

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.
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Notice Concerning Acquisition of a New Asset (Fukuoka Hakozaki Futo Logistics Center)

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

1. Rationale for the acquisition

In order to improve the quality of its portfolio, JLF has authorized the acquisition of “Fukuoka Hakozaki Futo Logistics Center” (hereinafter referred to as “this asset”) in accordance with the investment targets and policies stipulated in its Articles of Incorporation. This asset is JLF’s first property located in the Kyushu area, and the acquisition enhances the geographical diversification of its portfolio. Furthermore, this acquisition is a sale and leaseback transaction directed by the cash needs of Nakano Shokai Co., Ltd., which is an existing tenant of JLF. By leveraging JLF’s track record as a pioneer of logistics REITs as well as its strong financial base, the property will be acquired on a negotiated basis.

Characteristics of this asset

- **Excellent location as a logistics center for consumer goods and port cargo to central Fukuoka City**
- **A sale and leaseback transaction by leveraging close relationships with existing tenants**
- **Negotiated transaction by leveraging JLF’s track record as a pioneer of logistics REITs as well as its strong financial base**

2. Outline of the acquisition

- (1) Asset to be acquired: Trust beneficiary rights of a domestic real estate (Note)
- (2) Name of the asset: Fukuoka Hakozaki Futo Logistics Center
- (3) Acquisition price: 2,797 million yen (excluding expenses associated with the acquisition, fixed property tax, urban planning tax, and consumption tax)
- (4) Date of contract: April 30, 2013 (Expected)
- (5) Date of closing: April 30, 2013 (Expected)
- (6) Seller: Hakozaki Property Special Purpose Company
- (7) Company source: Cash in hand
- (8) Payment method: Lump-sum payment on the day of closing

(Note) This property has not yet been placed in a real estate trust as of today. The seller will entrust the property before JLF’s acquisition.

3. Outline of the property to be acquired

Outline of the asset			Outline of the appraisal			
Asset type	Trust beneficiary rights of a real estate trust (Note 1)		Real estate appraiser	The Tanizawa Sogo Appraisal Co., Ltd.		
Date of acquisition (Expected)	April 30, 2013		Date of appraisal	March 31, 2013		
Acquisition price	2,797 million yen		Appraisal value	2,920 million yen		
Trustee (Expected)	Sumitomo Mitsui Trust Bank, Limited		Income approach	2,920 million yen		
Termination of the trust (Expected)	April 29, 2023					
Land	Location (address)	4-2-6 Hakozaki Futo, Higashi-ku, Fukuoka-shi, Fukuoka	Discounted cash flow approach	2,890 million yen		
	Site area (Note 2)	12,895.52 m ²				
	Zoning	Semi-industrial area			Discount rate	5.5%
	Floor-area ratio	200%			Terminal cap rate	6.0%
	Building-to-land ratio	60%			Direct capitalization approach	2,990 million yen
	Type of ownership	Ownership				
Building	Structure/Story (Note 2)	Steel frame with alloy roofing sheet 4-story building	Cap rate	5.7%		
	Date of completion (Note 2)	December 22, 2006				
	Total floor area (Note 2)	24,463.69 m ²	Cost approach	2,910 million yen		
	Total rentable area	24,463.69 m ²				
	Usage (Note 2)	Warehouse, office			Land (Percentage)	46.0%
	Type of ownership	Ownership				
Property management company (Expected)	XYMAX CUBE Corp.	Building (Percentage)	54.0%			
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 engineering report	April 18, 2013		
Lease deposit	Not disclosed (Note 3)		Urgent repairs	-		
Total rent area (Note 4)	24,463.69 m ²		Short-term repairs	-		
			Long-term repairs	91,653 thousand yen		
Occupancy	100.0%		PML (Note 6)	1.0%		
Expected income/expense (Note 5)			Design company, construction company and building certification company			
Income (including auxiliary income)	Not disclosed (Note 3)		Design company	Takafuji Kensetsu Co., Ltd.		
NOI (Net Operating Income)	173 million yen		Construction company	Kajima Road, Takafuji Kensetsu, Nakano Shokai Hakozaki Futo Warehouse Construction Work		
NOI yield (based on acquisition price)	6.2%		Building certification institution	Fukuoka City		

