

11th Fiscal Period Asset Management Report

Mitsui Fudosan Logistics Park Inc.

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

From: August 1, 2021
To: January 31, 2022

I. To Our Unitholders


Mitsui Fudosan Logistics Park Inc. (MFLP-REIT) has ended its 11th fiscal period in January 2022 with smooth sailing, and since listing on the Tokyo Stock Exchange Real Estate Investment Trust (REIT) Market in August 2016, thanks to you, has achieved increased revenue, increased profit, and increased distributions for ten consecutive fiscal periods.

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

The Japanese economy has been experiencing downward pressure from the rising prices of raw materials and grains from the impact of the Ukraine situation, etc., but the effects from COVID-19 and supply bottlenecks have been subsiding, and receiving additional boosts from the continuation of increasing external demand and accommodative financial conditions, along with the government's economic measures, it is expected to follow a path of recovery.

In the logistics market, the supply of leading-edge logistics facilities is set to increase in 2022 and 2023, but with the 3PL business specializing in outsourced logistics services and the market scale of the e-commerce market both continuing to expand, the demand for such leading-edge logistics facilities is expanding in kind, and the leasing market is proceeding 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, the rising prices of raw materials, among other factors.

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		11th period (From August 1, 2021 to January 31, 2022)	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)
Operating revenues	(millions of yen)	9,502	9,267	8,139	6,363	5,064
[Of which: Property leasing business revenues]	(millions of yen)	[9,502]	[9,267]	[8,139]	[6,363]	[5,064]
Operating expenses	(millions of yen)	5,531	5,332	4,353	3,482	2,748
[Of which: Property leasing business expenses]	(millions of yen)	[4,506]	[4,337]	[3,471]	[2,816]	[2,175]
Operating income	(millions of yen)	3,971	3,935	3,786	2,881	2,315
Ordinary income	(millions of yen)	3,742	3,708	3,580	2,735	2,238
Net income	(millions of yen)	3,741	3,708	3,579	2,734	2,237
Total assets	(millions of yen)	294,411	296,103	285,205	208,243	157,023
[Period-on-period change]	(%)	[(0.6)]	[3.8]	[37.0]	[32.6]	[(2.3)]
Net assets	(millions of yen)	187,013	187,508	187,747	139,026	109,060
[Period-on-period change]	(%)	[(0.3)]	[(0.1)]	[35.0]	[27.5]	[(0.2)]
Interest-bearing debt	(millions of yen)	97,400	99,400	88,300	62,900	42,900
Unitholders' capital, net (Note 3)	(millions of yen)	183,272	183,800	184,168	136,292	106,822
Total number of investment units issued and outstanding	(units)	542,000	542,000	542,000	441,000	379,000
Net assets per unit	(yen)	345,043	345,956	346,398	315,253	287,758
Net income per unit (Note 4)	(yen)	6,902	6,841	7,074	6,215	5,904
Total amount of distributions	(millions of yen)	4,279	4,236	3,947	3,076	2,495
Distribution per unit	(yen)	7,895	7,816	7,283	6,977	6,584
[Of which: Distribution of earnings per unit]	(yen)	[6,902]	[6,842]	[6,604]	[6,200]	[5,905]
[Of which: Distribution in excess of retained earnings per unit]	(yen)	[993]	[974]	[679]	[777]	[679]
Ratio of ordinary income to total assets (Note 5)	(%)	1.3	1.3	1.5	1.5	1.4
[Annualized]	(%)	[2.5]	[2.6]	[2.9]	[3.0]	[2.8]
Return on equity (Note 5)	(%)	2.0	2.0	2.2	2.2	2.0
[Annualized]	(%)	[4.0]	[4.0]	[4.3]	[4.4]	[4.1]
Equity ratio at end of period (Note 5)	(%)	63.5	63.3	65.8	66.8	69.5
[Period-on-period change]		[0.2]	[(2.5)]	[(0.9)]	[(2.7)]	[1.4]
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)	184	181	184	182	184
Number of investment properties at end of period	(properties)	21	21	20	18	16
Occupancy rate at end of period (Note 6)	(%)	100.0	100.0	100.0	100.0	99.1
Depreciation and amortization (Note 7)	(millions of yen)	2,372	2,344	2,059	1,661	1,326
Capital expenditures	(millions of yen)	338	110	178	77	91
Net operating income (NOI) from property leasing (Note 5)	(millions of yen)	7,369	7,274	6,727	5,208	4,215
Funds from operations (FFO) (Note 5)	(millions of yen)	6,113	6,052	5,639	4,395	3,564
FFO per unit (Note 5)	(yen)	11,279	11,166	10,404	9,967	9,405

Ratio of interest-bearing debt to total assets at end of period (LTV ratio) (Note 5)	(%)	33.1	33.6	31.0	30.2	27.3
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(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 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	$\text{Property leasing business revenues} - \text{Property leasing business expenses} + \text{Depreciation and amortization}$
Funds from operations (FFO)	$\text{Net income} + \text{Depreciation and amortization of rental properties} + \text{Loss on retirement of non-current assets} \pm \text{Gain (Loss) on sales of real estate properties}$
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, the economic recovery is becoming clear as the effects of the novel coronavirus disease (COVID-19) inside and outside Japan gradually attenuate. Capital investment has been showing a trend of improvement except for weakness seen in certain industries. However, the employment and income environments remain weak overall. Private consumption is showing a clearer recovery with the easing of downward pressure due to COVID-19, mainly in the area of service consumption. 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.

MFLP-REIT is promoting initiatives for ESG. In the fiscal period under review, the Asset Management Company announced its endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

(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 ¥3,000 million (short-term loans payable) in October 2021 to pay out distributions, and executed repayments of a total of ¥5,000 million (short-term loans payable) using funds from part of short-term loans payable procured in the fiscal period under review and internal reserve arising from depreciation, etc. As a result, at the end of the fiscal period under review, the balance of interest-bearing debt was ¥97,400 million (current portion of long-term loans payable of ¥5,300 million; investment corporation bonds of ¥3,000 million; long-term loans payable of ¥89,100 million) and the ratio of interest-bearing debt to total assets (LTV ratio) was 33.1%.

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

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

iv) Summary of business performance and distributions

Through the management described above, business performance for the fiscal period under review resulted in operating revenues of ¥9,502 million, operating income of ¥3,971 million, ordinary income of ¥3,742 million, and net income of ¥3,741 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 ¥3,740,884,000, 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 ¥6,902.

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 ¥538 million, which is the amount almost equivalent to the remaining amount after subtracting the distribution of earnings of ¥3,740 million from ¥4,279 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 ¥993.

(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 of MFLP-REIT 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	
April 21, 2017	Distribution of cash in excess of retained earnings (return of capital)	—	224,000	(54)	58,296	(Note 2)
October 13, 2017	Distribution of cash in excess of retained earnings (return of capital)	—	224,000	(45)	58,250	(Note 3)
February 1, 2018	Capital increase through public offering	38,000	262,000	13,495	71,745	(Note 4)
February 28, 2018	Capital increase through third-party allotment	774	262,774	274	72,020	(Note 5)
April 23, 2018	Distribution of cash in excess of retained earnings (return of capital)	—	262,774	(61)	71,958	(Note 6)
October 19, 2018	Distribution of cash in excess of retained earnings (return of capital)	—	262,774	(88)	71,870	(Note 7)
February 1, 2019	Capital increase through public offering	110,700	373,474	33,617	105,488	(Note 8)
February 27, 2019	Capital increase through third-party allotment	5,526	379,000	1,678	107,166	(Note 9)
April 23, 2019	Distribution of cash in excess of retained earnings (return of capital)	—	379,000	(84)	107,081	(Note 10)
October 15, 2019	Distribution of cash in excess of retained earnings (return of capital)	—	379,000	(259)	106,822	(Note 11)
February 3, 2020	Capital increase through public offering	59,000	438,000	28,289	135,111	(Note 12)
February 27, 2020	Capital increase through third-party allotment	3,000	441,000	1,438	136,549	(Note 13)
April 23, 2020	Distribution of cash in excess of retained earnings (return of capital)	—	441,000	(257)	136,292	(Note 14)
October 5, 2020	Capital increase through public offering	96,190	537,190	45,922	182,214	(Note 15)
October 19, 2020	Capital increase through third-party allotment	4,810	542,000	2,296	184,510	(Note 16)
October 21, 2020	Distribution of cash in excess of retained earnings (return of capital)	—	542,000	(342)	184,168	(Note 17)
April 22, 2021	Distribution of cash in excess of retained earnings (return of capital)	—	542,000	(368)	183,800	(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 12, 2021	Distribution of cash in excess of retained earnings (return of capital)	—	542,000	(527)	183,272	(Note 19)
February 1, 2022	Capital increase through public offering	32,380	574,380	17,082	200,355	(Note 20)
February 24, 2022	Capital increase through third-party allotment	1,620	576,000	854	201,209	(Note 21)
April 22, 2022	Distribution of cash in excess of retained earnings (return of capital)	—	576,000	(538)	200,671	(Note 22)

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

(Note 2) 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 3) 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 4) 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 5) Accompanying the public offering, new investment units were issued through third-party allotment at a paid-in amount of ¥355,139 per unit.

