

10th Fiscal Period Asset Management Report

Mitsui Fudosan Logistics Park Inc.

6-8-7 Ginza, Chuo-ku, Tokyo

From: February 1, 2021
To: July 31, 2021

I. To Our Unitholders

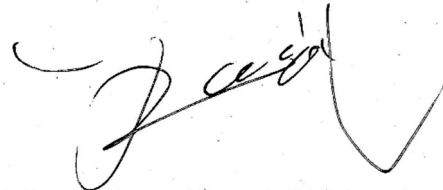
Mitsui Fudosan Logistics Park Inc. (MFLP-REIT), which listed on the Tokyo Stock Exchange Real Estate Investment Trust (REIT) Market on August 2, 2016, has ended its 10th fiscal period in July 2021 with smooth sailing, achieving increased revenue, increased profit, and increased distributions for nine consecutive fiscal periods.

I would like to convey my sincere appreciation to you, our unitholders, for your continued support of MFLP-REIT.

In Japan, while the economy continues to face challenging conditions due to the effects of the novel coronavirus disease (COVID-19) inside and outside Japan, the underlying trend is that of a recovery. Currently, aside from the lingering effect from COVID-19 on the consumption of services, there are concerns over a temporary slowing of exports and production due to restricted supply. However, now that the effect from COVID-19 is gradually subsiding due to the roll-out of vaccines, the economy is expected to head towards recovery, receiving additional boosts from increasing external demand, accommodative financial conditions, and the government's economic measures.

In the logistics market, with the 3PL business specializing in outsourced logistics services continuing to expand, spending by consumers staying at home has fueled the expansion of the size of the e-commerce market, and efforts to respond to this have led to increased demand for leading-edge logistics facilities and the leasing market has proceeded robustly. We are expecting that there will continue to be stable demand for such logistics facilities, but we will pay considerable attention to the effects from COVID-19.

Going forward, MFLP-REIT will ensure appropriate and effective operation in order to boost unitholder value. I ask our unitholders for their continued support and cooperation.



Yukio Yoshida, President and Chief Executive Officer
Mitsui Fudosan Logistics REIT Management Co., Ltd.

II. Asset Management Report

1. Overview of Asset Management

(1) Management and other performance highlights of the investment corporation

Fiscal period		10th period (From February 1, 2021 to July 31, 2021)	9th period (From August 1, 2020 to January 31, 2021)	8th period (From February 1, 2020 to July 31, 2020)	7th period (From August 1, 2019 to January 31, 2020)	6th period (From February 1, 2019 to July 31, 2019)
Operating revenues	(millions of yen)	9,267	8,139	6,363	5,064	4,969
[Of which: Property leasing business revenues]	(millions of yen)	[9,267]	[8,139]	[6,363]	[5,064]	[4,969]
Operating expenses	(millions of yen)	5,332	4,353	3,482	2,748	2,650
[Of which: Property leasing business expenses]	(millions of yen)	[4,337]	[3,471]	[2,816]	[2,175]	[2,134]
Operating income	(millions of yen)	3,935	3,786	2,881	2,315	2,318
Ordinary income	(millions of yen)	3,708	3,580	2,735	2,238	2,203
Net income	(millions of yen)	3,708	3,579	2,734	2,237	2,202
Total assets	(millions of yen)	296,103	285,205	208,243	157,023	160,681
[Period-on-period change]	(%)	[3.8]	[37.0]	[32.6]	[(2.3)]	[53.6]
Net assets	(millions of yen)	187,508	187,747	139,026	109,060	109,284
[Period-on-period change]	(%)	[(0.1)]	[35.0]	[27.5]	[(0.2)]	[48.9]
Interest-bearing debt	(millions of yen)	99,400	88,300	62,900	42,900	46,800
Unitholders' capital, net (Note 3)	(millions of yen)	183,800	184,168	136,292	106,822	107,081
Total number of investment units issued and outstanding	(units)	542,000	542,000	441,000	379,000	379,000
Net assets per unit	(yen)	345,956	346,398	315,253	287,758	288,349
Net income per unit (Note 4)	(yen)	6,841	7,074	6,215	5,904	5,823
Total amount of distributions	(millions of yen)	4,236	3,947	3,076	2,495	2,461
Distribution per unit	(yen)	7,816	7,283	6,977	6,584	6,496
[Of which: Distribution of earnings per unit]	(yen)	[6,842]	[6,604]	[6,200]	[5,905]	[5,811]
[Of which: Distribution in excess of retained earnings per unit]	(yen)	[974]	[679]	[777]	[679]	[685]
Ratio of ordinary income to total assets (Note 5)	(%)	1.3	1.5	1.5	1.4	1.7
[Annualized]	(%)	[2.6]	[2.9]	[3.0]	[2.8]	[3.4]
Return on equity (Note 5)	(%)	2.0	2.2	2.2	2.0	2.4
[Annualized]	(%)	[4.0]	[4.3]	[4.4]	[4.1]	[4.9]
Equity ratio at end of period (Note 5)	(%)	63.3	65.8	66.8	69.5	68.0
[Period-on-period change]		[(2.5)]	[(0.9)]	[(2.7)]	[1.4]	[(2.2)]
Payout ratio (Note 5)	(%)	100.0	100.0	100.0	100.0	100.0
Other reference information						
Number of days of asset management during period	(days)	181	184	182	184	181
Number of investment properties at end of period	(properties)	21	20	18	16	16
Occupancy rate at end of period (Note 6)	(%)	100.0	100.0	100.0	99.1	100.0
Depreciation and amortization (Note 7)	(millions of yen)	2,344	2,059	1,661	1,326	1,314
Capital expenditures	(millions of yen)	110	178	77	91	86
Net operating income (NOI) from property leasing (Note 5)	(millions of yen)	7,274	6,727	5,208	4,215	4,149
Funds from operations (FFO) (Note 5)	(millions of yen)	6,052	5,639	4,395	3,564	3,517
FFO per unit (Note 5)	(yen)	11,166	10,404	9,967	9,405	9,280

Ratio of interest-bearing debt to total assets at end of period (LTV ratio) (Note 5)	(%)	33.6	31.0	30.2	27.3	29.1
--	-----	------	------	------	------	------

(Note 1) Operating revenues, etc. do not include consumption taxes.

(Note 2) Unless otherwise specified, any numerical figures are rounded down to the nearest specified unit and percentage figures are rounded to the first decimal place.

(Note 3) “Unitholders’ capital, net” is the amount of “Unitholders’ capital” less “Deduction from unitholders’ capital.”

(Note 4) “Net income per unit” is calculated by dividing net income by the daily weighted average number of investment units. Diluted net income per unit is not stated because there are no dilutive investment units.

(Note 5) The following formulas are used in calculations.

Ratio of ordinary income to total assets	$\text{Ordinary income} \div \{(\text{Total assets at beginning of period} + \text{Total assets at end of period}) \div 2\} \times 100$
Return on equity	$\text{Net income} \div \{(\text{Net assets at beginning of period} + \text{Net assets at end of period}) \div 2\} \times 100$
Equity ratio at end of period	$\text{Net assets at end of period} \div \text{Total assets at end of period} \times 100$
Payout ratio	Distribution per unit (excluding distribution in excess of retained earnings) \div Net income per unit $\times 100$ (rounded to the first decimal place) Payout ratios for the 6th fiscal period, the 8th fiscal period and the 9th fiscal period are calculated by the following formula, because new investment units were issued. $\text{Total amount of distribution (excluding distribution in excess of retained earnings)} \div \text{Net income} \times 100$
Net operating income (NOI) from property leasing	Property leasing business revenues – Property leasing business expenses + Depreciation and amortization
Funds from operations (FFO)	Net income + Depreciation and amortization of rental properties + Loss on retirement of non-current assets \pm Gain (Loss) on sales of real estate properties
FFO per unit	$\text{FFO} \div \text{Total number of investment units issued and outstanding}$
Ratio of interest-bearing debt to total assets at end of period (LTV ratio)	$\text{Interest-bearing debt at end of period} \div \text{Total assets at end of period} \times 100$

(Note 6) “Occupancy rate at end of period” is leased area of the building expressed as a percentage of leasable area of the building of each real estate in trust on each lease agreement concluded for each property as at the end of the fiscal period, rounded to the first decimal place.

(Note 7) “Depreciation and amortization” is depreciation and amortization of investment and rental property.

(2) Developments in management of assets in the fiscal period under review

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 21 properties amounting to a total acquisition price of ¥297.6 billion as at the end of the fiscal period under review.

ii) Investment environment and management performance

In Japan, while the economy continues to face challenging conditions due to the effects of the novel coronavirus disease (COVID-19) inside and outside Japan, the underlying trend is that of a recovery. Capital investment has been showing a trend of improvement except for weakness seen in certain industries. However, as the effects of COVID-19 continue, weak trends persisted in the employment and income environments. Private consumption is at a standstill due to strong downward pressure on service consumption such as bar and restaurant and lodging services. 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, while it cannot be denied that the spread of COVID-19 may have a negative effect on the future logistics market, the demand for leading-edge logistics facilities is expected to continue to increase.

Under such circumstances, upholding 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”), MFLP-REIT has conducted steady management of the 21 properties held as at the end of the fiscal period under review (total acquisition price of ¥297.6 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

In the fiscal period under review, MFLP-REIT executed debt financing of ¥15,500 million (short-term loans payable of ¥3,500 million; long-term loans payable of ¥12,000 million) in March 2021 to fund the acquisition of MFIP Inzai II; ¥5,900 million (short-term loans payable) in February 2021 to repay short-term loans payable; ¥4,000 million (short-term loans payable) in April 2021 to pay out distributions; and ¥2,000 million (short-term loans payable) in May 2021 to repay short-term loans payable, and executed repayments of a total of ¥19,300 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. Furthermore, in February 2021, MFLP-REIT raised ¥3,000 million through the issuance of 1st Unsecured Bonds (Special pari passu conditions among specified investment corporation bonds) (Sustainability Bonds). As a result, at the end of the fiscal period under review, the balance of interest-bearing debt was ¥99,400 million (short-term loans payable of ¥2,000 million; current portion of long-term loans payable of ¥1,900 million; investment corporation bonds of ¥3,000 million; long-term loans payable of ¥92,500 million) and the ratio of interest-bearing debt to total assets (LTV ratio) was 33.6%.

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-	Positive

(Note) Regarding the long-term issuer rating of MFLP-REIT, Japan Credit Rating Agency, Ltd. (JCR) changed the rating details from “AA-” to “AA” and the outlook from “Positive” to “Stable” on September 15, 2021.

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 ¥9,267 million, operating income of ¥3,935 million, ordinary income of ¥3,708 million, and net income of ¥3,708 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 ¥3,708,364,000, which is the integral multiple of the total number of investment units issued and outstanding (542,000 units) of unappropriated retained earnings. Accordingly, MFLP-REIT declared distribution of earnings per unit of ¥6,842.

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 ¥527 million, which is the amount almost equivalent to the remaining amount after subtracting the distribution of earnings of ¥3,708 million from ¥4,236 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 ¥974.

(Note 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 by MFLP-REIT 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.

(Note 2) "FFO" is an acronym for funds from operation 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.).

(Note 3) "Standard amount of capital for building maintenance" refers to the amount that results by multiplying the six-month-equivalent amount of the 12-year-average amount of the amount equivalent to the capital expenditure amount noted in the Building Condition Evaluation Report by two.

(Note 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

(3) Status of capital increase, etc.

The following are the changes in the total number of investment units issued and outstanding and unitholders' capital, net, for the most recent five years.

