

1st Fiscal Period (Fiscal Period Ended January 31, 2017)

Investor Presentation Material

March 17, 2017

Mitsui Fudosan Logistics Park Inc. (MFLP-REIT)



Securities Code

3471



Mitsui Fudosan
Logistics Park Inc.

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1. Start of Logistics REIT by Mitsui Fudosan

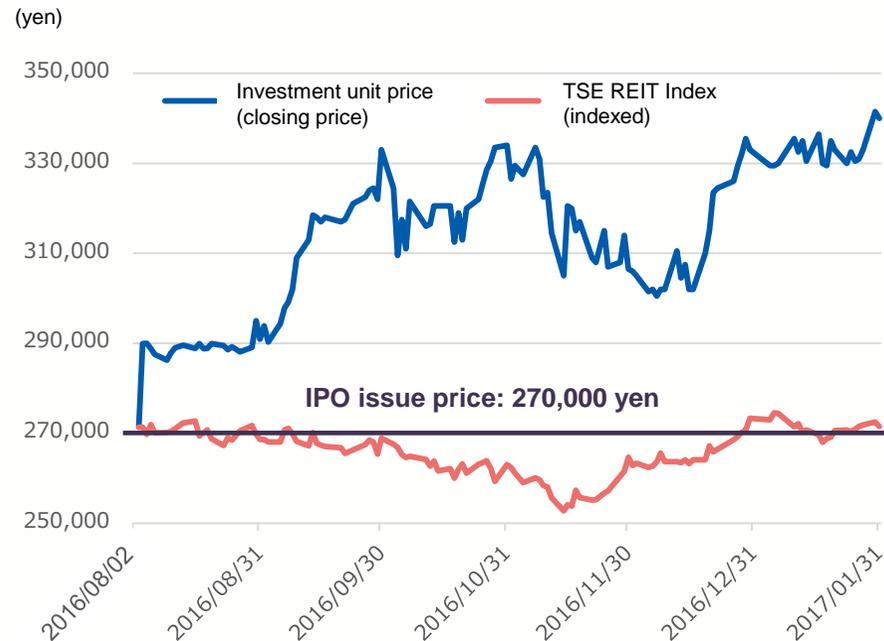
1-1 IPO Summary

Start of J-REIT focused on logistics facilities by one of Japan's most prominent developers Mitsui Fudosan

IPO overview

Launch date	July 1, 2016	Issue price	270,000 yen
Listing date	August 2, 2016	Amount of issue	60,156 million yen
Number of investment units offered	222,800 units	Amount paid in	58,050 million yen
Number of investment units issued and outstanding	224,000 units	Portfolio	9 properties 75,510 million yen (acquisition price basis)

Investment unit price trends



Market response

Mitsui Fudosan Logistics Park Inc. (3471): Sustainable growth capitalizing on sponsor's capability anticipated (excerpt from DealWatch, Thomson Reuters)

Investors voiced anticipation for external growth due to its strong sponsor pipeline, and properties acquired upon listing were also evaluated highly for being relatively new and located in favorable areas. The expectation for further demand increase in logistics facilities against the backdrop of expanding e-commerce seemed to have been another factor for gathering support as well.

70% of investment units was allocated to general investors and 30% to institutional investors. **Demand of "around 8 times from general investors, around 25 times from institutional investors and overall around 13 times" was gathered for these allocations. IPO price was set with the upper limit of preliminary price range.**

The Nikkei Veritas
"Nikkei Veritas
Deal of the Year 2016"
Best Equity Finance

The 1st Prize



*Excerpt from Nikkei Veritas (December 25, 2016 issue)

* The starting point is the price of the first trade at IPO.
* The TSE REIT Index is indexed to the August 2, 2016 opening price.

2. Financial Summary

(1st fiscal period: from March 4, 2016 to January 31, 2017)

2-1. Financial Highlights

Asset	Asset size at end of period (total amount of acquisition price)	Appraisal value at end of period (as at January 31, 2017)	Ratio of investment area of assets held	Occupancy rate *1 at end of period
	9 properties 75.5 billion yen	9 properties 78.4 billion yen	Tokyo metropolitan area 93.9%	100%
Debt	Balance of interest-bearing debt at end of period	LTV ratio *2 at end of period	Average borrowing interest rate at end of period	Credit rating (JCR)
	20.0 billion yen	End of 1st fiscal period: Actual 24.5% End of 2nd fiscal period: Forecast 21.8%	0.26%	AA- (Stable)
Equity	Distribution per unit *3	NAV per unit *4		
	1st fiscal period: Actual 5,198 yen 2nd fiscal period: Forecast 5,190 yen	278,517 yen		

*1: "Occupancy rate at end of period" is the occupancy rate on a contract basis.

*2: LTV ratio at end of period = Balance of interest-bearing debt ÷ Total assets

*3: Including distributions in excess of earnings

*4: NAV per unit = (Net assets + Unrealized gain on appraisal basis) ÷ Number of investment units issued and outstanding

For the figures of each item, please refer to "6. Appendix."

2-2. 1st Fiscal Period (Ended January 31, 2017) P/L

(Unit: million yen)	Announced Aug. 2, 2016 1st period Forecast	Announced Sept. 13, 2016 1st period Forecast (a)	1st period Actual (b)	Difference (b)-(a)
Operating revenue	2,345	2,345	2,383	+37
Operating expenses	1,121	1,125	1,075	-50
<i>Of which, Depreciation</i>	569	569	553	-16
Operating income	1,224	1,219	1,307	+88
Non-operating expenses	259	212	196	-16
Ordinary income	965	1,007	1,111	+104
Profit (Net income)	964	1,006	1,110	+104
Distribution per unit (DPU) (yen)	4,794	4,923	5,198	+275
<i>Of which,</i> Distribution of earnings per unit (EPU) (yen)	4,306	4,491	4,955	+464
<i>Of which,</i> Distribution in excess of earnings per unit (yen)	488	432	243	-189
Distribution in excess of earnings expressed as a percentage of depreciation	19.2%	16.9%	9.8%	—

Main breakdown of difference	
Operating revenue	
Increase in photovoltaic power generation facilities rent revenue	+19
Increase in rent and common area maintenance charges revenue	+16
Increase in other operating revenue	+2
Operating expenses	
Decrease in outsourcing fees	-18
Decrease in other expenses related to rent business	-17
Decrease in depreciation	-16
Increase in other operating expenses	+1
Non-operating expenses	
Decrease in investment unit issuance related expenses	-12
Decrease in other non-operating expenses	-4

<Reference> Formula for distribution per unit based on FFO

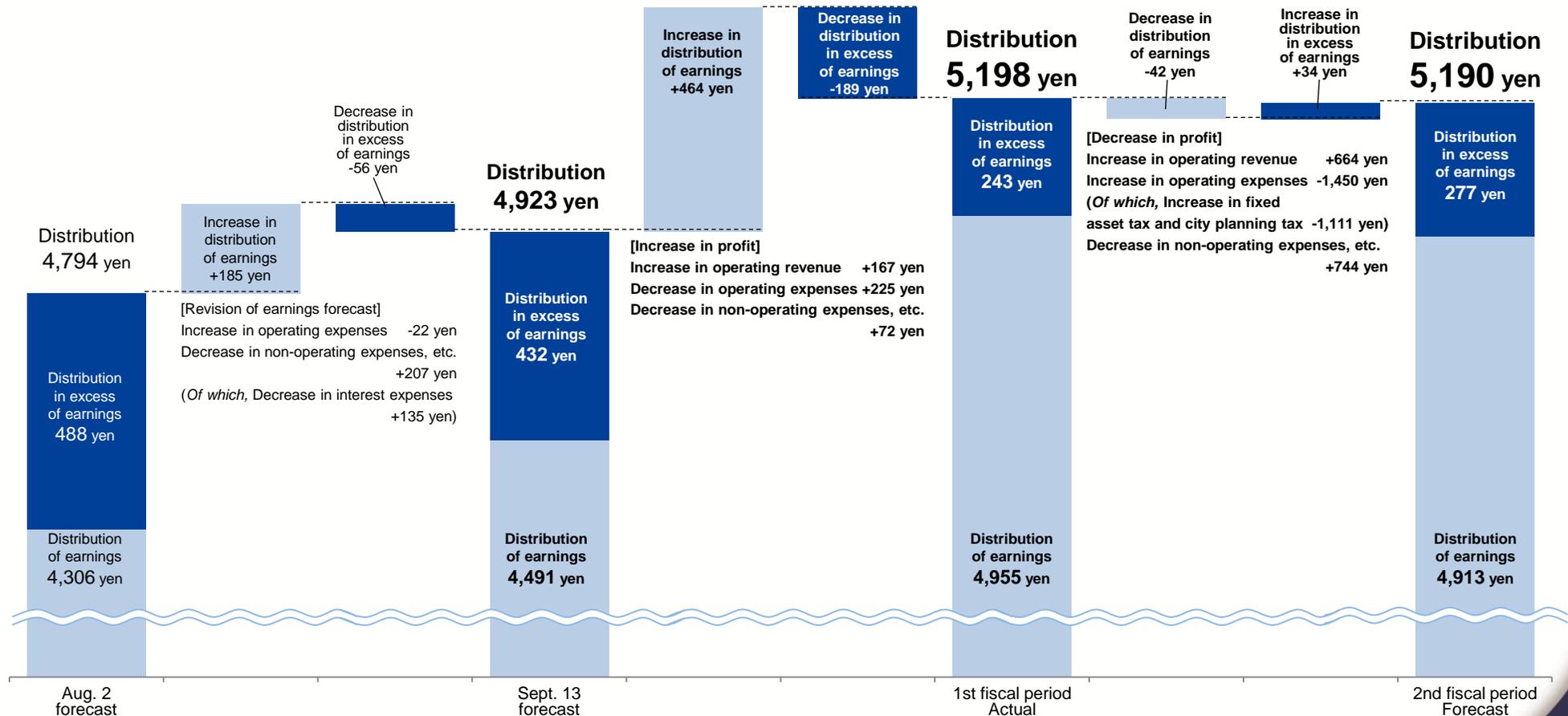
FFO	=	Profit (Net income)	+	Depreciation	...①
Source of funds for distribution	=	① FFO	×	70%	...②
Distribution per unit	=	② Source of funds for distribution	÷	Number of investment units issued and outstanding	

2-3. 2nd Fiscal Period (Ending July 31, 2017) Earnings Forecast

(Unit: million yen)	1st period Actual (a)	2nd period Forecast (b)	Difference (b)-(a)	Main breakdown of difference	<Reference> 3rd period Forecast
Operating revenue	2,383	2,531	+148	Operating revenue Increase due to full-period operation of all 9 properties, etc. +111 Increase in photovoltaic power generation facilities rent revenue +37	2,520
Operating expenses	1,075	1,400	+324	Operating expenses Increase due to expensing of fixed asset tax, city planning tax, etc. +249 Increase due to full-period operation of all 9 properties, etc. +26 Increase in other operating expenses +49	1,385
<i>Of which, Depreciation</i>	553	560	+6		560
Operating income	1,307	1,131	-176	Non-operating expenses Absence of investment unit issuance related expenses -104 Absence of organization related expenses -56 Decrease in other non-operating expenses -6	1,135
Non-operating expenses	196	30	-166		29
Ordinary income	1,111	1,101	-10		1,106
Profit (Net income)	1,110	1,100	-9		1,105
Distribution per unit (DPU) (yen)	5,198	5,190	-8		5,207
<i>Of which, Distribution of earnings per unit (EPU) (yen)</i>	4,955	4,913	-42		4,936
<i>Of which, Distribution in excess of earnings per unit (yen)</i>	243	277	+34		271
Distribution in excess of earnings expressed as a percentage of depreciation	9.8%	11.0%	-		10.8%

2-4. Distribution Trends

- For the 1st fiscal period, achieved distribution per unit of 5,198 yen, which is 275 yen higher than the forecast announced on September 13
- For the 2nd fiscal period, distribution per unit is projected to be 5,190 yen, which is 8 yen lower than the 1st fiscal period distribution per unit
- 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.

