

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 Conclusion of Silent Partnership Agreement

Japan Logistics Fund, Inc. (hereinafter referred to as “JLF”) announced today that it has decided to conclude a silent partnership agreement on May 29, 2013 with the MBRM Logistics Fund III (hereinafter referred to as “this Fund”), a limited liability company. This Fund will be managed by Mitsui & Co., Realty Management Ltd. (hereinafter referred to as “MBRM.”) The details of the agreement are outlined below.

1. Objectives of the agreement

Since logistics properties have come to be recognized as income-generating properties as a result of several new listing of logistics J-REITs following JLF, a number of market players including leading Japanese real estate developers have been actively considering investment opportunities in this asset class. JLF intends to pursue external growth as a part of its future growth strategies based on its new growth initiative “stable + Growth.” In an increasingly severe acquisition environment, JLF decided to conclude this agreement in order to avoid missing out on promising real estate investment opportunities and to establish a pipeline of future prime property acquisition opportunities. JLF will obtain preferential negotiating rights for applicable properties through the silent partnership investment in this Fund. By leveraging the benefits of this Fund, JLF believes that it will be able to expand the scope of our investment including development projects, and acquire properties more flexibly in line with the timing of JLF’s financing activities.

Benefits of MBRM Logistics Fund III

- **Building a stable pipeline through the support provided by the Mitsui & Co. Group**
- **Obtaining significant preferential negotiation rights in return for a small investment in the silent partnership**
- **Development projects into the pipeline**
- **Able to select investment targets at the time of equity investment by exercising investment choice rights**

2. Benefits of this Fund

(1) Building a stable pipeline through the support by the Mitsui & Co. Group

The fund manager of this Fund, MBRM, is a 100% subsidiary of Mitsui & Co., Ltd., the main sponsor of JLF. MBRM has a track record of fund management of a number of logistics facilities including the structuring of two privately placed funds specialized in logistics properties (MBRM Logistics Fund I and MBRM Logistics Fund II.) Mitsui & Co., Ltd. has been promoting investment in logistics properties in its asset management business including MBRM. By fully utilizing the comprehensive capabilities of the Mitsui & Co. Group equipped with the in-depth insight and track record in the logistics business and the management of logistics assets, this Fund is also expected to establish a stable pipeline through the acquisition and development of prime logistics facilities sought out by JLF.

[Company overview of MBRM]

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| Name of company | Mitsui & Co., Realty Management Ltd. |
| Address | 14-17 Kudankita 1-chome, Chiyoda-ku, Tokyo |
| Date of establishment | June 7, 2007 |
| Representative | Hiroyuki Ueno, President |
| Capital | 100 million yen |
| Shareholder | Mitsui & Co., Ltd. (100%) |
| Principle business lines | Real estate asset management |
| Principle track record of fund management | September 2008: MBRM Logistics Fund I March 2011: MBRM Logistics Fund II December 2011: Logistics Fund (Kawagoe Logistics Center) March 2012: Logistics Fund (Soka Logistics Center, jointly owned with JLF) September 2012: Logistics Fund (Yokohama Machida IC Logistics Center) |

(2) Obtaining significant preferential negotiation rights in return for a small investment in the silent partnership

While the risks associated with JLF's silent partnership investment in this Fund are expected to be limited (maximum amount of investment: ¥500 million in total, the equity holding ratio in the silent partnership: up to 5.5%), grants preferential negotiation rights which can practically be deemed as call options (enforceable with regard to the sale of assets to JLF as long as certain conditions are met) and JLF will therefore obtain significant preferential negotiation rights with a small investment in the silent partnership.

(3) Development projects into the pipeline

Investment target of this Fund includes greenfield development projects, that enables us to incorporate greenfield development projects that cannot be directly attained through REITs into our pipeline. At the same time, JLF can minimize development risks associated with this Fund as a result of JLF's preferential negotiation rights after the development. As a result, JLF believes that it will be able to acquire assets for better value.

(4) Able to select investment targets at the time of equity investment by exercising investment choice rights

As investment target properties for this Fund had not been confirmed at the time of the conclusion of the silent partnership agreement, a semi-blind pool method has been adopted. In this method, each investors of this Fund has a right to choose whether or not to participate in the acquisition of properties. Investment targets of this Fund shall be determined in accordance with the investment guidelines stipulated in the silent partnership agreement and in principle, criteria in the guidelines match JLF's investment criteria. Moreover, it is possible for JLF to select investment targets at the time of asset acquisition by this Fund by exercising investment choice rights.