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	
August 1, 2016	Capital increase through public offering	212,800	214,000	55,445	55,745	(Note 2)
August 29, 2016	Capital increase through third-party allotment	10,000	224,000	2,605	58,350	(Note 3)
April 21, 2017	Distribution of cash in excess of retained earnings (return of capital)	—	224,000	(54)	58,296	(Note 4)
October 13, 2017	Distribution of cash in excess of retained earnings (return of capital)	—	224,000	(45)	58,250	(Note 5)
February 1, 2018	Capital increase through public offering	38,000	262,000	13,495	71,745	(Note 6)
February 28, 2018	Capital increase through third-party allotment	774	262,774	274	72,020	(Note 7)
April 23, 2018	Distribution of cash in excess of retained earnings (return of capital)	—	262,774	(61)	71,958	(Note 8)
October 19, 2018	Distribution of cash in excess of retained earnings (return of capital)	—	262,774	(88)	71,870	(Note 9)
February 1, 2019	Capital increase through public offering	110,700	373,474	33,617	105,488	(Note 10)
February 27, 2019	Capital increase through third-party allotment	5,526	379,000	1,678	107,166	(Note 11)
April 23, 2019	Distribution of cash in excess of retained earnings (return of capital)	—	379,000	(84)	107,081	(Note 12)
October 15, 2019	Distribution of cash in excess of retained earnings (return of capital)	—	379,000	(259)	106,822	(Note 13)
February 3, 2020	Capital increase through public offering	59,000	438,000	28,289	135,111	(Note 14)
February 27, 2020	Capital increase through third-party allotment	3,000	441,000	1,438	136,549	(Note 15)
April 23, 2020	Distribution of cash in excess of retained earnings (return of capital)	—	441,000	(257)	136,292	(Note 16)
October 5, 2020	Capital increase through public offering	96,190	537,190	45,922	182,214	(Note 17)
October 19, 2020	Capital increase through third-party allotment	4,810	542,000	2,296	184,510	(Note 18)

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	
October 21, 2020	Distribution of cash in excess of retained earnings (return of capital)	—	542,000	(342)	184,168	(Note 19)
April 22, 2021	Distribution of cash in excess of retained earnings (return of capital)	—	542,000	(368)	183,800	(Note 20)
October 12, 2021	Distribution of cash in excess of retained earnings (return of capital)	—	542,000	(527)	183,272	(Note 21)

(Note 1) "Unitholders' capital, net" is the amount of "Unitholders' capital" less "Deduction from unitholders' capital."

(Note 2) 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.

(Note 3) Accompanying the public offering, new investment units were issued through third-party allotment at a paid-in amount of ¥260,550 per unit.

(Note 4) 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 applicable to distribution reducing unitholders' capital for tax purposes) 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.

(Note 5) 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 applicable to distribution reducing unitholders' capital for tax purposes) 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.

(Note 6) 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.

(Note 7) Accompanying the public offering, new investment units were issued through third-party allotment at a paid-in amount of ¥355,139 per unit.

(Note 8) 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 applicable to distribution reducing unitholders' capital for tax purposes) 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.

(Note 9) 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 applicable to distribution reducing unitholders' capital for tax purposes) 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.

(Note 10) 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.

(Note 11) Accompanying the public offering, new investment units were issued through third-party allotment at a paid-in amount of ¥303,680 per unit.

(Note 12) 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 applicable to distribution reducing unitholders' capital for tax purposes) 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.

(Note 13) By resolution of the Board of Directors of MFLP-REIT at its meeting held on September 13, 2019, distribution of cash in excess of retained earnings (return of capital applicable to distribution reducing unitholders' capital for tax purposes) of ¥685 per unit was declared as distribution of cash for the 6th fiscal period (fiscal period ended July 31, 2019), the payout of which commenced on October 15, 2019.

(Note 14) New investment units were issued through public offering at an issue price of ¥495,747 (paid-in amount of ¥479,476) per unit mainly for the purpose of procuring funds for acquisition of new properties.

(Note 15) Accompanying the public offering, new investment units were issued through third-party allotment at a paid-in amount of ¥479,476 per unit.

(Note 16) By resolution of the Board of Directors of MFLP-REIT at its meeting held on March 13, 2020, distribution of cash in excess of retained earnings (return of capital applicable to distribution reducing unitholders' capital for tax purposes) of ¥679 per unit was declared as distribution of cash for the 7th fiscal period (fiscal period ended January 31, 2020), the payout of which commenced on April 23, 2020.

(Note 17) New investment units were issued through public offering at an issue price of ¥493,350 (paid-in amount of ¥477,411) per unit mainly for the purpose of procuring funds for acquisition of new properties.

(Note 18) Accompanying the public offering, new investment units were issued through third-party allotment at a paid-in amount of ¥477,411 per unit.

(Note 19) By resolution of the Board of Directors of MFLP-REIT at its meeting held on September 16, 2020, distribution of cash in excess of retained earnings (return of capital applicable to distribution reducing unitholders' capital for tax purposes) of ¥777 per unit was declared as distribution of cash for the 8th fiscal period (fiscal period ended July 31, 2020), the payout of which commenced on October 21, 2020.

(Note 20) By resolution of the Board of Directors of MFLP-REIT at its meeting held on March 12, 2021, distribution of cash in excess of retained earnings (return of capital applicable to distribution reducing unitholders' capital for tax purposes) of ¥679 per unit was declared as distribution of cash for the 9th fiscal period (fiscal period ended January 31, 2021), the payout of which commenced on April 22, 2021.

(Note 21) By resolution of the Board of Directors of MFLP-REIT at its meeting held on September 14, 2021, distribution of cash in excess of retained earnings

(return of capital applicable to distribution reducing unitholders' capital for tax purposes) of ¥974 per unit was declared as distribution of cash for the 10th fiscal period (fiscal period ended July 31, 2021), the payout of which commenced on October 12, 2021.

[Historical market price of investment securities]

The following are the highest and lowest prices (closing price) by fiscal period on the Tokyo Stock Exchange Real Estate Investment Trust Securities Market on which MFLP-REIT investment securities are listed.

Fiscal period	10th period (From February 1, 2021 to July 31, 2021)	9th period (From August 1, 2020 to January 31, 2021)	8th period (From February 1, 2020 to July 31, 2020)	7th period (From August 1, 2019 to January 31, 2020)	6th period (From February 1, 2019 to July 31, 2019)
Highest (yen)	627,000	596,000	577,000	534,000	396,000
Lowest (yen)	467,000	478,500	336,000	395,500	325,500

(4) Distribution

The following is the distribution, etc. performance up to the fiscal period under review.

Fiscal period		10th period (From February 1, 2021 to July 31, 2021)	9th period (From August 1, 2020 to January 31, 2021)	8th period (From February 1, 2020 to July 31, 2020)	7th period (From August 1, 2019 to January 31, 2020)	6th period (From February 1, 2019 to July 31, 2019)
Total amount of unappropriated retained earnings	(thousands of yen)	3,708,373	3,579,722	2,734,419	2,238,074	2,202,626
Retained earnings	(thousands of yen)	9	354	219	79	257
Total amount of distribution of cash	(thousands of yen)	4,236,272	3,947,386	3,076,857	2,495,336	2,461,984
[Distribution per unit]	(yen)	[7,816]	[7,283]	[6,977]	[6,584]	[6,496]
Of which: Total amount of distribution of earnings	(thousands of yen)	3,708,364	3,579,368	2,734,200	2,237,995	2,202,369
[Distribution of earnings per unit]	(yen)	[6,842]	[6,604]	[6,200]	[5,905]	[5,811]
Of which: Total amount of return of capital	(thousands of yen)	527,908	368,018	342,657	257,341	259,615
[Return of capital per unit]	(yen)	[974]	[679]	[777]	[679]	[685]
Of total amount of return of capital: Total amount of distribution from allowance for temporary difference adjustment	(thousands of yen)	—	—	—	—	—
[Of return of capital per unit: Distribution from allowance for temporary difference adjustment per unit]	(yen)	—	—	—	—	—
Of total amount of return of capital: Total amount of distribution from distribution reducing unitholders' capital for tax purposes	(thousands of yen)	527,908	368,018	342,657	257,341	259,615
[Of return of capital per unit: Distribution from distribution reducing unitholders' capital for tax purposes]	(yen)	[974]	[679]	[777]	[679]	[685]

(Note) For a summary of MFLP-REIT's distribution policy and distributions for the fiscal period under review, please refer to "(2) Developments in management of assets in the fiscal period under review; iv) Summary of business performance and distributions" presented earlier in this document.

(5) 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.

i) 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.

(Note 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.”

(Note 2) “Mitsui Fudosan Group” refers to a corporate group comprising Mitsui Fudosan, Mitsui Fudosan’s consolidated subsidiaries and Mitsui Fudosan’s associates accounted for using the equity method. The same shall apply hereinafter.

ii) Internal growth strategy

“Stable management using 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.

iii) 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).

(6) Significant subsequent events

Not applicable.

2. Overview of the Investment Corporation

(1) Status of investments in capital

Fiscal period	10th period (July 31, 2021)	9th period (January 31, 2021)	8th period (July 31, 2020)	7th period (January 31, 2020)	6th period (July 31, 2019)
Total number of investment units authorized (units)	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Total number of investment units issued and outstanding (units)	542,000	542,000	441,000	379,000	379,000
Unitholders' capital, net (Note) (millions of yen)	183,800	184,168	136,292	106,822	107,081
Number of unitholders (unitholders)	7,446	8,253	7,402	6,680	8,122

(Note) "Unitholders' capital, net" is the amount of "Unitholders' capital" less "Deduction from unitholders' capital."

(2) Major unitholders

Of the unitholders as of July 31, 2021, the following are the top ten unitholders in terms of investment unit-holding ratio.

Name	Number of investment units owned (units)	Number of investment units owned expressed as a percentage of total number of investment units issued and outstanding (%) (Note)
The Master Trust Bank of Japan, Ltd. (trust account)	89,474	16.50
Custody Bank of Japan, Ltd. (trust account)	64,228	11.85
Mitsui Fudosan Co., Ltd.	28,900	5.33
Custody Bank of Japan, Ltd. (securities investment trust account)	24,855	4.58
The Nomura Trust and Banking Co., Ltd. (investment trust account)	21,218	3.91
SSBTC Client Omnibus Account	12,606	2.32
Stichting PGGM Depository PGGM Listed Real Estate PF Fund	11,850	2.18
The Bank of New York Mellon 140044	10,653	1.96
State Street Bank West Client - Treaty 505234	7,421	1.36
State Street Bank and Trust Company 505103	7,186	1.32
Total	278,391	51.36

(Note) "Number of investment units owned expressed as a percentage of total number of investment units issued and outstanding" is rounded down to the second decimal places.

(3) Matters concerning directors, etc.

i) Executive director, supervisory directors and independent auditor in the fiscal period under review

Position	Name	Key concurrently-held position, etc.	Total amount of compensation by position for the applicable operating period (thousands of yen)
Executive director	Masayuki Isobe	—	2,400
Supervisory director	Izuru Goto	Attorney, City-Yuwa Partners Manager of Legal Division (part-time), Japan Virtual and Crypto assets Exchange Association	1,500
	Tadao Toyoshima	Director (Audit & Supervisory Committee Member), Square Enix Holdings Co., Ltd.	1,500
Independent auditor	KPMG AZSA LLC	—	10,000

(Note 1) None of the executive director or supervisory directors own MFLP-REIT investment units in their own name or in the name of others.

(Note 2) Supervisory directors may be directors of other corporations other than those stated above, but none of them, including those above, have any interest in MFLP-REIT.

(Note 3) The amount for the independent auditor represents the amount payable as compensation for the audit for the fiscal period under review, plus the compensation for the audit of English financial statements (¥2,200 thousand).

ii) Policy for deciding on dismissal and refusal of reappointment of the independent auditor

Decisions are made at a meeting of the Board of Directors of MFLP-REIT by taking into account the various circumstances in a comprehensive manner.

(4) Asset management company, custodian, and general administrators

The following are the asset management company, custodian and general administrators as of July 31, 2021.

Entrustment category	Name
Asset management company	Mitsui Fudosan Logistics REIT Management Co., Ltd.
Custodian	Sumitomo Mitsui Trust Bank, Limited
General administrator (transfer agent)	Sumitomo Mitsui Trust Bank, Limited
General administrator (institutional)	Sumitomo Mitsui Trust Bank, Limited
General administrator (administration related to investment corporation bonds)	Sumitomo Mitsui Banking Corporation
General administrator (accounting)	Reiwa Accounting Holdings Co., Ltd.
General administrator (tax payment)	Reiwakaikeisha Tax Corporation

3. Status of Assets under Management of the Investment Corporation

(1) Composition of assets of the investment corporation

Type of asset	Use	Geographic classification (Note 1)	10th period (As of July 31, 2021)		9th period (As of January 31, 2021)		
			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	137,881	46.6	138,849	48.7	
		Kansai area	81,415	27.5	82,020	28.8	
		Other areas	42,470	14.3	42,924	15.1	
	Subtotal		261,767	88.4	263,795	92.5	
	Industrial real estate (Note 6)	Tokyo metropolitan area	26,851	9.1	11,850	4.2	
		Kansai area	—	—	—	—	
		Other areas	—	—	—	—	
	Subtotal		26,851	9.1	11,850	4.2	
	Real estate in trust total			288,618	97.5	275,645	96.6
	Deposits and other assets			7,484	2.5	9,559	3.4
Total assets			296,103	100.0	285,205	100.0	

(Note 1) “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.