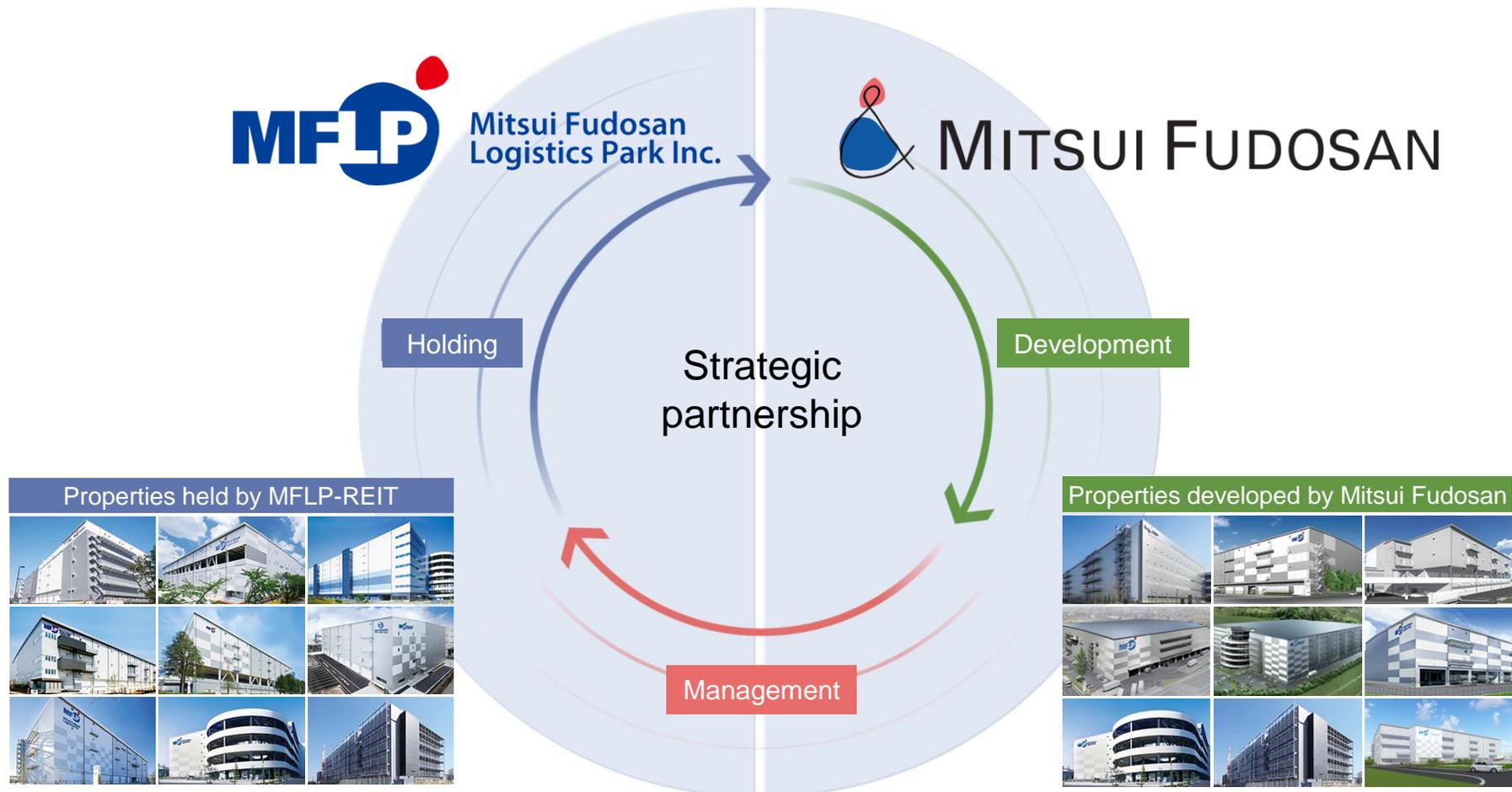


3. Basic Strategy of MFLP-REIT

3-1. Basic Strategy of MFLP-REIT

MFLP-REIT has established a strategic partnership in the logistics facilities business with comprehensive developer Mitsui Fudosan under which it seeks to maximize unitholder value

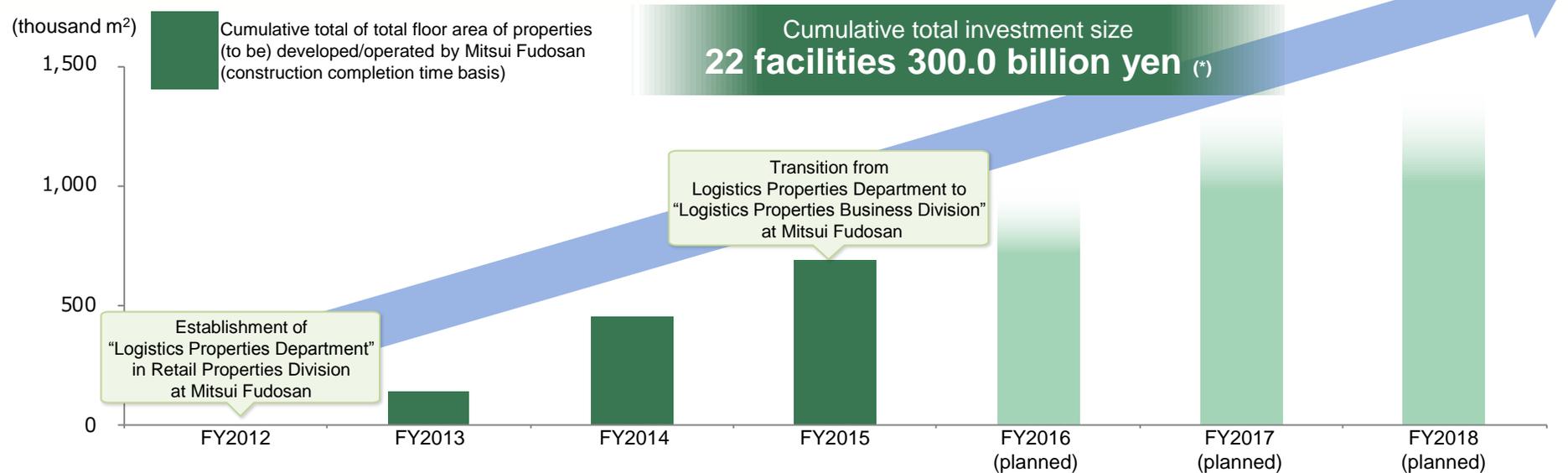
■ Mitsui Fudosan assumes mainly the role of “development” and MFLP-REIT assumes mainly the role of “holding”



* The photos above are only of properties defined in the “Right of first look and preferential negotiation agreement.”

3-2. Mitsui Fudosan's Logistics Facilities Business and Logistics REIT

Trajectory of growth of Mitsui Fudosan's logistics facilities business



(*) "Cumulative total investment size" is based on materials released on March 24, 2016 by Mitsui Fudosan.
For details, please refer to "About major properties developed/operated by Mitsui Fudosan" on p. 45 of this presentation material.

Mitsui Fudosan medium-term business plan "Innovation 2017 Stage II" growth strategy

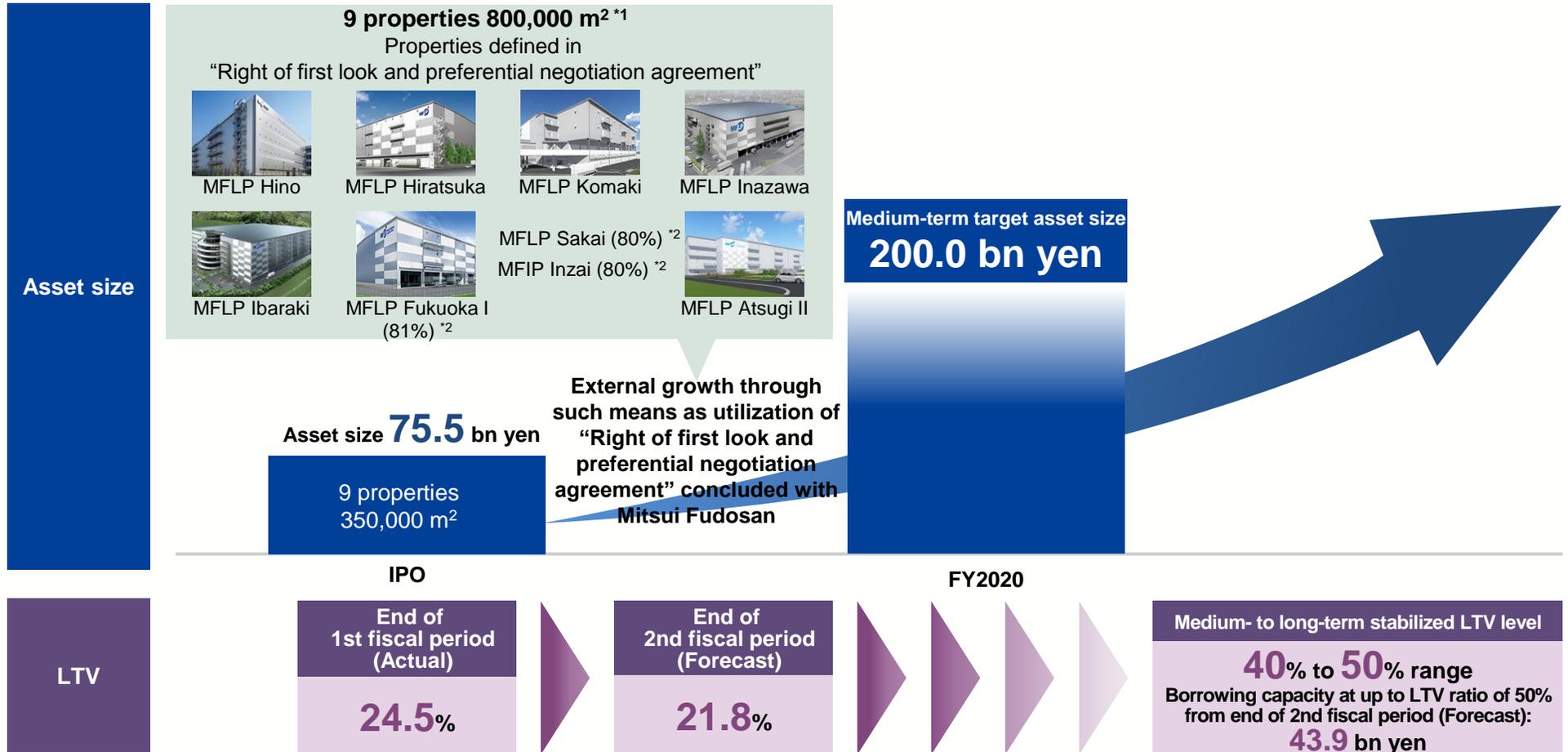


* Source: Mitsui Fudosan Group's medium-term business plan "Innovation 2017 Stage II" announced by Mitsui Fudosan on May 14, 2015

3-3. Growth Strategy of MFLP-REIT

Stable growth through utilization of “Right of first look and preferential negotiation agreement” and leverage

- MFLP-REIT aims to achieve asset size of 200.0 billion yen on an acquisition price basis by fiscal 2020.
- The aim is stable distributions growth accompanied by steady external growth through utilization of leverage.



*1: The floor area subject to the “Right of first look and preferential negotiation agreement” (after taking into consideration the quasi co-ownership interest).

*2: The percentage figure in parentheses is the percentage of quasi co-ownership interest subject to the “Right of first look and preferential negotiation agreement.”

4. Characteristics of MFLP-REIT

4-1. Portfolio

- 4-1-1. Location
- 4-1-2. Quality
- 4-1-3. Balance

4-2. External Growth

4-3. Internal Growth

4-4. Financial Strategy

4-5. Unitholder Relations

4-1. Portfolio (List)

Stable portfolio with investment focused on MFLPs—leading-edge logistics facilities developed by Mitsui Fudosan—mainly in the Tokyo metropolitan area and of relatively young building age

Total acquired assets	Stabilized (2nd fiscal period forecast) NOI yield ^{*1}	Average building age ^{*2}	Average occupancy rate ^{*3} at end of 1st fiscal period
9 properties / 75.5 bn yen	5.3% (after depreciation: 3.8%)	3.2 years	100%

Category	Property no.	Property name	Location	Acquisition price (million yen)	Appraisal value at end of 1st fiscal period (million yen)	Total floor area ^{*4} (m ²)	Building age ^{*2} (years)	Occupancy rate ^{*3} (%)
Logistics facilities	1	GLP/MFLP Ichikawa Shiohama (50% quasi co-ownership interest)	Ichikawa, Chiba	15,500	15,800	105,019 (52,509)	3.0	100
	2	MFLP Kuki	Kuki, Saitama	12,500	13,200	73,153	2.6	100
	3	MFLP Yokohama Daikoku (50% quasi co-ownership interest)	Yokohama, Kanagawa	10,100	10,300	100,530 (50,265)	7.8	100
	4	MFLP Yashio	Yashio, Saitama	9,650	9,990	40,728	2.9	100
	5	MFLP Atsugi	Aiko, Kanagawa	7,810	8,120	40,942	1.9	100
	6	MFLP Funabashi Nishiura	Funabashi, Chiba	6,970	7,210	30,947	2.0	100
	7	MFLP Kashiwa	Kashiwa, Chiba	6,300	6,570	31,242	1.2	100
	8	MFLP Sakai (20% quasi co-ownership interest)	Sakai, Osaka	4,500	4,810	125,127 (25,025)	2.4	100
	Subtotal or Average		-	73,330	76,000	547,691 (344,814)	3.2	100
Industrial real estate	9	MFIP Inzai (20% quasi co-ownership interest)	Inzai, Chiba	2,180	2,400	40,478 (8,095)	2.9	Not disclosed
	Subtotal or Average		-	2,180	2,400	40,478 (8,095)	2.9	Not disclosed
Total or Average			-	75,510	78,400	588,170 (352,910)	3.2	100

*1: Stabilized NOI yield is the figure arrived at when the NOI assumed in the forecast of performance for the 2nd fiscal period is divided by acquisition price.

