

August 12, 2010

**For Immediate Release****Real Estate Investment Fund Issuer**

Japan Logistics Fund, Inc.  
4-3 Hitotsubashi 2-chome, Chiyoda-ku, Tokyo  
Reiji Fujita, Executive Director  
(Securities Code: 8967)

**Asset Management Company**

Mitsui & Co., Logistics Partners Ltd.  
Reiji Fujita, President CEO  
Person to Contact: Kenichiro Matsuoka, Director CFO  
TEL +81-3-3238-7171

**Notice Concerning the Acquisition of the Interest of Trust Beneficial Right**

Japan Logistics Fund, Inc. (hereinafter referred as the “Fund”) made the decision on August 12, 2010, to acquire a property as detailed below.

**1. Outline of the acquisition**

- |                              |  |
|------------------------------|--|
| (1) Property to be acquired: | 90% joint co-ownership interest of trust beneficial right of real estate (Note)  |
| (2) Name of the property:    | Ichikawa Logistics Center II   |
| (3) Acquisition price:       | 17,415 million yen (excluding acquisition expenses, fixed property tax, urban planning tax, consumption tax, etc.)   |
| (4) Date of contract:        | September 3, 2010 (Anticipated)  |
| (5) Date of closing:         | September 3, 2010 (Anticipated)  |
| (6) Seller:                  | Ichikawa Two Special Purpose Company   |
| (7) Fund-raising:            | Net proceeds from and borrowings for issuance of new investment units through the public offering stated in “Notice Concerning the Additional Issue of New Investment Units and a Secondary Offering” released on August 12, 2010. |
| (8) Payment method:          | Lump-sum payment on the day of closing   |

(Note) The Fund plans to jointly co-own the property with the affiliate of ProLogis K.K.

Note: This document is a public announcement regarding the acquisition of property and has not been prepared as an inducement or invitation to investment. We caution readers to refer to the Fund’s offering circular for the Issue of new investment units and secondary offering and the notices of amendments thereto, and to undertake any investment decision at their own judgment and responsibility.
---

## 2. Outline of the property to be acquired (Note 1)

Outline of the real estate which constitutes the trust asset			Outline of the appraisal		
Asset type	Trust beneficial right of real estate(90% joint co-ownership interest)		Real estate appraiser	Tanizawa Sogo Appraisal Co., Ltd.	
Date of the contract	September 3, 2010 (Anticipated)		Date of the appraisal	May 31, 2010	
Acquisition price	17,415,000,000 yen		Appraisal value	18,300,000,000 yen	
Trustee	Mizuho Trust & Banking Co., Ltd.		Income approach	18,300,000,000 yen	
Expiration date of the trust	January 25, 2016				
Land	Location (Address)	Takahama-machi 1, Ichikawa-shi, Chiba	Discounted cash flow approach	18,200,000,000 yen	
	Site area (Note 2)	38,727.25 m <sup>2</sup>			
	Zoning	Industrial area			
	Floor-area ratio	200%	Discount rate	1~9 year: 5.0% 10 year: 5.1%	
	Building-to-land ratio	70%	Terminal cap rate	5.3%	
	Type of ownership	Ownership		Direct capitalization approach	18,400,000,000 yen
Building	Structure/Story (Note 2)	Reinforced-concrete structure, 5-story building	Cap rate	5.0%	
	Date of the completion (Note 2)	October 9, 2009	Cost approach	15,800,000,000 yen	
	Total floor area (Note 2)	76,842.37 m <sup>2</sup>			
	Total rentable area	73,886.66 m <sup>2</sup>			
	Usage (Note 2)	Warehouse, Office		Land (Percentage)	6,800,000,000 yen (43.1%)
	Type of ownership	Ownership		Building (Percentage)	9,000,000,000 yen (56.9%)
Property management company	ProLogis K.K.				
Outline of the lease contract			Outline of the engineering report		
Master lessee	ProLogis Park Ichikawa Two YK		Investigator	Shimizu Corporation	
The type of master lease	Pass-Through (Note3)				
Number of tenants	2		Issuing date of engineering-report	June 29, 2010	
Annual rent (excluding consumption tax)	— (Note4)				
Lease deposit	— (Note4)		Urgent repairs	—	
Total rent area (Note5)	73,886.66 m <sup>2</sup>		Short-term repairs	—	
			Long-term repairs	159,353 thousand yen	
Occupancy	100.0%		PML	4.2%	
Income/Expense forecasts (Note 6)			Design company, construction company and building certification company		
Income (including auxiliary income)	— (Note4)		Design company	Fujita Corporation	
NOI (Net Operating Income)	978 million yen		Construction company	Fujita Corporation	
NOI yield (based on acquisition price)	5.6%		Building certification company	JAPAN ERI CO.,LTD.	
Special Remarks:					
1. Upon the acquisition, the property shall be jointly co-owned between the Fund and Ichikawa Two Special Purpose Company. The Fund plans to enter into the Inter-Beneficiary Agreement among the Fund, Mitsui & Co., Logistics Partners					
Note: This document is a public announcement regarding the acquisition of property and has not been prepared as an inducement or invitation to investment. We caution readers to refer to the Fund's offering circular for the Issue of new investment units and secondary offering and the notices of amendments thereto, and to undertake any investment decision at their own judgment and responsibility.					

