

Summary of Financial Results for the Fiscal Period Ended July 31, 2019 (REIT)

September 13, 2019

REIT Securities Issuer	Mitsui Fudosan Logistics Park Inc.	Stock Exchange Listing	Tokyo Stock Exchange
Securities Code	3471	Website	https://www.mflp-r.co.jp/en/
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Scheduled date of submission of securities report: October 24, 2019

Scheduled date of commencement of distribution payout: October 15, 2019

Supplementary materials for financial results: Yes

Holding investor presentation for financial results: Yes (for analysts and institutional investors)

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

1. Financial Results for the Fiscal Period Ended July 31, 2019 (February 1, 2019 to July 31, 2019)

(1) Results of Operations

(% figures denote rate of period-on-period change)

	Operating revenues		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal period ended July 31, 2019	4,969	51.5	2,318	48.6	2,203	44.9	2,202	44.9
Fiscal period ended January 31, 2019	3,280	4.2	1,560	4.1	1,520	5.2	1,519	5.2

	Net income per unit	Return on unitholders' equity	Ratio of ordinary income to total assets	Ratio of ordinary income to operating revenues
	Yen	%	%	%
Fiscal period ended July 31, 2019	5,823	2.4	1.7	44.3
Fiscal period ended January 31, 2019	5,783	2.1	1.5	46.3

(2) Distributions

	Distributions per unit (excluding distributions in excess of retained earnings)	Total amount of distributions (excluding distributions in excess of retained earnings)	Distributions in excess of retained earnings per unit	Total amount of distributions in excess of retained earnings	Distributions per unit (including distributions in excess of retained earnings)	Total amount of distributions (including distributions in excess of retained earnings)	Payout ratio	Ratio of distributions to net assets
	Yen	Millions of yen	Yen	Millions of yen	Yen	Millions of yen	%	%
Fiscal period ended July 31, 2019	5,811	2,202	685	259	6,496	2,461	100.0	2.0
Fiscal period ended January 31, 2019	5,783	1,519	322	84	6,105	1,604	100.0	2.1

Notes:

- Due to the issuance of new investment units, the payout ratio for the fiscal period ended July 31, 2019 is calculated using the following formula and rounded to the first decimal place.
Payout ratio = Total amount of distributions (excluding distributions in excess of retained earnings) ÷ Net income × 100
- The total amount of distributions in excess of retained earnings for the fiscal period ended July 31, 2019 and the fiscal period ended January 31, 2019 is entirely return of capital applicable to distribution reducing unitholders' capital for tax purposes.
- The ratios of decreasing surplus attributable to distributions in excess of retained earnings (return of capital applicable to distribution reducing unitholders' capital for tax purposes) for the fiscal period ended July 31, 2019 and the fiscal period ended January 31, 2019 are 0.003 and 0.001, respectively. This calculation is based on Article 23, Paragraph 1, Item 4 of the Order for Enforcement of the Corporation Tax Act.

(3) Financial Position

	Total assets	Net assets	Ratio of unitholders' equity to total assets	Net assets per unit
	Millions of yen	Millions of yen	%	Yen
Fiscal period ended July 31, 2019	160,681	109,284	68.0	288,349
Fiscal period ended January 31, 2019	104,591	73,390	70.2	279,292

(4) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal period ended July 31, 2019	1,532	(52,724)	52,379	4,159
Fiscal period ended January 31, 2019	3,119	(5,372)	2,468	2,971

2. Forecast for the Fiscal Period Ending January 31, 2020 (August 1, 2019 to January 31, 2020) and the Fiscal Period Ending July 31, 2020 (February 1, 2020 to July 31, 2020)

(% figures denote rate of period-on-period change)

	Operating revenues		Operating income		Ordinary income		Net income		Distributions per unit (excluding distributions in excess of retained earnings)	Distributions in excess of retained earnings per unit	Distributions per unit (including distributions in excess of retained earnings)
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen	Yen
Fiscal period ending January 31, 2020	5,077	2.2	2,298	(0.9)	2,215	0.5	2,214	0.5	5,843	698	6,541
Fiscal period ending July 31, 2020	5,088	0.2	2,186	(4.9)	2,106	(4.9)	2,105	(4.9)	5,554	792	6,346

(Reference) Expected net income per unit (Expected net income/Expected number of investment units at the end of the fiscal period)
For the fiscal period ending January 31, 2020: ¥5,842 For the fiscal period ending July 31, 2020: ¥5,554

• Other

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

- (i) Changes in accounting policies due to revisions to accounting standards, etc.: None
(ii) Changes in accounting policies other than (i) above: None
(iii) Changes in accounting estimates: None
(iv) Retrospective restatements: None

(2) Total number of investment units issued and outstanding

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

Fiscal period ended July 31, 2019	379,000 units	Fiscal period ended January 31, 2019	262,774 units
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(ii) Number of treasury units at the end of the fiscal period

Fiscal period ended July 31, 2019	0 units	Fiscal period ended January 31, 2019	0 units
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(Note)

Please refer to "Notes to Per Unit Information" on page 16 for the number of investment units used as the basis for calculating net income per unit.

- Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

• Special notes

Forecasts of financial results and other forward-looking statements contained in this material are based on information currently available to and certain assumptions deemed reasonable by Mitsui Fudosan Logistics Park Inc. ("MFLP-REIT"). Actual operating performance, etc. may differ significantly from these forecasts due to a variety of factors. Furthermore, these forecasts do not guarantee the above distribution amounts.

For details of assumptions for the above forecast figures, please refer to "Forecast Assumptions for the Fiscal Period Ending January 31, 2020 (August 1, 2019 to January 31, 2020) and the Fiscal Period Ending July 31, 2020 (February 1, 2020 to July 31, 2020)" described on page 5.

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1. Status of Asset Management

(1) Results of Operations

(Summary of results for the reporting period)

i) Brief history of the investment corporation

Mitsui Fudosan Logistics Park Inc. (“MFLP-REIT”), a Japanese real estate investment corporation, was established on March 4, 2016 under the Act on Investment Trusts and Investment Corporations of Japan (Act No. 198 of 1951, including subsequent amendments; the “Investment Trust Act”), by Mitsui Fudosan Logistics REIT Management Co., Ltd. (the “Asset Management Company”) as the organizer, and listed on the Real Estate Investment Trust Securities Market (J-REIT section) of Tokyo Stock Exchange, Inc. (“Tokyo Stock Exchange”) on August 2, 2016 (Securities Code: 3471). MFLP-REIT held assets totaling 16 properties amounting to a total acquisition price of ¥156.7 billion as at the end of the fiscal period under review.

ii) Investment environment and management performance

The Japanese economy has been on an expansionary trend against the backdrop of accommodative financial conditions and support from government cash injection, while overseas economies have been growing moderately on the whole despite signs of slowdown. In addition, capital investment has increased modestly, amid improvement in corporate profits and accommodative financial conditions, mainly due to capacity-increase investment in line with the expansionary trend, urban redevelopment investment, and labor-saving investment to address labor shortage. Private consumption has also been gradually increasing amid improvement in the employment and income situation. In the logistics market, with the 3PL business (Note) specializing in outsourced logistics services expanding in market size and the needs of 3PL providers for rental of multifunctional and highly-convenient logistics facilities on the rise, the demand for leading-edge logistics facilities is expected to continue to increase.

Under such circumstances, MFLP-REIT upholds a basic policy of pursuing maximization of unitholder value by achieving sustainable growth through formation of a strategic partnership in the logistics facilities business with Mitsui Fudosan Co., Ltd. (“Mitsui Fudosan”). During the fiscal period under review (fiscal period ended July 31, 2019), MFLP-REIT acquired MFLP Hino (additional acquisition of 10% quasi co-ownership interest; acquisition price of ¥5,013 million), MFLP Inazawa (acquisition price of ¥16,200 million), MFLP Atsugi II (acquisition price of ¥13,100 million), MFLP Fukuoka I (acquisition of 81% quasi co-ownership interest; acquisition price of ¥4,263 million) and MFIP Inzai (additional acquisition of 80% quasi co-ownership interest; acquisition price of ¥10,040 million) in February 2019, MFLP Tsukuba (additional acquisition of 40% quasi co-ownership interest; acquisition price of ¥3,512 million) in March 2019, and MFLP Fukuoka I (additional acquisition of 19% quasi co-ownership interest; acquisition price of ¥1,000 million) in April 2019, in accordance with the aforementioned policy.

Furthermore, MFLP-REIT has conducted steady management of 16 properties held (total acquisition price of ¥156.7 billion) to maintain an excellent occupancy rate of 100.0% for the entire portfolio as at the end of the fiscal period under review.

(Note)

“3PL business” refers to the third-party logistics business (business of providing logistics services to client companies outsourcing part or all of their supply chain management functions).

iii) Overview of financing

MFLP-REIT procured funds of ¥33,617 million through public offering with a payment date of February 1, 2019, and ¥1,678 million through third-party allotment with a payment date of February 27, 2019. As a result, unitholders’ capital (net) was ¥107,081 million at the end of the fiscal period under review. In the fiscal period under review, MFLP-REIT executed debt financing of ¥17,900 million (short-term loan payable of ¥2,900 million; long-term loans payable of ¥15,000 million) in February 2019 to fund the acquisitions of MFLP Hino, MFLP Inazawa, MFLP Atsugi II, MFLP Fukuoka I and MFIP Inzai and to repay short-term loans payable; ¥1,100 million (short-term loan payable) in March 2019 to fund the acquisition of MFLP Tsukuba; ¥3,900 million (short-term loan payable) in April 2019 to fund the acquisition of MFLP Fukuoka I and to repay short-term loans payable; ¥1,600 million (short-term loan payable) in April 2019 and ¥1,100 million (short-term loan payable) in May 2019 to pay out distributions and to repay short-term loans payable; and ¥1,100 million (short-term loans payable) in May 2019, and ¥1,000 million (short-term loans payable) in July 2019 to repay short-term loans payable, and executed repayments of a total of ¥8,900 million (short-term loans payable) using funds from part of short-term loans payable procured in the fiscal period under review and internal reserve arising from depreciation, etc. As a result, at the end of the fiscal period under review, the balance of interest-bearing debt was ¥46,800 million (short-term loans payable of ¥5,500 million; long-term loans payable of ¥41,300 million) and the ratio of interest-bearing debt to total assets (LTV ratio) was 29.1%.