*2: "Building age" is the building age from the date of new construction of the main building in the register to January 31, 2017, rounded to one decimal place. "Subtotal" and "Total" are the weighted averages based on acquisition price.

*3: "Occupancy rate" is the occupancy rate on the basis of contracts entered as at January 31, 2017.

*4: "Total floor area" figures in parentheses are those after taking into consideration the ownership interest.

4-1-1 Location 1

Acquired assets

- Rampway MFLP Facilities
- Slope MFLP Facilities
- Box MFLP Facilities
- MFLP Facilities

Right of first look and preferential negotiation properties defined in the rights of first look and preferential negotiation agreement

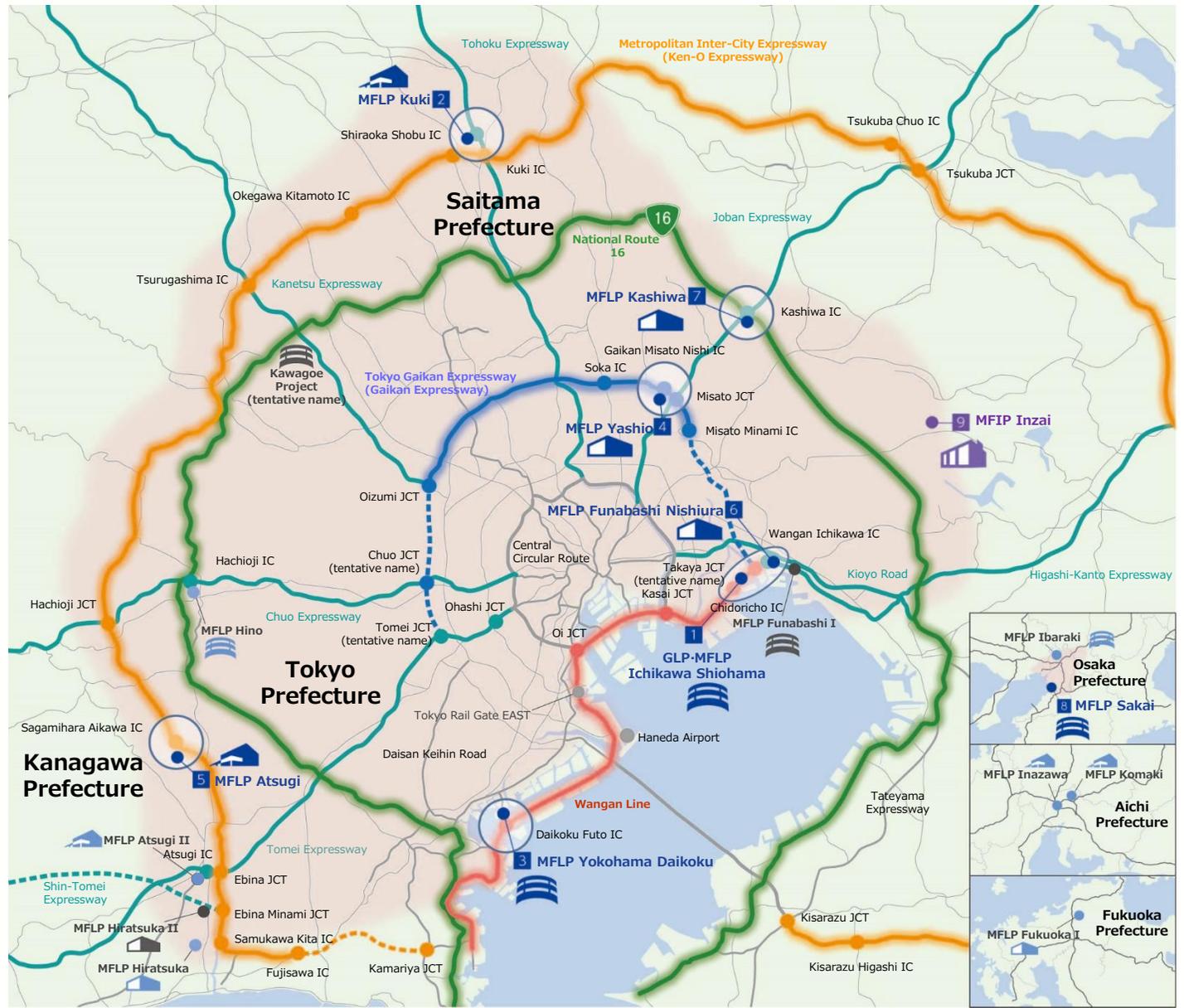
- Rampway MFLP Facilities
- Slope MFLP Facilities
- Box MFLP Facilities

Properties developed by Mitsui Fudosan

- Rampway MFLP Facilities
- Slope MFLP Facilities
- Box MFLP Facilities

Access point

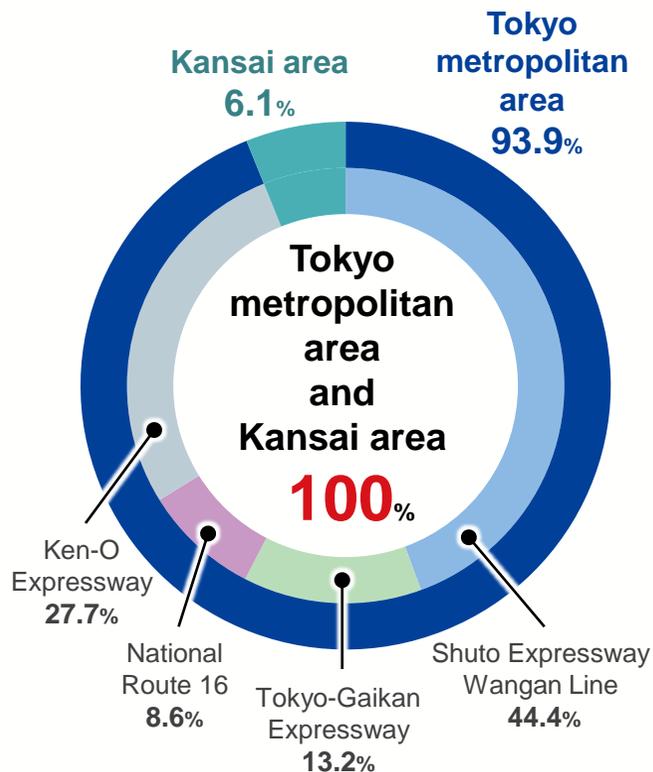
Mitsui Fudosan's strategic area



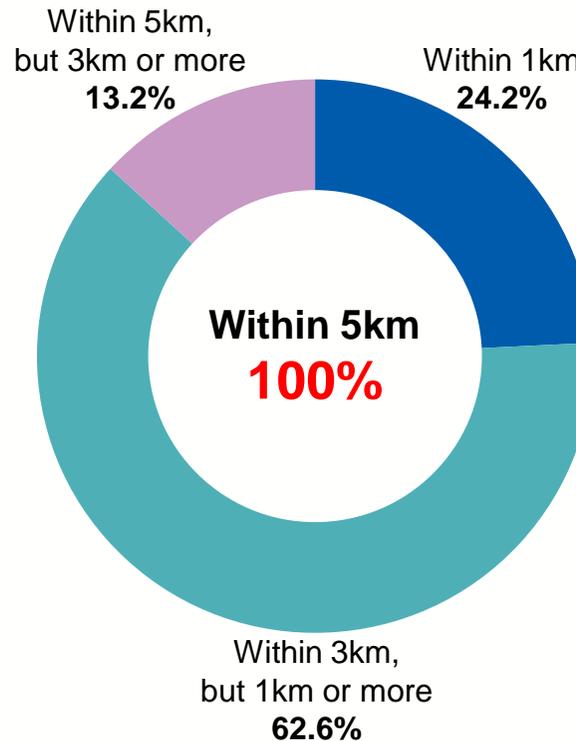
4-1-1. Location (2)

- Geographically diversified portfolio
- Location offering excellent access to transport nodes
- Location taking into consideration convenience in terms of commuting to work for employees

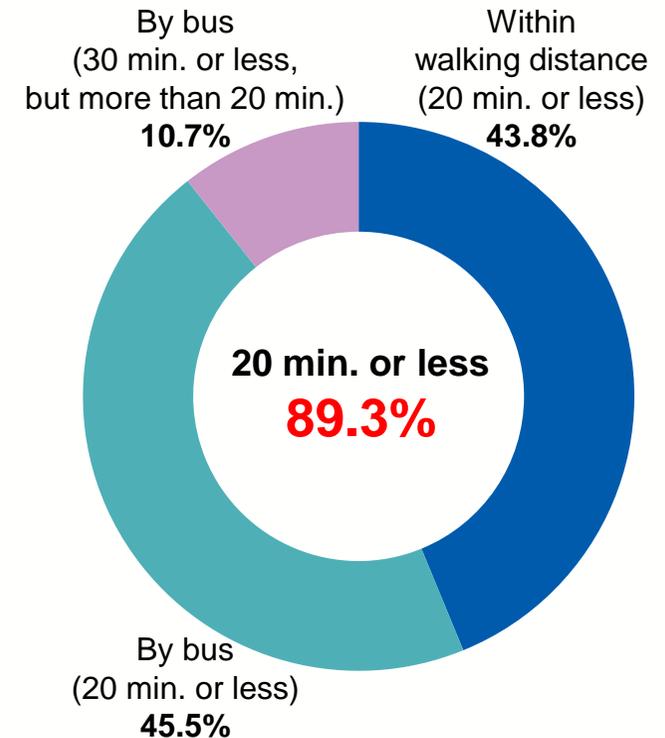
Investment area



Access (distance) to nearest expressway interchange



Access (time) to nearest train station



* The pie graphs above are the figures calculated on an acquisition price basis.

4-1-2. Quality (1)

MFLP-REIT invests in leading-edge logistics facilities that meet mainly the following standard specifications

Leading-edge logistics facilities

Large-sized site

[Total floor area] At least **10,000** m²

Disaster prevention

Equipped with **seismic isolation, quake-resistance, emergency power generation, etc.**

High performance

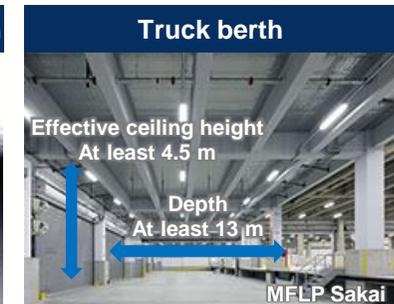
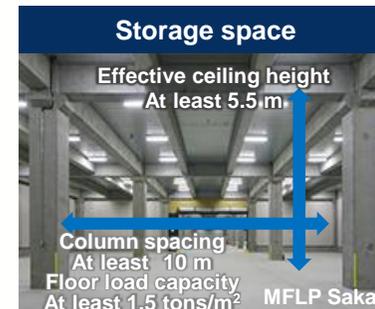
[Column spacing] At least **10** m

[Effective ceiling height] At least **5.5** m

[Floor load capacity] At least **1.5** tons/m²

* An MFLP facility or each portfolio asset is not necessarily equipped with all of the abovementioned standard specifications and features.

Leading-edge logistics facilities offer high operational efficiency



4-1-2. Quality (2)

MFLP-REIT focuses on “leading-edge logistics facilities with Mitsui Fudosan quality” realized by applying Mitsui Fudosan's know-how as a comprehensive developer

Mitsui Fudosan quality



Specific examples of Mitsui Fudosan Quality (Image) *

& Worker



Cafeteria, shops



Parcel pickup lockers



Bicycle rentals



LaLaport discount tickets

& Tenant



Commuter shuttles



Car sharing



BCP measures



Staffing company on-site service

& Community



Space for exchange



Childcare facilities

& Earth



Solar panels



LED lights

* An MFLP facility or each portfolio asset is not necessarily equipped with all of the abovementioned standard specifications and features. Some of the specific examples include also those of properties not held by MFLP-REIT.

