



Mitsui Fudosan Logistics Park Inc.



MFLP Hiratsuka

MFLP Hino

MFLP Komaki

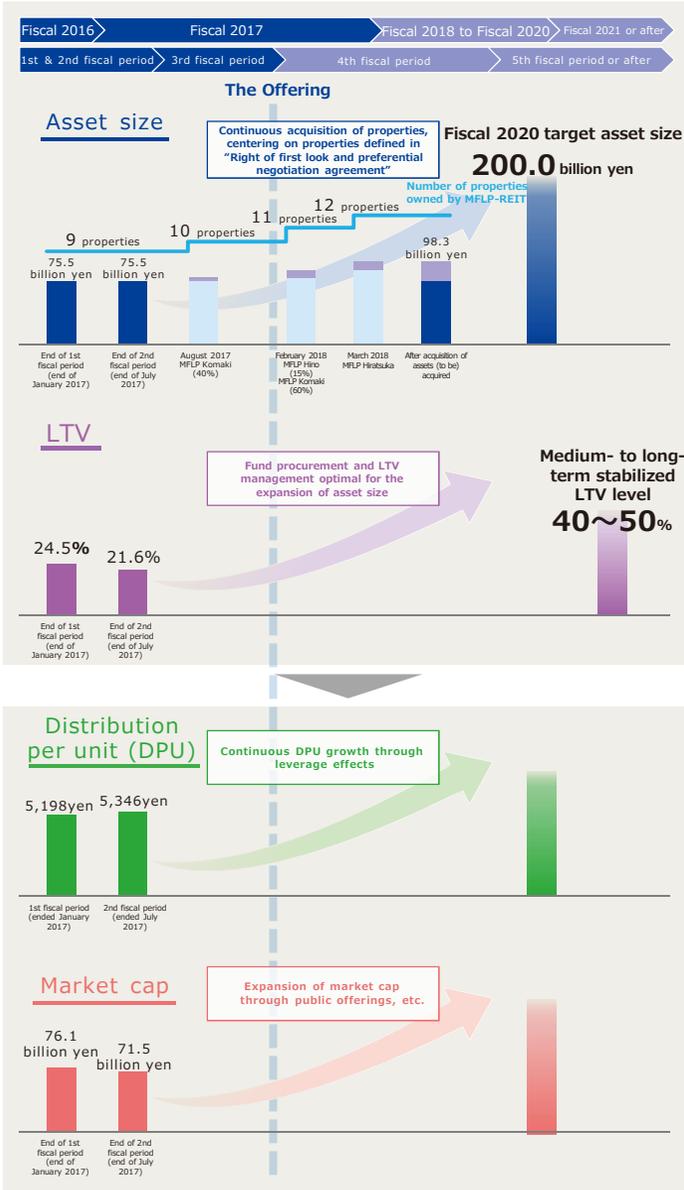


Supplementary materials for press release dated January 15, 2018

“Notice Concerning Revisions to Operating Results Forecast for the Fiscal Period Ending July 31, 2018 and Disclosure of Operating Results for the Fiscal Period Ending January 31, 2019”

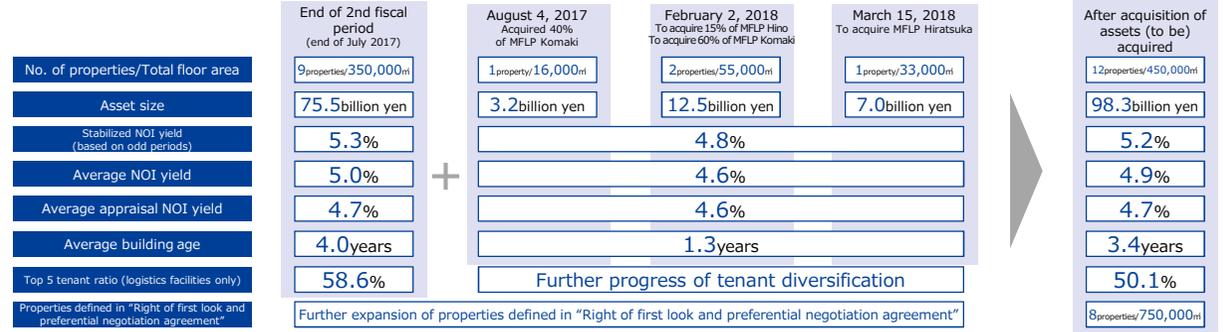
Four Roadmaps to Stable Growth of MFLP-REIT and Trajectory of Growth