(Note 6) 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 7) 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 8) 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 9) Accompanying the public offering, new investment units were issued through third-party allotment at a paid-in amount of ¥303,680 per unit.

(Note 10) 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 11) 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 12) 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 13) Accompanying the public offering, new investment units were issued through third-party allotment at a paid-in amount of ¥479,476 per unit.

(Note 14) 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 15) 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 16) Accompanying the public offering, new investment units were issued through third-party allotment at a paid-in amount of ¥477,411 per unit.

(Note 17) 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 18) 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 19) 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.

(Note 20) New investment units were issued through public offering at an issue price of ¥545,190 (paid-in amount of ¥527,576) per unit mainly for the purpose of procuring funds for acquisition of new properties.

(Note 21) Accompanying the public offering, new investment units were issued through third-party allotment at a paid-in amount of ¥527,576 per unit.

(Note 22) By resolution of the Board of Directors of MFLP-REIT at its meeting held on March 15, 2022, distribution of cash in excess of retained earnings (return of capital applicable to distribution reducing unitholders' capital for tax purposes) of ¥993 per unit was declared as distribution of cash for the 11th fiscal period (fiscal period ended January 31, 2022), the payout of which commenced on April 22, 2022.

[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	11th period (From August 1, 2021 to January 31, 2022)	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)
Highest (yen)	652,000	627,000	596,000	577,000	534,000
Lowest (yen)	560,000	467,000	478,500	336,000	395,500

(4) Distribution

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

Fiscal period		11th period (From August 1, 2021 to January 31, 2022)	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)
Total amount of unappropriated retained earnings	(thousands of yen)	3,741,033	3,708,373	3,579,722	2,734,419	2,238,074
Retained earnings	(thousands of yen)	149	9	354	219	79
Total amount of distribution of cash	(thousands of yen)	4,279,090	4,236,272	3,947,386	3,076,857	2,495,336
[Distribution per unit]	(yen)	[7,895]	[7,816]	[7,283]	[6,977]	[6,584]
Of which: Total amount of distribution of earnings	(thousands of yen)	3,740,884	3,708,364	3,579,368	2,734,200	2,237,995
[Distribution of earnings per unit]	(yen)	[6,902]	[6,842]	[6,604]	[6,200]	[5,905]
Of which: Total amount of return of capital	(thousands of yen)	538,206	527,908	368,018	342,657	257,341
[Return of capital per unit]	(yen)	[993]	[974]	[679]	[777]	[679]
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)	538,206	527,908	368,018	342,657	257,341
[Of return of capital per unit: Distribution from distribution reducing unitholders' capital for tax purposes]	(yen)	[993]	[974]	[679]	[777]	[679]

(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 and issues to be addressed

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

i) Issuance of new investment units

Regarding the issuance of new investment units decided in the meetings of the Board of Directors of MFLP-REIT held on January 11, 2022 and January 19, 2022, as stated below, payment for the issuance of said units was completed through public offering on February 1, 2022 and through a third-party allotment on February 24, 2022.

As a result, the total investment amount (net) is ¥201,209,908,748, and there are 576,000 units of total number of investment units issued and outstanding.

a. Issuance of new investment units through public offering (primary offering)

Number of new investment units issued:	32,380 units (Domestic: 18,780 units, Overseas: 13,600 units)
Issue price:	¥545,190 per unit
Total amount of issue price:	¥17,653,252,200
Amount paid in (paid-in amount):	¥527,576 per unit
Total amount paid in (total paid-in amount):	¥17,082,910,880
Payment date:	February 1, 2022

b. Issuance of new investment units through a third-party allotment (third-party allotment)

Number of new investment units issued:	1,620 units
Amount paid in (paid-in amount):	¥527,576 per unit
Total amount paid in (total paid-in amount):	¥854,673,120
Payment date:	February 24, 2022
Allottee:	Daiwa Securities Co. Ltd.

ii) Acquisitions of properties

MFLP-REIT acquired the trust beneficiary interests for the following assets on February 2, 2022.

Category	Property no.	Property name	Location	Acquisition price (millions of yen) (Note)
Logistics facilities	L-20	MFLP Yachiyo Katsutadai	Yachiyo-shi, Chiba	18,000
	L-21	MFLP Osaka I	Osaka-shi, Osaka	13,900
	L-22	MFLP Hiratsuka II	Hiratsuka-shi, Kanagawa	12,700
Total (three properties)			—	44,600

(Note) "Acquisition price" is the purchase price of each trust beneficiary interest as set forth in each agreement for sale and purchase of trust beneficiary interest for the acquired assets (excluding consumption tax and local consumption tax or the various costs required in the acquisition), rounded down to the nearest million yen.

iii) Borrowing of funds

MFLP-REIT has borrowed the following funds to apply to part of the acquisition funds and related expenses for the real estate trust beneficiary interests in the above “ii) Acquisitions of properties.”

Lender	Borrowing amount (millions of yen)	Interest rate	Drawdown date	Repayment date	Repayment method	Collateral
Mizuho Bank, Ltd.	3,000	Base rate +0.035% (Note 1)	February 2, 2022	February 16, 2022	Bullet repayment	Unsecured Non-guaranteed
Sumitomo Mitsui Trust Bank, Limited	2,000	Base rate +0.05% (Note 2)	February 2, 2022	May 2, 2022	Bullet repayment	Unsecured Non-guaranteed
The Bank of Fukuoka, Ltd.	2,000	Base rate +0.05% (Note 2)	February 2, 2022	May 2, 2022	Bullet repayment	Unsecured Non-guaranteed
Sumitomo Mitsui Banking Corporation	700	0.3813%	February 2, 2022	February 2, 2029	Bullet repayment	Unsecured Non-guaranteed
	700	0.5538%		August 4, 2031		
Resona Bank, Limited	1,400	0.5538%	February 2, 2022	August 2, 2031	Bullet repayment	Unsecured Non-guaranteed
Sumitomo Mitsui Trust Bank, Limited	1,200	0.2375%	February 2, 2022	February 2, 2027	Bullet repayment	Unsecured Non-guaranteed
Mizuho Bank, Ltd.	1,200	0.5813%	February 2, 2022	February 2, 2032	Bullet repayment	Unsecured Non-guaranteed
The Bank of Fukuoka, Ltd.	1,200	0.5813%	February 2, 2022	February 2, 2032	Bullet repayment	Unsecured Non-guaranteed
Shinkin Central Bank	1,200	0.5263%	February 2, 2022	February 3, 2031	Bullet repayment	Unsecured Non-guaranteed
The Norinchukin Bank	1,200	0.5263%	February 2, 2022	February 3, 2031	Bullet repayment	Unsecured Non-guaranteed
Nippon Life Insurance Company	1,200	0.5813%	February 2, 2022	February 2, 2032	Bullet repayment	Unsecured Non-guaranteed
Sumitomo Life Insurance Company	1,200	0.5813%	February 2, 2022	February 2, 2032	Bullet repayment	Unsecured Non-guaranteed
Momiji Bank, Ltd.	1,000	0.5538%	February 2, 2022	August 4, 2031	Bullet repayment	Unsecured Non-guaranteed
The Keiyo Bank, Ltd.	1,000	0.5538%	February 2, 2022	August 4, 2031	Bullet repayment	Unsecured Non-guaranteed
The Iyo Bank, Ltd.	1,000	0.5813%	February 2, 2022	February 2, 2032	Bullet repayment	Unsecured Non-guaranteed
The Yamagata Bank, Ltd.	1,000	0.5813%	February 2, 2022	February 2, 2032	Bullet repayment	Unsecured Non-guaranteed
The Yamaguchi Bank, Ltd.	800	0.5538%	February 2, 2022	August 4, 2031	Bullet repayment	Unsecured Non-guaranteed
Mitsui Sumitomo Insurance Company, Limited	800	0.3813%	February 2, 2022	February 2, 2029	Bullet repayment	Unsecured Non-guaranteed
Shinsei Bank, Limited	800	0.5538%	February 2, 2022	August 4, 2031	Bullet repayment	Unsecured Non-guaranteed
The Yamanashi Chuo Bank, Ltd.	800	0.5538%	February 2, 2022	August 4, 2031	Bullet repayment	Unsecured Non-guaranteed
The Chugoku Bank, Limited	800	0.3813%	February 2, 2022	February 2, 2029	Bullet repayment	Unsecured Non-guaranteed
The Hyakugo Bank, Ltd.	800	0.5538%	February 2, 2022	August 4, 2031	Bullet repayment	Unsecured Non-guaranteed
Daishi Hokuetsu Bank, Ltd.	800	0.3813%	February 2, 2022	February 2, 2029	Bullet repayment	Unsecured Non-guaranteed
The Chiba Bank, Ltd.	500	0.3813%	February 2, 2022	February 2, 2029	Bullet repayment	Unsecured Non-guaranteed
MUFG Bank, Ltd.	300	0.2025%	February 2, 2022	February 2, 2026	Bullet repayment	Unsecured Non-guaranteed
Total	28,600	–	–	–	–	–