4-1-3. Balance (1)

Securing growth and stability by building a balanced portfolio through acquisition of MFLPs developed in consideration of land characteristics and tenant needs

	Logistics facilities		Industrial real estate
	Investment ratio: At least 80%		Investment ratio: Less than 20%
Logistics needs	Shipping needs	Storage needs	Data center, etc.
Tenant type	Multi-tenant type	Single tenant type	Mainly long-term BTS type

Rampway type MFLP

GLP/MFLP Ichikawa Shiohama



MFLP Sakai



MFLP Yokohama Daikoku



Slope type MFLP

MFLP Kuki



MFLP Atsugi



Box type MFLP

MFLP Yashio



MFLP Funabashi Nishiura



MFLP Kashiwa

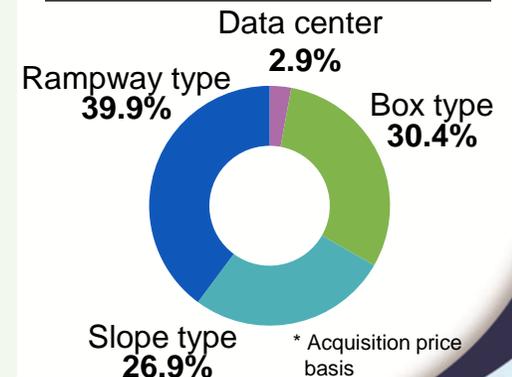


MFIP (Mitsui Fudosan Industrial Park)

MFIP Inzai



Investment ratio by property type

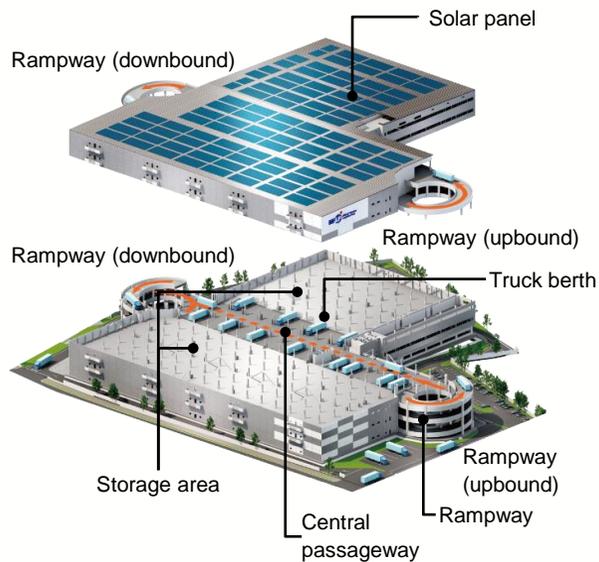


4-1-3. Balance (2)

Type of logistics facilities developed/operated by Mitsui Fudosan

Rampway type MFLP

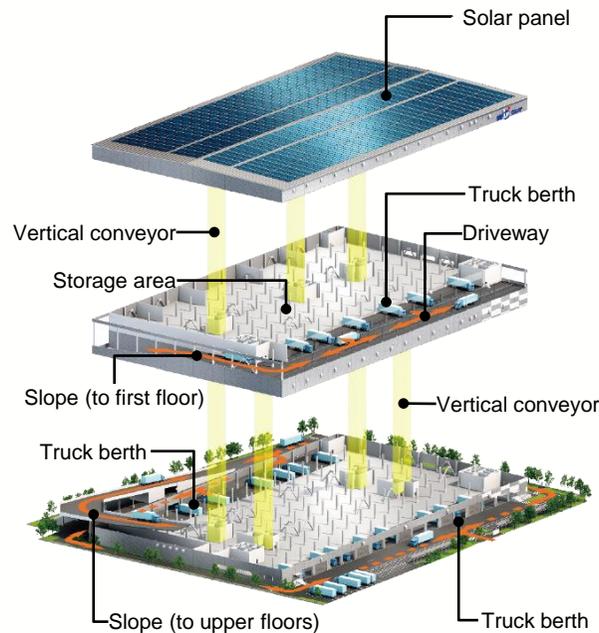
- Can house multiple tenants and highly capable of meeting both sorting/distribution and storage needs



- ✓ Type suitable for large-sized sites
- ✓ Equipped with rampways allowing trucks to directly access each floor

Slope type MFLP

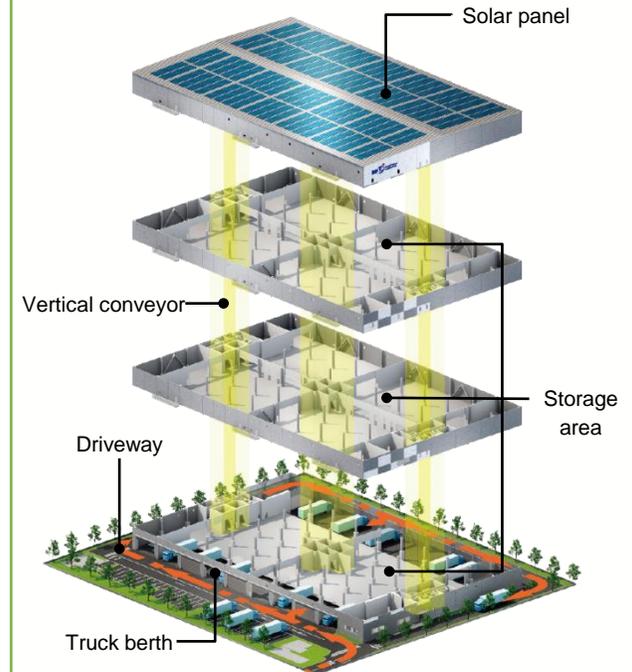
- Type in between rampway type and box type



- ✓ Type suitable for medium-sized sites
- ✓ Equipped with slopes allowing trucks to directly access some floors
- ✓ Other floors accessible by vertical conveyor, etc.

Box type MFLP

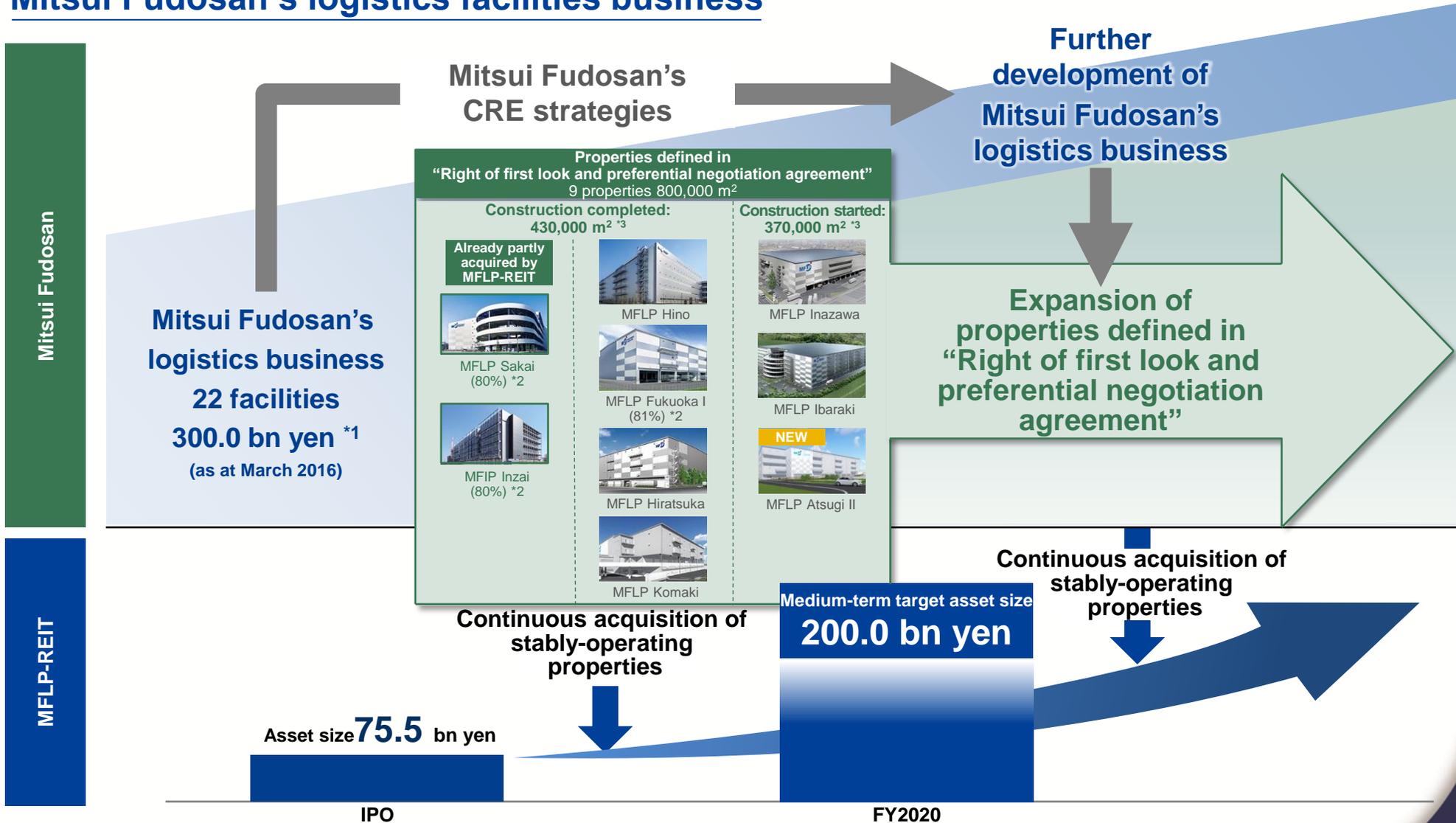
- Can meet storage needs and single tenant use needs



- ✓ Type suitable for relatively small- and medium-sized sites
- ✓ Trucks can access truck berths on first floor
- ✓ Other floors accessible by vertical conveyor, etc.

4-2. External Growth (1)

External growth utilizing the growth potential and extensive pipeline of Mitsui Fudosan's logistics facilities business



*1: Based on materials released on March 24, 2016 by Mitsui Fudosan. For details, please refer to "About major properties developed/operated by Mitsui Fudosan" on p. 45 of this presentation material.

*2: The percentage figure in parentheses is the percentage of quasi co-ownership interest subject to the "Right of first look and preferential negotiation agreement."

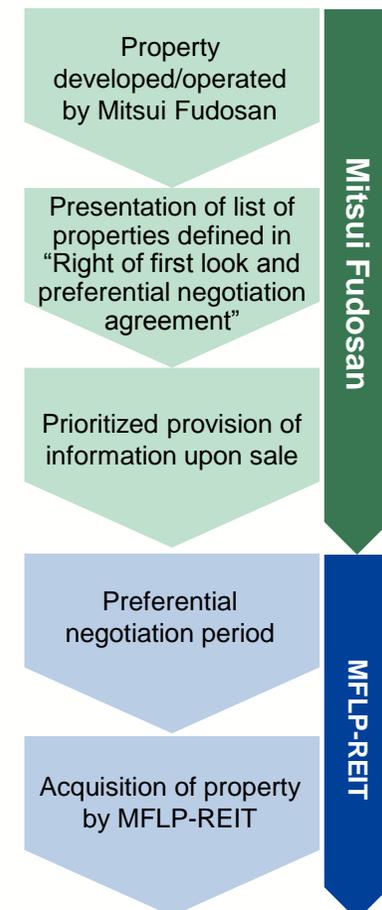
*3: The floor area subject to the "Right of first look and preferential negotiation agreement" (after taking into consideration the quasi co-ownership interest).

4-2. External Growth (2)

Mitsui Fudosan's major development/operation track record ^{*1}

Fiscal year of completion ^{*2}	Property developed/operated	Location	Total floor area	Acquisition by MFLP-REIT ^{*3}	Property defined in "Right of first look and preferential negotiation agreement" ^{*4}
FY2013	MFLP Yokohama Daikoku	Yokohama, Kanagawa	100,530m ²	● (50%)	–
	GLP/MFLP Ichikawa Shiohama	Ichikawa, Chiba	105,019m ²	● (50%)	–
	MFLP Yashio	Yashio, Saitama	40,728m ²	●	–
FY2014	MFLP Kuki	Kuki, Saitama	73,153m ²	●	–
	MFLP Sakai	Sakai, Osaka	125,127m ²	● (20%)	● (80%)
	MFLP Funabashi Nishiura	Funabashi, Chiba	30,947m ²	●	–
	MFLP Atsugi	Aiko, Kanagawa	40,942m ²	●	–
	MFIP Inzai	Inzai, Chiba	40,478m ²	● (20%)	● (80%)
FY2015	MFLP Hino	Hino, Tokyo	204,805m ²	–	●
	MFLP Kashiwa	Kashiwa, Chiba	31,242m ²	●	–
FY2016	MFLP Funabashi I	Funabashi, Chiba	198,390m ²	–	–
	MFLP Fukuoka I	Kasuya, Fukuoka	32,477m ²	–	● (81%)
	MFLP Hiratsuka	Hiratsuka, Kanagawa	33,106m ²	–	●
	MFLP Komaki	Komaki, Aichi	42,514m ²	–	●
	MFLP Inazawa	Inazawa, Aichi	73,364m ²	–	●
FY2017	MFLP Ibaraki	Ibaraki, Osaka	241,952m ²	–	●
	MFLP Atsugi II	Isehara, Kanagawa	54,812m ²	–	● NEW
FY2018	MFLP Hiratsuka II	Hiratsuka, Kanagawa	Approx. 43,400m ²	–	–
FY2021	Tokyo Rail Gate EAST ^{*5}	Shinagawa, Tokyo	Approx. 161,000m ²	–	–
TBD	Kawagoe Project	Kawagoe, Saitama	TBD	–	–

Flow regarding provision of right of first look information



*1: For Mitsui Fudosan's major development/operation track record, please refer to "About major properties developed/operated by Mitsui Fudosan" on p. 45 of this presentation material.