The following is the rating obtained by MFLP-REIT as at the end of the fiscal period under review.

Credit rating agency	Rating details	Outlook
Japan Credit Rating Agency, Ltd. (JCR)	Long-term issuer rating: AA-	Stable

iv) Summary of business performance and distributions

Through the management described above, business performance for the fiscal period under review resulted in operating revenues of ¥4,969 million, operating income of ¥2,318 million, ordinary income of ¥2,203 million, and net income of ¥2,202 million.

In accordance with the distribution policy as defined in the Articles of Incorporation of MFLP-REIT, distributions for the fiscal period under review shall be subject to application of special provisions for taxation of investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation). Based on this, MFLP-REIT declared the distribution of ¥2,202,369,000, which is the integral multiple of the total number of investment units issued and outstanding (379,000 units) of unappropriated retained earnings. Accordingly, MFLP-REIT declared distribution of earnings per unit of ¥5,811.

In addition, in accordance with the distribution policy as defined in the Articles of Incorporation, MFLP-REIT shall execute distributions of cash in excess of retained earnings each fiscal period on a continuous basis in principle (Note 1). Based on this, MFLP-REIT declared the distribution of ¥259 million, which is the amount almost equivalent to the remaining amount after subtracting the distribution of earnings of ¥2,202 million from ¥2,462 million or 70% of FFO (Note 2), as return of capital applicable to distribution reducing unitholders' capital for tax purposes. Accordingly, MFLP-REIT declared distribution in excess of retained earnings per unit of ¥685.

Notes:

1. In addition to the continuous distributions in excess of retained earnings, in cases where the distribution amount for distribution per unit 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 distribution per unit. 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.
2. "FFO" is an acronym for funds from operations and refers to the figure calculated by adding depreciation and amortization of rental properties for the applicable operating period and loss on retirement of non-current assets to net income (excluding gain (loss) on sales of real estate properties, etc.).
3. "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.
4. Appraisal LTV ratio (%) = $A/B \times 100$ (%)
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

(Outlook for the fiscal period ending January 31, 2020)

i) Future management policy

MFLP-REIT has established a strategic and collaborative partnership in the logistics facilities business with Mitsui Fudosan, under which it seeks to maximize unitholder value by focusing investments primarily in logistics facilities as a basic policy. Based on this policy, in addition to expansion of asset size for the purpose of further stabilizing the revenues base continuing into future periods, MFLP-REIT will perform stable and efficient financial management by addressing changes in the external and internal environment to maximize unitholder value.

(A) External growth strategy

"External growth based on the growth potential and extensive pipeline of Mitsui Fudosan's logistics facilities business"

MFLP-REIT aims for continuous growth by focusing investments on MFLP facilities (leading-edge logistics facilities with Mitsui Fudosan quality (Note 1)), utilizing the right of first look and preferential negotiation based on "Right of first look and preferential negotiation agreement" that was concluded with Mitsui Fudosan, which boasts high growth in the logistics facilities business, and the Asset Management Company.

Notes:

1. Based on the principles of "harmonious coexistence" and "linking diverse values" set by the Mitsui Fudosan Group (Note 2), Mitsui Fudosan's logistics facilities business keeps up efforts aimed at not only providing logistics facilities space but also creating value beyond conventional boundaries. In order to achieve this, MFLP-REIT incorporates the highly-specialized and advanced management, operational know-how, etc. accumulated in the office building business, retail properties business, etc., and the know-how, etc. accumulated through urban development as a comprehensive real estate company. It also captures the diverse needs that change with the times of the various stakeholders associated with logistics facilities (tenants, people working at the logistics facilities and local community). MFLP-REIT refers to the quality of logistics facilities realized through these efforts by the name "Mitsui Fudosan quality."
2. "Mitsui Fudosan Group" refers to a corporate group comprising Mitsui Fudosan, and Mitsui Fudosan's consolidated subsidiaries and Mitsui Fudosan's associates accounted for using the equity method. The same shall apply hereinafter.

(B) Internal growth strategy

"Stable management utilizing the Platform (business foundation) and client network of the Mitsui Fudosan Group"

MFLP-REIT aims for stable management by utilizing the Platform (business foundation) and client network that the Mitsui Fudosan Group has developed over years as a comprehensive real estate company.

(C) Financial strategy

"Financial and cash management with an emphasis on stability and efficiency"

MFLP-REIT will manage its finances stably, including funds raised through the issuance of new investment units and borrowings, and at the same time it will aim to secure both stable distribution levels and efficient cash management for distributions through continuous distributions in excess of retained earnings (return of capital) based on cash flow (FFO).

ii) Significant subsequent events

Not applicable.

iii) Forecast for the Fiscal Period

MFLP-REIT's forecasts for the fiscal period ending January 31, 2020 (August 1, 2019 to January 31, 2020) and the fiscal period ending July 31, 2020 (February 1, 2020 to July 31, 2020) are as follows:

(% figures denote rate of period-on-period change)

	Operating revenues		Operating income		Ordinary income		Net income		Distributions per unit (excluding distributions in excess of retained earnings)	Distributions in excess of retained earnings per unit	Distributions per unit (including distributions in excess of retained earnings)
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen	Yen
Fiscal period ending January 31, 2020	5,077	2.2	2,298	(0.9)	2,215	0.5	2,214	0.5	5,843	698	6,541
Fiscal period ending July 31, 2020	5,088	0.2	2,186	(4.9)	2,106	(4.9)	2,105	(4.9)	5,554	792	6,346

For the assumptions for these forecasts, please refer to "Forecast Assumptions for the Fiscal Period Ending January 31, 2020 (August 1, 2019 to January 31, 2020) and the Fiscal Period Ending July 31, 2020 (February 1, 2020 to July 31, 2020)" described on page 5.

Notes:

1. The above forecasts are the current estimations calculated based upon certain assumptions. Future additional acquisitions or sales of real estate, real estate market trends, interest rate fluctuation and other situation surrounding MFLP-REIT may cause differences from the assumptions. As a result, actual operating revenues, operating income, ordinary income, net income, distributions per unit (excluding distributions in excess of retained earnings) and distributions in excess of retained earnings per unit may vary from these forecasts. Furthermore, these forecasts are in no way a guarantee of amounts of distributions or distributions in excess of retained earnings.
2. Monetary amounts have been rounded down to the display unit, and percentage values have been rounded to the nearest tenth of a percent.

Forecast Assumptions for the Fiscal Period Ending January 31, 2020 (August 1, 2019 to January 31, 2020) and the Fiscal Period Ending July 31, 2020 (February 1, 2020 to July 31, 2020)

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> The fiscal period ending January 31, 2020 (the seventh fiscal period): August 1, 2019 to January 31, 2020 (184 days) The fiscal period ending July 31, 2020 (the eighth fiscal period): February 1, 2020 to July 31, 2020 (182 days)
Investment assets	<ul style="list-style-type: none"> It is assumed that (i) MFLP-REIT will not acquire any new properties other than the trust beneficiary interests in real estate held by MFLP-REIT as of July 31, 2019 (total of 16 properties) (“Assets Currently Held”) and (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 July 31, 2020. However, the actual number of the investment assets may change due to the acquisition of new properties other than the Assets Currently Held or the disposition, etc. of the Assets Currently Held.
Operating revenues	<ul style="list-style-type: none"> Leasing business revenues 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.
Operating expenses	<ul style="list-style-type: none"> 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 ¥1,327 million for the fiscal period ending January 31, 2020 and ¥1,331 million for the fiscal period ending July 31, 2020. Leasing business income (excluding gain on sale of real estate) after the deduction of leasing business expenses (including depreciation) is expected to be ¥2,899 million for the fiscal period ending January 31, 2020 and ¥2,752 million for the fiscal period ending July 31, 2020. 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 acquired during the fiscal period ended July 31, 2019 for fiscal 2020 will be booked from the fiscal period ending July 31, 2020. Repair expenses for buildings are expected to be ¥53 million for the fiscal period ending January 31, 2020 and ¥51 million for the fiscal period ending July 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 difficult-to-forecast factors, the actual results may differ significantly from the forecast amount.
Non-operating expenses	<ul style="list-style-type: none"> Interest expenses and other expenses related to borrowings are expected to be ¥64 million for the fiscal period ending January 31, 2020 and ¥61 million for the fiscal period ending July 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. Amortization of investment unit issuance expenses is expected to be ¥18 million for the fiscal period ending January 31, 2020 and ¥18 million for the fiscal period ending July 31, 2020.
Interest-bearing debt	<ul style="list-style-type: none"> It is assumed that total interest-bearing debt will be ¥42,900 million at the end of the fiscal period ending January 31, 2020 and ¥41,300 million at the end of the fiscal period ending July 31, 2020. The loan to value (LTV) ratio is expected to be 27.6% at the end of the fiscal period ending January 31, 2020 and 26.9% at the end of the fiscal period ending July 31, 2020. The following formula is used to calculate LTV ratio. $\text{LTV ratio} = \text{Total interest-bearing debt} \div \text{Total assets} \times 100$
Investment units	<ul style="list-style-type: none"> 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 July 31, 2020. 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 period ending January 31, 2020 and the fiscal period ending July 31, 2020.
Distributions per unit (excluding distributions in excess of retained earnings)	<ul style="list-style-type: none"> 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.

Item	Assumptions
<p style="text-align: center;">Distributions in excess of retained earnings per unit</p>	<ul style="list-style-type: none"> • 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 ¥264 million for the fiscal period ending January 31, 2020 and ¥300 million for the fiscal period ending July 31, 2020. • 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. • 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 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). • 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. • 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. <p>Notes:</p> <ol style="list-style-type: none"> 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 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. 3. Appraisal LTV ratio (%) = $A/B \times 100$ (%) 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
<p style="text-align: center;">Other</p>	<ul style="list-style-type: none"> • 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.

