

September 14, 2023

For Immediate Release

Real Estate Investment Trust Securities Issuer:  
Mitsui Fudosan Logistics Park Inc. (Securities Code: 3471)  
6-8-7 Ginza, Chuo-ku, Tokyo 104-0061  
Representative: Hiroshi Asai, Executive Director

Asset Management Company:  
Mitsui Fudosan Logistics REIT Management Co., Ltd.  
Representative: Shinobu Sakanoshita, President and Chief  
Executive Officer  
Inquiries: Tatsu Makino, Managing Director and Chief  
Financial Officer  
Tel. +81-3-6327-5160

Notice Concerning Revisions to Operating Results Forecast  
for the Fiscal Period Ending January 31, 2024 and July 31, 2024

Mitsui Fudosan Logistics Park Inc. (“MFLP-REIT”) announced today revisions to its operating results forecast for the fiscal period ending January 31, 2024 (August 1, 2023 to January 31, 2024) and July 31, 2024 (February 1, 2024 to July 31, 2024), which MFLP-REIT had announced on July 31, 2023, as follows.

1. Details of revisions to operating results forecast (fiscal period ending January 31, 2024: August 1, 2023 to January 31, 2024)

	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)	per unit (yen) (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit (yen)
Previous forecast (A)	11,869	4,672	4,300	4,299	8,781	7,071	1,710
Revised forecast (B)	11,869	4,671	4,300	4,299	8,781	7,071	1,710
Amount increase/ decrease (B – A)	0	(1)	0	0	0	0	0
Rate of increase/ decrease	0.0%	(0.0)%	0.0%	0.0%	0.0%	0.0%	0.0%

(Reference) Fiscal period ending January 31, 2024: Expected number of investment units issued and outstanding at the end of the fiscal period: 608,000 units.

2. Details of revisions to operating results forecast (fiscal period ending July 31, 2024: February 1, 2024 to July 31, 2024)

	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	Distributions in excess of earnings per unit
						(yen) (excluding distributions in excess of earnings)	(yen)
Previous forecast (A)	12,353	4,784	4,326	4,326	9,150	7,115	2,035
Revised forecast (B)	12,353	4,784	4,327	4,326	9,151	7,117	2,034
Amount increase/ decrease (B – A)	0	0	0	0	1	2	(1)
Rate of increase/ decrease	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	(0.0)%

(Reference) Fiscal period ending July 31, 2024: Expected number of investment units issued and outstanding at the end of the fiscal period: 608,000 units.

Notes:

1. The operating results forecasts above are calculated as of September 14, 2023 based on the assumptions outlined in the attached “Assumptions Underlying the Operating Results Forecasts for the Fiscal Period Ending January 31, 2024 and the Fiscal Period Ending July 31, 2024”. 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, 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. Reasons for revisions to operating results forecast and disclosure of operating results forecast

According to 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 August 3, 2023, 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 August 18, 2023, MFLP-REIT has revised its forecasts for operating results and distributions for the fiscal period ending January 31, 2024 and fiscal period ending July 31, 2024 as a result of changes in proceeds from the issuance of new investment units etc. which were assumptions used in the previously announced forecast.

End.

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

< Attachment 1 >

Assumptions Underlying the Operating Results Forecasts for the Fiscal Period Ending January 31, 2024  
and the Fiscal Period Ending July 31, 2024

