

April 16, 2015

For Immediate Release**Real Estate Investment Trust**

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Asset Management Company

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Notice Concerning Acquisition of a New Asset (Kasugai Logistics Center (Land))

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

1. Outline of the acquisition**(1) Newly acquired asset (Domestic real estate)**

Asset number	Name of the asset	Date of contract	Expected date of closing	Seller	Acquisition price (million yen)	Appraisal value (million yen)	NOI yield (%)
T-10	Kasugai Logistics Center (Land)	April 23, 2015	April 23, 2015	ITOCHU-SHOKUHN Co., Ltd.	830	1,030	5.2

(2) Fund source : Cash in hand

(3) Payment method : Lump-sum payment on the day of closing

2. Rationale and highlights for the acquisition

In order to improve the quality of its portfolio, JLF has authorized the acquisition of “Kasugai Logistics Center (Land)” (hereafter referred to as “the Property”) in accordance with the investment targets and policies stipulated in its Articles of Incorporation. This acquisition is virtually the sale and leaseback transaction (Note 1) through off-market negotiation. By leveraging extensive business network of Mitsui & Co., Logistics Partners Ltd. (hereafter referred to as “MLP”), the asset management company of JLF, JLF purchases the Property in order to secure stable incomes. In addition, JLF sees future redevelopment opportunity in the Property, and JLF intends to conclude agreement associated with redevelopment (Note 2) with a construction company that will acquire the building on the Property (hereafter referred to as “the Building”).

- (Note 1) JLF purchase the Property from the seller, and lease it to a construction company that acquires the Building from the same seller. Then, the construction company leases the Building back to the seller. Rent of the Property received from the construction company depends on the rent of the Building paid to the construction company from the seller. As a result, this acquisition virtually qualifies as a sale and lease back transaction.
- (Note 2) JLF does not owe any legal obligation through this agreement. As of the date of this release, JLF has not decided this redevelopment project yet, and JLF does not guarantee the authorization of the redevelopment project.

<Acquisition Highlight>

- Prime location as a wide-area distribution center in Chubu region as well as scarce facility as a BCP base
- The sale and leaseback transaction through off-market negotiation by leveraging extensive business network of MLP
- Securing stable income through land acquisition while collaborating with a construction company on future redevelopment opportunity of the Property

3. Details of the newly acquired asset

(1) Outline of the newly acquired asset

Outline of the asset			Outline of the appraisal	
Asset type		Domestic real estate	Real estate appraiser	Daiwa Real Estate Appraisal Co., Ltd.
Date of the acquisition		April 23, 2015	Date of the appraisal	April 1, 2015
Acquisition price		830 million yen	Appraisal value	1,030 million yen
Land	Location	5-1-3 Takamoridai, Kasugai, Aichi	Income approach	1,030 million yen
	Site area (Note 1)	15,767.90 m ²	Direct capitalization over a definite term approach	1,030 million yen
	Zoning	Semi-industrial area		
	Floor-area ratio	150%	Discount rate	4.5%
	Building-to-land ratio	50%		
	Type of ownership	Ownership	Ratio of leasehold to land value approach	999 million yen
Property Management Company		None	Land value	1,110 million yen
Collateral		None	Land (Percentage)	90%
Outline of the lease contract			Outline of environment assessment report	
Number of tenants		1	Survey company	Shimizu Corporation
Tenant		Yano General Construction Co., Ltd.	Issue date of the report	January 30, 2015
Annual rent (excluding consumption tax)		Not disclosed (Note 2)	Expected income/expense (Note 4)	
Lease deposit		Not disclosed (Note 2)	Income (including auxiliary income)	Not disclosed (Note 2)
Total rentable area (Note 3)		15,767.90 m ²	NOI	43 million yen
Total rent area (Note 3)		15,767.90 m ²	NOI yield (based on acquisition price)	5.2%
Occupancy		100.0%		
Remarks:				
1. As of the date of this release, the Property and the Building are owned by ITOCHU-SHOKUHHN Co., Ltd. (hereafter referred to as “ITOCHU-SHOKUHHN”), the seller of the Property. In concert with the acquisition of the Property by JLF, Yano General Construction Co., Ltd. (hereafter referred to as “Yano General Construction”) plans to acquire the Building and lease it to ITOCHU-SHOKUHHN. Following the acquisition of the Property, JLF will place a fixed-term land lease for 10 years on the Property for Yano General Construction. The contract related to the placement of the fixed-term land lease (hereafter referred to as “the Land Lease”) stipulates that, upon termination of the lease contract with ITOCHU-SHOKUHHN concerning the Building during the term of the contract, Yano General Construction will be exempted from obligations of rent payment to JLF during the period until Yano General Construction concludes a lease contract with a new tenant for the Building and the commencement of the lease and payment of rent on the Building. (However, the contract stipulates that the period of rent exemption shall not exceed 12 months.)				

