Summary of Financial Results for the Interim Fiscal Period Ending January 31, 2017 (REIT)

September 13, 2016

Name of Issuer	Mitsui Fudosan Logistics Park Inc.	Stock Exchange Listing	Tokyo Stock Exchange
Securities Code	3471	Website	http://www.mflp-r.co.jp/en/
Representative	Masayuki Isobe, Executive Director		
Asset Management Company	Mitsui Fudosan Logistics REIT Management Co., Ltd.		
Representative	Chishu Zushi, President and Chief Executive Officer		
Inquiries	Tatsu Makino, Director & General Manager of Financial Division Tel. +81-3-6327-5160		

Scheduled date of submission of the interim financial results report:	October 19, 2016
Supplementary materials for interim financial results:	No
Holding investor presentation for interim financial results:	No

(Amounts less than ¥1 million have been rounded down)

1. Financial Results for the Interim Fiscal Period Ended July 31, 2016 (March 4, 2016–July 31, 2016)

(1) Results of Operations (% figures denote year-on-year change)

	Operating revenue		Operating loss		Ordinary loss		Net loss	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Interim fiscal period ended July 31, 2016	—	—	(7)	—	(80)	—	(80)	—

	Net loss per unit
	Yen
Interim fiscal period ended July 31, 2016	(67,446)

Notes:

1. For Mitsui Fudosan Logistics Park Inc. ("MFLP-REIT"), the interim fiscal period ended July 31, 2016 was 150 days, from March 4, 2016 to July 31, 2016. As this period is prior to the acquisition of investment assets, no effective asset investments were begun.
2. A two-for-one split of units occurred with an effective date of June 15, 2016. Net loss per unit is calculated as if the split had occurred at the beginning of the fiscal period ending January 1, 2017.
3. Presentation of percentage figures for operating revenue, operating loss), ordinary loss, and net loss is the rate of year-on-year change, but this is not applicable for the fiscal period under review as this is the first fiscal period.

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per unit
	Millions of yen	Millions of yen	%	Yen
Interim fiscal period ended July 31, 2016	234	219	93.4	182,553

(3) Cash Flows

	Operating cash flows	Investing cash flows	Financing cash flows	Cash and cash equivalents
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Interim fiscal period ended July 31, 2016	(80)	(44)	294	169

2. Forecast for the Fiscal Period Ending January 31, 2017 (March 4, 2016–January 31, 2017)

(% figures denote year-on-year change)

	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
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen	Yen
Fiscal period ending January 31, 2017	2,345	—	1,219	—	1,007	—	1,006	—	4,923	4,491	432

(Reference) Expected net income per unit: (Expected net income for the fiscal period under review / Expected average number of units during the period)

(Fiscal period ending January 31, 2017) ¥4,520

Expected average number of units during the period is calculated by using August 2, 2016, the date of commencement of actual management deemed as the beginning of the fiscal period.

Notes:

1. Distribution per unit is calculated by using 224,000 units as the expected total number of units issued and outstanding at the end of the fiscal period ending January 31, 2017.
2. Presentation of percentage figures for operating revenue, operating income, ordinary income, and net income is the rate of year-on-year change, but this is not applicable for the fiscal period under review as this is the first fiscal period.

• Other

(1) Changes in accounting policies, changes in accounting estimates, restatements

(i) Changes in accounting policies due to revisions to accounting standards, etc.: No

(ii) Changes in accounting policies other than (i): No

(iii) Changes in accounting estimates: No

(iv) Retrospective restatements: No

(2) Total number of units outstanding

(i) Total number of units issued and outstanding at the end of the fiscal period (including treasury units)

Interim fiscal period ended July 31, 2016	1,200 units

(ii) Treasury units at the end of the fiscal period

Interim fiscal period ended July 31, 2016	—units

• Presentation of the status of implementation of audit procedures

At the time of this document’s release, the audit procedure of the interim financial results under the Financial Instruments and Exchange Act has not been completed.

• Appropriate use of the forecast of operating results; other special items

Forecasts of operating results and other forward-looking statements contained in this document are based on information available to MFLP-REIT at the time of this report’s announcement and assumptions it considers rational. Actual operating results may differ significantly from these forecasts due to a variety of factors. Forecast distribution amounts do not represent guarantees.

MFLP-REIT’s first fiscal period is from March 4, 2016, to January 31, 2017. Interim fiscal results are being reported because the first fiscal period exceeds nine months. In the future, MFLP-REIT’s closing dates will be January 31 and July 31.

Forecast Assumptions for the Fiscal Periods ending January 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)
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 January 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. ・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. ・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. ・Repair expenses for buildings are expected to total ¥33 million for the fiscal period ending January 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.
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. ・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. ・The loan to value ratio (LTV) is expected to be 26.9% at the end of the fiscal period ending January 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 January 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
Distribution per unit (excluding distributions in excess 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 policy on distribution 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 assumed to be ¥96 million in the fiscal period ending January ¥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. For an interim period, it is MFLP-REIT's policy to calculate the amount distributable, including distributions in excess of earnings, to be around 70% of FFO up to a maximum of 75% of FFO and continually distribute the amount of this 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[*1], 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 depreciation for the applicable operating period subtracted from the amount of the distribution in excess of earnings for the applicable operating period falls below the standard amount of capital for building maintenance[*2], the distribution in excess of earnings will decrease up to a maximum amount that does not fall below the total of the distribution of earnings, and distribution in excess of earnings will not be executed. ・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[*3] exceeds 60% in the event that the above distribution of cash is executed. (*1) The maximum will be an amount equivalent to 60% of the depreciation for the applicable operating period. (*2) "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. (*3) 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.