

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

March 15, 2019

REIT Securities Issuer	Mitsui Fudosan Logistics Park Inc.	Stock Exchange Listing	Tokyo Stock Exchange
Securities Code	3471	Website	<a href="http://www.mflp-r.co.jp/en/">http://www.mflp-r.co.jp/en/</a>
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Asset Management Company	Mitsui Fudosan Logistics REIT Management Co., Ltd.		
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Scheduled date of submission of securities report: April 26, 2019

Scheduled date of commencement of distribution payout: April 23, 2019

Supplementary materials for financial results: Yes

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

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

### 1. Financial Results for the Fiscal Period Ended January 31, 2019 (August 1, 2018 to January 31, 2019)

#### (1) Results of Operations

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

	Operating revenues		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal period ended January 31, 2019	3,280	4.2	1,560	4.1	1,520	5.2	1,519	5.2
Fiscal period ended July 31, 2018	3,148	19.7	1,498	20.9	1,445	21.9	1,444	21.9

	Net income per unit	Return on unitholders' equity	Ratio of ordinary income to total assets	Ratio of ordinary income to operating revenues
	Yen	%	%	%
Fiscal period ended January 31, 2019	5,783	2.1	1.5	46.3
Fiscal period ended July 31, 2018	5,499	2.2	1.6	45.9

#### (2) Distributions

	Distributions per unit (excluding distributions in excess of retained earnings)	Total amount of distributions (excluding distributions in excess of retained earnings)	Distributions in excess of retained earnings per unit	Total amount of distributions in excess of retained earnings	Distributions per unit (including distributions in excess of retained earnings)	Total amount of distributions (including distributions in excess of retained earnings)	Payout ratio	Ratio of distributions to net assets
	Yen	Millions of yen	Yen	Millions of yen	Yen	Millions of yen	%	%
Fiscal period ended January 31, 2019	5,783	1,519	322	84	6,105	1,604	100.0	2.1
Fiscal period ended July 31, 2018	5,497	1,444	335	88	5,832	1,532	100.0	2.0

Notes:

- The total amount of distributions in excess of retained earnings for the fiscal period ended January 31, 2019 and the fiscal period ended July 31, 2018 is entirely return of capital applicable to distribution reducing unitholders' capital for tax purposes.
- The ratio of decreasing surplus attributable to distributions in excess of retained earnings (return of capital applicable to distribution reducing unitholders' capital for tax purposes) for the fiscal period ended January 31, 2019 and the fiscal period ended July 31, 2018 are 0.001 and 0.002, respectively. This calculation is based on Article 23, Paragraph 1, Item 4 of the Order for Enforcement of the Corporation Tax Act.

#### (3) Financial Position

	Total assets	Net assets	Ratio of unitholders' equity to total assets	Net assets per unit
	Millions of yen	Millions of yen	%	Yen
Fiscal period ended January 31, 2019	104,591	73,390	70.2	279,292
Fiscal period ended July 31, 2018	100,250	73,403	73.2	279,340

(4) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal period ended January 31, 2019	3,119	(5,372)	2,468	2,971
Fiscal period ended July 31, 2018	1,630	(19,413)	18,524	2,757

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

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

	Operating revenues		Operating income		Ordinary income		Net income		Distributions per unit (excluding distributions in excess of retained earnings)	Distributions in excess of retained earnings per unit	Distributions per unit (including distributions in excess of retained earnings)
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen	Yen
Fiscal period ending July 31, 2019	4,958	51.1	2,267	45.4	2,154	41.7	2,153	41.7	5,683	732	6,415

(Reference) Expected net income per unit (Expected net income/Expected number of investment units at the end of the fiscal period) for the fiscal period ending July 31, 2019: ¥5,682

• Other

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

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

(2) Total number of investment units issued and outstanding

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

Fiscal period ended January 31, 2019	262,774 units	Fiscal period ended July 31, 2018	262,774 units
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(ii) Number of treasury units at the end of the fiscal period

Fiscal period ended January 31, 2019	0 units	Fiscal period ended July 31, 2018	0 units
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(Note)

Please refer to “Notes to Per Unit Information” on page 27 for the number of investment units used as the basis for calculating net income per unit.

• The implementation status of statutory audit

At the time of disclosure of this financial report, the audit procedures for the financial statements pursuant to the Financial Instruments and Exchange Act have not been completed.

• Appropriate use of the forecast of financial results; other special items

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

For details of assumptions for the above forecast figures, please refer to “Forecast Assumptions for the Fiscal Period Ending July 31, 2019 (February 1, 2019 to July 31, 2019) and the Fiscal Period Ending January 31, 2020 (August 1, 2019 to January 31, 2020)” described on page 9.

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## 1. Related Corporations of the Investment Corporation

As there have been no significant changes from the “Management Structure of the Investment Corporation” described in the Securities Report (prepared in Japanese only) submitted on October 25, 2018, the disclosure is omitted.

## 2. Management Policies and Status of Asset Management

### (1) Management Policies

As there have been no significant changes from policies described in “Investment Policy,” “Investment Targets” and “Distribution Policy” in the latest Securities Report (prepared in Japanese only) submitted on October 25, 2018, the disclosure is omitted.

