

September 14, 2018

For Immediate Release

Real Estate Investment Trust Securities Issuer:  
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Notice Concerning Acquisition of an Asset

Mitsui Fudosan Logistics REIT Management Co., Ltd. (“Asset Management Company”), an asset management company to which Mitsui Fudosan Logistics Park Inc. (“MFLP-REIT”) entrusts management of its assets, decided on September 14, 2018, to acquire the trust beneficiary interest in the following property (“the Property”) (“asset to be acquired”).

(Note) The Property consists of an existing building and its site (the building and the site may be hereinafter collectively referred to as the “Existing Building”) and an annex building and its site (the building and the site may be hereinafter collectively referred to as the “Annex Building”), and a trust has been established for the existing building and its site and the annex building and its site, with Sumitomo Mitsui Trust Bank, Limited as the trustee. In this document, two trust beneficiary interests in the existing building and its site and the annex building and its site are collectively called the trust beneficiary interest.

1. Overview of the Acquisition

Category	Property no. (* 1)	Property name	Location	Planned acquisition price (millions of yen) <sup>(*)2</sup>
Logistics facilities	L-12	MFLP Tsukuba	Tsukubamirai-shi, Ibaraki	5,268 (60% quasi co-ownership interests)

(Note 1) The assets held and assets to be acquired by MFLP-REIT are divided into two groups of logistics properties (L) and industrial real estate (I), and a property number is attached to each group. The same applies to the following.

(Note 2) “Planned acquisition price” is the purchase price of trust beneficiary interest as set forth on the agreement for sale and purchase of trust beneficiary interest, rounded down to the nearest million yen. Purchase price does not include acquisition costs and consumption tax or local consumption tax. Moreover, this value corresponds to a 60% quasi co-ownership ratio for the property to be acquired by MFLP-REIT. The same applies to the following.

- (1) Sales and purchase agreement date : September 14, 2018
- (2) Planned acquisition date : December 3, 2018
- (3) Seller : Please refer to the Section 4 (Seller’s Profile) below
- (4) Acquisition funds : Internal funds and borrowings (\*)
- (5) Settlement method : To be paid in a lump sum upon delivery

(Note) Details will be announced as soon as they have been determined.

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## 2. Reason for the Acquisition

The asset to be acquired is a logistics facility consisting of Tsukuba Logistics Center (the existing building), which was completed in June 2010, and the annex building (completed in March 2018) developed by Mitsui Fudosan Co., Ltd., the sponsor of MFLP-REIT. The acquisition aims to enhance the portfolio of MFLP-REIT based on the assets to be managed and policy specified in the Articles of Incorporation of MFLP-REIT. The following are the features of the asset to be acquired.

### (1) Location

The asset to be acquired is located in the city of Tsukubamirai in southwestern Ibaraki Prefecture, which is also south of the city of Tsukuba. The surrounding area has been urbanized and city function has been enhanced by the large-scale residential land development in recent years due to the opening of Tsukuba Express, and industrial facilities are also found in many locations mainly along National Route 294 and Joso Fureai Road in parallel with National Route 294.

The asset to be acquired is located about 4.8 km from the Yatabe Interchange on the Joban Expressway and about 12 km from the Joso Interchange on the Ken-O Expressway. It is a location that allows wide-area operation in the Tokyo metropolitan area, in addition to delivery to the inner-city area, by using both the Joban Expressway and the Ken-O Expressway. Labor availability is considered to be relatively high, given that it is located in an area where the population continues to increase. According to the permanent population survey of Ibaraki Prefecture, the city of Tsukubamirai is ranked second or higher in terms of population growth rate and is third or higher in population growth respectively for the third consecutive year.

### (2) Features of the building

As stated above, the asset to be acquired consists of two buildings - the existing building and the annex building. Both buildings are connected by corridors that allow the traffic of freight and tenant employees. They are used in a unified manner by a distribution company. The basic specifications of the existing building and the annex building differ, and the following describe those of each building.

#### (i) Existing Building

The existing building is a four-story logistics facility with a total floor area of 37,027 m<sup>2</sup>. The warehouse portion has three stories, and its basic specifications include a floor loading capacity of approximately 1.5 t/m<sup>2</sup> on the first floor (approximately 0.7 t/m<sup>2</sup> on the second and the third floors), an effective ceiling height of 6.0 m on the first floor (3.5 m on the second and the third floors) and column spacing of 8.5 m × 8.5 m. As for delivery facilities in the warehouse, three freight elevators are provided for high delivery efficiency.

#### (ii) Annex Building

The annex building is a three-story logistics facility with a total floor area of 25,457 m<sup>2</sup>. The basic specifications include an effective ceiling height of 5.5 m, a floor loading capacity of 1.5 t/m<sup>2</sup> and column spacing of 11.0 m × 11.2 m. As for delivery facilities in the warehouse, two freight elevators, three vertical conveyors and three dock levelers are provided for high delivery efficiency. Because it is also designed to allow divided use, it is extremely versatile and can be adapted for a wide range of tenant industries.

