

February 25, 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 Acquisition of a New Asset (Misato 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 "Misato Logistics Center" in accordance with the investment targets and policies stipulated in its Articles of Incorporation. The property JLF will acquire was developed by Kenedix, Inc. (hereinafter referred to as "Kenedix"). Amid intensified competition to obtain logistics facilities, JLF purchases quality properties using its sponsor pipeline

Acquisition Highlights:

- **Developed under the initiative of Kenedix as asset management company**
- **Located in the Misato area, a key logistics point just outside the Tokyo Metropolitan Area**
- **Long-term contract (term: 25 years) with Takuyo Co., Ltd., a company operating a logistics business mainly in the southern part of Saitama**

2. Outline of the acquisition

- | | | |
|--------------------------|---|---|
| (1) Asset to be acquired | : | The trust beneficiary right of domestic real estate |
| (2) Name of the asset | : | M-25 Misato Logistics Center |
| (3) Date of transaction: | : | March 4, 2014 |
| (4) Seller: | : | Limited Liability Company IK Investment One |
| (5) Acquisition price: | : | 3,873 million yen |
| (6) Appraisal value: | : | 4,290 million yen |
| (7) NOI Yield | : | 5.7% |
| (8) Fund Source | : | Bank loans and cash in hand |
| | : | For further information, please refer to the corresponding press release. |
| (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		Daiwa Real Estate Appraisal	
Date of acquisition		March 4, 2014	Date of appraisal		February 1, 2014	
Acquisition price		3,873 million yen	Appraisal value		4,290 million yen	
Trustee		Sumitomo Mitsui Trust Bank Co., Limited	Income approach		4,290 million yen	
End of the trust		March 31, 2024				
Land	Location (address)	480-1 Aza Fukata, Nizo, Misato, Saitama	Discounted cash flow approach		4,270 million yen	
	Site area	10,688.38 m ²				
	Zoning	Not specified (urbanization control area)				
	Floor-area ratio	200%				
	Building-to-land ratio	60%	Direct capitalization approach		4,340 million yen	
	Type of ownership	Ownership				
Building	Structure/Story (Note 1)	Steel-frame reinforced concrete and steel-frame construction with alloy coating, galvanized steel sheet roof, 4 stories	Cap rate		5.1%	
	Date of completion (Note 1)	October 1, 2013				
	Total floor area (Note 1)	19,483.06 m ²	Cost approach		3,110 million yen	
	Total rentable area	19,407.18 m ²				
	Usage (Note 1)	Warehouse and office	Land (Percentage)		41.9%	
	Type of ownership	Ownership				
Property management company		ITOCHU Urban Community Ltd.		Building (Percentage)		58.1%
Collateral		—				
Outline of lease contract			Outline of engineering report			
Number of tenants		1	Survey company		Takenaka Corporation	
Annual rent (excluding consumption tax)		Not disclosed (Note 2)	Issue date of engineering report		February 3, 2014	
Lease deposit		Not disclosed (Note 2)	Urgent repairs		—	
Total rent area (Note 3)	19,407.18 m ²		Short-term repairs		—	
			Long-term repairs		22,760 thousand yen	
Occupancy		100.0%	PML (Note 5)		11%	
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		221 million yen	Construction company		Fujita Corporation	
NOI yield (based on acquisition price)		5.7%	Building certification company		Bureau Veritas Japan 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.

(Note 5) According to Shimizu Corporation's "Seismic Risk Analysis Report" dated December 24, 2013.

(2) Characteristics of this asset

a. Geographical characteristics

This property is located in the Misato area, a key logistics point just outside the Tokyo Metropolitan Area, where several highways (Joban Expressway, Metropolitan Expressway No. 6 Misato Line, and Tokyo-Gaikan Expressway) join together. Since the property is close to the Misato Interchange, it allows easy access to the entire Tokyo area and other major cities across Japan. In addition, it is possible to deliver goods to major consumption areas, mainly the northeastern part of Tokyo and the southern part of Saitama, at lower cost and with a relatively shorter lead time using National Route 298, a loop road, and local roads heading to the center of Tokyo, such as Nikko-kaido road. Furthermore, as other logistics facilities are located near the property and the chance of receiving complaints from residents is low, it is possible to operate the logistics facility on a long-term basis. At the same time, since Shinmisato station of the JR Musashino Line is within walking distance of the property, it is easy to secure a sufficient workforce.

b. Facility characteristics

The facility has standard specs as a logistics center, such as a column interval of 11 m, an effective ceiling height of 5.5 m or higher, and a standard floor load capacity of 1.5 t/m².

In addition, the facility is highly versatile because it has loading docks (that can accommodate 24 trucks) with 11 spans at one side, which are wide enough to enable work in the rain, and various vertical transport equipment (3 elevators and 2 vertical transport devices), therefore enabling efficient inflow, outflow and internal flow and storage, accommodating the wide-ranging needs of sole tenant or multiple tenant use.

c. Tenant

Takuyo Co., Ltd., a company operating a logistics business mainly in the southern part of Saitama, has signed a long-term contract (term: 25 years). The facility is used as one of their main bases to offer a wide-range of logistics service.

