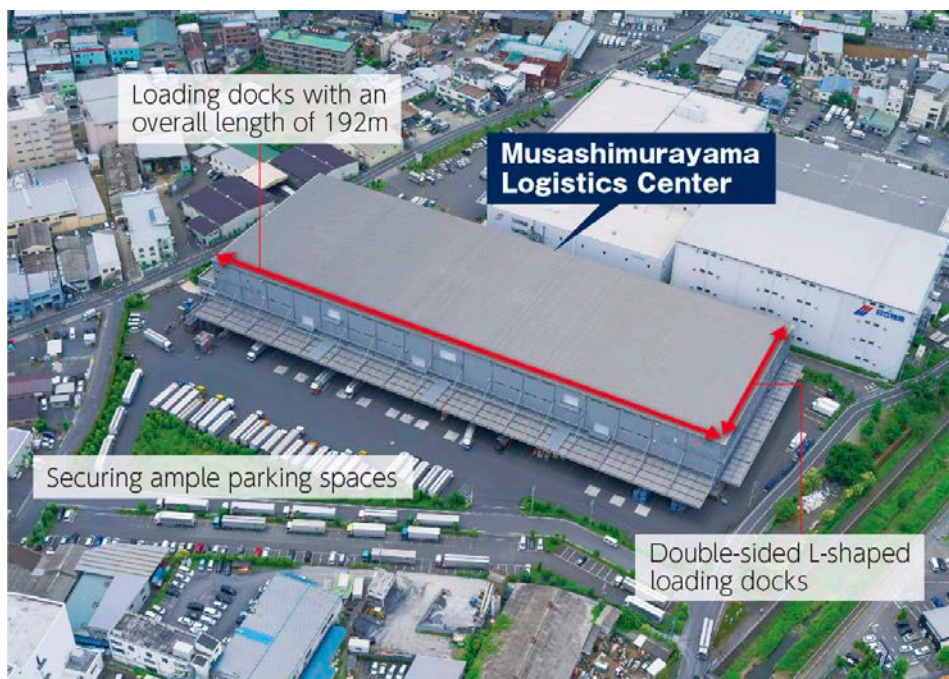
VANTEC CORPORATION, a growing company within the Hitachi Logistics Group which is a leading third-party logistics (3PL) operator, has signed a fixed-term lease contract (term: approximately 19 years and 4 months).

As one of VANTEC CORPORATION’s most prominent logistics centers in the Tokyo metropolitan area, the facility is used as a storage center for products of a major beverage maker and as a distribution center.

[Excellent location with convenient traffic connections to the Tokyo metropolitan area]



[A highly versatile facility specs that support the ease of use of tenant companies]



5. Outline of the tenant (Lease contract)

Name of tenant	Type of business	Total rent area	Ratio	Annual rent (excluding consumption tax)	Lease period	Lease deposit
VANTEC CORPORATION	General freight and automobile transportation	40,884.25 m ²	100.0%	Not disclosed (Note)	Approximately 19 years and 4 months	Not disclosed (Note)
<p>Contract renewal/revision/ Type of contract: Fixed-term lease contract Rent revision: 1. The rent will not be reduced during the lease period. However, the rent may be reduced only if agreed by the lessor as a result of negotiations between the lessor and lessee. 2. Notwithstanding the provision of preceding paragraph, the rent will be increased on the designated rent revision date in each year as stipulated in the contract effective with the month directly following the month that includes the revision date. The revised rent will be calculated by adding the below item 3) to the rent prior to the revision. In cases where the amount specified under 3) is zero, the rent will not be revised. 1) Total amount of expenses equivalent to one month worth of fixed property tax, urban planning tax, and other taxes and public dues (including depreciable assets tax) pertaining to this asset for the calendar year preceding the year that includes the rent revision date, and insurance premiums on the building of this asset and machinery equipment located inside and outside of this asset. 2) Total amount of expenses equivalent to one month worth of fixed property tax, urban planning tax, and other taxes and public dues (including depreciable assets tax) pertaining to this asset for the second calendar year preceding the year that includes the rent revision date, and insurance premiums on the building of this asset and machinery equipment located inside and outside of this asset. 3) Amount calculated by deducting the amount of 2) from the amount of 1) (In cases where the amount is negative, it is regarded as zero.) 3. On the designated date stipulated in the contract and the corresponding date every three years, the lessor and lessee will revise the rent in light of changes, etc., in market conditions and other economic situations at that time compared with those on the previous corresponding date. Contract renewal: The contract will not be renewed. However, the lessor and lessee may conclude a new lease agreement that begins on the day directly following the expiry date of the current contract or the termination date of the current lease period in case the lessor and lessee decide to make such an agreement. Lease cancellation: Unable to cancel. However, the contract may be cancelled only if requested by the lessee in the following cases: 1) if the lessee fulfills obligations such as the restoration of the asset to original state and pays a designated amount as a penalty, or 2) if a subsequent lessee signs a new lease contract under conditions that are equivalent or higher than the current contract based on the introduction by the current lessee, pays a designated amount as a penalty in place of the penalty defined under 1) (however, the amount is set lower than the amount defined under 1) and pays the compensation, etc., for damage reasonably calculated by the lessor.</p>						
Major items	Beverages					

Note: Not disclosed, as unable to obtain the tenants' consent.