### (2) Status of Asset Management

*(Summary of results for the reporting period)*

#### i) Brief history of the investment corporation

Mitsui Fudosan Logistics Park Inc. (“MFLP-REIT”), a Japanese real estate investment corporation, was established on March 4, 2016 under the Act on Investment Trusts and Investment Corporations of Japan (Act No. 198 of 1951, including subsequent amendments; the “Investment Trust Act”), by Mitsui Fudosan Logistics REIT Management Co., Ltd. (the “Asset Management Company”) as the organizer, and listed on the Real Estate Investment Trust Securities Market (J-REIT section) of Tokyo Stock Exchange, Inc. (“Tokyo Stock Exchange”) on August 2, 2016 (Securities Code: 3471). MFLP-REIT held assets totaling 13 properties amounting to a total acquisition price of ¥103.5 billion as at the end of the fiscal period under review.

#### ii) Investment environment and management performance

The Japanese economy has been on an expansionary trend against the backdrop of accommodative financial conditions and support from government cash injection, as overseas economies continue with steady growth rates. In addition, capital investment has increased with corporate profits and business sentiment both maintaining excellent levels and private consumption has also been gradually increasing backed by improvement in the employment and income situation. In the logistics market, with the 3PL business (Note) specializing in outsourced logistics services expanding in market size and the needs of 3PL providers for rental of multifunctional and highly-convenient logistics facilities on the rise, the demand for leading-edge logistics facilities is expected to continue to increase.

Under such circumstances, MFLP-REIT upholds a basic policy of pursuing maximization of unitholder value by achieving sustainable growth through formation of a strategic partnership in the logistics facilities business with Mitsui Fudosan Co., Ltd. (“Mitsui Fudosan”). During the fiscal period under review (fiscal period ended January 31, 2019), MFLP-REIT acquired MFLP Tsukuba (acquisition of 60% quasi co-ownership interest; acquisition price of ¥5,268 million) in December 2018, in accordance with the aforementioned policy.

Furthermore, MFLP-REIT has conducted steady management of 13 properties held (total acquisition price of ¥103.5 billion) to maintain an excellent occupancy rate of 100.0% for the entire portfolio as at the end of the fiscal period under review

(Note)

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

#### iii) Overview of financing

In the fiscal period under review, MFLP-REIT executed debt financing of ¥4,700 million (short-term loans payable of ¥1,700 million, long-term loans payable of ¥3,000 million) in December 2018 to fund the acquisition of MFLP Tsukuba; and ¥700 million (short-term loans payable) in September 2018 and ¥700 million (short-term loans payable) in October 2018 to repay loans, and executed repayments of a total of ¥2,100 million (short-term loans payable) using funds from part of loans procured in the 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 ¥28,000 million (short-term loans payable of ¥1,700 million, long-term loans payable of ¥26,300 million) and the ratio of interest-bearing debt to total assets (LTV ratio) was 26.8%.

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 ¥3,280 million, operating income of ¥1,560 million, ordinary income of ¥1,520 million, and net income of ¥1,519 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 ¥1,519,622,042, which is the integral multiple of the total number of investment units issued and outstanding (262,774 units) of unappropriated retained earnings. Accordingly, MFLP-REIT declared distribution of earnings per unit of ¥5,783.

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 ¥84 million, which is the amount almost equivalent to the remaining amount after subtracting the distribution of earnings of ¥1,519 million from ¥1,604 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 ¥322.

Notes:

1. In addition to the continuous distributions in excess of retained earnings, in cases where the distribution amount for distribution per unit is expected to temporarily decline by a certain degree due to such factors as the procurement of funds through the issuance of new investment units, etc., a temporary distribution in excess of retained earnings may be executed in order to standardize the amount of the distribution per unit. However, from the perspective of continuing to maintain owned assets for a long period of time, in cases where the above distribution of cash is executed, and where the amount equal to the equivalent of depreciation and amortization for the applicable operating period minus the amount of the distribution in excess of retained earnings for the applicable operating period falls below the standard amount of capital for building maintenance (Note 3), the distribution in excess of retained earnings will be decreased by a maximum amount that the distribution amount does not fall below the total equivalent of the distribution of earnings, and this may lead to cases where distribution in excess of retained earnings will not be executed. In addition, from the perspective of continuing stable financial management, distributions in excess of retained earnings will not be executed in cases where the appraisal LTV ratio (Note 4) exceeds 60% in the event that the above distribution of cash is executed.
2. "FFO" is an acronym for funds from operations and refers to the figure calculated by adding depreciation and amortization of rental properties for the applicable operating period and loss on retirement of non-current assets to net income (excluding gain (loss) on sales of real estate properties, etc.).
3. "Standard amount of capital for building maintenance" refers to the "amount equivalent to the capital expenditure amount noted in the Building Condition Evaluation Report averaged over 12 years," from which an amount representing six months of capital expenditure is determined and then multiplied by two.
4. Appraisal LTV ratio (%) =  $A/B \times 100$  (%)
 

A = Total interest-bearing debt on the applicable accounts settlement date

B = Total assets on the balance sheet on the applicable accounts settlement date – Amount of book value after depreciation of owned real estate on the applicable accounts settlement date + Appraisal value of owned real estate on the applicable accounts settlement date

*(Outlook for the fiscal period ending July 31, 2019)*

i) Future management policy

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

(A) External growth strategy

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

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

Notes:

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

(B) Internal growth strategy

"Stable management 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.