*2: In the case of MFLP Yokohama Daikoku, it is the fiscal year in which the property began to be under its operation. The fiscal year of completion of the property is fiscal 2009.

*3: The percentage figure in parentheses is the percentage of quasi co-ownership interest in the portfolio asset.

*4: The percentage figure in parentheses is the percentage of quasi co-ownership interest subject to the "Right of first look and preferential negotiation agreement."

*5: Tokyo Rail Gate EAST is a project for which Mitsui Fudosan is entrusted with the development work and performs the development plan planning, tenant leasing, etc. and, after construction completion, the master leasing, etc. There are no plans to acquire the property at this point in time.

4-2. External Growth (3)

Property acquisition utilizing the comprehensive strengths of comprehensive real estate company Mitsui Fudosan

Acquiring properties through proposal of corporate real estate (CRE) strategies, etc. by Mitsui Fudosan

Mitsui Fudosan stimulates the potential needs of client firms in the area of real estate and offers advisory services on CRE strategies, such as providing solutions for real estate development and sales that meet the needs of its client firms.

By seeking close cooperation with Mitsui Fudosan, MFLP-REIT believes that it can achieve external growth as well as the further diversification and stabilization of its portfolio.

Acquiring logistics facilities developed by third parties

In addition to acquiring facilities developed by Mitsui Fudosan, MFLP-REIT plans to aggressively acquire logistics facilities developed by third parties. In doing so, it will use the Mitsui Fudosan Group's network as well as the Asset Management Company's channels.

Investing in overseas real estate

MFLP-REIT makes it possible to acquire overseas real estate pursuant to the Articles of Incorporation to meet medium- to long-term global needs.

Client firm's various CRE needs

Re-establishment of corporate logistics

Utilization of idle land

Trimming down of balance sheet

Development of corporate infrastructure

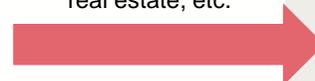


Establishment of overseas sites

Proposal of CRE strategies



Sale of real estate, etc.



MITSUI FUDOSAN



**Mitsui Fudosan
Logistics Park Inc.**

4-3. Internal Growth (1)

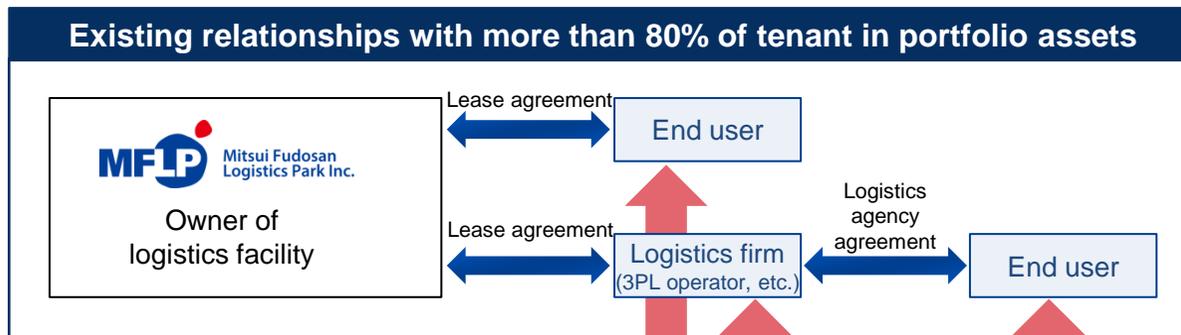
Stable management utilizing the platform (business foundation) and client network of the Mitsui Fudosan Group

Utilizing the Mitsui Fudosan Group's know-how in property management operations

In principle, MFLP-REIT entrusts the property management of portfolio assets to the Mitsui Fudosan Group.

Effectively utilizing the Mitsui Fudosan Group's client network in leasing

MFLP-REIT believes that it can stably manage its portfolio by utilizing the broad and strong network that the Mitsui Fudosan Group has developed.



Can directly approach logistics firms and end users regardless of contract type

MITSUI FUDOSAN
Fully leveraging the Mitsui Fudosan Group's broad client network

Office building business Client network: Approx. 3,000 firms *	Retail facility business Client network: Approx. 2,300 firms *	Strong relationships with leading 3PL operators
--	--	--

3PL operator

Retail tenant, E-commerce

* As at March 2016

4-3. Internal Growth (2)

Concrete examples of utilizing the platform (business foundation) and client network of the Mitsui Fudosan Group

Concrete examples in 1st fiscal period

Property management

- Increased amount of rent upon re-tenanting
- Reduced electricity charges through revision of electricity supply agreement

Leasing

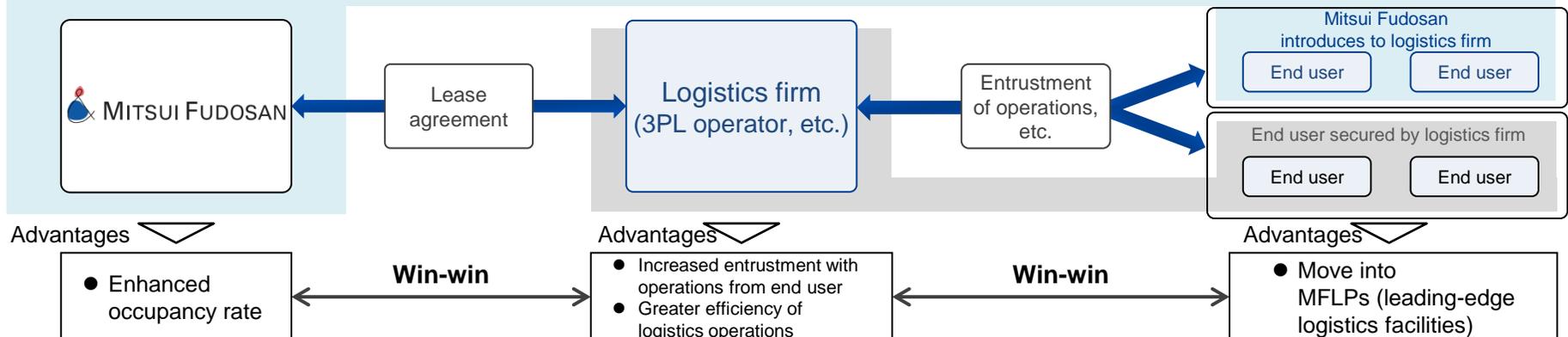
Occupancy rate

End of Aug. 2016 : 99.5% → End of Oct. 2016 : 98.9% → End of Jan. 2017 : 100%

- Short-term leasing of section vacated by tenant to another existing tenant
- Lease-up of section vacated by tenant

Case example of Mitsui Fudosan at properties defined in “Right of first look and preferential negotiation agreement”

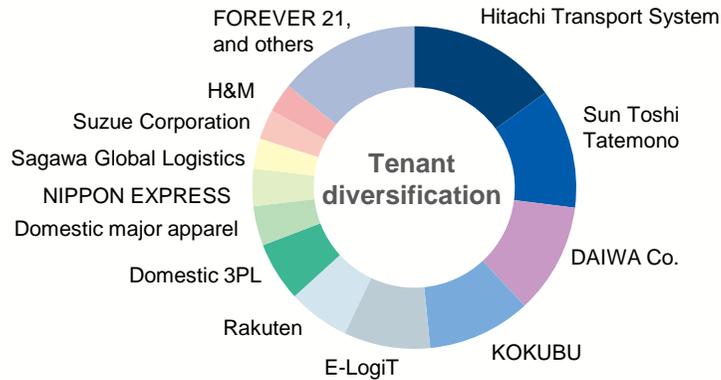
Utilization of client network



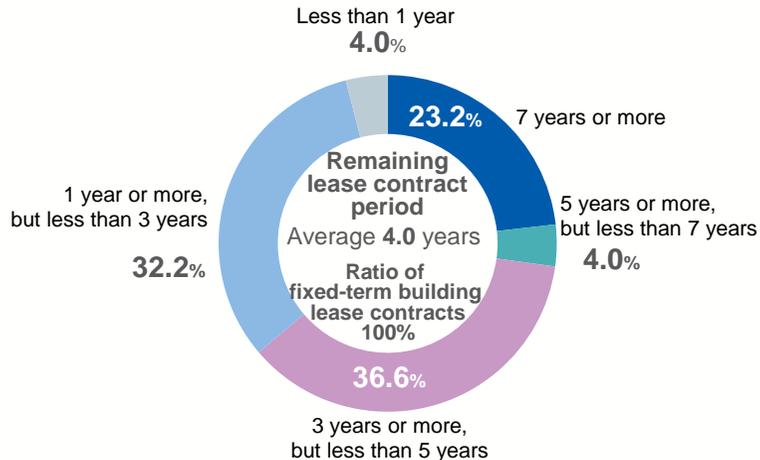
4-3. Internal Growth (3)

Aiming for steady internal growth while maintaining relationships with tenants over the medium to long term through provision of solutions-based asset management

Status of tenants and lease agreements of portfolio assets

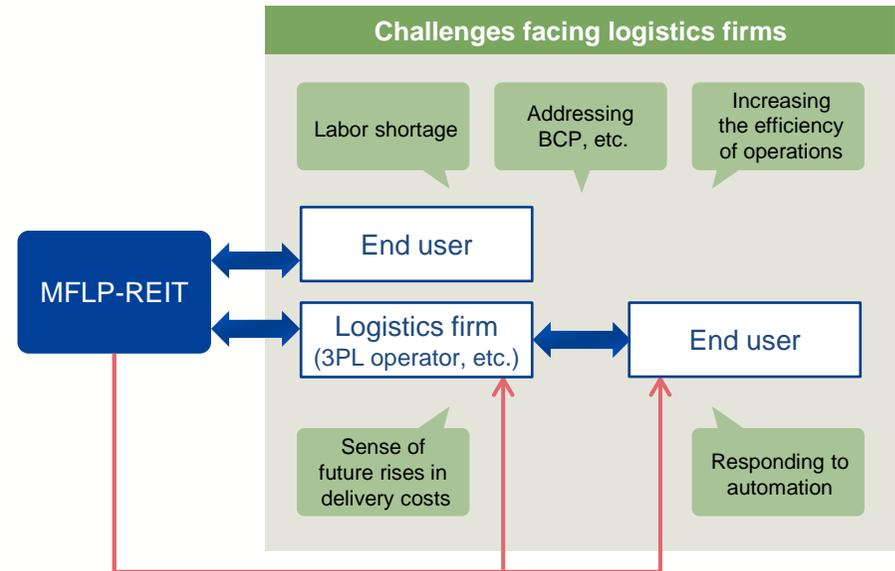


* Expressed as a percentage by tenant on the basis of leased area as stated in lease agreements for buildings of portfolio assets as of January 31, 2017, and does not include lease agreements for shops, vending machines, photovoltaic power generation facilities and parking lots.



* Leased area basis

Key points of future asset management plans



Concrete examples of solutions-based asset management by Mitsui Fudosan Group

- Consulting support to help tenant companies secure staff
- Matching of 3PL operators and end users
- Establishment of comfortable environment for those working within facilities (further upgrading of amenities, grant of incentives at Mitsui Fudosan retail properties, etc.)
- Proposal of capital investment within warehouses

4-4. Financial Strategy (1)

Financial management with an emphasis on stability

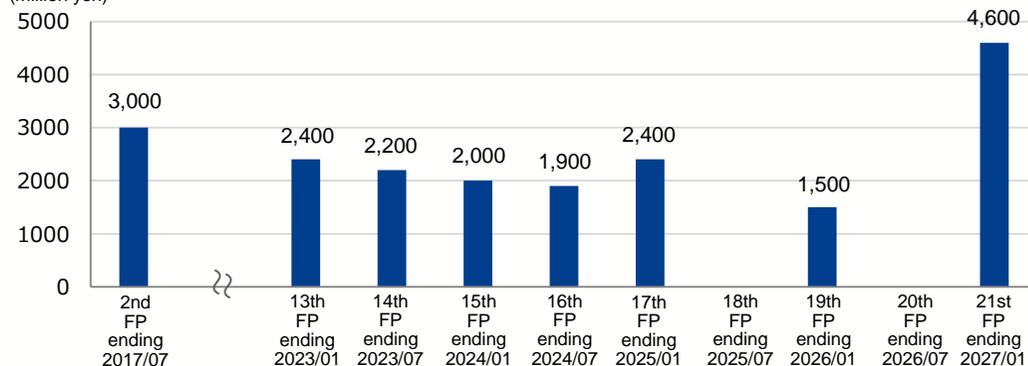
Status of debt financing

MFLP-REIT will aim to establish a stable bank formation centered on funding from major domestic financial institutions. In addition, plans are to engage in debt financing with due consideration of also such factors as lengthening of borrowing periods and staggering of maturities.

