



**For Immediate Release**

**Real Estate Investment Trust**

Japan Logistics Fund, Inc.

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Executive Director

(Security Code: 8967)

**Asset Management Company**

Mitsui & Co., Logistics Partners Ltd.

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**Notice Concerning Acquisition of a New Asset (Fukuoka Kashiihama Logistics Center)**

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

1. Rationale for the acquisition

In order to improve the quality of its portfolio, JLF has authorized the acquisition of "Fukuoka Kashiihama Logistics Center" in accordance with the investment targets and policies stipulated in its Articles of Incorporation. The property was developed by Mitsui & Co., Ltd. (hereinafter referred to as "Mitsui & Co.") Amid intensified competition to obtain logistics facilities, JLF purchases quality properties using its sponsor pipeline.

**Acquisition Highlights:**

- **Developed using the know-how of Mitsui & Co. as a leading general trading company in Japan**
- **Excellent location with easy access to central Fukuoka City, the largest consumption area in Kyushu**
- **Long-term contracts with three tenants, including a Mitsui & Co. Group logistics company**

2. Outline of the acquisition

- |                          |   |   |
|--------------------------|---|---|
| (1) Asset to be acquired | : | The trust beneficiary right of domestic real estate |
| (2) Name of the asset    | : | T-9 Fukuoka Kashiihama Logistics Center             |
| (3) Date of transaction  | : | March 25, 2014                                      |
| (4) Seller               | : | Mitsui & Co., Ltd.                                  |
| (5) Acquisition price    | : | 2,750 million yen                                   |
| (6) Appraisal value      | : | 2,920 million yen                                   |
| (7) NOI Yield            | : | 6.3%  |
| (8) Fund Source          | : | Bank loans and cash in hand                         |
|                          | : | The details will be noticed as soon as decided      |
| (9) Payment Method       | : | Lump-sum payment on the day of closing              |

### 3. The newly acquired asset

#### (1). Outline of the newly acquired asset

Outline of asset			Outline of appraisal			
Asset type		Trust beneficiary right of real estate	Real estate appraiser		The Tanizawa Sogo Appraisal Co., Ltd.	
Date of acquisition		March 25, 2014	Date of appraisal		January 31, 2014	
Acquisition price		2,750 million yen	Appraisal value		2,920 million yen	
Trustee		Mitsubishi UFJ Trust and Banking Corporation	Income approach		2,920 million yen	
Termination of the trust		February 29, 2024				
Land	Location (address)	2-1-10 Kashiikama Futo, Higashi-ku, Fukuoka	Discounted cash flow approach		2,960 million yen	
	Site area (Note 1)	8,751.58 m <sup>2</sup>				
	Zoning	Semi-industrial area				
	Floor-area ratio	300%				
	Building-to-land ratio	60%	Direct capitalization approach		2,840 million yen	
	Ownership	Ownership				
Building	Structure/Story (Note 1)	Steel frame with alloy-plated steel roofing sheet, 5-story building, and other	Cap rate		5.7%	
	Date of completion (Note 1)	October 30, 2009				
	Total floor area (Note 1)	21,230.78 m <sup>2</sup>	Cost approach		2,750 million yen	
	Total rentable area	21,201.15 m <sup>2</sup>				
	Usage (Note 2)	Warehouse	Land (Percentage)		34.9%	
	Type of ownership	Ownership				
Property management company		Fukuoka Jisho Co., Ltd.		Building (Percentage)		65.1%
Collateral		—				
Outline of lease contract			Outline of engineering report			
Number of tenants		3	Survey company		Shimizu Corporation	
Annual rent (excluding consumption tax)		Not disclosed (Note 2)	Issue date of engineering report		February 10, 2014	
Lease deposit		Not disclosed (Note 2)	Urgent repairs		—	
Total rent area (Note 3)		21,201.15 m <sup>2</sup>	Short-term repairs		—	
			Long-term repairs		46,709 thousand yen	
Occupancy		100.0%	PML		1%	
Expected income/expense (Note 4)			Design company, construction company and building certification company			
Income (including auxiliary income)		Not disclosed (Note 2)	Design company		Fujita Corporation	
NOI		174 million yen	Construction company		Fujita Corporation	
NOI yield (based on acquisition price)		6.3%	Building certification company		Japan ERI Co., Ltd.	
Remarks:						
(Note 1) The outline shown here is indicated according to the real estate registry, and may differ from the present state.						
(Note 2) Not disclosed, for 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 “rent 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, 2014 or the fiscal period ending January 31, 2015, but the normalized estimation based on annual income/expense projection.						

## (2). Characteristics of the asset

### a. Geographical characteristics

This property locates just 2 km from the Kashiihama Interchange of the Fukuoka Urban Expressway, and thus has high accessibility to central Fukuoka City, the largest consumption area in Kyushu. In addition, the property is located in the Kashii Park Port, where containers are loaded and unloaded, within the port of Hakata, which is a gateway port to Asia. Therefore, the property is also valued by port transport business operators who handle import and export cargos. Furthermore, since the property is situated in an area where logistics facilities and factories are concentrated, the chances of receiving complaints about noise is slim. At the same time, there is a large parking lot (that can accommodate 42 cars) within the property and convenience stores are available in the vicinity, so it is easy to secure a sufficient workforce.