Notes:

1. This property has not yet been placed in a real estate trust as of today. The seller will entrust the property before JLF's acquisition.
2. According to the indication of the real estate registry.
3. Not disclosed, as unable to obtain the tenants' consent.
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.
5. The figures are not the forecasts for the fiscal period ending July 31, 2013 or the fiscal period ending January 31, 2014, but the normalized estimation based on annual income/expense projection.
6. Based on the "Buildings' Earthquake Risk Assessment Report" dated April 10, 2013 by Shimizu Corporation.

4. Characteristics of this asset**(1) Geographical characteristics**

The Fukuoka Hakozaki Futo area has convenient traffic connections to central Fukuoka City, the largest consumption area in Kyushu, and hence has large needs for regional shipping. The area is also convenient as a site for handling international cargo since it is adjacent to the port of Hakata, which is positioned as a gateway port to Asia. The area also accommodates wide-area distribution via railroad using the Hakata Rinko line of JR Freight Railway, as well as by air cargo via Fukuoka airport. Therefore, the area is valued as one of the leading logistics bases in northern Kyushu.

The property is close to the Kaizuka and Hakozaki Interchanges of the Fukuoka Urban Expressway. It is about 30 minutes from Kyushu Expressway's Tosu Interchange, which is a hub for expressways, allowing wide-area distribution throughout northern Kyushu.

Since the property locates in logistics facilities concentrated area, it is possible to operate 24 hours a day without any complaints about noise. At the same time, the property is surrounded by residential areas. Kaizuka station of the Nishitetsu Kaizuka line is within walking distance, so it is easy to secure a labor force. The property qualifies all the location conditions required for contemporary distribution operations are met.

(2) Facility characteristics

The facility is a highly versatile logistic center with ideal specs such as an effective column interval of 10 m, an effective ceiling height of 6.0 m or higher on each floor, and a standard floor load capacity of 1.5 t/m².

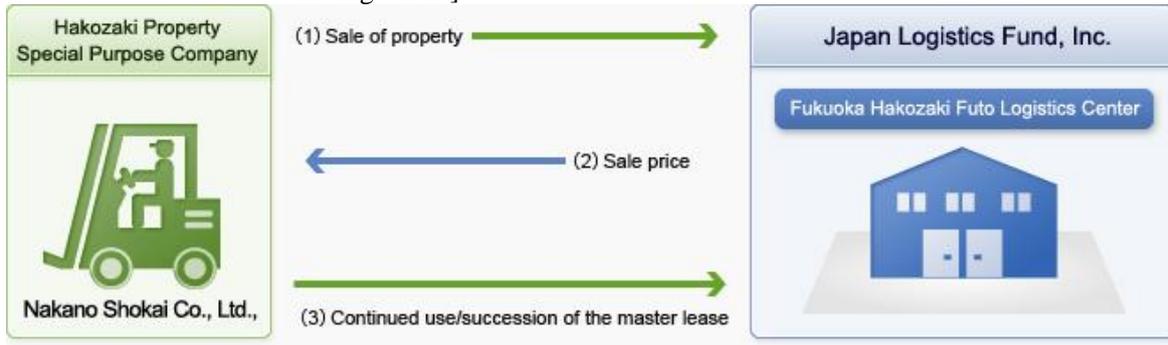
In addition, the facility has ample vertical transport equipment (2 elevators and 5 vertical transport devices), therefore enabling efficient inflow, outflow and internal flow and storage. The facility's specs make it suitable for either storage-type or distribution-type tenant needs. The length of the eaves is 10 m, which is wide enough to enable work in the rain without impediment.

