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For Immediate Release

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Notice Concerning Revisions to Forecast of Operating Results for the Fiscal Periods Ending January 31, 2017 and July 2017 31, 2017

Mitsui Fudosan Logistics Park Inc. ("MFLP-REIT") announced today revisions to its forecast of financial results for the fiscal periods ending January 31, 2017 (March 4, 2016–January 31, 2017) and July 31, 2017 (February 1, 2017–July 31, 2017), which MFLP-REIT had announced on August 2, 2016, as follows:.

1. Details of the Revisions

(1) Fiscal period ending January 31, 2017 (the first fiscal period: March 4, 2016–January 31, 2017)

	Operating revenue	Operating income	Ordinary income	Net income	Distribution per unit (including distributions in excess of earnings)	Distribution per unit (excluding distributions in excess of earnings)	Distribution in excess of earnings per unit
Previous forecasts (A)	¥2,345 million	¥1,224 million	¥965 million	¥964 million	¥4,794	¥4,306	¥488
Revised forecast (B)	¥2,345 million	¥1,219 million	¥1,007 million	¥1,006 million	¥4,923	¥4,491	¥432
Amount increase/ decrease (B – A)	—	–¥4 million	¥41 million	¥41 million	¥129	¥185	–¥56
Rate of increase/ decrease (%)	—%	–0.4%	4.3%	4.3%	2.7%	4.3%	–11.5%

(Reference) Fiscal period ending January31, 2017: Expected number of investment units issued and outstanding at the end of the period: 224,000 units.

(2) Fiscal period ending July 31, 2017 (the second fiscal period: February 1, 2017–July 31, 2017)

	Operating revenue	Operating income	Ordinary income	Net income	Distribution per unit (including distributions in excess of earnings)	Distribution per unit (excluding distributions in excess of earnings)	Distribution in excess of earnings per unit
Previous forecasts (A)	¥2,496 million	¥1,079 million	¥1,020 million	¥1,019 million	¥4,987	¥4,551	¥436
Revised forecast (B)	¥2,496 million	¥1,076 million	¥1,042 million	¥1,041 million	¥5,057	¥4,651	¥406
Amount increase/ decrease (B – A)	—	–¥2 million	¥22 million	¥22 million	¥70	¥100	–¥30
Rate of increase/ decrease (%)	—%	–0.3%	2.2%	2.2%	1.4%	2.2%	–6.9%

(Reference) The expected number of units outstanding at the end of the second fiscal period: 224,000 units.

Notes:
1. MFLP-REIT's operating periods are from February 1 to July 31 and from August 1 to January 31. The first fiscal period, however, commenced on March 4, 2016, the date of MFLP-REIT's establishment, and ends on January 31, 2017. The effective operating period for the first fiscal period is from August 2, 2016, the scheduled date of property acquisitions, until January 31, 2017.
2. The forecasts presented in this document are calculated as of today, based on assumptions outlined in the attached "Assumptions Underlying the Operating Forecasts for the Fiscal Period Ending January 31, 2017 and the Fiscal Period Ending July 31, 2017." 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 in assumptions as a result of future acquisitions or dispositions of properties, changes in real estate market trends and interest rates, and the environment in which MFLP-REIT operates and other factors.
3. Forecasts may be modified if there is expected to be a noticeable discrepancy with the above forecasts.
4. 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. Reason for the Revisions to the Forecast of Operating Results

Interest rates applied to long-term borrowings executed on August 2, 2016 and September 1, 2016 have been finalized, and expenses related to the issuance of new investment units, the listing of investment units and a public offering have almost been finalized. MFLP-REIT has therefore revised its forecasts of operating results due to a change in assumptions that were used as the basis of computation for its forecasts of operating results for the fiscal periods ending January 31, 2017 (March 4, 2016–January 31, 2017) and for the period ending July 31, 2017 (February 1, 2017–July 31, 2017), which were announced on August 2, 2016.

- This document is released to media organizations through the Kabuto Club (the press club of the Tokyo Stock Exchange), the Ministry of Land, Infrastructure and Transport Press Club, and the Press Club for the Ministry of Land, Infrastructure and Transport Construction Paper.
- MFLP-REIT's corporate website: http://www.mflp-r.co.jp/en/

[Attachment]

Assumptions Underlying the Operating Forecasts
for the Fiscal Period Ending January 31, 2017 and the Fiscal Period Ending July 31, 2017

Item	Assumptions
Calculation period	・The fiscal period ending January 31, 2017 (the first fiscal period) (March 4, 2016 to January 31, 2017) (334 days) ・The fiscal period ending July 31, 2017 (the second fiscal period) (February 1, 2017 to July 31, 2017) (181 days)
Investment assets	・It is assumed that MFLP-REIT will continue holding beneficiary interests in trust assets (total of nine properties) that are currently held (the “acquired assets”) until the end of the fiscal period ending July 31, 2017 and will not acquire any additional new properties other than .the acquired assets that are existing properties. ・Actual numbers may change due to the future acquisitions of new properties and/or disposals of existing properties, outside of the acquired assets.
Operating revenue	・Leasing business revenues are calculated based on lease contracts already concluded for properties in which MFLP-REIT presently holds trust beneficiary interests, tenant movements and market trends. ・Calculations assume that losses will not emerge from the sale of real estate assets.
Operating expenses	・Leasing business expenses (subcontracting expenses, etc.) are major operating expenses. Expenses, excluding depreciation, have been calculated taking into consideration changes to expenses, including anticipated leasing costs based on lease agreements already concluded, with past results used as a benchmark. ・Depreciation expenses are calculated using the straight-line method. Depreciation expenses are expected to total ¥569 million for the first fiscal period and ¥576 million for the second fiscal period. ・Leasing business income (excluding profit from the sale of real estate or other assets) after the deduction of leasing business expenses (including depreciation) is expected to total ¥1,492 million in the fiscal period ending January 31, 2017 and ¥1,384 million in the fiscal period ending July 31, 2017. ・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 presently held trust beneficiary interests will be booked from the fiscal period ending July 31, 2017. Property taxes, city planning taxes and other charges are assumed to be ¥248 million for the fiscal period ending July 31, 2017. ・Repair expenses for buildings are expected to total ¥33 million for the fiscal period ending January 31, 2017 and ¥26 million for the fiscal period ending July 31, 2017, based