(Note 2) “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.

(Note 3) “As a percentage of total assets” is rounded to the first decimal place.

(Note 4) “Real estate in trust” refers to real estate of trust beneficiary interests that have mainly real estate in trust.

(Note 5) For real estate in trust, the amount does not include the amount of construction in progress in trust.

(Note 6) “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) Major assets held

The following summarizes the assets held by MFLP-REIT as of July 31, 2021.

Name of real estate, etc.	Book value (millions of yen)	Leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Occupancy rate (%) (Note 3)	As a percentage of total property leasing business revenues (%)	Main use
GLP/MFLP Ichikawa Shiohama (Note 4)	14,811	50,813	50,813	100.0	5.3	Logistics facilities
MFLP Kuki	11,557	67,925	67,925	100.0	5.2	Logistics facilities
MFLP Yokohama Daikoku (Note 4)	9,690	47,944	47,944	100.0	3.7	Logistics facilities
MFLP Yashio	9,114	39,692	39,692	100.0	Not disclosed (Note 5)	Logistics facilities
MFLP Atsugi	7,238	40,958	40,958	100.0	Not disclosed (Note 5)	Logistics facilities
MFLP Funabashi Nishiura	6,514	31,034	31,034	100.0	Not disclosed (Note 5)	Logistics facilities
MFLP Kashiwa	5,858	31,291	31,291	100.0	Not disclosed (Note 5)	Logistics facilities
MFLP Sakai	22,976	112,148	112,148	100.0	8.8	Logistics facilities
MFLP Komaki	7,692	40,605	40,605	100.0	Not disclosed (Note 5)	Logistics facilities
MFLP Hino (Note 4)	12,134	46,801	46,741	99.9	4.1	Logistics facilities
MFLP Hiratsuka	6,748	33,055	33,055	100.0	Not disclosed (Note 5)	Logistics facilities
MFLP Tsukuba	8,512	Existing building: 37,938 Annex building: 25,600	Existing building: 37,938 Annex building: 25,600	100.0	Not disclosed (Note 5)	Logistics facilities
MFLP Inazawa	15,461	68,922	68,922	100.0	Not disclosed (Note 5)	Logistics facilities
MFLP Atsugi II	12,648	48,032	48,032	100.0	Not disclosed (Note 5)	Logistics facilities
MFLP Fukuoka I	5,042	32,216	32,216	100.0	Not disclosed (Note 5)	Logistics facilities
MFLP Prologis Park Kawagoe (Note 4)	14,609	56,723	56,723	100.0	4.8	Logistics facilities

Name of real estate, etc.	Book value (millions of yen)	Leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Occupancy rate (%) (Note 3)	As a percentage of total property leasing business revenues (%)	Main use
MFLP Hiroshima I	14,273	66,665	66,665	100.0	5.5	Logistics facilities
MFLP Ibaraki	58,438	208,811	208,811	100.0	19.4	Logistics facilities
MFLP Kawaguchi I	18,443	48,119	48,119	100.0	Not disclosed (Note 5)	Logistics facilities
MFIP Inzai	11,752	Not disclosed (Note 5)	Not disclosed (Note 5)	Not disclosed (Note 5)	Not disclosed (Note 5)	Industrial real estate
MFIP Inzai II	15,098	30,906	30,906	100.0	Not disclosed (Note 5)	Industrial real estate
Total	288,618	Not disclosed (Note 5)	Not disclosed (Note 5)	100.0	100.0	

(Note 1) “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, 2021, 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.

(Note 2) “Leased area” is the total leased area rounded down to the nearest whole number presented in each lease agreement for buildings in each portfolio asset of MFLP-REIT as of July 31, 2021 (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 (2)). If a master lease agreement has been executed for each portfolio asset held by MFLP-REIT as of July 31, 2021, the total leased area represents the sum total of the area that is actually leased based on the 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, 2021 even if there is no occupancy / delivery relating to the subject property as of July 31, 2021.

(Note 3) “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 each property held by MFLP-REIT as of July 31, 2021, rounded to the first decimal place. Occupancy rates for the total 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.

(Note 4) For “GLP/MFLP Ichikawa Shiohama,” “MFLP Yokohama Daikoku,” “MFLP Hino” and “MFLP Prologis Park Kawagoe,” leasable area and leased area are the prorated figures equivalent to the quasi co-ownership interest in each property that MFLP-REIT holds as of July 31, 2021 (50%, 50%, 25% and 50%, respectively).

(Note 5) Not disclosed, because consent has not been obtained from the lessee.

(3) Real estate assets in portfolio

The following summarizes the assets held by MFLP-REIT as of July 31, 2021.

Name of real estate, etc.	Location	Form of ownership	Leasable area (m ²) (Note 1)	Appraisal value at end of period (millions of yen) (Note 2)	Book value at end of period (millions of yen)
GLP/MFLP Ichikawa Shiohama (Note 3)	1-6-3 Shiohama, Ichikawa-shi, Chiba	Real estate trust beneficiary interests	50,813	18,350	14,811
MFLP Kuki	1-10 Kiyokuchō, Kuki-shi, Saitama	Real estate trust beneficiary interests	67,925	14,700	11,557
MFLP Yokohama Daikoku (Note 3)	43-1 Daikokuchō, Tsurumi-ku, Yokohama-shi, Kanagawa	Real estate trust beneficiary interests	47,944	11,200	9,690
MFLP Yashio	99-1 Tsubutakita, Minamiuhiroya, Yashio-shi, Saitama	Real estate trust beneficiary interests	39,692	11,500	9,114
MFLP Atsugi	4021-1 Sakuradai, Nakatsu, Aikawamachi, Aiko-gun, Kanagawa	Real estate trust beneficiary interests	40,958	9,490	7,238
MFLP Funabashi Nishiura	3-10-13 Nishiura, Funabashi-shi, Chiba	Real estate trust beneficiary interests	31,034	8,000	6,514
MFLP Kashiwa	259-1 Mukaiwari, Aotashindentobichi, Kashiwa-shi, Chiba	Real estate trust beneficiary interests	31,291	7,190	5,858
MFLP Sakai	1-171 Chikkoyawatamachi, Sakai-ku, Sakai-shi, Osaka	Real estate trust beneficiary interests	112,148	26,100	22,976
MFLP Komaki	2020-1 Higashimae, Honjo, Komaki-shi, Aichi	Real estate trust beneficiary interests	40,605	8,930	7,692
MFLP Hino (Note 3)	3-1-2 Asahigaoka, Hino-shi, Tokyo	Real estate trust beneficiary interests	46,801	13,100	12,134
MFLP Hiratsuka	2-1544-5 Nishishindo, Hiratsuka-shi, Kanagawa	Real estate trust beneficiary interests	33,055	7,740	6,748
MFLP Tsukuba	3-35-2 and 3-35-3, Shihogaoka, Tsukubamirai-shi, Ibaraki	Real estate trust beneficiary interests	Existing building: 37,938 Annex building: 25,600	10,500	8,512
MFLP Inazawa	2-1 Okudaosawa-cho, Inazawa-shi, Aichi	Real estate trust beneficiary interests	68,922	17,500	15,461
MFLP Atsugi II	84-1 Happongi, Ishida, Isehara-shi, Kanagawa, and other 3 lots of land	Real estate trust beneficiary interests	48,032	14,200	12,648
MFLP Fukuoka I	16-10 Butsudo, Shinbaru, Sue-machi, Kasuya-gun, Fukuoka, and other 4 lots of land	Real estate trust beneficiary interests	32,216	5,850	5,042
MFLP Prologis Park Kawagoe (Note 3)	1-9-3 Minamidai, Kawagoe-shi, Saitama	Real estate trust beneficiary interests	56,723	15,950	14,609

Name of real estate, etc.	Location	Form of ownership	Leasable area (m ²) (Note 1)	Appraisal value at end of period (millions of yen) (Note 2)	Book value at end of period (millions of yen)
MFLP Hiroshima I	4-2876-26 Kanonshinmachi, Nishi-ku, Hiroshima-shi, Hiroshima	Real estate trust beneficiary interests	66,665	15,400	14,273
MFLP Ibaraki	4 Saito Akane, Ibaraki-shi, Osaka	Real estate trust beneficiary interests	208,811	63,000	58,438
MFLP Kawaguchi I	4-3342-1 Ryoke, Kawaguchi-shi, Saitama, and other 4 lots of land	Real estate trust beneficiary interests	48,119	19,100	18,443
Logistics facilities subtotal			1,135,300	297,800	261,767
MFIP Inzai	2-101-14 Izumino, Inzai-shi, Chiba	Real estate trust beneficiary interests	Not disclosed (Note 4)	13,000	11,752
MFIP Inzai II	2-101-11 Izumino, Inzai-shi, Chiba, and other 2 lots of land	Real estate trust beneficiary interests	30,906	15,500	15,098
Industrial real estate subtotal			Not disclosed (Note 4)	28,500	26,851
Total			Not disclosed (Note 4)	326,300	288,618

(Note 1) “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, 2021, 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.

(Note 2) “Appraisal value at end of period” is the appraisal value as of the valuation date of July 31, 2021 by real estate appraisers based on the asset valuation methods and standards set forth in the Articles of Incorporation of MFLP-REIT and the rules and requirements imposed by The Investment Trusts Association, Japan. 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.

(Note 3) For “GLP/MFLP Ichikawa Shiohama,” “MFLP Yokohama Daikoku,” “MFLP Hino” and “MFLP Prologis Park Kawagoe,” leasable area, appraisal value at end of period, and book value at end of period are the prorated figures equivalent to the quasi co-ownership interest in each property that MFLP-REIT holds as of July 31, 2021 (50%, 50%, 25% and 50%, respectively).

(Note 4) Not disclosed, because consent has not been obtained from the lessee.

The following is the status of leasing of real estate, etc. held by MFLP-REIT.

Name of real estate, etc.	10th period (From February 1, 2021 to July 31, 2021)				9th period (From August 1, 2020 to January 31, 2021)			
	Total number of tenants [at end of period] (Note 1)	Occupancy rate [at end of period] (%) (Note 2)	Property leasing business revenues [during period] (millions of yen)	As a percentage of total property leasing business revenues (%)	Total number of tenants [at end of period] (Note 1)	Occupancy rate [at end of period] (%) (Note 2)	Property leasing business revenues [during period] (millions of yen)	As a percentage of total property leasing business revenues (%)
GLP/MFLP Ichikawa Shiohama (Note 3)	5	100.0	494	5.3	5	100.0	488	6.0
MFLP Kuki	3	100.0	479	5.2	3	100.0	472	5.8
MFLP Yokohama Daikoku (Note 3)	4	100.0	341	3.7	4	100.0	337	4.2
MFLP Yashio	2	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	2	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
MFLP Atsugi	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
MFLP Funabashi Nishiura	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
MFLP Kashiwa	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
MFLP Sakai	8	100.0	814	8.8	8	100.0	813	10.0
MFLP Komaki	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
MFLP Hino (Note 3)	15	99.9	380	4.1	15	99.9	382	4.7
MFLP Hiratsuka	Not disclosed (Note 4)	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	Not disclosed (Note 4)	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
MFLP Tsukuba	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
MFLP Inazawa	2	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	2	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
MFLP Atsugi II	2	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	2	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
MFLP Fukuoka I	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
MFLP Prologis Park Kawagoe (Note 3)	10	100.0	448	4.8	10	100.0	449	5.5
MFLP Hiroshima I	4	100.0	507	5.5	4	100.0	486	6.0
MFLP Ibaraki	9	100.0	1,799	19.4	9	100.0	1,130	13.9
MFLP Kawaguchi I	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
Logistics facilities subtotal	Not disclosed (Note 4)	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	Not disclosed (Note 4)	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)

Name of real estate, etc.	10th period (From February 1, 2021 to July 31, 2021)				9th period (From August 1, 2020 to January 31, 2021)			
	Total number of tenants [at end of period] (Note 1)	Occupancy rate [at end of period] (%) (Note 2)	Property leasing business revenues [during period] (millions of yen)	As a percentage of total property leasing business revenues (%)	Total number of tenants [at end of period] (Note 1)	Occupancy rate [at end of period] (%) (Note 2)	Property leasing business revenues [during period] (millions of yen)	As a percentage of total property leasing business revenues (%)
MFIP Inzai	Not disclosed (Note 4)	Not disclosed (Note 4)	Not disclosed (Note 4)	Not disclosed (Note 4)	Not disclosed (Note 4)	Not disclosed (Note 4)	Not disclosed (Note 4)	Not disclosed (Note 4)
MFIP Inzai II	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	—	—	—	—
Industrial real estate subtotal	Not disclosed (Note 4)	Not disclosed (Note 4)	Not disclosed (Note 4)	Not disclosed (Note 4)	Not disclosed (Note 4)	Not disclosed (Note 4)	Not disclosed (Note 4)	Not disclosed (Note 4)
Total	Not disclosed (Note 4)	100.0	9,267	100.0	Not disclosed (Note 4)	100.0	8,139	100.0

(Note 1) “Total number of tenants” is the total number of the lease agreements for buildings in the portfolio assets held by MFLP-REIT as of each accounts settlement date. If a master lease agreement has been executed for each portfolio asset held by MFLP-REIT as of each accounts settlement date, it is the total number of the end-tenants. However, if one lessee enters into a multiple number of the Subject Lease Agreements for the same building of assets held by MFLP-REIT as of each accounts settlement date, the number of tenants is calculated on the assumption that such lessee is one party.