(C) Financial strategy

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

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

ii) Significant subsequent events

(A) 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 9, 2019 and January 23, 2019, as stated below, payment for the issuance of said units was completed through public offering on February 1, 2019 and through a third-party allotment on February 27, 2019.

As a result, the total investment amount (net) is ¥107,166,453,976, and there are 379,000 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 to be issued:	110,700 units (Domestic: 75,900 units, Overseas: 34,800 units)
Issue price:	¥313,986 per unit
Total amount of issue price:	¥34,758,250,200
Amount to be paid in (paid-in amount):	¥303,680 per unit
Total amount to be paid in (total paid in amount):	¥33,617,376,000
Payment date:	February 1, 2019

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

Number of new investment units to be issued:	5,526 units
Amount to be paid in (paid-in amount):	¥303,680 per unit
Total amount to be paid in (total paid in amount):	¥1,678,135,680
Payment date:	February 27, 2019
Allottee:	Daiwa Securities Co. Ltd.

(B) Acquisitions of properties

MFLP-REIT acquired the trust beneficiary interests for the following assets on February 4, 2019 and March 1, 2019. It also plans to acquire MFLP Fukuoka I (remaining 19% quasi co-ownership interest) on April 5, 2019 (6 properties inclusive of additional acquisition; total amount of acquisition price is ¥53,128 million).

Category	Property no.	Property name	Location	Acquisition price (Note 1) (millions of yen)	Acquisition date
Logistics facilities	L-10	MFLP Hino (Note 2)	Hino-shi, Tokyo	5,013 (Additional 10% quasi co-ownership interest)	February 4, 2019
	L-12	MFLP Tsukuba (Note 3, 6)	Tsukubamirai-shi, Ibaraki	3,512 (Additional 40% quasi co-ownership interest)	March 1, 2019
	L-13	MFLP Inazawa	Inazawa-shi, Aichi	16,200	February 4, 2019
	L-14	MFLP Atsugi II	Isehara-shi, Kanagawa	13,100	February 4, 2019
	L-15	MFLP Fukuoka I (Note 4, 6)	Sue-machi, Kasuya- gun, Fukuoka	i) 4,263 ii) 1,000 Total 5,263	i) February 4, 2019 ii) April 5, 2019
Industrial real estate	I-1	MFIP Inzai (Note 5)	Inzai-shi, Chiba	10,040 (Additional 80% quasi co-ownership interest)	February 4, 2019

Notes:

- “Acquisition price” is the purchase price of each trust beneficiary interest as set forth in the agreement for sale and purchase of trust beneficiary interest for the acquired asset, rounded down to the nearest million yen. The transaction price does not include consumption tax and local consumption tax or the various costs required in the acquisition.
- For “MFLP Hino,” “Acquisition price” is the prorated figure equivalent to the quasi co-ownership interest in this property that MFLP-REIT additionally acquired (10%).
- For “MFLP Tsukuba,” “Acquisition price” is the prorated figure equivalent to the quasi co-ownership interest in this property that MFLP-REIT additionally acquired (40%).
- For “MFLP Fukuoka I,” “Acquisition price” noted in the upper section is the prorated figure equivalent to the quasi co-ownership interest in this property that MFLP-REIT acquired (81%), and the price noted in the lower section is the prorated figure equivalent to the quasi co-ownership interest of the same to be acquired on April 5, 2019 (19%).

5. For “MFIP Inzai,” “Acquisition price” is the prorated figure equivalent to the quasi co-ownership interest in this property that MFLP-REIT additionally acquired (80%).
6. The sale and purchase agreements relating to “MFLP Tsukuba” and “MFLP Fukuoka I” (19% quasi co-ownership interest) fall under the definition of “forward commitments, etc.” (as defined as “a postdated sales contract under which payment and delivery shall be made at least one month after the conclusion of the contract, or any other contract similar thereto” stated in the “Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc.” established by the Financial Services Agency).

(C) 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 (B) Acquisitions of properties, as well as to the repayment of loans.