2. Financial Statements

(1) Balance Sheets

(Thousands of yen)

	5th period (As of January 31, 2019)	6th period (As of July 31, 2019)
Assets		
Current assets		
Cash and deposits	936,079	1,085,379
Cash and deposits in trust	2,035,779	3,074,601
Operating accounts receivable	35,257	284,297
Prepaid expenses	17,478	25,701
Consumption taxes receivable	99,710	2,261,176
Other	4,977	14,201
Total current assets	3,129,283	6,745,357
Non-current assets		
Property and equipment		
Buildings in trust	52,057,963	82,222,802
Accumulated depreciation	(2,613,907)	(3,714,286)
Buildings in trust, net	49,444,055	78,508,515
Structures in trust	1,738,043	2,847,469
Accumulated depreciation	(276,406)	(389,371)
Structures in trust, net	1,461,637	2,458,098
Machinery and equipment in trust	2,202,041	2,984,550
Accumulated depreciation	(335,865)	(436,905)
Machinery and equipment in trust, net	1,866,176	2,547,645
Vehicles and transport equipment in trust	2,642	2,642
Accumulated depreciation	(110)	(440)
Vehicles and transport equipment in trust, net	2,532	2,201
Tools, furniture and fixtures in trust	2,175	4,222
Accumulated depreciation	(258)	(484)
Tools, furniture and fixtures in trust, net	1,917	3,737
Land in trust	48,548,367	70,241,485
Construction in progress in trust	70,985	–
Total property and equipment	101,395,672	153,761,683
Intangible assets		
Software	5,996	4,876
Total intangible assets	5,996	4,876
Investments and other assets		
Lease and guarantee deposits	10,000	10,000
Long-term prepaid expenses	49,833	65,092
Deferred tax assets	15	16
Other	1,050	1,050
Total investments and other assets	60,899	76,159
Total non-current assets	101,462,568	153,842,719
Deferred assets		
Investment unit issuance expenses	–	93,614
Total deferred assets	–	93,614
Total assets	104,591,851	160,681,690

(Thousands of yen)

	5th period (As of January 31, 2019)	6th period (As of July 31, 2019)
Liabilities		
Current liabilities		
Operating accounts payable	205,661	228,467
Short-term loans payable	1,700,000	5,500,000
Accounts payable	444,711	502,181
Accrued expenses	210	312
Income taxes payable	929	944
Advances received	570,502	849,898
Other	382	114
Total current liabilities	2,922,397	7,081,918
Non-current liabilities		
Long-term loans payable	26,300,000	41,300,000
Tenant leasehold and security deposits in trust	1,978,772	3,015,304
Total non-current liabilities	28,278,772	44,315,304
Total liabilities	31,201,169	51,397,223
Net assets		
Unitholders' capital		
Unitholders' capital	72,120,699	107,416,211
Deduction from unitholders' capital	(249,757)	(334,370)
Unitholders' capital (net)	71,870,942	107,081,840
Retained earnings		
Unappropriated retained earnings (undisposed loss)	1,519,739	2,202,626
Total retained earnings	1,519,739	2,202,626
Total unitholders' equity	73,390,682	109,284,466
Total net assets	73,390,682	109,284,466
Total liabilities and net assets	104,591,851	160,681,690

(2) Statements of Income

(Thousands of yen)

	5th period (From August 1, 2018 to January 31, 2019)		6th period (From February 1, 2019 to July 31, 2019)	
Operating revenues				
Property-related revenues	*1, *2	3,135,601	*1, *2	4,766,132
Other revenues related to property leasing	*1, *2	145,331	*1, *2	202,987
Total operating revenues		3,280,932		4,969,119
Operating expenses				
Property-related expenses	*1, *2	1,338,137	*1, *2	2,134,534
Asset management fee		310,249		439,926
Asset custody fee		5,012		5,229
Administrative service fees		15,560		17,000
Directors' compensations		5,400		5,400
Audit fee		9,100		9,100
Other operating expenses		37,209		38,950
Total operating expenses		1,720,669		2,650,140
Operating income		1,560,262		2,318,979
Non-operating income				
Interest income		14		18
Insurance income		35,881		3,010
Interest on refund		866		13
Other		0		0
Total non-operating income		36,762		3,042
Non-operating expenses				
Interest expenses		36,026		59,004
Amortization of investment unit issuance expenses		–		18,722
Offering costs associated with issuance of investment units		–		32,792
Borrowing related expenses		4,983		4,016
Disaster recovery expenses	*3	31,030	*3	2,230
Other		4,332		1,800
Total non-operating expenses		76,372		118,566
Ordinary income		1,520,653		2,203,454
Income before income taxes		1,520,653		2,203,454
Income taxes - current		931		947
Income taxes - deferred		(2)		(0)
Total income taxes		929		946
Net income		1,519,723		2,202,508
Retained earnings brought forward		16		117
Unappropriated retained earnings (undisposed loss)		1,519,739		2,202,626

(3) Statements of Changes in Net Assets

5th period (From August 1, 2018 to January 31, 2019)

(Thousands of yen)

	Unitholders' capital						Total net assets
	Unitholders' capital			Retained earnings		Total unitholders' equity	
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital (net)	Unappropriated retained earnings (undisposed loss)	Total retained earnings		
Balance at beginning of period	72,120,699	(161,728)	71,958,971	1,444,484	1,444,484	73,403,456	73,403,456
Changes of items during period							
Distribution in excess of retained earnings		(88,029)	(88,029)			(88,029)	(88,029)
Dividends of earnings				(1,444,468)	(1,444,468)	(1,444,468)	(1,444,468)
Net income				1,519,723	1,519,723	1,519,723	1,519,723
Total changes of items during period	-	(88,029)	(88,029)	75,254	75,254	(12,774)	(12,774)
Balance at end of period	72,120,699	(249,757)	71,870,942	1,519,739	1,519,739	73,390,682	73,390,682

6th period (From February 1, 2019 to July 31, 2019)

(Thousands of yen)

	Unitholders' capital						Total net assets
	Unitholders' capital			Retained earnings		Total unitholders' equity	
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital (net)	Unappropriated retained earnings (undisposed loss)	Total retained earnings		
Balance at beginning of period	72,120,699	(249,757)	71,870,942	1,519,739	1,519,739	73,390,682	73,390,682
Changes of items during period							
Issuance of new investment units	35,295,511		35,295,511			35,295,511	35,295,511
Distribution in excess of retained earnings		(84,613)	(84,613)			(84,613)	(84,613)
Dividends of earnings				(1,519,622)	(1,519,622)	(1,519,622)	(1,519,622)
Net income				2,202,508	2,202,508	2,202,508	2,202,508
Total changes of items during period	35,295,511	(84,613)	35,210,898	682,886	682,886	35,893,784	35,893,784
Balance at end of period	107,416,211	(334,370)	107,081,840	2,202,626	2,202,626	109,284,466	109,284,466

(4) Statements of Cash Distributions

(Yen)

	5th period (From August 1, 2018 to January 31, 2019)	6th period (From February 1, 2019 to July 31, 2019)
I Unappropriated retained earnings	1,519,739,902	2,202,626,192
II Distributions in excess of retained earnings		
Deduction from unitholders' capital	84,613,228	259,615,000
III Distributions	1,604,235,270	2,461,984,000
(Distribution per unit)	(6,105)	(6,496)
Of which: Distribution of earnings	1,519,622,042	2,202,369,000
(Of which: Distribution of earnings per unit)	(5,783)	(5,811)
Of which: Distribution in excess of retained earnings	84,613,228	259,615,000
(Of which: Distribution in excess of retained earnings per unit)	(322)	(685)
IV Retained earnings carried forward	117,860	257,192

Method of calculating distribution amount	<p>In accordance with the distribution policy as defined in the Article 35, Paragraph 1 of the Articles of Incorporation of MFLP-REIT, distributions shall be in excess of the amount equivalent to 90% of the amount of earnings available for dividends defined in the Article 67-15 of the Act on Special Measures Concerning Taxation.</p> <p>Based on this policy, for the fiscal period ended January 31, 2019, MFLP-REIT declared a distribution amount of ¥1,519,622,042, which is the maximum value of the integral multiple of the total number of investment units issued and outstanding at the end of the period in amounts not in excess of unappropriated retained earnings.</p> <p>Furthermore, based on the distribution policy as defined in the Article 35, Paragraph 2 of the Articles of Incorporation, MFLP-REIT executes the distribution of cash in excess of retained earnings (return of capital applicable to distribution reducing unitholders' capital for tax purposes) each fiscal period on a continuous basis.</p> <p>Based on this policy, for the fiscal period ended January 31, 2019, MFLP-REIT declared the distribution of ¥84,613,228, which is calculated as being almost equivalent to the remaining amount after subtracting the distribution of earnings of ¥1,519,622,042 from ¥1,604,409,211 or 70% of FFO (funds from operation), as distribution of cash in excess of retained earnings (return of capital applicable to distribution reducing unitholders' capital for tax purposes).</p>	<p>In accordance with the distribution policy as defined in the Article 35, Paragraph 1 of the Articles of Incorporation of MFLP-REIT, distributions shall be in excess of the amount equivalent to 90% of the amount of earnings available for dividends defined in the Article 67-15 of the Act on Special Measures Concerning Taxation.</p> <p>Based on this policy, for the fiscal period ended July 31, 2019, MFLP-REIT declared a distribution amount of ¥2,202,369,000, which is the maximum value of the integral multiple of the total number of investment units issued and outstanding at the end of the period in amounts not in excess of unappropriated retained earnings.</p> <p>Furthermore, based on the distribution policy as defined in the Article 35, Paragraph 2 of the Articles of Incorporation, MFLP-REIT executes the distribution of cash in excess of retained earnings (return of capital applicable to distribution reducing unitholders' capital for tax purposes) each fiscal period on a continuous basis.</p> <p>Based on this policy, for the fiscal period ended July 31, 2019, MFLP-REIT declared the distribution of ¥259,615,000, which is calculated as being almost equivalent to the remaining amount after subtracting the distribution of earnings of ¥2,202,369,000 from ¥2,462,214,609 or 70% of FFO (funds from operation), as distribution of cash in excess of retained earnings (return of capital applicable to distribution reducing unitholders' capital for tax purposes).</p>
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Note:

MFLP-REIT may execute cash distribution in excess of distributable amount, in an amount it determines within a scope not to exceed the limit stipulated in the rules and requirements imposed by the Investment Trusts Association, Japan, when MFLP-REIT considers it appropriate, given such factors as economic environment, trends in the real estate market or leasing market, the situation surrounding owned assets and the financial condition. In addition, in case that any cash distribution fails to meet the statutory requirements for special tax treatment for investment corporations, MFLP-REIT may execute cash distribution in excess of distributable amount, in an amount it determines to meet the statutory requirements.

