

February 4, 2010

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

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

Asset Management Company

Mitsui & Co., Logistics Partners Ltd.
Representative: President Reiji Fujita
Contact: Director, CFO Kenichiro Matsuoka
TEL +81-3-3238-7171

Notice Concerning Acquisition of the Interest of Trust Beneficial Right

Japan Logistics Fund, Inc. (hereinafter referred as the “Fund”) made the decision on February 4, 2010, to acquire a property as detailed below:

1. Outline of the Acquisition

- | | |
|------------------------------|---|
| (1) Property to Be Acquired: | 90% joint co-ownership interest of trust beneficial right of real estate (Note) |
| (2) Name of the Property: | Narashino Logistics Center II |
| (3) Acquisition Price: | 7,875 million yen (excluding acquisition expenses, fixed property tax, urban planning tax, consumption tax, etc.) |
| (4) Date of Contract: | March 2, 2010 |
| (5) Date of Closing: | March 2, 2010 |
| (6) Seller: | Narashino Three Special Purpose Company |
| (7) Fund-Raising: | Net proceeds from and borrowings for issuance of new investment units through the public offering stated in “Notice Concerning the Additional Issue of New Investment Units and a Secondary Offering” released on February 4, 2010. |
| (8) Payment Method: | Lump-sum payment on the day of closing |

(Note) The Fund plans to jointly co-own the property with the affiliate of ProLogis K.K.

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2. Outline of the property to be acquired (Note1)

Outline of the real estate which constitutes the trust asset		Outline of the appraisal					
Asset type	Trust beneficial right of real estate(90% joint co-ownership interest)	Real estate appraiser	Tanizawa Sogo Appraisal Co., Ltd.				
Date of the contract	March 2, 2010 (Anticipated)	Date of the appraisal	December 31, 2009				
Acquisition price	7,875,000,000 yen	Appraisal value	8,140,000,000 yen				
Trustee	Mitsubishi UFJ Trust and Banking Corporation	Income approach	8,140,000,000 yen				
Expiration date of the trust	January 31, 2026						
Land	Location (Address)	Discounted cash flow approach	8,140,000,000 yen				
	Site area (Note 2)			Discount rate	1 year: 5.3% 2~10 years: 5.4%		
	Zoning					Terminal cap rate	5.5%
	Floor-area ratio						
	Building-to-land ratio			Direct capitalization approach	8,150,000,000 yen		
	Type of ownership					Cap rate	5.2%
Building	Structure/Story (Note 2)	Cost approach	5,470,000,000 yen				
	Date of the Completion (Note 2)			Land (Percentage)	1,450,000,000 yen (26.5%)		
	Total floor area (Note 2)					Building (Percentage)	4,020,000,000 yen (73.5%)
	Total rentable area						
	Usage (Note 2)			Ownership	Warehouse, Office		
	Type of Ownership						
Property management company	ProLogis K.K.						
Outline of the lease contract		Outline of the engineering report					
Master Lessee	ProLogis Park Narashino Three GK	Investigator	Shimizu Corporation				
The type of Master Lease	Pass-Through (Note3)						
Number of tenants	3	Issuing Date of Engineering-report	January 5, 2010				
Annual rent (excluding consumption tax)	— (Note4)						
Lease deposit	— (Note4)	Urgent repairs	100 thousand yen				
Total rent area (Note5)	48,009.85 m ²	Short-term repairs	—				
		Long-term repairs	83,570 thousand yen				
Occupancy	100.0%	PML	11.1%				
Income/Expense forecasts (Note 6)		Design company, construction company and building certification company					
Income (including auxiliary income)	— (Note4)	Design company	JFE Civil Engineering & Construction Corporation				
NOI (Net Operating Income)	517million yen	Construction Company	JFE Civil Engineering & Construction Corporation				
NOI yield (based on acquisition price)	5.9%	Building certification company	Urban Housing Evaluation Center Co., Ltd.				

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Special Remarks:

1. Although the land is not thought to be subject to the provisions of the Soil Contamination Countermeasures Act or the Chiba Prefectural Ordinance on Conservation of the Living Environment (effective from March 10, 1995 onward), as the results of survey there have been confirmed the presence of hazardous substances in a part of the land, with exceeding environmental standard. The Fund considers that no further measures should be required since the Fund confirmed with Shimizu Corporation that the risk of environmental impact is limited and is not so significant since appropriate measures against the existing hazardous substances have been properly taken before.
2. Upon the acquisition, the property shall be jointly co-owned between the Fund and Narashino Three Special Purpose Company. The Fund plans to enter into the Inter-Beneficiary Agreement among the Fund, Mitsui & Co., Logistics Partners Ltd. (Asset Management Company of the Fund), ProLogis K.K. and ProLogis Park Narashino Three GK (master lessee of the property), in order to agree mutually the rights and obligations as the beneficiary regarding “decision making process”, “restrictions of transferring the property”, “first refusal right and transfer-claim of the property”, etc..