Lender	Borrowing amount (millions of yen)	Interest rate	Drawdown date	Repayment date	Repayment method	Collateral
Mizuho Bank, Ltd.	2,900	0.08387%	February 4, 2019	April 5, 2019	Bullet repayment	Unsecured Non-guaranteed
The Bank of Fukuoka, Ltd.	1,100	0.08318%	March 1, 2019	May 7, 2019	Bullet repayment	Unsecured Non-guaranteed
Sumitomo Mitsui Banking Corporation	1,000	0.25%	February 4, 2019	February 6, 2023	Bullet repayment	Unsecured Non-guaranteed
Sumitomo Mitsui Banking Corporation	1,000	0.1475%	February 4, 2019	February 5, 2024	Bullet repayment	Unsecured Non-guaranteed
Sumitomo Mitsui Trust Bank, Limited	1,500	0.1475%	February 4, 2019	February 5, 2024	Bullet repayment	Unsecured Non-guaranteed
Mizuho Bank, Ltd.	2,000	0.36869%	February 4, 2019	August 4, 2028	Bullet repayment	Unsecured Non-guaranteed
MUFG Bank, Ltd.	1,000	0.25%	February 4, 2019	February 6, 2023	Bullet repayment	Unsecured Non-guaranteed
MUFG Bank, Ltd.	500	0.2313%	February 4, 2019	February 4, 2026	Bullet repayment	Unsecured Non-guaranteed
The Bank of Fukuoka, Ltd.	2,000	0.3988%	February 4, 2019	February 5, 2029	Bullet repayment	Unsecured Non-guaranteed
Shinkin Central Bank	1,800	0.1863%	February 4, 2019	February 4, 2025	Bullet repayment	Unsecured Non-guaranteed
The Norinchukin Bank	1,000	0.2313%	February 4, 2019	February 4, 2026	Bullet repayment	Unsecured Non-guaranteed
Mizuho Trust & Banking Co., Ltd.	500	0.1163%	February 4, 2019	February 6, 2023	Bullet repayment	Unsecured Non-guaranteed
Mizuho Trust & Banking Co., Ltd.	500	0.1475%	February 4, 2019	February 5, 2024	Bullet repayment	Unsecured Non-guaranteed
The Chiba Bank, Ltd.	1,000	0.2313%	February 4, 2019	February 4, 2026	Bullet repayment	Unsecured Non-guaranteed
The Yamaguchi Bank, Ltd.	600	0.2313%	February 4, 2019	February 4, 2026	Bullet repayment	Unsecured Non-guaranteed
Mitsui Sumitomo Insurance Company, Limited	600	0.20869%	February 4, 2019	August 4, 2025	Bullet repayment	Unsecured Non-guaranteed
Total	19,000	—	—	—	—	—

iii) Forecast for the Fiscal Period

MFLP-REIT’s forecasts for the fiscal period ending July 31, 2019 (from February 1, 2019 to July 31, 2019) are as follows:

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

	Operating revenues		Operating income		Ordinary income		Net income		Distributions per unit (excluding distributions in excess of retained earnings)	Distributions in excess of retained earnings per unit	Distributions per unit (including distributions in excess of retained earnings)
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen	Yen
Fiscal period ending July 31, 2019	4,958	51.1	2,267	45.4	2,154	41.7	2,153	41.7	5,683	732	6,415

For the assumptions for this forecasts, please refer to “Forecast Assumptions for the Fiscal Period Ending July 31, 2019 (February 1, 2019 to July 31, 2019) and the Fiscal Period Ending January 31, 2020 (August 1, 2019 to January 31, 2020)” described on page 9.

Notes:

1. The above forecasts are the current estimations calculated based upon certain assumptions. Future additional acquisitions or sales of real estate, real estate market trends, interest rate fluctuation and other situation surrounding MFLP-REIT may cause differences from the assumptions. As a result, actual operating revenues, operating income, ordinary income, net income, distributions per unit (excluding distributions in excess of

retained earnings) and distributions in excess of retained earnings per unit may vary from these forecasts. Furthermore, these forecasts are in no way a guarantee of amounts of distributions or distributions in excess of retained earnings.

2. Monetary amounts have been rounded down to the display unit, and percentage values have been rounded to the nearest tenth of a percent.

*(Reference)*

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

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

	Operating revenues		Operating income		Ordinary income		Net income		Distributions per unit (excluding distributions in excess of retained earnings)	Distributions in excess of retained earnings per unit	Distributions per unit (including distributions in excess of retained earnings)
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen	Yen
Fiscal period ending January 31, 2020	5,044	1.7	2,268	0.0	2,184	1.4	2,184	1.4	5,762	730	6,492

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

Notes:

