

January 21, 2008

For Immediate Release

Real Estate Investment Fund Issuer

Japan Logistics Fund, Inc.
5-1 Kanda Nishikicho 3-chome, Chiyoda-ku, Tokyo
Representative: Executive Director Hitoshi Eisaka
(Securities Code: 8967)

Asset Management Company

Mitsui & Co., Logistics Partners Ltd.
Representative: President Hitoshi Eisaka
Contact: General Manager Takashi Ueno
TEL +81-3-5259-6050

Notice Concerning the Acquisition of Property
(Urayasu Chidori Logistics Center II)

Japan Logistics Fund, Inc. (hereinafter referred to as the “Fund”) made the decision to acquire a property on January 21, 2008 as detailed below:

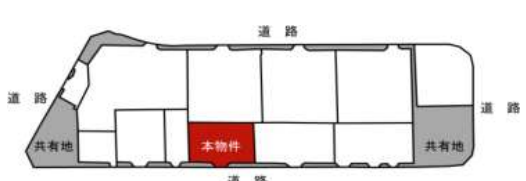

1. Outline of the Acquisition (plan)

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|------------------------------|---|
| (1) Property to Be Acquired: | Trust beneficial right of real estate (Note) |
| (2) Property Name: | Urayasu Chidori Logistics Center II |
| (3) Acquisition Price: | 1,640 million yen (excluding acquisition expenses, fixed property tax, urban planning tax, consumption tax, etc.) |
| (4) Date of Contract: | February 8, 2008 |
| (5) Date of Closing: | February 8, 2008 |
| (6) Seller: | Active Investment Six Ltd. |
| (7) Fund-Raising: | Loans (anticipated) |
| (8) Payment Method: | Lump-sum payment on the date of closing |

(Note) Following the acquisition of the beneficial right of real estate trust, the real estate trust contract will be canceled on the same date that ownership of the real estate is taken.

2. Outline of the Property to Be Acquired

Outline of the Real Estate, etc. to Be Acquired			Outline of the Appraisal	
Asset Type		Trust beneficial right of real estate	Real Estate Appraiser	Tanizawa Sogo Appraisal Co., Ltd.
Date of Contract		February 8, 2008	Date of Appraisal	October 1, 2007
Acquisition Price		1,640,000,000 yen	Estimated Value	1,680,000,000 yen
Trustee		Aozora Trust Bank Ltd.	Income Approach	1,680,000,000 yen
Expiration Date of Trust		February 28, 2011		
Land	Location (Lot number)	10-1, Chidori, Urayasu, Chiba	Discounted Cash Flow Approach	1,670,000,000 yen
	Site Area (Note 1)	2,645.34m ² (Note 2)		
	Use District	Semi-industrial area		
	Floor-Area Ratio	200%	Discount Rate	5.3%
	Building-to-Land Ratio	60%	Terminal Cap Rate	5.4%
	Type of Ownership	Ownership	Direct Capitalization Approach	1,700,000,000 yen
Building	Structure/Floors (Note 1)	Reinforced concrete structure, 5 floors	Cap Rate	5.1%
	Date of Construction (Note 1)	January 16, 2001	Cost Approach	1,260,000,000 yen
	Total Floor Area (Note 1)	6,192.80m ²		
	Total Rentable Area	6,192.80m ²		
	Usage (Note 1)	Logistics center, office	Land (percentage)	510,000,000 yen 40.5%
	Type of Ownership	Ownership	Building (percentage)	750,000,000 yen 59.5%
Property Management Company		Mitsui Fudosan Building Management Co., Ltd.		
Outline of the Lease Contract			Outline of the Engineering Report	
Number of Tenants		1	Investigator	Shimizu Corporation
Annual Rent (excluding consumption tax)		— (Note 3)	Date of Engineering Report	May 31, 2007
Lease Deposit		— (Note 3)	Urgent Repairs	—
Total Rent Area		6,192.80m ²	Short-Term Repairs	300 thousand yen
			Long-Term Repairs	34,575 thousand yen
Occupancy Rate		100.0%	PML	13.1%