Ltd. (Asset Management Company of the Fund), ProLogis K.K. and ProLogis Park Ichikawa Two YK (master lessee of the property), in order to agree mutually the rights and obligations as the beneficiary regarding “decision making process”, “restrictions of transferring the property”, “first refusal right and transfer-claim of the property”, etc..

2. The piles of old buildings demolished in the past remain in the ground under the site. When determining the acquisition price for the site, the Fund took into account the estimated cost of extracting and removing some of the piles at the time of reconstruction (¥30 million).

Note:

1. This refers to the entire property (100%), excluding the acquisition price, outline of the appraisal and income/expense forecasts.
2. According to the indication of the real estate register.
3. This means a master lease agreement with no rental guarantee.
4. The Fund has not obtained consent from the tenants to disclose the information.
5. 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.
6. The figures are forecasts of annual income/expense eliminating the special factors of the business period in which acquisition is made and, therefore, are not forecasts for the fiscal period ending January 31, 2011 or fiscal period ending July 31, 2011.

### 3. Rationale for the acquisition

The Fund has been authorized the acquisition of this property in accordance with its investment targets and policies, stipulated in its Articles of Incorporation. This is to be recognized as the second acquisition after our announcement based on the agreement of “Development Portfolio Alliance” with ProLogis K.K. signed on August 31, 2009.

#### (1) Site characteristics

The Ichikawa area offers excellent access to the Tokyo Metropolitan Area and major coastal gateways, including Tokyo Bay and Haneda Airport. It is an ideal location for storage and shipping bases for consumer logistics, and for international logistics bases, especially for imports.

This property is close to the Chidoricho Interchange on the Bayshore (Wangan) Route of the Metropolitan Expressway and the Ichikawa Interchange on the Keiyo Expressway, and accessibility will be further enhanced with the completion of a planned extension to the Tokyo-Gaikan Expressway. It is relatively easy to secure workforce from neighboring residential areas located within walking distance. The suitability of the location for the logistics business is further enhanced by its surrounding environment which makes 24-hour operations possible.

#### (2) Facility characteristics

The large-scale facility has an effective column interval of 10.0 m, a clear height of 5.5 m (4.5 m in some parts), and a standard floor load of 1.5 t/m<sup>2</sup>, allowing for flexibility for the tenants’ various distribution facility requirements. Designed for use by multiple tenants, the facility supports rapid inward and outward movement of goods and freight handling for each respective tenant. There are two one-way spiral ramps allowing direct access to each floor, as well as continuous vertical conveyors between the second and fifth floors (three already installed with additional secured space for ten more).

The facility is also equipped with additional value-added features, including 24-hour security provided by security guards, as well as a cafeteria and convenience store on the top floor, in addition to various other employee amenities. While the facility specification has been developed with the highest standards including a seismic isolation structure, the facility has been certified as CASBEE class “A”(Note), reflecting the importance of environmentally friendly sustainable facilities.

Note: The Comprehensive Assessment System for Building Environment Efficiency (CASBEE) is an environmental performance rating system for buildings. In addition to performance factors relating to the reduction of environmental loads, such as energy and resource conservation and recyclability, the comprehensive assessments also cover other factors, such as internal comfort and consideration for the visual impact.