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



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

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> <li>The fiscal period ending July 31, 2019 (the sixth fiscal period): February 1, 2019 to July 31, 2019 (181 days)</li> <li>The fiscal period ending January 31, 2020 (the seventh fiscal period): August 1, 2019 to January 31, 2020 (184 days)</li> </ul>
Investment assets	<ul style="list-style-type: none"> <li>It is assumed that (i) the total number of the properties assets held by MFLP-REIT will be 16, which includes the trust beneficiary interests in real estate held by MFLP-REIT as of January 31, 2019 (total of 13 properties) (“Assets Currently Held”), with the acquisition of the trust beneficiary interests in real estate related to MFLP Hino (quasi co-ownership interest of 10%), MFLP Inazawa, MFLP Atsugi II, MFLP Fukuoka I (quasi co-ownership interest of 81%) and MFIP Inzai (quasi co-ownership interest of 80%) on February 4, 2019, as well as those related to MFLP Tsukuba (quasi co-ownership interest of 40%) on March 1, 2019, and those related to MFLP Fukuoka I (quasi co-ownership interest of 19%) on April 5, 2019 (collectively, “Assets (to be) Acquired”); (ii) the abovementioned assets will continue to be held as there will be no disposition, etc. of the assets held by MFLP-REIT until the end of the fiscal period ending January 31, 2020 and (iii) there will be no acquisition of new properties other than the Assets (to be) Acquired. However, the actual number of investment assets may change due to the acquisition of new properties other than the Assets (to be) Acquired or the disposition, etc. of assets held by MFLP-REIT.</li> </ul>
Operating revenues	<ul style="list-style-type: none"> <li>Leasing business revenues related to the Assets Currently Held are calculated based on lease contracts already executed that are in effect as of today and other factors, including tenant movements and market trends.</li> <li>Leasing business revenues related to the Assets (to be) Acquired are calculated by taking into account lease contracts already executed and other factors, including tenant movements and market trends, based on the information provided by the current owner.</li> <li>Calculations assume that there will be no gain or loss on sale of real estate.</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>Leasing business expenses, which are major operating expenses, other than depreciation have been calculated by taking into consideration changes to expenses, with the historical results used as a benchmark for the Assets Currently Held and information provided by the current owner used as a benchmark for the Assets (to be) Acquired.</li> <li>Depreciation is calculated using the straight-line method. Depreciation is expected to be ¥1,319 million for the fiscal period ending July 31, 2019 and ¥1,331 million for the fiscal period ending January 31, 2020.</li> <li>Leasing business income (excluding gain on sale of real estate) after the deduction of leasing business expenses (including depreciation) is expected to be ¥2,811 million for the fiscal period ending July 31, 2019 and ¥2,898 million for the fiscal period ending January 31 2020.</li> <li>In general, property taxes, city planning taxes and other charges levied on new properties acquired are settled at the time of acquisition by prorating for the period held with the present owner. However, as MFLP-REIT includes an amount equivalent to the settled amount in the acquisitions costs for the property, the amount is not recorded as expenses during the operating period that includes the day on which the property is acquired. As such, expenses relating to property taxes, city planning taxes and other charges for the Assets (to be) Acquired for fiscal 2020 will be booked from the fiscal period ending July 31, 2020.</li> <li>Repair expenses for buildings are expected to be ¥62 million for the fiscal period ending July 31, 2019 and ¥35 million for the fiscal period ending January 31, 2020 based on the medium to long-term repair plan established by the Asset Management Company. However, given the possibility that repair expenses may increase or additional expenses may be incurred due to difficult-to-forecast factors, the actual results may differ significantly from the forecast amount.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>Interest expenses and other expenses related to borrowings are expected to be ¥61 million for the fiscal period ending July 31, 2019 and ¥64 million for the fiscal period ending January 31, 2020. The expenses for the issuance of new investment units, of which payments were completed on February 1, 2019 and February 27, 2019, shall be amortized on a monthly basis over a three-year period starting from their month of issuance. Said amortization is expected to be ¥19 million for the fiscal periods ending July 31, 2019 and January 31, 2020. It is also expected that there will be ¥32 million in temporary expenses related to the issuance of new investment units in the fiscal period ending July 31, 2019.</li> </ul>
Interest-bearing debt	<ul style="list-style-type: none"> <li>It is assumed that total interest-bearing debt will be ¥46,700 million at the end of the fiscal period ending July 31, 2019 and ¥42,800 million at the end of the fiscal period ending January 31, 2020.</li> <li>The loan to value (LTV) ratio is expected to be 29.4% at the end of the fiscal period ending July 31, 2019 and 27.6% at the end of the fiscal period ending January 31, 2020. The following formula is used to calculate LTV ratio.  <math display="block">\text{LTV ratio} = \text{Total interest-bearing debt} \div \text{Total assets} \times 100</math> </li> </ul>