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> <li>• Fiscal period ending January 31, 2024 (15<sup>th</sup> fiscal period): August 1, 2023 to January 31, 2024 (184 days)</li> <li>• Fiscal period ending July 31, 2024 (16<sup>th</sup> fiscal period): February 1, 2024 to July 31, 2024 (182 days)</li> </ul>
Investment assets	<ul style="list-style-type: none"> <li>• It is assumed that (i) the total number of the properties held by MFLP-REIT will be 30, which includes the real estate trust beneficiary interests held by MFLP-REIT as of July 31, 2023 (total of 25 properties), and the acquisition on August 10, 2023 of the real estate trust beneficiary interests related to MFLP Tomei Ayase (50% of co-ownership interest) and MFLP Tokorozawa, 2023 (individually or collectively, “Our Current Properties” together with the above assets held by MFLP-REIT as of July 31, 2023), with the acquisition on February 1, 2024 of the real estate trust beneficiary interests related to MFLP Hiratsuka III, MFLP Shinkiba I and SG Realty MFLP Fukuoka Kasuya (50% of co-ownership interest) (individually or collectively, “Anticipated Acquisitions” ), and (ii) the abovementioned assets will not be changed (as there will be no disposition, etc. of Our Current Properties or the Anticipated Acquisitions and there will be no acquisition of new properties other than the Anticipated Acquisitions) until the end of the fiscal period ending July 31, 2024. However, the actual number of the investment assets may change due to the acquisition of new properties other than the Anticipated Acquisitions or the disposition, etc. of Our Current Properties or the Anticipated Acquisitions.</li> </ul>
Operating revenue	<ul style="list-style-type: none"> <li>• Leasing business revenues related to Our Current Properties are calculated based on lease contracts already executed that are in effect as of July 31, 2023 and other factors, including tenant movements, market trends and other factors.</li> <li>• Leasing business revenues related to the Anticipated Acquisitions are calculated based on information provided by their current owners after taking into account lease contracts already executed and other factors including tenant movements and market trends.</li> <li>• Until the fiscal period ending January 31, 2024, in the case of concluding a lease contract that reduces the rent for a certain period of time because of free rent or the like, revenue is recognized at the reduced rent for the said certain period and in the case of concluding a lease contract in which the rent fluctuates during the lease period, revenue is recognized at the rent corresponding to each period. From the fiscal period ending July 31, 2024, only when the total amount of rent after February 1, 2024 in the lease contract is fixed, the calculation method will be changed to recognize revenue on a straight-line basis over the contract period after February 1, 2024, including such certain period and fluctuation period.</li> <li>• Calculations assume that there will be no gain or loss on sale of real estate etc.</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 Our Current Properties and with the information provided by their current owners as a benchmark for the Anticipated Acquisitions.</li> <li>• Depreciation expenses are calculated using the straight-line method. Depreciation is expected to be ¥3,116 million for the fiscal period ending January 31, 2024 and ¥3,295 million for the fiscal period ending July 31, 2024.</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 ¥5,942 million for the fiscal period ending January 31, 2024 and ¥6,088 million for the fiscal period ending July 31, 2024.</li> </ul>

	<ul style="list-style-type: none"> <li>• In general, municipal 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, MFLP-REIT includes an amount equivalent to the settled amount in the acquisition costs for the property. As such, expenses relating to municipal property taxes, city planning taxes and other charges for MFLP Osaka Katano acquired in fiscal period ended July 31, 2023, MFLP Tomei Ayase and MFLP Tokorozawa acquired in fiscal period ending January 31, 2024, for the fiscal year 2024 will be booked from the fiscal period ending July 31, 2024, expenses relating to municipal property taxes, city planning taxes and other charges for the MFLP Hiratsuka III, MFLP Shinkiba I and SG Realty MFLP Fukuoka Kasuya for the fiscal year 2025 will be booked from the fiscal period ending July 31, 2025.</li> <li>• Repair expenses for buildings are expected to be ¥154 million for the fiscal period ending January 31, 2024 and ¥215 million for the fiscal period ending July 31, 2024 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.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>• Interest expenses, interest expenses on investment corporation bonds and other expenses related to borrowings are expected to be ¥330 million for the fiscal period ending January 31, 2024 and ¥434 million for the fiscal period ending July 31, 2024.</li> <li>• Investment corporation bond issuance expenses shall be amortized on a monthly basis over a ten-year period starting from the month of issuance. Amortization of investment corporation bond issuance expenses is expected to be ¥2 million for the fiscal period ending January 31, 2024, and ¥2 million for the fiscal period ending July 31, 2024.</li> <li>• Investment unit issuance expenses for the new issue of investment units shall be amortized monthly for a three-year period starting from the month of issuance. Amortization of investment unit issuance expenses is expected to be ¥24 million for the fiscal period ending January 31, 2024, and ¥19 million for the fiscal period ending July 31, 2024. The issuance of new investment units is also expected to require temporary expenses of ¥13 million in the fiscal period ending January 31, 2024.</li> </ul>
Interest-bearing debt	<ul style="list-style-type: none"> <li>• It is assumed that total interest-bearing debt will be ¥131,900 million at the end of the fiscal period ending January 31, 2024 and ¥147,900 million at the end of the fiscal period ending July 31, 2024.</li> <li>• The loan-to-value (LTV) ratio is expected to be 36.6% at the end of the fiscal period ending January 31, 2024 and 39.4% at the end of the fiscal period ending July 31, 2024. The following formula is used to calculate the LTV ratio.  <math display="block">\text{LTV ratio} = \text{Total interest-bearing debt} \div \text{Total assets} \times 100</math> </li> </ul>
Investment units	<ul style="list-style-type: none"> <li>• It is assumed that the number of investment units issued and outstanding is 608,000 investment units as of the date of this document and there will be no change to the number of investment units by issuing new investment units, etc. through to the end of the fiscal period ending July 31, 2024.</li> <li>• Distributions per unit (excluding distributions in excess of earnings) and distributions in excess of earnings per unit are calculated based on the 608,000 units of the expected total number of investment units issued and outstanding at the end of the fiscal period ending January 31, 2024 and the fiscal period ending July 31, 2024.</li> </ul>

