

For Immediate Release
Real Estate Investment Trust

Japan Logistics Fund, Inc.
 Representative: Takayuki Kawashima
 Executive Director
 (Security Code: 8967)

Asset Management Company

Mitsui & Co., Logistics Partners Ltd.
 Representative: Takayuki Kawashima
 President
 Contact: Ryota Sekiguchi
 Senior Manager, Corporate Planning & Finance Dept.
 TEL +81-3-3238-7171

Notice Concerning Acquisition of New Assets (3 Properties)

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

1. Outline of the acquisition
(1) Newly Acquired Assets (3 properties)

Asset number	Name of the asset	Date of contract and closing	Seller	Acquisition price (million yen)	Appraisal value (million yen)	NOI yield (%)
M-23	Kashiwa Logistics Center II (Land)	September 20, 2013	Domestic Special Purpose Company (Note 1)	2,500	2,520	6.0
M-24	Shin-Koyasu Logistics Center (Note 2)	October 1, 2013	Limited Liability Company MSS Three	9,696	10,300	5.3
T-8	Tajimi Logistics Center (Note 3)	October 8, 2013	Limited Liability Company Tajimi Logistics	6,975	8,030	6.7
Total		—	—	19,171	20,850	—

(Note 1) The name of the seller is not disclosed since consent for disclosure has not been obtained. This Special Purpose Company is managed by Kenedix, Inc. and Center Point Development Inc.

(Note 2) JLF acquires 51% joint ownership. The property will be jointly owned with SG Realty Co., Ltd. after the acquisition by JLF.

(Note 3) JLF acquires 75% joint ownership. The property will be jointly owned with Limited Liability Company Tajimi Logistics after the acquisition by JLF.

Note: This document is a public announcement regarding the acquisition of new properties by JLF, and has not been prepared for the purpose of solicitation of investment. Investors should carefully read JLF's offering circular for the issue of new investment units and secondary offering and the notices of amendments thereto (if any), and make any investment decision at their own judgment and responsibility.

- (2) Fund source: Proceeds from the issuance of new investment units, bank loans and cash in hand. Please refer to the following press releases regarding the details of the issuance of new investment units and bank loans:
 “Notice Concerning the Issuance of New Investment Units and a Secondary Offering of Investment Units” dated September 13, 2013
 “Notice Concerning Borrowing Capital,” dated September 13, 2013
- (3) Payment method: Lump-sum payment on the day of closing

2. Rationale for the acquisition

JLF announced its new growth strategy, “stable + Growth” in March 2013. This new strategy intends to pursue stability of dividend per unit in terms of “stable,” and to pursue the increase in the portfolio’s unrealized gains as well as the growth of dividend per unit in terms of “+ Growth.”

As a significant step toward the realization of “stable + Growth,” JLF has decided to acquire new assets (three properties; total acquisition price: 19,171 million yen) from various sellers through various acquisition methods with various structures.

The expected dividend per unit (not including distributions in excess of earnings) after the acquisition of the Newly Acquired Assets are expected to be 18,000 yen and 18,500 yen for the fiscal period ending January 2014 (17th fiscal period) and July 2014 (18th fiscal period), respectively. Furthermore, the portfolio’s unrealized gains after the acquisition of the Newly Acquired Assets is expected to be 40,612 million yen, and the unrealized gain margin 22.2%.

Expected dividend per unit
Fiscal period ending January 2014
(17th fiscal period): 18,000 yen
Fiscal period ending July 2014
(18th fiscal period): 18,500 yen

After the acquisition of the Newly Acquired Assets (36 properties)
Asset size: 192,339 million yen
Unrealized gain: 40,612 million yen
(unrealized gain margin: 22.2%)

Note: In calculating the unrealized gains (subtracting book value from the appraisal value (or unrealized loss in case the difference is a minus)) and the unrealized gain margin (the ratio of unrealized gain to the book value) after the acquisition of Newly Acquired Assets, the appraisal value and book value were based on the following:

- For properties owned at the fiscal period ending July 31, 2013, the appraisal value is at July 31, 2013, and the book value is at July 31, 2013.
- With regard to the Musashimurayama Logistics Center acquired at August 1, 2013, the appraisal value is at June 30, 2013, and the book value is at August 1, 2013.
- With regard to the Newly Acquired Assets, the appraisal value is at July 31, 2013, and the book value is derived from the following formulas:

Acquisition price + the estimated amount of the taxes and public dues (property tax and city planning tax) of the year in the acquisition date belongs settled by proportionally between the seller and JLF according to the length of ownership + the estimated amount of asset investment fees (acquisition fees) to Mitsui & Co., Logistics Partners Ltd., the asset management company of JLF.

The above amounts are rough estimates as well as estimated amounts as of the date of this release, and may differ from the actual book value since other expenses associated with this acquisition may be capitalized.

[Diversity of the acquisition of assets]

By acquiring assets from various sellers through various methods with various structures, such as negotiated transactions and joint ownership with a third party, JLF seeks proactive external growth through the acquisition without solely depending on sponsors (Note) and aims for the growth of the portfolio's unrealized gains as well as dividend per unit.