Item	Assumptions
Investment units	<ul style="list-style-type: none"> <li>It is assumed that the total number of investment units issued and outstanding is the 379,000 units as of the date of this document and there will be no change in the number of investment units by issuing new investment units, etc. through to the end of the fiscal period ending January 31, 2020.</li> <li>Distributions per unit (excluding distributions in excess of retained earnings) and distributions in excess of retained earnings per unit are calculated based on the 379,000 units of expected total number of investment units issued and outstanding at the end of the fiscal periods ending July 31, 2019 and the fiscal periods ending January 31, 2020.</li> </ul>
Distributions per unit (excluding distributions in excess of retained earnings)	<ul style="list-style-type: none"> <li>Distributions per unit (excluding distributions in excess of retained earnings) is calculated in accordance with MFLP-REIT's policy on distributions of cash described in its Articles of Incorporation and assuming that the entire amount of earnings will be distributed.</li> <li>However, distributions per unit (excluding distributions in excess of retained earnings) may change for a variety of reasons, including changes in MFLP-REIT's investment assets, changes in leasing business revenues due to tenant movements, etc., and/or the occurrence of unforeseen repairs and maintenance, etc.</li> </ul>
Distributions in excess of retained earnings per unit	<ul style="list-style-type: none"> <li>Distributions in excess of retained earnings per unit is calculated in accordance with MFLP-REIT's policy on distributions of cash described in its Articles of Incorporation and the asset management guidelines for the asset management company. Total distributions in excess of retained earnings are expected to be ¥277 million for the fiscal period ending July 31, 2019 and ¥276 million for the fiscal period ending January 31, 2020.</li> <li>MFLP-REIT emphasizes cash flow generated by asset management, such as the leasing of investment assets, excluding gain or loss on sale of real estate. For the time being, it is MFLP-REIT's policy to calculate the amount distributable, including distributions in excess of retained earnings, to be around 70% of FFO up to a maximum of 75% of FFO and continually distribute the amount of this that exceeds the amount of distributions of earnings, within a scope where financial stability can be secured and owned assets can be maintained for a long duration of time, as distributions in excess of retained earnings determined based on a comprehensive judgment of the situation (the "continuous distributions in excess of retained earnings"). However, the continuous distributions in excess of retained earnings may be terminated given the economic environment, trends in the real estate market or leasing market, the situation surrounding owned assets, the percentage of distributions in excess of retained earnings accounted for in depreciation during MFLP-REIT's applicable operating period (Note 1), and the situation pertaining to LTV level and retained cash and deposits, among other factors.</li> <li>In addition to the continuous distributions in excess of retained earnings, in cases where the distribution amount for distributions per unit (including distributions in excess of retained earnings) is expected to temporarily decline by a certain degree due to such factors as the procurement of funds through the issuance of new investment units, etc., a temporary distributions in excess of retained earnings may be executed in order to standardize the amount of the distributions per unit (including distributions in excess of retained earnings).</li> <li>However, from the perspective of continuing to maintain owned assets for a long period of time, in cases where the above distribution of cash is executed, and where the amount equal to the equivalent of depreciation and amortization for the applicable operating period minus the amount of the distribution in excess of retained earnings for the applicable operating period falls below the standard amount of capital for building maintenance (Note 2), the distribution in excess of retained earnings will be decreased by a maximum amount that the distribution amount does not fall below the total equivalent of the distribution of earnings, and this may lead to cases where distribution in excess of retained earnings will not be executed.</li> <li>In addition, from the perspective of continuing stable financial management, distributions in excess of retained earnings will not be executed in cases where the appraisal LTV ratio (Note 3) exceeds 60% in the event that the above distribution of cash is executed.</li> </ul> <p>Notes:</p> <ol style="list-style-type: none"> <li>The maximum will be an amount equivalent to 60% of the depreciation for the applicable operating period.</li> <li>"Standard amount of capital for building maintenance" refers to the "amount equivalent to the capital expenditure amount noted in the Building Condition Evaluation Report averaged over 12 years," from which an amount representing six months of capital expenditure is determined and then multiplied by two.</li> <li>Appraisal LTV ratio (%) = <math>A/B \times 100</math> (%)  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</li> </ol>
Other	<ul style="list-style-type: none"> <li>It is assumed that there will be no change in legislation, taxation, accounting standards, listing regulations imposed by the Tokyo Stock Exchange, rules and requirements imposed by The Investment Trusts Association, Japan, etc. that will impact the aforementioned forecasts.</li> <li>It is assumed that there will be no unforeseen material changes in general economic trends, real estate market conditions, etc.</li> </ul>

### 3. Financial Statements

#### (1) Balance Sheets

(Thousands of yen)

	4th period (As of July 31, 2018)	5th period (As of January 31, 2019)
<b>Assets</b>		
Current assets		
Cash and deposits	953,525	936,079
Cash and deposits in trust	1,803,520	2,035,779
Operating accounts receivable	132,570	35,257
Prepaid expenses	18,017	17,478
Consumption taxes receivable	613,050	99,710
Other	5,413	4,977
Total current assets	3,526,098	3,129,283
Non-current assets		
Property and equipment		
Buildings in trust	48,397,235	52,057,963
Accumulated depreciation	(1,983,027)	(2,613,907)
Buildings in trust, net	46,414,207	49,444,055
Structures in trust	1,637,752	1,738,043
Accumulated depreciation	(209,544)	(276,406)
Structures in trust, net	1,428,207	1,461,637
Machinery and equipment in trust	2,202,041	2,202,041
Accumulated depreciation	(261,517)	(335,865)
Machinery and equipment in trust, net	1,940,523	1,866,176
Vehicles and transport equipment in trust	–	2,642
Accumulated depreciation	–	(110)
Vehicles and transport equipment in trust, net	–	2,532
Tools, furniture and fixtures in trust	951	2,175
Accumulated depreciation	(167)	(258)
Tools, furniture and fixtures in trust, net	784	1,917
Land in trust	46,880,845	48,548,367
Construction in progress in trust	–	70,985
Total property and equipment	96,664,568	101,395,672
Intangible assets		
Software	7,116	5,996
Total intangible assets	7,116	5,996
Investments and other assets		
Lease and guarantee deposits	10,000	10,000
Long-term prepaid expenses	41,555	49,833
Deferred tax assets	13	15
Other	1,050	1,050
Total investments and other assets	52,619	60,899
Total non-current assets	96,724,304	101,462,568
Total assets	100,250,403	104,591,851

(Thousands of yen)

