

February 19, 2009

For Immediate Release

**Real Estate Investment Fund Issuer**

 Japan Logistics Fund, Inc.  
 4-3 Hitotsubashi 2-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 (Shinonome Logistics Center)**

Japan Logistics Fund, Inc. (hereinafter referred to as the “Fund”) made the decision to acquire a property on February 19, 2009 as detailed below.

**1. Outline of the Acquisition**

- |                              |  |
|------------------------------|--|
| (1) Property to Be Acquired: | 47% joint co-ownership interest of trust beneficial right of real estate   |
| (2) Property Name:           | Shinonome Logistics Center   |
| (3) Acquisition Price:       | 11,800 million yen (excluding acquisition expenses, fixed property tax, urban planning tax, consumption tax, etc.) |
| (4) Date of Contract:        | February 26, 2009  |
| (5) Date of Closing:         | February 26, 2009  |
| (6) Seller:                  | Shinonome Butsuryu Center SPC  |
| (7) Fund-Raising:            | Loans and own funds  |
| (8) Payment Method:          | Lump-sum payment on the date of closing  |

**2. Outline of the Property to Be Acquired (Note 1)**

Outline of the Real Estate, etc. to Be Acquired		Outline of the Appraisal		
Asset Type	Trust beneficial right of real estate (47% joint co-ownership interest)	Real Estate Appraiser	Tanizawa Sogo Appraisal Co., Ltd.	
Date of Contract	February 26, 2009	Date of Appraisal	January 31, 2009	
Acquisition Price	11,800 million yen	Estimated Value	12,500 million yen	
Trustee	The Sumitomo Trust & Banking Co., Ltd.	Income Approach	12,455 million yen (Note 5)	
Expiration Date of Trust	December 22, 2014			
Land	Location (Address)	Discounted Cash Flow Approach	12,408 million yen (Note 5)	
	Site Area (Note 2)			Discount Rate
	Use District			

	Floor-Area Ratio	200%		Terminal Cap Rate	5.4%
	Building-to-Land Ratio	60%		Direct Capitalization Approach	12,549 million yen (Note 5)
	Type of Ownership	Ownership			
Building	Structure/Floors (Note 2)	Steel-frame reinforced concrete structure, flat roof, 5 floors, etc.		Cap Rate	5.1%
	Date of Construction (Note 2)	February 8, 2006	Cost Approach		10,199 million yen (Note 5)
	Total Floor Area (Note 2)	34,426.98m <sup>2</sup>			
	Total Rentable Area	34,415.56m <sup>2</sup>			
	Use (Note 2)	Warehouse, parking, office		Land (percentage)	7,238 million yen (Note 5) (71.0%)
	Type of Ownership	Ownership		Building (percentage)	2,961 million yen (Note 5) (29.0%)
Property Management Company	CB Richard Ellis Asset Service K. K.				
Outline of the Lease Contract			Outline of the Engineering Report		
Number of Tenants	1		Investigator	Shimizu Corporation	
Annual Rent (excluding consumption tax)	1,500 million yen		Date of Engineering Report	February 18, 2009	
Lease Deposit	2,750 million yen		Urgent Repairs	100 thousand yen (Note 6)	
Total Rent Area (Note 3)	34,415.56m <sup>2</sup>		Short-Term Repairs	1,100 thousand yen (Note 6)	
			Long-Term Repairs	157,586 thousand yen	
Occupancy Rate	100.0%		PML	14.4%	
Income/Expense Forecasts			Design Company, Construction Company and Building Certification Company		
Income (including auxiliary income)	1,500 million yen		Design Company	Nippon Steel Engineering Co., Ltd.	
NOI (Net Operating Income) (Note 4)	1,368 million yen		Construction Company	Nippon Steel Engineering Co., Ltd.	
NOI Yield (based on acquisition price) (Note 4)	5.5%		Building Certification Company	Japan ERI Co., Ltd.	
Special Remarks:					
1. Although the above land is generally not considered subject to the Soil Contamination Measures Law or the Ordinance on the Environment for the Preservation of the Health and Safety of Tokyo Residents (implemented on December 22, 2000), the results of a survey have confirmed the presence of hazardous substances in a certain area of the land at a level that exceeds the standard value. However, it has been confirmed by Shimizu Corporation that there is little					

concern that this soil contamination may have a material environmental impact and, therefore, it is safe to continue to use the entirety of the land for the same purpose as at present. If in the future, the building is reconstructed on this land and some of the soil is disposed of outside of the property site, then such disposal must be appropriately carried out in accordance with the related laws and regulations. It has been determined that it will be unnecessary to anticipate any expenses specifically for soil contamination measures, even in the case of reconstructing the building in the future, since only a small amount of soil is expected to be transported outside the property site.

2. The Fund plans to jointly co-own the property with Industrial & Infrastructure Fund Investment Corporation and to conclude inter-beneficiary agreements with the corporation and The Sumitomo Trust & Banking Co., Ltd., the trustee. The main points of the agreement are as follows.

(Consensus-Building)

In principle, the consensus of all joint co-owners (all beneficiaries) is required for conducting decision-making as a beneficiary. The decision-making will be entrusted to the trustee only if a decision cannot be made among the joint co-owners (all beneficiaries) within a certain period of time.

(Priority Negotiation Rights)

In the case that a joint co-owner (each beneficiary) wishes to dispose of his/her joint co-ownership interest (each beneficial interest), said joint co-owner will, on a priority basis, conduct negotiations regarding the transfer and deliberate the transfer price with other joint co-owners (beneficiaries) before doing so with third-parties.