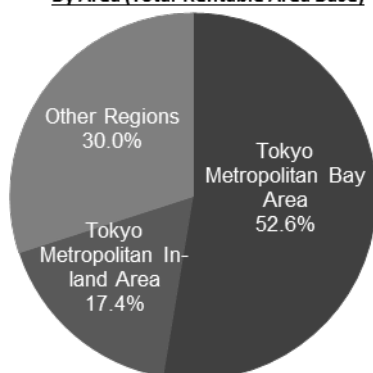
Asset number	Name of asset	Diversification of sellers	Diversification of acquisition methods
M-23	Kashiwa Logistics Center II (Land)	Cooperation with tenant	Joint Investment project with a lease company Acquisition of land with future call option of the building
M-24	Shin-Koyasu Logistics Center	Cooperation with tenant	Joint ownership with the SG Holdings Group, an anchor tenant and developer
T-8	Tajimi Logistics Center	Independent search of property	Providing sale opportunity of a development project by a major trading firm

(note) "Sponsors" collectively refer to Mitsui & Co., Ltd., Sumitomo Mitsui Trust Bank Co., Limited and Kenedix, Inc.

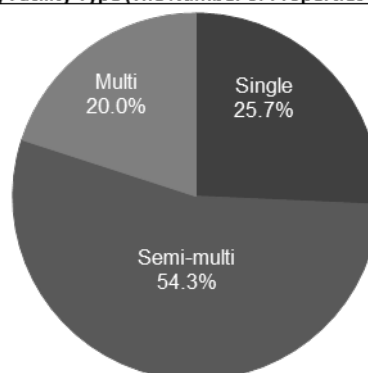
[Diversity of the portfolio (after the acquisition of Newly Acquired Assets)]

JLF aims to establish a portfolio that is resistant to changes in the market environment such as tenant needs and the economic trend by constructing diversified portfolio in terms of area, facility type, size and age.

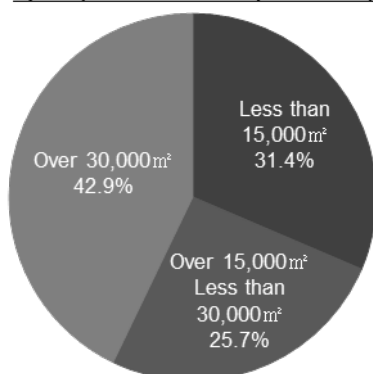
By Area (Total Rentable Area Base)



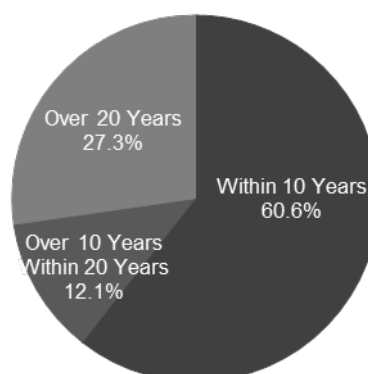
By Facility Type (The Number of Properties Base)



By Size (The Number of Properties Base)



By Age (The Number of Properties Base)



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- (Note 1) “By Area (Total Rentable Area Base)” indicates the ratio of the location of properties owned by JLF and the Newly Acquired Assets that has been classified based on the total rentable area (for properties whose ownership is shared, the figure that corresponds to the ownership of the total rentable area of the property in question) into “Tokyo Metropolitan Bay Area”, “Tokyo Metropolitan In-land Area”, or “Other Regions”. The “Tokyo Metropolitan Bay Area” represents Koto-ku of Tokyo, Kawasaki, Yokohama, Hiratsuka, and Yokosuka of Kanagawa Prefecture, Urayasu, Ichikawa, Funabashi, and Narashino of Chiba Prefecture. The “Tokyo Metropolitan In-land Area” represents Musashimurayama of Tokyo, Yachiyo and Kashiwa of Chiba Prefecture, and Soka of Saitama Prefecture. “Other Regions” represent other municipalities. The same applies below.
- (Note 2) “By Facility Type (The Number of Properties Base)” indicates the ratio of the facility types of properties owned by JLF and the Newly Acquired Assets that have been classified based on the number of properties into “Multi,” “Semi-multi,” or “Single.” Of these, “Multi” represents facilities that enable trucks and other vehicles to access the upper floors directly by ramp ways, etc., and that have been built in order to be rent out to multiple tenants. “Single” represents facilities built in order to be rented out to a single tenant. “Semi-multi” represents facilities other than those that fall into “Multi” and “single,” and that can be rent out to multiple or single tenants. The same applies below.
- (Note 3) “By Size (The Number of Properties Base)” indicates the ratio of the total rentable area (for properties whose ownership is shared, 100% of the total area of rent of the property in question) of properties owned by JLF and the Newly Acquired Assets that has been classified based on the number of properties into “Less than 15,000 m²,” “Over 15,000 m² Less than 30,000 m²,” or “Over 30,000 m²”.
- (Note 4) - “By Age (The Number of Properties Base)” indicates the ratio of the age of the property owned by JLF and the Newly Acquired Assets that has been classified into “Within 10 Years,” “Over 10 Years Within 20 Years” or “Over 20 Years”.
- Chubu Haruhi Logistics Center and Kashiwa Logistic Center II have not been include in calculating the ratio of “by Age (The Number of Properties Base)” since they are land properties.
- (Note 5) Yachiyo Logistics Center, which is currently undergoing OBR (Own Book Redevelopment), is not included in any of the above.