(5) Statements of Cash Flows

(Thousands of yen)

	5th period (From August 1, 2018 to January 31, 2019)	6th period (From February 1, 2019 to July 31, 2019)
Cash flows from operating activities		
Income before income taxes	1,520,653	2,203,454
Depreciation and amortization	773,409	1,316,061
Amortization of investment unit issuance expenses	–	18,722
Interest income	(14)	(18)
Interest expenses	36,026	59,004
Decrease (increase) in operating accounts receivable	97,313	(249,039)
Decrease (increase) in prepaid expenses	538	(8,222)
Decrease (increase) in long-term prepaid expenses	(8,278)	(15,258)
Decrease (increase) in consumption taxes receivable	513,340	(2,161,465)
Increase (decrease) in operating accounts payable	157,601	15,191
Increase (decrease) in accounts payable	33,966	144,133
Increase (decrease) in advances received	32,233	279,396
Other, net	(502)	(9,491)
Subtotal	3,156,287	1,592,466
Interest income received	14	18
Interest expenses paid	(36,038)	(58,902)
Income taxes paid	(885)	(932)
Net cash provided by (used in) operating activities	3,119,376	1,532,649
Cash flows from investing activities		
Purchase of property and equipment in trust	(5,460,010)	(53,760,799)
Repayments of tenant leasehold and security deposits in trust	(46,583)	(60,770)
Proceeds from tenant leasehold and security deposits in trust	134,001	1,097,303
Net cash provided by (used in) investing activities	(5,372,593)	(52,724,267)
Cash flows from financing activities		
Proceeds from short-term loans payable	3,100,000	12,700,000
Repayments of short-term loans payable	(2,100,000)	(8,900,000)
Proceeds from long-term loans payable	3,000,000	15,000,000
Proceeds from issuance of investment units	–	35,183,174
Payment of distribution of earnings	(1,443,990)	(1,518,873)
Payment of distribution in excess of retained earnings	(87,979)	(84,562)
Net cash provided by (used in) financing activities	2,468,029	52,379,739
Net increase (decrease) in cash and cash equivalents	214,812	1,188,122
Cash and cash equivalents at beginning of period	2,757,046	2,971,858
Cash and cash equivalents at end of period	2,971,858	4,159,980

(6) Notes to Going Concern Assumption

Not applicable.

(7) Notes to Significant Accounting Policies

1. Method of depreciation and amortization of non-current assets	<p>(1) Property and equipment (including those in trust)</p> <p>Amortization of property and equipment is calculated using the straight-line method over the estimated useful lives. The useful lives of principal property and equipment are as follows:</p> <table border="0"><tr><td>Buildings:</td><td>2 to 59 years</td></tr><tr><td>Structures:</td><td>8 to 50 years</td></tr><tr><td>Machinery and equipment:</td><td>14 to 17 years</td></tr><tr><td>Vehicles:</td><td>4 years</td></tr><tr><td>Tools, furniture and fixtures:</td><td>5 to 15 years</td></tr></table> <p>(2) Intangible assets</p> <p>Amortization of intangible assets is calculated using the straight-line method over the estimated useful lives.</p> <p>Amortization of software for internal use is calculated using the straight-line method over the estimated useful lives of five years at MFLP-REIT.</p>	Buildings:	2 to 59 years	Structures:	8 to 50 years	Machinery and equipment:	14 to 17 years	Vehicles:	4 years	Tools, furniture and fixtures:	5 to 15 years
Buildings:	2 to 59 years										
Structures:	8 to 50 years										
Machinery and equipment:	14 to 17 years										
Vehicles:	4 years										
Tools, furniture and fixtures:	5 to 15 years										
2. Accounting method for deferred assets	<p><i>Investment unit issuance expenses</i></p> <p>Investment unit issuance expenses are amortized using the straight-line method over a three-year period.</p>										
3. Recognition of revenues and expenses	<p><i>Taxes on property and equipment</i></p> <p>With respect to property taxes, city planning taxes and depreciable asset taxes imposed on real estate properties or trust beneficiary interests in real estate, of the tax amount assessed and determined, the amount corresponding to the relevant fiscal period is accounted for as property-related expenses.</p> <p>Of the amounts paid for the acquisitions of real estate properties or trust beneficiary interests in real estate, the amount equivalent to property-related taxes is capitalized as part of the acquisition cost of the relevant property instead of being charged as expenses.</p> <p>Capitalized property-related taxes amounted to ¥1,526 thousand for the 5th period and ¥264,449 thousand for the 6th period.</p>										
4. Scope of cash and cash equivalents in the statements of cash flows	<p>Cash and cash equivalents in the statements of cash flows consist of cash on hand and cash in trust, readily-available bank deposits, readily-available bank deposits in trust and short-term investments that are readily convertible to cash and realizable with a maturity of three months or less when purchased and that are subject to an insignificant risk of changes in value.</p>										
5. Other significant information for preparation of financial statements	<p>(1) Trust beneficiary interests in real estate</p> <p>As to trust beneficiary interests in real estate that have real estate properties as assets in trust, all accounts of assets and liabilities within assets in trust as well as all income generated and expenses incurred from assets in trust are recorded in the relevant balance sheet and statement of income account items.</p> <p>The following material items of the assets in trust recorded in the relevant account items are separately presented in the accompanying balance sheets.</p> <ul style="list-style-type: none">i) Cash and deposits in trustii) Buildings in trust, structures in trust, machinery and equipment in trust, vehicles and transport equipment in trust, tools, furniture and fixtures in trust and land in trustiii) Construction in progress in trustiv) Tenant leasehold and security deposits in trust <p>(2) Consumption taxes</p> <p>Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.</p>										

(8) Notes to Financial Statements

[Notes to Statements of Income]

*1. Components of operating income from property leasing

	(Thousands of yen)			
	5th period (From August 1, 2018 to January 31, 2019)		6th period (From February 1, 2019 to July 31, 2019)	
A. Property leasing business revenues				
Property-related revenues				
Rental revenues	3,026,801		4,587,276	
Common area charges	108,799	3,135,601	178,855	4,766,132
Other revenues related to property leasing				
Utilities charges	105,030		143,571	
Parking lots	8,746		18,247	
Others	31,555	145,331	41,168	202,987
Total property leasing business revenues		3,280,932		4,969,119
B. Property leasing business expenses				
Property-related expenses				
Outsourcing service expenses	178,765		284,400	
Utilities expenses	96,567		136,929	
Repair expenses	20,247		45,700	
Taxes and dues	257,608		332,697	
Depreciation and amortization	772,289		1,314,941	
Others	12,659		19,864	
Total property leasing business expenses		1,338,137		2,134,534
C. Operating income from property leasing [A-B]		1,942,794		2,834,585

*2. Transactions with major unitholders

	(Thousands of yen)	
	5th period (From August 1, 2018 to January 31, 2019)	6th period (From February 1, 2019 to July 31, 2019)
Operating transactions:		
Operating revenues	109,537	167,340
Operating expenses	70,817	121,311
Non-operating transactions:		
Purchase of trust beneficiary interests in real estate	88,426	33,786,303

*3. Disaster recovery expenses comprise the recovery expenses corresponding to the insurance received for damage from natural disasters as a result of the typhoons, etc. that occurred in 2018.

[Notes to Investment and Rental Properties]

MFLP-REIT owns logistics facilities and industrial properties for the purpose of earning rental income. The carrying amount, net changes in the carrying amount during the periods and fair value of these investment and rental properties are as follows:

	(Thousands of yen)	
	5th period (From August 1, 2018 to January 31, 2019)	6th period (From February 1, 2019 to July 31, 2019)
Carrying amount		
Balance at beginning of period	96,664,568	101,324,687
Changes during the period	4,660,118	52,436,996
Balance at end of period	101,324,687	153,761,683
Balance at end of period	112,140,000	167,640,000

Notes:

1. The carrying amount represents acquisition cost less accumulated depreciation.
2. Changes in the carrying amount during the 5th period consisted of the increase mainly attributable to acquisition of trust beneficiary interests in real estate for one property (¥5,395,942 thousand), and the decrease mainly attributable to depreciation (¥772,289 thousand). Changes in the carrying amount during the 6th period consisted of the increase mainly attributable to acquisition of trust beneficiary interests in real estate for six properties (¥53,665,177 thousand), and the decrease mainly attributable to depreciation (¥1,314,941 thousand).
3. The fair value at the end of the period represents the appraisal value or surveyed value by external real estate appraisers.

Information about income and loss from investment and rental properties is stated in “Notes to Statements of Income.”

[Notes to Segment and Related Information]

1. Segment Information

Segment information has been omitted as MFLP-REIT engages in a single segment of the real estate leasing business.

2. Related information

5th period (From August 1, 2018 to January 31, 2019)

(1) Information by product and service

Disclosure of this information has been omitted as revenues from external customers in a single product and service category exceed 90% of the total operating revenues on the statements of income.

(2) Information by geographical area

i) Operating revenues

Disclosure of this information has been omitted as revenues from external customers in Japan exceed 90% of the total operating revenues on the statements of income.

ii) Property and equipment

Disclosure of this information has been omitted as the amount of property and equipment located in Japan exceeds 90% of the total amount of property and equipment on the balance sheets.

(3) Information on major tenant

Disclosure of this information has been omitted because there is no tenant whose operating revenues makes up 10% or more of total operating revenues.

6th period (From February 1, 2019 to July 31, 2019)

(1) Information by product and service

Disclosure of this information has been omitted as revenues from external customers in a single product and service category exceed 90% of the total operating revenues on the statements of income.

