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For Immediate Release

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Notice Concerning Revisions to Operating Results Forecast for the Fiscal Period Ending July 31, 2019  
and January 31, 2020

Mitsui Fudosan Logistics Park Inc. (“MFLP-REIT”) announced today revisions to its operating results forecast for the fiscal period ending July 31, 2019 (February 1, 2019 to July 31, 2019) and January 31, 2020 (August 1, 2019 to January 31, 2020), which MFLP-REIT had announced on January 9, 2019, as follows.

1. Details of revisions to operating results forecast (fiscal period ending July 31, 2019: February 1, 2019 to July 31, 2019)

	Operating revenue	Operating income	Ordinary income	Net income	Distributions per unit (including distributions in excess of earnings)	Distributions per unit	Distributions in excess of earnings per unit
						(excluding distributions in excess of earnings)	
Revised forecast (A)	¥4,952 million	¥2,268 million	¥2,134 million	¥2,133 million	¥6,375	¥5,629	¥746
Revised forecast (B)	¥4,958 million	¥2,267 million	¥2,154 million	¥2,153 million	¥6,415	¥5,683	¥732
Amount increase/ decrease (B – A)	¥5 million	¥(0) million	¥20 million	¥20 million	¥40	¥54	¥(14)
Rate of increase/ decrease	0.1%	(0.0)%	0.9%	0.9%	0.6%	1.0%	(1.9)%

(Reference) Fiscal period ending July 31, 2019: Expected number of investment units issued and outstanding at the end of the fiscal period: 379,000 units.

2. Operating results forecast (fiscal period ending January 31, 2020: August 1, 2019 to January 31, 2020)  
(Reference)

	Operating revenue	Operating income	Ordinary income	Net income	Distributions per unit (including distributions in excess of earnings)	Distributions per unit	Distributions in excess of earnings per unit
						(excluding distributions in excess of earnings)	
Revised forecast (A)	¥5,016 million	¥2,252 million	¥2,145 million	¥2,144 million	¥6,417	¥5,659	¥758
Revised forecast (B)	¥5,044 million	¥2,268 million	¥2,184 million	¥2,184 million	¥6,492	¥5,762	¥730
Amount increase/decrease (B – A)	¥28 million	¥15 million	¥39 million	¥39 million	¥75	¥103	¥(28)
Rate of increase/decrease	0.6%	0.7%	1.8%	1.8%	1.2%	1.8%	(3.7)%

(Reference) Fiscal period ending January 31, 2020: Expected number of investment units issued and outstanding at the end of the fiscal period: 379,000 units.

Notes:

1. The operating results forecasts above are calculated as of March 15, 2019 based on the assumptions outlined in the attached "Assumptions Underlying the Operating Results Forecasts for the Fiscal Period Ending July 31, 2019 and the Fiscal Period Ending January 31, 2020". Actual operating revenue, operating income, ordinary income, net income, distributions per unit (excluding distributions in excess of earnings) and distributions in excess of earnings per unit may vary due to differences from assumptions as a result of future acquisitions or dispositions of real estate, etc., changes in the trends of the real estate market, etc. and interest rates, actual number of issuances and issue value of new investment units to be decided, and the environment in which MFLP-REIT operates and other factors. Moreover, these forecasts do not guarantee the amounts of distributions and distributions in excess of earnings.
2. Forecasts may be modified if there is expected to be a noticeable discrepancy with the above forecasts.
3. All amounts are rounded down and percentages are rounded to the nearest tenth.

3. Major reasons for operating results forecast revisions and operating results forecast disclosures

MFLP-REIT has revised its forecasts for operating results and distributions for the fiscal period ending July 2019 and fiscal period ending January 2020 as a result of changes in proceeds from the issuance of new investment units and amount of borrowings for the acquisition of the Acquired Assets (to be defined in the attached "Assumptions Underlying the Operating Results Forecasts for the Fiscal Period Ending July 31, 2019 and the Fiscal Period Ending January 31, 2020") which were assumptions used in the previously announced forecast, the determination of the issue price of the new investment units announced in the "Notice of Decision of Prices, etc., Concerning the Issue of New Investment Units and Secondary Offering" dated January 23, 2019, and the determination of the number of units issued by the third party allotment announced in the "Notice of the Decision Concerning the Number of Investment Units to Be Issued as New Investment Units by a Third-Party Allotment" dated February 22, 2019.

End.