3. Details of the New Acquired Assets

[M-23 Kashiwa Logistics Center II (Land)]

(1) Outline of the Newly Acquired Asset

Outline of the asset		Outline of the appraisal	
Asset type	Trust beneficiary right of real estate (Note 1)	Real estate appraiser	Daiwa Real Estate Appraisal Co., Ltd.
Date of the acquisition	September 20, 2013	Date of the appraisal	July 31, 2013
Acquisition price	2,500 million yen	Appraisal value	2,520 million yen
Trustee	Sumitomo Mitsui Trust Bank Co., Limited	Income approach	2,520 million yen
End of the trust	September 30, 2023	Discounted cash flow approach	2,510 million yen
Land	Location (address)		
	Site area (Note 2)	Terminal value discount rate	5.8%
	Zoning	Direct capitalization approach	2,530 million yen
	Floor-area ratio	Discount rate	5.8%
	Building-to-land ratio	Ratio of leasehold to land value approach	1,870 million yen
	Type of ownership	Land value	2,340 million yen
Property Management Company	XYMAX CUBE Corporation	Land (Percentage)	80%
Outline of the lease contract		Outline of the engineering report	
Number of tenants	1	Survey company	Tokio Marine & Nichido Risk Consulting Co., Ltd.
Annual rent (excluding consumption tax)	Not disclosed (Note 3)	Issue date of the engineering report	August 21, 2013
Lease deposit	Not disclosed (Note 3)	Expected income/expense (Note 5)	
Total rentable area (Note 4)	54,418.30 m ²	Income (including auxiliary income)	Not disclosed (Note 3)
Total rent area	54,418.30 m ²	NOI (Net Operating Income)	149 million yen
Occupancy	100.0%	NOI yield (based on acquisition price)	6.0%
Remarks:			
<p>1. As of the date of this notice, this asset and the building on the asset (“the Building”) are owned by the seller of the property. Prior to the acquisition by JLF, the seller will place the Building in a trust and a fixed-term land leasehold for business purposes will be placed on this property for Sumitomo Mitsui Trust Bank, Limited, which is the fiduciary of the trust (refer to “(3) Outline of the tenant (lease contract)” below for details of the setting contract of fixed-term land leasehold for business purposes in question). Thereafter, the seller will place the property in a trust and JLF will obtain the trust beneficiary rights related to this property.</p> <p>2. Upon acquiring this asset, JLF intends to sign a memorandum with Sumitomo Mitsui Trust Bank, Limited and Sumitomo Mitsui Finance & Leasing Co., Ltd., which is the fiduciary of the Building, and be granted call option that allows JLF to purchase the trust beneficiary right of the Building according to the conditions agreed upon between Sumitomo Mitsui Finance & Leasing Co., Ltd. and JLF in the event JLF makes an offer to purchase from Sumitomo Mitsui Finance & Leasing Co., Ltd. the trust beneficiary right of the Building at a predetermined price during the period until five years have passed since the start of the lease term of this property.</p>			
(Note 1) This asset has not been placed in a trust as of the date of the notice and will be done so before the acquisition by JLF.			
(Note 2) The outline shown here indicated according to the real estate registry, and may differ from the present state.			
(Note 3) Not disclosed, as unable to obtain the tenant’s consent.			
(Note 4) The total rentable area represents the area of rentable land that is indicated in the setting contract of fixed-term land leasehold for business purposes related to the fixed-term land leasehold for business purposes that will be set for this asset.			
(Note 5) The figures are not the forecasts for the fiscal period ending January 31, 2014 or the fiscal period ending July 31, 2014, but the normalized estimation based on annual income/expense projection.			

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(2) Characteristics of this asset

< Acquisition Highlight >

- **Excellent inland location in Chiba Prefecture adjacent to Route 16, a major route within the Tokyo Metropolitan Area**
- **A rare logistics facility with a large space suitable for distributive processing operations**
- **A joint investment with Sumitomo Mitsui Finance & Leasing Co., Ltd.**

a. Geographical characteristics

This property is located in the Kashiwa Area. Because Kashiwa Area is located in the inland area of Chiba Prefecture that is close to the heart of Tokyo Metropolis, the largest consumption area in Japan, the area is in high need of storage and distribution centers catering to the general consumer goods market in the Tokyo metropolitan area. Many large-scale logistics facilities have been completed in recent years. Not only does the property allow distribution to Saitama and central Chiba using Route 16, a major arterial route in the Tokyo metropolitan area, it allows wide-area distribution to central Tokyo using Route 6 and the Joban Expressway.

b. Facility characteristics (for reference)