■ Maximization of unitholder value through expansion of asset size and LTV management



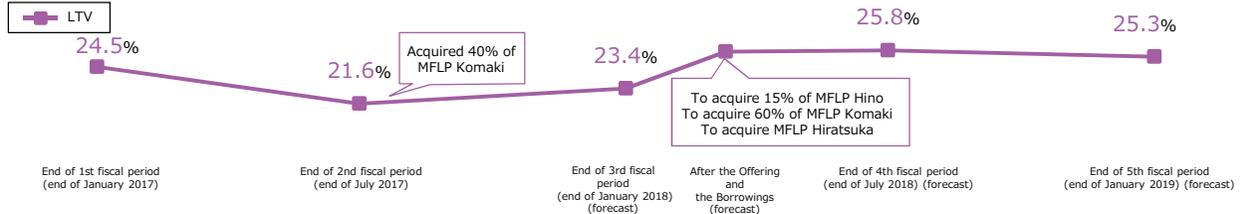
Expansion of Asset Size

Continue conducting acquisitions of properties accompanied with quality centering on properties defined in "Right of first look and preferential negotiation agreement" and aim for asset size of 200.0 billion yen by fiscal 2020.



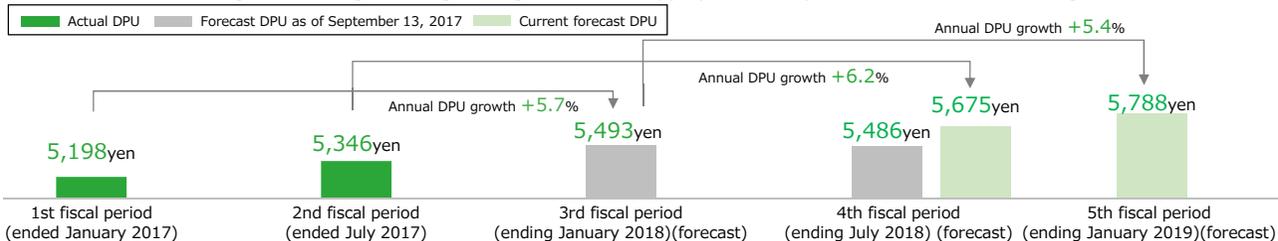
LTV Management

Select most appropriate fund procurement method taking into consideration size of acquiring asset, while considering continuous growth of distribution and market cap.



Continuous Distribution Growth

Aim for continuous DPU growth through utilizing leverage effect from appropriate fund procurements and LTV management.

