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For Immediate Release

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Notice Concerning Revisions to Operating Results Forecast for the Fiscal Period Ending January 31, 2019

Mitsui Fudosan Logistics Park Inc. (“MFLP-REIT”) announced today revisions to its operating results forecast for the fiscal period ending January 31, 2019 (August 1, 2018 to January 31, 2019), which MFLP-REIT had announced on March 15 2018, as follows.

1. Details of revisions to operating results forecast (fiscal period ending January 31, 2019: August 1, 2018 to January 31, 2019)

	Operating revenue	Operating income	Ordinary income	Net income	Distributions per unit (including distributions in excess of earnings)	Distributions per unit (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit
Previous forecast (A)	¥3,197 million	¥1,475 million	¥1,435 million	¥1,434 million	¥5,833	¥5,460	¥373
Revised forecast (B)	¥3,262 million	¥1,508 million	¥1,467 million	¥1,466 million	¥5,963	¥5,580	¥383
Amount increase/decrease (B – A)	¥64 million	¥33 million	¥31 million	¥31 million	¥130	¥120	¥10
Rate of increase/decrease	2.0%	2.2%	2.2%	2.2%	2.2%	2.2%	2.7%

(Reference) Fiscal period ending January 31, 2019: Expected number of investment units issued and outstanding at the end of the period: 262,774units.

Disclaimer: For information purposes only. The Japanese press release should be referred to as the original. This document has been prepared for the purpose of announcing to the public the revisions to MFLP-REIT’s forecast of operating results for the fiscal period ending January 31, 2019 and not for the purpose of soliciting any investment. We caution readers to undertake any investment decision at their own judgment and responsibility.

Notes:

1. The operating results forecasts above are calculated as of September 14, 2018 based on the assumptions outlined in the attached “Assumptions Underlying the Operating Results Forecasts for the fiscal period ending January 31, 2019”. Actual operating revenue, operating income, ordinary income, net income, distribution per unit (excluding distributions in excess of earnings) and distributions in excess of earnings per unit may vary due to differences from assumptions as a result of future acquisitions or dispositions of real estate, etc., changes in the trends of the real estate market, etc. and interest rates, and the environment in which MFLP-REIT operates and other factors. Moreover, these forecasts do not guarantee the amounts of distributions and distributions in excess of earnings.
2. Forecasts may be modified if there is expected to be a noticeable discrepancy with the above forecasts.
3. All amounts are rounded down and percentages are calculated to the second decimal place with fractions less than .05 being rounded down and .05 and more being rounded up.

2. Reasons for revisions to operating results forecast and disclosure of operating results forecast

According to the acquisition of Newly Acquired Asset (as defined in the exhibit “Assumptions Underlying the Operating Forecasts for the Fiscal Period Ending January 31, 2019.”) announced today, the assumptions for the forecasted financial results during the period ending January 31, 2019 have been revised.

As a result, MFLP-REIT has revised its forecasts of operating results and distributions for the fiscal period ending January 31, 2019.

End.

\* The original Japanese press release has been distributed to the Kabuto Club, the Ministry of Land, Infrastructure, Transport and Tourism Press Club, the Ministry of Land, Infrastructure, Transport and Tourism Press Club for Construction Publications.

\* MFLP-REIT’s corporate website: <http://www.mflp-r.co.jp/en/>

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[Attachment]

Assumptions Underlying the Operating Results Forecasts for the Fiscal Period Ending January 31, 2019