Originally constructed as a factory, the Building has been added value by being converted into a logistics facility that meets standards as a commercial warehouse. It is a rare logistics facility with a large space that is suited for distributive processing operations (about 23,100 m² of rent area per floor (approx. 3,300 m² for the third floor)). In addition, the facility has double-sided loading docks and ample vertical transport equipment (4 elevators and 8 vertical transport devices), therefore enabling efficient inflow, outflow, internal flow and storage, accommodating the wide-ranging needs of the tenant.

c. Tenant

This is a joint investment transaction with Sumitomo Mitsui Finance & Leasing Co., Ltd. Please refer to the aforementioned “(1) Outline of the Newly Acquired Asset / Remarks” for details of the joint investment. The Building is being used as a distribution center for major mail-order firms.

[Excellent inland location within Chiba Prefecture adjacent to Route 16]



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(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
Sumitomo Mitsui Finance & Leasing Co., Ltd. (Note 1)	Leasing	54,418.30 m ²	100.0%	Not disclosed (Note 2)	30 years	Not disclosed (Note 2)
Contract renewal/revision Type of contract: Fixed-term land leasehold for business purposes Rent revision: The rent cannot be revised until April 30, 2023. On and after April 30, 2023, the rent shall be fixed rent in principle. However, in the event of an increase/decrease in the rent of the Building, changes in the rent of nearby and similar land, changes in prices and other significant changes in the economic situation, etc., the lessor and the lessee may discuss rent revision. Contract renewal: The contract will not be renewed. However, the lessor and lessee may conclude a new lease agreement in case the lessee makes an offer to the lessor for a contract extension no later than one year prior to the termination of the contract term and the two parties agree on the conditions of the contract extension. Lease cancellation: The lease agreement cannot be cancelled for 20 years from the start of the lease (“non-cancellable period”). After the non-cancellable period has passed, the lessor may cancel the agreement unconditionally on three months’ notice. The lessor may not cancel the agreement during the term of the contract unless otherwise set forth in the agreement. Cancellation due to loss, etc. of the Building: In the event the Building is destroyed during the term of the contract due to reasons not attributable to the lessee, or if the Building is damaged but the lessee determines it impossible or significantly difficult to restore or repair the damage under normal social conventions during the contract term, the lessee may cancel the agreement on more than six months’ advance notice. Termination of rent: The lessee shall not bear rent payment obligations to the lessor if the lease contract with the tenant of the Building (the tenant as of the date of this notice is Nakano Shokai Co., Ltd.) is terminated during the term of the contract due to reasons including the termination, cancellation, and expiration of the agreement, only until the new lease of the Building commences after the lessee concludes a new lease contract related to the Building with an alternative lessee that replaces the tenant.						
Major items	Daily staples					

(Note 1) Although the fiduciary of the trust beneficiary right for the trust with the Building as its asset is Sumitomo Mitsui Trust Bank Co., Limited, and the lessee of the lease contract Sumitomo Mitsui Trust Bank Co., Limited, Sumitomo Mitsui Finance & Leasing Co., Ltd., which is the fiduciary under the trust contract for the Building, is indicated as the tenant.

(Note 2) Not disclosed, as unable to obtain the tenant’s consent.

[M-24 Shin-Koyasu Logistics Center]
(1) Outline of the Newly Acquired Asset (Note 1)

Outline of the asset		Outline of the appraisal				
Asset type	Trust beneficiary right of real estate (51% joint ownership)	Real estate appraiser	Japan Real Estate Institute			
Date of the acquisition	October 1, 2013	Date of the appraisal	July 31, 2013			
Acquisition price	9,696 million yen	Appraisal value	10,300 million yen			
Trustee	Sumitomo Mitsui Trust Bank Co., Limited	Income approach (Note 6)	10,300 million yen			
End of the trust	March 27, 2023					
Land	Location (address)	Discounted cash flow approach (Note 6)	10,100 million yen			
	Site area (Note 2)			Discount rate	4.5%	
	Zoning					Restricted industrial area
	Floor-area ratio			200%	Terminal cap rate	5.1%
	Building-to-land ratio			60%		
	Type of ownership			Ownership	Direct capitalization approach (Note 6)	10,400 million yen
Building	Structure/Story (Note 2)	Cost approach (Note 6)	9,330 million yen			
	Date of the completion (Note 2)			Cap rate	5.0%	
	Total floor area (Note 2)					60,207.27 m ²
	Total rentable area			58,185.25 m ²		
	Usage (note 2)			Warehouse, office	Land (Percentage)	55.7%
	Type of ownership			Ownership		
Property Management Company	SG Realty Co., Ltd.	Building (Percentage)	44.3%			
Outline of the lease contract		Outline of the engineering report				
Number of tenants	3	Survey company	Tokio Marine & Nichido Risk Consulting Co., Ltd.			
Annual rent (excluding consumption tax)	Not disclosed (Note 3)	Issue date of the engineering report	August 14, 2013			
Lease deposit	Not disclosed (Note 3)	Urgent repairs	—			
Total rent area (Note 4)	57,733.43 m ²	Short-term repairs	—			
		Long-term repairs	121,543,000 yen			
Occupancy	99.2%	PML (Note 7)	11%			
Expected income/expense (Note 5)		Design company, construction company and building certification company				
Income (including auxiliary income)	Not disclosed (Note 3)	Design company	Nippon Steel & Sumikin Engineering Co., Ltd.			
NOI (Net Operating Income)	510 million yen	Construction company	Nippon Steel & Sumikin Engineering Co., Ltd.			
NOI yield (based on acquisition price)	5.3%	Building certification company	Japan ERI Co., Ltd.			