<p>2. JLF acquires the Property in consideration of future redevelopment potential, and plans to conclude legally non-binding agreement associated with redevelopment with Yano General Construction upon the acquisition of the Property to agree in principle on the outline of a redevelopment to facilitate smooth redevelopment of the Property. As of the date of this release, JLF has not decided this redevelopment project yet, and JLF does not guarantee the authorization of the redevelopment project.</p>
<p>(Note1) The outline shown here is according to the real estate registry and may differ from the present state. (Note2) Not disclosed, for unable to obtain tenants' consent. (Note3) The figures represent the area of the land that will be indicated in the Land Lease. (Note4) The figures are not forecasts for the fiscal period ending July 2015 or the fiscal period ending January 2016, but normalized estimations based on annual income/expense projection.</p>

(2) Characteristics of this asset

a. Geographical characteristics

The Property locates in Kasugai area, which is within 20 km from the center of Nagoya and a part of the commuter belt of Nagoya after developments of large-scale housing estates such as Kozoji New Town in the eastern part of the area. The city of Kasugai and the industrial parks in the surrounding suburbs have a relatively high concentration of logistic facilities, and the location is highly rated for its good access not only to Nagoya, a major consumption area, but also to manufacturers within the Chubu region. The Property is ideally located as a wide-range distribution center due to its excellent access in multiple directions, as it is located 6.6 km from Kasugai interchange, approximately 9 km from the Komaki-higashi interchange of the Chuo Expressway and roughly 3 km from National Route 19 (Kasugai bypass), a major roadway. The property also enjoys extremely high scarcity value from the perspective of BCP (business continuity planning). In addition to the fact that the Property locates inside Kozoji New Town enables good access to local labor market, the Property's location is also well suited to the operation of a logistics center as it is designed as a facility inducing district (Note) of the Takamori-dai district planning pursuant to bylaws of the city of Kasugai, which restricts the construction of housing-related facilities.

(Note) A district that promotes the establishment of research and production facilities (urban industries, etc.) that do not pose pollution risks to the surrounding area.

b. Tenant

The tenant of the Property is Yano General Construction, a general contractor that operates mainly in Aichi prefecture. This acquisition is virtually the sale and leaseback transaction through off-market negotiation by leveraging extensive business network of MLP. JLF purchases the Property in order to secure stable incomes. In addition, JLF sees future redevelopment opportunity in the Property, and JLF intends to conclude agreement associated with redevelopment (Note) with Yano General Construction. ITOCHU-SHOKUHIN, the seller of the Property, uses the property as one of its distribution centers in Chubu region.

(Note) JLF does not owe any legal obligation through this agreement. As of the date of this release, JLF has not decided this redevelopment project yet, and JLF does not guarantee the authorization of the redevelopment project.

[Prime location as a wide-area distribution center in Chubu region as well as scarce facility as a BCP base]



4. Outline of the seller

Name	ITOCHU-SHOKUHIN Co., Ltd.
Address	2-2-22 Shiromi, Chuo-ku, Osaka, Osaka
Representative	Shuichi Hoshi, President & CEO
Principal business lines	Wholesale of alcohols and foods, storage, transportation, and information supply of those goods as well as merchandizing of alcohols and food distribution
Capital	4,923 million yen (As of September 30, 2014)
Date of establishment	February 11, 1886
Relation to JLF or MLP	The seller 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 January 2015, with JLF and MLP. In addition, the seller is not classified as a related party of either JLF or MLP.

5. Current condition of the seller

The seller of Kasugai Logistics Center is not an interested party of JLF and MLP.

6. Outline of the broker

Name	CBRE K.K.
Address	2-1-1 Marunouchi, Chiyoda-ku, Tokyo
Representative	Benjamin Mark Duncan, President and Representative Director & CEO
Principal business lines	Providing comprehensive commercial real estate services to domestic and international clients
Capital	150 million yen (As of March 31, 2015)
Date of establishment	February 21, 1970
Relation to JLF or MLP	The broker has no relationship, either in capital or in personnel, with JLF and MLP. JLF concluded an agent service agreement on asset transfers with CBRE in the period ended January 2015. In addition, the broker is not classified as a related party of either JLF or MLP.
Brokerage fee	Not disclosed (Note)

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

7. Future prospects

Since the acquisition of the asset will have a limited impact on the financial results for the fiscal period ending July 31, 2015 (20th fiscal period) and January 31, 2016 (21th fiscal period), JLF has not changed the forecasts.