Ample parking space for 305 ordinary vehicles and four visitor vehicles is provided on the site, and the driveway is designed not to pose a problem for the traffic between the existing building and the annex building in consideration for the delivery convenience of the asset to be acquired as a whole.

## 3. Details of the Asset to Be Acquired

The table below shows a summary of the asset to be acquired (the “individual asset table”). When referring to the individual asset table, please refer to the following explanation regarding the terms used therein. Unless explicitly stated in the individual asset table, the items of the existing building and the annex building are stated together.

In principle, unless otherwise noted, all information included in the table is current as of July 31, 2018.

### (1) Explanation concerning classification

- “Category” represents the purpose of the asset to be acquired in accordance with the classification prescribed

in MFLP-REIT's investment policy.

(2) Explanation concerning summary of specified assets

- “Type of specified asset” is the type of the asset to be acquired that is assumed as of the planned acquisition date based on the contracts that have already been concluded as of today's date.
- “Planned acquisition date” is the date of acquisition indicated in the agreement for sale and purchase of trust beneficiary interest for the asset to be acquired.
- “Planned acquisition price” is the purchase price of trust beneficiary interest as set forth on the agreement for the sale and purchase of trust beneficiary interest, rounded down to the nearest million, excluding acquisition cost (e.g. commission), consumption tax and local consumption tax.
- “Overview of trust beneficiary interest” includes the name of the trustee, entrustment date and the trust maturity date for the asset to be acquired, current as of the date of acquisition.
- “Location” of the land is the location of the building recorded in the register (one of the lot number, if more than one address was assigned).
- “Lot area” for the land is the lot area recorded in the register, rounding down to the nearest whole number.
- “Zoning” of the land is the type of land use listed in Article 8, paragraph 1, item 1 of the City Planning Act (Act No. 100 of 1968, including all subsequent amendments).
- “Floor-area ratio” for the land is the ratio of the total floor area of building to the site area, as stipulated in Article 52 of the Building Standards Act (Act No. 201 of 1950, including all subsequent amendments), and indicates the upper limit of the floor area ratio determined by city planning in accordance with zoning and other factors (designated floor-area ratio). If there is more than one floor-area ratio, all ratios are disclosed herein. Designated floor-area ratios may be relaxed or restricted due to the width of roads adjacent to the land or some other reason, and designated floor-area ratio may be different from the actual applied floor-area ratio.
- “Building coverage ratio” is the ratio of the building area of buildings to the site area, as stipulated in Article 53 of the Building Standards Act, and is the upper limit of the ratio determined by city planning in accordance with the zoning and other factors (designated building coverage ratio). Designated building coverage ratios may be relaxed or restricted due to being a fire-resistant building in a fire control area or some other reason, and designated building coverage ratios may be different from the actual applied building coverage ratios.
- “Type of ownership” of the land and building is the type of rights owned by the trustee.
- “PM Company / LM Company” is the property management company (“PM Company”) or logistics management company (“LM Company”), which has entered into a property management agreement (“PM Agreement”) or a logistics management agreement (“LM Agreement”) for the asset to be acquired.
- “Master lessee” is the company with which the trustee has entered into a master lease agreement, if any, for the asset to be acquired.
- “Type of master lease” is specified as “Pass through type” if a master lease agreement with no rent guarantee is executed.
- “Construction completed” for the building is the date of construction of the building in the register. If there is more than one main building, the construction completed is the oldest date shown in the register.
- “Total floor area” for the building is based on the record on the registry, rounding down to the nearest whole number. “total floor area” is the total floor area of the main building and annex. If there is more than one main building, the total floor area is the sum of the total floor area for each main building.
- “Structure / number of floors” and “Type” for the building refers to the structure and other features of the building recorded in the property registry. If there is more than one main building, the structure / number of floors and type are those recorded in the registry with respect to the main building that has the largest total floor area.
- “Property type” of building can either be “Rampway type MFLP,” “Slope type MFLP” or “Box type MFLP” depending on the architectural nature of the building. With respect to industrial real estate, the specific purpose of such building is indicated as its property type. Rampway type MFLPs are logistics facilities that allow freight trucks to pull in directly to any berth (i.e. spaces for trucks to pull in for loading and unloading) on the second and upper floors by using a rampway (i.e. a spiral driveway that allows vehicles to drive from the ground floor to the upper floors). Slope type MFLPs are logistics facilities that allow freight trucks to pull in

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directly to certain berths on the second or upper floor by using a slope (i.e. a sloped road that allows vehicles to drive from the ground floor to the upper floor). Box type MFLPs are logistics facilities that only allow freight trucks to pull in to berths on the ground floor and vertical conveyors are used when conveying freight to the second or higher floors.