Note:

1. This refers to the entire property (100%), excluding the acquisition price and outline of the appraisal.
2. According to the indication of the real estate register.
3. This means a master lease agreement with no rental guarantee.
4. The Fund has not obtained consent from the tenants to disclose the information.
5. 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 in which areas not included in the rentable area are included in the total rent area in the lease contract.
6. The figures are forecasts of annual income/expense eliminating the special factors of the business period in which acquisition is made and, therefore, are not forecasts for the fiscal period ending July 31, 2010 or fiscal period ending January 31, 2011.

3. Rationale for the acquisition

The Fund has been authorized the acquisition of this property in accordance with its investment targets and policies, stipulated in its Articles of Incorporation. This is to be recognized as the first and epoch-making events after our announcement based on the agreement of “Development Portfolio Alliance” with ProLogis K.K. signed on August 31, 2009.

(1) Site Characteristics

The Narashino area offers excellent access to the Tokyo and Chiba bayside areas and to the inland areas of the national capital region. It is home to many logistic centers, such as the delivery centers of major long-distance trucking businesses. The property is located near the Hanawa Interchange of the Keiyo Expressway and the Wangan Narashino Interchange of the Higashi-Kanto Expressway, and it has easy access to major roads. Site conditions are therefore ideal for consumer-oriented logistics covering the central Tokyo area and the Keiyo waterfront area. There is also ready access to such gateways as the Port of Tokyo (Oi Wharf), Tokyo International Airport (Haneda), and Narita International Airport, making it ideal for air and marine cargo. The site can handle 24-hour operations, and labor is also readily available since workers can commute to work via the Shin-Narashino Station of the JR Keiyo Line. Site conditions are therefore well suited for logistics operations.

(2) Facility Characteristics

The facility has an effective column interval of 10.0 m, an effective ceiling height of 5.5 m, and a standard floor load of 1.5 t/m² making it suitable for large-scale, general-purpose logistic centers. The facility was built for multiple tenant use. The first floor has high-floor, dual-sided truck berths (a total of 38 berths), and single-sided berths (19 berths) are accessible by ramp from the fourth floor. Partitioned areas have separate vertical conveyors and freight elevators, enabling rapid inbound and outbound deliveries and loading and unloading operations for each tenant. Property infrastructure, such as IT-ready office space, a parking lot (capacity: 85 vehicles), and 24-hour in-person security, will satisfy the diverse needs of tenant companies. Also, the property was designed with the global environment in mind, as evidenced by the use of rooftop greenery and walls with high thermal insulation.

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(3) Tenant

There has been the fixed-term leasing contracts with the leading logistics companies as follows; Nakano Shokai Co., Ltd. (a company offering broad-based logistics services in eastern Japan), Yamato Logistics Co., Ltd. (a company providing corporate logistic services that is a member of the door-to-door parcel delivery giant Yamato Transport Group), and Sanyo Electric Logistics Co., Ltd. (a company with strengths in third-party logistics that is affiliated with an integrated manufacturer of household electronic appliances). These tenants are using the property as a distribution processing center for apparel, daily necessities, and as a distribution center for deliveries to consumers and for consumer electronics stores selling PC peripherals and other products.

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4. Outline of the Tenant (Lease Contract) (Note1)

Name of Tenant	Type of Business	Total Rent Area	Ratio	Annual Rent (excluding consumption tax)	Lease Period	Lease Deposit
Nakano Shokai Co., Ltd.	Warehousing, transportation	18,590.42 m ²	38.7%	—(Note2)	to January 31, 2013	—(Note2)
Yamato Logistics Co., Ltd.	Warehousing, transportation	15,109.07 m ²	31.5%		to October 31, 2015	
Sanyo Electric Logistics Co., Ltd.	Warehousing, transportation	14,310.36 m ²	29.8%		to October 31, 2014	
Total		48,009.85 m ²	100.0%		—	

Contract Renewal/Revision :
Nakano Shokai Co., Ltd.

Type of Contract : Fixed-term lease contract (5-year contract)

Revision of Rent : The rent may be revised three years after the handover of the property with reference to the rate of change in the consumer price index. The rent may also be revised immediately but amicably when there are significant changes in economic circumstances or in expenses related to the property.

Renewal of Contract: The lease contract will not be renewed. However, when the lessee desires to have the lease contract newly, the lessor shall give priority to negotiating the renewal of the contract with the lessee.

Early Termination: Early termination shall not be permitted during the lease period.

Yamato Logistics Co., Ltd.

Type of Contract : Fixed-term lease contract (7-year contract)

Revision of Rent : The rent may be revised three years after the handover of the property with reference to the rate of change in the consumer price index. The rent may also be revised immediately but amicably when there are significant changes in economic circumstances or in expenses related to the property.

Renewal of Contract: The lease contract will not be renewed. However, when the lessee desires to have the lease contract newly, the lessor shall give priority to negotiating the renewal of the contract with the lessee.

Early Termination: Early termination shall not be permitted during the lease period. The lease contract may be canceled on the early termination date by the lessee giving notice in writing to the lessor at least six months prior to the early termination date.