The facility is designed for the ease of use of tenants, such as office space on each floor, enabling divided use, and a parking lot that accommodates a sufficient number of cars (39 passenger cars, 20 trucks) as well as a waiting area for trucks.

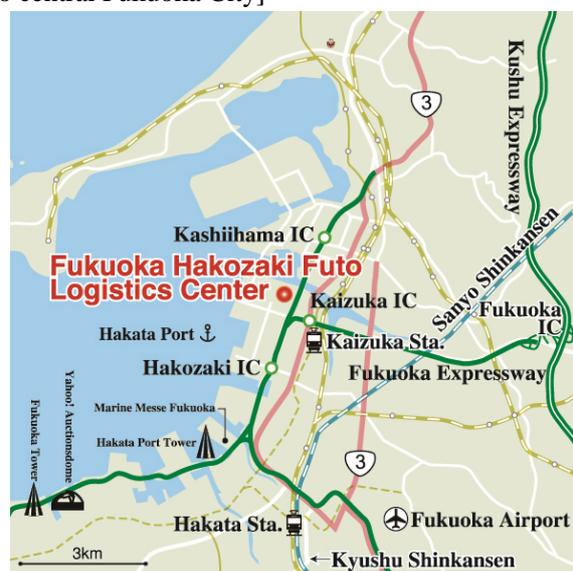
(3) Tenants

This is a sale and lease back transaction with Nakano Shokai Co., Ltd., an extensive logistics operator with multimodal transportation combining ocean and rail as its core business, of a facility that Nakano Shokai has developed and used as its main location in the Kyushu area. JLF and Nakano Shokai intend to sign an amendment contract to extend the contract term of the existing fixed-term lease contract by twenty years.

[Sale and leaseback with an existing tenant]



[Excellent location with convenient traffic connections to central Fukuoka City]



[A highly versatile facility specs that support the ease of use of tenant companies]



5. 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
Nakano Shokai Co., Ltd.	Ordinary warehousing, transportation agency	24,463.69 m ²	100.0%	Not disclosed (Note)	From February 28, 2007 to April 30, 2033	Not disclosed (Note)
Contract renewal/revision:						
Type of contract:	Fixed-term lease contract (26 years and 2 months; remaining term: 20 years)					
Rent revision:	Unable to revise					
Contract renewal:	The contract will not be renewed. However the lessor and lessee may conclude a new lease agreement that begins on the day directly following the termination date of the current contract based on conditions of a new agreement between the lessor and lessee in the case the lessor and lessee decide to make such an agreement.					
Lease cancellation:	Unable to cancel. However the contract may be cancelled in whole or in part in the following cases: 1) for cancellation requested by the lessee, if the amount equivalent to the rent payable for the remaining term up to the last day of the contract term has been paid to the lessor, or 2) if the lessee introduces an alternative lessee, with whom the lessor signs a new lease contract under conditions that are equivalent or higher than the current contract.					
Major items:	Home appliances, pharmaceuticals, general merchandise					

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

6. Outline of the seller

Name of the company	Hakozaki Property Special Purpose Company
Address	C/O Sakura Horwath & Co., 1-11 Kanda Jimbocho, Chiyoda-ku, Tokyo
Date of establishment	February 28, 2006
Representative	Akihiko Asano, Director
Capital	100,000 yen
Shareholders	Nakano Shokai Co., Ltd.
Principal business lines	Asset acquisition, management, and disposal as an SPC
Relation to JLF or JLF's asset management company	None in particular.

7. Current conditions of the property

This acquisition is not from an entity with a material conflict of interest with JLF or with Mitsui & Co., Logistics Partners Ltd., the asset management company of JLF.