	4th period (As of July 31, 2018)	5th period (As of January 31, 2019)
<b>Liabilities</b>		
Current liabilities		
Operating accounts payable	92,127	205,661
Short-term loans payable	700,000	1,700,000
Accounts payable	322,767	444,711
Accrued expenses	222	210
Income taxes payable	883	929
Advances received	538,269	570,502
Other	1,321	382
Total current liabilities	1,655,592	2,922,397
Non-current liabilities		
Long-term loans payable	23,300,000	26,300,000
Tenant leasehold and security deposits in trust	1,891,354	1,978,772
Total non-current liabilities	25,191,354	28,278,772
Total liabilities	26,846,946	31,201,169
Net assets		
Unitholders' capital		
Unitholders' capital	72,120,699	72,120,699
Deduction from unitholders' capital	(161,728)	(249,757)
Unitholders' capital (net)	71,958,971	71,870,942
Retained earnings		
Unappropriated retained earnings (undisposed loss)	1,444,484	1,519,739
Total retained earnings	1,444,484	1,519,739
Total unitholders' equity	73,403,456	73,390,682
Total net assets	*2 73,403,456	*2 73,390,682
Total liabilities and net assets	100,250,403	104,591,851

## (2) Statements of Income

(Thousands of yen)

	4th period (From February 1, 2018 to July 31, 2018)		5th period (From August 1, 2018 to January 31, 2019)	
<b>Operating revenues</b>				
Property-related revenues	*1, *2	3,037,442	*1, *2	3,135,601
Other revenues related to property leasing	*1, *2	111,226	*1, *2	145,331
Total operating revenues		3,148,668		3,280,932
<b>Operating expenses</b>				
Property-related expenses	*1, *2	1,306,126	*1, *2	1,338,137
Asset management fee		278,845		310,249
Asset custody fee		3,993		5,012
Administrative service fees		13,235		15,560
Directors' compensations		5,400		5,400
Audit fee		9,100		9,100
Other operating expenses		33,699		37,209
Total operating expenses		1,650,398		1,720,669
Operating income		1,498,269		1,560,262
<b>Non-operating income</b>				
Interest income		12		14
Insurance income		373		35,881
Interest on refund		501		866
Other		0		0
Total non-operating income		887		36,762
<b>Non-operating expenses</b>				
Interest expenses		32,396		36,026
Offering costs associated with issuance of investment units		12,818		–
Borrowing related expenses		4,016		4,983
Disaster recovery expenses		–	*3	31,030
Other		4,573		4,332
Total non-operating expenses		53,804		76,372
Ordinary income		1,445,352		1,520,653
Income before income taxes		1,445,352		1,520,653
Income taxes - current		885		931
Income taxes - deferred		(0)		(2)
Total income taxes		885		929
Net income		1,444,466		1,519,723
Retained earnings brought forward		17		16
Unappropriated retained earnings (undisposed loss)		1,444,484		1,519,739

## (3) Statements of Changes in Net Assets

4th period (From February 1, 2018 to July 31, 2018)

(Thousands of yen)

	Unitholders' capital						Total net assets
	Unitholders' capital			Retained earnings		Total unitholders' equity	
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital (net)	Unappropriated retained earnings (undisposed loss)	Total retained earnings		
Balance at the beginning of the period	58,350,540	(100,128)	58,250,412	1,184,529	1,184,529	59,434,941	59,434,941
Changes of items during period							
Issuance of new investment units	13,770,159		13,770,159			13,770,159	13,770,159
Distribution in excess of retained earnings		(61,600)	(61,600)			(61,600)	(61,600)
Dividends of earnings				(1,184,512)	(1,184,512)	(1,184,512)	(1,184,512)
Net income				1,444,466	1,444,466	1,444,466	1,444,466
Total changes of items during period	13,770,159	(61,600)	13,708,559	259,954	259,954	13,968,514	13,968,514
Balance at the end of the period	*1 72,120,699	(161,728)	71,958,971	1,444,484	1,444,484	73,403,456	73,403,456

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

(Thousands of yen)

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

## (4) Statements of Cash Distributions

(Yen)

	4th period (From February 1, 2018 to July 31, 2018)	5th period (From August 1, 2018 to January 31, 2019)
I Unappropriated retained earnings	1,444,484,929	1,519,739,902
II Distributions in excess of retained earnings		
Deduction from unitholders' capital	88,029,290	84,613,228
III Distributions	1,532,497,968	1,604,235,270
(Distribution per unit)	(5,832)	(6,105)
Distribution of earnings	1,444,468,678	1,519,622,042
(Of which: Distribution of earnings per unit)	(5,497)	(5,783)
Distribution in excess of retained earnings	88,029,290	84,613,228
(Of which: Distribution in excess of retained earnings per unit)	(335)	(322)
IV Retained earnings carried forward	16,251	117,860