(Note 2) “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 each property held by MFLP-REIT as of each accounts settlement date, rounded to the first decimal place. Occupancy rates for the total 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.

(Note 3) For “GLP/MFLP Ichikawa Shiohama,” “MFLP Yokohama Daikoku,” “MFLP Hino” and “MFLP Prologis Park Kawagoe,” property leasing business revenues and figures expressed as a percentage of total property leasing business revenues are the prorated figures equivalent to the quasi co-ownership interest in each property that MFLP-REIT holds as of each accounts settlement date (50%, 50%, 25% and 50%, respectively).

(Note 4) Not disclosed, because consent has not been obtained from the lessee.

(4) Schedule of renewable energy power generation facilities

Not applicable.

(5) Schedule of rights to operate public facilities, etc.

Not applicable.

(6) Status of other assets

Trust beneficiary interests that have real estate as the main assets in trust, etc. are listed all at once in “(3) Real estate assets in portfolio” presented earlier in this document, and there are no main specified assets invested by MFLP-REIT other than those listed there in the portfolio as of July 31, 2021.

i) Itemization of investment securities portfolio assets

Not applicable.

ii) Table of status of contract amount, etc. and fair value of specified transactions

Not applicable.

(7) Status of holding of assets by country and region

Not applicable, because there are none in countries and regions other than Japan.

4. Capital Expenditures of Real Estate Held

(1) 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, Chiba	Installation of LED lighting	From December 2021 to January 2022	20	—	—
MFLP Yokohama Daikoku	Yokohama, Kanagawa	Updating of security systems (2nd stage)	From July 2021 to December 2021	14	—	—
MFLP Yokohama Daikoku	Yokohama, Kanagawa	Lot segmentation related construction	From September 2021 to October 2021	15	—	—
MFLP Sakai	Sakai, Osaka	Installation of air conditioning equipment	From July 2021 to October 2021	153	—	—
MFLP Sakai	Sakai, Osaka	Installation of LED lighting	In November 2021	25	—	—
MFLP Sakai	Sakai, Osaka	Lot segmentation related construction	In November 2021	18	—	—
MFLP Sakai	Sakai, Osaka	Extra high-voltage substation renewal	In July 2022	14	—	—
MFLP Inazawa	Inazawa, Aichi	Construction to introduce output limits on solar panel facilities	From February 2022 to March 2022	15	—	—
MFLP Ibaraki	Ibaraki, Osaka	Lot segmentation related construction	In January 2022	12	—	—
MFLP Ibaraki	Ibaraki, Osaka	Replacement of exterior-wall expansion-joint filler	From February 2022 to May 2022	57	—	—
MFLP Ibaraki	Ibaraki, Osaka	Replacement of electric water heaters	In February 2022	19	—	—
MFLP Ibaraki	Ibaraki, Osaka	Replacement of automatic fire alarms	From February 2022 to March 2022	17	—	—
MFLP Ibaraki	Ibaraki, Osaka	Installation of air conditioning equipment	From February 2022 to April 2022	14	—	—

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

(2) 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 ¥110 million and, other than this, there was ¥126 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 Kuki	Kuki, Saitama	Replacement of billing meters	In February 2021	7
MFLP Kuki	Kuki, Saitama	Replacement of control panel for main vertical conveyor chain (Section 1)	In July 2021	5
MFLP Kuki	Kuki, Saitama	Replacement of control system for main vertical conveyor chain (Section 2)	In July 2021	4
MFLP Yokohama Daikoku	Yokohama, Kanagawa	Exterior wall painting (Section 8)	From January 2021 to June 2021	30
MFLP Yokohama Daikoku	Yokohama, Kanagawa	Repair work in public open space (1st stage)	From April 2021 to June 2021	5
MFLP Yokohama Daikoku	Yokohama, Kanagawa	Updating of security systems (1st stage)	In May 2021	4
MFLP Yashio	Yashio, Saitama	Air conditioner compressor replacement construction	From May 2021 to June 2021	5
MFLP Sakai	Sakai, Osaka	Installation of LED lighting	In July 2021	7
MFLP Sakai	Sakai, Osaka	Tile carpet replacement construction	In July 2021	4
MFLP Tsukuba	Tsukubamirai, Ibaraki	Replacement of fire extinguishing system (existing building)	In March 2021	3
MFLP Ibaraki	Ibaraki, Osaka	Grounding resistance improvement work	From February 2021 to March 2021	4
Other capital expenditures				27
Total				110

(Note) For “MFLP Yokohama Daikoku,” construction amount is the prorated figure equivalent to the quasi co-ownership interest in the property that MFLP-REIT held (50%) at the respective times the work was conducted.

(3) Cash reserves for long-term repair and maintenance plans

Not applicable.

5. Status of Expenses and Liabilities

(1) Details of expenses related to asset management

(Thousands of yen)

Item	10th period (From February 1, 2021 to July 31, 2021)	9th period (From August 1, 2020 to January 31, 2021)
Asset management fee (Note)	890,115	788,967
Asset custody fee	14,260	10,412
Administrative service fees	19,887	19,388
Directors' compensations	5,400	5,400
Audit fee	10,000	10,000
Other expenses	55,526	47,487
Total	995,189	881,656

(Note) Other than the amount stated above, there is an asset management fee associated with a property acquisition factored into the book value of the properties (the 9th period: ¥193,500 thousand; the 10th period: ¥37,875 thousand).

(2) Debt financing status

The following is the status of loans as of July 31, 2021.

Category	Lender	Borrowing date	Balance at beginning of period (millions of yen)	Balance at end of period (millions of yen)	Average interest rate (%) (Note 1)	Maturity date (Note 2)	Repayment method	Use	Remarks
Short-term loans	Sumitomo Mitsui Trust Bank, Limited	Jan. 7, 2021	2,400	—	0.0923	Feb. 15, 2021	Bullet repayment	(Note 3)	Unsecured Non-guaranteed
	Mizuho Bank, Ltd.	Jan. 6, 2021	3,500	—	0.0773	Feb. 15, 2021	Bullet repayment	(Note 3)	
		May 20, 2021	—	2,000	0.1086	Aug. 20, 2021	Bullet repayment	(Note 3)	
	Subtotal		5,900	2,000					
Long-term loans	Sumitomo Mitsui Banking Corporation	Sept. 1, 2016	2,000	2,000	0.2713	Sept. 1, 2022	Bullet repayment	(Note 3)	Unsecured Non-guaranteed
		Sept. 1, 2016	1,500	1,500	0.4213	Sept. 1, 2026	Bullet repayment	(Note 3)	
		Mar. 15, 2018	800	800	0.2400	Mar. 15, 2022	Bullet repayment	(Note 3)	
		Feb. 4, 2019	1,000	1,000	0.2500	Feb. 6, 2023	Bullet repayment	(Note 3)	
		Feb. 4, 2019	1,000	1,000	0.1475	Feb. 5, 2024	Bullet repayment	(Note 3)	
		Mar. 2, 2020	1,700	1,700	0.2000	Mar. 4, 2024	Bullet repayment	(Note 3)	
		Mar. 2, 2020	1,700	1,700	0.3723	Mar. 4, 2030	Bullet repayment	(Note 3)	
		Oct. 6, 2020	1,500	1,500	0.2829	Oct. 6, 2027	Bullet repayment	(Note 3)	
		Oct. 6, 2020	1,500	1,500	0.4168	Oct. 6, 2029	Bullet repayment	(Note 3)	
		Mar. 16, 2021	—	800	0.3743	Mar. 16, 2028	Bullet repayment	(Note 3)	
	Mar. 16, 2021	—	800	0.6325	Mar. 16, 2031	Bullet repayment	(Note 3)		
	Sumitomo Mitsui Trust Bank, Limited	Sept. 1, 2016	2,000	2,000	0.3050	Sept. 1, 2023	Bullet repayment	(Note 3)	
		Sept. 1, 2016	1,500	1,500	0.3813	Sept. 1, 2025	Bullet repayment	(Note 3)	
		Feb. 4, 2019	1,500	1,500	0.1475	Feb. 5, 2024	Bullet repayment	(Note 3)	
		Mar. 2, 2020	800	800	0.1059	Mar. 3, 2025	Bullet repayment	(Note 3)	
		Mar. 16, 2021	—	2,000	0.1950	Mar. 16, 2026	Bullet repayment	(Note 3)	
	Mizuho Bank, Ltd.	Aug. 2, 2016	400	400	0.1425	Aug. 2, 2022	Bullet repayment	(Note 3)	
		Aug. 2, 2016	1,700	1,700	0.2113	Aug. 2, 2024	Bullet repayment	(Note 3)	

Category	Lender	Borrowing date	Balance at beginning of period (millions of yen)	Balance at end of period (millions of yen)	Average interest rate (%) (Note 1)	Maturity date (Note 2)	Repayment method	Use	Remarks
Long-term loans	Mizuho Bank, Ltd.	Mar. 15, 2018	900	900	0.4895	Sept. 15, 2027	Bullet repayment	(Note 3)	Unsecured Non-guaranteed
		Feb. 4, 2019	2,000	2,000	0.3687	Aug. 4, 2028	Bullet repayment	(Note 3)	
		Apr. 6, 2020	1,200	1,200	0.4942	Apr. 8, 2030	Bullet repayment	(Note 3)	
		Oct. 6, 2020	1,000	1,000	0.4707	Oct. 7, 2030	Bullet repayment	(Note 3)	
		Mar. 16, 2021	—	1,600	0.6325	Mar. 17, 2031	Bullet repayment	(Note 3)	
	MUFG Bank, Ltd.	Sept. 1, 2016	2,200	2,200	0.1826	Mar. 1, 2023	Bullet repayment	(Note 3)	
		Mar. 15, 2018	800	800	0.2400	Mar. 31, 2022	Bullet repayment	(Note 3)	
		Feb. 4, 2019	1,000	1,000	0.2500	Feb. 6, 2023	Bullet repayment	(Note 3)	
		Feb. 4, 2019	500	500	0.2313	Feb. 4, 2026	Bullet repayment	(Note 3)	
		Feb. 5, 2020	800	800	0.2385	Feb. 5, 2027	Bullet repayment	(Note 3)	
		Feb. 5, 2020	800	800	0.4272	Feb. 5, 2030	Bullet repayment	(Note 3)	
		Oct. 6, 2020	1,300	1,300	0.2829	Oct. 6, 2027	Bullet repayment	(Note 3)	
		Oct. 6, 2020	1,200	1,200	0.4168	Oct. 9, 2029	Bullet repayment	(Note 3)	
		Mar. 16, 2021	—	500	0.3743	Mar. 16, 2028	Bullet repayment	(Note 3)	
		Mar. 16, 2021	—	500	0.4408	Mar. 16, 2029	Bullet repayment	(Note 3)	
	Mizuho Trust & Banking Co., Ltd.	Sept. 1, 2016	600	600	0.3237	Mar. 1, 2024	Bullet repayment	(Note 3)	
		Sept. 1, 2016	700	700	0.3425	Sept. 2, 2024	Bullet repayment	(Note 3)	
		Mar. 15, 2018	300	300	0.2188	Mar. 15, 2022	Bullet repayment	(Note 3)	
		Mar. 15, 2018	300	300	0.2613	Mar. 15, 2023	Bullet repayment	(Note 3)	
		Feb. 4, 2019	500	500	0.1163	Feb. 6, 2023	Bullet repayment	(Note 3)	
		Feb. 4, 2019	500	500	0.1475	Feb. 5, 2024	Bullet repayment	(Note 3)	
Apr. 6, 2020		500	500	0.4942	Apr. 8, 2030	Bullet repayment	(Note 3)		
Oct. 6, 2020		2,000	2,000	0.3255	Oct. 6, 2028	Bullet repayment	(Note 3)		