- “Environment assessment” for the building refers to the result of an assessment, as indicated in the report obtained from Institute for Building Environment and Energy Conservation (“IBEC”) or some other certification body designated by IBEC, to whom we have applied for Comprehensive Assessment System for Built Environment Efficiency (“CASBEE”) certification. In addition, in the event that an application is made to the relevant local government for a comprehensive assessment of building environment efficiency, a system established based on CASBEE, the publicly disclosed assessment, if available, will be shown herein. CASBEE is a system for evaluating and assigning ratings to buildings in terms of environmental design, to comprehensively evaluate the quality of buildings not only in terms of environmental friendliness, such as energy savings or use of materials and/or equipment with less environmental burden, but also in terms of the comfort of an indoor environment and consideration for the surrounding landscape, etc. Corresponding to the building lifecycle, CASBEE is composed of four assessment tools, CASBEE for Pre-design, CASBEE for New Construction, CASBEE for Existing Building and CASBEE for Renovation, and that apply at each stage of the design process (Assessment by CASBEE on a local government basis, such as CASBEE Osaka (Osakashi) or CASBEE Osaka Prefecture, is limited to New Construction and no other assessment corresponding to building lifecycle is available.) The CASBEE assessment is ranked in five grades: Superior (S), Very Good (A), Good (B+), Slightly Poor (B-) and Poor (C). The assessment report only reflects the judgment using certain limited methods at a specific point in time. Accordingly, no guarantees will be provided as to the objectivity, appropriateness or accuracy of the report, nor the functionality of the building concerned.
- “Collateral” refers to the details of collateral, if applicable.
- “Appraisal value” represents the appraisal value indicated in real estate appraisal report as of July 31, 2018.
- “Real estate appraiser” refers to the appraiser who has prepared the real estate appraisal reports.
- “Probable maximum loss (PML)” is generally defined as “an amount of physical loss equivalent to a 90% confidence level in the case that an earthquake that will cause the maximum loss to the relevant facility or a group of facilities has occurred.” In practice, an earthquake with a recurrence interval of 475 years is used as a PML in many cases, and the PML is expressed as a ratio of the amount of physical loss (90% confidence level) in the case that such an earthquake occurs to the replacement price.
- “Number of tenants” in details of tenants is the total number of lease agreements indicated in each lease agreement for the building of the asset to be acquired as of July 31, 2018. If a master lease agreement has been signed for the asset to be acquired, the total number of end-tenants will be indicated. However, if one lessee enters into a multiple number of lease agreements for one building of the asset to be acquired, the total number of tenants will be calculated on the assumption that such lessee is one party. Lease agreements for shops, vending machines, photovoltaic power generation facilities and parking lots are not included in the calculations of the number of tenants.
- “Main tenant” in details of tenants is the tenant with the largest leased floor area in the relevant lease agreement (lease agreements for shops, vending machines, photovoltaic power generation facilities and parking lots are excluded for the purpose of calculation, hereinafter, referred to as “lease agreement”) for buildings in respect to the asset to be acquired as of July 31, 2018.
- “Total leased area” in details of tenants is the total leased area (if multiple lease agreements have been concluded, the sum of the leased areas in them) shown in the lease agreement as of July 31, 2018, rounded down to the nearest whole number. If a pass-through type master lease agreement has been executed for the asset to be acquired, the total leased area represents the sum total of the area that is actually leased based on the lease agreement signed with end-tenant. In addition, if there is a gap between the total leased area set forth in the lease agreement and the total leased area actually agreed with the tenant, the latter is stated.
- “Total leasable area” for tenants is the total floor area (rounded down to the nearest whole number) that is deemed to be leasable based on the lease agreement for the building among the asset to be acquired or floor

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plan for such building as of July 31, 2018, and does not include spaces subject to lease agreements for shops, vending machines, photovoltaic power generation facilities and parking lots.

- “Occupancy rate” for tenant is the ratio of leased area to leasable area, with respect to the building among the asset to be acquired, which is current as of July 31, 2018, rounded to the first decimal place.

(3) Explanation concerning Notes

- “Notes” are matters that are deemed to be material with respect to entitlements, usage or safety of the properties or asset to be acquired as well as the potential impact on the appraisal value, profitability or disposability thereof.