Income/Expense Forecast (Note 4)		Design Company, Construction Company and Building Certification Company	
Income (including auxiliary income)	— (Note 3)	Design Company	Azusa Sekkei Co., Ltd.
NOI (Net Operating Income)	87 million yen	Construction Company	Taisei, Toda, Nishimatsu Specific Joint Venture
NOI Yield (based on acquisition price)	5.3%	Building Certification Company	Chiba Prefecture
<p>Special remarks:</p> <p>The property is part of a Chiba (Urayasu) area project for building and transferring collective facility buildings (hereinafter, “the Project”). The property was sold together with adjacent buildings following their construction. To maintain the green coverage ratio stipulated by law for each building site subdivided at the time, initial green spaces were made common property, and each property owner was assigned a proportional interest in the common property. The current situation of the common property is shown below in an illustration of the arrangement of the property and common property for the Project site.</p> <p>(Note 1) Given this history, the property’s total floor area exceeds the floor-area ratio of the site. When rebuilding on the property, the applicable floor-area ratio will be based on the principle of one building per lot, and it is possible that a building with the same total floor area cannot be built.</p> <p>(Note 2) In relation to the Project, a greenery agreement was concluded between Chiba Prefecture, Urayasu City, and the Urayasu logistics cooperative association managing the common property. However, a portion of the green spaces (common property) is being used as a parking lot, which does not comply with the greenery agreement. The restoration of this green space is scheduled to be completed in 2011, for which the association will bear responsibility and associated costs. The Fund is not a member of the association and is not a party to the greenery agreement.</p> <p>(Note 3) The boundary of the common property is not settled.</p> <p>(Note 4) A portion of the common property is scheduled to be exchanged for the property owned by two companies in the association.</p>			
<p>(Note 1) According to the indication of the real estate register.</p> <p>(Note 2) In addition to the above, a portion of 264, 534/3, 750,438 of the common property located at 10-15 to 10-28 and 11-3 Chidori, Urayasu (15 lots with a total area of 9,394.00m²) is included in the trust asset.</p> <p>(Note 3) The Fund has not obtained consent from the tenant to disclose the information.</p> <p>(Note 4) The above figures are annual income/expenses after eliminating special factors of the fiscal period in which the acquisition is made, and also assume full occupancy.</p>			
<p>*Arrangement of the Property and Common Property at the Project Site</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> <p>(Note) The arrangement of the property and common property at the Project site is depicted according to the land registry map, and the shapes and proportional areas of lots may differ from the actual situation.</p>			

3. Rationale for the Acquisition

The acquisition is being made to enhance the Fund's portfolio in accordance with the investment targets and policies stipulated in its Articles of Incorporation. The property offers easy access to central Tokyo, a major commercial hub and to major gateways, and facility specifications are well-suited to both storage and distribution processing. We therefore determined that the property can be expected to generate revenues over the long term, and thus made the acquisition. An overview of the property follows.

(1) Facility Features

The facility has effective column spacing from 8.4m to 10m, a standard ceiling height of 5.5m, and a standard floor load of 1.5t/m², making it suitable for either distribution or storage needs. To provide adequately lighted areas for on-site work and for efficient heating and cooling, the fifth floor has a ceiling height of 3.0m as well as office space and space for such distribution processing work as sorting, labeling, and picking.

(2) Geographical Conditions

The Urayasu area offers excellent access to the central area of the Tokyo metropolitan area and to the Port of Tokyo (Oi Pier). Given its suitability for the storage and delivery of general consumer goods and import logistics, it is one of the leading areas in Chiba Prefecture where logistic centers are concentrated. Site conditions are well-suited to logistics operations since the facility is located in a district developed for distribution and processing operations and due to the ready availability of local labor resources.

The site is situated roughly 19km from the Port of Tokyo, about 19km from a freight station (Tokyo Freight Terminal Station), and about 6km from the Kasai Truck Terminal. The site is also about 4km from the Urayasu Interchange of the Metropolitan Expressway Bay Shore Route, offering ready access to major gateway roads.

