

February 19, 2009

**For Immediate Release**
**Real Estate Investment Fund Issuer**

 Japan Logistics Fund, Inc.  
 4-3 Hitotsubashi 2-chome, Chiyoda-ku, Tokyo  
 Representative: Executive Director Hitoshi Eisaka  
 (Securities Code: 8967)

**Asset Management Company**

 Mitsui & Co., Logistics Partners Ltd.  
 Representative: President Hitoshi Eisaka  
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**Notice Concerning the Acquisition of Property (Kazo Logistics Center)**

Japan Logistics Fund, Inc. (hereinafter referred to as “the Fund”) made the decision to acquire a property on February 19, 2009 as detailed below.

**1. Outline of the Acquisition**

- |                              |   |
|------------------------------|---|
| (1) Property to be Acquired: | Trust beneficial right of real estate   |
| (2) Property Name:           | Kazo Logistics Center   |
| (3) Acquisition Price:       | 3,790 million yen (excluding acquisition expenses, fixed property tax, urban planning tax, consumption tax, etc.) |
| (4) Date of Contract:        | March 10, 2009  |
| (5) Date of Closing:         | March 10, 2009  |
| (6) Seller:                  | Kazu LLC  |
| (7) Fund-Raising:            | Loans and own funds   |
| (8) Payment method:          | Lump-sum payment on the date of closing   |

**2. Outline of the Property to be Acquired**

Outline of 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	March 10, 2009	Date of Appraisal	January 31, 2009	
Acquisition Price	3,790 million yen	Estimated Value	3,790 million yen	
Trustee	Mitsubishi UFJ Trust and Banking Corporation	Income Approach	3,790 million yen	
Expiration Date of Trust	March 31, 2014			
Land	Location (Lot Number)	Discounted Cash Flow Approach	3,790 million yen	
	Site Area (Note 1)			13,039.17m <sup>2</sup>
	Use District			Restricted industrial area
		Discount Rate	5.6%	

	Floor-Area Ratio	200%		Terminal Cap Rate	5.7%	
	Building-to-Land Ratio	70% (designated building-to-land ratio: 60%, plus corner-lot relaxation ratio: 10%)		Direct Capitalization Approach	3,790 million yen	
	Type of Ownership	Ownership				
Building	Structure/ Floors (Note 1)	Steel-frame, steel-reinforced concrete structure, galvanized steel sheet roof, 5 floors	Cost Approach	Cap Rate	5.4%	
	Date of Construction (Note 1)	March 4, 2008		3,190 million yen		
	Total Floor Area (Note 1)	25,130.62m <sup>2</sup>				
	Total Rentable Area	25,130.62m <sup>2</sup>				
	Usage (Note 1)	Warehouse		Land (percentage)	590 million yen 18.5%	
	Type of Ownership	Ownership		Building (percentage)	2,600 million yen 81.5%	
Property Management Company		XYMAX Cube Corporation				
<b>Outline of the Lease Contract</b>			<b>Outline of the Engineering Report</b>			
Number of Tenants		1	Investigator		Shimizu Corporation	
Annual Rent (excluding consumption tax)		248,114,400 yen	Date of Engineering Report		February 10, 2009	
Lease Deposit		62,028,600 yen	Urgent Repairs		-	
Total Rent Area (Note 2)		25,130.62m <sup>2</sup>	Short-Term Repairs		-	
			Long-Term Repairs		25,785 thousand yen	
Occupancy Rate		100.0%	PML		9.5%	
<b>Income/Expense Forecast</b>			<b>Design Company, Construction Company and Building Certification Company</b>			
Income (including auxiliary income)		248 million yen	Design Company		Kajima Corporation	
NOI (Net Operating Income) (Note 3)		211 million yen	Construction Company		Kajima Corporation	
NOI Yield (based on acquisition price) (Note 3)		5.6%	Building Certification company		Saitama Housing Inspection Center	
Special Remarks: N/A						
Note: 1. According to the indication of the real estate register. 2. The figure shows the total rent area for the building indicated in the lease contract, which is included in the total rentable area. Moreover, there may be cases when areas not included in the rentable area are included in the total rent area in the lease contract. 3. The figures are forecasts based on the 10-year average of annual income/expenses and, therefore, are not forecasts for the fiscal period ending July 31, 2009 or fiscal period ending January 31, 2010.						

### 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 outline of the property is as follows.

#### (1) Geographical Conditions

The property is conveniently located as a delivery center that covers a wide area from central Tokyo to the Tohoku region of Japan due to its connection with the Tohoku Expressway. It is attracting attention as one of the top distribution centers in Saitama Prefecture since it is situated near the Ken-O Expressway, which is scheduled for completion. The site lies roughly 2km from the Kazo Interchange of the Tohoku Expressway and about 1km from National Route 122. In addition to such easy expressway access, it is also expected to serve the logistics needs of manufacturers due to the presence of industrial complexes in Kuki-shi, Kisai-cho and Hanyu-shi in the vicinity. Since the site is located within an industrial zone, 24-hour operations are possible, and local labor resources are also readily available because of the residential area within walking distance, making the property well-suited to logistics operations.