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> <li>The fiscal period ending January 31, 2019 (the fifth fiscal period): August 1, 2018 to January 31, 2019 (184 days)</li> </ul>
Investment assets	<ul style="list-style-type: none"> <li>It is assumed that (i) the total number of the properties assets held by MFLP-REIT will be 13 (“Assets Currently Held”), which includes the trust beneficiary interests in real estate held by MFLP REIT as of July 31, 2018 (total of 12 properties), with the acquisition on December 3, 2018 of the trust beneficiary interests in real estate related to MFLP Tsukuba (60% of quasi co-ownership interest of the trust beneficiary interests in real estate) (“Asset to be Acquired”); (ii) the abovementioned assets will continue to be held as there will be no disposition, etc. of the assets held by MFLP-REIT until the end of the fiscal period ending January 31, 2019 and (iii) there will be no acquisition of new properties other than the Asset to be Acquired. However, the actual number of investment assets may change due to the acquisition of new properties other than the Asset to be Acquired or the disposition, etc. of assets held by MFLP-REIT.</li> </ul>
Operating revenue	<ul style="list-style-type: none"> <li>Leasing business revenues related to the Assets Currently Held are calculated based on lease contracts already executed that are in effect as of today and other factors, including tenant movements and market trends.</li> <li>Leasing business revenues related to the Asset to be Acquired are calculated by taking into account lease contracts already executed and other factors, including tenant movements and market trends, based on the information provided by the current owner.</li> <li>Calculations assume that there will be no gain or loss on sale of real estate.</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>Leasing business expenses, which are major operating expenses, other than depreciation have been calculated by taking into consideration changes to expenses, with the historical results used as a benchmark for the Assets Currently Held and information provided by the current owner used as a benchmark for the Asset to be Acquired.</li> <li>Depreciation is calculated using the straight-line method. Depreciation is expected to be ¥772 million for the fiscal period ending January 31, 2019.</li> <li>Leasing business income (excluding gain on sale of real estate) after the deduction of leasing business expenses (including depreciation) is expected to be ¥1,921 million for the fiscal period ending January 31, 2019.</li> <li>In general, property taxes, city planning taxes and other charges levied on real estate transactions are settled at the time of acquisition by prorating for the period held with the present owner. However, as MFLP-REIT includes an amount equivalent to the settled amount in the acquisitions costs for the property, the amount is not recorded as expenses during the operating period that includes the day on which the property is acquired. As such, expenses relating to property taxes, city planning taxes and other charges for the Asset to be Acquired will be booked from the fiscal period ending July 31, 2019.</li> <li>Repair expenses for buildings are expected to be ¥27 million for the fiscal period ending January 31, 2019 based on the medium to long-term repair plan established by the asset management company. However, given the possibility that repair expenses may increase or additional expenses may be incurred due to difficult-to-forecast factors, the actual results may differ significantly from the forecast amount.</li> </ul>

