

December 20, 2007

**For Immediate Release**

**Real Estate Investment Fund Issuer**

Japan Logistics Fund, Inc.  
5-1 Kanda Nishikicho 3-chome, Chiyoda-ku, Tokyo  
Representative: Executive Director Hitoshi Eisaka  
(Securities Code: 8967)

**Asset Management Company**

Mitsui & Co., Logistics Partners Ltd.  
Representative: President Hitoshi Eisaka  
Contact: General Manager Takashi Ueno  
TEL +81-3-5259-6050

**Notice Concerning the Acquisition of Property**  
**(Komaki Logistics Center)**

Japan Logistics Fund, Inc. (hereinafter referred to as the “Fund”) made the decision to acquire a property on December 20, 2007 as detailed below.

**1. Outline of the Acquisition (plan)**

- |                              |                                                                                                                   |
|------------------------------|-------------------------------------------------------------------------------------------------------------------|
| (1) Property to Be Acquired: | Real estate                                                                                                       |
| (2) Property Name:           | Komaki Logistics Center                                                                                           |
| (3) Acquisition Price:       | 2,100 million yen (excluding acquisition expenses, fixed property tax, urban planning tax, consumption tax, etc.) |
| (4) Date of Contract:        | December 27, 2007                                                                                                 |
| (5) Date of Closing:         | December 27, 2007                                                                                                 |
| (6) Seller:                  | Konoike Construction Co., Ltd.<br>Otori Building Management Co., Ltd.                                             |
| (7) Fund-Raising:            | Own funds                                                                                                         |
| (8) Payment Method:          | Lump-sum payment on the date of closing                                                                           |

## 2. Outline of the Property to Be Acquired

Outline of Real Estate, etc. to Be Acquired			Outline of the Appraisal	
Asset Type		Real estate	Real Estate Appraiser	Tanizawa Sogo Appraisal Co., Ltd.
Date of Contract		December 27, 2007	Date of Appraisal	December 14, 2007
Acquisition Price		2,100,000,000 yen	Estimated Value	2,030,000,000 yen
Trustee		—	Income Approach	2,030,000,000 yen
Expiration Date of Trust		—		
Land	Location (Lot number)	790-1, Osada, Shimozue, Komaki, Aichi (Note 2)	Discounted Cash Flow Approach	2,000,000,000 yen
	Site Area (Note 1)	11,057.18m <sup>2</sup> (Note 2)		
	Use District	Restricted industrial area		
	Floor-Area Ratio	200%	Discount Rate	1 ~ 7 years: 5.5% 8 ~ 10 years: 5.7%
	Building-to-Land Ratio	60%	Terminal Cap Rate	5.8%
	Type of Ownership	Ownership, land leasehold	Direct Capitalization Approach	2,110,000,000 yen
Building	Structure/ Floors (Note 1)	Steel-frame structure, galvanized steel sheet roof, 2 floors	Cap Rate	5.5%
	Date of Construction (Note 1)	August 5, 1994	Cost Approach	1,200,000,000 yen
	Total Floor Area (Note 1)	9,486.45m <sup>2</sup>		
	Total Rentable Area	9,486.45m <sup>2</sup>		
	Usage (Note 1)	Logistics center	Land (percentage)	566,000,000 yen 47.2%
	Type of Ownership	Ownership	Building (percentage)	634,000,000 yen 52.8%
Property Management Company	Mitsui Fudosan Building Management Co., Ltd.			
Outline of the Lease Contract			Outline of the Engineering Report	
Number of Tenants	1	Investigator	Shimizu Corporation	
Annual Rent (excluding consumption tax)	— (Note 3)	Date of Engineering Report	November 28, 2007	
Lease Deposit	— (Note 3)	Urgent Repairs	250 thousand yen	
Total Rent Area	9,486.45m <sup>2</sup>	Short-Term Repairs	600 thousand yen	
		Long-Term Repairs	75,611 thousand yen	
Occupancy Rate	100.0%	PML	8.7%	

Income/Expense Forecast (Note 4)		Design Company, Construction Company and Building Certification Company	
Income (including auxiliary income)	— (Note 3)	Design Company	Konoike Construction Co., Ltd.
NOI (Net Operating Income)	109 million yen	Construction Company	Konoike Construction Co., Ltd.
NOI Yield (based on acquisition price)	5.2%	Building Certification Company	Aichi Prefecture
Special Remarks: Not Applicable			
(Note 1) According to the indication of the real estate register.			
(Note 2) Acquisition of the leasehold interest in land at 798-1, 798-3, 798-4, and 798-6, Osada, Shimozue, Komaki, Aichi (4 lots with a total area of 988.08 m <sup>2</sup> ).			
(Note 3) The Fund has not obtained consent from the tenant to disclose the information.			
(Note 4) The above figures are annual income/expenses after eliminating special factors of the fiscal period in which the acquisition is made, and also assume full occupancy.			

### 3. Rationale for the Acquisition

The acquisition is being made to enhance the Fund's portfolio in accordance with the investment targets and policies stipulated in its Articles of Incorporation. The property offers easy access to the central Nagoya, a major commercial hub in the Chubu region of Japan, and to major gateways. The property is being used as a delivery center for the Chubu region by Nippon Access, Inc., a major wholesaler of food products. We therefore determined that the property can be expected to generate revenues over the long term, and thus made the acquisition. The Chubu region is one of the Fund's major investment areas, and the investment will contribute to the geographic diversification of our portfolio. An overview of the property follows.