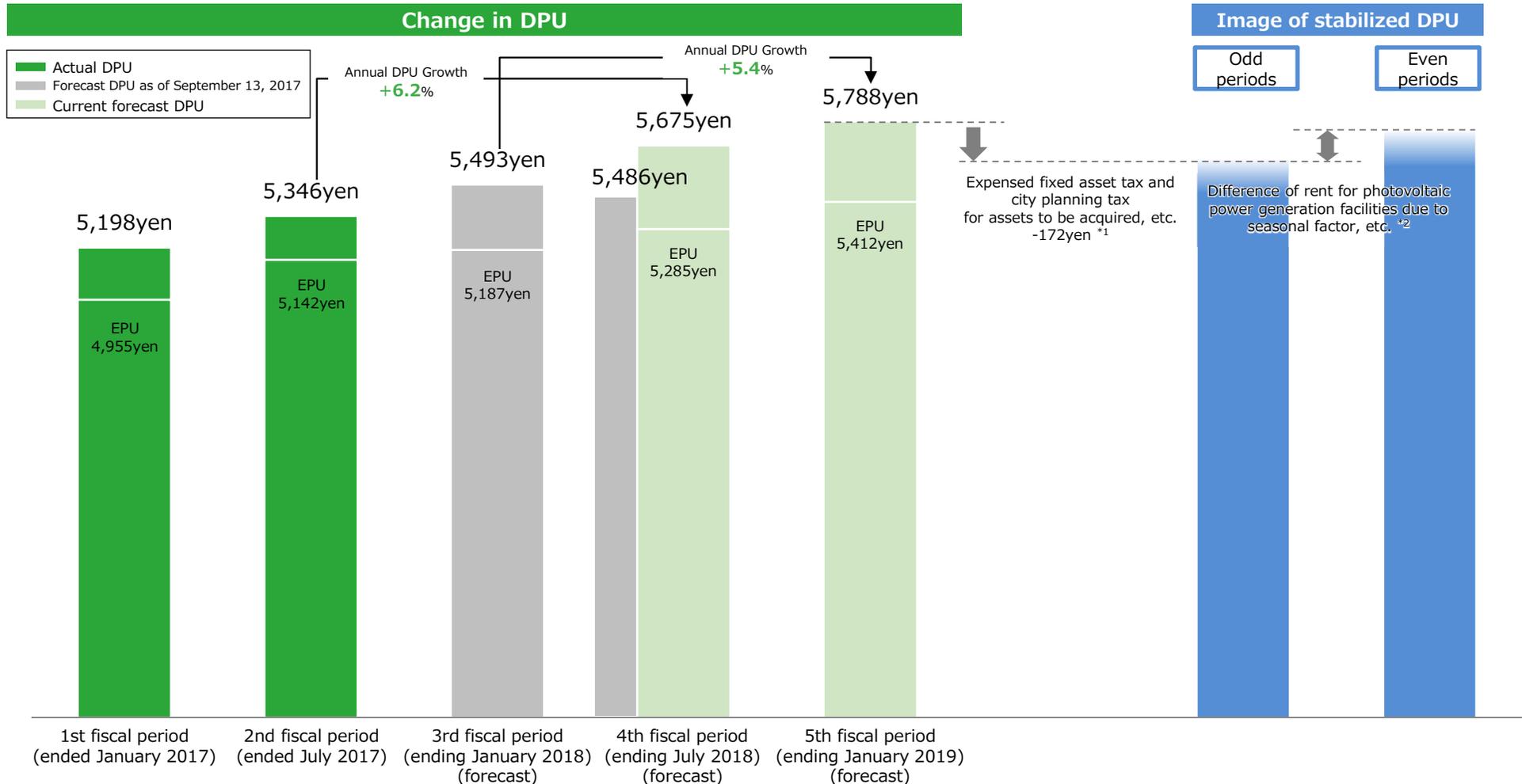


Increased Stability of Investment Unit Price through Expansion of Market Cap

Expansion of market cap through public offering is thought to expand investor base and lead to further stability of investment unit price.



- Aim for continuous DPU growth by utilizing premium offering effect and leverage effect, while acquiring properties taking into consideration the portfolio yield.
- While distribution of earnings per unit (EPU) is 100% distribution of the profit increase or decrease, distribution per unit (DPU) is limited to distribution of 70% of FFO including the profit increase or decrease, etc.



*1 The figure is calculated by dividing the amount (65 million yen × 70%) which considers fixed asset tax and city planning tax, regarding MFLP Hino (15%), MFLP Komaki (60%) and MFLP Hiratsuka, and FFO-based distributions in excess of earnings, by the number of investment units issued and outstanding after the Offering.

*2 The figure is calculated by dividing the amount taking into consideration the difference of rent for photovoltaic power generation facilities due to seasonal factor, etc. and FFO-based distributions in excess of earnings, by the number of investment units issued and outstanding after the Offering. Furthermore, the difference of rent for photovoltaic power generation facilities between the 4th fiscal period (ending July 2018) and 5th fiscal period (ending January 2019) is assumed to be approximately 38 million yen.

Portfolio List (After acquisition of assets (to be) acquired)

