

February 27, 2012

**For Immediate Release**

**Real Estate Investment Trust**

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: Reiji Fujita, President, CEO  
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**Notice Concerning Acquisition of a New Asset**

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

**1. Outline of the Acquisition**

- |                           |   |
|---------------------------|---|
| (1) Asset to be Acquired: | 50% joint ownership of the beneficial right of a domestic real estate trust (Note)  |
| (2) Name of the Asset:    | Souka Logistics Center  |
| (3) Acquisition Price:    | 6,360 million yen (excluding expenses associated with the acquisition, fixed property tax, urban planning tax, and consumption tax) |
| (4) Date of Contract:     | March 27, 2012 (Expected)   |
| (5) Date of Closing:      | March 27, 2012 (Expected)   |
| (6) Seller:               | Mitsui-Soko Co., Ltd.   |
| (7) Fund Source:          | Bank loans and cash in hand   |
| (8) Payment Method:       | Lump-sum payment on the day of closing  |

(Note) The Fund plans to co-own the property with the special purpose company (hereinafter referred to as the “SPC”) sponsored by Mitsui & Co., Realty Management, Ltd., a 100% subsidiary of Mitsui & Co., Ltd.

**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	Beneficial right of real estate trust (50% joint ownership)	Real estate appraiser	Tanizawa Sogo Appraisal Co., Ltd.				
Date of the contract	March 27, 2012 (Expected)	Date of the appraisal	January 31, 2012				
Acquisition price	6,360 million yen	Appraisal value	6,620 million yen				
Trustee	The Chuo Mitsui Trust and Banking Co., Ltd.	Income approach	6,620 million yen				
Expiration date of the trust	March 26, 2022						
Land	Location (Address)	Discounted cash flow approach	6,600 million yen				
	Site area (Note 2)			Discount rate	5.2%		
	Zoning					Terminal cap rate	5.5%
	Floor-area ratio						
	Building-to-land ratio			Cap rate	5.2%		
	Type of ownership					Cost approach	5,900 million yen
Building	Structure/Story (Note 2)	Land (Percentage)	2,500 million yen (42.1%)				
	Date of the Completion (Note 2)			Building (Percentage)	3,400 million yen (57.9%)		
	Total floor area (Note 2)						
	Total rentable area						
	Usage (Note 2 )						
	Type of Ownership						
Property management company	XYMAX CUBE Co.						
Outline of the lease contract		Outline of the engineering report					
Number of tenants	3	Investigator	Shimizu Corporation				
Annual rent (excluding consumption tax)	Not disclosed (Note3)	Issuing Date of Engineering-report	February 3, 2012				
Lease deposit	Not disclosed (Note3)	Urgent repairs	-				
Total rent area (Note4)	42,640.84 m <sup>2</sup>	Short-term repairs	320 thousand yen (Note6)				
		Long-term repairs	147,588 thousand yen				
Occupancy	100.0%	PML	13.0%				
Expected income/expense balance (Note 5)		Design company, construction company and building certification company					
Income (including auxiliary income)	Not disclosed (Note3)	Design company	Kajima Corporation				
NOI (Net Operating Income)	370 million yen	Construction Company	Kajima Corporation				
NOI yield (based on acquisition price)	5.8%	Building certification company	Saitama Housing Inspection Center Foundation				

**Special Remarks:**

1. Upon the acquisition, the asset shall be co-owned between the Fund and the SPC sponsored by Mitsui & Co., Realty Management, Ltd.. The Fund plans to enter into the Inter-Beneficiary Agreement among the Fund, Mitsui & Co., Logistics Partners Ltd. (Asset Management Company of the Fund), Mitsui & Co., Realty Management, Ltd., the SPC, and The Chuo Mitsui Trust and Banking Co., Ltd.as follows;
  - In principle, agreement among the all co-owners is necessary to make any decision on the property. In case that the owners cannot agree or unable to make timely and appropriate decision on the asset, the Trustee is authorized to make necessary treatment on the asset based on its fiduciary duty as the Trustee.
  - The co-owners cannot sell their portion of the beneficiary rights without the other co-owners' consent.
  - When one of the co-owners intends to sell its portion, the other co-owner has the first refusal right, and able to negotiate terms prior to the other potential buyers. The Fund, however, agrees the SPC to attach security interest in its portion of the beneficiary right.
2. The piles of a building demolished in the past remain under the ground in the site. The Fund decided the acquisition price taking into account the estimated cost (35 million yen) of extracting and removing a part of these piles at the time of future reconstruction.

**Notes:**

1. While the Fund is expected to obtain 50% interest of the beneficially right, this outline shown here represents the entire portion of the asset excluding the acquisition price and outline of the appraisal.
2. According to the indication of the real estate registry.
3. Not disclosed, for unable to obtain the tenants' consent.
4. In general, there are minor differences between the definition of "rentable area" determined by the Fund 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.
5. The figures are not the forecasts for the fiscal period ending July 31, 2012 or the fiscal period ending January 31, 2013, but the normalized estimation based on annual income/expense projection.
6. The seller agrees to cover costs associated with the short-term repairs.