#### (2) Facility Features

The facility meets general-use building specifications that are currently sought in distribution facilities, including a steel-frame and steel-frame reinforced concrete structure of five floors, effective column spacing of 11.5m x 9.0m, effective ceiling height from 6.2m to 6.5m, and a standard floor load of 1.5t/m<sup>2</sup>. Furthermore, the facility is equipped with elevated berths that can accommodate 25 trucks, six vertical conveyers, and two freight elevators. As a result, it enables rapid loading and unloading as well as smooth cargo handling operations. Furthermore, the facility also has specifications that enable smooth distribution processing operations, due to the lighting in the warehouse having been set at a higher level than normal.

#### (3) Tenant

The Fund has concluded a normal lease (10 years) with Hitachi Transport System, Ltd., a third party logistics company whose business scale is the one of the top in Japan. On the northern and southern sides of the property are large-scale distribution facilities where this company also resides as tenant. There is a great demand for cargo handling in the surrounding area and furthermore, a collaborative effect with other facilities for responding to fluctuations in cargo storage volume as well as loading and unloading volume can be expected.

### 4. Outline of the Lease Contract

Name of Tenant	Hitachi Transport System, Ltd.	
Type of Business	General automotive cargo transportation	
Total Rent Area (Note 1)	25,130.62m <sup>2</sup>	
Ratio to Total Rentable Area	100.0%	
Annual Rent (excluding consumption tax)	248,114,400 yen	
Lease Period	From April 1, 2008 to April 30, 2018	
Lease Deposit	62,028,600 yen	
Contract Renewal/Revision	Type of Contract: Revision of Rent:	Normal lease (10-year contract) The rental rate will be unchanged for three years from the start of the lease contract (May 1, 2008), and may be revised every three years thereafter based on discussions, such as when changes in economic conditions arise.

	<p>Renewal of Contract: The lease contract may only be renewed in the case where mutual discussions and a consensus between the lessee and the Fund are gained, until six months prior to the termination of the rental period.</p> <p>Early Termination: Early termination shall not be permitted during the rental period. However, this shall not apply to the case where the lessee notifies the other party in writing that it desires to terminate the contract at least six months in advance of the planned early termination date, on the condition that the lessee pay an amount equivalent to the total rent until termination of the rental period that the lessee is responsible for to the Fund as a cancellation fee.</p>
Major Items	Healthcare products and apparel

Note:

The figure shows the total rent area for the building indicated in the lease contract, which is included in the total rentable area. Moreover, there may be cases when areas not included in the rentable area are included in the total rent area in the lease contract.

## 5. Outline of the Seller

Name of Company	Kazu LLC
Head Office Address	c/o Sakura & Co., 11 Kanda Jimbocho 1-chome, Chiyoda-ku, Tokyo
Represented by	Representative Partner: Takashi Inaba, Delegate, M1 Ippan Shadan Hojin
Capital	100,000 yen
Major Shareholder	M1 Ippan Shadan Hojin
Main Line of Business	<ol style="list-style-type: none"> <li>1. Acquisition, holding and disposition on real estate</li> <li>2. Leasing and management of real estate</li> <li>3. Acquisition, holding and disposition of trust beneficial right of real estate</li> <li>4. Any other auxiliary or related businesses of the businesses mentioned in the preceding Items.</li> </ol>
Relation with the Fund or the Asset Management Company	<p>Kazu LLC is a special purpose company established by Mitsui &amp; 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 rules for avoiding conflicts of interest. Consequently, appropriate procedures prescribed by the rules were taken in deciding on the subject acquisition. Moreover, the company consigns its asset management business to Mitsui &amp; Co., Realty Management Ltd., a wholly-owned subsidiary of Mitsui &amp; Co., Ltd.</p>

## 6. Conditions of Property Acquisition

	Previous Owner/Beneficiary	Owner/Beneficiary before the Previous Owner/Beneficiary
Name of Company/Name	Kazu LLC	Commercial RE Co., Ltd.
Relationship with Interested Parties	Please refer to “Kazu LLC” in the above “5. Outline of the Seller”.	Not an interested party
Acquisition Process and Rationale	Acquisitions for warehousing purposes with fund procurement of the Fund as the main factor.	—
Acquisition Price	3,750 million yen	—
Acquisition Date	March 27, 2008	—

## 7. Outline of the Broker

Name of Company	Kenedix, Inc.
Head Office Address	2-9 Shimbashi, 2-chome, Minato-ku, Tokyo
Represented by	Atsushi Kawashima, CEO
Relation with the Fund or the Asset Management Company	Kenedix, Inc. is one of the shareholders in the Fund’s asset management company and, therefore, the company is an interested party as defined by the asset management company’s rules for avoiding conflicts of interest. Consequently, appropriate procedures prescribed by the rules were taken in deciding on the subject brokerage.
Commission	75,800,000 yen (excluding consumption tax)

## 8. Future Prospects

The Fund plans to make a public announcement regarding the effects of this acquisition on the operation performance of the fiscal period ending July 31, 2009 and the fiscal period ending January 31, 2010 in the financial results for the seventh fiscal period (fiscal period ended January 31, 2009) scheduled for March 6, 2009 after the interest rates on the fund procurement for the acquisition are finalized.

### 【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