<p>Distributions per unit (excluding distributions in excess of earnings)</p>	<ul style="list-style-type: none"> <li>• Distributions per unit (excluding distributions in excess of earnings) is calculated in accordance with MFLP-REIT's policy on distribution of cash described in its Articles of Incorporation and assuming that all profits will be distributed.</li> <li>• However, distributions per unit (excluding distributions 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.</li> </ul>
<p>Distributions in excess of earnings per unit</p>	<ul style="list-style-type: none"> <li>• Distributions in excess of earnings 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.</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. It is MFLP-REIT's policy to calculate the amount distributable, including distributions in excess of earnings, up to a maximum of 75% of FFO<sup>(*)1</sup> and continually distribute the amount that exceeds the amount of distribution 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 earnings determined based on a comprehensive judgment of the situation (the "continuous distributions in excess of earnings"). The amount distributable will be 70% of FFO until the fiscal period ended July 31, 2023, and will be raised in stages from the fiscal period ending January 31, 2024 onward, with the amount distributable to be 72% of FFO in the fiscal period ending January 31, 2024, 73% of FFO in the fiscal period ending July 31, 2024, and thereafter, 74% of FFO in the fiscal period ending January 31, 2025, and 75% of FFO in the fiscal period ending July 31, 2025. However, the continuous distributions 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 of distributions in excess of earnings accounted for in depreciation during MFLP-REIT's applicable operating period<sup>(*)2</sup>, 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 earnings, in cases where the distribution amount for distributions per unit (including distributions in excess of 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 earnings may be executed in order to standardize the amount of the distributions per unit (including distributions in excess of earnings).</li> <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 for the applicable operating period minus the amount of the distribution in excess of earnings for the applicable operating period falls below the standard amount of capital for building maintenance<sup>(*)3</sup>, the distribution in excess of earnings will be decreased by a maximum amount within which 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 earnings will not be executed.</li> <li>• In addition, from the perspective of continuing stable financial management, distributions in excess of earnings will not be executed in cases where the appraisal LTV ratio<sup>(*)4</sup> exceeds 60% in the event that the above distribution of cash is executed.</li> <li>• The total amount of distributions in excess of earnings is expected to be ¥1,039 million for the fiscal period ending January 31, 2024 and ¥1,236 million for the fiscal period ending July 31, 2024 based on the above calculation. In addition, we expect to make a distribution in excess of earnings of ¥22 million for the fiscal period ending January 31, 2024 and ¥32 million for the fiscal period ending July 31, 2024 as allowance for temporary difference adjustments, which takes into account the impact on distributions of the tax discrepancy in</li> </ul>

	<p>excess of income associated with the amortization of trust fixed -term land leasehold rights and depreciation and amortization related to asset retirement obligations, but these amounts are included in the above ¥1,039 million and ¥1,236 million.</p> <p>(*1) FFO is an acronym that stands for funds from operation. It is calculated by adding depreciation for the applicable operating period to net income (excluding profit or loss from the sale of real estate, etc.).</p> <p>(*2) The maximum will be an amount equivalent to 60% of the depreciation for the applicable operating period.</p> <p>(*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.</p> <p>(*4) Appraisal LTV ratio (%) = <math>A/B \times 100</math> (%)</p> <p>A = Total interest-bearing debt on the applicable accounts settlement date</p> <p>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</p>
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>