#### (1) Geographical Conditions

The site is situated roughly 6km from the Komaki Interchange, where the Tomei Expressway connects with the Meishin Expressway. The area has easy access to other major expressways and gateways, and it is drawing attention as a central logistics area that covers the entire Chubu region of Japan. The property is located within a 15km radius of central Nagoya. The site is well-suited to consumer logistics, and it can also be expected to meet the needs of producer logistics since it is situated near the production plants of major manufacturers. Since the site is within an industrial zone, 24-hour operations are possible, and the site features the relatively ready availability of local labor resources. Site conditions are therefore well-suited to logistics operations.

#### (2) Facility Features

The facility is a distribution center built to the specifications of Nippon Access, Inc., a major wholesaler of food products, for the delivery of products in the Chubu region (Note 1). The facility is subdivided appropriately for managing products by temperature (frozen storage, refrigerated storage, and normal temperature storage), and offers plenty of space for efficient receiving, shipping, sorting, and picking operations. Dual-sided berths accommodate busy inbound and outbound vehicular traffic. Of the 28 shipping entrances, 15 feature dock shelters (Note 2). Such attributes help to maintain product freshness, improve on-site operational efficiency, and reduce costs.

#### (3) Tenant

The tenant, Nippon Access Inc., is a major wholesaler of food products with a nationwide distribution network. Nippon Access is a consolidated subsidiary of Itochu Corporation.

(Note 1) A distribution center is a logistics center for short-term product storage.

(Note 2) Dock shelters prevent outside air from entering the facility when trucks are docked for loading and unloading, and they also prevent the cold air inside the facility from escaping outside. By tightly sealing the space between the truck and the dock entryway,

the shelters keep out wind, rain, and dust, and prevent air flow. This not only helps to keep food products fresh but also reduces electricity costs for heating and cooling and improves the working environment for employees.

#### 4. Outline of the Lease Contract

Name of Tenant	Nippon Access Inc.
Type of Business	Wholesaling of foods
Total Rent Area	9,486.45m <sup>2</sup>
Ratio to Total Rentable Area	100.0%
Annual Rent (excluding consumption tax)	— (Note)
Lease Period	20 years from September 1, 1994 to August 31, 2014
Lease Deposit	— (Note)
Contract Renewal/Revision	<p>Type of Contract: Normal lease (20-year contract with six years eight months remaining)</p> <p>Revision of Rent: The rental rate will be revised every three years following the start date (September 1, 1994) based on discussions.</p> <p>Renewal of Contract: The lease contract will be renewed under the same terms for a period of three years unless the lessee or lessor indicates otherwise to the other party six months before the end of the lease term. The same condition will apply to subsequent lease renewals.</p> <p>Early Termination: Should circumstances cause the lessee to cancel the lease contract, the lessee will forfeit the lease deposit and the balance of the construction assistance fund. This condition, however, will be superseded if the lessee introduces an alternate lessee to the lessor and becomes a joint guarantor of the alternate lessee, and the lessor concludes a lease contract with the alternate lessee that has identical terms with those of the original lease contract.</p>
Major Items	Foods, beverages

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

#### 5. Outline of the Sellers

Name of Company	Konoike Construction Co., Ltd.
Head Office Address	3-4-5, Umeda, Kita-ku, Osaka City, Osaka
Represented by	President, Hiroyoshi Tamai
Capital	20 billion yen
Major Shareholder	Otori Holdings Co., Ltd.
Main Line of Business	Planning, surveying, designing, supervising, constructing and consulting for construction projects.
Relation with the Fund	None

Name of Company	Otori Building Management Co., Ltd.
Head Office Address	3-6-9, Kitakyuhoji-machi, Chuo-ku, Osaka City, Osaka
Represented by	President, Keizo Senba
Capital	30 million yen
Major Shareholder	Konoike Construction Co., Ltd.
Main Line of Business	1. Office lease business 2. Property management service
Relation with the Fund	None

(Note) Ownership of the land and building will be acquired from Otori Building Management Co., Ltd., and the leasehold interest in the land will be acquired from Konoike Construction Co., Ltd.

## 6. Conditions of the Property Acquisition

	Previous Owner
Name of Company	Not an interested party
Relationship with Interested Parties	—
Acquisition Process and Rationale	—
Acquisition Price	—
Acquisition Date	—

## 7. Outline of the Broker

Name of Company	Mitsui & Co., Realty Management Ltd.
Head Office Address	14-17, Kudankita 1-chome, Chiyoda-ku, Tokyo
Represented by	President & CEO, Toshifumi Nagahama
Relation with the Fund	Mitsui & Co., Realty Management Ltd. is a wholly-owned subsidiary of Mitsui & Co., Ltd., which is one of the shareholders of the Fund's asset management company and, therefore, the company is an interested party as defined by the asset management company's rules for avoiding conflicts of interest. Consequently, appropriate procedures prescribed by the rules were taken in deciding on the subject brokerage.
Commission	63,000,000 yen (excluding consumption tax)

## 8. Future Prospects

The effect of this acquisition on the operation performance of the Fund in the fiscal period ending January 2008 and July 2008 is minor, and there is no plan to revise the operation performance prospects.

### **【Reference Materials】**

Reference Material 1: Exterior Photograph of the Building

Reference Material 2: Map of the Property

(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