Total (planned) acquisition price 12 properties 98.3 billion yen	Stabilized NOI yield*1 5.2% (after depreciation:3.7%)	Average appraisal NOI yield 4.7%	Average building age 3.4 years	Average occupancy rate 100%
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Category	Property no.	Property name	Location	(Planned) Acquisition price (million yen)	Appraisal value (million yen)	NOI yield (%)	Appraisal NOI yield (%)	Total floor area (m ²)	Building age (years)	Occupancy rate (%)
Logistics facilities	L-1	GLP/MFLP Ichikawa Shiohama (50% quasi co-ownership interest)	 Ichikawa, Chiba	15,500	16,600	4.6	4.3	105,019 (52,509) *2	3.9	100
	L-2	MFLP Kuki	 Kuki, Saitama	12,500	13,400	5.2	4.9	73,153	3.4	100
	L-3	MFLP Yokohama Daikoku (50% quasi co-ownership interest)	 Yokohama, Kanagawa	10,100	10,500	5.0	4.8	100,530 (50,265) *2	8.6	100
	L-4	MFLP Yashio	 Yashio, Saitama	9,650	10,400	5.1	4.7	40,728	3.7	100
	L-5	MFLP Atsugi	 Aiko, Kanagawa	7,810	8,350	5.2	4.9	40,942	2.7	100
	L-6	MFLP Funabashi Nishiura	 Funabashi, Chiba	6,970	7,490	5.2	4.8	30,947	2.8	100
	L-7	MFLP Kashiwa	 Kashiwa, Chiba	6,300	6,710	5.0	4.7	31,242	2.0	100
	L-8	MFLP Sakai (20% quasi co-ownership interest)	 Sakai, Osaka	4,500	4,930	5.2	4.8	125,127 (25,025) *2	3.2	100
	L-9	Asset (to be) acquired MFLP Komaki	 Komaki, Aichi	8,260	8,360	4.9	4.9	40,597	0.8	100
	L-10	Asset (to be) acquired MFLP Hino (15% quasi co-ownership interest)	 Hino, Tokyo	7,520	7,570	4.3	4.3	205,200 (30,780) *2	2.1	100
	L-11	Asset (to be) acquired MFLP Hiratsuka	 Hiratsuka, Kanagawa	7,027	7,070	4.6	4.6	33,061	1.0	100
Subtotal (Average)			-	96,137	101,380	4.9	4.7	826,551 (449,254) *2	3.4	100
Industrial real estate	I-1	MFIP Inzai (20% quasi co-ownership interest)	 Inzai, Chiba	2,180	2,440	5.5	5.0	40,478 (8,095) *2	3.8	Not disclosed
Total (Average)			-	98,317	103,820	4.9	4.7	867,029 (457,350) *2	3.4	100

*1 : The figure is Stabilized NOI yield for odd period. For details, please refer to page 4 of this document.

*2 : Figures are equivalent to the percentage of the quasi co-ownership interest.