< Attachment >

Assumptions Underlying the Operating Results Forecasts for the Fiscal Period Ending July 31, 2019 and the Fiscal Period Ending January 31, 2020

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> <li>• The fiscal period ending July 31, 2019 (the sixth fiscal period): February 1, 2019 to July 31, 2019 (181 days)</li> <li>• The fiscal period ending January 31, 2020 (the seventh fiscal period): August 1, 2019 to January 31, 2020 (184 days)</li> </ul>
Investment assets	<ul style="list-style-type: none"> <li>• It is assumed that (i) the total number of the properties assets held by MFLP-REIT will be 16, which includes the trust beneficiary interests in real estate held by MFLP-REIT as of January 31, 2019 (total of 13 properties) (“Assets Currently Held”), with the acquisition of the trust beneficiary interests in real estate related to MFLP Hino (quasi co-ownership interest of 10%), MFLP Inazawa, MFLP Atsugi II, MFLP Fukuoka I (quasi co-ownership interest of 81%) and MFIP Inzai (quasi co-ownership interest of 80%) on February 4, 2019, as well as those related to MFLP Tsukuba (quasi co-ownership interest of 40%) on March 1, 2019, and those related to MFLP Fukuoka I (quasi co-ownership interest of 19%) on April 5, 2019 (collectively, “Assets (to be) Acquired”); (ii) the abovementioned assets will continue to be held as there will be no disposition, etc. of the assets held by MFLP-REIT until the end of the fiscal period ending January 31, 2020 and (iii) there will be no acquisition of new properties other than the Assets (to be) Acquired. However, the actual number of investment assets may change due to the acquisition of new properties other than the Assets (to be) Acquired or the disposition, etc. of assets held by MFLP-REIT.</li> </ul>
Operating revenue	<ul style="list-style-type: none"> <li>• Leasing business revenues related to the Assets Currently Held are calculated based on lease contracts already executed that are in effect as of today and other factors, including tenant movements and market trends.</li> <li>• Leasing business revenues related to the Assets (to be) Acquired are calculated by taking into account lease contracts already executed and other factors, including tenant movements and market trends, based on the information provided by the current owner.</li> <li>• Calculations assume that there will be no gain or loss on sale of real estate.</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>• Leasing business expenses, which are major operating expenses, other than depreciation have been calculated by taking into consideration changes to expenses, with the historical results used as a benchmark for the Assets Currently Held and information provided by the current owner used as a benchmark for the Assets (to be) Acquired.</li> <li>• Depreciation is calculated using the straight-line method. Depreciation is expected to be ¥1,319 million for the fiscal period ending July 31, 2019 and ¥1,331 million for the fiscal period ending January 31, 2020.</li> <li>• Leasing business income (excluding gain on sale of real estate) after the deduction of leasing business expenses (including depreciation) is expected to be ¥2,811 million for the fiscal period ending July 31, 2019 and ¥2,898 million for the fiscal period ending January 31 2020.</li> <li>• In general, property taxes, city planning taxes and other charges levied on new properties acquired 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 the Assets (to be) Acquired for fiscal 2020 will be booked from the fiscal period ending July 31, 2020.</li> <li>• Repair expenses for buildings are expected to be ¥62 million for the fiscal period ending July 31, 2019 and ¥35 million for the fiscal period ending January 31, 2020 based on the medium to long-term repair plan established by the Asset Management Company. However, given the possibility that repair expenses may increase or additional expenses may be incurred due to</li> </ul>