(Note 1) The interest payment date is the repayment date. The base rate is calculated by daily linear interpolation of the JBA 1-week yen TIBOR and the JBA 1-month yen TIBOR published by JBA TIBOR Administration as of two business days prior to the drawdown date.

(Note 2) The interest payment date is the repayment date. The base rate is JBA 3-month yen TIBOR published by JBA TIBOR Administration as of two business days prior to the drawdown date. Please refer to the JBA TIBOR Administration website (<https://www.jbatibor.or.jp/rate/>) for JBA yen TIBOR.

2. Overview of the Investment Corporation

(1) Status of investments in capital

Fiscal period	11th period (January 31, 2022)	10th period (July 31, 2021)	9th period (January 31, 2021)	8th period (July 31, 2020)	7th period (January 31, 2020)
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	542,000	441,000	379,000
Unitholders' capital, net (Note) (millions of yen)	183,272	183,800	184,168	136,292	106,822
Number of unitholders (unitholders)	7,216	7,446	8,253	7,402	6,680

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

(2) Major unitholders

Of the unitholders as of January 31, 2022, 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)	94,568	17.44
Custody Bank of Japan, Ltd. (trust account)	63,629	11.73
Mitsui Fudosan Co., Ltd.	28,900	5.33
Custody Bank of Japan, Ltd. (securities investment trust account)	26,007	4.79
The Nomura Trust and Banking Co., Ltd. (investment trust account)	23,485	4.33
SSBTC Client Omnibus Account	14,145	2.60
The Bank of New York Mellon 140044	11,065	2.04
Stichting Pensioenfonds Zorg en Welzijn	9,244	1.70
BNYM as AGT/CLTS 10 Percent	8,074	1.48
State Street Bank West Client - Treaty 505234	7,843	1.44
Total	286,960	52.94

(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 (Note 4)	—	1,200
	Hiroshi Asai	—	1,500
Supervisory director	Izuru Goto	Attorney, City-Yuwa Partners Manager of Legal Division (part-time), Japan Virtual and Crypto assets Exchange Association	1,650
	Tadao Toyoshima (Note 5)	Director (Audit & Supervisory Committee Member), Square Enix Holdings Co., Ltd.	750
	Eiko Osawa	Representative, Osawa Certified Public Accountant Office Certified Public Accountant	900
Independent auditor	KPMG AZSA LLC	—	10,000

(Note 1) As of January 31, 2022, Executive Director Hiroshi Asai owns six MFLP-REIT investment units in his own name. In addition, as of January 31, 2022, Supervisory Directors Izuru Goto and Eiko Osawa do not 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).

(Note 4) Masayuki Isobe retired as executive director of MFLP-REIT on October 31, 2021, and Hiroshi Asai assumed the position of executive director of MFLP-REIT on November 1, 2021.

(Note 5) Tadao Toyoshima retired as supervisory director of MFLP-REIT on October 31, 2021, and Eiko Osawa assumed the position of supervisory director of MFLP-REIT on November 1, 2021.

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.

iii) Matters concerning indemnity agreements between directors, etc. and MFLP-REIT

Not applicable.

(4) Matters concerning directors and officers liability insurance policy

MFLP-REIT has entered into a directors and officers liability insurance policy as follows.

Scope of insureds	Summary of insurance policy
All executive directors and supervisory directors of MFLP-REIT	<p>(Summary of insurance incidents covered)</p> <p>Pursuant to the provisions of Article 116-3, paragraph (1) of the Investment Trust Act, MFLP-REIT has entered into a directors and officers liability insurance policy with an insurance company. The insurance policy covers certain losses incurred by an insured due to the receipt of claims for damages arising from the performance of duties as a director of MFLP-REIT.</p> <p>(Portion of insurance premiums borne)</p> <p>The full amount of the insurance premiums for the insurance policy is borne by MFLP-REIT.</p> <p>(Measures to ensure that the proper performance of duties is not impaired)</p> <p>The insurance policy contains coverage exclusions, such as damages resulting from deliberate intent or gross negligence are not covered.</p>

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

The following are the asset management company, custodian and general administrators as of January 31, 2022.

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)	11th period (As of January 31, 2022)		10th period (As of July 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	136,925	46.5	137,881	46.6	
		Kansai area	81,004	27.5	81,415	27.5	
		Other areas	42,030	14.3	42,470	14.3	
	Subtotal		259,960	88.3	261,767	88.4	
	Industrial real estate (Note 6)	Tokyo metropolitan area	26,623	9.0	26,851	9.1	
		Kansai area	—	—	—	—	
		Other areas	—	—	—	—	
	Subtotal		26,623	9.0	26,851	9.1	
	Real estate in trust total			286,583	97.3	288,618	97.5
	Deposits and other assets			7,827	2.7	7,484	2.5
Total assets			294,411	100.0	296,103	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 January 31, 2022.

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)	14,752	50,813	50,813	100.0	5.2	Logistics facilities
MFLP Kuki	11,470	67,925	67,925	100.0	5.0	Logistics facilities
MFLP Yokohama Daikoku (Note 4)	9,639	47,939	47,939	100.0	3.5	Logistics facilities
MFLP Yashio	9,057	39,692	39,692	100.0	Not disclosed (Note 5)	Logistics facilities
MFLP Atsugi	7,179	40,958	40,958	100.0	Not disclosed (Note 5)	Logistics facilities
MFLP Funabashi Nishiura	6,463	31,034	31,034	100.0	Not disclosed (Note 5)	Logistics facilities
MFLP Kashiwa	5,807	31,291	31,291	100.0	Not disclosed (Note 5)	Logistics facilities
MFLP Sakai	22,975	112,148	112,148	100.0	8.8	Logistics facilities
MFLP Komaki	7,606	40,605	40,605	100.0	Not disclosed (Note 5)	Logistics facilities
MFLP Hino (Note 4)	12,049	46,801	46,801	100.0	4.1	Logistics facilities
MFLP Hiratsuka	6,697	33,055	33,055	100.0	Not disclosed (Note 5)	Logistics facilities
MFLP Tsukuba	8,417	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	15,293	68,922	68,922	100.0	Not disclosed (Note 5)	Logistics facilities
MFLP Atsugi II	12,535	48,032	48,032	100.0	Not disclosed (Note 5)	Logistics facilities
MFLP Fukuoka I	4,986	32,216	32,216	100.0	Not disclosed (Note 5)	Logistics facilities
MFLP Prologis Park Kawagoe (Note 4)	14,502	56,723	56,723	100.0	4.7	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	14,143	66,665	66,665	100.0	5.5	Logistics facilities
MFLP Ibaraki	58,028	208,811	208,811	100.0	19.0	Logistics facilities
MFLP Kawaguchi I	18,353	48,119	48,119	100.0	Not disclosed (Note 5)	Logistics facilities
MFIP Inzai	11,654	Not disclosed (Note 5)	Not disclosed (Note 5)	Not disclosed (Note 5)	Not disclosed (Note 5)	Industrial real estate
MFIP Inzai II	14,968	30,906	30,906	100.0	Not disclosed (Note 5)	Industrial real estate
Total	286,583	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 (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) and (3) below. Note that if the Subject Lease Agreements have been executed as of January 31, 2022, the buildings or rooms for lease that are vacant as of the said date are included in the Subject Lease Agreements as being under lease even if the move-in or handover date has not occurred on the said date.) or floor plan, etc. for such building as of January 31, 2022, 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. The same shall apply hereinafter in (2).