(2) Information by geographical area

i) Operating revenues

Disclosure of this information has been omitted as revenues from external customers in Japan exceed 90% of the total operating revenues on the statements of income.

ii) Property and equipment

Disclosure of this information has been omitted as the amount of property and equipment located in Japan exceeds 90% of the total amount of property and equipment on the balance sheets.

(3) Information on major tenant

(Thousands of yen)

Tenant name	Operating revenues	Related segment
Japan Logistic Systems Corp.	Not disclosed (Note)	Real estate leasing business

(Note)

Not disclosed, because consent regarding disclosure of rent, etc. has not been obtained from the tenant.

[Notes to Per Unit Information]

	5th period (From August 1, 2018 to January 31, 2019)	6th period (From February 1, 2019 to July 31, 2019)
Net assets per unit	¥279,292	¥288,349
Net income per unit	¥5,783	¥5,823

Notes:

- Net income per unit is calculated by dividing net income by the daily weighted average number of investment units outstanding during the period. Diluted net income per unit is not stated because there are no dilutive investment units.

2. The basis for calculating net income per unit is as follows:

	5th period (From August 1, 2018 to January 31, 2019)	6th period (From February 1, 2019 to July 31, 2019)
Net income (thousands of yen)	1,519,723	2,202,508
Amount not attributable to common unitholders (thousands of yen)	—	—
Net income attributable to common investment units (thousands of yen)	1,519,723	2,202,508
Average number of investment units for the period (unit)	262,774	378,206

[Notes to Significant Subsequent Events]

Not applicable.

[Omission of disclosure]

The notes to balance sheets, statements of changes in net assets, statements of cash flows, lease transactions, financial instruments, securities, derivative transactions, transactions with related parties, tax effect accounting, retirement benefits and asset retirement obligations have been omitted as the necessity to disclose them in the financial results report is deemed slight.

(9) Changes in Total Number of Investment Units Issued and Outstanding

The following are the changes in the total number of investment units issued and outstanding and unitholders' capital, net, since the establishment of MFLP-REIT.

Date	Description	Total number of investment units issued and outstanding (units)		Unitholders' capital, net (Note 1) (millions of yen)		Remarks
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
March 4, 2016	Establishment through private placement	600	600	300	300	(Note 2)
June 15, 2016	Split of investment units	600	1,200	–	300	(Note 3)
August 1, 2016	Capital increase through public offering	212,800	214,000	55,445	55,745	(Note 4)
August 29, 2016	Capital increase through third-party allotment	10,000	224,000	2,605	58,350	(Note 5)
April 21, 2017	Distribution of cash in excess of retained earnings (return of capital)	–	224,000	(54)	58,296	(Note 6)
October 13, 2017	Distribution of cash in excess of retained earnings (return of capital)	–	224,000	(45)	58,250	(Note 7)
February 1, 2018	Capital increase through public offering	38,000	262,000	13,495	71,745	(Note 8)
February 28, 2018	Capital increase through third-party allotment	774	262,774	274	72,020	(Note 9)
April 23, 2018	Distribution of cash in excess of retained earnings (return of capital)	–	262,774	(61)	71,958	(Note 10)
October 19, 2018	Distribution of cash in excess of retained earnings (return of capital)	–	262,774	(88)	71,870	(Note 11)
February 1, 2019	Capital increase through public offering	110,700	373,474	33,617	105,488	(Note 12)
February 27, 2019	Capital increase through third-party allotment	5,526	379,000	1,678	107,166	(Note 13)
April 23, 2019	Distribution of cash in excess of retained earnings (return of capital)	–	379,000	(84)	107,081	(Note 14)

Notes:

- “Unitholders' capital, net” is the amount of “Unitholders' capital” less “Deduction from unitholders' capital.”
- MFLP-REIT was established at an issue price of ¥500,000 per unit.
- A two-for-one split of investment units was conducted on June 15, 2016 as the effective date.
- New investment units were issued through public offering at an issue price of ¥270,000 (paid-in amount of ¥260,550) per unit mainly for the purpose of procuring funds for acquisition of new properties.
- New investment units were issued with Daiwa Securities Co. Ltd. as the allottee at a paid-in amount of ¥260,550 per unit.
- By resolution of the Board of Directors of MFLP-REIT at its meeting held on March 16, 2017, distribution of cash in excess of retained earnings (return of capital) of ¥243 per unit was declared as distribution of cash for the 1st fiscal period (fiscal period ended January 31, 2017), the payout of which commenced on April 21, 2017.
- By resolution of the Board of Directors of MFLP-REIT at its meeting held on September 13, 2017, distribution of cash in excess of retained earnings (return of capital) of ¥204 per unit was declared as distribution of cash for the 2nd fiscal period (fiscal period ended July 31, 2017), the payout of which commenced on October 13, 2017.

8. New investment units were issued through public offering at an issue price of ¥367,581 (paid-in amount of ¥355,139) per unit mainly for the purpose of procuring funds for acquisition of new properties.
9. New investment units were issued with Daiwa Securities Co. Ltd. as the allottee at a paid-in amount of ¥355,139 per unit.
10. By resolution of the Board of Directors of MFLP-REIT at its meeting held on March 15, 2018, distribution of cash in excess of retained earnings (return of capital) of ¥275 per unit was declared as distribution of cash for the 3rd fiscal period (fiscal period ended January 31, 2018), the payout of which commenced on April 23, 2018.
11. By resolution of the Board of Directors of MFLP-REIT at its meeting held on September 14, 2018, distribution of cash in excess of retained earnings (return of capital) of ¥335 per unit was declared as distribution of cash for the 4th fiscal period (fiscal period ended July 31, 2018), the payout of which commenced on October 19, 2018.
12. New investment units were issued through public offering at an issue price of ¥313,986 (paid-in amount of ¥303,680) per unit mainly for the purpose of procuring funds for acquisition of new properties.
13. New investment units were issued with Daiwa Securities Co. Ltd. as the allottee at a paid-in amount of ¥303,680 per unit.
14. By resolution of the Board of Directors of MFLP-REIT at its meeting held on March 15, 2019, distribution of cash in excess of retained earnings (return of capital) of ¥322 per unit was declared as distribution of cash for the 5th fiscal period (fiscal period ended January 31, 2019), the payout of which commenced on April 23, 2019.

3. Reference Information

(1) Status of Investment

Type of asset	Use	Geographic classification (Note 1)	5th period (As of January 31, 2019)		6th period (As of July 31, 2019)	
			Total amount held (millions of yen) (Note 2)	As a percentage of total assets (%) (Note 3)	Total amount held (millions of yen) (Note 2)	As a percentage of total assets (%) (Note 3)
Real estate in trust (Note 4) (Note 5)	Logistics facilities	Tokyo metropolitan area	86,736	82.9	107,851	67.1
		Kansai area	4,333	4.1	4,290	2.7
		Other areas	8,131	7.8	29,485	18.4
	Subtotal		99,201	94.8	141,627	88.1
	Industrial real estate (Note 6)	Tokyo metropolitan area	2,123	2.0	12,133	7.6
		Kansai area	—	—	—	—
		Other areas	—	—	—	—
	Subtotal		2,123	2.0	12,133	7.6
	Real estate in trust total			101,324	96.9	153,761
Deposits and other assets			3,267	3.1	6,920	4.3
Total assets			104,591	100.0	160,681	100.0

	5th period (As of January 31, 2019)		6th period (As of July 31, 2019)	
	Amount (millions of yen)	As a percentage of total assets (%) (Note 3)	Amount (millions of yen)	As a percentage of total assets (%) (Note 3)
Total liabilities	31,201	29.8	51,397	32.0
Total net assets	73,390	70.2	109,284	68.0

Notes:

- “Tokyo metropolitan area” refers to Tokyo, Kanagawa Prefecture, Chiba Prefecture, Saitama Prefecture and Ibaraki Prefecture. “Kansai area” refers to Osaka Prefecture, Kyoto Prefecture, Hyogo Prefecture, Nara Prefecture and Shiga Prefecture.
- “Total amount held” is based on the carrying amount (for real estate in trust, the book value after depreciation and amortization) as at the end of each accounting period, rounded down to the nearest million yen.
- “As a percentage of total assets” is rounded to the first decimal place.
- “Real estate in trust” refers to real estate of trust beneficiary interests that have mainly real estate in trust.
- For real estate in trust, the amount does not include the amount of construction in progress in trust.
- “Industrial real estate” refers to data centers, communications facilities, research facilities, factories, supply and treatment facilities, and other real estate serving as corporate bases. The same shall apply hereinafter.

(2) Investment Assets

i) Major investment securities

Not applicable.

ii) Investment properties

Real estate trust beneficiary interests held by MFLP-REIT are included in the below section “iii) Other investment assets.”

iii) Other major investment assets

(A) Summary of the assets held

The following summarizes the real estate in trust held by MFLP-REIT.

a. List of portfolio

The property names, addresses, acquisition dates, acquisition prices, acquisition price ratios, book values and appraisal values of the portfolio assets are as follows.