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Remarks:

1. Limited Liability Company MSS Three, the seller of this asset, co-owns the property with SG Realty Co., Ltd., and has entered into an inter-co-owner agreement of beneficiary rights with SG Realty and Sumitomo Mitsui Trust Bank Co., Ltd., as below. Upon acquiring this asset, JLF intends to inherit this inter-co-owner agreement of beneficiary rights from the seller.
 - Draft plans of important matters such as the signing of and changes in the lease contract of the asset and the reconstruction of the building shall be established by SG Realty Co., Ltd. However, the decision requires the seller and SG Realty Co., Ltd, the co-owner, to agree to this draft plan. Minor matters such as order placement of construction work whose budget has already been approved may be carried out by the seller alone. Other matters (matters related to the management, operation and disposal of trust assets including this property) shall be decided upon discussion between the co-owners.
 - The co-owners may not transfer or carry out other disposals of the joint ownership without the approval of the other co-owner.
 - When disposing of joint ownership, the co-owners shall negotiate a transfer with the other co-owner in advance in priority to a third party and discuss the transfer price. Furthermore, in the event the co-owner in question agrees upon the transfer of the joint ownership with a third party following such priority negotiation, it shall notify the expected transfer price and other conditions to the other co-owner. In addition, in the event the other co-owner in question makes an offer to purchase the joint ownership at a price above the expected transfer price, the other co-owner in question may take over the said joint ownership at the said price. In the event the co-owner transfers the joint ownership that it possesses against the above stipulation, the said co-owner must pay the other co-owner money equivalent to 20% of the transfer price as penalty.
2. As a result of a survey, soil contamination that exceeds the reference value has been confirmed in a part of the land, which has been designated by Yokohama city as an area that requires notification when the land feature changes. However, measures to contain contaminated soil that complies with the Soil Contamination Countermeasures Act has been implemented and we have confirmed with Tokio Marine & Nichido Risk Consulting Co., Ltd. that the risk of health damage is low as long as the effect of containment measures is maintained. Upon acquisition, JLF has decided an acquisition price by the expected costs of monitoring the soil contamination and improvement taking into consideration.
3. A water purifier tank, which is a specific facility stipulated in the Water Quality Pollution Control Act, has been installed in this property.

(Note 1) While JLF will obtain 51% interest of the beneficiary right, this outline shown here represents the entire portion of the asset, excluding the acquisition price and outline of the appraisal.

(Note 2) The outline shown here is indicated according to the real estate registry, and may differ from the present state.

(Note 3) Not disclosed, as unable to obtain the tenants' consent.

(Note 4) 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 5) The figures are not the forecasts for the fiscal period ending January 31, 2014 or the fiscal period ending July 31, 2014, but the normalized estimation based on annual income/expense projection.

(Note 6) The figures represent the value for the entire property multiplied by the joint ownership ratio (51%).

(Note 7) According to Shimizu Corporation's "Seismic Risk Analysis Report" dated August 20, 2013.

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(1) Characteristics of this asset

< Acquisition Highlight >

- **Excellent location with convenient traffic connections to major consumption areas and gateways, as well as easy recruitment of employees**
- **A large-scale, multiple-tenant logistics facility that will enable efficient operation**
- **A long-term contract with Sagawa Express Co., Ltd., a leading company in the freight transportation industry, and Ricoh Logistics System Co., Ltd., which provides global logistics services**

a. Geographical characteristics

This property is located in the Yokohama Bay area. Because the Yokohama Bay area is adjacent to large consumption area such as Yokohama and Kawasaki cities and has good access to the port of Tokyo (Oi pier), as well as distribution gateways such as Haneda airport, the area is in high need of storage and distribution centers catering to the general consumer goods market (including imported goods) in the Tokyo metropolitan area. Many large-scale logistics facilities have been completed in recent years. Being close to the Koyasu interchange of the Metropolitan Expressway Kanagawa Route 1 Yokohane Line, the property has very convenient traffic connections and allows wide-area distribution covering a large part of the Tokyo metropolitan area. Furthermore, since the property is located in an area of a concentration of large-scale logistics facilities, there is no concern that noise issues will occur, enabling 24-hour operations. On the other hand, the location has high potential as a logistics center, including the recruitment of personnel, since it is surrounded by a residential area and is only a 5-minute walk to the nearest stations of Shin-Koyasu on the JR Keihin Tohoku line and Keikyu Shinkoyasu on the Keihin Kyuko line.