(Note 2) “Leased area” is the total leased area rounded down to the nearest whole number presented in each Subject Lease Agreement for buildings in each portfolio asset of MFLP-REIT as of January 31, 2022. If a master lease agreement has been executed for each portfolio asset held by MFLP-REIT as of January 31, 2022, 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. The same shall apply hereinafter in (2).

(Note 3) “Occupancy rate” is the share of the leased area of the buildings for each property held by MFLP-REIT as of January 31, 2022, 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 January 31, 2022 (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 January 31, 2022.

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 (millions of yen)
GLP/MFLP Ichikawa Shiohama (Note 3)	1-6-3 Shiohama, Ichikawa-shi, Chiba	Real estate trust beneficiary interests	50,813	18,700	14,752
MFLP Kuki	1-10 Kiyokuchō, Kuki-shi, Saitama	Real estate trust beneficiary interests	67,925	15,000	11,470
MFLP Yokohama Daikoku (Note 3)	43-1 Daikokuchō, Tsurumi-ku, Yokohama-shi, Kanagawa	Real estate trust beneficiary interests	47,939	11,200	9,639
MFLP Yashio	99-1 Tsubutakita, Minamiushiroya, Yashio-shi, Saitama	Real estate trust beneficiary interests	39,692	11,700	9,057
MFLP Atsugi	4021-1 Sakuradai, Nakatsu, Aikawamachi, Aiko-gun, Kanagawa	Real estate trust beneficiary interests	40,958	9,740	7,179
MFLP Funabashi Nishiura	3-10-13 Nishiura, Funabashi-shi, Chiba	Real estate trust beneficiary interests	31,034	8,190	6,463
MFLP Kashiwa	259-1 Mukaiwari, Aotashindentobichi, Kashiwa-shi, Chiba	Real estate trust beneficiary interests	31,291	7,350	5,807
MFLP Sakai	1-171 Chikkoyawatamachi, Sakai-ku, Sakai-shi, Osaka	Real estate trust beneficiary interests	112,148	26,900	22,975
MFLP Komaki	2020-1 Higashimae, Honjo, Komaki-shi, Aichi	Real estate trust beneficiary interests	40,605	8,930	7,606
MFLP Hino (Note 3)	3-1-2 Asahigaoka, Hino-shi, Tokyo	Real estate trust beneficiary interests	46,801	13,500	12,049
MFLP Hiratsuka	2-1544-5 Nishishindo, Hiratsuka-shi, Kanagawa	Real estate trust beneficiary interests	33,055	7,920	6,697
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	10,700	8,417
MFLP Inazawa	2-1 Okudaosawa-cho, Inazawa-shi, Aichi	Real estate trust beneficiary interests	68,922	17,900	15,293
MFLP Atsugi II	84-1 Happongi, Ishida, Isehara-shi, Kanagawa, and other 3 lots of land	Real estate trust beneficiary interests	48,032	14,600	12,535
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	5,980	4,986
MFLP Prologis Park Kawagoe (Note 3)	1-9-3 Minamidai, Kawagoe-shi, Saitama	Real estate trust beneficiary interests	56,723	16,350	14,502

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 (millions of yen)
MFLP Hiroshima I	4-2876-26 Kanonshinmachi, Nishi-ku, Hiroshima-shi, Hiroshima	Real estate trust beneficiary interests	66,665	15,700	14,143
MFLP Ibaraki	4 Saito Akane, Ibaraki-shi, Osaka	Real estate trust beneficiary interests	208,811	64,400	58,028
MFLP Kawaguchi I	4-3342-1 Ryoke, Kawaguchi-shi, Saitama, and other 4 lots of land	Real estate trust beneficiary interests	48,119	19,600	18,353
Logistics facilities subtotal			1,135,295	304,360	259,960
MFIP Inzai	2-101-14 Izumino, Inzai-shi, Chiba	Real estate trust beneficiary interests	Not disclosed (Note 4)	13,300	11,654
MFIP Inzai II	2-101-11 Izumino, Inzai-shi, Chiba, and other 2 lots of land	Real estate trust beneficiary interests	30,906	15,900	14,968
Industrial real estate subtotal			Not disclosed (Note 4)	29,200	26,623
Total			Not disclosed (Note 4)	333,560	286,583

(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 each Subject Lease Agreement or floor plan, etc. for such building as of January 31, 2022, 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 January 31, 2022 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 January 31, 2022 (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.	11th period (From August 1, 2021 to January 31, 2022)				10th period (From February 1, 2021 to July 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	490	5.2	5	100.0	494	5.3
MFLP Kuki	3	100.0	471	5.0	3	100.0	479	5.2
MFLP Yokohama Daikoku (Note 3)	5	100.0	334	3.5	4	100.0	341	3.7
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	834	8.8	8	100.0	814	8.8
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	100.0	392	4.1	15	99.9	380	4.1
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	451	4.7	10	100.0	448	4.8
MFLP Hiroshima I	4	100.0	519	5.5	4	100.0	507	5.5
MFLP Ibaraki	8	100.0	1,807	19.0	9	100.0	1,799	19.4
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.	11th period (From August 1, 2021 to January 31, 2022)				10th period (From February 1, 2021 to July 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)	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	9,502	100.0	Not disclosed (Note 4)	100.0	9,267	100.0

(Note 1) “Total number of tenants” is the total number of the Subject 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 the Subject 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 January 31, 2022.

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	Painting work on the upper and back sections of the vehicle lane covers	In March 2022	13	—	—
MFLP Kuki	Kuki, Saitama	Installation of LED lighting	In April 2022	26	—	—
MFLP Kuki	Kuki, Saitama	Installation of LED lighting	In July 2022	15	—	—
MFLP Kuki	Kuki, Saitama	Installation of LED lighting	In December 2022	19	—	—
MFLP Kuki	Kuki, Saitama	Installation of LED lighting	In January 2023	51	—	—
MFLP Yokohama Daikoku	Yokohama, Kanagawa	Repair work on public open space revetment	In June 2022	13	—	—
MFLP Yokohama Daikoku	Yokohama, Kanagawa	Lounge renewal work	In September 2022	15	—	—
MFLP Yokohama Daikoku	Yokohama, Kanagawa	Upgrade of lighting equipment	In October 2022	15	—	—
MFLP Yokohama Daikoku	Yokohama, Kanagawa	Exterior wall painting (Section 9)	From October 2022 to December 2022	48	—	—
MFLP Sakai	Sakai, Osaka	Extra high-voltage substation renewal	In July 2022	15	—	—
MFLP Sakai	Sakai, Osaka	Installation of disconnect switch	In July 2022	13	—	—
MFLP Sakai	Sakai, Osaka	Installation of LED lighting	From December 2022 to January 2023	10	—	—
MFLP Ibaraki	Ibaraki, Osaka	Updating of security systems	In May 2022	15	—	—
MFLP Ibaraki	Ibaraki, Osaka	Replacement of automatic fire alarms	In June 2022	18	—	—
MFLP Ibaraki	Ibaraki, Osaka	Installation of bird netting	In September 2022	15	—	—
MFLP Ibaraki	Ibaraki, Osaka	Replacement of fire extinguishing system	In December 2022	17	—	—

(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 ¥338 million and, other than this, there was ¥193 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)
GLP/MFLP Ichikawa Shiohama	Ichikawa, Chiba	Installation of LED lighting	From October 2021 to January 2022	19
MFLP Yokohama Daikoku	Yokohama, Kanagawa	Updating of security systems (2nd stage)	From July 2021 to December 2021	14
MFLP Sakai	Sakai, Osaka	Installation of air conditioning equipment	From July 2021 to October 2021	156
MFLP Sakai	Sakai, Osaka	Lot segmentation related construction	In November 2021	17
MFLP Sakai	Sakai, Osaka	Installation of LED lighting	In November 2021	25
MFLP Inazawa	Inazawa, Aichi	Installation of disconnect switch	In October 2021	10
Other capital expenditures				93
Total				338

(Note) For “GLP/MFLP Ichikawa Shiohama” and “MFLP Yokohama Daikoku,” construction amounts are the prorated figures equivalent to the quasi co-ownership interest in each property that MFLP-REIT held (50% and 50%, respectively) 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	11th period (From August 1, 2021 to January 31, 2022)	10th period (From February 1, 2021 to July 31, 2021)
Asset management fee (Note)	911,627	890,115
Asset custody fee	14,805	14,260
Administrative service fees	19,959	19,887
Directors' compensations	6,000	5,400
Audit fee	10,000	10,000
Other expenses	62,733	55,526
Total	1,025,125	995,189

(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 10th period: ¥37,875 thousand). There is no applicable fee other than the amount stated above for the 11th period.