	difficult-to-forecast factors, the actual results may differ significantly from the forecast amount.
Non-operating expenses	<ul style="list-style-type: none"> <li>Interest expenses and other expenses related to borrowings are expected to be ¥61 million for the fiscal period ending July 31, 2019 and ¥64 million for the fiscal period ending January 31, 2020. The expenses for the issuance of new investment units, of which payments were completed on February 1, 2019 and February 27, 2019, shall be amortized on a monthly basis over a three-year period starting from their month of issuance. Said amortization is expected to be ¥19 million for the fiscal periods ending July 31, 2019 and January 31, 2020. It is also expected that there will be ¥32 million in temporary expenses related to the issuance of new investment units in the fiscal period ending July 31, 2019.</li> </ul>
Interest-bearing debt	<ul style="list-style-type: none"> <li>It is assumed that total interest-bearing debt will be ¥46,700 million at the end of the fiscal period ending July 31, 2019 and ¥42,800 million at the end of the fiscal period ending January 31, 2020.</li> <li>The loan to value (LTV) ratio is expected to be 29.4% at the end of the fiscal period ending July 31, 2019 and 27.6% at the end of the fiscal period ending January 31, 2020. The following formula is used to calculate LTV ratio. LTV ratio = Total interest-bearing debt ÷ Total assets × 100</li> </ul>
Investment units	<ul style="list-style-type: none"> <li>It is assumed that the total number of investment units issued and outstanding is the 379,000 units as of the date of this document and there will be no change in the number of investment units by issuing new investment units, etc. through to the end of the fiscal period ending January 31, 2020.</li> <li>Distributions per unit (excluding distributions in excess of retained earnings) and distributions in excess of retained earnings per unit are calculated based on the 379,000 units of expected total number of investment units issued and outstanding at the end of the fiscal periods ending July 31, 2019 and the fiscal periods ending January 31, 2020.</li> </ul>
Distributions per unit (excluding distributions in excess of earnings)	<ul style="list-style-type: none"> <li>Distributions per unit (excluding distributions in excess of retained earnings) is calculated in accordance with MFLP-REIT's policy on distributions of cash described in its Articles of Incorporation and assuming that the entire amount of earnings will be distributed.</li> <li>However, distributions per unit (excluding distributions in excess of retained earnings) may change for a variety of reasons, including changes in MFLP-REIT's investment assets, changes in leasing business revenues due to tenant movements, etc., and/or the occurrence of unforeseen repairs and maintenance, etc.</li> </ul>
Distributions in excess of earnings per unit	<ul style="list-style-type: none"> <li>Distributions in excess of retained earnings per unit is calculated in accordance with MFLP-REIT's policy on distributions of cash described in its Articles of Incorporation and the asset management guidelines for the asset management company. Total distributions in excess of retained earnings are expected to be ¥277 million for the fiscal period ending July 31, 2019 and ¥276 million for the fiscal period ending January 31, 2020.</li> <li>MFLP-REIT emphasizes cash flow generated by asset management, such as the leasing of investment assets, excluding gain or loss on sale of real estate. For the time being, it is MFLP-REIT's policy to calculate the amount distributable, including distributions in excess of retained 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 amount of distributions of earnings, within a scope where financial stability can be secured and owned assets can be maintained for a long duration of time, as distributions in excess of retained earnings determined based on a comprehensive judgment of the situation (the "continuous distributions in excess of retained earnings"). However, the continuous distributions in excess of retained earnings may be terminated given the economic environment, trends in the real estate market or leasing market, the situation surrounding owned assets, the percentage of distributions in excess of retained earnings accounted for in depreciation during MFLP-REIT's applicable operating period (Note 1), and the situation pertaining to LTV level and retained cash and deposits, among other factors.</li> <li>In addition to the continuous distributions in excess of retained earnings, in cases where the distribution amount for distributions per unit (including distributions in excess of retained</li> </ul>

	<p>earnings) is expected to temporarily decline by a certain degree due to such factors as the procurement of funds through the issuance of new investment units, etc., a temporary distributions in excess of retained earnings may be executed in order to standardize the amount of the distributions per unit (including distributions in excess of retained earnings).</p> <ul style="list-style-type: none"> <li>• However, from the perspective of continuing to maintain owned assets for a long period of time, in cases where the above distribution of cash is executed, and where the amount equal to the equivalent of depreciation and amortization for the applicable operating period minus the amount of the distribution in excess of retained earnings for the applicable operating period falls below the standard amount of capital for building maintenance (Note 2), the distribution in excess of retained earnings will be decreased by a maximum amount that the distribution amount does not fall below the total equivalent of the distribution of earnings, and this may lead to cases where distribution in excess of retained earnings will not be executed.</li> <li>• In addition, from the perspective of continuing stable financial management, distributions in excess of retained earnings will not be executed in cases where the appraisal LTV ratio (Note 3) exceeds 60% in the event that the above distribution of cash is executed.</li> </ul> <p>Notes:</p> <ol style="list-style-type: none"> <li>1. The maximum will be an amount equivalent to 60% of the depreciation for the applicable operating period.</li> <li>2. “Standard amount of capital for building maintenance” refers to the “amount equivalent to the capital expenditure amount noted in the Building Condition Evaluation Report averaged over 12 years,” from which an amount representing six months of capital expenditure is determined and then multiplied by two.</li> <li>3. Appraisal LTV ratio (%) = <math>A/B \times 100</math> (%) <ul style="list-style-type: none"> <li>A = Total interest-bearing debt on the applicable accounts settlement date</li> <li>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 + Appraisal value of owned real estate on the applicable accounts settlement date</li> </ul> </li> </ol>
Other	<ul style="list-style-type: none"> <li>• It is assumed that there will be no change in legislation, taxation, accounting standards, listing regulations imposed by the Tokyo Stock Exchange, rules and requirements imposed by The Investment Trusts Association, Japan, etc. that will impact the aforementioned forecasts.</li> <li>• It is assumed that there will be no unforeseen material changes in general economic trends, real estate market conditions, etc.</li> </ul>