Category	Lender	Borrowing date	Balance at beginning of period (millions of yen)	Balance at end of period (millions of yen)	Average interest rate (%) (Note 1)	Maturity date (Note 2)	Repayment method	Use	Remarks
Long-term loans	Development Bank of Japan Inc.	Aug. 2, 2016	2,100	2,100	0.3125	Aug. 3, 2026	Bullet repayment	(Note 3)	Unsecured Non-guaranteed
		Oct. 6, 2020	1,000	1,000	0.4851	Oct. 9, 2029	Bullet repayment	(Note 3)	
	The Bank of Fukuoka, Ltd.	Aug. 2, 2016	1,300	1,300	0.2169	Feb. 2, 2024	Bullet repayment	(Note 3)	
		Mar. 15, 2018	400	400	0.3563	Mar. 14, 2025	Bullet repayment	(Note 3)	
		Feb. 4, 2019	2,000	2,000	0.3988	Feb. 5, 2029	Bullet repayment	(Note 3)	
		Apr. 6, 2020	1,800	1,800	0.4942	Apr. 8, 2030	Bullet repayment	(Note 3)	
		Oct. 6, 2020	2,000	2,000	0.3255	Oct. 6, 2028	Bullet repayment	(Note 3)	
		Nippon Life Insurance Company	Aug. 2, 2016	1,000	1,000	0.3125	Aug. 3, 2026	Bullet repayment	
	Aug. 4, 2017		500	500	0.2575	Aug. 4, 2022	Bullet repayment	(Note 3)	
	The Norinchukin Bank	Aug. 4, 2017	500	500	0.2575	Aug. 4, 2022	Bullet repayment	(Note 3)	
		Mar. 15, 2018	600	600	0.2613	Mar. 15, 2023	Bullet repayment	(Note 3)	
		Feb. 4, 2019	1,000	1,000	0.2313	Feb. 4, 2026	Bullet repayment	(Note 3)	
		Feb. 5, 2020	1,000	1,000	0.3360	Feb. 7, 2028	Bullet repayment	(Note 3)	
		Oct. 6, 2020	1,500	1,500	0.3255	Oct. 6, 2028	Bullet repayment	(Note 3)	
		Mar. 16, 2021	—	1,000	0.3464	Mar. 16, 2028	Bullet repayment	(Note 3)	
	The Yamaguchi Bank, Ltd.	Mar. 15, 2018	600	600	0.3319	Sept. 13, 2024	Bullet repayment	(Note 3)	
		Feb. 4, 2019	600	600	0.2313	Feb. 4, 2026	Bullet repayment	(Note 3)	
		Mar. 2, 2020	900	900	0.3723	Mar. 4, 2030	Bullet repayment	(Note 3)	
		Oct. 6, 2020	1,000	1,000	0.5377	Oct. 7, 2030	Bullet repayment	(Note 3)	
		Mar. 16, 2021	—	800	0.7140	Mar. 16, 2032	Bullet repayment	(Note 3)	
	Mitsui Sumitomo Insurance Company, Limited	Mar. 15, 2018	600	600	0.3563	Mar. 14, 2025	Bullet repayment	(Note 3)	
Feb. 4, 2019		600	600	0.2087	Aug. 4, 2025	Bullet repayment	(Note 3)		
Mar. 2, 2020		800	800	0.1836	Mar. 2, 2027	Bullet repayment	(Note 3)		

Category	Lender	Borrowing date	Balance at beginning of period (millions of yen)	Balance at end of period (millions of yen)	Average interest rate (%) (Note 1)	Maturity date (Note 2)	Repayment method	Use	Remarks
Long-term loans	Mitsui Sumitomo Insurance Company, Limited	Oct. 6, 2020	1,000	1,000	0.2629	Apr. 6, 2027	Bullet repayment	(Note 3)	Unsecured Non-guaranteed
	Shinkin Central Bank	Dec. 3, 2018	2,000	2,000	0.2375	Dec. 1, 2023	Bullet repayment	(Note 3)	
		Feb. 4, 2019	1,800	1,800	0.1863	Feb. 4, 2025	Bullet repayment	(Note 3)	
		Feb. 5, 2020	1,600	1,600	0.3809	Feb. 5, 2029	Bullet repayment	(Note 3)	
		Oct. 6, 2020	2,000	2,000	0.4168	Oct. 9, 2029	Bullet repayment	(Note 3)	
		Mar. 16, 2021	—	1,200	0.5937	Sept. 17, 2030	Bullet repayment	(Note 3)	
	Sumitomo Life Insurance Company	Dec. 3, 2018	1,000	1,000	0.3975	Dec. 3, 2026	Bullet repayment	(Note 3)	
		Mar. 2, 2020	800	800	0.2182	Mar. 2, 2028	Bullet repayment	(Note 3)	
	The Chiba Bank, Ltd.	Feb. 4, 2019	1,000	1,000	0.2313	Feb. 4, 2026	Bullet repayment	(Note 3)	
		Mar. 2, 2020	500	500	0.1836	Mar. 2, 2027	Bullet repayment	(Note 3)	
		Mar. 16, 2021	—	1,000	0.3464	Mar. 16, 2028	Bullet repayment	(Note 3)	
	Shinsei Bank, Limited	Feb. 5, 2020	800	800	0.3809	Feb. 5, 2029	Bullet repayment	(Note 3)	
		Oct. 6, 2020	1,000	1,000	0.4168	Oct. 9, 2029	Bullet repayment	(Note 3)	
		Mar. 16, 2021	—	1,000	0.5937	Sept. 17, 2030	Bullet repayment	(Note 3)	
	The 77 Bank, Ltd.	Mar. 2, 2020	900	900	0.3723	Mar. 4, 2030	Bullet repayment	(Note 3)	
		Oct. 6, 2020	1,000	1,000	0.5377	Oct. 7, 2030	Bullet repayment	(Note 3)	
		Mar. 16, 2021	—	800	0.6325	Mar. 17, 2031	Bullet repayment	(Note 3)	
	The Yamanashi Chuo Bank, Ltd.	Oct. 6, 2020	1,000	1,000	0.5377	Oct. 7, 2030	Bullet repayment	(Note 3)	
The Chugoku Bank, Limited	Oct. 6, 2020	1,000	1,000	0.2829	Oct. 6, 2027	Bullet repayment	(Note 3)		
The Joyo Bank, Ltd.	Oct. 6, 2020	1,000	1,000	0.2829	Oct. 6, 2027	Bullet repayment	(Note 3)		
The Hyakugo Bank, Ltd.	Oct. 6, 2020	1,000	1,000	0.3305	Apr. 6, 2027	Bullet repayment	(Note 3)		
Daishi Hokuetsu Bank, Ltd.	Oct. 6, 2020	1,000	1,000	0.3305	Apr. 6, 2027	Bullet repayment	(Note 3)		
The Bank of Kyoto, Ltd.	Oct. 6, 2020	500	500	0.4707	Oct. 7, 2030	Bullet repayment	(Note 3)		

Category	Lender	Borrowing date	Balance at beginning of period (millions of yen)	Balance at end of period (millions of yen)	Average interest rate (%) (Note 1)	Maturity date (Note 2)	Repayment method	Use	Remarks
Subtotal			82,400	94,400					
Total			88,300	96,400					

(Note 1) "Average interest rate" is the weighted average interest rate during the period, rounded to the fourth decimal places.

(Note 2) If the "Maturity date" is not a business day, it becomes the following business day.

(Note 3) "Use" of funds is for purchase of real estate or real estate trust beneficiary interests, refinancing of loans, working capital, etc.

(3) Status of investment corporation bonds

The following is the status of investment corporation bonds issued as of July 31, 2021.

Issue name	Issue date	Balance at beginning of period (millions of yen)	Balance at end of period (millions of yen)	Interest rate (%)	Maturity date	Redemption method	Use	Remarks
1st Unsecured Bonds (Sustainability Bonds)	February 12, 2021	—	3,000	0.500	February 12, 2031	Bullet repayment (Note 1)	(Note 2)	Unsecured Non-guaranteed (Note 3)

(Note 1) Redemption by purchase may be carried out any time on and after the day following the payment date, unless otherwise determined by the depository.

(Note 2) Refinancing funds for the loan needed to acquire specified assets subject to sustainability finance (MFLP Ibaraki and MFLP Kawaguchi I).

"Sustainability finance" refers to certain fund-raising activities carried out through sustainability bonds or sustainability loans with the aim of allocating funds towards the acquisition of specified assets that are "Eligible Green Assets" and "Eligible Sustainable Assets" (both of which are defined in MFLP-REIT's "Sustainability Finance Framework") and towards refinancing new or existing loans and investment corporation bonds to acquire these assets.

(Note 3) These include a negative pledge clause and special pari passu conditions among specified investment corporation bonds.

(4) Status of short-term investment corporation bonds

Not applicable.

(5) Status of investment unit acquisition rights

Not applicable.

6. Status of Sale and Purchase during Period

(1) Status, etc. of sale and purchase of real estate, etc. and asset-backed securities, etc. and infrastructure assets, etc. and infrastructure-related assets

Name of real estate, etc.	Acquisition		Disposition			
	Acquisition date	Acquisition price (millions of yen) (Note)	Disposition date	Disposition price (millions of yen)	Book value (millions of yen)	Gain (Loss) on sale (millions of yen)
MFIP Inzai II	March 16, 2021	15,150	—	—	—	—
Total	—	15,150	—	—	—	—

(Note) “Acquisition price” is the purchase price of trust beneficiary interest as set forth in the agreement for sale and purchase of trust beneficiary interest for the acquired asset, 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.

(2) Status, etc. of sales and purchases of other assets

Other main assets are generally bank deposits or bank deposits within assets in trust.

(3) Investigation into value, etc. of specified assets

i) Real estate, etc.

Acquisition or disposition	Type of asset	Name of real estate, etc.	Transaction date	Acquisition price or disposition price (millions of yen) (Note 2)	Appraisal value (millions of yen)	Appraisal company	Date of valuation
Acquisition	Real estate trust beneficiary interests	MFIP Inzai II	March 16, 2021	15,150	15,200	CBRE K.K.	January 31, 2021
Total				15,150	15,200	—	—

(Note 1) For transactions requiring appraisal of real estate, etc. of specified assets pursuant to Article 201, Paragraph 1 of the Investment Trust Act, CBRE K.K. has carried out the appraisal pursuant to “Real Estate Appraisal Standards; Particulars; Chapter 3: Appraisal on Value of Real Estate Subject to Securitization” and MFLP-REIT has been notified of the appraisal findings.

(Note 2) “Acquisition price” does not include the various costs required in the acquisition of the real estate, etc., property tax, city planning tax, consumption tax and local consumption tax.

ii) Other

Not applicable.

(4) Status of interested party transactions, etc.

i) Status of sale and purchase transactions with interested parties, etc.

Category	Amount of purchase or sale, etc. (Note 2)	
	Amount of purchase, etc. (thousands of yen)	Amount of sale, etc. (thousands of yen)
Total amount	15,150,000	—
Breakdown of status of transactions with interested parties, etc. (Note 1)		
Mitsui Fudosan Co., Ltd.	15,150,000 (100.0%)	— (— %)
Total	15,150,000 (100.0%)	— (— %)

(Note 1) “Interested parties, etc.” refers to stakeholders, etc. of the asset management company with which MFLP-REIT has concluded an asset management agreement as provided in Article 123 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations and Article 26, Paragraph 1, Item 27 of the Rules on Management Reports, etc. of Investment Trusts and Investment Corporations of The Investment Trusts Association, Japan.

(Note 2) “Amount of purchase or sale, etc.” does not include the various costs required in the acquisition of the real estate, etc., property tax, city planning tax, consumption tax and local consumption tax.

ii) Amount of commission fee, etc.

Category	Total amount of commission fee, etc. (A) (thousands of yen)	Breakdown of transactions with interested parties, etc.		As a percentage of total amount (B/A)
		Paid to	Amount paid (B) (thousands of yen)	
Logistics management fee	247,988	Mitsui Fudosan Co., Ltd.	229,699	92.6%
Building management fee	313,537	Mitsui Fudosan Facilities Co., Ltd.	125,800	40.1%
		Mitsui Fudosan Facilities West Co., Ltd.	120,072	38.3%

(Note) “Interested parties, etc.” refers to stakeholders, etc. of the asset management company with which MFLP-REIT has concluded an asset management agreement as provided in Article 123 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations and Article 26, Paragraph 1, Item 27 of the Rules on Management Reports, etc. of Investment Trusts and Investment Corporations of The Investment Trusts Association, Japan.

iii) Other payments to interested parties, etc.