**3. Rationale for the acquisition**

In order to improve the quality of the Fund's portfolio, it has authorized to acquire this asset in accordance with its investment targets and policies stipulated in its Articles of Incorporation.

**(1) Geographical Characteristics**

Souka/Misato area is adjacent to the Tokyo 23 wards, the largest center of consumption in Japan, with the excellent access to the logistics gateways such as the Port of Tokyo (Oi Terminal) and the Tokyo International Airport (Haneda). The area gains popularity as storage/delivery centers of consumer products, including imported goods, to the Tokyo Metropolitan Area. The asset locates close to the Gaikan Misato-Nishi exit and the Souka exit of the Tokyo Gaikan Expressway that gives Souka area easy access to the major Expressways such as Joban Expressway and Tohoku Expressway as well as local arterial roads. This geographical uniqueness of Soka area provides wide range of coverage including northern Kanto area and Tohoku area, not just for the Tokyo Metropolitan Area.

Furthermore, the asset's site setting qualifies as the first class logistics center because it is in an industrial area which enables the tenants to operate 24 hours, and is surrounded by residential area which enables them to recruit labor relatively easy.

**(2) Facility Characteristics**

The facility is a large-scale and versatile logistic center with effective column interval of 10.0 m, effective ceiling height of 5.5 m, and standard floor load capacity of 1.5 t/m<sup>2</sup>, an idealistic spec. The facility was designed for multiple tenant use. It has upward slope and downward rampway that allows accessing each floor directly and promptly. In addition, the facility has longer-than-average truck berth as well as dock-leveler, which adjusts the level gap between the truck and the berth, to handle maritime container.

The facility equips infrastructures enough to satisfy variety of tenant needs, such as office space in each floor, large roof top parking area for tenant employees, and 24 hours manned security service.

(3) Tenants

Mitsui-Soko Co., Ltd., one of the largest warehousing companies which provide logistics related businesses globally, occupies the first/second floor and the seventh/eighth floor with the fixed-term leasing contracts. The company positions the facility as a hub of diverse logistics services.

Koyama Kigyo Co., Ltd., a southern Saitama based third-party-logistics company, uses third/fourth floor with the fixed-term leasing contracts. The facility is the largest operating base for Koyama.

Sangetsu Co., Ltd., an interior materials wholesale company, fills the fifth/sixth floor with the fixed-term leasing contracts. Sangetsu covers the southern Kanto area from this facility.

**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
Mitsui-Soko Co., Ltd.	Warehousing	20,639.35 m <sup>2</sup>	48.4%	Not disclosed (Note2)	From March 27, 2012 to March 31, 2017	Not disclosed (Note2)
Koyama Kigyo Co., Ltd.	Warehousing	11,000.85 m <sup>2</sup>	25.8%		From February 1, 2010 to January 31, 2020	
Sangetsu Co., Ltd.	Wholesale of construction materials	11,000.64 m <sup>2</sup>	25.8%		From May 1, 2008 to April 30, 2018	
Total		42,640.84 m <sup>2</sup>	100.0%		—	
<p>Contract Renewal/Revision :  <u>Mitsui-Soko Co., Ltd.</u>            Type of Contract: Fixed-term lease contract (5 years)            Rent Revision: Unable to change.            Contract Renewal: No contract will be renewed, unless otherwise agreed between the tenant and the Fund to initiate a new contract.            Lease Cancellation: Unable to cancel before the last date of the lease, unless the tenant pays the balance of the remaining lease term.</p> <p><u>Koyama Kigyo Co., Ltd.</u>            Type of Contract: Fixed-term lease contract (10 years)            Rent Revision: The rent may be revised when significant change in economic environment or in expenses related to the property occur.            Contract Renewal: No contract will be renewed, unless otherwise agreed between the tenant and the Fund to initiate a new contract.            Lease Cancellation: Unable to cancel for 5 years. After year 6, the tenant may cancel the lease contract as long as it pays up to 18-month rent equivalent of penalty.</p> <p><u>Sangetsu Co., Ltd.</u>            Type of Contract: Fixed-term lease contract (10 years)            Rent Revision: The rent may be revised when significant change in economic environment or in expenses related to the property occur.            Contract Renewal: No contract will be renewed, unless otherwise agreed between the tenant and the Fund to initiate a new contract.            Lease Cancellation: The tenant may cancel the lease contract as long as it pays up to 36-month rent equivalent of penalty.</p>						
Major items	Beverages, Apparel, Interior Materials, Office Automation Equipment					
(Note1) While the Fund is expected to obtain 50% interest of the beneficially right, this outline shown here represents the entire portion of the asset.						
(Note2) Not disclosed, for unable to obtain the tenants' consent.						

**5. Outline of the seller**

Name of the company	Mitsui-Soko Co., Ltd.
Head office address	20-1, Nishi-Shinbashi 3-chome, Minato-ku, Tokyo
Date of establishment	October 11, 1909
President	Kazuo Tamura
Capital	11.1 billion yen
Principal business lines	Warehousing, port terminal operations, domestic transportation, international transportation, real estate leasing, etc.
Relation with the Fund	N/A

**6. Conditions of property acquisition**

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

**7. Outline of the broker**

N/A

**8. Future Prospects**

We will notify changes of the forecast, if any, of the 14<sup>th</sup> Period and the 15<sup>th</sup> Period associated with this acquisition in the financial report of the 13<sup>th</sup> Period to be released in March, 2012.