Property name		MFLP Tsukuba
Category		Logistics facilities
Type of specified assets		Beneficiary interests in trust assets
Acquisition date		December 3, 2018
Acquisition price		¥5,268 million
Overview of trust beneficiary interest <sup>(*)1</sup>	Trustee	(Existing Building) Sumitomo Mitsui Trust Bank, Limited (Annex Building) Sumitomo Mitsui Trust Bank, Limited
	Entrustment date	(Existing Building) April 1, 2015 (Annex Building) May 1, 2018
	Trust maturity date	(Existing Building) March 31, 2029 (Annex Building) March 31, 2029
Land	Type of ownership	Proprietary ownership (60% quasi co-ownership interests)
	Location	35-2 and 35-3, Shihogaoka 3-chome, Tsukubamirai-shi, Ibaraki
	Lot area	45,605 m <sup>2</sup> <sup>(*)2</sup>
	Zoning	Quasi-industrial district
	Floor-area ratio	200%
	Building coverage ratio	60% <sup>(*)3</sup>
PM Company / LM Company		Mitsui Fudosan Co., Ltd.
Master lessee		-
Type of master lease		-
Building	Type of ownership	(Existing Building) Proprietary ownership (60% quasi co-ownership interests) <sup>(*)4</sup> (Annex Building) Proprietary ownership (60% quasi co-ownership interests) <sup>(*)5</sup>
	Construction completed	(Existing Building) June 30, 2010 (Annex Building) March 30, 2018
	Total floor area	(Existing Building) 37,027 m <sup>2</sup> (Annex Building) 25,457 m <sup>2</sup>
	Structure / number of floors	(Existing Building) Alloy-plated steel sheet-flat roofed steel-framed reinforced concrete building with four stories (Annex Building) Alloy-plated steel sheet-roofed steel-framed building with three stories
	Type	Warehouse, office
	Property type	Box type MFLP
	Environment assessment	-
Collateral		Not applicable
Appraisal value		¥6,000 million <sup>(*)6</sup>
Real estate appraiser		Japan Real Estate Institute
Probable maximum loss (PML)		2.6% (Existing Building: 3.4%; Annex Building: 1.4%) (Obtained from the building condition report prepared by Tokio Marine & Nichido Risk Consulting Co., Ltd.)

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Details of tenants	Number of tenants	1 <sup>(*)7)</sup>
	Main tenant	Marubeni Logistics Corporation
	Annual rent	Undisclosed <sup>(*)8)</sup>
	Tenant leasehold / security deposits	Undisclosed <sup>(*)8)</sup>
	Total leased area	Existing Building: 22,762 m <sup>2</sup> <sup>(*)9)</sup> Annex Building: 15,360 m <sup>2</sup> <sup>(*)9)</sup>
	Total leasable floor space	Existing Building: 22,762 m <sup>2</sup> <sup>(*)9)</sup> Annex Building: 15,360 m <sup>2</sup> <sup>(*)9)</sup>
	Occupancy rate	100%
Note	<p>• The agreement between quasi co-owners of beneficiary rights (hereinafter referred to as the “Agreement” for the purpose of this note) sets forth the following matters:</p> <p>(1) Quasi co-owners are not permitted to request the division of the trust beneficiary interest based on their respective shares of the quasi coownership for the five-year period from the acquisition of quasi-coownership of trust beneficiary interest by MFLP-REIT. Unless any of the quasi co-owners expresses an intention concerning the division of the trust beneficiary interest six months prior to the expiration of this period, it will be renewed for another five-year period. The same applies to subsequent periods.</p> <p>(2) Quasi co-owners are not allowed to transfer all or part of their quasi-co-ownership interest to any third party without the written approval of all other quasi co-owners unless the transfer follows the provision in the following paragraph (3). If quasi co-owners dispose of their quasi-co-ownership interest in the trust beneficiary interest, they shall dispose of their quasi-co-ownership interest in the existing building and their quasi-co-ownership interest in the annex building as one.</p> <p>(3) If intending to transfer all or part of their quasi-co-ownership interest, quasi co-owners must negotiate the transfer with all other quasi co-owners to discuss the transfer price and other details before initiating negotiations or other selling activities with a third party.</p> <p>(4) If the agreement of all quasi co-owners on a decision concerning the property or the trust beneficiary interest, which must be made upon the agreement of all quasi co-owners, cannot be obtained by following the Agreement and if the operation and management of the real estate proves to be extremely difficult, the quasi co-owners may request the purchase of their quasi-co-ownership interest by notifying the other quasi co-owners in writing of their requested price for the quasi coownership interest held by them. Such purchase shall be made with their quasi-co-ownership interest in the existing building and their quasi-co-ownership interest in the annex building as one.</p> <p>• From the adjacent land on the south side, some of the structures (fall prevention fence) cross the border of the site of the annex building. However, MFLP-REIT has reached an agreement with the owner of the adjacent land on how to handle it.</p> <p>• An agreement for sale and purchase on the site of the annex building has been concluded between Ibaraki Prefecture, the past owner, and Mitsui Fudosan Co., Ltd. the purchaser from Ibaraki Prefecture. The agreement for sale and purchase sets forth the following obligations: (1) an obligation to comply with the designated use and (2) during the period until October 19,</p>	