Notes:

1. This refers to the entire property (100%), excluding the acquisition price and outline of the appraisal.
2. According to the indication of the real estate register.
3. The figure shows the total rent area for the building indicated in the lease contract, which is included in the total rentable area. Moreover, there may be cases in which areas not included in the rentable area are included in the total rent area in the lease contract.
4. The figures are forecasts based on the ten-year average of annual income/expenses and, therefore, are not forecasts for the fiscal period ending July 31, 2009 or the fiscal period ending January 31, 2010.
5. The figures are amounts equivalent to the joint co-ownership interest (47%).
6. A consensus was made that the seller will bear the cost of the 100,000 yen out of the urgent repairs and short-term repairs costs.

### 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 property is located approximately 7km from Tokyo Station on the JR Line and as such, enjoys a high scarcity value as a logistics center in the bayshore area of the Tokyo metropolitan area. The site also lies roughly 2km from the Ariake Interchange of the Metropolitan Expressway Bayshore Route and about 3km from the Shinkiba Interchange, creating easy access to central highways and thus enabling distribution that covers the entire Tokyo metropolitan area. Furthermore, since it is located within Tokyo's 23 wards, which is the largest commercial region in Japan, it is suitable for storing and delivering general consumer goods or cargo for door-to-door delivery service. The site also features easy access to gateways such as the Port of Tokyo (Oi Pier) and Haneda Airport, creating expectations for demand in international logistics. The site is ideal for conducting up-to-date logistics operations, since it is surrounded by an environment suitable for 24-hour operations as there are no residential areas nearby. The location also features the ready availability of local labor resources due to its very convenient commute.

## (2) Facility Features

The property is an integrated logistics facility made of a steel-frame reinforced concrete structure with five floors. It has various functions, with the first floor being a transfer center for cargo delivery services, the third floor being the local sales office for delivery service operations, and the fifth floor used as a mail center. The second and fourth floors have vaulted ceilings and the outer area of the second floor is used as an office space. Furthermore, the property features more than 10m of column spacing on all floors, and large-scale material handling equipment is set up over a broad area on the premises. Not only can trucks directly pull up to the building using the rampway, but dual-sided berths on the first and third floors also enable rapid and efficient sorting, receiving and shipping, etc. As such, the building has useful specifications as a TC (transfer center)-type logistics center.

## (3) Tenant

The Fund has concluded a fixed-term lease contract (20 years) with Sagawa Express Co., Ltd., a major company in the cargo transportation industry. The property is one of the five central transfer bases established by the company nationwide in Japan as core distribution centers. Furthermore, it is an integrated logistics facility that also functions as a sales office responsible for the Shinjuku area of Tokyo for delivery service operations and as a mail center. In addition, the property boasts the largest scale and most advanced cargo handling ability among the more than 350 domestic sales bases of the company.

## 4. Outline of the Lease Contract (Note 1)

Name of Tenant	Sagawa Express Co., Ltd.	
Type of Business	Transportation	
Total Rent Area (Note 2)	34,415.56m <sup>2</sup>	
Ratio to Total Rentable Area	100.0%	
Annual Rent (excluding consumption tax)	1,500,000,000 yen	
Lease Period	From February 21, 2006 to February 20, 2026	
Lease Deposit	2,750,000,000 yen (Note 3)	
Contract Renewal/Revision	Type of Contract:	Fixed-term lease contract (20-year contract)
	Revision of Rent:	The rent will be unchanged for three years from the start of the lease contract. However, it may be revised based on discussions after five years from the start of the lease contract and every three years thereafter, when various factors including changes in the economic circumstances arise.
	Renewal of Contract:	The lease contract will not be renewed.
	Early Termination:	Early termination shall not be permitted during the lease period. However, the contract may be cancelled in the case where the lessee notifies the other party in writing that it desires to conduct early termination of the contract after 12 years have elapsed from the start of the lease contract, on the condition that the lessee pays an amount equivalent to the total remaining rent until the proper termination date of the lease. Moreover, partial cancellation of the lease contract shall not be permitted.

Major Items	Door-to-door delivery parcels
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(Note 1) Based on the lease contract of the entire property (100%).

(Note 2) The figure shows the total rent area for the building indicated in the lease contract, which is included in the total rentable area. Moreover, there may be cases in which areas not included in the rentable area are included in the total rent area in the lease contract.

(Note 3) The lease deposit will be returned in payments of 150,000,000 yen with the first repayment date being one business day following the same date as the contract date after ten years have elapsed from the start of the lease contract and thereafter every year on the same month and date as the aforementioned for the following ten years. However, repayments shall be made only until the remainder of the lease deposit reaches 1,250,000,000 yen after repayments have been made.

## 5. Outline of the Seller

Name of Company	Shinonome Butsuryu Center SPC
Head Office Address	c/o Sakura & Co. 11 Kanda Jimbocho 1-chome, Chiyoda-ku, Tokyo
Represented by	Shigeru Sugimoto, Director
Capital	100,000 yen
Major Shareholder	Mitsubishi Corporation
Main Line of Business	Transfer of specified assets in accordance with asset securitization plans based on the Law Concerning Asset Securitization and related management and disposal, etc.
Relation with the Fund or the Asset Management Company	None

## 6. Outline of the Broker

Name of Company	Diamond Realty Management Inc.
Head Office Address	Shin-Kojimachi Building, 3-3 Kojimachi 4-chome, Chiyoda-ku, Tokyo
Represented by	Takuya Kuga, President and Representative Director
Relation with the Fund or the Asset Management Company	None
Commission	200,000,000 yen (excluding consumption tax)

## 7. Future Prospects

The Fund plans to publicly announce the effects of this acquisition on the operation performance of the Fund in the fiscal period ending July 31, 2009 and the fiscal period ending January 31, 2010 in the financial results for the seventh fiscal period (fiscal period ended January 31, 2009) scheduled for March 6, 2009 after the interest rates on the fund procurement for the acquisition are finalized.

### **【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