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Non-operating expenses	<ul style="list-style-type: none"> <li>Interest expenses and other expenses related to borrowings are expected to be ¥41 million for the fiscal period ending January 31, 2019.</li> </ul>
Interest-bearing debt	<ul style="list-style-type: none"> <li>It is assumed that total interest-bearing debt will be ¥28,000 million at the end of the fiscal period ending January 31, 2019.</li> <li>The loan to value (LTV) ratio is expected to be 27.2% at the end of the fiscal period ending January 31, 2019. The following formula is used to calculate LTV ratio.  <math display="block">\text{LTV ratio} = \text{Total interest-bearing debt} \div \text{Total assets} \times 100</math> </li> </ul>
Investment units	<ul style="list-style-type: none"> <li>It is assumed that the total number of investment units issued and outstanding is the 262,774 units as of the date of this document and there will be no change in the number of investment units by issuing new investment units, etc. through to the end of the fiscal period ending January 31, 2019.</li> <li>Distributions per unit (excluding distributions in excess of earnings) and distributions in excess of earnings per unit are calculated based on the 262,774 units of expected total number of investment units issued and outstanding at the end of the fiscal periods ending January 31, 2019.</li> </ul>
Distributions per unit (excluding distributions in excess of earnings)	<ul style="list-style-type: none"> <li>Distributions per unit (excluding distributions in excess of earnings) is calculated in accordance with MFLP-REIT's policy on distributions of cash described in its Articles of Incorporation and assuming that the entire amount of earnings will be distributed.</li> <li>However, distributions per unit (excluding distributions in excess of earnings) may change for a variety of reasons, including changes in MFLP-REIT's investment assets, changes in leasing revenues due to tenant movements, etc., and/or the occurrence of unforeseen repairs and maintenance, etc.</li> </ul>
Distributions in excess of earnings per unit	<ul style="list-style-type: none"> <li>Distributions in excess of earnings per unit is calculated in accordance with MFLP-REIT's policy on distributions of cash described in its Articles of Incorporation and the asset management guidelines for the asset management company. Total distributions in excess of earnings are expected to be ¥100 million for the fiscal period ending January 31, 2019.</li> <li>MFLP-REIT emphasizes cash flow generated by asset management, such as the leasing of investment assets, excluding gain or loss on sale of real estate. For the time being, it is MFLP-REIT's policy to calculate the amount distributable, including distributions in excess of earnings, to be around 70% of FFO<sup>(*)</sup> up to a maximum of 75% of FFO and continually distribute the amount of this that exceeds the amount of distributions of earnings, within a scope where financial stability can be secured and owned assets can be maintained for a long duration of time, as distributions in excess of earnings determined based on a comprehensive judgment of the situation (the "continuous distributions in excess of earnings"). However, the continuous distributions in excess of earnings may be terminated given the economic environment, trends in the real estate market or leasing market, the situation surrounding owned assets, the percentage of distributions in excess of earnings accounted for in depreciation during MFLP-REIT's applicable operating period<sup>(*)</sup>, and the situation pertaining to LTV level and retained cash and deposits, among other factors.</li> <li>In addition to the continuous distributions in excess of earnings, in cases where the distribution amount for distributions per unit (including distributions in excess of earnings) is expected to temporarily decline by a certain degree due to such factors as the procurement of funds through the issuance of new investment units, etc., a temporary distributions in excess of earnings may be executed in order to standardize the amount of the distributions per unit (including distributions in excess of earnings).</li> <li>However, from the perspective of continuing to maintain owned assets for a long period of time, in cases where the above distributions of cash is executed, and where the amount equal to the equivalent of</li> </ul>

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	<p>depreciation for the applicable operating period minus the amount of the distributions in excess of earnings for the applicable operating period falls below the standard amount of capital for building maintenance<sup>(*)3</sup>, the distributions in excess of earnings will be decreased by a maximum amount within which the distribution amount does not fall below the total equivalent of the distributions of earnings, and this may lead to cases where distributions in excess of earnings will not be executed.</p> <ul style="list-style-type: none"> <li>• In addition, from the perspective of continuing stable financial management, distributions in excess of earnings will not be executed in cases where the appraisal LTV ratio<sup>(*)4</sup> exceeds 60% in the event that the above distributions of cash is executed.</li> </ul> <p><sup>(*)1</sup> FFO is an acronym that stands for funds from operation. It is calculated by adding Depreciation for the applicable operating period to net income (excluding profit or loss from the sale of real estate, etc.).</p> <p><sup>(*)2</sup> The maximum will be an amount equivalent to 60% of the depreciation for the applicable operating period.</p> <p><sup>(*)3</sup> “Standard amount of capital for building maintenance” refers to the “amount equivalent to the capital expenditure amount noted in the Building Condition Evaluation Report averaged over 12 years,” from which an amount representing six months of capital expenditure is determined and then multiplied by two.</p> <p><sup>(*)4</sup> Appraisal LTV ratio (%) = <math>A/B \times 100</math> (%)  A = Total interest-bearing debt on the applicable accounts settlement date  B = Total assets on the balance sheet on the applicable accounts settlement date – Amount of book value after depreciation of owned real estate on the applicable accounts settlement date + Appraisal value of owned real estate on the applicable accounts settlement date</p>
Other	<ul style="list-style-type: none"> <li>• It is assumed that there will be no change in legislation, taxation, accounting standards, listing regulations imposed by the Tokyo Stock Exchange, rules and requirements imposed by The Investment Trusts Association, Japan, etc. that will impact the aforementioned forecasts.</li> <li>• It is assumed that there will be no unforeseen material changes in general economic trends, real estate market conditions, etc.</li> </ul>

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