- For assumptions for the forecast figures, please refer to the press release “Notice Concerning Revisions to Operating Results Forecast for the Fiscal Period Ending July 31, 2018 and Disclosure of Operating Results Forecast for the Fiscal Period Ending January 31, 2019” dated January 15, 2018.
- “The Offering” refers to the issuance of new investment units through primary offering and a third-party allotment (the “Third-Party Allotment”) described in the press release “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” dated on January 15, 2018.
- “Total floor area” indicates figures based on the record on the register, rounding down to the nearest whole number.
- “Stabilized NOI yield” is obtained by deducting property taxes and city planning taxes not expensed in the forecast of performance for the odd periods from the net operating income assumed in the forecast of performance for those fiscal periods, and then dividing it by the total (planned) acquisition price, rounded to one decimal place.
- “Average NOI yield” indicates the ratio of net operating income under direct capitalization method stated in real estate appraisal report to (planned) acquisition price, using a weighted average based on the (planned) acquisition price, rounded to one decimal place.
- “Average appraisal NOI yield” indicates the ratio of net operating income under direct capitalization method stated in real estate appraisal report to appraisal value, using a weighted average based on the appraisal value, rounded to one decimal place.
- “Average building age” indicates the number of years from the date of construction of the main building of an asset (to be) acquired in the register to November 30, 2017, using a weighted average based on the (planned) acquisition price, rounded to one decimal place.
- “Top 5 tenant ratio (logistics facilities only)” indicates the ratio of total leased area of top five tenants to total leased area of assets (to be) acquired, rounded to one decimal place.
- “Properties defined in ‘Right of first look and preferential negotiation agreement’” refers to properties presented based on the right of first look and preferential negotiation agreement entered into and executed between the Asset Management Company and Mitsui Fudosan Co., Ltd.
- “Properties defined in ‘Right of first look and preferential negotiation agreement’ after acquisition of assets (to be) acquired” indicates accumulated total number of properties and accumulated total floor area of properties defined in “Right of first look and preferential negotiation agreement” as of January 15, 2018, excluding assets to be acquired.
- “Market cap as of January 4, 2018” indicates figures obtained by the following formula.
Market cap as of January 4, 2018 = Closing price of the investment unit in regular trading at Tokyo Stock Exchange, Inc. on January 4, 2018 (363,000 yen) x the number of MFLP-REIT’s investment units issued and outstanding as of January 15, 2018 (224,000 units)
- “Market cap after the Offering” indicates figures obtained by the following formula.
Market cap after the Offering = Market cap as of January 4, 2018 + Total amount of issue price in the Offering (*)
 - * “Total amount of issue price in the Offering” is the sum of the total issue price in the primary offering (13,243,000,000 yen) and the total maximum amount of offering price in the secondary offering through over-allotment (697,000,000 yen). Both the total issue price and the total offering price are expected amounts calculated based on the closing price of MFLP-REIT’s investment unit in regular trading at Tokyo Stock Exchange, Inc. on January 4, 2018.
- “NAV per unit as of January 4, 2018” indicates a figure as of the end of the fiscal period ended July 2017.
- “NAV per unit as of the end of the fiscal period ended July 2017” indicates a figure obtained by (a) adding the total appraisal value as of July 31, 2017 to net assets on the balance sheet at the end of the fiscal period ended July 2017, (b) subtracting the total book value on the same day from the amount (“NAV as of the end of the fiscal period ended July 2017”) and (c) dividing the amount by the number of investment units issued and outstanding at the end of the fiscal period ended July 2017.
- “NAV per unit after the Offering” indicates a figure obtained by the following formula.
NAV per unit after the Offering = (NAV as of the end of the fiscal period ended July 2017 + Total appraisal value of assets (to be) acquired – Total (planned) acquisition price of assets (to be) acquired + Total issue amount in the Offering (*)) / Number of MFLP-REIT’s investment units issued and outstanding after the Offering (**)
 - * “Total issue amount in the Offering” indicates a figure obtained by adding the total issue price of the Third-Party Allotment (673,400,000 yen) to the sum of the issue price in the primary offering total (12,794,600,000 yen). Both the total issue price in the primary offering and the total issue price in the Third- Party Allotment are based on the closing price of MFLP-REIT’s the investment unit in regular trading at Tokyo Stock Exchange, Inc. on January 4, 2018 It is an estimated amount calculated.
 - ** “Number of MFLP-REIT’s investment units issued and outstanding after the Offering” indicates a figure obtained by adding the number of investment units to be issued in the primary offering (38,000 units) and the maximum number of investment units to be issued in the Third-Party Allotment (2,000 units) to the number of investment units issued and outstanding at the end of the fiscal period ended July 2017.
- “P/NAV as of January 4, 2018” indicates a figure obtained by dividing the closing price of MFLP-REIT’s investment unit in regular trading at Tokyo Stock Exchange, Inc. on January 4, 2018 by NAV per unit at the end of the fiscal period ended July 2017.

- “Average occupancy rate” indicates the ratio of leased area of assets (to be) acquired to total leasable area of assets (to be) acquired as of November 30, 2017.
- “(Planned) acquisition price” is the purchase price of trust beneficiary interest set forth in the agreement for sale and purchase of trust beneficiary interest, rounded down to the nearest million yen. The purchase price does not include acquisition costs and consumption tax or local consumption tax.
- “Appraisal value” indicates a value stated in the respective real estate appraisal report with July 31, 2017 as the appraisal date. However, the appraisal values of the acquired 40% quasi co-ownership interest of MFLP Komaki and of assets to be acquired are the appraisal values stated in the respective real estate appraisal report with June 30, 2017 and November 30, 2017 as the appraisal date, respectively.
- (Planned) acquisition price and appraisal value indicate figures corresponding to the quasi co-ownership interest ratio of each property.
- (Planned) acquisition price and appraisal value of MFLP Komaki indicate the total of the 40% quasi co-ownership interest acquired and the 60% quasi co-ownership interest to be additionally acquired. As to the appraisal value for the 60% quasi co-ownership interest of MFLP Komaki, since MFLP-REIT will hold 100% ownership with the additional acquisition of the 60% quasi co-ownership interest, the value indicates an assemblage value taking into consideration the increased value through the additional acquisition of ownership.

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