b. Facility characteristics

The facility is a highly versatile large-scale multiple-tenant logistics center with standard specifications such as an effective column interval of 10 m, an effective ceiling height of more than 5.5 m, and a standard floor land capacity of 1.5 t/m². Assuming multiple tenant use, it offers ramp ways that allow direct access to all floors excluding the fourth floor, and vertical transport equipment (4 elevators) on the third and fourth floors, therefore enabling efficient inflow, outflow, internal flow, and storage, and providing highly functional specifications that accommodate the needs of tenants from a wide range of industries. Furthermore, by securing rooftop parking spaces for a large number of cars (270) as well as a concession stand and a large relaxation space for staff, the facility offers a friendly working environment to its tenant companies. It also takes into consideration business continuity and the rise in the awareness toward the environment by adopting seismic response control structures and has obtained a CASBEE Yokohama A rank.

c. Tenants

For the first floor, Sagawa Express Co., Ltd., a major company in the freight transport industry, has signed a fixed-term lease contract (term: 30 years) and uses the facility as the company's regional distribution center. For the second to fourth floors (Note), Ricoh Logistics System Co., Ltd., which offers global logistics service, has signed a fixed-term lease contract.

(Note)Of the above, the contract start date has been set as January 1, 2015 (contract term: 8 years and 8 months) for a part of the second floor, which SG Realty Co., Ltd. rents as of the date of this notice.

[Excellent location with convenient traffic connections to major consumption areas and distribution gateways]



[A large-scale, multiple-tenant logistics facility that enables efficient operation]



[Equipped with a concession stand and large relaxation space for staff, the facility offers a friendly working environment to tenant companies]



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- (Note 1) While JLF will obtain 51% interest of the beneficiary right, this outline shown here represents the entire portion of the asset.
- (Note 2) In addition to the above, Ricoh Logistics System Co., Ltd. has concluded a lease contract that begins on January 1, 2015 (total rent area: 6,474.07 m²; contract term: 8 years and 8 months) for all of the property except for areas rented by Sagawa Express Co., Ltd. and Ricoh Logistics System Co., Ltd. ((a) and (b) of the above). (A part of the area in question is rented by SG Realty Co., Ltd. and Ricoh Logistics System Co., Ltd. (the above (c)), as of the date of this notice).
- (Note 3) Not disclosed, as unable to obtain the tenants' consent.

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[T-8 Tajimi Logistics Center]
(1) Outline of the Newly Acquired Asset (Note 1)

Outline of the asset		Outline of the appraisal		
Asset type	Trust beneficiary right of real estate (75% joint ownership)	Real estate appraiser	Japan Real Estate Institute	
Date of the acquisition	October 8, 2013	Date of the appraisal	July 31, 2013	
Acquisition price	6,975 million yen	Appraisal value	8,030 million yen	
Trustee	Sumitomo Mitsui Trust Bank Co., Limited	Income approach (Note 6)	8,030 million yen	
End of the trust	September 30, 2026			
Land	Location (address)	Discounted cash flow approach (Note 6)	7,880 million yen	
	Site area (Note 2)			56,341.43 m ²
	Zoning			Semi-industrial area
	Floor-area ratio			200%
	Building-to-land ratio			60%
	Type of ownership			Ownership
Building	Structure/Story (Note 2)	Direct capitalization approach (Note 6)	8,100 million yen	
	Date of the completion (Note 2)			September 13, 2012
	Total floor area (Note 2)	75,605.23 m ²	Cost approach (Note 6)	7,460 million yen
	Total rentable area	75,605.23 m ²		
	Usage (Note 2)	Warehouse, guard station	Land (Percentage)	27.1%
	Type of ownership	Ownership		
Property Management Company	Itochu Urban Community Ltd.	Cap rate	5.7%	
Outline of the lease contract		Outline of the engineering report		
Number of tenants	1	Survey company	Shimizu Corporation	
Annual rent (excluding consumption tax)	Not disclosed (Note 3)	Issue date of the engineering report	July 16, 2013	
Lease deposit	Not disclosed (Note 3)	Urgent repairs	—	
Total rent area (Note 4)	75,605.23 m ²	Short-term repairs	—	
		Long-term repairs	78,042,000 yen	
Occupancy	100.0%	PML	11%	
Expected income/expense (Note 5)		Design company, construction company and building certification company		
Income (including auxiliary income)	Not disclosed (Note 3)	Design company	Fukuda & Partners Corporation	
NOI (Net Operating Income)	469 million yen	Construction company	Nippon Steel & Sumikin Engineering Co., Ltd.	
NOI yield (based on acquisition price)	6.7%	Building certification company	Japan ERI Co., Ltd.	
Remarks:				
Following the acquisition of this asset, JLF will co-own the property with Limited Liability Company Tajimi Logistics. Upon				

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acquiring this asset, JLF intends to conclude an inter-fiduciary agreement with Limited Liability Company Tajimi Logistics, the asset management company, and Sumitomo Mitsui Trust Bank Co., Limited and agree upon decision-making methods as a fiduciary of this asset, transfer restrictions and priority negotiation rights related to this property, and the mutual rights and obligations of the co-owners including demand for sale rights.