(2) Debt financing status

The following is the status of loans as of January 31, 2022.

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	Mizuho Bank, Ltd.	May 20, 2021	2,000	—	0.1041	Aug. 20, 2021	Bullet repayment	(Note 3)	Unsecured Non-guaranteed
	Subtotal		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	800	0.3743	Mar. 16, 2028	Bullet repayment	(Note 3)	
	Mar. 16, 2021	800	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	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)	
		Mar. 15, 2018	900	900	0.4895	Sept. 15, 2027	Bullet repayment	(Note 3)	
		Feb. 4, 2019	2,000	2,000	0.3687	Aug. 4, 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	Mizuho Bank, Ltd.	Apr. 6, 2020	1,200	1,200	0.4942	Apr. 8, 2030	Bullet repayment	(Note 3)	Unsecured Non-guaranteed
		Oct. 6, 2020	1,000	1,000	0.4707	Oct. 7, 2030	Bullet repayment	(Note 3)	
		Mar. 16, 2021	1,600	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	500	0.3743	Mar. 16, 2028	Bullet repayment	(Note 3)	
		Mar. 16, 2021	500	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)		
Development Bank of Japan Inc.	Aug. 2, 2016	2,100	2,100	0.3125	Aug. 3, 2026	Bullet repayment	(Note 3)		
	Oct. 6, 2020	1,000	1,000	0.4851	Oct. 9, 2029	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	The Bank of Fukuoka, Ltd.	Aug. 2, 2016	1,300	1,300	0.2169	Feb. 2, 2024	Bullet repayment	(Note 3)	Unsecured Non-guaranteed
		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	(Note 3)	
		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	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	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)		
Oct. 6, 2020		1,000	1,000	0.2629	Apr. 6, 2027	Bullet repayment	(Note 3)		
Shinkin Central Bank	Dec. 3, 2018	2,000	2,000	0.2375	Dec. 1, 2023	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	Shinkin Central Bank	Feb. 4, 2019	1,800	1,800	0.1863	Feb. 4, 2025	Bullet repayment	(Note 3)	Unsecured Non-guaranteed
		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	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	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	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	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)		
Subtotal			94,400	94,400					
Total			96,400	94,400					

(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 January 31, 2022.

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	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

Not applicable.

(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.

Not applicable.

ii) Other

Not applicable.

(4) Status of interested party transactions, etc.

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

Not applicable.

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	268,797	Mitsui Fudosan Co., Ltd.	250,140	93.1%
Building management fee	317,403	Mitsui Fudosan Facilities Co., Ltd.	128,803	40.6%
		Mitsui Fudosan Facilities West Co., Ltd.	120,577	38.0%
		Mitsui Fudosan Realty Co., Ltd.	4,613	1.5%

(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.	12,968
Mitsui Fudosan Building Management Co., Ltd.	Repairs and related work, etc.	33,916
Mitsui Fudosan Facilities Co., Ltd.	Repairs and related work, etc.	72,615
Mitsui Fudosan Facilities West Co., Ltd.	Repairs and related work, etc.	48,148
Daiichi Engei Co., Ltd.	Other property-related expenses	120

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.	190,327

(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

The 4th General Meeting of Unitholders of MFLP-REIT was held during the fiscal period under review. The following summarizes the key proposals approved at the General Meeting of Unitholders.

Approval date	Item	Summary
October 27, 2021	Partial Amendments to the Articles of Incorporation	(1) Necessary amendments were made to the asset valuation method, and (2) the calendar year notation was amended and other necessary amendments were made.
	Appointment of Directors	Directors of MFLP-REIT were newly elected or reelected at the General Meeting of Unitholders.

ii) Board of Directors of the investment corporation

The following summarizes the key items of the major contract conclusions and changes approved at meetings of the Board of Directors of MFLP-REIT in the fiscal period under review.

Approval date	Item	Summary
January 19, 2022	Conclusion of new investment units underwriting agreement, etc.	Concerning the issuance of new investment units and secondary offering of investment units approved at a meeting of the Board of Directors held on January 11, 2022 and January 19, 2022, general administrative services concerning new investment units underwriting, etc. related to domestic offering and overseas offering were entrusted to underwriters (Note).

(Note) The underwriters for domestic offering are Daiwa Securities Co. Ltd., Nomura Securities Co., Ltd., SMBC Nikko Securities Inc. Mizuho Securities Co., Ltd. Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., and Okasan Securities Co., Ltd. For overseas offering, the underwriters are Daiwa Capital Markets Europe Limited, Nomura International plc, SMBC Nikko Capital Markets Limited, Mizuho International plc, Morgan Stanley & Co. International plc, and Merrill Lynch International.

(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)

	11th period (As of January 31, 2022)		10th period (As of July 31, 2021)	
Assets				
Current assets				
Cash and deposits (Notes 3 and 4)	¥	1,235,624	¥	738,485
Cash and deposits in trust (Notes 3 and 4)		6,279,963		5,891,099
Operating accounts receivable		100,078		252,479
Prepaid expenses		49,309		45,399
Consumption taxes receivable		-		348,249
Other		5,055		3,432
Total current assets		7,670,031		7,279,145
Non-current assets				
Property and equipment (Note 5)				
Buildings in trust		150,297,147		149,977,689
Structures in trust		4,900,295		4,890,856
Machinery and equipment in trust		4,084,066		4,084,066
Vehicles and transport equipment in trust		4,021		2,642
Tools, furniture and fixtures in trust		77,931		70,175
Land in trust		141,526,784		141,526,784
Construction in progress in trust		22,180		-
Less: accumulated depreciation		(14,306,323)		(11,933,733)
Total property and equipment		286,606,104		288,618,482
Intangible assets				
Software		1,338		1,909
Total intangible assets		1,338		1,909
Investments and other assets				
Lease and guarantee deposits		10,000		10,000
Long-term prepaid expenses		20,210		40,530
Deferred tax assets (Note 9)		20		5
Other		1,050		1,050
Total investments and other assets		31,280		51,585
Total non-current assets		286,638,724		288,671,977
Deferred assets				
Investment unit issuance expenses (Note 2)		79,064		127,495
Investment corporation bond issuance costs (Note 2)		23,475		24,827
Total deferred assets		102,539		152,323
Total assets	¥	294,411,294	¥	296,103,446

Mitsui Fudosan Logistics Park Inc.
Balance Sheets

(Thousands of yen)

	11th period (As of January 31, 2022)		10th period (As of July 31, 2021)	
Liabilities				
Current liabilities				
Operating accounts payable	¥	599,324	¥	246,413
Short-term loans payable (Notes 4 and 7)		-		2,000,000
Current portion of long-term loans payable (Notes 4 and 7)		5,300,000		1,900,000
Accounts payable		1,080,748		1,037,999
Accrued expenses		7,900		8,715
Income taxes payable		1,025		708
Accrued consumption taxes		678,420		-
Advances received		1,577,904		1,613,880
Other		5,317		114
Total current liabilities		<u>9,250,642</u>		<u>6,807,832</u>
Non-current liabilities				
Investment corporation bonds (Notes 4 and 7)		3,000,000		3,000,000
Long-term loans payable (Notes 4 and 7)		89,100,000		92,500,000
Tenant leasehold and security deposits in trust (Note 4)		6,047,294		6,287,007
Total non-current liabilities		<u>98,147,294</u>		<u>101,787,007</u>
Total liabilities		<u>107,397,937</u>		<u>108,594,839</u>
Net assets				
Unitholders' equity				
Unitholders' capital		185,362,234		185,362,234
Units authorized: 8,000,000 units as of January 31, 2022 and July 31, 2021				
Units issued and outstanding: 542,000 units as of January 31, 2022 and July 31, 2021				
Deduction from unitholders' capital		(2,089,909)		(1,562,001)
Unitholders' capital (net)		<u>183,272,324</u>		<u>183,800,232</u>
Retained earnings		3,741,033		3,708,373
Total unitholders' equity		<u>187,013,357</u>		<u>187,508,606</u>
Total net assets (Notes 6 and 10)		<u>187,013,357</u>		<u>187,508,606</u>
Total liabilities and net assets	¥	<u>294,411,294</u>	¥	<u>296,103,446</u>