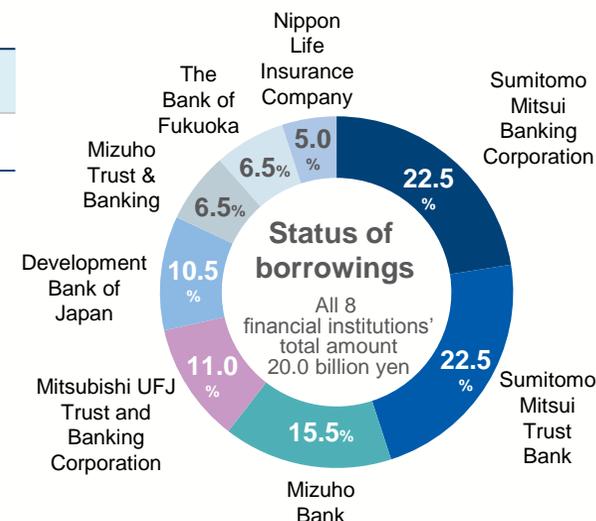
Total interest-bearing debt	Average time to maturity	Average borrowing interest rate
20.0 billion yen	6.4 years	0.26%

Interest-bearing debt maturity ladder

(million yen)



* As at January 31, 2017



* FP : fiscal period

Status of LTV

End of 1st fiscal period	End of 2nd fiscal period (Forecast)	Medium- to long-term stabilized level
24.5%	21.8%	40% to 50% range

Credit rating assignment

* As at January 31, 2017

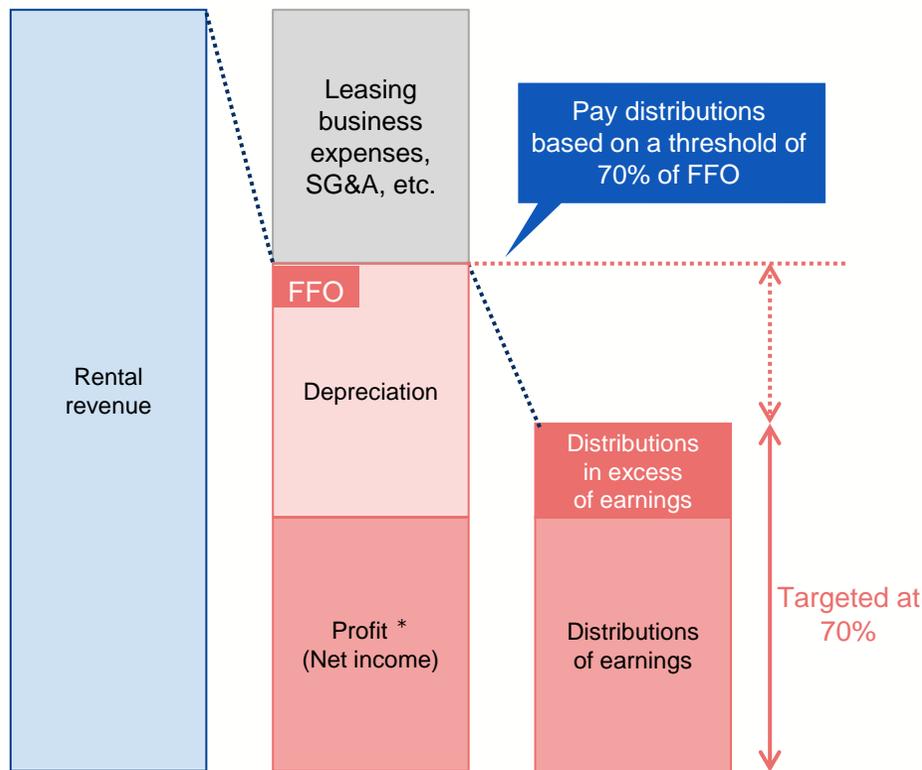
Credit rating agency	Rating details	Remarks
Japan Credit Rating Agency, Ltd. (JCR)	Long-term issuer rating: AA-	Rating outlook: Stable

4-4. Financial Strategy (2)

Efficient cash management

Based on the characteristics of logistics facilities, such as the ratio of building value to land value being typically high, MFLP-REIT intends to make cash distributions, including distributions in excess of earnings, on an ongoing basis each term from a perspective of securing stable distribution levels while managing cash efficiently.

Diagram of distributions in excess of earnings based on FFO



* Gain or loss on sale of real estate, etc. is not included in "Profit (Net income)" in the above chart.

Key points of cash distribution in excess of earnings

Level of distribution

For the time being, we intend to pay distributions (including distributions in excess of earnings) calculated at an amount equivalent to approximately 70% of FFO (excluding gain or loss on sale of real estate, etc.) for the relevant fiscal period on an ongoing basis each term, in principle.

Securing long-term building maintenance expenditures

Distributions in excess of earnings will be paid to the extent that an amount can be retained that is more than double the six-month average of capital expenditures stated in the engineering report for each operating period.

Securing financial stability

Distributions in excess of earnings will not be made if appraisal LTV ratio* exceeds 60% for each operating period.

* Appraisal LTV ratio =
 $\text{Interest-bearing debt} \div (\text{Total assets} - \text{Book value of portfolio real estate, etc.} + \text{Appraisal value})$

4-5. Unitholder Relations

Maximization of unitholder value through establishment of strong relationship of trust with unitholders

Asset management fee structure consistent with the interests of unitholders

The aim is to keep the interests of MFLP-REIT's unitholders consistent with the interests of the Asset Management Company.

Asset management fee I	Total assets × 0.1% (maximum)
Asset management fee II	Operating income (before deduction of asset management fees and depreciation) × 5.5% (maximum)
Asset management fee III	Pre-tax earnings (before deduction of asset management fees) × Pre-tax EPU (before deduction of asset management fees) × 0.001% (maximum)

Same-boat investment in MFLP-REIT by Mitsui Fudosan

MFLP-REIT receives 12.9% investment in capital from Mitsui Fudosan. (As at January 31, 2017)

Receiving certain investment in capital leads to alignment of the interests of MFLP-REIT's unitholders and Mitsui Fudosan and asset management that pursues mutually greater interests.

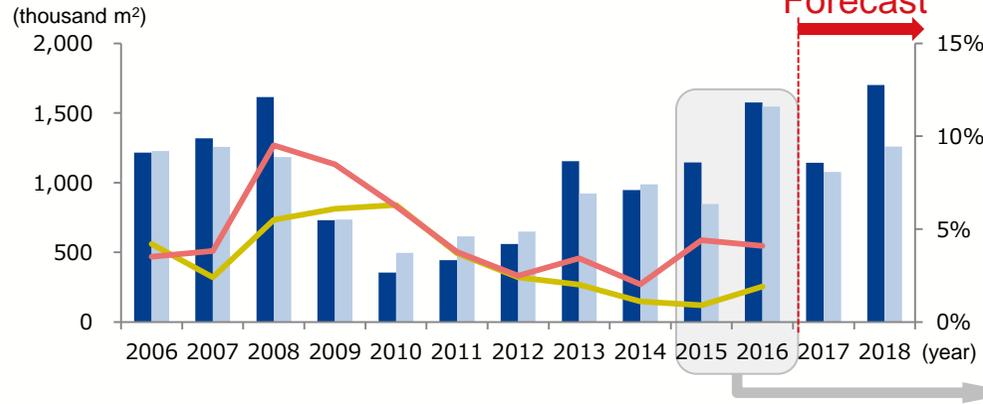
12.9%

5. Logistics Market Overview

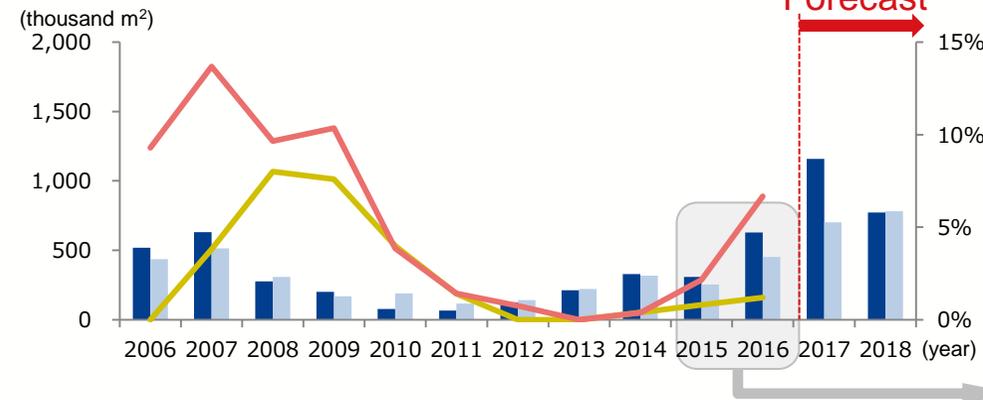
5-1. Logistics Market Overview (1)

Continued robust supply-demand balance, and vacancy rate

Greater Tokyo area



Greater Osaka area



(Note 1) Source: CBRE K.K. (including forecast figures)

(Note 2) The survey is of rental logistics facilities that are held by real estate investment companies, real estate development companies, etc. and have total floor area of 5,000 m² or more.

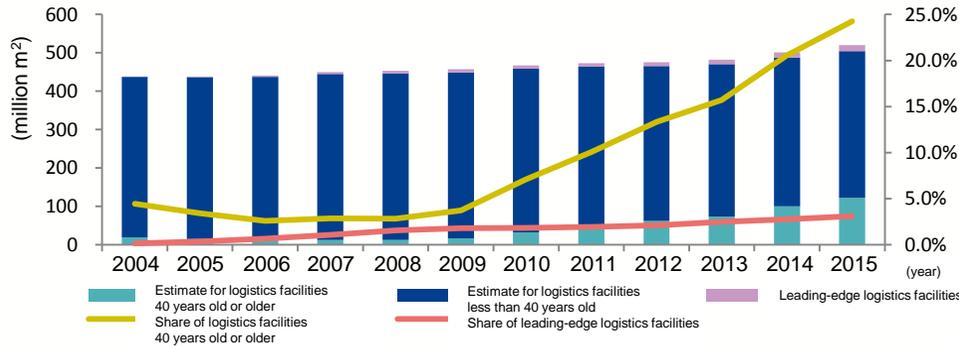
5-1. Logistics Market Overview (3)

Japan's logistics facilities stock

Stock of logistics facilities in 2015

Leading-edge logistics facilities Logistics facilities over 40 years old
 Approx. **3.1%** Approx. **24.2%**

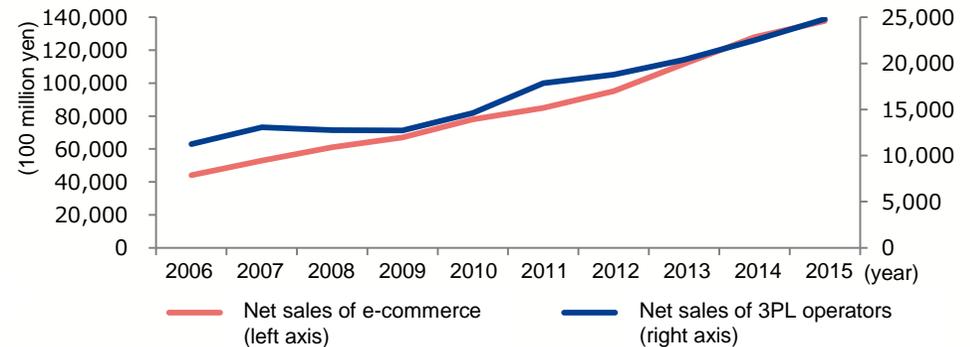
Analysis of Japan's logistics facilities stock



* Estimates by CBRE K.K. based on "Building Starts" (Ministry of Land, Infrastructure, Transport and Tourism) and "Summary Report on Prices, etc. of Fixed Assets" (Ministry of Internal Affairs and Communications). For details, please refer to "About analysis of Japan's logistics facilities stock" on p. 45 of this presentation material.

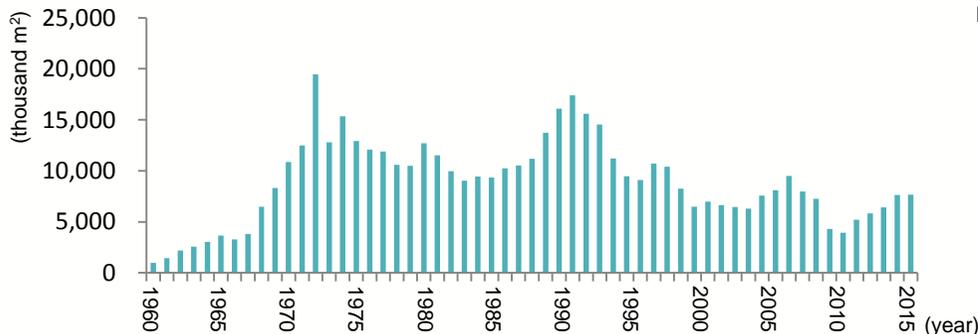
Mounting demand due to 3PL business and e-commerce market size expansion

Expanding 3PL market and e-commerce market



* The figures compiled by CBRE K.K. based on the August 2015 issue of "Monthly Logistics Business (LOGI-BIZ)" and the Ministry of Economy, Trade and Industry's "FY2014 Research on Infrastructure Development in Japan's Information-based Economy Society (E-Commerce Market Survey)" (May 2015).