Category	Property no.	Property name	Location	Acquisition date	Acquisition price (millions of yen) (Note 1)	Acquisition price ratio (Note 2)	Book value (millions of yen)	Appraisal value (millions of yen) (Note 3)
Logistics facilities	L-1	GLP/MFLP Ichikawa Shiohama (Note 4)	Ichikawa-shi, Chiba	September 1, 2016	15,500	9.9	15,127	17,350
	L-2	MFLP Kuki	Kuki-shi, Saitama	August 2, 2016	12,500	8.0	11,945	14,000
	L-3	MFLP Yokohama Daikoku (Note 4)	Yokohama-shi, Kanagawa	August 2, 2016	10,100	6.4	9,780	10,600
	L-4	MFLP Yashio	Yashio-shi, Saitama	August 2, 2016	9,650	6.2	9,347	10,900
	L-5	MFLP Atsugi	Aiko-gun, Kanagawa	August 2, 2016	7,810	5.0	7,489	8,720
	L-6	MFLP Funabashi Nishiura	Funabashi-shi, Chiba	August 2, 2016	6,970	4.4	6,706	7,740
	L-7	MFLP Kashiwa	Kashiwa-shi, Chiba	August 2, 2016	6,300	4.0	6,050	6,960
	L-8	MFLP Sakai (Note 4)	Sakai-shi, Osaka	August 2, 2016	4,500	2.9	4,290	4,880
	L-9	MFLP Komaki (Note 5)	Komaki-shi, Aichi	August 4, 2017	8,260	5.3	8,042	8,540
	L-10	MFLP Hino (Note 4, 6)	Hino-shi, Tokyo	February 2, 2018	12,533	8.0	12,468	12,600
	L-11	MFLP Hiratsuka	Hiratsuka-shi, Kanagawa	March 15, 2018	7,027	4.5	6,947	7,150
	L-12	MFLP Tsukuba (Note 7)	Tsukubamirai-shi, Ibaraki	December 3, 2018	8,781	5.6	8,887	10,100
	L-13	MFLP Inazawa	Inazawa-shi, Aichi	February 4, 2019	16,200	10.3	16,176	16,400
	L-14	MFLP Atsugi II	Isehara-shi, Kanagawa	February 4, 2019	13,100	8.4	13,100	13,500
	L-15	MFLP Fukuoka I (Note 8)	Sue-machi, Kasuya-gun, Fukuoka	February 4, 2019	5,263	3.4	5,265	5,400
Logistics facilities total					144,494	92.2	141,627	154,840
Industrial real estate	I-1	MFIP Inzai (Note 9)	Inzai-shi, Chiba	August 2, 2016	12,220	7.8	12,133	12,800
	Industrial real estate total					12,220	7.8	12,133
Total					156,714	100.0	153,761	167,640

Notes:

- “Acquisition price” is the purchase price of each trust beneficiary interest as set forth in the agreement for sale and purchase of trust beneficiary interest of the assets held by MFLP-REIT, rounded down to the nearest million yen. The transaction price does not include consumption tax and local consumption tax or the various costs required in the acquisition.
- “Acquisition price ratio” is the portfolio asset acquisition price share of MFLP-REIT of the total acquisition price rounded to the first decimal place.
- “Appraisal value” is the value in the real estate appraisal reports as of the valuation date of July 31, 2019. The appraisal of each asset held is entrusted to Japan Real Estate Institute, The Tanizawa Sōgō Appraisal Co., Ltd., Daiwa Real Estate Appraisal Co., Ltd. and CBRE K.K.

4. For GLP/MFLP Ichikawa Shiohama, MFLP Yokohama Daikoku, MFLP Sakai and MFLP Hino, acquisition price, book value and appraisal value are the prorated figures equivalent to the quasi co-ownership interest in each property that MFLP-REIT has acquired (50%, 50%, 20% and 25%, respectively).
5. 40% quasi co-ownership in MFLP Komaki was acquired on August 4, 2017, and 60% quasi co-ownership was additionally acquired on February 2, 2018, but the acquisition date lists the initial date of acquisition of the property.
6. 15% quasi co-ownership in MFLP Hino was acquired on February 2, 2018, and 10% quasi co-ownership was additionally acquired on February 4, 2019, but the acquisition date lists the initial date of acquisition of the property.
7. 60% quasi co-ownership in MFLP Tsukuba was acquired on December 3, 2018, and 40% quasi co-ownership was additionally acquired on March 1, 2019, but the acquisition date lists the initial date of acquisition of the property.
8. 81% quasi co-ownership in MFLP Fukuoka I was acquired on February 4, 2019, and 19% quasi co-ownership was additionally acquired on April 5, 2019, but the acquisition date lists the initial date of acquisition of the property.
9. 20% quasi co-ownership in MFIP Inzai was acquired on August 2, 2016 and 80% quasi co-ownership was additionally acquired on February 4, 2019, but the acquisition date lists the initial date of acquisition of the property.

b. Summary of buildings

The property names, property types, site areas, total floor areas, completion dates and building ages of the portfolio assets are as follows.

Category	Property no.	Property name	Property type (Note 1)	Site area (m ²) (Note 2)	Total floor area (m ²) (Note 2)	Construction completed (Note 3)	Building age (years) (Note 4)
Logistics facilities	L-1	GLP/MFLP Ichikawa Shiohama (Note 5)	Rampway MFLP	52,887	105,019 (52,509)	January 14, 2014	5.5
	L-2	MFLP Kuki	Slope MFLP	35,037	73,153	July 7, 2014	5.1
	L-3	MFLP Yokohama Daikoku (Note 5)	Rampway MFLP	47,974	100,530 (50,265)	April 14, 2009	10.3
	L-4	MFLP Yashio	Box MFLP	23,422	40,728	March 24, 2014	5.4
	L-5	MFLP Atsugi	Slope MFLP	20,522	40,942	March 13, 2015	4.4
	L-6	MFLP Funabashi Nishiura	Box MFLP	15,518	30,947	February 6, 2015	4.5
	L-7	MFLP Kashiwa	Box MFLP	15,484	31,242	November 30, 2015	3.7
	L-8	MFLP Sakai (Note 5)	Rampway MFLP	57,792	125,127 (25,025)	September 11, 2014	4.9
	L-9	MFLP Komaki	Slope MFLP	23,484	40,597	January 31, 2017	2.5
	L-10	MFLP Hino (Note 5)	Rampway MFLP	97,579	205,200 (51,300)	October 16, 2015	3.8
	L-11	MFLP Hiratsuka	Box MFLP	16,398	33,061	November 30, 2016	2.7
	L-12	MFLP Tsukuba	Box MFLP	45,605	Existing building: 37,027 Annex building: 25,457	Existing building: June 30, 2010 Annex building: March 30, 2018	Existing building: 9.1 Annex building: 1.3
	L-13	MFLP Inazawa	Slope MFLP	35,074	72,883	May 31, 2017	2.2
	L-14	MFLP Atsugi II	Slope MFLP	25,991	48,976	April 27, 2018	1.3
	L-15	MFLP Fukuoka I	Box MFLP	20,093	32,199	October 12, 2016	2.8
	Logistics facilities total (average) (Note 5)			532,866	1,043,095 (686,318)	–	4.4
Industrial real estate	I-1	MFIP Inzai	Data center	25,000	40,478	February 28, 2014	5.4
	Industrial real estate total (average) (Note 5)			25,000	40,478	–	5.4
Total (average) (Note 5)				557,866	1,083,574 (726,796)	–	4.5

Notes:

- Property types are as follows: Rampway MFLPs are properties that are logistics facilities that provide spiral rampways that allow delivery trucks to directly access each of the upper-floor truck berths (hereinafter “Rampway MFLP”), Slope MFLPs are properties that are logistics facilities that provide slopes that allow delivery trucks to directly access some of the upper-floor truck berths (hereinafter “Slope MFLP”), and Box MFLPs are properties that are logistics facilities that allow delivery trucks to access truck berths located on the ground floor and are equipped with vertical conveyors for delivery to upper floors (hereinafter “Box MFLP”). For Industrial real estate, a specific usage is described in the “Property type” of the building.
- “Site area” and “Total floor area” are rounded down to the nearest whole number based upon presentations in the registers for the land or buildings in the portfolio assets of MFLP-REIT. “Total floor area” is the total floor area for main buildings and ancillary buildings. If there is more than one main building, “Total floor area” represents the total floor area for each main building. For MFLP Tsukuba, total floor area for existing buildings is in the upper section and that for added buildings is in the lower section.
- “Construction completed” is the date of construction of the main building of each asset held by MFLP-REIT in the register. If there is more than one main building, the construction completed is the oldest date shown in the register. For MFLP Tsukuba, completion dates for existing buildings are in the upper section and those for added buildings are in the lower section.
- “Building age” is the age from the date of completion in the register for the main building in the portfolio asset of MFLP-REIT to July 31, 2019, rounded to the first decimal place. Sections for totals (averages) and sections for totals (averages) in each category describe the weighted average values based on total floor taking into consideration the quasi co-ownership interest in each property. For MFLP Tsukuba, building ages for existing buildings are in the upper section and those for added buildings are in the lower section.
- Total floor areas for GLP/MFLP Ichikawa Shiohama, MFLP Yokohama Daikoku, MFLP Sakai and MFLP Hino in parentheses are the prorated figures equivalent to the quasi co-ownership interest in each property that MFLP-REIT holds (50%, 50%, 20% and 25%, respectively). Sections for totals and sections for totals in each category for “Total floor area” contain in parentheses total values or total values in each category under “Total floor area” for each portfolio asset taking into consideration the quasi co-ownership interest in each property.

c. Status of portfolio asset collateral

Not applicable.

(B) Summary of lease

a. Summary of lease

The property names, leasable areas, leased areas, occupancy rates, number of tenants, names of main tenants, annual rents, tenant leasehold / security deposits, average lease periods and average remaining lease periods of the portfolio assets are as follows.

