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For Immediate Release
Real Estate Investment Trust

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**Notice Concerning Determination of the Date of Delivery and the Fund Source,
and Completion of an Asset Acquisition**

Japan Logistics Fund, Inc. (hereinafter referred to as “JLF”) announced today that regarding the acquisition of Yachiyo Logistics Center III (hereinafter “the Property”) described in “Notice Concerning Acquisition of a New Asset (Yachiyo Logistics Center III)” (hereafter referred to as the “Notice”) announced on September 11, 2017, it has determined the date of delivery and the fund source, and completed the acquisition.

JLF will also update the outline of the Property as well as the outline of the appraisal after the completion.

1. Outline of the acquisition
(1) The Property

Property number	Name of the property	Date of delivery	Seller	Acquisition price (million yen) (Note 1)	Appraisal value (million yen)	Expected NOI yield (Acquisition price base) (Note 2)
M-33	Yachiyo Logistics Center III	September 2, 2019	Matsuo Shoji Co., Ltd	3,286	4,110	5.7%

(Note 1) Overhead cost of the acquisition, fixed asset tax, city planning tax and consumption tax are not included in the acquisition price.

(Note 2) Expected NOI yield (Acquisition price base) = Expected NOI / acquisition price x 100
 (Figures are rounded off to the first decimal place.)

Expected NOI is a normalized estimate of medium-term based on annual income and expense projections by the Asset management company and is not the forecast at the time of acquisition of the Property nor the forecast for the fiscal period ending January 2020.

(2) Fund source Cash on hand

(3) Payment method Lump-sum payment on the date of delivery

2. Outline of the seller

Please refer to the Notice.

3. Current condition of the seller

The seller of the property does not fall under an interested party of either JLF or the asset manager.

4. Future prospects

In the Forecasts for the Fiscal Period ending January 2020 (from August 1, 2019 to January 31, 2020) announced in the REIT Financial Report for the Fiscal Period ended January 31, 2019 (released on March 12, 2019), the occupancy rate at the time of the acquisition of the Property was assumed to be 0% because the lease contract of the Property had not been concluded. Although a tenant with a short term (until January 31, 2020) lease contract uses the Property at the time of acquisition date, the impact on the forecast for the Fiscal Period ending January 2020 (The 29th Period) is minimal, and there is no change to the forecast for this period.

In addition, JLF will announce the Forecasts for the Fiscal Period ending January 2020 (from August 1, 2019 to January 31, 2020) and the Fiscal Period ending July 2020 (from February 1, 2020 to July 31, 2020) reflected the acquisition the Property in the REIT Financial Report for the Fiscal Period ended July 31, 2019 (to be released on September 12, 2019).

5. Details of the Property

(1) Outline of the Property

[M-33 Yachiyo Logistics Center III]

Outline of the asset		Outline of the appraisal	
Asset type	Real estate	Real estate appraiser	The Tanizawa Sogo Appraisal Co., Ltd.
Date of the acquisition	September 2, 2019	Date of the appraisal	July 31, 2019
Acquisition price	3,286 million yen	Appraisal Value	4,110 million yen
Land	Location	2040-1 Aza-Otsuka, Kamikoya, Yachiyo, Chiba and Others	
	Site area	9,432.88 m ²	
	Zoning	Exclusive Industrial area	
	Floor-area ratio	200%	
	Building-to-land ratio	60%	
	Type of ownership	Ownership	
Building	Structure/Story (Note 1)	Steel-frame structure with deck roof, 4 stories	
	Date of the completion (Note 1)	August 22, 2018	
	Total floor area (Note 1)	18,942.84 m ²	
	Total rentable area	17,988.66 m ²	
	Usage (Note 1)	Warehouse	
	Type of ownership	Ownership	
Property management company	XYMAX ALPHA Corporation		
Collateral	None		
Outline of the lease contract (Note 2)		Outline of engineering report	
Number of tenants	1	Survey company	Shimizu Corporation
Names of major tenant	Not disclosed (Note 3)	Issue date of the report	July 1, 2019
Annual rent (excluding consumption tax)	Not disclosed (Note 3)	Urgent repairs	-
Lease deposit	Not disclosed (Note 3)	Short-term repairs	-
Total rent area (Note 4)	17,988.66 m ²	Long-term repairs	10,299 thousand yen
Occupancy	100.0%	PML	7.1%
Expected income/expense (Note 5)		Design company, construction company and building certification company	
Income (including auxiliary income)	Not disclosed (Note 6)	Design company	Matsuo construction Co., Ltd.
Expected NOI	185 million yen	Construction company	Matsuo construction Co., Ltd.
Expected NOI yield (based on acquisition price)	5.7% (Note 7)	Building certification company	Urban Housing Evaluation Center
Remarks: None			
(Note 1) The outline shown here is according to the real estate registry, and may differ from the present state.			
(Note 2) The Figures are an overview of short-term lease contracts (until January 31, 2020) as of the acquisition date.			
(Note 3) Not disclosed, for unable to obtain the tenant's consent.			
(Note 4) In general, there are minor differences between the definition of "rentable area" as determined by JLF and the definition of "rent area" as determined by the lease contracts (including pre-lease contract). The total rent area represents the sum of the rent area included in the rentable area. It is possible that some of the rent area is not included in the rentable area.			
(Note 5) The figures are not forecasts for revenue from the Property as of the date of acquisition of the Property, but normalized estimate of medium-term based on annual income and expense projections by the Asset management company.			
(Note 6) JLF does not disclose these items because their disclosure may enable the lease terms and level of outsourcing fees to be estimated, which could have a negative impact on the efficient operations of JLF and cause disadvantages to investors.			
(Note 7) The figure is expected NOI divided by 3,286 million yen, which is the acquisition price.			