	on the medium- to long-term repair plan prepared 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 largely from the forecast amount.
Non-operating expenses	・It is assumed that non-operating expenses will be ¥212 million in the fiscal period ending January 31, 2017. Of these, it is assumed that interest expenses and other expenses related to borrowings will total ¥33 million, and expenses related to the issuance of new investment units, the listing of these investment units and the public offering resolved at MFLP-REIT's July 1, 2016 Board of Directors meeting will total ¥116 million. ・It is assumed that interest payments and other expenses related to borrowings will total ¥33 million in the fiscal period ending July 31, 2017.
Interest-bearing debt	・It is assumed that total interest-bearing debt will be ¥22,400 million at the end of the fiscal period ending January 31, 2017 and ¥18,000 million at the end of the fiscal period ending July 31, 2017. ・MFLP-REIT is conducting new borrowings totaling ¥22,400 million from qualified institutional investors as defined in Article 2-3-1 of the Financial Instruments and Exchange Act. Furthermore, because consumption tax for the fiscal period ending January 31, 2017 is expected to be refunded in the fiscal period ending July 31, 2017, it is assumed that the proceeds of this refund will be used to repay ¥4,400 million of borrowings during the fiscal period ending July 31, 2017. ・The loan to value ratio (LTV) is expected to be 26.9% at the end of the fiscal period ending January 31, 2017 and 22.8% at the end of the fiscal period ending July 31, 2017. The following formula is used to calculate LTV. LTV = Interest-bearing debt ÷ total assets × 100
Investment units	・It is assumed that the number of investment units currently issued and outstanding is 224,000 units as of today, and MFLP-REIT will not change the number of investment units by issuing new investment units until the period ending July 31, 2017. ・Distribution per unit (not including distributions in excess of earnings) and distribution in excess of earnings per unit are calculated based on the 224,000 units of expected investment units issued and outstanding at the end of fiscal periods ending January 31, 2017 and July 31, 2017.
Distribution per unit (excluding istributions in exces of earnings)	・Cash distribution per unit (excluding distribution in excess of earnings) is calculated according to MFLP-REIT's distribution policy described in its Articles of Incorporation and assumes that all profits will be distributed. ・However, cash distribution per unit (excluding distribution 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.
Distributions in excess of earnings per unit	・Distribution in excess of earning per unit is calculated in accordance with MFLP-REIT's distribution policy described in its Articles of Incorporation and the asset management guidelines for the asset management company. Total distributions in excess of earnings are assumed to be ¥96 million in the fiscal period ending January 31, 2017 and ¥90 million in the fiscal period ending July 31, 2017.

- MFLP-REIT emphasizes cash flow generated by asset management, such as the leasing of investment assets, excluding profits and losses from the sale of real estate and for the . immediate future it will be MFLP-REIT's policy to calculate the amount distributable, including distributions in excess of earnings, to be around 70% of FFO(*1) up to a maximum of 75% of FFO and to continually distribute the amount that exceeds the cash distribution, within a scope where financial stability can be secured and owned assets can be maintained for a long duration of time, as distribution in excess of earnings determined based on a comprehensive judgment of the situation ("continuous distribution in excess of earnings"). However, the continuous distribution 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 distribution in excess of earnings accounted for in depreciation during MFLP-REIT's applicable operating period(*2), and the situation pertaining to LTV level and retained cash and deposits, among other factors.
- In addition to the continuous distribution in excess of earnings, in cases where the distribution amount for cash distribution per unit (including distribution in excess of earnings) is expected to temporarily decline at a noticeable rate due to the procurement of funds through the issuance of new investment units, a temporary distribution in excess of earnings may be executed in order to standardize the amount of the distribution per unit (including distribution in excess of earnings).
- However, from the perspective of maintaining owned assets for a long period of time, in cases where the above distribution is executed, and where the amount equal to the equivalent of distribution in excess of earning for the applicable operating period subtracted from the amount of the depreciation for the applicable operating period, falls below the standard amount of capital for building maintenance(*3) the distribution in excess of earning will decrease up to a maximum amount that does not fall below the total amount of the distribution of earnings.
- In addition, from the perspective of continuing stable financial management, distribution in excess of earnings will not be executed in cases where the appraised LTV (*4) exceeds 60% in the event that the above distribution of cash is executed.

(*1) 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.).

(*2) The maximum will be an amount equivalent to 60% of the depreciation for the applicable operating period.

(*3) "Standard amount of capital for building maintenance" refers to an amount equal to the capital expenditure amount noted in the Building Condition Evaluation Report averaged over 12 years, with an amount equal to six months multiplied by two.

(*4) Appraised LTV (%) = A/B × 100 (%)

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 + appraised value of owned real estate on the applicable accounts

	settlement date
Other	・Calculations and operating forecasts are based on the assumption that there will be no change in legislation, taxation, accounting standards, regulations applying to publicly listed companies, rules and requirements imposed by the Investment Trusts Association, Japan, which will impact the aforementioned forecasts. ・Calculations and operating forecasts are also based on the assumption that there will be no material changes in general economic and real estate market conditions in Japan.