Note: This document is a public announcement regarding the acquisition of property and has not been prepared as an inducement or invitation to investment. We caution readers to refer to the Fund’s offering circular for the Issue of new investment units and secondary offering and the notices of amendments thereto, and to undertake any investment decision at their own judgment and responsibility.

(3) Tenant

TOMY Company, Ltd., one of the leading toy manufacturers, has a fixed-term lease for the third, fourth and fifth floors and part of the second floor, with the facility serving as its nationwide distribution center and base for various logistics services, including product inspection and distribution processing.

JR East Logistics Co., Ltd., a logistics subsidiary of East Japan Railway Company, has a fixed-term lease for the first floor and part of the second floor, utilizing the facility as their distribution hub for convenience stores located in the premises of JR train stations throughout the Tokyo Metropolitan Area.

**4. Outline of the tenant (Lease contract) (Note 1)**

Name of Tenant	Type of Business	Total Rent Area	Ratio	Annual Rent (excluding consumption tax)	Lease Period	Lease Deposit
TOMY Company, Ltd.	Toys and associated businesses	57,112.86 m <sup>2</sup>	77.3%	— (Note 2)	until November 1, 2019	— (Note 2)
JR East Logistics Co., Ltd.	General automotive cargo transportation	16,773.80 m <sup>2</sup>	22.7%		until May 31, 2017	
Total		73,886.66 m <sup>2</sup>	100.0%		—	
<p>Contract Renewal/Revision :  <u>TOMY Company, Ltd.</u>            Type of Contract : Fixed-term lease contract (10-year contract)            Revision of Rent : The rent may be revised three years after the handover of the property with reference to the rate of change in the consumer price index. The rent may also be revised immediately but amicably when there are significant changes in economic circumstances or in expenses related to the property.            Renewal of Contract: The lease contract will not be renewed. However, when the lessee desires to have the lease contract newly, the lessor shall give priority to negotiating the renewal of the contract with the lessee.            Early Termination: Early termination shall not be permitted during the lease period.</p> <p><u>JR East Logistics Co., Ltd.</u>            Type of Contract : Fixed-term lease contract (7-year contract)            Revision of Rent : The rent may be revised three years after the handover of the property with reference to the rate of change in the consumer price index. The rent may also be revised immediately but amicably when there are significant changes in economic circumstances or in expenses related to the property.            Renewal of Contract: The lease contract will not be renewed. However, when the lessee desires to have the lease contract newly, the lessor shall give priority to negotiating the renewal of the contract with the lessee.            Early Termination: Early termination shall not be permitted during the lease period.</p>						
Major items	Toy, General merchandise					
(Note1) This refers to the entire property (100%).						
(Note2) The Fund has not obtained consent from the tenants to disclose the information.						

Note: This document is a public announcement regarding the acquisition of property and has not been prepared as an inducement or invitation to investment. We caution readers to refer to the Fund's offering circular for the Issue of new investment units and secondary offering and the notices of amendments thereto, and to undertake any investment decision at their own judgment and responsibility.

**5. Outline of the seller**

Name of company	Ichikawa Two Special Purpose Company (Note 1)
Head office address	Shiodome City Center , 5-2, Higashi-Shinbashi 1-chome, Minato-ku, Tokyo
Date of foundation	April 25, 2007
Represented by	Director, Kazuhiro Tsutsumi
Specified capital	600 thousand yen
Preferred equity holder	— (Note 2)
Main line of business	Business concerning the acquisition, management and liquidation of the Specified Assets in accordance with the Company's Asset Liquidation Plan filed pursuant to the Law Regarding Liquidation of Assets.
Relation with the Fund	Not applicable

(Note 1) Ichikawa Two Special Purpose Company is a special purpose company established by ProLogis K.K.

(Note 2) The Fund has not obtained consent from the preferred equity holder to disclose the information.

**6. Conditions of property acquisition**

This property is not being acquired from an entity with a material conflict of interest with the Fund or with the asset management company.

**7. Outline of the broker**

Not applicable

**8. Future prospect**

The Fund has announced "Notice Concerning Forecasts of Financial Results for the Fiscal Periods Ending January 31, 2011 and July 31, 2011" on August 12, 2010.