### b. Facility characteristics

The facility is a highly versatile logistics center with standard specs, such as a column interval of 10 m by 11 m, an effective ceiling height of 5.5 m or higher on each floor, and a standard floor load capacity of 1.5 t/m<sup>2</sup> (2.0 t/m<sup>2</sup> on the first floor). The facility has various vertical transport equipment (3 elevators and 2 vertical transport devices) and office space on each floor, enabling divided use. In addition, the loading dock that can accommodate 17 large trucks has eaves 11 m wide and 7 m tall, offering sufficient space for loading of large wing body trucks and enabling the bringing in and out of freight in the rain without impediment.

### c. Tenants

Trinet Logistics Co., Ltd., a logistics subsidiary of the Mitsui & Co. Group, and two other Kyushu-based logistics companies (mbs, Inc. and Onoun Co., Ltd.) have signed lease contracts. The facility is used as the delivery base of each company in the Kyushu area.

[Easy access to central Fukuoka City]



[High versatility with standard specs]



### (3) Outline of the tenants (Lease contract)

Name of tenant	Type of business	Total rent area	Ratio	Annual rent (excluding consumption tax)	Lease period	Lease deposit
Trinet Logistics Co., Ltd. (Note 1)	Warehousing	5,154.74m <sup>2</sup>	24.3%	Not disclosed (Note 2)	5 years	Not disclosed (Note 2)
mbs, Inc.	Truck transportation	5,897.31m <sup>2</sup>	27.8%		7 years	
Onoun Co., Ltd.	Warehousing	10,149.10m <sup>2</sup>	47.9%		11 years and 6 months	
Total		21,201.15m <sup>2</sup>	100.0%	Not disclosed (Note 2)	—	Not disclosed (Note 2)
<p>Contract renewal/revision</p> <p>Trinet Logistics Co., Ltd.</p> <p>Type of contract: Ordinary lease contract</p> <p>Rent revision: There are no special provisions.</p> <p>Contract renewal: The contract may be renewed if the lessor and lessee agree to renewal after deliberation. However, in case neither party notifies the other party of its intent to terminate the contract no later than six months before the termination date of the current contract, the contract shall be automatically renewed for one year from the day directly following the termination date of the current contract, and in the same manner thereafter.</p> <p>Lease cancellation: The contract may not be cancelled during the contract period. However, the lessee may cancel the contract, if the lessee pays the lessor the amount equivalent to the rent and common-area charge, etc., payable for the remaining term up to the last day of the contract term.</p> <p>mbs, Inc.</p> <p>Type of contract: Fixed-term lease contract</p> <p>Rent revision: There are no special provisions.</p> <p>Contract renewal: The contract will not be renewed. However, the lessor and lessee may conclude a new fixed-term lease agreement that begins on the day directly following the termination date of the current contract, if the lessor and lessee agree renewal after deliberation during the period between nine months and one year before the termination date of the current contract (hereinafter referred to as the "priority negotiation period"). During the priority negotiation period, the lessor shall not negotiate nor conclude a lease contract of the property with third parties other than the lessee.</p> <p>Lease cancellation: The lease contract cannot be cancelled during the contract period.</p> <p>Onoun Co., Ltd.</p> <p>Type of contract: Fixed-term lease contract</p> <p>Rent revision: There are no special provisions.</p> <p>Contract renewal: The contract will not be renewed. However, the lessor and lessee may conclude a new fixed-term lease agreement that begins on the day directly following the termination date of the current contract, if the lessor and lessee agree renewal after deliberation.</p> <p>Lease cancellation: The lease contract cannot be cancelled during the contract period.</p>						
Major items:	Foods, beverages etc.					

(Note 1) As Trinet Logistics Co., Ltd. is a consolidated subsidiary of Mitsui & Co., Ltd., the parent company of Mitsui & Co., Logistics Partners Ltd., JLF's asset management company (hereinafter referred as "MLP"), Trinet Logistics Co., Ltd. qualifies as a related party as defined under the Investment Corporation Law and an interested party as defined by the anti-conflict of interest rules of MLP.

(Note 2) Not disclosed, for unable to obtain the tenants' consent.

#### 4. Outline of the seller

Name of the seller	Mitsui & Co., Ltd.
Address	1-2-1 Otemachi, Chiyoda-ku, Tokyo
Date of establishment	July 25, 1947
Representative	Representative Director, President & CEO: Masami Iijima
Capital	341,481 million yen
Principal business lines	Wholesale
Relation to JLF or JLF's asset management company	As Mitsui & Co., Ltd. is the parent company of JLF's asset management company, Mitsui & Co., Ltd. qualifies as a related party as defined under the Investment Corporation Law and an interested party defined by the anti-conflict of interest rules of MLP.