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

Mitsui Fudosan Logistics Park Inc.
Statements of Income

	(Thousands of yen)			
	11th period (From August 1, 2021 to January 31, 2022)		10th period (From February 1, 2021 to July 31, 2021)	
Operating revenues				
Property-related revenues (Notes 8 and 15)	¥	8,974,944	¥	8,872,000
Other property-related revenues (Notes 8 and 15)		527,829		395,689
Total operating revenues		9,502,773		9,267,689
Operating expenses				
Property-related expenses (Note 8)		4,506,123		4,337,470
Asset management fee		911,627		890,115
Asset custody fee		14,805		14,260
Administrative service fees		19,959		19,887
Directors' compensations		6,000		5,400
Audit fee		10,000		10,000
Other operating expenses		62,733		55,526
Total operating expenses		5,531,248		5,332,660
Operating income		3,971,524		3,935,029
Non-operating income				
Interest income		26		35
Insurance income		503		579
Compensation income for damage		-		2,107
Interest on refund		143		436
Other		615		257
Total non-operating income		1,287		3,416
Non-operating expenses				
Interest expense		162,195		153,622
Interest expenses on investment corporation bonds		7,561		6,986
Amortization of investment corporation bond issuance costs		1,352		1,166
Amortization of investment unit issuance expenses		48,431		48,431
Borrowing related expenses		6,049		16,683
Other		5,183		2,813
Total non-operating expenses		230,773		229,703
Income before income taxes		3,742,038		3,708,742
Income taxes - current		1,029		712
Income taxes - deferred		(15)		11
Total income taxes (Note 9)		1,014		723
Net income (Note 10)	¥	3,741,023	¥	3,708,018
Retained earnings brought forward		9		354
Unappropriated retained earnings (undisposed loss) (Note 6)	¥	3,741,033	¥	3,708,373

	(Yen)			
	11th period (From August 1, 2021 to January 31, 2022)		10th period (From February 1, 2021 to July 31, 2021)	
Net income per unit (Note 10)	¥	6,902	¥	6,841

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 February 1, 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
Distribution in excess of retained earnings	-	-	(527,908)	(527,908)	-	(527,908)
Dividends of earnings	-	-	-	-	(3,708,364)	(3,708,364)
Net income	-	-	-	-	3,741,023	3,741,023
Balance as of January 31, 2022	542,000	¥185,362,234	¥(2,089,909)	¥183,272,324	¥ 3,741,033	¥187,013,357

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

Mitsui Fudosan Logistics Park Inc.
Statements of Cash Flows

	(Thousands of yen)			
	11th period (From August 1, 2021 to January 31, 2022)		10th period (From February 1, 2021 to July 31, 2021)	
Cash flows from operating activities:				
Income before income taxes	¥	3,742,038	¥	3,708,742
Depreciation and amortization		2,373,160		2,345,531
Amortization of investment corporation bond issuance costs		1,352		1,166
Amortization of investment unit issuance expenses		48,431		48,431
Interest income		(26)		(35)
Interest expense		169,757		160,609
Insurance income		(503)		(579)
Decrease (increase) in operating accounts receivable		152,400		(192,921)
Decrease (increase) in prepaid expenses		(3,910)		629
Decrease (increase) in long-term prepaid expenses		20,320		17,671
Decrease (increase) in consumption taxes receivable		348,249		2,307,201
Increase (decrease) in accrued consumption taxes		678,420		-
Increase (decrease) in operating accounts payable		331,713		(133,670)
Increase (decrease) in accounts payable		25,919		126,707
Increase (decrease) in advances received		(35,976)		97,753
Other, net		3,579		(474)
Subtotal		<u>7,854,927</u>		<u>8,486,761</u>
Interest income received		26		35
Interest expense paid		(170,572)		(156,195)
Insurance income received		503		579
Income taxes paid		(712)		(944)
Net cash provided by (used in) operating activities		<u>7,684,172</u>		<u>8,330,235</u>
Cash flows from investing activities:				
Purchase of property and equipment in trust		(320,318)		(15,372,626)
Repayments of tenant leasehold and security deposits in trust		(542,255)		(24,319)
Proceeds from tenant leasehold and security deposits in trust		302,542		45,432
Net cash provided by (used in) investing activities		<u>(560,031)</u>		<u>(15,351,512)</u>
Cash flows from financing activities:				
Proceeds from short-term loans payable		3,000,000		15,400,000
Repayments of short-term loans payable		(5,000,000)		(19,300,000)
Proceeds from long-term loans payable		-		12,000,000
Proceeds from issuance of investment corporation bonds		-		3,000,000
Payments for investment corporation bond issuance costs		(935)		(25,058)
Proceeds from issuance of investment units		-		(20,500)
Payment of distribution of earnings		(3,709,264)		(3,578,334)
Payment of distribution in excess of retained earnings		(527,938)		(367,870)
Net cash provided by (used in) financing activities		<u>(6,238,138)</u>		<u>7,108,236</u>
Net increase (decrease) in cash and cash equivalents		<u>886,003</u>		<u>86,958</u>
Cash and cash equivalents at beginning of period		<u>6,629,584</u>		<u>6,542,625</u>
Cash and cash equivalents at end of period (Note 3)	¥	<u>7,515,587</u>	¥	<u>6,629,584</u>

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 January 31, 2022, 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 to 7 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. Recognition standard for revenues

Details of the main performance obligations related to MFLP-REIT's revenues from contracts with customers and the usual time at which the performance obligations are fulfilled (the usual time at which revenues are recognized) are as follows.

(i) Utilities charges

For utilities charges, revenues are recognized based on the supply of electricity, water, and so forth to the lessee, who is the customer, in accordance with the lease contract for the real estate, etc. and the appended agreement details. Utilities charges are included in "other property-related revenues" in the statements of income and presented in the breakdown of "other property-related revenues" in Note 8. "Property Leasing Business Revenues and Expenses."

g. 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. For the 10th and 11th period, there are no applicable amounts 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 acquired in the fiscal period ended July 31, 2021, has not been determined. When the property-related taxes are finalized, the equivalent amount will be capitalized as part of the acquisition cost.

h. 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

i. Consumption taxes

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

j. Changes in accounting policies

1. Application of Accounting Standard for Revenue Recognition

The “Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan (“ASBJ”) Statement No. 29, March 31, 2020) and relevant ASBJ regulations have been applied from the beginning of the fiscal period ended January 31, 2022, and revenues have been recognized at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of said goods or services. There is no impact of application of the accounting standard, etc. on the financial statements. Following transitional treatment set out in Paragraph 89-3 of the Accounting Standard for Revenue Recognition, the notes on “Revenue Recognition” for the previous fiscal period are omitted.

2. Application of Accounting Standard for Fair Value Measurement

The “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019) and relevant ASBJ regulations have been applied from the beginning of the fiscal period ended January 31, 2022, and the new accounting policy provided for by the Accounting Standard for Fair Value Measurement, etc. has been prospectively applied in accordance with the transitional treatment provided for in Paragraph 19 of the Accounting Standard for Fair Value Measurement, and Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). There is no impact of this change on the financial statements for the reporting period.

k. Significant accounting estimates

Impairment of non-current assets

(1) Amounts recorded on the accompanying financial statements

(Thousands of yen)

	11th period (As of January 31, 2022)	10th period (As of July 31, 2021)
Property and equipment	¥ 286,606,104	¥ 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.

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)	
	11th period (As of January 31, 2022)	10th period (As of July 31, 2021)
Cash and deposits	¥ 1,235,624	¥ 738,485
Cash and deposits in trust	6,279,963	5,891,099
Cash and cash equivalents	¥ 7,515,587	¥ 6,629,584

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.

