

March 19, 2008

**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.  
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**Notice Concerning the Acquisition of Property (Ichikawa Logistics Center)**

Japan Logistics Fund, Inc. (hereinafter referred to as the “Fund”) made the decision to acquire a property on March 19, 2008 as detailed below:

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

- |                              |   |
|------------------------------|---|
| (1) Property to Be Acquired: | Real estate   |
| (2) Property Name:           | Ichikawa Logistics Center   |
| (3) Acquisition Price:       | 4,550 million yen (excluding acquisition expenses, fixed property tax, urban planning tax, consumption tax, etc.) |
| (4) Date of Contract:        | March 26, 2008  |
| (5) Date of Closing:         | March 26, 2008  |
| (6) Seller:                  | Commercial RE Co., Ltd.   |
| (7) Fund-Raising:            | Loans (anticipated)   |
| (8) Payment Method:          | Lump-sum payment on the date of closing   |

## 2. Outline of the Property to Be Acquired

Outline of the 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	March 26, 2008		Date of Appraisal	March 17, 2008
Acquisition Price	4,550,000,000 yen		Estimated Value	4,770,000,000 yen
Trustee	—		Income Approach	4,770,000,000 yen
Expiration Date of Trust	—			
Land	Location (Lot number)	8-36,Tajiri 1-chome, Ichikawa, Chiba	Discounted Cash Flow Approach	4,730,000,000 yen
	Site Area (Note 1)	9,801.27m <sup>2</sup>		
	Use District	Industrial area		
	Floor-Area Ratio	200%	Discount Rate	5.1%
	Building-to-Land Ratio	70% (designated building-to-land ratio: 60%, plus corner-lot relaxation ratio: 10%)	Terminal Cap Rate	5.2%
	Type of Ownership	Ownership	Direct Capitalization Approach	4,870,000,000 yen
Building	Structure/Floors (Note 1)	Reinforced concrete and steel-frame structure, galvanized steel roof, 4 floors	Cap Rate	4.9%
	Date of Construction (Note 1)	February 25, 2008	Cost Approach	3,450,000,000 yen
	Total Floor Area (Note 1)	18,686.12m <sup>2</sup>		
	Total Rentable Area	18,686.12m <sup>2</sup>		
	Usage (Note 1)	Logistics center	Land (percentage)	1,730,000,000 yen (50.1%)
	Type of Ownership	Ownership	Building (percentage)	1,720,000,000 yen (49.9%)
Property Management Company	Commercial RE 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 2)		Date of Engineering Report	March 14, 2008
Lease Deposit	— (Note 2)		Urgent Repairs	—
Total Rent Area	18,686.12m <sup>2</sup>		Short-Term Repairs	—
			Long-Term Repairs	25,397 thousand yen
Occupancy Rate	100.0%		PML	11.8%

Income/Expense Forecast (Note 4)		Design Company, Construction Company and Building Certification Company	
Income (including auxiliary income)	— (Note 2)	Design Company	Fujita Corporation
NOI (Net Operating Income)	243 million yen	Construction Company	Fujita Corporation
NOI Yield (based on acquisition price)	5.3%	Building Certification Company	Good-eyes Co., Ltd.
Special remarks: Not applicable			
(Note 1) According to the indication of the real estate register.			
(Note 2) The Fund has not obtained consent from the tenant to disclose the information.			
(Note 3) 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. An overview of the property follows.

#### (1) Geographical Conditions

The site is situated in an area with excellent access to the Tokyo Metropolitan Area and such bay area gateways as the Port of Tokyo and Haneda Airport, making it suitable for the storage and delivery of general consumer goods and import logistics. The site is located close to the Ichikawa Interchange of the Keiyo Expressway, and its convenience can be expected to increase in the future in view of plans to extend the Tokyo Gaikan Expressway. The site is in an area where 24-hour operations are possible, and local labor resources are also readily available. Site conditions are therefore well-suited to logistics operations.

#### (2) Facility Features

The four-story, reinforced-concrete and steel-frame building has general-use building specifications: effective column spacing from 9.0m to 12.0m, a standard ceiling height of 6.0m, and a standard floor load of 1.5t/m<sup>2</sup>. The facility also features dual-sided berths that can accommodate 28 large trucks as well as four elevators. Since rapid receipt, shipment, and internal movement of freight are possible, the facility is able to accommodate either distribution or storage needs. In addition, berths, office space, and common space are laid out in a way that permits partitioned use, and all warehouse space from the first to fourth floors has specifications appropriate for continuous distribution processing work.

#### (3) Tenant

A standard building lease contract (15 years) has been signed with Tokyo System Transportation Co., Ltd., a company with a strong distribution network in the southeast part of the Tokyo metropolitan area that provides logistics services directly connected to consumers. The property is positioned as the company's major base of operations for enhancing and expanding its logistics network covering the Tokyo metropolitan area and the entire Kanto area. The company is also a tenant of the Tokyo-Shinkiba Logistics Center owned by JLF.

With the acquisition of this property, JLF's portfolio will comprise 24 properties with a total value of 100,438 million yen (based on acquisition price).

#### 4. Outline of the Lease Contract

Name of Tenant	Tokyo System Transportation Co., Ltd.
Type of Business	Warehousing, transportation
Total Rent Area	18,686.12m <sup>2</sup>
Ratio to Total Rentable Area	100.0%
Annual Rent (excluding consumption tax)	— (Note)
Lease Period	15 years from April 1, 2008 to March 31, 2023
Lease Deposit	— (Note)
Contract Renewal/Revision	<p>Type of Contract: Normal lease (15-year contract)</p> <p>Revision of Rent: The rental rate will be unchanged for three years from the start of the lease contract and may be revised every three years thereafter based on discussions, such as when there are changes in economic conditions.</p> <p>Renewal of Contract: The lease contract will not be renewed, a condition that will be superseded when agreement is reached through discussions six months before the expiry of the lease term.</p> <p>Early Termination: The lease contract cannot in principle be terminated before March 31, 2018. Should the lessee cancel the contract for its own convenience before March 31, 2018, the lessee shall pay as a cancellation fee the amount of rent due from the month of the date of cancellation to March 31, 2018. Beginning on April 1, 2018, the lease contract may be terminated without paying a cancellation fee by giving a six-month notice in writing.</p>
Major Items	General merchandise

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

#### 5. Outline of the Seller

Name of Company	Commercial RE Co., Ltd.
Head Office Address	4-12, Kyobashi 2-chome, Chuo-ku, Tokyo
Represented by	President, Keiji Kaida
Capital	3.2 billion yen
Major Shareholder	Kenedix, Inc.
Main Line of Business	1. Property management 2. Asset management
Relation with the Fund	None

## 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	Kenedix, Inc.
Head Office Address	2-9, Shinbashi 2-chome, Minato-ku, Tokyo
Represented by	Atsushi Kawashima, CEO
Relation with the Fund	Kenedix, Inc. is a shareholder 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	136,500,000 yen (excluding consumption tax)

## 8. Future Prospects

The effect of this acquisition on the operation performance of the Fund in the fiscal period ending July 2008 and January 2009 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