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	<p>2021, (i) an obligation not to transfer the ownership of all or part of the site or set a superficies right, mortgage or any other right for the purpose of security or any right for the purpose of lease or other use or profit on the land or to transfer it, (ii) an obligation not to transfer the trust beneficiary right or set a pledge or any other right for the purpose of security on the trust beneficiary interest or to transfer it, and (iii) an obligation not to change the original state of the site beyond the degree usually required for the construction of a facility, unless prior written consent is obtained from Ibaraki Prefecture <sup>(*)10</sup>. If any of these obligations is violated, Ibaraki Prefecture may purchase back the site of the annex building, and such repurchase right (period: until October 19, 2023) has been registered. MFLP-REIT will succeed the position of the purchaser that is owned by the transferor in the agreement for sale and purchase at the same time as MFLP-REIT has acquired 60% quasi-co-ownership interests in the trust beneficiary interest.</p>
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- (Note 1) The Property consists of two trust beneficiary interests with Sumitomo Mitsui Trust Bank, Limited as the trustee, as mentioned above, and the trustee of each trust, MFLP-REIT and the quasi co-owners are due to agree on the bulk operation of the Property.
- (Note 2) Because the Property assumes the bulk operation of the existing building and the annex building by one trustee, the sum of the site areas of 35-2 and 35-3, Shihogaoka 3-chome, Tsukubamirai-shi (the entire site area of MFLP Tsukuba) is stated for the lot area.
- (Note 3) The building coverage ratio of the Property is 60%, but the building coverage ratio to be applied is 70%.
- (Note 4) The trust asset of the trust beneficiary interest in the existing building includes the ownership of the building and the site of the existing building and the easement of access to go through the site of the annex building.
- (Note 5) The trust asset of the trust beneficiary interest in the annex building includes the ownership of the building and the site of the annex building, the land leasehold right to some of the site of the existing building, the right of the lease of land for the purpose of using the parking space and the easement of access to go through the site of the existing building.
- (Note 6) This value corresponds to a 60% quasi co-ownership ratio for the property to be acquired by MFLP-REIT.
- (Note 7) One tenant occupies the existing building and the annex building.
- (Note 8) Approval of the tenant for the disclosure of the information has not been obtained, and therefore the information has not been disclosed under unavoidable circumstances.
- (Note 9) The figures are those for the existing building and the annex building as a whole, not the planned pro rata share of ownership by MFLP-REIT, which is 60% of the total quasi co-ownership of the trust beneficiary interests. The total leased area and total leasable floor space, however, are figures corresponding to the quasi co-ownership ratio.
- (Note 10) The agreement for the sale and purchase of the trust beneficiary interest requires the acquisition of the written consent of Ibaraki Prefecture as the condition precedent. In addition, as of the time when the agreement for the sale and purchase of the trust beneficiary interest was concluded, an event that would result in the purchase by Ibaraki Prefecture did not occur.

#### 4. Seller's Profile

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|---|--|
| (1) Company name  | MG Leasing Corporation   |
| (2) Address of head office  | 1-1, Hitotsubashi 2-chome, Chiyoda-ku, Tokyo   |
| (3) Representative  | Masataka Kuramoto, President & CEO   |
| (4) Principle business  | General leasing and related business   |
| (5) Capital   | ¥4,500 million (As of March 31, 2018)  |
| (6) Net assets  | ¥13,269 million (As of March 31, 2018)   |
| (7) Total assets  | ¥167,527 million (As of March 31, 2018)  |
| (8) Major shareholders  | Sumitomo Mitsui Finance and Leasing Company, Limited 55%<br>Marubeni Corporation 45%<br>(As of March 31, 2018) |
| (9) Relationship with MFLP-REIT and/or the Asset Management Company |  |
| Capital relationship  | There is no capital relationship with the company concerned.   |

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Personnel relationship	There is no personnel relationship with the company concerned.
Business relationship	There is no business relationship with the company concerned.
Status of classification as related party	The company concerned is not a related party of MFLP-REIT and the Asset Management Company

#### 5. Interested-Party Transaction

In addition to providing MFLP-REIT with the brokerage service for the acquisition of the asset to be acquired, Mitsui Fudosan Co., Ltd., which is the LM Company of the asset to be acquired, is an Interested Person as defined in Article 201 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951; including subsequent revisions) and Article 123 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations, and is an interested party as defined in the Interested Party Transaction Rules of the Asset Management Company (hereinafter collectively referred to as “Interested Party”), and therefore to conclude a brokerage agreement and a logistics management agreement, the Asset Management Company has undertaken the necessary deliberations and resolution procedures stipulated in the “Interested Party Transaction Rules,” which are voluntary rules concerning conflict of interest measures relating to transactions between the Asset Management Company and interested parties.

#### 6. Status of the Seller

Acquisition of the property from the Seller, which is a special interested party, is as outlined below. The table includes details on the (1) company name, (2) relationship with the seller, a special interested party, and (3) the background and reasons for the acquisition.