(3) Supplementary explanation regarding fair values of financial instruments

Since variable factors are reflected in estimating the fair value of financial instruments, 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 January 31, 2022 and July 31, 2021 are as follows. Information on cash and deposits, cash and deposits in trust and short-term loans payable is omitted because the fair value is approximately the same as the book value since these are settled with cash and within a short period of time. Information on tenant leasehold and security deposits in trust is also omitted due to its immateriality.

(Thousands of yen)

11th period (As of January 31, 2022)	Carrying amount	Fair value	Difference
(1) Current portion of long-term loans payable	¥ 5,300,000	¥ 5,289,741	¥ (10,258)
(2) Investment corporation bonds	3,000,000	2,991,300	(8,700)
(3) Long-term loans payable	89,100,000	88,645,490	(454,509)
Total liabilities	¥ 97,400,000	¥ 96,926,531	¥ (473,468)

(Thousands of yen)

10th period (As of July 31, 2021)	Carrying amount	Fair value	Difference
(1) Current portion of long-term loans payable	¥ 1,900,000	¥ 1,898,709	¥ (1,290)
(2) Investment corporation bonds	3,000,000	3,009,300	9,300
(3) Long-term loans payable	92,500,000	92,653,703	153,703
Total liabilities	¥ 97,400,000	¥ 97,561,713	¥ 161,713

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

(1) Current portion of long-term loans payable and (3) 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.

(2) Investment corporation bonds

The fair value is determined based on the market price.

(Note 2) Repayment schedule for long-term loans and investment corporation bonds

(Thousands of yen)

11th period (As of January 31, 2022)	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
Investment corporation bonds	-	-	-	-	-	¥ 3,000,000
Long-term loans payable	¥ 5,300,000	¥ 9,600,000	¥ 9,600,000	¥ 5,700,000	¥ 10,700,000	53,500,000
Total	¥ 5,300,000	¥ 9,600,000	¥ 9,600,000	¥ 5,700,000	¥ 10,700,000	¥ 56,500,000

(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
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	¥ 1,900,000	¥ 9,000,000	¥ 10,600,000	¥ 6,600,000	¥ 7,200,000	¥ 62,100,000

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)

	11th period (From August 1, 2021 to January 31, 2022)		10th period (From February 1, 2021 to July 31, 2021)	
Carrying amount				
Balance at beginning of period	¥	288,618,482	¥	275,645,430
Changes during the period		(2,034,558)		12,973,051
Balance at end of period		286,583,923		288,618,482
Fair value at the end of the period	¥	333,560,000	¥	326,300,000

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

(Note 2) 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). Changes in the carrying amount during the 11th period consisted of the decrease mainly attributable to depreciation (¥2,372,589 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)			
	11th period (From August 1, 2021 to January 31, 2022)		10th period (From February 1, 2021 to July 31, 2021)	
	Total	Per unit	Total	Per unit
I. Unappropriated retained earnings	¥ 3,741,033,140		¥ 3,708,373,501	
II. Distributions in excess of retained earnings				
Deduction from unitholders' capital	538,206,000		527,908,000	
III. Distributions				
Distribution of earnings	3,740,884,000	¥ 6,902	3,708,364,000	¥ 6,842
Distribution in excess of retained earnings	538,206,000	993	527,908,000	974
Total distributions	¥ 4,279,090,000	¥ 7,895	¥ 4,236,272,000	¥ 7,816
IV. Retained earnings carried forward	¥ 149,140		¥ 9,501	

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 January 31, 2022 and July 31, 2021, MFLP-REIT declared a distribution amount of ¥3,740,884,000 and ¥3,708,364,000, 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 January 31, 2022, MFLP-REIT declared the distribution of ¥538,206,000, which is calculated as being almost equivalent to the remaining amount after subtracting the distribution of earnings of ¥3,740,884,000 from ¥4,279,529,265 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 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).

(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 January 31, 2022 and July 31, 2021.

	(Thousands of yen)			
	11th period (As of January 31, 2022)		10th period (As of July 31, 2021)	
0.1041% unsecured short-term loans		-	¥	2,000,000
Total short-term loans payable		-	¥	2,000,000
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		1,300,000
0.6325% unsecured long-term loans due 2031		3,200,000		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		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		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		2,000,000
0.3319% unsecured long-term loans due 2024		600,000		600,000
0.5377% unsecured long-term loans due 2030		3,000,000		3,000,000
0.7140% unsecured long-term loans due 2032		800,000		800,000
0.2087% unsecured long-term loans due 2025		600,000		600,000

	11th period (As of January 31, 2022)		10th period (As of July 31, 2021)	
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		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	¥	94,400,000
0.5000% unsecured bonds due 2031	¥	3,000,000	¥	3,000,000
Total bonds	¥	3,000,000	¥	3,000,000

(Note) The stated interest rates are the weighted average interest rates during the fiscal periods ended January 31, 2022 and July 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 January 31, 2022 and July 31, 2021.

	(Thousands of yen)			
	11th period (As of January 31, 2022)		10th period (As of July 31, 2021)	
Total amount of commitment line contracts	¥	8,000,000	¥	8,000,000
Loans executed		-		-
Unused line of credit	¥	8,000,000	¥	8,000,000

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 January 31, 2022 and July 31, 2021.

(Thousands of yen)

	11th period (From August 1, 2021 to January 31, 2022)		10th period (From February 1, 2021 and to July 31, 2021)	
A. Property leasing business revenues				
Property-related revenues				
Rental revenues	¥	8,532,498	¥	8,425,802
Common area charges		442,445		446,198
Total	¥	8,974,944	¥	8,872,000
Other property-related revenues				
Utilities charges	¥	412,013	¥	329,047
Parking lots		42,979		45,012
Others		72,836		21,628
Total	¥	527,829	¥	395,689
Total property leasing business revenues	¥	9,502,773	¥	9,267,689
B. Property leasing business expenses				
Property-related expenses				
Outsourcing service expenses	¥	590,425	¥	565,701
Utilities expenses		341,344		281,722
Repair expenses		193,424		126,001
Taxes and dues		872,102		869,788
Depreciation and amortization		2,372,589		2,344,236
Others		136,236		150,021
Total property leasing business expenses	¥	4,506,123	¥	4,337,470
C. Operating income from property leasing [A-B]	¥	4,996,649	¥	4,930,218

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 January 31, 2022 and July 31, 2021 are as follows:

	(Thousands of yen)			
	11th period (As of January 31, 2022)		10th period (As of July 31, 2021)	
Deferred tax assets:				
Accrued enterprise tax	¥	20	¥	5
Total deferred tax assets	¥	20	¥	5
Net deferred tax assets	¥	20	¥	5

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 January 31, 2022 and July 31, 2021 are as follows:

	11th period (As of January 31, 2022)		10th period (As of July 31, 2021)	
Statutory tax rate		31.46%		31.46%
Adjustments:				
Deductible distributions		(31.45)		(31.46)
Other		0.02		0.02
Effective income tax rate after application of tax-effect accounting		0.03%		0.02%

10. Per Unit Information

The following table summarizes per unit information for the fiscal periods ended January 31, 2022 and July 31, 2021.

	11th period (From August 1, 2021 to January 31, 2022)		10th period (From February 1, 2021 to July 31, 2021)	
Earnings per unit:				
Net income per unit (yen)	¥	6,902	¥	6,841
Weighted average number of units outstanding (unit)		542,000		542,000
	11th period (As of January 31, 2022)		10th period (As of July 31, 2021)	
Net assets per unit (yen)	¥	345,043	¥	345,956

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 January 31, 2022 and July 31, 2021 under non-cancelable operating leases of properties are as follows:

	(Thousands of yen)			
	11th period (As of January 31, 2022)		10th period (As of July 31, 2021)	
Due within one year	¥	14,818,339	¥	13,970,177
Due after one year		48,620,198		34,558,725
Total	¥	63,438,538	¥	48,528,903

12. Transactions with Related Parties

There are no significant transactions and balances with related parties for the fiscal periods ended January 31, 2022 and July 31, 2021.

13. Segment and Related Information

For the fiscal periods ended January 31, 2022 and July 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

1. Issuance of new investment units

Regarding the issuance of new investment units decided in the meetings of the Board of Directors of MFLP-REIT held on January 11, 2022 and January 19, 2022, as stated below, payment for the issuance of said units was completed through public offering on February 1, 2022 and through a third-party allotment on February 24, 2022.