[Misato area, a logistics hub outside Tokyo]



[A facility responding to a wide-range of tenants' needs]



(3) 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
Takuyo Co., Ltd.	Warehousing and transportation	19,407.18 m ²	100.0%	Not disclosed (Note)	25 years	Not disclosed (Note)
Contract renewal/revision						
Type of contract:	Fixed-term lease contract					
Rent revision:	The rent may not be revised for 10 years from the month directly following the commencement month of the lease contract (hereinafter referred to as the "no rent revision period"). After termination of no rent revision period, the rent may be revised only when the lessor and lessee agree in writing to the revision.					
Contract renewal:	The contract will not be renewed. However, the lessor and lessee may conclude a new lease contract that begins on the day directly following the termination date of the current contract, when the lessee requests the lessor for the renewal no later than 12 months before the termination date of the current contract; and the lessor and the lessee agree after deliberation.					
Lease cancellation:	A part or the whole of the contract may not be cancelled for 15 years from the start of the lease (hereinafter referred to as the "no cancellation period"). After the no cancellation period is over, the lessee may cancel the contract by notifying the lessor of its intent to cancel the contract in writing no less than six months before a desired cancellation date. However, even during the no cancellation period, the lessee may cancel the contract on condition that the lessee pays the lessor a penalty equivalent to the amount of rent payable for the remaining term of the no cancellation period or an amount equivalent to damage in case the lessor suffers damage that exceeds the amount of the rent payable. In event the lessor concludes a new lease contract (hereinafter referred to as "new contract") on or before the desired cancellation date with a person that the lessee introduces to the lessor, the amount equivalent to rent payable under the new contract for the remaining term of the cancellation prohibited period shall be deducted from the penalty.					
Major items:	Foods					

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

4. Outline of the seller

Name of company	Limited Liability Company IK Investment One
Address	6-5 Nihonbashi Kabutocho, Chuo-ku, Tokyo
Date of establishment	March 23, 2010
Representative	Representative Partner: General Incorporated Association IK Investment Functional Manager: Tadatsugu Ishimoto
Capital	150,000 yen
Shareholders	General Incorporated Association IK Investment
Principal business lines	1. Acquisition, holding, disposal, and management of real estate 2. Acquisition, holding, and disposal of real estate trust beneficiary rights 3. All other operations incidental to or associated with each of the above items
Relation to JLF or JLF's asset management company	As Limited Liability Company IK Investment One has commissioned asset management operations to Kenedix, a shareholder of JLF's asset management company, it qualifies as an interested party as defined by the anti-conflict of interest rules of the asset management company.

5. Current conditions of the property

	Current owner/beneficiary of the trust	Previous owner/beneficiary of the trust
Name of company	Limited Liability Company IK Investment One	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 "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	November 27, 2012	—

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 the asset management company's Anti-Conflict of Interest Rules, these acquisitions were approved by the board of directors and compliance committee of the asset management company 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



Japan Logistics Fund, Inc.

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.

[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	0.7%
M-4	Shinkiba	Koto-ku, Tokyo	2,454	1.2%
M-5	Urayasu Chidori	Urayasu, Chiba	6,000	3.0%
M-6	Funabashi Nishiura	Funabashi, Chiba	5,700	2.9%
M-7	Funabashi Nishiura II	Funabashi, Chiba	9,330	4.7%
M-8	Kawasaki	Kawasaki, Kanagawa	10,905	5.5%
M-9	Narashino	Narashino, Chiba	1,690	0.8%
M-10	Yokosuka	Yokosuka, Kanagawa	3,305	1.7%
M-11	Yachiyo	Yachiyo, Chiba	1,662 (Note 2)	0.8%
M-12	Yokohama Fukuura	Yokohama, Kanagawa	9,800	4.9%
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	5.9%
M-17	Narashino II	Narashino, Chiba	7,875	4.0%
M-18	Ichikawa II	Ichikawa, Chiba	17,415	8.8%
M-19	Souka	Souka, Saitama	6,360	3.2%
M-20	Tatsumi	Koto-ku, Tokyo	9,000	4.5%
M-21	Kashiwa	Kashiwa, Chiba	3,725	1.9%
M-22	Musashimurayama	Musashimurayama, Tokyo	8,650	4.3%
M-23	Kashiwa II (Land)	Kashiwa, Chiba	2,500	1.3%
M-24	Shin-Koyasu	Yokohama, Kanagawa	9,696	4.9%
M-25	Misato	Misato, Saitama	3,873	1.9%
Metropolitan Area (Bay, Inland) Subtotal			156,274	78.5%
T-1	Daito	Daito, Osaka	9,762	4.9%
T-2	Osaka Fukuzaki	Osaka, Osaka	4,096	2.1%
T-3	Chubu Haruhi (Land)	Kiyosu, Aichi	685	0.3%
T-4	Kadoma	Kadoma, Osaka	989	0.5%
T-5	Komaki	Komaki, Aichi	2,100	1.1%



#	Property Name	Location	Acquisition Price (Million Yen)	Ratio (Note 1)
T-6	Komaki II	Komaki, Aichi	1,800	0.9%
T-7	Fukuoka Hakozaki Futo	Fukuoka, Fukuoka	2,797	1.4%
T-8	Tajimi	Tajimi, Gifu	6,975	3.5%
T-9	Fukuoka Kashiihama	Fukuoka, Fukuoka	2,750	1.4%
Kinki Area, Chubu Area and Kyushu Area Subtotal			31,954	16.1%
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	2.0%
O-4	Kazo	Kazo, Saitama	3,790	1.9%
Other Area Subtotal			10,735	5.4%
Portfolio Total			198,963	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.