(3) Tenant

The tenant is Nakano Shokai, Co., Ltd., a company offering broad-based logistics services in eastern Japan, from the storage and distribution processing of goods to land and sea transport.

4. Outline of the Lease Contract

Name of Tenant	Nakano Shokai Co., Ltd.
Type of Business	Warehousing, transportation
Total Rent Area	6,192.80m ²
Ratio to Total Rentable Area	100.0%
Annual Rent (excluding consumption tax)	— (Note)
Lease Period	Three years from February 8, 2008 to February 7, 2011
Lease Deposit	— (Note)
Contract Renewal/Revision	Type of Contract: Normal Lease (3-year contract) Revision of Rent: The rental rate will be revised on the date following the expiry of the lease term (February 8, 2011), and the rental rate may be revised every three years thereafter based on discussions. The rental rate may also be revised through discussions when there are sudden changes in economic circumstances or an increase in taxes or public fees related to land or buildings, when the rental rate is no longer on par with the rents for neighboring buildings, or when utility costs, inflation, or labor costs rise sharply and common service

	<p>fees included in the rental rate no longer reflect those realities.</p> <p>Renewal of Contract: The lease contract will be renewed for a period of three years if the lessee does not notify the lessor in writing of its intent to terminate the contract five months before the end of the lease term, or if the lessor does not notify the lessee in writing of its intent to terminate the contract six months before the end of the lease term. The same conditions will apply to subsequent lease renewals.</p> <p>Early Termination: When there are unavoidable circumstances, the lease contract may be canceled by the lessee's giving a five-month notice in writing on the cancellation of the contract to the lessor, or by the lessor's giving a six-month notice in writing on the cancellation of the contract to the lessee.</p>
Major Items	General merchandise, apparel

(Note) The Fund has not obtained consent from the tenant to disclose the information.

5. Outline of the Seller

Name of Company	Active Investment Six Ltd.
Head Office Address	11-1, Nagata-cho 2-chome, Chiyoda-ku, Tokyo
Represented by	Director, Satoshi Ogawa
Capital	3 million yen
Major Shareholder	Not disclosed due to the Seller's intention
Main Line of Business	<ol style="list-style-type: none"> 1. Acquisition, retention, disposition, leasing and asset management of real estate 2. Acquisition, retention and disposition of trust beneficial rights of real estate 3. Buying , selling and holding of securities
Relation with the Fund	None

(Note) Active Investment Six Ltd. is a special purpose company established by Pacific Management Corporation.

6. Conditions of the Property Acquisition

	Previous Owner
Name of Company	Not an interested party
Relationship with Interested Parties	—
Acquisition Process and Rationale	—
Acquisition Price	—
Acquisition Date	—

7. Outline of the Broker

Name of Company	Mitsui & Co., Realty Management Ltd.
Head Office Address	14-17, Kudankita 1-chome, Chiyoda-ku, Tokyo
Represented by	President & CEO, Toshifumi Nagahama
Relation with the Fund	Mitsui & Co., Realty Management Ltd. is a wholly-owned subsidiary of Mitsui & Co., Ltd., which is one of the shareholders of the Fund's asset management company and, therefore, the company is an interested party as defined by the asset management company's rule for avoiding conflicts of interest. Consequently, appropriate procedures prescribed by the rules were taken in deciding on the subject brokerage.
Commission	49,200,000 yen (excluding consumption tax)

8. Future Prospects

The effect of this acquisition on the operation performance of the Fund in the fiscal period ending January 2008 and July 2008 is minor, and there is no plan to revise the operation performance prospects.

【Reference Materials】

Reference Material 1: Exterior Photograph of the Building

Reference Material 2: Map of the Property

(End)

*The Fund's website: <http://8967.jp/eng/>

【Reference Materials】

Reference Material 1: Exterior Photograph of the Building



Reference Material 2: Map of the Property

- Wide area map



- Neighboring area map

