Japan Logistics Fund, Inc.

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For Immediate Release

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Notice Concerning Lease Initiation (Redevelopment Project of Kiyosu Logistics Center (land))

Japan Logistics Fund, Inc. (hereinafter referred to as "JLF") announced today that it has concluded a prelease contract on the redevelopment project (hereinafter referred to as the "Project") of Kiyosu Logistics Center (land) (hereinafter referred to as the "Property").
The Project is the third OBR (Own Book Redevelopment) after Yachiyo Logistics Center completed in December 2014. With this contract, full capacity of the property is preleased before the completion of redevelopment.

1. Outline of the lease contract

The prelease contract is a fixed term contract (3 years) with Mitsubishi Electric Logistics Corporation, one of the core companies in the Mitsubishi Electric Group specializing in corporate logistics. The Property will be used as Mitsubishi Electric Logistics Corporation's export logistics center.

Name of the tenant	Mitsubishi Electric Logistics Corporation
Sector of the tenant	Motor truck transportation business
Rent area (Note 1)	20,438.09 m^2
% to the total rentable area (Note 2)	100.0%
Annual rent (excl. consumption tax)	Not Disclosed (Note 3)
Lease period	3 years from handover day
Safety deposit	Not Disclosed (Note 3)

(Note 1) "Rent area" is based on the prelease contract.
(Note 2) "% to the total rentable area" indicates the ratio of rent area of the tenant to the total rentable area.
(Note 3) Not disclosed, for unable to obtain the tenant's consent.

2. Impact on Management

By this preleasing contract, full capacity of the property is preleased. JLF expects that, after completion of the Project, the Property's NOI will increase considerably, generating an extremely high level of profit. JLF also believes that the Property will contribute to growth in the level of dividend per unit and increase in unrealized gain. For forecasts that take into consideration the impact of the contract, please refer to "3. Future Outlook".

＜Effect of the Project＞

	Before redevelopment (Land only)	After redevelopment (Building and land)	Difference
Acquisition price	685 million yen	3,010 million yen	2,325 million yen (+339.4%)
NOI (Note 1)	26 million yen	240 million yen	214 million yen (+817.5%)
NOI yield (acquisition price base)	3.8%	8.0%	+4.2%

(Note1) The figure before redevelopment is calculated by annualizing the actual figure for the fiscal period ended July 31, 2015. The figure after redevelopment is an estimate of annual income/expense after elimination of special factors in the fiscal year of completion of redevelopment and is not an estimate for the fiscal period ending January 31, 2017 or the fiscal period ending July 31, 2017.

(Note2) The figures after redevelopment are estimates based on the current plan, and are subject to change. The figures do not guarantee any acquisition price, NOI and NOI yield after the redevelopment.

＜Features of the facility (Note 1)＞

Work on construction of the new building began in April 2016 and the new building is expected to be completed at the end of January 2017.

- Highly versatile 4-story (warehouse part is 3-story) multi-tenant-type logistics facility that satisfies all current standard requirements of logistics facilities, having an effective column interval of approximately 10.0m, an effective ceiling height of 5.5 m or higher, and a standard floor load capacity of 1.5 t/m^2.
- Equips loading docks and various vertical transport devices, enabling efficient inflow and outflow and internal flow and storage of goods and accommodating a wide range of tenant needs.
- Considers the work environment of the tenant corporation, with the provision of sufficient parking space, office space and elevators.
- Acquired CASBEE (Note 2) certification, considering increased environmental awareness in recent years.

(Note1) The features of the facility are based on the current plan. The plan is subject to change, and the features of the facility outlined above are also subject to change. The features outlined above do not constitute any guarantee or promise.

(Note2) CASBEE (Comprehensive Assessment System for Built Environment Efficiency) is a tool for assessing and rating the environmental performance of buildings and built environment. In addition to the aspects of environmental load reduction such as energy and resource saving and recycling functionality, the system provides a comprehensive assessment of the environmental efficiency of buildings including the comfort of the indoor environment, considerations for the surrounding landscape, etc.

[Conceptual illustration (After redevelopment)]



[Photograph of exterior before redevelopment]



3. Future Outlook

The contract starts from the 24th Period (from February 1, 2017 to July 31, 2017). There is no impact to forecasts for the 22nd Period (from February 1, 2016 to July 31, 2016) and the 23rd Period (from August 1, 2016 to January 31, 2017).

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(End)

(Press Releases for Reference)

- Notice Concerning the Acquisition of Property (Chubu Haruhi Logistics Center) (*sokochi*) on December 21, 2006
- Notice Concerning Change of Property Name on July 31, 2015
- Notice Concerning the Redevelopment Project for the Kiyosu Logistics Center (land) on September 1, 2015
- Notice Concerning the Redevelopment Project for Kiyosu Logistics Center (land) (Follow-up Report) on November 30, 2015
- Notice Concerning the Redevelopment Project for Kiyosu Logistics Center (land) (Follow-up Report) on March 14, 2016

* 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.