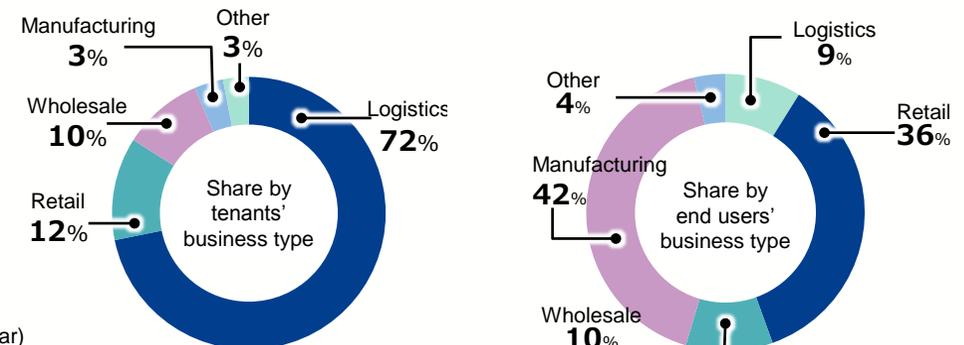
Long-term data on building starts of logistics facilities (nationwide)



Source: CBRE K.K.

* The figures calculated as the sum total of the floor area of structures with "warehouse" as the use category and "steel-framed structure," "reinforced concrete structure" or "steel-framed reinforced concrete structure" as the structure type.

Tenants / End users of logistics facilities



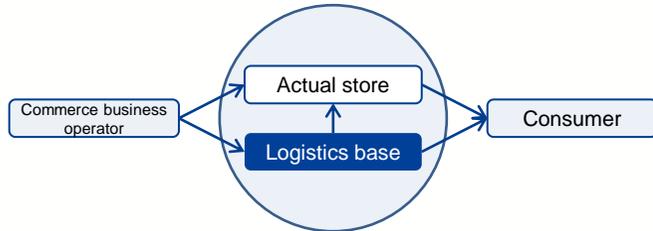
Source: CBRE K.K.

* The survey is of rental logistics facilities that are held by real estate investment companies, real estate development companies, etc. and have total floor area of 5,000 m² or more as of December 31, 2016.

5-1. Logistics Market Overview (4)

[Reference] Specific examples of broader demand for leading-edge logistics (including properties defined under “Right of first look and preferential negotiation agreement”)

Rise of Omni channel in commerce business operators



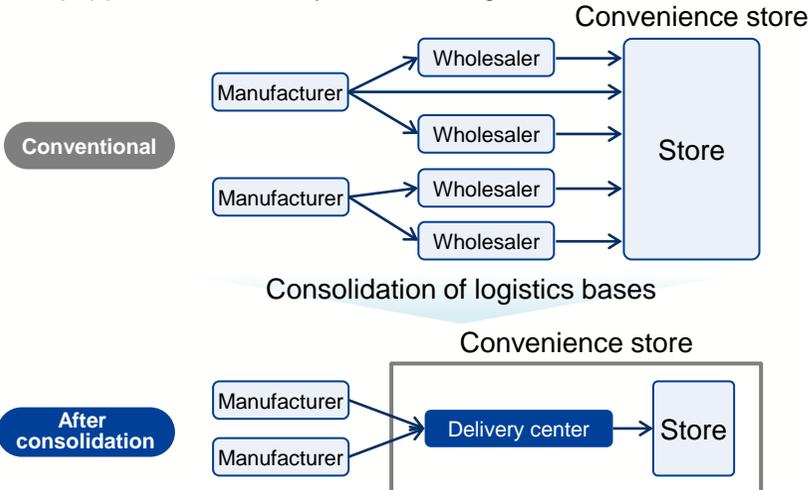
Capturing logistics demand generated from diversification of drug store business

Conventional Selling only medicine

Trends in recent years More diversified items other than medicine, such as fresh food and drinks
 → Necessity for large-scale base-type logistics facilities with a certain amount of inventory

Attracting delivery bases of convenience stores

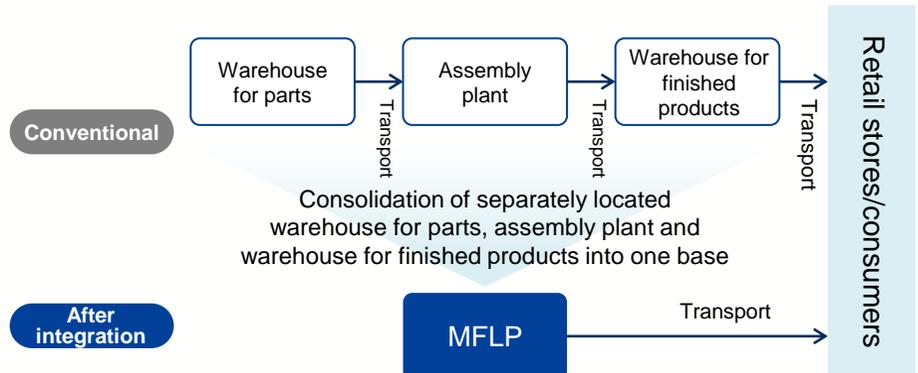
Case example of logistics bases consolidation and subdivision within a logistics facility, and attracting delivery center equipped with store-by-store sorting function and chiller



Integration of logistics bases

Benefits of integration

- Reducing shipping time and cost
- Increasing production lines by space efficiency
- Improving work efficiency through consolidation to one floor
- Reducing required manpower, etc.



6. Appendix

1st Fiscal Period Statement of Income and Balance Sheet

Statement of income

(Unit: million yen)

Item	Actual
Operating revenue	2,383
Lease business revenue	2,308
Other lease business revenue	74
Operating expenses	1,075
Expenses related to rent business	801
Asset management fee	219
Asset custody and administrative service fees	13
Directors' compensations	9
Other operating expenses	30
Operating income	1,307
Non-operating expenses	196
Interest expenses	24
Deferred organization expenses	56
Investment unit issuance expenses	47
Other offering costs associated with issuance of investment units	56
Other	11
Ordinary income	1,111
Profit before income taxes	1,111
Income taxes	1
Profit (Net Income)	1,110
Unappropriated retained earnings	1,110

Balance sheet

(Unit: million yen)

Item	Actual
Current assets	6,204
Cash and deposits	1,066
Cash and deposits in trust	2,018
Consumption taxes receivable	3,076
Other current assets	43
Non-current assets	75,494
Property, plant and equipment	75,472
Investments and other assets	21
Total assets	81,698
Current liabilities	3,796
Operating accounts payable	131
Short-term borrowings	3,000
Accounts payable – other	262
Income taxes payable	1
Advances received	400
Non-current liabilities	18,441
Long-term borrowings	17,000
Tenant leasehold and security deposits in trust	1,441
Total liabilities	22,238
Total unitholders' equity	59,460
Unitholders' capital	58,350
Surplus	1,110
Total net assets	59,460
Total liabilities and net assets	81,698

1st Fiscal Period Individual Property Income Statement

(Unit: million yen)

		GLP/MFLP Ichikawa Shiohama	MFLP Kuki	MFLP Yokohama Daikoku	MFLP Yashio	MFLP Atsugi	MFLP Funabashi Nishiura	MFLP Kashiwa	MFLP Sakai	MFIP Inzai	Portfolio total
Number of days of asset management		153 days	183 days	183 days	183 days	183 days	183 days	183 days	183 days	183 days	-
Operating revenue from real estate leasing	Lease business revenue	367	433	308					156		2,308
	Other lease business revenue	15	28	14					7		74
	Total	383	462	322					164		2,383
Operating expenses from real estate leasing	Outsourcing expenses	28	31	30	Not disclosed *	Not disclosed *	Not disclosed *	Not disclosed *	11	Not disclosed *	144
	Utility expenses	9	19	13					7		56
	Repair expenses	0	5	27					0		36
	Other expenses	1	2	1					0		10
	Total	106	167	159	-	-	-	-	63	-	247
Depreciation		67	108	86	63	64	50	49	43	19	553
Operating income (loss) from real estate leasing		276	294	163	224	180	152	140	101	48	1,582
NOI from real estate leasing [Operating income (loss) from real estate leasing + Depreciation]		344	402	250	287	245	203	189	144	67	2,135

* Not disclosed, because consent has not been obtained from the lessee.

Period-End Appraisal Summary (1)

(Unit: million yen)

	Acquisition date	Acquisition price	Book value at end of 1st fiscal period	Time of property acquisition		End of 1st fiscal period (End of Jan. 2017)		Change		Main factors of change	
				Appraisal value	CR *2	Appraisal value	CR *2	Appraisal value *1	CR *2	CR *2	Other
GLP/MFLP Ichikawa Shiohama	2016/09	15,500	15,523	15,500	4.5%	15,800	4.4%	+300	-0.1	○	
MFLP Kuki	2016/08	12,500	12,469	12,500	5.2%	13,200	4.9%	+700	-0.3	○	
MFLP Yokohama Daikoku	2016/08	10,100	10,082	10,100	4.8%	10,300	4.7%	+200	-0.1	○	
MFLP Yashio	2016/08	9,650	9,643	9,650	4.9%	9,990	4.7%	+340	-0.2	○	
MFLP Atsugi	2016/08	7,810	7,806	7,810	5.0%	8,120	4.8%	+310	-0.2	○	
MFLP Funabashi Nishiura	2016/08	6,970	6,958	6,970	5.0%	7,210	4.8%	+240	-0.2	○	
MFLP Kashiwa	2016/08	6,300	6,299	6,300	4.9%	6,570	4.7%	+270	-0.2	○	
MFLP Sakai	2016/08	4,500	4,489	4,500	5.1%	4,810	4.8%	+310	-0.3	○	
MFIP Inzai	2016/08	2,180	2,200	2,180	5.4%	2,400	4.9%	+220	-0.5	○	
Total	-	75,510	75,472	75,510	4.9%	78,400	4.7%	+2,890	-0.2	-	-

*1: The amount of difference between appraisal value at end of 1st fiscal period and appraisal price at time of acquisition (= acquisition price).

*2: CR = Capitalization rate based on direct capitalization method (NCF basis)

Amount of difference = Unrealized gain
2,927 million yen

Initiatives for ESG

– Environmental Principles and Initiatives for Environment/Society

Environmental policies of Mitsui Fudosan Group

Mitsui Fudosan Group seeks reduction of environmental load, diversified collaboration/cooperation with various entities, improvement of peace of mind, safety and comfort as well as securement of sustainability.



Initiatives for reducing environmental load

MFLP-REIT has put forth efforts on reducing CO₂ emissions through energy saving while promoting efficient use of energy at facilities it owns by introducing LED lights, installing solar panels on the roof and such.



Eco-friendly green buildings

MFLP-REIT has acquired certification of CASBEE Rank A or higher for the following 7 properties out of 9 properties it owns upon their new construction. Furthermore, MFLP Sakai received Osaka Eco-friendly Construction Award. As such, MFLP-REIT proactively incorporates environmentally conscious green buildings.

Property name	Evaluation upon new construction/Award history
GLP/MFLP Ichikawa Shiohama	CASBEE (New construction) Rank A *1
MFLP Kuki	CASBEE (New construction) Rank A
MFLP Yashio	CASBEE (New construction) Rank A
MFLP Atsugi	CASBEE Kanagawa Rank A *2
MFLP Funabashi Nishiura	CASBEE (New construction) Rank A
MFLP Kashiwa	CASBEE (New construction) Rank A
MFLP Sakai	CASBEE (New construction) Rank S FY2015 Osaka Eco-friendly Construction Award (Commerce, other category)

*1: Certification for GLP/MFLP Ichikawa Shiohama expired on December 31, 2016.

*2: CASBEE Kanagawa is not certified by a third-party but an assessment based on self-reporting.

Initiatives for tenants and local communities

Utilizing the know-how of Mitsui Fudosan, the sponsor, the properties owned by MFLP-REIT promote initiatives to offer healthy, pleasant and safe environment by giving consideration to stakeholders such as occupying tenants, facility users, surrounding environment and local communities.