8. Brokers

Name of the broker	XYMAX AXIS Corporation (Note 1)
Address	1-13-10 Tsukiji, Chuo-ku, Tokyo
Representative	Hideo Karashima, Representative Director
Principal business lines	Operation and management of office buildings and data center buildings Sales and mediation of tenants for office buildings Management agency of office buildings Corporate planning consultation regarding office buildings Corporate planning consultation regarding new construction or renovation of office buildings
Capital	300 million yen
Date of establishment	April 2, 2001
Relation to JLF or JLF's asset management company	None in particular.
Brokerage fee	Not disclosed (Note 2)
(Note 1)	An agreement on the handling of private placement related to the trade of trust beneficiary rights is scheduled to be signed between JLF and XYMAX AXIS Corporation, a Type II Financial Instruments Specialist.
(Note 2)	Not disclosed, for unable to obtain the broker's consent.

9. Future prospects

As the impact on JLF's 16th and 17th fiscal period forecasts from this acquisition is minor, no changes are expected to the forecasts.

[Reference materials]

Reference material: Portfolio list after the acquisition

(End)

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

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.

[Reference Materials]

Reference Material : Portfolio after acquisition

	Property Name	Location	Acquisition Price (Million Yen)	Ratio
M-1	Funabashi	Funabashi, Chiba	8,675	5.3%
M-2	Urayasu	Urayasu, Chiba	2,902	1.8%
M-3	Hiratsuka	Hiratsuka, Kanagawa	1,466	0.9%
M-4	Shinkiba	Koto-ku, Tokyo	2,454	1.5%
M-5	Urayasu Chidori	Urayasu, Chiba	6,000	3.6%
M-6	Funabashi Nishiura	Funabashi, Chiba	5,700	3.5%
M-7	Funabashi Nishiura II	Funabashi, Chiba	9,330	5.7%
M-8	Kawasaki	Kawasaki, Kanagawa	10,905	6.6%
M-9	Narashino	Narashino, Chiba	1,690	1.0%
M-10	Yokosuka	Yokosuka, Kanagawa	3,305	2.0%
M-11	Yachiyo	Yachiyo, Chiba	2,266	1.4%
M-12	Yokohama Fukuura	Yokohama, Kanagawa	9,800	5.9%
M-13	Yachiyo II	Yachiyo, Chiba	5,300	3.2%
M-14	Urayasu Chidori II	Urayasu, Chiba	1,640	1.0%
M-15	Ichikawa	Ichikawa, Chiba	4,550	2.8%
M-16	Shinonome	Koto-ku, Tokyo	11,800	7.1%
M-17	Narashino II	Narashino, Chiba	7,875	4.8%
M-18	Ichikawa II	Ichikawa, Chiba	17,415	10.5%
M-19	Souka	Souka, Saitama	6,360	3.9%
M-20	Tatsumi	Koto-ku, Tokyo	9,000	5.5%
M-21	Kashiwa	Kashiwa, Chiba	3,725	2.3%
Metropolitan Area (Bay, Inland) Subtotal			132,158	80.0%
T-1	Daito	Daito, Osaka	9,762	5.9%
T-2	Osaka Fukuzaki	Osaka, Osaka	4,096	2.5%
T-3	Chubu Haruhi	Kiyosu, Aichi	685	0.4%
T-4	Kadoma	Kadoma, Osaka	989	0.6%
T-5	Komaki	Komaki, Aichi	2,100	1.3%
T-6	Komaki II	Komaki, Aichi	1,800	1.1%
T-7	Fukuoka Hakozaeki Futo	Fukuoka, Fukuoka	2,797	1.7%
Kinki Area, Chubu Area and Kyushu Area Subtotal			22,229	13.5%
O-1	Maebashi	Maebashi, Gunma	1,230	0.7%
O-2	Hanyu	Hanyu, Saitama	1,705	1.0%
O-3	Saitama Kisai	Kitasaitama, Saitama	4,010	2.4%
O-4	Kazo	Kazo, Saitama	3,790	2.3%
Other Area Subtotal			10,735	6.5%
Portfolio Total			165,122	100.0%