As a result, the total investment amount (net) is ¥201,209,908,748, and there are 576,000 units of total number of investment units issued and outstanding.

a. Issuance of new investment units through public offering (primary offering)

Number of new investment units issued:	32,380 units (Domestic: 18,780 units, Overseas: 13,600 units)
Issue price:	¥545,190 per unit
Total amount of issue price:	¥17,653,252,200
Amount paid in (paid-in amount):	¥527,576 per unit
Total amount paid in (total paid-in amount):	¥17,082,910,880
Payment date:	February 1, 2022

b. Issuance of new investment units through a third-party allotment (third-party allotment)

Number of new investment units issued:	1,620 units
Amount paid in (paid-in amount):	¥527,576 per unit
Total amount paid in (total paid-in amount):	¥854,673,120
Payment date:	February 24, 2022
Allottee:	Daiwa Securities Co. Ltd.

2. Acquisitions of properties

MFLP-REIT acquired the trust beneficiary interests for the following assets on February 2, 2022.

Category	Property no.	Property name	Location	Acquisition price (millions of yen) (Note)
Logistics facilities	L-20	MFLP Yachiyo Katsutadai	Yachiyo-shi, Chiba	18,000
	L-21	MFLP Osaka I	Osaka-shi, Osaka	13,900
	L-22	MFLP Hiratsuka II	Hiratsuka-shi, Kanagawa	12,700
Total (three properties)			-	44,600

(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 asset acquired (excluding consumption tax, local consumption tax and the various costs required in the acquisition), rounded down to the nearest million yen.

3. Borrowing of funds

MFLP-REIT has borrowed the following funds to apply to part of the acquisition funds and related expenses for the real estate trust beneficiary interests in the above “2. Acquisitions of properties.”

Lender	Borrowing amount (millions of yen)	Interest rate	Drawdown date	Repayment date	Repayment method	Collateral
Mizuho Bank, Ltd.	3,000	Base rate +0.035% (Note 1)	February 2, 2022	February 16, 2022	Bullet repayment	Unsecured Non-guaranteed
Sumitomo Mitsui Trust Bank, Limited	2,000	Base rate +0.05% (Note 2)	February 2, 2022	May 2, 2022	Bullet repayment	Unsecured Non-guaranteed
The Bank of Fukuoka, Ltd.	2,000	Base rate +0.05% (Note 2)	February 2, 2022	May 2, 2022	Bullet repayment	Unsecured Non-guaranteed
Sumitomo Mitsui Banking Corporation	700	0.3813%	February 2, 2022	February 2, 2029	Bullet repayment	Unsecured Non-guaranteed
	700	0.5538%		August 4, 2031		
Resona Bank, Limited.	1,400	0.5538%	February 2, 2022	August 2, 2031	Bullet repayment	Unsecured Non-guaranteed
Sumitomo Mitsui Trust Bank, Limited	1,200	0.2375%	February 2, 2022	February 2, 2027	Bullet repayment	Unsecured Non-guaranteed
Mizuho Bank, Ltd.	1,200	0.5813%	February 2, 2022	February 2, 2032	Bullet repayment	Unsecured Non-guaranteed
The Bank of Fukuoka, Ltd.	1,200	0.5813%	February 2, 2022	February 2, 2032	Bullet repayment	Unsecured Non-guaranteed
Shinkin Central Bank	1,200	0.5263%	February 2, 2022	February 3, 2031	Bullet repayment	Unsecured Non-guaranteed
The Norinchukin Bank	1,200	0.5263%	February 2, 2022	February 3, 2031	Bullet repayment	Unsecured Non-guaranteed
Nippon Life Insurance Company	1,200	0.5813%	February 2, 2022	February 2, 2032	Bullet repayment	Unsecured Non-guaranteed
Sumitomo Life Insurance Company	1,200	0.5813%	February 2, 2022	February 2, 2032	Bullet repayment	Unsecured Non-guaranteed

Lender	Borrowing amount (millions of yen)	Interest rate	Drawdown date	Repayment date	Repayment method	Collateral
Momiji Bank, Ltd.	1,000	0.5538%	February 2, 2022	August 4, 2031	Bullet repayment	Unsecured Non-guaranteed
The Keiyo Bank, Ltd.	1,000	0.5538%	February 2, 2022	August 4, 2031	Bullet repayment	Unsecured Non-guaranteed
The Iyo Bank, Ltd.	1,000	0.5813%	February 2, 2022	February 2, 2032	Bullet repayment	Unsecured Non-guaranteed
The Yamagata Bank, Ltd.	1,000	0.5813%	February 2, 2022	February 2, 2032	Bullet repayment	Unsecured Non-guaranteed
The Yamaguchi Bank, Ltd.	800	0.5538%	February 2, 2022	August 4, 2031	Bullet repayment	Unsecured Non-guaranteed
Mitsui Sumitomo Insurance Company, Limited	800	0.3813%	February 2, 2022	February 2, 2029	Bullet repayment	Unsecured Non-guaranteed
Shinsei Bank, Limited	800	0.5538%	February 2, 2022	August 4, 2031	Bullet repayment	Unsecured Non-guaranteed
The Yamanashi Chuo Bank, Ltd.	800	0.5538%	February 2, 2022	August 4, 2031	Bullet repayment	Unsecured Non-guaranteed
The Chugoku Bank, Limited	800	0.3813%	February 2, 2022	February 2, 2029	Bullet repayment	Unsecured Non-guaranteed
The Hyakugo Bank, Ltd.	800	0.5538%	February 2, 2022	August 4, 2031	Bullet repayment	Unsecured Non-guaranteed
Daishi Hokuetsu Bank, Ltd.	800	0.3813%	February 2, 2022	February 2, 2029	Bullet repayment	Unsecured Non-guaranteed
The Chiba Bank, Ltd.	500	0.3813%	February 2, 2022	February 2, 2029	Bullet repayment	Unsecured Non-guaranteed
MUFG Bank, Ltd.	300	0.2025%	February 2, 2022	February 2, 2026	Bullet repayment	Unsecured Non-guaranteed
Total	28,600	—	—	—	—	—

(Note 1) The interest payment date is the repayment date. The base rate is calculated by daily linear interpolation of the JBA 1-week yen TIBOR and the JBA 1-month yen TIBOR published by JBA TIBOR Administration as of two business days prior to the drawdown date.

(Note 2) The interest payment date is the repayment date. The base rate is JBA 3-month yen TIBOR published by JBA TIBOR Administration as of two business days prior to the drawdown date. Please refer to the JBA TIBOR Administration website (<https://www.jbatibor.or.jp/rate/>) for JBA yen TIBOR.

15. Revenue Recognition

For the fiscal period ended January 31, 2022

Information on disaggregation of revenues from contracts with customers

For information on disaggregation of revenues from contracts with customers, please refer to Note 8. “Property Leasing Business Revenues and Expenses.”

Note that revenues based on ASBJ Statement No. 13 “Accounting Standard for Lease Transactions” are included in the table of revenues and expenses generated from the property leasing business in Note 8. “Property Leasing Business Revenues and Expenses.” Revenues from contracts with customers are primarily “utilities charges.”

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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 January 31, 2022 and July 31, 2021, the statements of income, statements of changes in net assets and statements of cash flows for the six months period then ended January 31, 2022 and July 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 January 31, 2022 and July 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.

Emphasis of Matter

We draw attention to Note 14 to the financial statements that describes the Company's subsequent issuance of new investment units, acquisitions of properties, and borrowing of funds. Our opinion is not modified in respect of this matter.

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

May 20, 2022

Disclaimer

This document contains translations of selected information described in the Securities Report (Yuka shoken hokokusho) filed on pursuant to the Financial Instruments and Exchange Act of Japan, and the Asset Management Report (Shisan unyou houkoku) for the period from August 1, 2021 to January 1, 2022, of Mitsui Fudosan Logistics Park Inc. prepared pursuant to the Investment Trust Act of Japan.

This English-language document was prepared solely for the convenience of and reference by overseas investors, and is not intended to be an offer for the sale, or solicitation of an offer to make a purchase, of any securities of Mitsui Fudosan Logistics Park Inc. It neither corresponds to the original Japanese documents nor is intended to constitute a disclosure document. The Japanese-language Securities Report and the Asset Management Report for the aforementioned period should always be referred to as originals of this document.

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