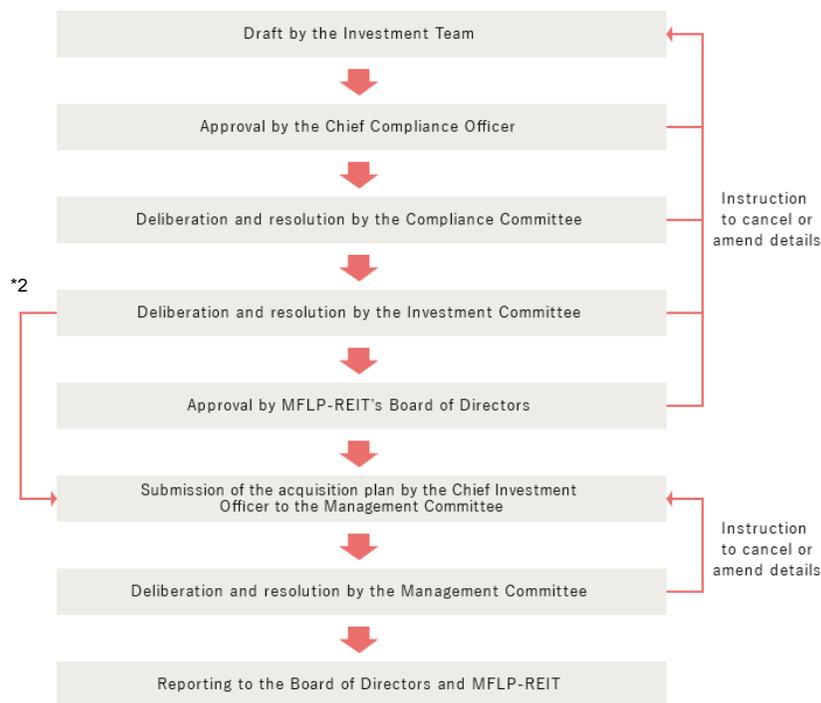
Initiatives for ESG

– Initiatives for Governance with Consideration for Unitholders’ Interests

MFLP-REIT and the Asset Management Company are working to establish proper governance through the following measures in order to build a solid relationship of trust that aligns interests of unitholders and interests of MFLP-REIT and the Asset Management Company while giving sufficient consideration to unitholders’ rights.

Rules concerning conflicts of interest in asset management

The acquisition and transfer of assets by MFLP-REIT from related parties are decided by the Asset Management Company via a transparent decision-making process.



*1: The above chart shows the decision-making flow when a transaction involves a related party, which requires the approval of MFLP-REIT’s Board of Directors under Article 201-2 of the Act on Investment Trusts and Investment Corporations.

*2: If a transaction prescribed in Article 201-2 of the Act on Investment Trusts and Investment Corporations falls under the criteria for insignificance, the approval of MFLP-REIT’s Board of Directors shall be omitted.

Asset management with emphasis placed on relationship of trust with unitholders

Asset management fee structure consistent with the interests of unitholders

The aim is to keep the interests of MFLP-REIT’s unitholders and the interests of the Asset Management Company consistent.

Asset management fee I	Total assets × 0.1% (maximum)
Asset management fee II	Operating income (before deduction of asset management fees and depreciation) × 5.5% (maximum)
Asset management fee III	Pre-tax earnings (before deduction of asset management fees) × Pre-tax EPU (before deduction of asset management fees) × 0.001% (maximum)

Same-boat investment in MFLP-REIT by Mitsui Fudosan

(As at January 31, 2017)

MFLP-REIT receives **12.9%** investment in capital from Mitsui Fudosan. Receiving certain investment in capital leads to alignment of the interests of MFLP-REIT’s unitholders and Mitsui Fudosan and asset management that pursues mutually greater interests.

Timely and proper information disclosure and securement of transparency

MFLP-REIT strives to make timely and proper disclosure of information necessary for unitholders to make investment decisions. Upon disclosure, MFLP-REIT promotes prompt and transparent information disclosure to secure fairness and equality, and also promotes disclosure of not only financial information but also non-financial information concerning ESG.

10-year Japanese government bond yield and benchmark interest rate trends



Status of Interest-Bearing Debt

Short-term borrowings

* Repayment methods are all bullet repayments.

(As of January 31, 2017)

	Lender	Amount (million yen)	Interest rate	Borrowing date	Maturity date *	Borrowing period	Remarks
Short-term borrowings	Sumitomo Mitsui Banking Corporation	1,000	0.1%	2016/08/31	2017/02/28	6 months	Unsecured Non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	1,000	0.1%	2017/01/31	2017/02/28	1 month	
	Mizuho Bank, Ltd.	1,000	0.1%	2017/01/31	2017/02/28	1 month	
Total short-term borrowings		3,000					

Long-term borrowings

*1: Long-term borrowings are all borrowings at fixed interest rates.

*2: Repayment methods are all bullet repayments.

(As of January 31, 2017)

	Lender	Amount (million yen)	Interest rate *1	Borrowing date	Maturity date *2	Borrowing period	Remarks
Long-term borrowings	Sumitomo Mitsui Banking Corporation	2,000	0.2713%	2016/09/01	2022/09/01	6 years	Unsecured Non-guaranteed
		1,500	0.4213%	2016/09/01	2026/09/01	10 years	
	Sumitomo Mitsui Trust Bank, Limited	2,000	0.3050%	2016/09/01	2023/09/01	7 years	
		1,500	0.3813%	2016/09/01	2025/09/01	9 years	
	Mizuho Bank, Ltd.	400	0.1425%	2016/08/02	2022/08/02	6 years	
		1,700	0.2113%	2016/08/02	2024/08/02	8 years	
	Mitsubishi UFJ Trust and Banking Corporation	2,200	0.1826%	2016/09/01	2023/03/01	6.5 years	
	Mizuho Trust & Banking Co., Ltd.	600	0.3237%	2016/09/01	2024/03/01	7.5 years	
		700	0.3425%	2016/09/01	2024/09/02	8 years	
	Development Bank of Japan Inc.	2,100	0.3125%	2016/08/02	2026/08/03	10 years	
The Bank of Fukuoka, Ltd.	1,300	0.2169%	2016/08/02	2024/02/02	7.5 years		
Nippon Life Insurance Company	1,000	0.3125%	2016/08/02	2026/08/03	10 years		
Total long-term borrowings		17,000					

Commitment lines

(As of January 31, 2017)

Lender	Amount (million yen)	Balance of borrowings (million yen)	Contract start date	Contract deadline	Remarks
Sumitomo Mitsui Banking Corporation	3,000	0	2016/08/02	2019/08/01	Unsecured Non-guaranteed
Sumitomo Mitsui Trust Bank, Limited	3,000	0	2016/09/01	2019/08/31	Unsecured Non-guaranteed

Investment Unit Price Trends

Investment unit price strong since IPO



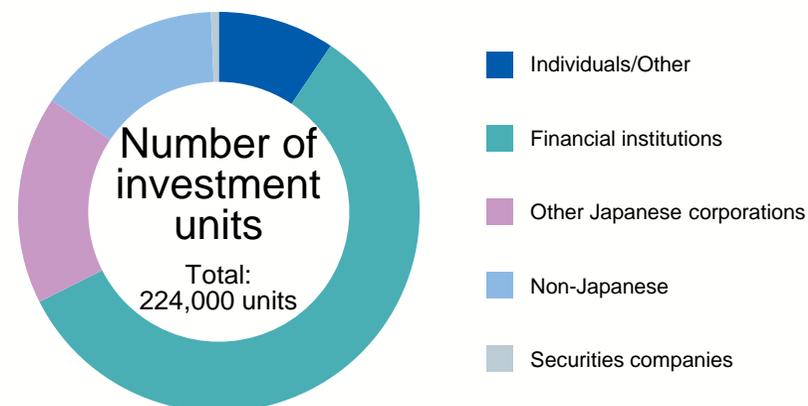
* The starting point is the price of the first trade at IPO.

* The TSE REIT Index is indexed to the August 2, 2016 opening price.

Status of unitholders at end of 1st fiscal period (end of January 2017)

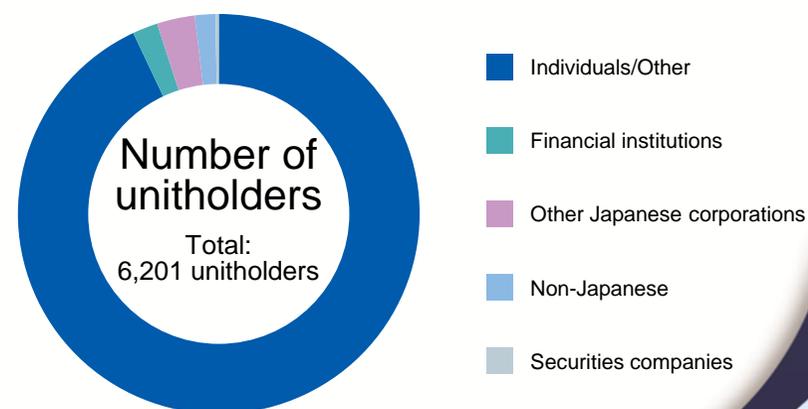
Number of unitholders and number of investment units by type of unitholder

	End of 1st fiscal period (End of January 2017)			
	Number of unitholders	% of total	Number of investment units	% of total
Individuals/Other	5,767	93.0%	21,092	9.4%
Financial institutions	126	2.0%	130,247	58.1%
Other Japanese corporations	189	3.0%	37,666	16.8%
Non-Japanese	103	1.7%	33,586	15.0%
Securities companies	16	0.3%	1,409	0.6%
Total	6,201	100.0%	224,000	100.0%



Major unitholders at end of 1st fiscal period

	Number of investment units	% of total
Japan Trustee Services Bank, Ltd. (trust account)	40,168	17.9%
Mitsui Fudosan Co., Ltd.	28,900	12.9%
The Master Trust Bank of Japan, Ltd. (trust account)	26,377	11.8%
Trust & Custody Services Bank, Ltd. (securities investment trust account)	13,822	6.2%
The Nomura Trust and Banking Co., Ltd. (investment trust account)	7,629	3.4%
JPMorgan Chase Bank 385632	6,113	2.7%
Total	123,009	54.9%



[About major properties developed/operated by Mitsui Fudosan]

Descriptions of major properties developed/operated by Mitsui Fudosan in this document are based on materials released on March 24, 2016 by Mitsui Fudosan. “22 facilities 300.0 billion yen” includes 12 properties under development or scheduled to be developed as of the date and their (planned) investment amounts. Properties scheduled to be developed include those targeted or planned by the Mitsui Fudosan Group as of the release date, and are subject to change or cancellation. Furthermore, there are no details concerning the timing of completion of the aforementioned investments that had been finalized as of the release date. Nor does MFLP-REIT guarantee or promise that the plans be materialized. Although “22 facilities 300.0 billion yen” includes “Tokyo Rail Gate EAST,” Mitsui Fudosan has no plans to acquire the property as of March 17, 2017.

[About analysis of Japan’s logistics facilities stock]

- *1: The “Analysis of Japan’s logistics facilities stock” graph is of estimates by CBRE K.K. based on the Policy Bureau of the Ministry of Land, Infrastructure, Transport and Tourism’s “Building Starts” and the Ministry of Internal Affairs and Communications’ “Summary Report on Prices, etc. of Fixed Assets.”
- *2: In the “Analysis of Japan’s logistics facilities stock” graph, “Leading-edge logistics facilities” is the figure of each year’s sum total of the total floor area of leading-edge logistics facilities (refers to rental logistics facilities that have total floor area of at least 10,000 m² and, in principle, ceiling height of at least 5.5 m, floor load capacity of at least 1.5 tons/m² and column spacing of at least 10 m).
- *3: In the “Analysis of Japan’s logistics facilities stock” graph, “Estimate for logistics facilities 40 years old or older” is the figure of each year’s overall stock estimate (as defined in note 5; the same shall apply hereinafter) minus the sum total of the floor area of which construction was started within the past 40 years.
- *4: “Estimate for logistics facilities less than 40 years old” is the figure of the overall stock estimate minus the floor area of “Estimate for logistics facilities 40 years old or older” and “Leading-edge logistics facilities.”
- *5: The overall stock estimate is the sum total of “Estimate for logistics facilities 40 years old or older,” “Estimate for logistics facilities less than 40 years old” and “Leading-edge logistics facilities.”
- *6: In the “Analysis of Japan’s logistics facilities stock” graph, “Share of leading-edge logistics facilities” is each fiscal year’s “Leading-edge logistics facilities” expressed as a percentage of the overall stock estimate (total floor area basis).
- *7: In the “Analysis of Japan’s logistics facilities stock” graph, “Share of logistics facilities 40 years old or older” is each fiscal year’s “Estimate for logistics facilities 40 years old or older” expressed as a percentage of the overall stock estimate (total floor area basis).
- *8: “Total floor area” is compiled based on data on construction starts. In addition, estimates are on the basis of the time of construction completion being that construction is deemed to be completed after one year has elapsed from construction start. Accordingly, total floor area may not match the floor area on the building confirmation certificate, construction completion drawing or register.

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