Property name (Location)	Previous owner / Beneficial owner	Owner / Beneficial owner before the previous owner/beneficial owner	
	(1) (2) (3)	(1) (2) (3)	
	Acquisition (transfer) price Acquisition (transfer) period	Acquisition (transfer) price Acquisition (transfer) period	
MFLP Tsukuba (Tsukubamirai-shi, Ibaraki)	Other than special interested parties	Existing Building	Annex Building
		Other than special interested parties	(1) Mitsui Fudosan Co., Ltd. (2) Parent of the Asset Management Company (3) For the purpose of development
	—	—	Building information is omitted because it was developed by the owner before previous owner. Land information is omitted because it was held for more than one year.
	—	—	March 2018 (new building) October 2016 (land)

#### 7. Brokerage

MFLP-REIT has concluded an agreement for the sale and purchase of the trust beneficiary interest in the existing building of the asset to be acquired through the brokerage of Mitsui Fudosan Co., Ltd.

Company name	Mitsui Fudosan Co., Ltd.
Address of head office	2-1-1 Nihonbashimuromachi, Chuo-ku, Tokyo
Representative	Masanobu Komoda, President and Chief Executive Officer
Capital	¥339,766 million (As of March 31, 2018)
Date of establishment	July 15, 1941

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Principle business	Acquisition, ownership, disposal, lease, sale, management and others for real estate	
Brokerage fee (*)	¥81 million	
Relationship with MFLP-REIT and/or the Asset Management Company	Capital relationship	The company concerned owns 11.0% of the total number of investment units issued by MFLP-REIT as of the date hereof. Additionally, the company concerned owns 100.0% of the total shares outstanding of the Asset Management Company as of the date hereof.
	Personnel relationship	Eight of the executives and employees of the Asset Management Company have been temporarily transferred from the company concerned as of the date hereof.
	Business relationship	The company concerned has signed a trademark licensing agreement, logistics management agreement and coordination and adjustment operation agreement with MFLP-REIT. Additionally, the company concerned has signed an information supply priority agreement, trademark licensing agreement and an agreement on research of real estate, and others with the Asset Management Company.
	Status of classification as related party	The company concerned is a related party of MFLP-REIT and the Asset Management Company

(Note ) “Brokerage fee” is stated net of tax, and it is rounded to the nearest million yen.

#### 8. Impact on financial results of MFLP-REIT in the case where the Forward Commitment etc <sup>(\*)</sup> cannot be implemented

The agreement for sale and purchase of the trust beneficiary interest in the asset to be acquired stipulates that the execution of the sale and purchase shall be subject to the completion of the procurement of the necessary funds through the borrowing of funds <sup>(\*)</sup> and that if this condition is not met, the agreement for sale and purchase of the trust beneficiary interest shall cease to be effective, and the reparation or compensation for damages, losses and expenses (including legal fees) arising from the conclusion or lapse of the agreement for sale and purchase of the trust beneficiary interest may not be claimed.

Therefore, in the case where the borrowing of funds cannot be completed and thus the obligation to pay the purchase price set forth in the agreements for sale and purchase of trust beneficiary interest cannot be fulfilled, no penalty is charged for the failure to perform the obligation, so that it seems quite unlikely that such failure would give serious adverse influence directly on the financial results and dividends of MFLP-REIT.

In addition, the agreement for sale and purchase of the trust beneficiary interest stipulates that if the other party violates any of the provisions of the agreement, MFLP-REIT and the seller may terminate the agreement for sale and purchase of the trust beneficiary interest by giving the other party written notice and ask for payment equivalent to 10% of the sales value as a penalty for the termination of the agreement to the other party who has violated the agreement for sale and purchase of the trust beneficiary interest.

Therefore, even in the case where it becomes difficult for MFLP-REIT to perform its obligations set forth in the agreement for sale and purchase of trust beneficiary interest, it is not required to pay compensation for damage other than the payment of the penalty mentioned in the above. The total amount of penalties for cancelations of the forward commitments to be performed by MFLP-REIT is ¥527 million as of today. Even if the forward commitments cannot be implemented and MFLP-REIT will be obliged to pay such amount, it seems unlikely that such failure would give serious adverse influence directly on the financial results and dividends of MFLP-

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REIT considering the amount of cash and cash-flow of the MFLP-REIT.

The conclusion of the agreement for sale and purchase of the trust beneficiary interest by MFLP-REIT has conformed to the standards for forward commitment, etc. set forth in the Rules on Forward Commitment, Etc., the internal rules of the Asset Management Company.

(Note 1) "Forward Commitment, etc." refers to an agreement for sale and purchase on a forward date that requires the settlement of funds and the delivery of property after a month or more has passed since the conclusion of the agreement, and other similar agreements.

(Note 2) Details will be announced as soon as they have been determined.