Category	Property no.	Property name	Leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (tenants) (Note 4)	Name of main tenant (Note 5)	Annual rent (millions of yen) (Note 6)	Tenant leasehold/ security deposits (millions of yen) (Note 7)	Average lease period (Average remaining lease period) (years) (Note 8, 9)
Logistics facilities	L-1	GLP/MFLP Ichikawa Shiohama (Note 10)	50,813	50,813	100.0	5	Rakuten, Inc.	862	123	6.9 (2.1)
	L-2	MFLP Kuki	67,925	67,925	100.0	3	KOKUBU SHUTOKEN CORP.	820	310	6.6 (3.0)
	L-3	MFLP Yokohama Daikoku (Note 10)	47,929	47,929	100.0	5	ACROSS TRANSPORT Corp.	661	233	6.5 (1.9)
	L-4	MFLP Yashio	39,692	39,692	100.0	2	e-LogiT co., ltd.	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)
	L-5	MFLP Atsugi	40,958	40,958	100.0	1	Sun Toshi Tatemono Kabushiki Kaisha	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)
	L-6	MFLP Funabashi Nishiura	31,034	31,034	100.0	1	DAIWA CORPORATION., Ltd.	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)
	L-7	MFLP Kashiwa	31,291	31,291	100.0	1	Hitachi Transport System Metropolitan Co., Ltd.	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)
	L-8	MFLP Sakai (Note 10)	22,429	22,429	100.0	8	BIC CAMERA INC.	295	105	7.3 (5.2)
	L-9	MFLP Komaki	40,605	40,605	100.0	1	KIMURA UNITY CO., LTD.	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)
	L-10	MFLP Hino (Note 10)	46,801	46,801	100.0	16	Celestica Japan K.K.	692	240	5.9 (3.1)
	L-11	MFLP Hiratsuka	33,055	33,055	100.0	Not disclosed (Note 11)	Nippon Express Co., Ltd.	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)
	L-12	MFLP Tsukuba	Existing building: 37,938 Annex building: 25,600	Existing building: 37,938 Annex building: 25,600	100.0	1	MARUBENI LOGISTICS CORPORATION	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)
	L-13	MFLP Inazawa	68,922	68,922	100.0	2	Japan Logistic Systems Corp.	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)
	L-14	MFLP Atsugi II	48,032	48,032	100.0	2	Japan Logistic Systems Corp.	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)
	L-15	MFLP Fukuoka I	32,216	32,216	100.0	1	Sagawa Global Logistics Co., Ltd.	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)
	Subtotal (average)		665,246	665,246	100.0	Not disclosed (Note 11)	–	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)

Category	Property no.	Property name	Leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (tenants) (Note 4)	Name of main tenant (Note 5)	Annual rent (millions of yen) (Note 6)	Tenant leasehold/security deposits (millions of yen) (Note 7)	Average lease period (Average remaining lease period) (years) (Note 8, 9)
Industrial real estate	I-1	MFIP Inzai	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)
	Subtotal (average)		Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)	–	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)
Total (average)			Not disclosed (Note 11)	Not disclosed (Note 11)	100.0	Not disclosed (Note 11)	–	9,357	3,009	7.0 (3.8)

Notes:

- “Leasable area” is the total floor area (rounded down to the nearest whole number) of each asset held by MFLP-REIT that is deemed to be leasable based on the lease agreement or floor plan, etc. for such building as of July 31, 2019, and does not include the leased area indicated in the lease agreements concerning shops, vending machines, photovoltaic power generation facilities, parking lots, nursery centers and the like.
- “Leased area” is the total leased area rounded down to the nearest whole number presented in the lease agreements for buildings in the portfolio assets of MFLP-REIT as of July 31, 2019 (Excluding lease agreements concerning shops, vending machines, photovoltaic power generation facilities and parking lots. Lease agreements for said buildings hereinafter referred to as “Subject Lease Agreements” in (B)). If a master lease agreement has been executed for assets held by MFLP-REIT, the total leased area represents the sum total of the area that is actually leased based on the Subject Lease Agreement signed with end-tenant rounded down to the nearest whole number. Total leased area is calculated based on the assumption that the subject property is actually leased if the Subject Lease Agreement has been executed as of July 31, 2019 even if there is no occupancy / delivery relating to the subject property as of July 31, 2019.
- “Occupancy rate” is the share of the leased area of the buildings in the leasable area for said buildings in the real estate in trust in lease agreements concluded for properties as of July 31, 2019, rounded to the first decimal place. Occupancy rates for the subtotal (average) section and total (average) section are the share of the total leased area of the properties of the total leasable area of said properties, rounded to the first decimal place.
- “Number of tenants” is the total number of Subject Lease Agreements. If a master lease agreement has been signed for the assets held by MFLP-REIT, the total number of end-tenants will be indicated. However, if one lessee enters into a multiple number of the Subject Lease Agreements for the same building of assets held by MFLP-REIT, the number of tenants is calculated on the assumption that such lessee is one party.
- “Name of main tenant” is the name of the tenant with the largest leased floor area in the Subject Lease Agreement.
- “Annual rent” represents the annualized amount of rent (the sum of annualized amounts of rent if a multiple number of lease agreements have been executed), which is 12 times monthly rent indicated in the Subject Lease Agreement, rounded down to the nearest million yen. However, if there are different provisions for monthly rent depending on the time period in the Subject Lease Agreement, the monthly rent (including common area expenses) for July 2019 shown in said lease agreement is the basis of the calculation. The rent-free periods and annual rent holiday periods (meaning that the payment of rents for specific months is exempted) as of the date shall not be included.
- “Tenant leasehold/security deposits” represent the sum of the outstanding amounts of tenant leasehold/security deposits (the sum of the outstanding amounts of tenant leasehold/security deposits if a multiple number of lease agreements have been executed), rounded down to the nearest million yen, shown in the Subject Lease Agreement. However, if there are different provisions for the sum of outstanding leasehold/security deposits depending on the time period in each Subject Lease Agreement, the sum of the amount of tenant leasehold/security deposits for July 2019 shown in the lease agreement is the basis of the calculation.
- “Average lease period” is calculated by weight averaging the lease periods presented in the Subject Lease Agreements with rents and rounded to the first decimal place. Concerning the Subject Lease Agreements, when a new lease agreement (hereinafter, referred to as “re-contract”) starting on the day immediately following the expiration date (including the case of cancellation, the same applies hereinafter) of the respective lease agreement is concluded with the same lessee in the Subject Lease Agreements as of July 31, 2019, lease period is deemed to be from the start of the initial lease agreement to the expiration date of the re-contract, and used in the calculation as such.
- “Average remaining lease period” is calculated by weight averaging the lease periods remaining from July 31, 2019 based upon the Subject Lease Agreements with rents and rounded to the first decimal place. Concerning the Subject Lease Agreements, when the re-contract is concluded with the same lessee as of July 31, 2019, the remaining period shall be calculated assuming that the lease period continues from July 31, 2019 to the expiration date of the re-contract.
- For GLP/MFLP Ichikawa Shiohama, MFLP Yokohama Daikoku, MFLP Sakai and MFLP Hino, leasable area, leased area, annual rent and tenant leasehold/security deposits are the prorated figures equivalent to the quasi co-ownership interest in each property that MFLP-REIT holds (50%, 50%, 20% and 25%, respectively).
- Not disclosed, because consent has not been obtained from the lessee.

b. Occupancy rate trends

Trends in portfolio asset occupancy rates as at the end of each accounting period are as follows.

(%)

Category	Property no.	Property name	Occupancy rate (Note 1)				
			1st period (From March 4, 2016 to January 31, 2017)	2nd period (From February 1, 2017 to July 31, 2017)	3rd period (From August 1, 2017 to January 31, 2018)	4th period (From February 1, 2018 to July 31, 2018)	5th period (From August 1, 2018 to January 31, 2019)
Logistics facilities	L-1	GLP/MFLP Ichikawa Shiohama	100.0	100.0	100.0	100.0	100.0
	L-2	MFLP Kuki	100.0	100.0	100.0	100.0	100.0
	L-3	MFLP Yokohama Daikoku	100.0	100.0	100.0	100.0	100.0
	L-4	MFLP Yashio	100.0	100.0	100.0	100.0	100.0
	L-5	MFLP Atsugi	100.0	100.0	100.0	100.0	100.0
	L-6	MFLP Funabashi Nishiura	100.0	100.0	100.0	100.0	100.0
	L-7	MFLP Kashiwa	100.0	100.0	100.0	100.0	100.0
	L-8	MFLP Sakai	100.0	100.0	100.0	100.0	100.0
	L-9	MFLP Komaki	–	–	100.0	100.0	100.0
	L-10	MFLP Hino	–	–	–	100.0	100.0
	L-11	MFLP Hiratsuka	–	–	–	100.0	100.0
	L-12	MFLP Tsukuba	–	–	–	–	100.0
	L-13	MFLP Inazawa	–	–	–	–	–
	L-14	MFLP Atsugi II	–	–	–	–	–
	L-15	MFLP Fukuoka I	–	–	–	–	–
	Subtotal (average)		100.0	100.0	100.0	100.0	100.0
Industrial real estate	I-1	MFIP Inzai	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note 2)
	Subtotal (average)		Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note 2)
Total (average)			100.0	100.0	100.0	100.0	100.0

(%)

Category	Property no.	Property name	Occupancy rate (Note 1)
			6th period (From February 1, 2019 to July 31, 2019)
Logistics facilities	L-1	GLP/MFLP Ichikawa Shiohama	100.0
	L-2	MFLP Kuki	100.0
	L-3	MFLP Yokohama Daikoku	100.0
	L-4	MFLP Yashio	100.0
	L-5	MFLP Atsugi	100.0
	L-6	MFLP Funabashi Nishiura	100.0
	L-7	MFLP Kashiwa	100.0
	L-8	MFLP Sakai	100.0
	L-9	MFLP Komaki	100.0
	L-10	MFLP Hino	100.0
	L-11	MFLP Hiratsuka	100.0
	L-12	MFLP Tsukuba	100.0
	L-13	MFLP Inazawa	100.0
	L-14	MFLP Atsugi II	100.0
	L-15	MFLP Fukuoka I	100.0
Subtotal (average)			100.0
Industrial real estate	I-1	MFIP Inzai	Not disclosed (Note 2)
	Subtotal (average)		Not disclosed (Note 2)
Total (average)			100.0

Notes:

1. "Occupancy rate" is the share of the leased area of the buildings in the leasable area for said buildings in the real estate in trust in lease agreements concluded for properties at the end of each accounting period, rounded to the first decimal place. Occupancy rates for the subtotal (average) section and total (average) section are the share of the total leased area of the properties of the total leasable area of said properties, rounded to the first decimal place.
2. Not disclosed, because consent has not been obtained from the lessee.

c. Information on major real estates and other properties

The following is an overview of the real estates held whose annual rent makes up 10% or more of the total annual rent for the entire portfolio as of July 31, 2019.