Other payments to interested parties, etc. are as follows:

Paid to	Category	Amount (thousands of yen)
Mitsui Fudosan Co., Ltd.	Repairs and related work, etc.	6,454
Mitsui Fudosan Building Management Co., Ltd.	Repairs and related work, etc.	31,209
Mitsui Fudosan Facilities Co., Ltd.	Repairs and related work, etc.	73,938
Mitsui Fudosan Facilities West Co., Ltd.	Repairs and related work, etc.	38,178
Daiichi Engei Co., Ltd.	Repairs and related work, etc.	2,940

iv) Leasing transaction, etc.

Leasing transactions with interested parties, etc. are as follows:

Name of lessee	Category	Rental revenues (thousands of yen)
Mitsui Fudosan Co., Ltd.	Rent income, etc.	251,082

(5) Status, etc. of transactions with the asset management company pertaining to operations of concurrent business engaged in by the asset management company

Not applicable, because the asset management company (Mitsui Fudosan Logistics REIT Management Co., Ltd.) does not engage in any type I financial instruments business, type II financial instruments business, real estate brokerage or specified joint real estate venture as a concurrent business.

7. Accounting

(1) Status, etc. of assets, liabilities, principal, and income and loss

For the status, etc. of assets, liabilities, principal, and income and loss, please refer to “Balance Sheets,” “Statements of Income,” “Statements of Changes in Net Assets,” “Notes to Financial Statements” and “Statements of Cash Distributions” presented later in this document.

(2) Change in method of calculation of depreciation and amortization

Not applicable.

(3) Change in method of valuation of real estate, etc. and infrastructure assets, etc.

Not applicable.

(4) Status, etc. of beneficiary certificates, etc. of investment trust established by itself

Not applicable.

8. Other

(1) Notice

i) General meeting of unitholders

Not applicable.

ii) Board of Directors of the investment corporation

Not applicable.

(2) Rounding of monetary and percentage figures

Unless otherwise specified, monetary figures are rounded down and percentage figures are rounded to the nearest specified unit in this document.

(3) Disclosure pertaining to corporation holding overseas real estate

Not applicable.

(4) Disclosure pertaining to real estate of corporation holding overseas real estate

Not applicable.

Mitsui Fudosan Logistics Park Inc.
Balance Sheets

(Thousands of yen)

	10th period (As of July 31, 2021)	9th period (As of January 31, 2021)
Assets		
Current assets		
Cash and deposits (Notes 3 and 4)	¥ 738,485	¥ 619,466
Cash and deposits in trust (Notes 3 and 4)	5,891,099	5,923,159
Operating accounts receivable	252,479	59,557
Prepaid expenses	45,399	46,028
Consumption taxes receivable	348,249	2,655,451
Other	3,432	2,957
Total current assets	<u>7,279,145</u>	<u>9,306,620</u>
Non-current assets		
Property and equipment (Note 5)		
Buildings in trust	149,977,689	139,789,196
Structures in trust	4,890,856	4,600,765
Machinery and equipment in trust	4,084,066	4,084,066
Vehicles and transport equipment in trust	2,642	2,642
Tools, furniture and fixtures in trust	70,175	61,229
Land in trust	141,526,784	136,697,026
Construction in progress in trust	-	4,655
Less: accumulated depreciation	(11,933,733)	(9,589,497)
Total property and equipment	<u>288,618,482</u>	<u>275,650,085</u>
Intangible assets		
Software	1,909	3,204
Total intangible assets	<u>1,909</u>	<u>3,204</u>
Investments and other assets		
Lease and guarantee deposits	10,000	10,000
Long-term prepaid expenses	40,530	58,201
Deferred tax assets (Note 9)	5	16
Other	1,050	1,050
Total investments and other assets	<u>51,585</u>	<u>69,268</u>
Total non-current assets	<u>288,671,977</u>	<u>275,722,558</u>
Deferred assets		
Investment unit issuance expenses (Note 2)	127,495	175,926
Investment corporation bond issuance costs (Note 2)	24,827	-
Total deferred assets	<u>152,323</u>	<u>175,926</u>
Total assets	<u>¥ 296,103,446</u>	<u>¥ 285,205,105</u>

Mitsui Fudosan Logistics Park Inc.
Balance Sheets

(Thousands of yen)

	10th period (As of July 31, 2021)	9th period (As of January 31, 2021)
Liabilities		
Current liabilities		
Operating accounts payable	¥ 246,413	¥ 422,343
Short-term loans payable (Notes 4 and 7)	2,000,000	5,900,000
Current portion of long-term loans payable (Notes 4 and 7)	1,900,000	-
Accounts payable	1,037,999	947,410
Accrued expenses	8,715	4,302
Income taxes payable	708	940
Advances received	1,613,880	1,516,126
Other	114	114
Total current liabilities	<u>6,807,832</u>	<u>8,791,237</u>
Non-current liabilities		
Investment corporation bonds (Notes 4 and 7)	3,000,000	-
Long-term loans payable (Notes 4 and 7)	92,500,000	82,400,000
Tenant leasehold and security deposits in trust (Note 4)	6,287,007	6,265,894
Total non-current liabilities	<u>101,787,007</u>	<u>88,665,894</u>
Total liabilities	<u>108,594,839</u>	<u>97,457,132</u>
Net assets		
Unitholders' equity		
Unitholders' capital	185,362,234	185,362,234
Units authorized: 8,000,000 units as of July 31, 2021 and January 31, 2021		
Units issued and outstanding: 542,000 units as of July 31, 2021 and January 31, 2021		
Deduction from unitholders' capital	(1,562,001)	(1,193,983)
Unitholders' capital (net)	<u>183,800,232</u>	<u>184,168,250</u>
Retained earnings	3,708,373	3,579,722
Total unitholders' equity	<u>187,508,606</u>	<u>187,747,973</u>
Total net assets (Notes 6 and 10)	<u>187,508,606</u>	<u>187,747,973</u>
Total liabilities and net assets	<u>¥ 296,103,446</u>	<u>¥ 285,205,105</u>

The accompanying notes are an integral part of these financial statements.

Mitsui Fudosan Logistics Park Inc.
Statements of Income

	(Thousands of yen)			
	10th period (From February 1, 2021 to July 31, 2021)		9th period (From August 1, 2020 to January 31, 2021)	
Operating revenues				
Property-related revenues (Note 8)	¥	8,872,000	¥	7,757,788
Other property-related revenues (Note 8)		395,689		381,802
Total operating revenues		9,267,689		8,139,590
Operating expenses				
Property-related expenses (Note 8)		4,337,470		3,471,784
Asset management fee		890,115		788,967
Asset custody fee		14,260		10,412
Administrative service fees		19,887		19,388
Directors' compensations		5,400		5,400
Audit fee		10,000		10,000
Other operating expenses		55,526		47,487
Total operating expenses		5,332,660		4,353,440
Operating income		3,935,029		3,786,150
Non-operating income				
Interest income		35		22
Insurance income		579		-
Compensation income for damage		2,107		5,973
Interest on refund		436		5,845
Other		257		342
Total non-operating income		3,416		12,184
Non-operating expenses				
Interest expense		153,622		119,875
Interest expenses on investment corporation bonds		6,986		-
Amortization of investment corporation bond issuance costs		1,166		-
Amortization of investment unit issuance expenses		48,431		43,519
Offering costs associated with issuance of investment units		-		44,776
Borrowing related expenses		16,683		4,983
Other		2,813		4,732
Total non-operating expenses		229,703		217,887
Income before income taxes		3,708,742		3,580,447
Income taxes - current		712		943
Income taxes - deferred		11		0
Total income taxes (Note 9)		723		944
Net income (Note 10)	¥	3,708,018	¥	3,579,503
Retained earnings brought forward		354		219
Unappropriated retained earnings (undisposed loss) (Note 6)	¥	3,708,373	¥	3,579,722

	(Yen)			
	10th period (From February 1, 2021 to July 31, 2021)		9th period (From August 1, 2020 to January 31, 2021)	
Net income per unit (Note 10)	¥	6,841	¥	7,074

The accompanying notes are an integral part of these financial statements.

Mitsui Fudosan Logistics Park Inc.
Statements of Changes in Net Assets

	Number of units	Unitholders' capital (thousands of yen)			Retained earnings (thousands of yen)	Total net assets (thousands of yen)
		Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital (net)		
Balance as of August 1, 2020	441,000	¥137,143,723	¥ (851,326)	¥136,292,396	¥ 2,734,419	¥139,026,815
Issuance of new units through public offering as of October 5, 2020	96,190	45,922,164	-	45,922,164	-	45,922,164
Issuance of new units through allocation to a third party as of October 19, 2020	4,810	2,296,346	-	2,296,346	-	2,296,346
Distribution in excess of retained earnings	-	-	(342,657)	(342,657)	-	(342,657)
Dividends of earnings	-	-	-	-	(2,734,200)	(2,734,200)
Net income	-	-	-	-	3,579,503	3,579,503
Balance as of January 31, 2021	542,000	¥185,362,234	¥(1,193,983)	¥184,168,250	¥ 3,579,722	¥187,747,973
Distribution in excess of retained earnings	-	-	(368,018)	(368,018)	-	(368,018)
Dividends of earnings	-	-	-	-	(3,579,368)	(3,579,368)
Net income	-	-	-	-	3,708,018	3,708,018
Balance as of July 31, 2021	542,000	¥185,362,234	¥(1,562,001)	¥183,800,232	¥ 3,708,373	¥187,508,606

The accompanying notes are an integral part of these financial statements.

Mitsui Fudosan Logistics Park Inc.
Statements of Cash Flows

(Thousands of yen)

	10th period (From February 1, 2021 to July 31, 2021)		9th period (From August 1, 2020 to January 31, 2021)	
Cash flows from operating activities:				
Income before income taxes	¥	3,708,742	¥	3,580,447
Depreciation and amortization		2,345,531		2,060,850
Amortization of investment corporation bond issuance costs		1,166		-
Amortization of investment unit issuance expenses		48,431		43,519
Interest income		(35)		(22)
Interest expense		160,609		119,875
Insurance income		(579)		-
Decrease (increase) in operating accounts receivable		(192,921)		61,317
Decrease (increase) in prepaid expenses		629		(12,108)
Decrease (increase) in long-term prepaid expenses		17,671		439
Decrease (increase) in consumption taxes receivable		2,307,201		(114,641)
Increase (decrease) in operating accounts payable		(133,670)		265,006
Increase (decrease) in accounts payable		126,707		230,727
Increase (decrease) in advances received		97,753		399,872
Other, net		(474)		354
Subtotal		8,486,761		6,635,638
Interest income received		35		22
Interest expense paid		(156,195)		(116,040)
Insurance income received		579		-
Income taxes paid		(944)		(953)
Net cash provided by (used in) operating activities		8,330,235		6,518,666
Cash flows from investing activities:				
Purchase of property and equipment in trust		(15,372,626)		(77,960,576)
Purchase of intangible assets		-		(1,746)
Repayments of tenant leasehold and security deposits in trust		(24,319)		(2,633)
Proceeds from tenant leasehold and security deposits in trust		45,432		1,964,755
Net cash provided by (used in) investing activities		(15,351,512)		(76,000,201)
Cash flows from financing activities:				
Proceeds from short-term loans payable		15,400,000		20,100,000
Repayments of short-term loans payable		(19,300,000)		(19,200,000)
Proceeds from long-term loans payable		12,000,000		24,500,000
Proceeds from issuance of investment corporation bonds		3,000,000		-
Payments for investment corporation bond issuance costs		(25,058)		-
Proceeds from issuance of investment units		(20,500)		48,150,149
Payment of distribution of earnings		(3,578,334)		(2,734,089)
Payment of distribution in excess of retained earnings		(367,870)		(342,589)
Net cash provided by (used in) financing activities		7,108,236		70,473,469
Net increase (decrease) in cash and cash equivalents		86,958		991,935
Cash and cash equivalents at beginning of period		6,542,625		5,550,690
Cash and cash equivalents at end of period (Note 3)	¥	6,629,584	¥	6,542,625

The accompanying notes are an integral part of these financial statements.

Mitsui Fudosan Logistics Park Inc.