**This notice is the English translation of the Japanese press release announced on March 27, 2012 on our website. 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 list after the acquisition

(End)

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

【Reference Materials】

Reference Material 1: Exterior Photograph of the Building

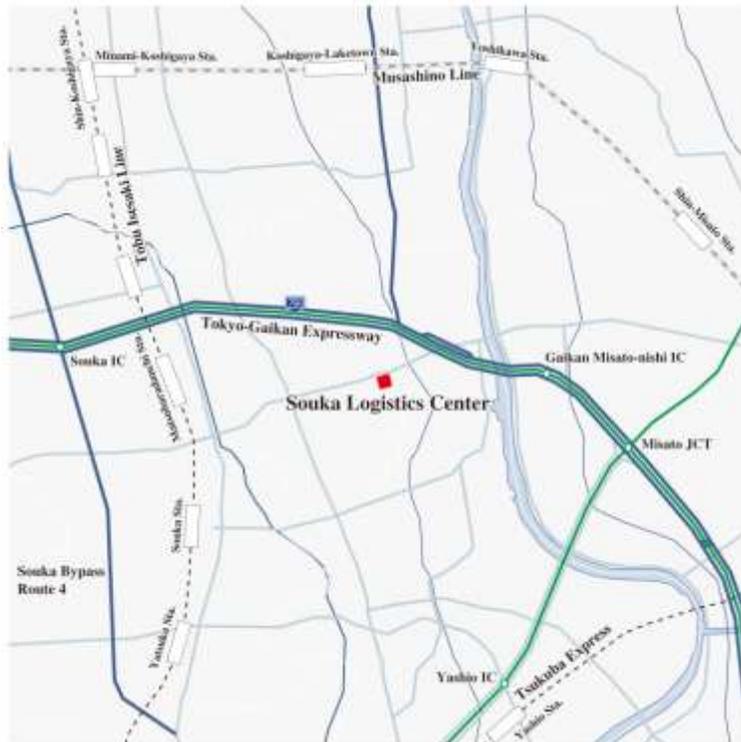


Reference Material 2: Map of the Property

- Wide area map



- Neighboring area map



**Reference Material 3: Portfolio after acquisition**

#	Property Name	Location	Acquisition Price (Million Yen)	Ratio
M-1	Funabashi	Funabashi, Chiba	8,675	5.8%
M-2	Urayasu	Urayasu, Chiba	2,902	1.9%
M-3	Hiratsuka	Hiratsuka, Kanagawa	1,466	1.0%
M-4	Shinkiba	Koto-ku, Tokyo	2,454	1.6%
M-5	Urayasu Chidori	Urayasu, Chiba	6,000	4.0%
M-6	Funabashi Nishiura	Funabashi, Chiba	5,700	3.8%
M-7	Funabashi Nishiura II	Funabashi, Chiba	9,330	6.2%
M-8	Kawasaki	Kawasaki, Kanagawa	10,905	7.3%
M-9	Narashino	Narashino, Chiba	1,690	1.1%
M-10	Yokosuka	Yokosuka, Kanagawa	3,305	2.2%
M-11	Yachiyo	Yachiyo, Chiba	2,266	1.5%
M-12	Yokohama Fukuura	Yokohama, Kanagawa	9,800	6.6%
M-13	Yachiyo II	Yachiyo, Chiba	5,300	3.5%
M-14	Urayasu Chidori II	Urayasu, Chiba	1,640	1.1%
M-15	Ichikawa	Ichikawa, Chiba	4,550	3.0%
M-16	Shinonome	Koto-ku, Tokyo	11,800	7.9%
M-17	Narashino II	Narashino, Chiba	7,875	5.3%
M-18	Ichikawa II	Ichikawa, Chiba	17,415	11.6%
M-19	Souka	Souka, Saitama	6,360	4.3%
Metropolitan Area (Bay, Inland) Subtotal			119,433	79.8%
T-1	Daito	Daito, Osaka	9,762	6.5%
T-2	Osaka Fukuzaki	Osaka, Osaka	4,096	2.7%
T-3	Chubu Haruhi	Kiyosu, Aichi	685	0.5%
T-4	Kadoma	Kadoma, Osaka	989	0.7%
T-5	Komaki	Komaki, Aichi	2,100	1.4%
T-6	Komaki II	Komaki, Aichi	1,800	1.2%
Kinki Area, Chubu Area and Kyushu Area Subtotal			19,432	13.0%
O-1	Maebashi	Maebashi, Gunma	1,230	0.8%
O-2	Hanyu	Hanyu, Saitama	1,705	1.1%
O-3	Saitama Kisai	Kitasaitama, Saitama	4,010	2.7%
O-4	Kazo	Kazo, Saitama	3,790	2.5%
Other Area Subtotal			10,735	7.2%
Portfolio Total			149,600	100.0%