(2) Outline of the appraisal
[M-33 Yachiyo Logistics Center III]

Appraisal value	4,110 million yen
Real estate appraiser	The Tanizawa Sogo Appraisal Co., Ltd.
Date of appraisal	July 31, 2019

Item	Details	Outline
Income approach value	4,110 million yen	Appraisal performed based on DCF approach as a standard, with validation using the direct capitalization approach
Direct capitalization approach	4,220 million yen	
Operating revenues	Not disclosed (Note)	
Total potential revenue	Not disclosed (Note)	Appraisal based on market rent price levels for the subject real estate
Loss such as vacancy	0 yen	Not assumed.
Operating expenses	Not disclosed (Note)	
Maintenance	0 yen	Not assumed.
Utilities expenses	0 yen	Not assumed.
Repairs	2 million yen	Appraisal by applying set allocations to figures based on ER and comparable transactions
Property management fee	Not disclosed (Note)	Appraisal based on a standard monthly outsourcing fee
Expenses for recruiting tenants	0 yen	Not assumed.
Real estate taxes	25 million yen	Estimated value
Casualty insurance premium	Not disclosed (Note)	Appraisal based on a standard rate, with no earthquake insurance subscribed
Other expenses	1 million yen	Appraisal based on earnings samples and the like
Net operating income	193 million yen	
Profit on the investment of a lump sum	Not disclosed (Note)	
Capital expenditure	4 million yen	Appraisal by applying set allocations to figures based on ER and comparable transactions
Net cash flow	190 million yen	
Capitalization rate	4.5%	Appraisal by comparing multiple transaction yields from comparable regions within the same market and neighboring areas, and by comprehensively taking into consideration trends and the like in the real estate investment market
DCF method	4,060 million yen	
Discount rate	4.4%	Appraisal by factoring individual risks related to the subject real estate on top of a base warehouse yield calculated by a build-up approach for financial products
Terminal cap rate	4.7%	Appraisal by incorporating future forecasting uncertainties based on a capitalization yield
Cost approach	3,940 million yen	
Land percentage	36.7%	
Building percentage	63.3%	
Remarks	Not applicable	

(Note) JLF does not disclose these items because their disclosure may enable the lease terms and level of fees to be estimated, which could have a negative impact on the efficient operations of JLF and cause disadvantages to investors.

(End)

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.

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

[Appendix]

Portfolio list after acquisition of the Property

Property number	Property name	Location	Acquisition price (Million Yen)	Ratio (Note 1)
M-2	Urayasu	Urayasu, Chiba	2,902	1.0%
M-3	Hiratsuka	Hiratsuka, Kanagawa	1,466	0.5%
M-4	Shinkiba	Koto-ku, Tokyo	2,454	0.9%
M-5	Urayasu Chidori	Urayasu, Chiba	6,000	2.1%
M-6	Funabashi Nishiura	Funabashi, Chiba	5,700	2.0%
M-8	Kawasaki	Kawasaki, Kanagawa	10,905	3.8%
M-9	Narashino	Narashino, Chiba	1,690	0.6%
M-11	Yachiyo	Yachiyo, Chiba	7,892 (Note 2)	2.8%
M-12	Yokohama Fukuura	Yokohama, Kanagawa	9,800	3.4%
M-13	Yachiyo II	Yachiyo, Chiba	5,300	1.9%
M-14	Urayasu Chidori II	Urayasu, Chiba	1,640	0.6%
M-15	Ichikawa	Ichikawa, Chiba	4,550	1.6%
M-16	Shinonome	Koto-ku, Tokyo	11,800	4.1%
M-17	Narashino II	Narashino, Chiba	7,875	2.8%
M-18	Ichikawa II	Ichikawa, Chiba	17,415	6.1%
M-19	Souka	Souka, Saitama	14,440 (Note 3)	5.1%
M-20	Tatsumi	Koto-ku, Tokyo	9,000	3.2%
M-21	Kashiwa	Kashiwa, Chiba	3,725	1.3%
M-22	Musashimurayama	Musashimurayama, Tokyo	8,650	3.0%
M-23	Kashiwa II	Kashiwa, Chiba	3,795 (Note 4)	1.3%
M-24	Shin-Koyasu	Yokohama, Kanagawa	9,696	3.4%
M-25	Misato	Misato, Saitama	3,873	1.4%
M-26	Sagamihara	Sagamihara, Kanagawa	8,032	2.8%
M-27	Chiba-Kita	Chiba, Chiba	1,459	0.5%
M-28	Chiba-Kita II	Chiba, Chiba	4,608	1.6%
M-29	Urayasu Chidori III	Urayasu, Chiba	1,053	0.4%
M-30	Zama	Zama, Kanagawa	1,728	0.6%
M-31	Shinkiba II	Koto-ku, Tokyo	15,270	5.4%
M-32	Yokohama Machida	Machida, Tokyo	25,452	8.9%