Notes to Financial Statements

1. Organization and Basis of Presentation

a. Organization

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 with investments in capital of ¥300 million (600 investment units). Registration with the Kanto Local Finance Bureau of the Ministry of Finance of Japan was completed on March 25, 2016. The investment units were listed on the Real Estate Investment Trust Securities Market (J-REIT section) of Tokyo Stock Exchange, Inc. on August 2, 2016 (Securities Code: 3471).

MFLP-REIT started acquisition of properties on August 2, 2016. With Mitsui Fudosan Co., Ltd. (“Mitsui Fudosan”) as a sponsor, MFLP-REIT invests primarily in logistics facilities with a particular focus on MFLP facilities, that is, leading-edge logistics facilities with Mitsui Fudosan quality. This focus has been chosen in light of MFLP-REIT’s goal of establishing a portfolio that emphasizes location, quality and balance.

As of July 31, 2021, MFLP-REIT held 21 properties with the total acquisition price of ¥297.6 billion.

b. Basis of presentation

The accompanying financial statements of MFLP-REIT have been prepared in accordance with accounting principles generally accepted in Japan (“Japanese GAAP”), including provisions set forth in the Financial Instruments and Exchange Act of Japan, the Investment Trust Act and the related regulations, which are different in certain respects as to application and disclosure requirements of the International Financial Reporting Standards.

The accompanying financial statements are based on the financial statements of MFLP-REIT, which were prepared in accordance with Japanese GAAP and were presented in its Asset Management Report published for Japanese investors. In preparing the accompanying financial statements, certain reclassifications and modifications have been made to the financial statements issued domestically in order to present them in a format which is more familiar to readers outside Japan.

MFLP-REIT’s fiscal period is a six-month period, which ends at the end of January and July of each year.

MFLP-REIT does not prepare consolidated financial statements as it has no subsidiaries.

Unless otherwise specified, amounts have been rounded down to the nearest thousand yen in the accompanying financial statements and the notes thereto, as permitted by the Financial Instruments and Exchange Act of Japan. As a result, the totals shown in the financial statements and notes thereto do not necessarily agree with the sum of the individual amounts.

2. Summary of Significant Accounting Policies

a. Cash and cash equivalents

Cash and cash equivalents 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.

b. Property and equipment

Property and equipment (including those in trust) are stated at cost, which includes the original purchase price and related acquisition costs and expenses. Depreciation 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:

Buildings:	2 to 59 years
Structures:	8 to 50 years
Machinery and equipment:	14 to 17 years
Vehicles:	4 years
Tools, furniture and fixtures:	3 to 15 years

c. Intangible assets

Intangible assets are stated at cost, which includes the original purchase price and related acquisition costs and expenses. Amortization of intangible assets is calculated using the straight-line method over the estimated useful lives. Amortization of software for internal use is calculated using the straight-line method over the estimated useful lives of five years at MFLP-REIT.

d. Investment unit issuance expenses

Investment unit issuance expenses are amortized using the straight-line method over a three-year period.

e. Investment corporation bond issuance costs

Investment corporation bond issuance costs are amortized using the straight-line method over the period up to redemption.

f. Taxes on property and equipment

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.

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. Capitalized property-related taxes amounted to ¥102,324 thousand for the 9th period. For the 10th period, there is no applicable amount since the amount equivalent to property-related taxes to be levied, which is to be capitalized as part of the acquisition cost of MFIP Inzai II, has not been determined. When the property-related taxes are finalized, the equivalent amount will be capitalized as part of the acquisition cost.

g. Trust beneficiary interests in real estate

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.

The following material items of the assets in trust recorded in the relevant account items are separately presented in the accompanying balance sheets.

- (1) Cash and deposits in trust
- (2) 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 trust
- (3) Construction in progress in trust
- (4) Tenant leasehold and security deposits in trust

h. Consumption taxes

Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

i. Significant accounting estimates

Impairment of non-current assets

(1) Amount recorded on the accompanying financial statements for the 10th period

	(Thousands of yen)	
	10th period (As of July 31, 2021)	
Property and equipment	¥	288,618,482

(2) Information on the nature of significant accounting estimates for identified items

In accordance with the Accounting Standard for Impairment of Fixed Assets, MFLP-REIT reduces the book value of non-current assets to their recoverable amounts, when the invested amount may not be recoverable due to decrease in profitability.

MFLP-REIT's investment properties are grouped on an individual asset basis. MFLP-REIT reviews the investment properties for impairment when consecutive operating losses, significant decline in the market price, deteriorated business environment and other factors related to investment properties indicate that the carrying amount of an asset may not be recoverable.

Expected future cash flows are used for review for impairment of an asset. When MFLP-REIT determines that it is necessary to recognize an impairment loss, the book value of the asset is reduced to the respective recoverable amount based on the appraisal value estimated by an external real estate appraiser, and the difference between the book value and recoverable amount is recorded as an impairment loss.

Future cash flows are determined by comprehensive judgement on estimates based on market trends on rental revenues, occupancy rates, property-related expenses and other factors as well as transaction information of similar properties.

Operating results and market price of each investment property may be affected by trends in property leasing market and property trading market. It is possible to have impact on MFLP-REIT's financial position and result of operations in the next fiscal period if assumptions used in estimates change.

j. Change in presentation

Change due to application of Accounting Standard for Disclosure of Accounting Estimates

"Accounting Standard for Disclosure of Accounting Estimates" (Accounting Standards Board of Japan ("ASBJ") Statement No. 31, March 31, 2020) has been applied from the fiscal period ended July 31, 2021. Notes regarding significant accounting estimates are disclosed in "Notes to Financial Statements."

However, information for the fiscal period ended January 31, 2021 is not disclosed in accordance with transitional treatment prescribed in the proviso of Paragraph 11 of this accounting standard.

3. Cash and Cash Equivalents

Reconciliation between cash and cash equivalents and accounts and amounts in the balance sheets is as follows:

	(Thousands of yen)	
	10th period (As of July 31, 2021)	9th period (As of January 31, 2021)
Cash and deposits	¥ 738,485	¥ 619,466
Cash and deposits in trust	5,891,099	5,923,159
Cash and cash equivalents	¥ 6,629,584	¥ 6,542,625

4. Financial Instruments

a. Status of financial instruments

(1) Policy for financial instruments

MFLP-REIT procures funds for acquisition of assets or repayment of debts mainly through issuance of investment units, loans or issuance of investment corporation bonds.

MFLP-REIT generally invests surplus funds in deposits considering safety of the investments although surplus funds could be invested in securities and monetary claims as a matter of policy.

MFLP-REIT enters into derivative transactions to a limited extent for the purpose of avoiding the risk of interest rate fluctuation and other risks. MFLP-REIT does not engage in speculative transactions.

(2) Financial instruments, their associated risks and risk management system

Deposits are used for investment of MFLP-REIT's surplus funds, and are exposed to credit risk such as failure of the financial institutions holding the deposits. MFLP-REIT limits the credit risk by restricting the deposit periods to short terms and selecting financial institutions that have high credit ratings.

Proceeds from loans and investment corporation bonds are used mainly to acquire real estate properties or refinance existing loans. While these loans are exposed to liquidity risk at the time of repayment, MFLP-REIT mitigates the liquidity risk by diversifying its means of fund procurement and lending financial institutions, dispersing repayment dates, establishing commitment lines and securing liquidity on hand, and also controls the liquidity risk by preparing monthly fund management plans.

In addition, loans with floating interest rates are exposed to the risk of interest rate rising. MFLP-REIT limits the impact of interest rate rises on its operations by keeping the ratio of interest-bearing debt to total assets at a low level and maintaining the ratio of fixed-rate long-term loans at a high level.

Tenant leasehold and security deposits in trust are deposits from tenants, and are exposed to liquidity risk at the time the tenants vacate the properties. MFLP-REIT controls the liquidity risk by preparing monthly fund management plans.

(3) Supplementary explanation regarding fair values of financial instruments

The fair value of financial instruments is based on their observable market value, if available. When there is no observable market value available, fair value is based on a price that is reasonably estimated. Since variable factors are also reflected in estimating the fair value, different assumptions and factors could result in a different value.

b. Estimated fair value of financial instruments

The carrying amounts, fair values and their differences as of July 31, 2021 and January 31, 2021 are as follows. Financial instruments for which it is extremely difficult to determine the fair value are excluded from the following tables (Note 2 below):

(Thousands of yen)

10th period (As of July 31, 2021)	Carrying amount	Fair value	Difference
(1) Cash and deposits	¥ 738,485	¥ 738,485	-
(2) Cash and deposits in trust	5,891,099	5,891,099	-
Total assets	¥ 6,629,584	¥ 6,629,584	-
(3) Short-term loans payable	2,000,000	2,000,000	-
(4) Current portion of long-term loans payable	1,900,000	1,898,709	¥ (1,290)
(5) Investment corporation bonds	3,000,000	3,009,300	9,300
(6) Long-term loans payable	92,500,000	92,653,703	153,703
Total liabilities	¥ 99,400,000	¥ 99,561,713	¥ 161,713

(Thousands of yen)

9th period (As of January 31, 2021)	Carrying amount	Fair value	Difference
(1) Cash and deposits	¥ 619,466	¥ 619,466	-
(2) Cash and deposits in trust	5,923,159	5,923,159	-
Total assets	¥ 6,542,625	¥ 6,542,625	-
(3) Short-term loans payable	5,900,000	5,900,000	-
(6) Long-term loans payable	82,400,000	82,215,635	¥ (184,364)
Total liabilities	¥ 88,300,000	¥ 88,115,635	¥ (184,364)

(Note 1) Methods to estimate fair values of financial instruments

(1) Cash and deposits and (2) Cash and deposits in trust

Because these are settled in a short period of time, the fair value is approximately the same as the book value and thus stated at that book value.

(3) Short-term loans payable

Because these are settled in a short period of time, the fair value is approximately the same as the book value and thus stated at that book value.

(4) Current portion of long-term loans payable and (6) Long-term loans payable

The fair value is determined based on the present value being calculated by discounting the sum of principal and interest by the assumed interest rate which would be applied if a similar new loan were entered into.

(5) Investment corporation bonds

The fair value is determined based on the market price.

(Note 2) Financial instruments for which it is extremely difficult to determine the fair value

(Thousands of yen)

	10th period (As of July 31, 2021)	9th period (As of January 31, 2021)
Tenant leasehold and security deposits in trust	¥ 6,287,007	¥ 6,265,894

Tenant leasehold and security deposits in trust are not subject to fair value disclosure, because a reasonable estimation of future cash flows is difficult as no market price is available and the actual deposit period cannot be determined even when a contract period is set in the lease contract since there is a possibility that the leases may be cancelled, renewed or re-signed.

(Note 3) Redemption schedule for monetary claims

(Thousands of yen)

10th period (As of July 31, 2021)	Due within one year
Cash and deposits	¥ 738,485
Cash and deposits in trust	5,891,099
Total	¥ 6,629,584

(Thousands of yen)	
9th period (As of January 31, 2021)	Due within one year
Cash and deposits	¥ 619,466
Cash and deposits in trust	5,923,159
Total	¥ 6,542,625

(Note 4) Repayment schedule for loans

(Thousands of yen)						
10th period (As of July 31, 2021)	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Short-term loans payable	¥ 2,000,000	-	-	-	-	-
Investment corporation bonds	-	-	-	-	-	¥ 3,000,000
Long-term loans payable	1,900,000	¥ 9,000,000	¥ 10,600,000	¥ 6,600,000	¥ 7,200,000	59,100,000
Total	¥ 3,900,000	¥ 9,000,000	¥ 10,600,000	¥ 6,600,000	¥ 7,200,000	¥ 62,100,000

(Thousands of yen)						
9th period (As of January 31, 2021)	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Short-term loans payable	¥ 5,900,000	-	-	-	-	-
Long-term loans payable	-	¥ 5,300,000	¥ 9,600,000	¥ 9,600,000	¥ 5,700,000	¥ 52,200,000
Total	¥ 5,900,000	¥ 5,300,000	¥ 9,600,000	¥ 9,600,000	¥ 5,700,000	¥ 52,200,000

5. 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)			
	10th period (From February 1, 2021 to July 31, 2021)	9th period (From August 1, 2020 to January 31, 2021)	
Carrying amount			
Balance at beginning of period	¥ 275,645,430	¥ 199,790,833	
Changes during the period	12,973,051	75,854,596	
Balance at end of period	288,618,482	275,645,430	
Fair value at the end of the period	¥ 326,300,000	¥ 303,080,000	

(Note 1) The carrying amount represents acquisition cost less accumulated depreciation.