Sanyo Electric Logistics Co., Ltd.

Type of Contract : Fixed-term lease contract (5 and a half-year contract)

Revision of Rent : The rent may be revised three and a half years after the handover of the property with reference to the rate of change in the consumer price index. The rent may also be revised immediately but amicably when there are significant changes in economic circumstances or in expenses related to the property.

Renewal of Contract: The lease contract will not be renewed. However, when the lessee desires to have the lease contract, the lessor shall give priority to negotiating the renewal of the contract with the lessee.

Early Termination: Early termination shall not be permitted during the lease period. The lease contract may be canceled on the early termination date by the lessee giving notice in writing to the lessor from six months to twelve months prior to the early termination date.

Major items | Apparel, General Merchandise, Computer peripherals

(Note1) This refers to the entire property (100%).

(Note2) The Fund has not obtained consent from the tenant to disclose the information.

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5. Outline of the seller

Name of company	Narashino Three Special Purpose Company (Note1)
Head office address	5-2, Higashi-Shinbashi 1-chome, Minato-ku, Tokyo Shiodome City Center
Date of foundation	April 25, 2007
Represented by	Director, Kazuhiro Tsutsumi
Capital	478.7 million yen
Preferred equity holder	— (Note 2)
Main line of business	Business concerning the acquisition, management and liquidation of the Specified Assets in accordance with the Company's Asset Liquidation Plan filed pursuant to the Law Regarding Liquidation of Assets.
Relation with the Fund	Not applicable

(Note 1) Narashino Three Special Purpose Company is a special purpose company established by ProLogis K.K.

(Note 2) The Fund has not obtained consent from the preferred equity holder to disclose the information.

6. Conditions of property acquisition

This property is not being acquired from an entity with a material conflict of interest with the Fund or with the asset management company.

7. Outline of the broker

Not applicable

8. Future Prospects

The Fund has announced "Notice Concerning Forecasts of Financial Results for the Fiscal Periods Ending July 31, 2010 and January 31, 2011" on February 4, 2010.

This notice is the English translation of the announcement in Japanese dated February 4, 2010 on our website. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

【Reference Materials】

Reference Material 1: Exterior Photograph of the Building

Reference Material 2: Map of the Property

Reference Material 3: Portfolio after acquisition

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

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【Reference Materials】

Reference Material 1: Exterior Photograph of the Building



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Reference Material 2: Map of the Property

- Wide area map



- Neighboring area map



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Reference Material 3: Portfolio after acquisition

#	Property Name	Location	Acquisition Price (Million Yen)	Ratio
M-1	Funabashi	Funabashi, Chiba	8,675	7.0%
M-2	Urayasu	Urayasu, Chiba	2,902	2.3%
M-3	Hiratsuka	Hiratsuka, Kanagawa	1,466	1.2%
M-4	Shinkiba	Koto-ku, Tokyo	2,454	2.0%
M-5	Urayasu Chidori	Urayasu, Chiba	6,000	4.9%
M-6	Funabashi Nishiura	Funabashi, Chiba	5,700	4.6%
M-7	Funabashi Nishiura II	Funabashi, Chiba	9,330	7.5%
M-8	Kawasaki	Kawasaki, Kanagawa	10,905	8.8%
M-9	Narashino	Narashino, Chiba	1,690	1.4%
M-10	Yokosuka	Yokosuka, Kanagawa	3,305	2.7%
M-11	Yachiyo	Yachiyo, Chiba	2,266	1.8%
M-12	Yokohama Fukuura	Yokohama, Kanagawa	9,800	7.9%
M-13	Yachiyo II	Yachiyo, Chiba	5,300	4.3%
M-14	Urayasu Chidori II	Urayasu, Chiba	1,640	1.3%
M-15	Ichikawa	Ichikawa, Chiba	4,550	3.7%
M-16	Shinonome	Koto-ku, Tokyo	11,800	9.5%
M-17	Narashino II	Narashino, Chiba	7,875	6.4%
Metropolitan Area (Bay, Inland) Subtotal			95,658	77.3%
T-1	Daito	Daito, Osaka	7,617	6.2%
T-2	Osaka Fukuzaki	Osaka, Osaka	4,096	3.3%
T-3	Chubu Haruhi	Kiyosu, Aichi	685	0.6%
T-4	Kadoma	Kadoma, Osaka	989	0.8%
T-5	Komaki	Komaki, Aichi	2,100	1.7%
T-6	Komaki II	Komaki, Aichi	1,800	1.5%
Kinki Area, Chubu Area and Kyushu Area Subtotal			17,287	14.0%
O-1	Maebashi	Maebashi, Gunma	1,230	1.0%
O-2	Hanyu	Hanyu, Saitama	1,705	1.4%
O-3	Saitama Kisai	Kitasaitama, Saitama	4,010	3.2%
O-4	Kazo	Kazo, Saitama	3,790	3.1%
Other Area Subtotal			10,735	8.7%
Portfolio Total			123,680	100.0%

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