## 9. Outlook

Please refer to the "Notice Concerning the Revision of Forecast of Operating Results for the Fiscal Period Ending January 31, 2019," released on September 14, 2018, regarding the outlook for MFLP-REIT's operating results for the fiscal period commencing August 1, 2018, and ending January 31, 2019.

## 10. Summary of Appraisal Report

Summary of appraisal report	
Property name	MFLP Tsukuba
Appraiser	Japan Real Estate Institute
Appraisal value	¥6,000 million <sup>(*)1</sup>
Date of valuation	July 31, 2018

Items	Details <sup>(*)1</sup>	Comments, etc.
Appraisal value based on income method	¥6,000 million	Appraisal was performed using the discounted cash flow (DCF) method and the direct capitalization method.
Appraisal value based on direct capitalization method	¥6,060 million	
(1) Operating revenue	Undisclosed <sup>(*)2</sup>	
Effective gross income	Undisclosed <sup>(*)2</sup>	
Losses from vacancy, etc.	Undisclosed <sup>(*)2</sup>	
(2) Operational expenses	Undisclosed <sup>(*)2</sup>	
Building maintenance costs / property management fees	Undisclosed <sup>(*)2</sup>	
Utility expenses	Undisclosed <sup>(*)2</sup>	
Repair expenses	Undisclosed <sup>(*)2</sup>	
Tenant soliciting fees etc.	Undisclosed <sup>(*)2</sup>	
Taxes and public dues	Undisclosed <sup>(*)2</sup>	
Insurance premiums	Undisclosed <sup>(*)2</sup>	
Other expenses	Undisclosed <sup>(*)2</sup>	
(3) Net operating income (NOI: (1) - (2))	¥302 million	
(4) Earnings from temporary deposits	Undisclosed <sup>(*)2</sup>	
(5) Capital expenditure	Undisclosed <sup>(*)2</sup>	
Net cash flow (NCF: (3) + (4) - (5))	¥296 million	
Capitalization rate	4.9%	Assessed taking into account transactions concluded for similar properties as well as the location, building conditions, titles, and lease agreement terms, etc. for the property.
Appraisal value based on discounted cash flow method	¥5,958 million	
Discount rate	4.6%	Assessed by comparing with transactions concluded for similar properties, referring to yields on financial assets, and by taking into account the specifications of the property
Terminal capitalization rate	5.1%	Assessed taking into account the quality of net operating income used to calculate capitalization rate, future uncertainty and

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		liquidity and marketability of the property.
Integrated value based on cost method	¥5,286 million	
Proportion of land	30.9%	
Proportion of building	69.1%	
Other matters for consideration by the appraiser	None	

(Note 1) This value corresponds to a 60% quasi co-ownership ratio for the asset to be acquired by MFLP-REIT.

(Note 2) The information is not disclosed because the disclosure has not been approved by the tenant or pieces of information that would allow the calculated determination of such information not approved for disclosure are included and disclosure of such information may harm the trust relationship with the tenant, which may make it difficult to maintain a long-term lease agreement or cause other disadvantages. Excluding part of the information, the disclosure of which is considered harmless, the information is not disclosed due the ultimate damage that may be caused to the interest of investors.

\* 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/>

<Attachments>

1. Overview of the investment portfolio
2. Map of surrounding area and photographs of the asset to be acquired

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<Attachments>

1. Overview of the investment portfolio

Category	Property no.	Property	(Planned) acquisition price (millions of yen) <sup>(*)1</sup>	Investment ratio (%) <sup>(*)2</sup>	Appraisal value (millions of yen) <sup>(*)3</sup>
Logistics facilities	L-1	GLP/MFLP Ichikawa Shiohama <sup>(*)4</sup>	15,500 (50% quasi co-ownership interests)	15.0	16,750
Logistics facilities	L-2	MFLP Kuki	12,500	12.1	13,700
Logistics facilities	L-3	MFLP Yokohama Daikoku <sup>(*)4</sup>	10,100 (50% quasi co-ownership interests)	9.8	10,500
Logistics facilities	L-4	MFLP Yashio	9,650	9.3	10,600
Logistics facilities	L-5	MFLP Atsugi	7,810	7.5	8,680
Logistics facilities	L-6	MFLP Funabashi Nishiura	6,970	6.7	7,520
Logistics facilities	L-7	MFLP Kashiwa	6,300	6.1	6,900
Logistics facilities	L-8	MFLP Sakai <sup>(*)4</sup>	4,500 (20% quasi co-ownership interests)	4.3	4,910
Logistics facilities	L-9	MFLP Komaki	8,260	8.0	8,520
Logistics facilities	L-10	MFLP Hino <sup>(*)4</sup>	7,520 (15% quasi co-ownership interests)	7.3	7,570
Logistics facilities	L-11	MFLP Hiratsuka	7,027	6.8	7,090
Logistics facilities	L-12	MFLP Tsukuba <sup>(*)4</sup>	5,268 (60% quasi co-ownership interests)	5.1	6,000
	Sub-total (Average)		101,405	97.9	108,740
Industrial real estate	I-1	MFIP Inzai <sup>(*)4</sup>	2,180 (20% quasi co-ownership interests)	2.1	2,440
	Sub-total (Average)		2,180	2.1	2,440
Total (Average)			103,585	100.0	111,180

(Note 1) “(Planned) acquisition price” is the purchase price of each trust beneficiary interest stated in each agreement for sale and purchase of trust beneficiary interests of the asset acquired, rounded down to the nearest million yen. Purchase price do not include consumption tax, local consumption tax and various acquisition costs.