(Note 2) Changes in the carrying amount during the 9th period consisted of the increase mainly attributable to acquisition of trust beneficiary interests in real estate for two properties (¥77,736,022 thousand), and the decrease mainly attributable to depreciation (¥2,059,671 thousand). Changes in the carrying amount during the 10th period consisted of the increase mainly attributable to acquisition of trust beneficiary interests in real estate for one property (¥15,207,045 thousand), and the decrease mainly attributable to depreciation (¥2,344,236 thousand).

(Note 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 Note 8. "Property Leasing Business Revenues and Expenses."

6. Net Assets

a. Stated capital

MFLP-REIT issues only non-par value units in accordance with the Investment Trust Act of Japan and all of the issue prices of new units are designated as stated capital. MFLP-REIT maintains at least ¥50,000 thousand as the minimum net assets as required by the Article 67, Paragraph 4 of the Investment Trust Act of Japan.

b. Distributions

Distributions related to the periods but declared after the balance sheet dates are summarized as follows:

	(Yen)			
	10th period (From February 1, 2021 to July 31, 2021)		9th period (From August 1, 2020 to January 31, 2021)	
	Total	Per unit	Total	Per unit
I. Unappropriated retained earnings	¥ 3,708,373,501		¥ 3,579,722,644	
II. Distributions in excess of retained earnings				
Deduction from unitholders' capital	527,908,000		368,018,000	
III. Distributions				
Distribution of earnings	3,708,364,000	¥ 6,842	3,579,368,000	¥ 6,604
Distribution in excess of retained earnings	527,908,000	974	368,018,000	679
Total distributions	¥ 4,236,272,000	¥ 7,816	¥ 3,947,386,000	¥ 7,283
IV. Retained earnings carried forward	¥ 9,501		¥ 354,644	

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.

Based on this policy, for the fiscal periods ended July 31, 2021 and January 31, 2021, MFLP-REIT declared a distribution amount of ¥3,708,364,000 and ¥3,579,368,000, respectively, which are the maximum value of the integral multiple of the total number of investment units issued and outstanding at the end of each period in amounts not in excess of unappropriated retained earnings.

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.

Based on this policy, for the fiscal period ended July 31, 2021, MFLP-REIT declared the distribution of ¥527,908,000, which is calculated as being almost equivalent to the remaining amount after subtracting the distribution of earnings of ¥3,708,364,000 from ¥4,236,578,705 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).

For the fiscal period ended January 31, 2021, MFLP-REIT declared the distribution of ¥368,018,000, which is calculated as being almost equivalent to the remaining amount after subtracting the distribution of earnings of ¥3,579,368,000 from ¥3,947,422,915 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).

(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.

7. Short-term and Long-term Loans Payable and Investment Corporation Bonds

Short-term and long-term loans payable mainly consisted of bank borrowings under loan agreements. The following table summarizes the short-term and long-term loans payable and investment corporation bonds as of July 31, 2021 and January 31, 2021.

	(Thousands of yen)			
	10th period (As of July 31, 2021)		9th period (As of January 31, 2021)	
0.1086% unsecured short-term loans	¥	2,000,000		-
0.0923% unsecured short-term loans		-	¥	2,400,000
0.0773% unsecured short-term loans		-		3,500,000
Total short-term loans payable	¥	2,000,000	¥	5,900,000
0.2713% unsecured long-term loans due 2022	¥	2,000,000	¥	2,000,000
0.4213% unsecured long-term loans due 2026		1,500,000		1,500,000
0.2400% unsecured long-term loans due 2022		1,600,000		1,600,000
0.2500% unsecured long-term loans due 2023		2,000,000		2,000,000
0.1475% unsecured long-term loans due 2024		3,000,000		3,000,000
0.2000% unsecured long-term loans due 2024		1,700,000		1,700,000
0.3723% unsecured long-term loans due 2030		3,500,000		3,500,000
0.2829% unsecured long-term loans due 2027		4,800,000		4,800,000
0.4168% unsecured long-term loans due 2029		5,700,000		5,700,000
0.3743% unsecured long-term loans due 2028		1,300,000		-
0.6325% unsecured long-term loans due 2031		3,200,000		-
0.3050% unsecured long-term loans due 2023		2,000,000		2,000,000
0.3813% unsecured long-term loans due 2025		1,500,000		1,500,000
0.1059% unsecured long-term loans due 2025		800,000		800,000
0.1950% unsecured long-term loans due 2026		2,000,000		-
0.1425% unsecured long-term loans due 2022		400,000		400,000
0.2113% unsecured long-term loans due 2024		1,700,000		1,700,000
0.4895% unsecured long-term loans due 2027		900,000		900,000
0.3687% unsecured long-term loans due 2028		2,000,000		2,000,000
0.4942% unsecured long-term loans due 2030		3,500,000		3,500,000
0.4707% unsecured long-term loans due 2030		1,500,000		1,500,000
0.1826% unsecured long-term loans due 2023		2,200,000		2,200,000
0.2313% unsecured long-term loans due 2026		3,100,000		3,100,000
0.2385% unsecured long-term loans due 2027		800,000		800,000
0.4272% unsecured long-term loans due 2030		800,000		800,000
0.4408% unsecured long-term loans due 2029		500,000		-
0.3237% unsecured long-term loans due 2024		600,000		600,000
0.3425% unsecured long-term loans due 2024		700,000		700,000
0.2188% unsecured long-term loans due 2022		300,000		300,000
0.2613% unsecured long-term loans due 2023		900,000		900,000
0.1163% unsecured long-term loans due 2023		500,000		500,000
0.3255% unsecured long-term loans due 2028		5,500,000		5,500,000
0.3125% unsecured long-term loans due 2026		3,100,000		3,100,000
0.4851% unsecured long-term loans due 2029		1,000,000		1,000,000
0.2169% unsecured long-term loans due 2024		1,300,000		1,300,000
0.3563% unsecured long-term loans due 2025		1,000,000		1,000,000
0.3988% unsecured long-term loans due 2029		2,000,000		2,000,000
0.2575% unsecured long-term loans due 2022		1,000,000		1,000,000
0.3360% unsecured long-term loans due 2028		1,000,000		1,000,000
0.3464% unsecured long-term loans due 2028		2,000,000		-
0.3319% unsecured long-term loans due 2024		600,000		600,000

	10th period (As of July 31, 2021)	9th period (As of January 31, 2021)
0.5377% unsecured long-term loans due 2030	3,000,000	3,000,000
0.7140% unsecured long-term loans due 2032	800,000	-
0.2087% unsecured long-term loans due 2025	600,000	600,000
0.1836% unsecured long-term loans due 2027	1,300,000	1,300,000
0.2629% unsecured long-term loans due 2027	1,000,000	1,000,000
0.2375% unsecured long-term loans due 2023	2,000,000	2,000,000
0.1863% unsecured long-term loans due 2025	1,800,000	1,800,000
0.3809% unsecured long-term loans due 2029	2,400,000	2,400,000
0.5937% unsecured long-term loans due 2030	2,200,000	-
0.3975% unsecured long-term loans due 2026	1,000,000	1,000,000
0.2182% unsecured long-term loans due 2028	800,000	800,000
0.3305% unsecured long-term loans due 2027	2,000,000	2,000,000
Total long-term loans payable	¥ 94,400,000	¥ 82,400,000
0.5000% unsecured bonds due 2031	¥ 3,000,000	-
Total bonds	¥ 3,000,000	-

(Note) The stated interest rates are the weighted average interest rates during the fiscal periods ended July 31, 2021 and January 31, 2021 and rounded to the fourth decimal place.

The repayment schedule for loans and bonds is disclosed in Note 4. "Financial Instruments."

MFLP-REIT had the commitment line contracts with two banks as of July 31, 2021 and January 31, 2021.

(Thousands of yen)

	10th period (As of July 31, 2021)	9th period (As of January 31, 2021)
Total amount of commitment line contracts	¥ 8,000,000	¥ 6,000,000
Loans executed	-	-
Unused line of credit	¥ 8,000,000	¥ 6,000,000

8. Property Leasing Business Revenues and Expenses

The following table summarizes the revenues and expenses generated from the property leasing business for the fiscal periods ended July 31, 2021 and January 31, 2021.

	(Thousands of yen)			
	10th period (From February 1, 2021 and to July 31, 2021)		9th period (From August 31, 2020 to January 31, 2021)	
A. Property leasing business revenues				
Property-related revenues				
Rental revenues	¥	8,425,802	¥	7,362,647
Common area charges		446,198		395,141
Total	¥	8,872,000	¥	7,757,788
Other property-related revenues				
Utilities charges	¥	329,047	¥	321,660
Parking lots		45,012		39,997
Others		21,628		20,145
Total	¥	395,689	¥	381,802
Total property leasing business revenues	¥	9,267,689	¥	8,139,590
B. Property leasing business expenses				
Property-related expenses				
Outsourcing service expenses	¥	565,701	¥	477,558
Utilities expenses		281,722		271,374
Repair expenses		126,001		65,708
Taxes and dues		869,788		489,342
Depreciation and amortization		2,344,236		2,059,671
Others		150,021		108,127
Total property leasing business expenses	¥	4,337,470	¥	3,471,784
C. Operating income from property leasing [A-B]	¥	4,930,218	¥	4,667,806

9. Income Taxes

MFLP-REIT is subject to Japanese corporate income taxes on its taxable income. The tax effects of temporary differences that give rise to a significant portion of the deferred tax assets and liabilities as of July 31, 2021 and January 31, 2021 are as follows:

	(Thousands of yen)			
	10th period (As of July 31, 2021)		9th period (As of January 31, 2021)	
Deferred tax assets:				
Accrued enterprise tax	¥	5	¥	16
Total deferred tax assets	¥	5	¥	16
Net deferred tax assets	¥	5	¥	16

Reconciliations between the Japanese statutory tax rate and the effective income tax rate with respect to pre-tax income reflected in the accompanying statements of income for the fiscal periods ended July 31, 2021 and January 31, 2021 are as follows:

	10th period (As of July 31, 2021)		9th period (As of January 31, 2021)	
Statutory tax rate		31.46%		31.46%
Adjustments:				
Deductible distributions		(31.46)		(31.45)
Other		0.02		0.02
Effective income tax rate after application of tax-effect accounting		0.02%		0.03%

10. Per Unit Information

The following table summarizes per unit information for the fiscal periods ended July 31, 2021 and January 31, 2021.

	10th period (From February 1, 2021 to July 31, 2021)		9th period (From August 1, 2020 to January 31, 2021)	
Earnings per unit:				
Net income per unit (yen)	¥	6,841	¥	7,074
Weighted average number of units outstanding (unit)		542,000		505,955
	10th period (As of July 31, 2021)		9th period (As of January 31, 2021)	
Net assets per unit (yen)	¥	345,956	¥	346,398

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.

11. Leases

The future minimum rental revenues from tenants subsequent to July 31, 2021 and January 31, 2021 under non-cancelable operating leases of properties are as follows:

	(Thousands of yen)			
	10th period (As of July 31, 2021)		9th period (As of January 31, 2021)	
Due within one year	¥	13,970,177	¥	15,249,505
Due after one year		34,558,725		33,041,536
Total	¥	48,528,903	¥	48,291,042

12. Transactions with Related Parties

There are no significant transactions and balances with related parties for the fiscal periods ended July 31, 2021 and January 31, 2021.

13. Segment and Related Information

For the fiscal periods ended July 31, 2021 and January 31, 2021

a. Segment information

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

b. Related information

(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 make up 10% or more of total operating revenues.

14. Significant Subsequent Events

Not applicable.

* * * * *



Independent auditor's report

To the Board of Directors of Mitsui Fudosan Logistics Park Inc.:

Opinion

We have audited the accompanying financial statements of Mitsui Fudosan Logistics Park Inc. (“the Company”), which comprise the balance sheets as at July 31, 2021 and January 31, 2021, the statements of income, statements of changes in net assets and statements of cash flows for the six months period then ended July 31, 2021 and January 31, 2021, and notes, comprising a summary of significant accounting policies, other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2021 and January 31, 2021, and its financial performance and cash flows for the six months period then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Supervisory Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Supervisory directors are responsible for overseeing the executive director's performance of his duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the executive director regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the executive director with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

伊藤 浩之 

Hiroyuki Itoh

Designated Engagement Partner

Certified Public Accountant

岡田 英樹 

Hideki Okada

Designated Engagement Partner

Certified Public Accountant

KPMG AZSA LLC

Tokyo Office, Japan

November 15, 2021