(Note 1) While JLF will obtain 75% interest of the beneficiary right, this outline shown here represents the entire portion of the asset excluding the acquisition price and outline of the appraisal.

(Note 2) This is indicated according to the real estate registry, and may differ from the present state.

(Note 3) Not disclosed, as unable to obtain the tenants' consent

(Note 4) 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 5) The figures are not the forecasts for the fiscal period ending January 31, 2014 or the fiscal period ending July 31, 2014, but the normalized estimation based on annual income/expense projection.

(Note 6) The figures represent the value for the entire property multiplied by the joint ownership ratio (75%).

(2) Characteristics of this asset

< Acquisition Highlight >

- **Excellent location that enables same-day delivery to the broader Chubu region including Nagoya city, a major consumption area**
- **A large-scale logistics facility that enables efficient distributive processing operations**
- **A long-term contract with Nippon Express Co., Ltd., a leading domestic company in global logistics**

a. Geographical characteristics

Located 4 kilometers from the Tajimi interchange of the Chuo Expressway, this property offers excellent access to highways. Since it is possible to access the Tomei, Meishin, and Nagoya Expressways via Komaki junction, the facility enables same-day delivery to the broader Chubu region including Nagoya city, a major consumption area. In addition, as the asset is located within an industrial area (Asahigaoka Techno Park) that has been sold to production/logistics facilities by the Land Development Corporation of Gifu Prefecture and is surrounded by green land, there is no risk of noise problems, enabling 24-hour operations. On the other hand, the facility has relatively easy to secure labor from the surrounding residential areas. Overall, the facility satisfies several requirements for current distribution operations.

b. Facility characteristics

The asset is a large-scale logistics facility with a total floor area of about 15,800 m² per floor and 79,200 m² for the entire building. The facility has double-sided loading docks and ample vertical transport equipment (4 elevators and 4 vertical transport devices). These benefits enable efficient distributive processing work, as well as offering specifications that enable same-day delivery of various items handled by mail order. In addition, by securing ample car and bicycle parking spaces, as well as spacious relaxation spaces for staff, the facility offers a friendly working environment for its tenant companies.

c. Tenant

Nippon Express Co., Ltd., a leading domestic company in global logistics has signed a fixed-term lease contract (term: 10 years). As a dedicated distribution center for a major mail order company that is expanding its locations nationwide, the facility is used as a key distribution center in the Chubu region.

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[Excellent location that enables same-day delivery to the broader Chubu region] [A large-scale logistics facility that enables efficient distributive processing operations]



(3) Outline of the tenant (lease contract) (Note 1)

Name of tenant	Type of business	Total rent area	Ratio	Annual rent (excluding consumption tax)	Lease period	Lease deposit
Nippon Express Co., Ltd.	Motor truck carrier of general freight	75,605.23 m ²	100.0%	Not disclosed (Note 2)	10 years	Not disclosed (Note 2)
<p>Contract renewal/revision</p> <p>Type of contract: Fixed-term lease contract</p> <p>Rent revision: Unable to revise.</p> <p>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 lease period only if the lessee makes an offer to the lessor at least 12 months in advance of the termination date of the contract period and if the lessor and lessee decide to make such an agreement upon discussions.</p> <p>Lease cancellation: Unable to cancel. However, the contract may be cancelled on condition that the lessee pays the lessor a penalty of an amount equivalent to the rent for the period until the termination date of the contract period. In the event the lessee introduces an alternative lessee with whom the lessor concludes a new lease contract under conditions that are equal to the current contract or that can be reasonably accepted by the lessor, the lessee may be exempt from payment of such penalty within a range equivalent to the rent of the new lease contract.</p>						
Major items	Daily staples					

(Note 1) While JLF will obtain 75% interest of the beneficiary right, this outline shown here represents the entire portion of the asset.

(Note 2) Not disclosed, as unable to obtain the tenant's consent.

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4. Outline of the seller

(1) M-23 Kashiwa Logistics Center II (Land)

The seller is a domestic Special Purpose Company. However, its name and other information have not been disclosed since consent of the seller was not obtained. Kenedix, Inc., a shareholder of JLF's asset management company, and Center Point Development Inc., are the asset managers of the seller; however, the seller does not correspond to an "interested party" under the Investment Trust and Investment Corporation Act ("Investment Trust Act") and as defined in the asset management company's Anti-Conflict-of-Interest Rule.

(2) M-24 Shin-Koyasu Logistics Center

Name	Limited Liability Company MSS Three
Address	2-2-9 Shimbashi, Minato-ku, Tokyo
Date of establishment	March 23, 2010
Representative	Representative Partner: IK Investment Functional Manager: Tadatsugu Ishimoto
Capital	500,000 yen
Shareholders	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	None in particular

(3) T-8 Tajimi Logistics Center

Name	Limited Liability Company Tajimi Logistics
Address	c/o Tokyo Kyodo Accounting Office, 3-1-1 Marunouchi, Chiyoda-ku, Tokyo
Date of establishment	August 16, 2011
Representative	Representative Partner: Ocean Liner Functional Manager: Shuji Fujita
Capital	100,000 yen
Shareholders	Ocean Liner
Principal business lines	1. Purchase and sale, lease, and management of real estate 2. Purchase and sale, holding, and disposal of 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	None in particular

5. Current conditions of the property

The Newly Acquired Assets are not acquisitions from interested parties of JLF and the asset management company.