#### 5. Current conditions of the property

	Current owner/beneficiary of the trust	Previous owner/beneficiary of the trust
Name of company	Mitsui & Co., Ltd.	Party other than party with a special interest in JLF and MLP
Special interest in JLF and the asset management company	See above "4. Outline of the seller"	—
Reason for acquisition	Development	—
Acquisition price	Descriptions are omitted as the current owner/beneficiary of the trust has possessed the asset more than one year	—
Acquisition date	September 19, 2000	—

#### 6. Broker

No brokers were involved in these transactions

#### 7. Transaction with an interested party

As the sellers qualify as interested parties as defined by MLP's Anti-Conflict of Interest Rules, these acquisitions were approved by the board of directors and compliance committee of MLP by strictly following the applicable rules.

#### 8. Future prospects

There is no impact on JLF's 17th fiscal period ended January 31, 2014 forecasts associated with these acquisitions. Since the Company is examining the preconditions of JLF's 18th fiscal period forecasts, it plans to announce JLF's 18th fiscal period forecasts and 19th fiscal period forecasts in REIT Financial Report for the 17th fiscal period ended January 31, 2014 to be released on March 13, 2014.



Japan Logistics Fund, Inc.

[Reference materials]

Portfolio list after the acquisitions

(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]

Portfolio after the acquisition of new properties

#	Property Name	Location	Acquisition Price (Million Yen)	Ratio (Note 1)
M-1	Funabashi	Funabashi, Chiba	8,675	4.4%
M-2	Urayasu	Urayasu, Chiba	2,902	1.5%
M-3	Hiratsuka	Hiratsuka, Kanagawa	1,466	0.8%
M-4	Shinkiba	Koto-ku, Tokyo	2,454	1.3%
M-5	Urayasu Chidori	Urayasu, Chiba	6,000	3.1%
M-6	Funabashi Nishiura	Funabashi, Chiba	5,700	2.9%
M-7	Funabashi Nishiura II	Funabashi, Chiba	9,330	4.8%
M-8	Kawasaki	Kawasaki, Kanagawa	10,905	5.6%
M-9	Narashino	Narashino, Chiba	1,690	0.9%
M-10	Yokosuka	Yokosuka, Kanagawa	3,305	1.7%
M-11	Yachiyo	Yachiyo, Chiba	1,662 (Note 2)	0.9%
M-12	Yokohama Fukuura	Yokohama, Kanagawa	9,800	5.0%
M-13	Yachiyo II	Yachiyo, Chiba	5,300	2.7%
M-14	Urayasu Chidori II	Urayasu, Chiba	1,640	0.8%
M-15	Ichikawa	Ichikawa, Chiba	4,550	2.3%
M-16	Shinonome	Koto-ku, Tokyo	11,800	6.0%
M-17	Narashino II	Narashino, Chiba	7,875	4.0%
M-18	Ichikawa II	Ichikawa, Chiba	17,415	8.9%
M-19	Souka	Souka, Saitama	6,360	3.3%
M-20	Tatsumi	Koto-ku, Tokyo	9,000	4.6%
M-21	Kashiwa	Kashiwa, Chiba	3,725	1.9%
M-22	Musashimurayama	Musashimurayama, Tokyo	8,650	4.4%
M-23	Kashiwa II (Land)	Kashiwa, Chiba	2,500	1.3%
M-24	Shin-Koyasu	Yokohama, Kanagawa	9,696	5.0%
Metropolitan Area (Bay, Inland) Subtotal			152,400	78.1%
T-1	Daito	Daito, Osaka	9,762	5.0%
T-2	Osaka Fukuzaki	Osaka, Osaka	4,096	2.1%
T-3	Chubu Haruhi (Land)	Kiyosu, Aichi	685	0.4%
T-4	Kadoma	Kadoma, Osaka	989	0.5%
T-5	Komaki	Komaki, Aichi	2,100	1.1%
T-6	Komaki II	Komaki, Aichi	1,800	0.9%



#	Property Name	Location	Acquisition Price (Million Yen)	Ratio (Note 1)
T-7	Fukuoka Hakozaki Futo	Fukuoka, Fukuoka	2,797	1.4%
T-8	Tajimi	Tajimi, Gifu	6,975	3.6%
T-9	Fukuoka Kashiihama	Fukuoka, Fukuoka	2,750	1.4%
Kinki Area, Chubu Area and Kyushu Area Subtotal			31,954	16.4%
O-1	Maebashi	Maebashi, Gunma	1,230	0.6%
O-2	Hanyu	Hanyu, Saitama	1,705	0.9%
O-3	Saitama Kisai	Kazo, Saitama	4,010	2.1%
O-4	Kazo	Kazo, Saitama	3,790	1.9%
Other Area Subtotal			10,735	5.5%
Portfolio Total			195,089	100.0%

(Note 1) The ratio refers to the percentage of the acquisition price of each property to the total value of the portfolio.

(Note 2) The acquisition price refers to the balance after deducting of 603 million yen, the amount equivalent to a building demolished in July 2013, from 2,266 million yen, an acquisition price stated in the initial sales contract.