Mitsui Fudosan Logistics Park Inc.

September 14, 2022

For Immediate Release

Real Estate Investment Trust Securities Issuer:
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Notice Concerning Revisions to Operating Results Forecast for the Fiscal Period Ending January 31, 2023

Mitsui Fudosan Logistics Park Inc. ("MFLP-REIT") announced today revisions to its operating results forecast for the fiscal period ending January 31, 2023 (August 1, 2022 to January 31, 2023), which MFLP-REIT had announced on March 15, 2022, as follows.

1. Operating results forecast (fiscal period ending January 31, 2023: August 1, 2022 to January 31, 2023)

	Operating revenue (million yen)	Operating income (million yen)	Ordinary income (million yen)	Net income (million yen)	Distributions per unit (yen) (including distributions in excess of earnings)	Distributions per unit (yen) (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit (yen)
Previous forecast (A)	10,763	4,490	4,205	4,204	8,396	7,300	1,096
Revised forecast (B)	10,864	4,466	4,180	4,179	8,396	7,255	1,411
Amount increase/ decrease (B – A)	101	(23)	(25)	(25)	0	(45)	45
Rate of increase/ decrease	0.9%	(0.5)%	(0.6)%	(0.6)%	0.0%	(0.6)%	4.1%

(Reference) Fiscal period ending January 31, 2023: Expected number of investment units issued and outstanding at the end of the fiscal period: 576,000 units.

Notes:

1. The Revised forecast above is calculated based on the assumptions outlined in the attached "Assumptions Underlying the Operating Results Forecasts for the Fiscal Period Ending January 31, 2023". Actual operating revenue, operating income, ordinary income, net income, distribution 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, 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.

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2. Reasons for revisions to operating results forecast and disclosure of operating results forecast

MFLP-REIT has revised its forecasts of operating results and distributions for the fiscal period ending January 31, 2023 as a result of taking into account the current operational status of assets under management.

End.

* MFLP-REIT’s corporate website: https://www.mflp-r.co.jp/en/

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[Attachment]

Assumptions Underlying the Operating Results Forecasts for the Fiscal Period Ending January 31, 2023

Item	Assumptions
Calculation period	• The fiscal period ending January 31, 2023 (the 13th fiscal period): August 1, 2022 to January 31, 2023 (184 days)
Investment assets	• It is assumed that (i) there will be no acquisition of new properties other than the trust beneficiary interest in real estate held by MFLP-REIT as of July 31, 2022 (total of 24 properties) (hereinafter collectively referred to as "Assets Held"), and that (ii) the Assets Held will continue to be held as there will be no disposition, etc. of them until the end of the fiscal period ending January 31, 2023. However, the actual number of investment assets may change due to the acquisition of new properties or the disposition, etc. of Assets Held.
Operating revenue	• Leasing business revenues related to the assets 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. • Calculations assume that there will be no gain or loss on sale of real estate, etc.
Operating expenses	• 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. • Depreciation is calculated using the straight-line method. Depreciation is expected to be ¥2,730 million. • Leasing business income (excluding gain on sale of real estate, etc.) after the deduction of leasing business expenses (including depreciation) is expected to be ¥5,703 million. • In general, when selling and buying real estate, etc., 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, for expenses relating to property taxes, city planning taxes and other charges for the assets acquired during the fiscal period ended July 31, 2022, these property taxes, city planning taxes and other charges for fiscal year 2023 will be expensed from the fiscal period ending July 31, 2023. • Repair expenses for buildings are expected to be ¥204 million 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 difficult-to-forecast factors, the actual results may differ significantly from the forecast amount.
Non-operating expenses	• Interest expenses, interest expenses on investment corporation bonds and other expenses related to borrowings are expected to be ¥241 million. • Investment corporation bond issuance costs shall be amortized on a monthly basis over a ten-year period starting from the month of issuance. Amortization of investment corporation bond issuance costs is expected to be ¥1 million. • The expenses for the issuance of new investment units shall be amortized on a monthly basis over a three-year period starting from their month of issuance. Amortization of investment unit issuance expenses is expected to be ¥43 million.
Interest-bearing debt	• It is assumed that total interest-bearing debt will be ¥119,500 million at the end of the fiscal period ending January 31, 2023. • The loan to value (LTV) ratio is expected to be 35.8% at the end of the fiscal period ending January 31, 2023. The following formula is used to calculate LTV ratio. LTV ratio = Total interest-bearing debt ÷ Total assets × 100
Investment units	• It is assumed that the number of investment units issued and outstanding is 576,000 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, 2023. • Distributions per unit (excluding distributions in excess of retained earnings) and distributions in excess of retained earnings per unit are calculated based on the 576,000 units of expected total number of investment units issued and outstanding at the end of the fiscal period ending January 31, 2023.

Distributions per unit (excluding distributions in excess of earnings)	• 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. • 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.
Distributions in excess of earnings per unit	• 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 ¥657 million. • 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 (Note 1) 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 2), and the situation pertaining to LTV level and retained cash and deposits, among other factors. • 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 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 distribution 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). • 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 3), 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. • 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 4) exceeds 60% in the event that the above distribution of cash is executed. Notes: 1. FFO is an acronym that stands for funds from operation. It is calculated by adding depreciation for the applicable operation period to net income (excluding profit or loss from the sale of real estate, etc.). 2. The maximum will be an amount equivalent to 60% of the depreciation for the applicable operating period. 3. "Standard amount of capital for building maintenance" refers to the amount that results by multiplying the six-month-equivalent amount of the 12-year-average amount of the amount equivalent to the capital expenditure amount noted in the Building Condition Evaluation Report by two. 4. Appraisal LTV ratio (%) = 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 + Appraisal value of owned real estate on the applicable accounts settlement date
Other	• 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. • It is assumed that there will be no unforeseen material changes in general economic trends, real estate market conditions, etc.