6. Outline of the seller

Name of the company	SN Musashi LLC
Address	C/O Sakura Horwath & Co., 1-11 Kanda Jimbocho, Chiyoda-ku, Tokyo
Date of establishment	February 2, 2009
Representative	Representative Partner: M Logistics Association Functional Manager: Takao Ando
Capital	100,000 yen
Shareholders	M Logistics Association
Principal business lines	1. Acquisition, holding and disposal of real estate 2. Real estate leasing and management 3. Acquisition, holding and disposal of real estate trust beneficiary rights 4. Other businesses incidental to or associated with the businesses listed in the preceding items
Relation to JLF and the asset management company	As SN Musashi LLC has a discretionary investment advisory agreement pertaining to real estate, etc., with the asset manager Mitsui & Co., Realty Management Ltd., SN Musashi LLC qualifies as an interested party defined by the anti-conflict interest rule of Mitsui & Co., Logistics Partners Ltd., JLF's asset management company (hereinafter referred to as the "asset management company").

7. Current conditions of the property

The following are the details of the acquisition of the asset from the parties with a special interest in JLF and the asset management company.

	Current owner/beneficiary of the trust	Previous owner/beneficiary of the trust
Name of the company	SN Musashi LLC	Party other than party with a special interest in JLF and the asset management company
Special interest in JLF and the asset management company	See above "6. Outline of the seller"	—
Reason for acquisition	Investment management	—
Acquisition price	Descriptions are omitted as the current owner/beneficiary of the trust has possessed the asset more than one year.	—
Acquisition date	March 12, 2009	—

8. Transaction with an interested party

As the seller is qualified as an interested party defined by the asset management company's Anti-Conflict-of-Interest Rule, this acquisition was approved by the board of directors and compliance committee of the asset management company by strictly following the rule.

9. Brokers

No brokers in this transaction

10. Future prospects

There will be no impact on JLF's 16th fiscal period forecasts associated with this acquisition. As the impact on JLF's 17th fiscal period forecasts from this acquisition is minor, no changes are expected to the forecasts.

[Reference materials]

Reference material: Portfolio list after the acquisition

(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.

[Reference Materials]

Reference Material : Portfolio after acquisition

	Property Name	Location	Acquisition Price (Million Yen)	Ratio
M-1	Funabashi	Funabashi, Chiba	8,675	5.0%
M-2	Urayasu	Urayasu, Chiba	2,902	1.7%
M-3	Hiratsuka	Hiratsuka, Kanagawa	1,466	0.8%
M-4	Shinkiba	Koto-ku, Tokyo	2,454	1.4%
M-5	Urayasu Chidori	Urayasu, Chiba	6,000	3.5%
M-6	Funabashi Nishiura	Funabashi, Chiba	5,700	3.3%
M-7	Funabashi Nishiura II	Funabashi, Chiba	9,330	5.4%
M-8	Kawasaki	Kawasaki, Kanagawa	10,905	6.3%
M-9	Narashino	Narashino, Chiba	1,690	1.0%
M-10	Yokosuka	Yokosuka, Kanagawa	3,305	1.9%
M-11	Yachiyo	Yachiyo, Chiba	2,266	1.3%
M-12	Yokohama Fukuura	Yokohama, Kanagawa	9,800	5.6%
M-13	Yachiyo II	Yachiyo, Chiba	5,300	3.0%
M-14	Urayasu Chidori II	Urayasu, Chiba	1,640	0.9%
M-15	Ichikawa	Ichikawa, Chiba	4,550	2.6%
M-16	Shinonome	Koto-ku, Tokyo	11,800	6.8%
M-17	Narashino II	Narashino, Chiba	7,875	4.5%
M-18	Ichikawa II	Ichikawa, Chiba	17,415	10.0%
M-19	Souka	Souka, Saitama	6,360	3.7%
M-20	Tatsumi	Koto-ku, Tokyo	9,000	5.2%
M-21	Kashiwa	Kashiwa, Chiba	3,725	2.1%
M-22	Musashimurayama	Musashimurayama, Tokyo	8,650	5.0%
Metropolitan Area (Bay, Inland) Subtotal			140,808	81.0%
T-1	Daito	Daito, Osaka	9,762	5.6%
T-2	Osaka Fukuzaki	Osaka, Osaka	4,096	2.4%
T-3	Chubu Haruhi	Kiyosu, Aichi	685	0.4%
T-4	Kadoma	Kadoma, Osaka	989	0.6%
T-5	Komaki	Komaki, Aichi	2,100	1.2%
T-6	Komaki II	Komaki, Aichi	1,800	1.0%
T-7	Fukuoka Hakozaiki Futo	Fukuoka, Fukuoka	2,797	1.6%
Kinki Area, Chubu Area and Kyushu Area Subtotal			22,229	12.8%
O-1	Maebashi	Maebashi, Gunma	1,230	0.7%
O-2	Hanyu	Hanyu, Saitama	1,705	1.0%
O-3	Saitama Kisai	Kitasaitama, Saitama	4,010	2.3%
O-4	Kazo	Kazo, Saitama	3,790	2.2%
Other Area Subtotal			10,735	6.2%
Portfolio Total			173,772	100.0%