8. Outline of the appraisal

Appraisal value	1,030 million yen
Real estate appraiser	Daiwa Real Estate Appraisal Co., Ltd.
Date of appraisal	April 1, 2015

Item	Details	Outline
Income approach value	1,030 million yen	Assessed based on the direct capitalization over a definite term approach
Direct capitalization over a definite term approach	1,030 million yen	
Operating revenues	Not disclosed (Note)	
Total potential revenue	Not disclosed (Note)	Assessed reasonable rent level based on the current lease contracts
Loss such as vacancy	Not disclosed (Note)	
Operating expenses	Not disclosed (Note)	
Maintenance	0 yen	Not assumed
Utilities expenses	0 yen	Not assumed
Repairs	0 yen	Not assumed
Property management fee	Not disclosed (Note)	Assessed based on levels from other similar real estate
Expenses for recruiting tenants	0 yen	Not assumed
Real estate taxes	5 million yen	Assessed based on the documents provided by JLF and the trend of land values, etc.
Casualty insurance premium	0 yen	Not assumed
Other expenses	0 yen	Not assumed
Net operating income	41 million yen	
Profit on the investment of a lump sum	Not disclosed (Note)	
Capital expenditure	0 yen	Not assumed
Net cash flow	42 million yen	
Discount rate	4.5%	Assessed mainly based on capitalization rate of logistics facilities (land) in precedent market transactions, supported by regional characteristics and uniqueness as well as stability of net operating income of the property
Ratio of leasehold to land value approach	999 million yen	
Land value	1,110 million yen	
Land (Percentage)	90%	

(Note) JLF has not disclosed these items because it has judged the disclosure which can be guessed the levels of leasing condition and agent service fee may have negative impacts on JLF's effective management and cause disadvantage to investors.

Points of attention in the determination of appraisal value	None
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【Reference materials】

Portfolio list after acquisition of the newly acquired asset

(End)

※JLF's website <http://8967.jp/eng>

【Reference materials】

Portfolio list after acquisition of the newly acquired asset

#	Property Name	Location	Acquisition Price (Million Yen)	Ratio (Note 1)
M-1	Funabashi	Funabashi, Chiba	8,675	4.3%
M-2	Urayasu	Urayasu, Chiba	2,902	1.4%
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	2.9%
M-6	Funabashi Nishiura	Funabashi, Chiba	5,700	2.8%
M-8	Kawasaki	Kawasaki, Kanagawa	10,905	5.4%
M-9	Narashino	Narashino, Chiba	1,690	0.8%
M-11	Yachiyo	Yachiyo, Chiba	7,892 (Note 2)	3.9%
M-12	Yokohama Fukuura	Yokohama, Kanagawa	9,800	4.8%
M-13	Yachiyo II	Yachiyo, Chiba	5,300	2.6%
M-14	Urayasu Chidori II	Urayasu, Chiba	1,640	0.8%
M-15	Ichikawa	Ichikawa, Chiba	4,550	2.2%
M-16	Shinonome	Koto-ku, Tokyo	11,800	5.8%
M-17	Narashino II	Narashino, Chiba	7,875	3.9%
M-18	Ichikawa II	Ichikawa, Chiba	17,415	8.5%
M-19	Souka	Souka, Saitama	6,360	3.1%
M-20	Tatsumi	Koto-ku, Tokyo	9,000	4.4%
M-21	Kashiwa	Kashiwa, Chiba	3,725	1.8%
M-22	Musashimurayama	Musashimurayama, Tokyo	8,650	4.2%
M-23	Kashiwa II (Land)	Kashiwa, Chiba	2,500	1.2%
M-24	Shin-Koyasu	Yokohama, Kanagawa	9,696	4.8%
M-25	Misato	Misato, Saitama	3,873	1.9%

#	Property Name	Location	Acquisition Price (Million Yen)	Ratio (Note 1)
M-26	Sagamihara	Sagamihara Kanagawa	8,032	3.9%
Metropolitan Area (Bay, Inland) Subtotal			157,901	77.5%
T-1	Daito	Daito, Osaka	9,762 (Note 3)	4.8%
T-2	Osaka Fukuzaki	Osaka, Osaka	4,096	2.0%
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	1.0%
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	9,310 (Note 4)	4.6%
T-9	Fukuoka Kashiihama	Fukuoka, Fukuoka	2,750	1.3%
T-10	Kasugai Logistics Center (Land)	Kasugai, Aichi	830	0.4%
Kinki Area, Chubu Area and Kyushu Area Subtotal			35,119	17.2%
O-1	Maebashi	Maebashi, Gunma	1,230	0.6%
O-2	Hanyu	Hanyu, Saitama	1,705	0.8%
O-3	Saitama Kisai	Kazo, Saitama	4,010	2.0%
O-4	Kazo	Kazo, Saitama	3,790	1.9%
Other Area Subtotal			10,735	5.3%
Portfolio Total			203,755	100.0%

(Note 1) The figures represent the proportion of the acquisition price to the overall portfolio.

(Note 2) The figure is calculated by adding the amount stated in the construction contract relating to the building after redevelopment (including the construction contract for additional works) (6,230 million yen) to the sale price stated in the initial sales contract (2,266 million yen), and deducting the costs associated with write-offs and demolition of the former building in July 2013 (603 million yen).

(Note 3) The figure is calculated by adding the amount stated in the construction contract relating to the Warehouse III (2,437 million yen) to the sale price stated in the initial sales contract (7,617 million yen), and deducting the costs associated with write-offs and demolition of the former building in July 2009 (291 million yen).

(Note 4) The sum of the acquisition price on October 8, 2013 and November 4, 2014