**【Reference Materials】**

Reference Material 1: Exterior Photograph of the Building

Reference Material 2: Map of the Property

Reference Material 3: Portfolio after Acquisition

(End)

\*The Fund'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.**

<p>Note: This document is a public announcement regarding the acquisition of property and has not been prepared as an inducement or invitation to investment. We caution readers to refer to the Fund's offering circular for the Issue of new investment units and secondary offering and the notices of amendments thereto, and to undertake any investment decision at their own judgment and responsibility.</p>
--

**【Reference Materials】**

Reference Material 1: Exterior Photograph of the Building



Note: This document is a public announcement regarding the acquisition of property and has not been prepared as an inducement or invitation to investment. We caution readers to refer to the Fund's offering circular for the Issue of new investment units and secondary offering and the notices of amendments thereto, and to undertake any investment decision at their own judgment and responsibility.

Reference Material 2: Map of the Property

- Wide area map



- Neighboring area map



Note: This document is a public announcement regarding the acquisition of property and has not been prepared as an inducement or invitation to investment. We caution readers to refer to the Fund's offering circular for the Issue of new investment units and secondary offering and the notices of amendments thereto, and to undertake any investment decision at their own judgment and responsibility.

**Reference Material 3: Portfolio after Acquisition**

#	Property Name	Location	Acquisition Price (Million Yen)	Ratio
M-1	Funabashi	Funabashi, Chiba	8,675	6.1%
M-2	Urayasu	Urayasu, Chiba	2,902	2.0%
M-3	Hiratsuka	Hiratsuka, Kanagawa	1,466	1.0%
M-4	Shinkiba	Koto-ku, Tokyo	2,454	1.7%
M-5	Urayasu Chidori	Urayasu, Chiba	6,000	4.2%
M-6	Funabashi Nishiura	Funabashi, Chiba	5,700	4.0%
M-7	Funabashi Nishiura II	Funabashi, Chiba	9,330	6.5%
M-8	Kawasaki	Kawasaki, Kanagawa	10,905	7.6%
M-9	Narashino	Narashino, Chiba	1,690	1.2%
M-10	Yokosuka	Yokosuka, Kanagawa	3,305	2.3%
M-11	Yachiyo	Yachiyo, Chiba	2,266	1.6%
M-12	Yokohama Fukuura	Yokohama, Kanagawa	9,800	6.8%
M-13	Yachiyo II	Yachiyo, Chiba	5,300	3.7%
M-14	Urayasu Chidori II	Urayasu, Chiba	1,640	1.1%
M-15	Ichikawa	Ichikawa, Chiba	4,550	3.2%
M-16	Shinonome	Koto-ku, Tokyo	11,800	8.2%
M-17	Narashino II	Narashino, Chiba	7,875	5.5%
M-18	Ichikawa II	Ichikawa, Chiba	17,415	12.2%
Metropolitan Area (Bay, Inland) Subtotal			113,073	78.9%
T-1	Daito	Daito, Osaka	9,762	6.8%
T-2	Osaka Fukuzaki	Osaka, Osaka	4,096	2.9%
T-3	Chubu Haruhi	Kiyosu, Aichi	685	0.5%
T-4	Kadoma	Kadoma, Osaka	989	0.7%
T-5	Komaki	Komaki, Aichi	2,100	1.5%
T-6	Komaki II	Komaki, Aichi	1,800	1.3%
Kinki Area, Chubu Area and Kyushu Area Subtotal			19,432	13.6%
O-1	Maebashi	Maebashi, Gunma	1,230	0.9%
O-2	Hanyu	Hanyu, Saitama	1,705	1.2%
O-3	Saitama Kisai	Kazo, Saitama	4,010	2.8%
O-4	Kazo	Kazo, Saitama	3,790	2.6%
Other Area Subtotal			10,735	7.5%
Portfolio Total			143,240	100.0%

Note: This document is a public announcement regarding the acquisition of property and has not been prepared as an inducement or invitation to investment. We caution readers to refer to the Fund's offering circular for the Issue of new investment units and secondary offering and the notices of amendments thereto, and to undertake any investment decision at their own judgment and responsibility.