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6. Brokers

The asset that has a broker is Tajimi Logistics Center. There is no broker for Kashiwa Logistics Center II (Land) or for Shin-Koyasu Logistics Center.

Broker for Tajimi Logistics Center

Name of the broker	Kenedix, Inc.
Address	2-2-9 Shimbashi, Minato-ku, Tokyo
Representative	Taisuke Miyajima, CEO & President
Principal business lines	1. Consulting on transactions and use of real estate, and asset management 2. Purchase and sale, lease, brokerage, and appraisal of real estate 3. Management of real estate
Capital	31,322 million yen (as of September 13, 2013)
Date of establishment	April 1995
Relation to JLF or JLF's asset management company	Kenedix, Inc. is a shareholder of JLF's asset management company, and corresponds to an "interested party" under the Investment Trust Act and as defined in the asset management company's Anti-Conflict-of-Interest Rule.
Brokerage fee	199 million yen (excluding consumption tax and local consumption tax)

7. Transaction with an interested party

As Kenedix, Inc., which is the broker for Tajimi Logistics Center, is an interested party defined by the asset management company's Anti-Conflict-of-Interest Rule, the decision of the broker was approved by the board of directors and compliance committee of the asset management company in strict accordance with the rules.

8. Future prospects

The financial results for the fiscal periods ending January 31, 2014 (17th fiscal period) and July 31, 2014 (18th fiscal period) based on the acquisitions are as stated in the "Notice Concerning Amendment of Forecasts for the Fiscal Periods Ending January 31, 2014 and Forecasts for the Fiscal Periods Ending July 31, 2014", announced on September 13, 2013.

[Reference materials]

Reference material: Portfolio list after the acquisition of the Newly Acquired Assets.

(End)

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

[Reference materials]

Reference material: Portfolio list after the acquisition of the Newly Acquired Assets to be acquired.

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

(Note 2) The figure was calculated by deducting the cost of demolition in July 2013 (603 million yen) from the amount stated in the initial sales contract.

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.

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[Reference Materials]

Reference Material : Portfolio after acquisition

	Property Name	Location	Acquisition Price (Million Yen)	Ratio
M-1	Funabashi	Funabashi, Chiba	8,675	4.5%
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	3.0%
M-7	Funabashi Nishiura II	Funabashi, Chiba	9,330	4.9%
M-8	Kawasaki	Kawasaki, Kanagawa	10,905	5.7%
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	0.9%
M-12	Yokohama Fukuura	Yokohama, Kanagawa	9,800	5.1%
M-13	Yachiyo II	Yachiyo, Chiba	5,300	2.8%
M-14	Urayasu Chidori II	Urayasu, Chiba	1,640	0.9%
M-15	Ichikawa	Ichikawa, Chiba	4,550	2.4%
M-16	Shinonome	Koto-ku, Tokyo	11,800	6.1%
M-17	Narashino II	Narashino, Chiba	7,875	4.1%
M-18	Ichikawa II	Ichikawa, Chiba	17,415	9.1%
M-19	Souka	Souka, Saitama	6,360	3.3%
M-20	Tatsumi	Koto-ku, Tokyo	9,000	4.7%
M-21	Kashiwa	Kashiwa, Chiba	3,725	1.9%
M-22	Musashimurayama	Musashimurayama, Tokyo	8,650	4.5%
M-23	Kashiwa Logistics Center II (Land)	Kashiwa, Chiba	2,500	1.3%
M-24	Shin-Koyasu Logistics Center	Kanagawa-ku, Yokohama, Kanagawa	9,696	5.0%
Metropolitan Area (Bay, Inland) Subtotal			152,400	79.2%
T-1	Daito	Daito, Osaka	9,762	5.1%
T-2	Osaka Fukuzaki	Osaka, Osaka	4,096	2.1%
T-3	Chubu Haruhi	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%
T-7	Fukuoka Hakozaiki Futo	Fukuoka, Fukuoka	2,797	1.5%
T-8	Tajimi Logistics Center	Tajimi, Gifu	6,975	3.6%
Kinki Area, Chubu Area and Kyushu Area Subtotal			29,204	15.2%
O-1	Maebashi	Maebashi, Gunma	1,230	0.6%
O-2	Hanyu	Hanyu, Saitama	1,705	0.9%

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	Property Name	Location	Acquisition Price (Million Yen)	Ratio
O-3	Saitama Kisai	Kitasaitama, Saitama	4,010	2.1%
O-4	Kazo	Kazo, Saitama	3,790	2.0%
Other Area Subtotal			10,735	5.6%
Portfolio Total			192,339	100.0%

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