3. Outline of this Fund

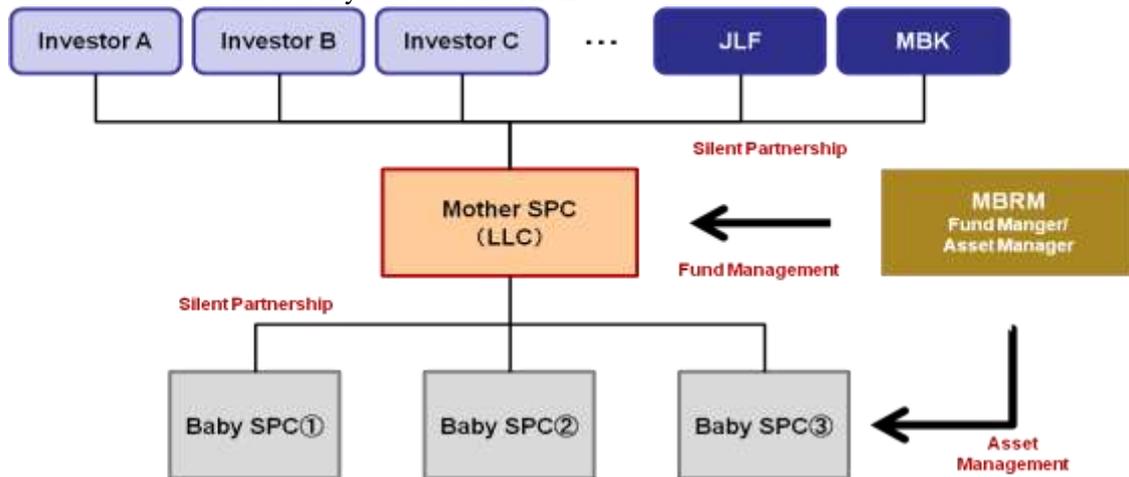
(1) Basic terms

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| Proprietor | Logistics Fund III Limited Liability Company | |
| Fund type | Two-layered GK/TK scheme Investors make silent partnership investment in the Mother SPC, and the Mother SPC makes silent partnership investment in Baby SPCs. The Baby SPCs will be established for each investment properties. | |
| Fund manager of Mother SPC | Mitsui & Co., Realty Management Ltd. (MBRM) | |
| Asset manager of Baby SPCs | | |
| Total amount of equity investment | Approximately 10.0 billion yen (plan) (JLF: 500 million yen, Mitsui & Co., Ltd.: 1.0 billion yen) | |
| Total amount of assets | Approximately 20.0 to 25.0 billion yen (plan) | |
| Scheduled date of conclusion of the agreement | May 30, 2013 | |
| Acquisition period | Two years after the date of conclusion of the agreement | |
| Investment targets | Projects under operation | Development projects |
| Fund management period | Up to three years | Up to five years |
| LTV criteria (Note) | Less than 80% | 70% or less |
| Outline of preferential negotiation rights | <p>Contents of the rights:</p> <p>Exercise period:</p> <p>Price terms:</p> | <p>In cases where the following exercise period and price terms are met, JLF will get right of first refusal on applicable properties held by Baby SPCs. During the exercise period, sales activities with regard to the applicable properties shall not be conducted targeting any parties other than JLF in principle. However, applicable properties may be sold to parties other than JLF in cases where the asset manager of a Baby SPC has determined that it is appropriate to sell the applicable properties as quickly as possible due to the deterioration of market conditions, etc., and where JLF was informed of the intended sales of the applicable properties to parties other than JLF and either of the following cases applies: (i) JLF did not offer to purchase the applicable properties within three months; or (ii) a sales agreement was not concluded within five months following the date when JLF offered to purchase the applicable properties.</p> <p>Period between the date of acquisition of applicable properties (date of completion of buildings in the case of development projects) and the respond due date which is set on two years after the acquisition date</p> <p>The following two terms shall be met: (i) JLF's acquisition price shall be 90% or more of the latest appraised price for applicable properties. (ii) Baby SPC's target return can be achieved as a result of the sales of applicable properties to JLF.</p> |
| Outline of investment choice rights | Each fund investor with equity in the Mother SPC shall have the right to choose whether or not to accept a request for investment by the fund manager when a Baby SPC wishes to acquire an applicable property. In the following cases or in the case of other cancellation matters specified in the silent partnership agreement, an investment request shall be cancelled and a Baby SPC shall not be created. | |

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| | <p>(i) In cases where either JLF or Mitsui & Co., Ltd. as core investors decides not to accept the request for investment based on their investment choice rights; or</p> <p>(ii) In cases where the total amount of maximum investment limit of investors who decided not to accept the request for investment based on their investment choice rights exceeds 2.0 billion yen</p> |
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(Note) LTV = Loan amount / Value of properties
Value of properties for projects under operation = Acquisition price
Value of properties for development projects = Acquisition price of land + Construction costs + Miscellaneous costs

*Structural chart of the two-layered GK/TK scheme



(2) Outline of the proprietor

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| Name of the company | Logistics Fund III Limited Liability Company |
| Address | Tokyo Kyodo Accounting Office, 1-1 Marunouchi 3-chome, Chiyoda-ku, Tokyo |
| Date of establishment | April 16, 2013 |
| Representative | M Logistics III (general incorporated association), Representative Partner Masakazu Hongo, Functional Manager |
| Capital | 1 million yen (As of May 29, 2013) |
| Shareholder | M Logi III General Incorporated Association |
| Principle business lines | <ol style="list-style-type: none"> 1. Accepting silent partnership investments 2. Investing in companies engaging in the acquisition, holding and disposal of real estate and beneficiary rights of real estate trusts 3. All operations pertaining to or associated with each of businesses listed above |
| Relationship to JLF and the asset management company | Logistics Fund III Limited Liability Company holds a discretionary investment contract on real estate with MBRM. Therefore, Logistics Fund III Limited Liability Company falls under the interested party as specified by the conflict of interest rules set out by Mitsui & Co., Logistics Partners Ltd., the asset management company of JLF. |

4. Transaction with the interested party

The counterpart of this agreement qualifies as the interested party defined by the asset management company's anti-conflict of interest rule. This agreement was approved by the board of directors and compliance committee of the asset management company by strictly following the rule.

5. Future Prospects

The conclusion of this agreement will have no impact on JLF's financial results for the 16th fiscal period (ending July 2013) and the 17th fiscal period (ending January 2014).

(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.