Property name	Annual rent (millions of yen) (Note 1)	Rent ratio (%) (Note 2)
MFLP Inazawa	Not disclosed (Note 3)	Not disclosed (Note 3)
Total	Not disclosed (Note 3)	Not disclosed (Note 3)

Notes:

1. "Annual rent" represents the annualized amount of rent (the sum of annualized amounts of rent if a multiple number of lease agreements have been executed), which is 12 times monthly rent (including common service fees) indicated in the Subject Lease Agreements for buildings in the portfolio assets as of July 31, 2019, rounded down to the nearest million yen. If a master lease agreement has been concluded based upon said portfolio assets, this is calculated based upon lease agreements with the end-tenants. However, if there are different provisions for monthly rent depending on the time period in the subject lease agreement, the monthly rent (including common area expenses) for July 2019 shown in the lease agreement is the basis of the calculation. The rent-free periods and annual rent holiday periods (meaning that the payment of rents for specific months is exempted) as of July 31, 2019 shall not be included.
2. "Rent ratio" is the ratio of the annual rent of said property to the total of annual rents for the entire portfolio rounded to the first decimal place.
3. Not disclosed, because consent has not been obtained from the lessee.

d. Information about main tenant

Status of leasing to tenants of the assets held with a leased area of 10% or more of the total leased area for the entire portfolio as of July 31, 2019 (including end-tenants for assets with a pass-through master lease agreement concluded or to be concluded, but not including master lease companies concluding or planning to conclude said master lease agreements) is as follows:

Name of tenant	Industry in which the tenant operates (Note 1)	Leased area (m ²) (Note 2)
Japan Logistic Systems Corp.	Special motor truck transportation industry	77,028

Notes:

1. "Industry in which the tenant operates" is an industry in which the tenant operates according to research by Tokyo Shoko Research, Ltd., or in accordance with classification of industry by Japan Standard Industrial Classification of the Ministry of Internal Affairs and Communications.
2. "Leased area" is the total leased area to respective main tenants as of July 31, 2019, presented in the lease agreements for buildings in the portfolio assets, rounded down to the nearest whole number. The leased area is calculated based on the assumption that the property is actually leased if the said lease agreement has been executed as of July 31, 2019 even if there is no occupancy/delivery relating to the subject property as of July 31, 2019.

(C) Capital expenditures of real estate held

a. Schedule of capital expenditures

Of the capital expenditures accompanying renovations, etc. currently planned for real estate and real estate in trust of real estate trust beneficiary interests held by MFLP-REIT, the following are the major planned amounts. There may be cases where the planned construction amount ends up being in part expensed in accounting instead of being capitalized.

Name of real estate, etc.	Location	Purpose	Scheduled time	Planned construction amount (millions of yen) (Note)		
				Total amount	Amount paid during period	Total amount already paid
GLP/MFLP Ichikawa Shiohama	Ichikawa-shi, Chiba	Replacement of electric power meter	From April 2020 to April 2020	3	–	–
MFLP Kuki	Kuki-shi, Saitama	Replacement of equipment of access management facilities	From September 2019 to January 2020	5	–	–
MFLP Kuki	Kuki-shi, Saitama	Replacement of surveillance cameras	From March 2020 to July 2020	11	–	–
MFLP Kuki	Kuki-shi, Saitama	Installation of smoking room air conditioning equipment	From March 2020 to July 2020	3	–	–
MFLP Kuki	Kuki-shi, Saitama	Installation of bird netting	From April 2020 to July 2020	3	–	–
MFLP Kuki	Kuki-shi, Saitama	Replacement of main vertical conveyor chain (1st stage)	From May 2020 to July 2020	3	–	–
MFLP Kuki	Kuki-shi, Saitama	Replacement of main vertical conveyor chain (2nd stage)	From May 2020 to July 2020	4	–	–
MFLP Yokohama Daikoku	Yokohama-shi, Kanagawa	Exterior wall painting (Section 5)	From July 2019 to December 2019	49	–	–
MFLP Yokohama Daikoku	Yokohama-shi, Kanagawa	Replacement of heads of foam fire extinguishing system	From September 2019 to November 2019	8	–	–
MFLP Yokohama Daikoku	Yokohama-shi, Kanagawa	Installation of additional security cameras	From October 2019 to November 2019	22	–	–
MFLP Yokohama Daikoku	Yokohama-shi, Kanagawa	Exterior wall painting (Section 6)	From January 2020 to June 2020	49	–	–
MFLP Yokohama Daikoku	Yokohama-shi, Kanagawa	Replacement of heads of foam fire extinguishing system	From March 2020 to May 2020	8	–	–
MFLP Yashio	Yashio-shi, Saitama	Replacement of power conditioners for photovoltaic power generation facilities	From March 2020 to March 2020	6	–	–

Note:

For “GLP/MFLP Ichikawa Shiohama” and “MFLP Yokohama Daikoku,” planned construction amount are the prorated figures equivalent to the quasi co-ownership interest in each property that MFLP-REIT holds (50% and 50%, respectively).

b. Capital expenditures during period

The following summarizes the major construction work falling under capital expenditures conducted during the fiscal period under review for real estate, etc. held by MFLP-REIT. Capital expenditures in the fiscal period under review amounted to ¥86 million and, other than this, there was ¥45 million in repair expenses categorized as operating expenses in the fiscal period under review.

Name of real estate, etc.	Location	Purpose	Period	Construction amount (millions of yen) (Note)
MFLP Yokohama Daikoku	Yokohama-shi, Kanagawa	Exterior wall painting (Section 4)	From January 2019 to June 2019	48
MFLP Yokohama Daikoku	Yokohama-shi, Kanagawa	Replacement of heads of foam fire extinguishing system	From May 2019 to June 2019	8
MFLP Yashio	Yashio-shi, Saitama	Replacement of equipment of access management facilities	From July 2019 to July 2019	4
MFLP Yashio	Yashio-shi, Saitama	Replacement of electricity meter	From July 2019 to July 2019	4
MFLP Hino	Hino-shi, Tokyo	Construction for expansion of bicycle parking	From June 2019 to July 2019	4
Other capital expenditures				15
Total				86

Note:

For “MFLP Yokohama Daikoku,” and “MFLP Hino,” construction amount are the prorated figures equivalent to the quasi co-ownership interest in each property that MFLP-REIT holds (50% and 25%, respectively).

c. Cash reserves for long-term repair and maintenance plans

Not applicable.

(D) Status of individual asset earnings

(Thousands of yen)

Property no.	L-1	L-2	L-3	L-4	L-5
Name	GLP/MFLP Ichikawa Shiohama	MFLP Kuki	MFLP Yokohama Daikoku	MFLP Yashio	MFLP Atsugi
Management period	From February 1, 2019 to July 31, 2019				
Number of days of management	181 days				
(A) Property leasing business revenues	489,587	479,424	351,161	Not disclosed (Note)	Not disclosed (Note)
Real estate leasing business revenues	456,785	444,700	331,517		
Other revenues related to property leasing	32,801	34,723	19,644		
(B) Property leasing business expenses	95,800	115,381	102,909		
Outsourcing service expenses	35,304	33,441	28,409		
Utilities expenses	17,606	25,173	15,658		
Repair expenses	2,817	11,594	17,927		
Taxes and dues	38,442	42,921	39,303		
Various costs required	1,630	2,250	1,611		
(C) NOI (=A-B)	393,786	364,042	248,252		
(D) Depreciation and amortization	80,008	107,459	85,054	62,695	63,668
(E) Operating income from property leasing (=C-D)	313,777	256,583	163,197	196,871	162,645

Property no.	L-6	L-7	L-8	L-9	L-10
Name	MFLP Funabashi Nishiura	MFLP Kashiwa	MFLP Sakai	MFLP Komaki	MFLP Hino
Management period	From February 1, 2019 to July 31, 2019	From February 1, 2019 to July 31, 2019	From February 1, 2019 to July 31, 2019	From February 1, 2019 to July 31, 2019	From February 1, 2019 to July 31, 2019
Number of days of management	181 days				
(A) Property leasing business revenues	Not disclosed (Note)	Not disclosed (Note)	165,058	Not disclosed (Note)	379,590
Real estate leasing business revenues			132,598		354,366
Other revenues related to property leasing			32,460		25,224
(B) Property leasing business expenses			43,513		75,385
Outsourcing service expenses			18,601		28,633
Utilities expenses			4,807		20,058
Repair expenses			2,674		1,558
Taxes and dues	16,819	23,447			
Various costs required	610	1,687			
(C) NOI (=A-B)	187,004	173,392	121,544	213,110	304,205
(D) Depreciation and amortization	50,309	50,079	43,902	88,592	87,812
(E) Operating income from property leasing (=C-D)	136,694	123,313	77,642	124,518	216,392

Property no.	L-11	L-12	L-13	L-14	L-15
Name	MFLP Hiratsuka	MFLP Tsukuba	MFLP Inazawa	MFLP Atsugi II	MFLP Fukuoka I
Management period	From February 1, 2019 to July 31, 2019	From February 1, 2019 to July 31, 2019	From February 4, 2019 to July 31, 2019	From February 4, 2019 to July 31, 2019	From February 4, 2019 to July 31, 2019
Number of days of management	181 days	181 days	178 days	178 days	178 days
(A) Property leasing business revenues Real estate leasing business revenues Other revenues related to property leasing					
(B) Property leasing business expenses Outsourcing service expenses Utilities expenses Repair expenses Taxes and dues Various costs required	Not disclosed (Note)				
(C) NOI (=A-B)	172,115	259,700	464,374	326,026	110,287
(D) Depreciation and amortization	51,028	89,089	181,165	113,772	52,659
(E) Operating income from property leasing (=C-D)	121,086	170,610	283,209	212,254	57,627

Property no.	I-1	Total
Name	MFIP Inzai	
Management period	From February 1, 2019 to July 31, 2019	
Number of days of management	181 days	
(A) Property leasing business revenues	Not disclosed (Note)	4,969,119
Real estate leasing business revenues		4,766,132
Other revenues related to property leasing		202,987
(B) Property leasing business expenses		819,592
Outsourcing service expenses		284,400
Utilities expenses		136,929
Repair expenses		45,700
Taxes and dues		332,697
Various costs required		19,864
(C) NOI (=A-B)		325,804
(D) Depreciation and amortization	107,643	1,314,941
(E) Operating income from property leasing (=C-D)	218,160	2,834,585

Note:

Not disclosed, because consent has not been obtained from the tenants.