Property number	Property name	Location	Acquisition price (Million Yen)	Ratio (Note 1)
M-33	Yachiyo III	Yachiyo, Chiba	3,286	1.1%
M-35	Toda	Toda, Saitama	2,052	0.7%
M-36	Ichikawa III	Ichikawa, Chiba	3,850	1.4%
M-37	Fujisawa	Fujisawa, Kanagawa	4,305	1.5%
Metropolitan Area (Bay, Inland) Subtotal			221,664	77.8%
T-1	Daito	Daito, Osaka	9,762 (Note 5)	3.4%
T-2	Osaka Fukuzaki	Osaka, Osaka	4,096	1.4%
T-3	Kiyosu	Kiyosu, Aichi	3,010 (Note 6)	1.1%
T-4	Kadoma	Kadoma, Osaka	989	0.3%
T-5	Komaki	Komaki, Aichi	2,100	0.7%
T-6	Komaki II	Komaki, Aichi	1,800	0.6%
T-7	Fukuoka Hakozaki Futo	Fukuoka, Fukuoka	2,797	1.0%
T-8	Tajimi	Tajimi, Gifu	9,310 (Note 7)	3.3%
T-9	Fukuoka Kashiihama	Fukuoka, Fukuoka	2,750	1.0%
T-10	Kasugai	Kasugai, Aichi	3,500 (Note 8)	1.2%
T-11	Takatsuki	Takatsuki, Osaka	1,559	0.5%
T-13	Osaka Nishiyodogawa	Osaka, Osaka	2,600	0.9%
Kinki Area, Chubu Area and Kyushu Area Subtotal			44,274	15.5%
O-1	Maebashi	Maebashi, Gunma	1,230	0.4%
O-2	Hanyu	Hanyu, Saitama	1,705	0.6%
O-3	Saitama Kisai	Kazo, Saitama	4,010	1.4%
O-4	Kazo	Kazo, Saitama	3,790	1.3%
O-5	Sendai-ko-kita	Sendai, Miyagi	1,600	0.6%
Other Area Subtotal			12,335	4.3%
Portfolio Total after acquisition of the new asset			278,273	97.7%
Assets to which forward commitment, etc. is applied				
M-34	Shiroi	Shiroi, Chiba	4,052 (Note 9)	1.4%
T-12	Aisai	Aisai, Aichi	2,510 (Note 9)	0.9%

Property number	Property name	Location	Acquisition price (Million Yen)	Ratio (Note 1)
Total Portfolio after acquisition of the assets to be newly acquired (Including assets to which forward commitment, etc. is applied)			284,835	100.0%

- (Note 1) The figures represent the proportion of the acquisition price to the overall portfolio after the acquisitions of new assets (including forward commitment assets), rounded off to the first decimal place. The planned dates of acquisition of “M-34 Shiroi Logistics Center” and “T-12 Aisai Logistics Center”, assets to which forward commitments, etc. are applied, have not yet been decided as of today.
- (Note 2) The figure is calculated by deducting the costs associated with write-offs and demolition of the former building in July 2013 (603 million yen), and adding the amount stated in the construction contract relating to the building after redevelopment (including the construction contract for additional works) (6,230 million yen) to the sale price stated in the initial sales contract (2,266 million yen).
- (Note 3) The figure is the sum of the acquisition prices on March 27, 2012 and February 6, 2017.
- (Note 4) The figure is the sum of the acquisition prices on September 20, 2013 and March 1, 2018.
- (Note 5) The figure is calculated by deducting the costs associated with write-offs and demolition of the former building in July 2009 (291 million yen), and adding the amount stated in the construction contract relating to the Warehouse III (2,437 million yen) to the sale price stated in the initial sales contract (7,617 million yen).
- (Note 6) The figure is calculated by adding the construction cost relating to the redevelopment (2,325 million yen) to the sale price stated in the initial sales contract (685 million yen).
- (Note 7) The sum of the acquisition price on October 8, 2013 and November 4, 2014.
- (Note 8) The figure is calculated by adding the acquisition price for the newly constructed building by redevelopment (2,670 million yen) to the sale price stated in the initial sales contract (830 million yen).
- (Note 9) The figure indicates the purchase price that is determined to be stated in the sale and purchase agreement. Such purchase price may change in the future as the Sale and Purchase Agreement specifies that if contract prices or other costs for the development of this property fluctuate in the period up to and including the date of delivery of the property, the purchase price shall be changed accordingly.