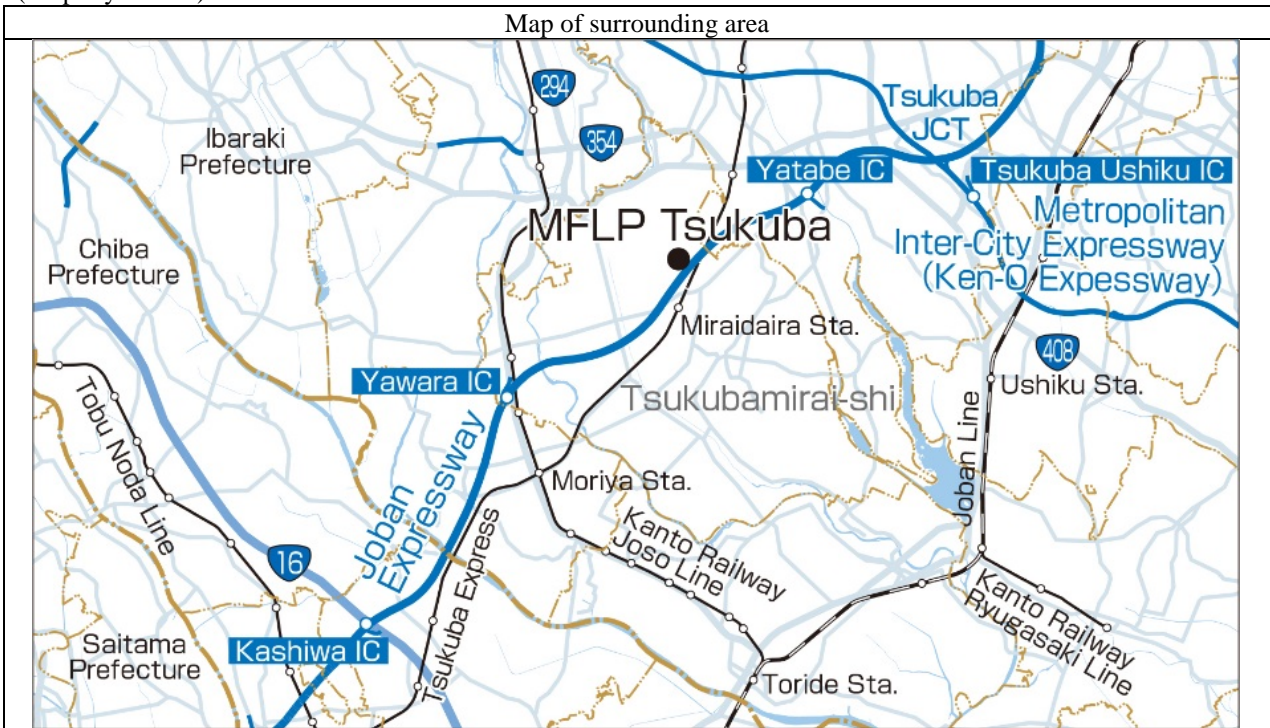
(Note 2) “Investment ratio” is the ratio of the acquisition price of each asset acquired (planned) to the total amount of (planned) acquisition prices, rounded to the nearest first decimal place.

(Note 3) “Appraisal value” shows the appraisal value stated on each real estate appraisal report as of July 31, 2018. Appraisals for the assets acquired (planned) have been commissioned to Japan Real Estate Institute, The Tanizawa Sōgō Appraisal Co., Ltd., Daiwa Real Estate Appraisal Co., Ltd. and CBRE, Inc.

(Note 4) (Planned) acquisition prices paid and appraisal values for “GLP/MFLP Ichikawa Shiohama,” “MFLP Yokohama Daikoku,” “MFLP Sakai,” “MFLP Hino,” “MFLP Tsukuba” and “MFIP Inzai” are all based on MFLP-REIT’s pro rata ownership shares of the properties acquired or expected to be acquired (quasi-co investment shares of 50%, 50%, 20%, 15%, 60% and 20%, respectively). For “MFLP Tsukuba,” quasi co-ownership interests in the trust beneficiary interest in the existing building and the trust beneficiary interest in the annex building are stated together.

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2. Map of surrounding area and photographs of the asset to be acquired  
(Property No. 12) MFLP Tsukuba



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