Method of calculating distribution amount	<p>In accordance with the distribution policy as defined in the Article 35, Paragraph 1 of the Articles of Incorporation of MFLP-REIT, distributions shall be in excess of the amount equivalent to 90% of the amount of earnings available for dividends defined in the Article 67-15 of the Act on Special Measures Concerning Taxation.</p> <p>Based on this policy, for the fiscal period ended July 31, 2018, MFLP-REIT declared a distribution amount of ¥1,444,468,678, which is the maximum value of the integral multiple of the total number of investment units issued and outstanding at the end of the period in amounts not in excess of unappropriated retained earnings.</p> <p>Furthermore, based on the distribution policy as defined in the Article 35, Paragraph 2 of the Articles of Incorporation, MFLP-REIT executes the distribution of cash in excess of retained earnings (return of capital applicable to distribution reducing unitholders' capital for tax purposes) each fiscal period on a continuous basis.</p> <p>Based on this policy, for the fiscal period ended July 31, 2018, MFLP-REIT declared the distribution of ¥88,029,290, which is calculated as being almost equivalent to the remaining amount after subtracting the distribution of earnings of ¥1,444,468,678 from ¥1,532,600,608 or 70% of FFO (funds from operation), as distribution of cash in excess of retained earnings (return of capital applicable to distribution reducing unitholders' capital for tax purposes).</p>	<p>In accordance with the distribution policy as defined in the Article 35, Paragraph 1 of the Articles of Incorporation of MFLP-REIT, distributions shall be in excess of the amount equivalent to 90% of the amount of earnings available for dividends defined in the Article 67-15 of the Act on Special Measures Concerning Taxation.</p> <p>Based on this policy, for the fiscal periods ended January 31, 2019, MFLP-REIT declared a distribution amount of ¥1,519,622,042, which is the maximum value of the integral multiple of the total number of investment units issued and outstanding at the end of the period in amounts not in excess of unappropriated retained earnings.</p> <p>Furthermore, based on the distribution policy as defined in the Article 35, Paragraph 2 of the Articles of Incorporation, MFLP-REIT executes the distribution of cash in excess of retained earnings (return of capital applicable to distribution reducing unitholders' capital for tax purposes) each fiscal period on a continuous basis.</p> <p>Based on this policy, for the fiscal period ended January 31, 2019, MFLP-REIT declared the distribution of ¥84,613,228, which is calculated as being almost equivalent to the remaining amount after subtracting the distribution of earnings of ¥1,519,622,042 from ¥1,604,409,211 or 70% of FFO (funds from operation), as distribution of cash in excess of retained earnings (return of capital applicable to distribution reducing unitholders' capital for tax purposes).</p>
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(Note)

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

## (5) Statements of Cash Flows

(Thousands of yen)

	4th period (From February 1, 2018 to July 31, 2018)	5th period (From August 1, 2018 to January 31, 2019)
<b>Cash flows from operating activities</b>		
Income before income taxes	1,445,352	1,520,653
Depreciation and amortization	746,082	773,409
Interest income	(12)	(14)
Interest expenses	32,396	36,026
Decrease (increase) in operating accounts receivable	(99,303)	97,313
Decrease (increase) in prepaid expenses	3,538	538
Decrease (increase) in long-term prepaid expenses	(2,826)	(8,278)
Decrease (increase) in consumption taxes receivable	(510,247)	513,340
Increase (decrease) in operating accounts payable	(105,961)	157,601
Increase (decrease) in accounts payable	22,606	33,966
Increase (decrease) in advances received	133,825	32,233
Other, net	(1,412)	(502)
Subtotal	1,664,037	3,156,287
Interest income received	12	14
Interest expenses paid	(32,314)	(36,038)
Income taxes paid	(872)	(885)
Net cash provided by (used in) operating activities	1,630,863	3,119,376
<b>Cash flows from investing activities</b>		
Purchase of property and equipment in trust	(19,760,087)	(5,460,010)
Repayments of tenant leasehold and security deposits in trust	(1,941)	(46,583)
Proceeds from tenant leasehold and security deposits in trust	348,667	134,001
Net cash provided by (used in) investing activities	(19,413,361)	(5,372,593)
<b>Cash flows from financing activities</b>		
Proceeds from short-term loans payable	2,100,000	3,100,000
Repayments of short-term loans payable	(1,400,000)	(2,100,000)
Proceeds from long-term loans payable	5,300,000	3,000,000
Proceeds from issuance of investment units	13,770,159	–
Payment of distribution of earnings	(1,183,977)	(1,443,990)
Payment of distribution in excess of retained earnings	(61,562)	(87,979)
Net cash provided by (used in) financing activities	18,524,619	2,468,029
Net increase (decrease) in cash and cash equivalents	742,121	214,812
Cash and cash equivalents at beginning of period	2,014,924	2,757,046
Cash and cash equivalents at end of period	*1 2,757,046	*1 2,971,858



(6) Notes to Going Concern Assumption

Not applicable.

(7) Notes to Significant Accounting Policies

1. Method of depreciation and amortization of non-current assets	<p>(1) Property and equipment (including those in trust)</p> <p>Amortization of property and equipment is calculated using the straight-line method over the estimated useful lives. The useful lives of principal property and equipment are as follows:</p> <table><tr><td>Buildings:</td><td>2 to 59 years</td></tr><tr><td>Structures:</td><td>8 to 45 years</td></tr><tr><td>Machinery and equipment:</td><td>14 to 16 years</td></tr><tr><td>Vehicles:</td><td>4 years</td></tr><tr><td>Tools, furniture and fixtures:</td><td>5 to 15 years</td></tr></table> <p>(2) Intangible assets</p> <p>Amortization of intangible assets is calculated using the straight-line method over the estimated useful lives.</p> <p>Amortization of software for internal use is calculated using the straight-line method over the estimated useful lives of five years at MFLP-REIT.</p>	Buildings:	2 to 59 years	Structures:	8 to 45 years	Machinery and equipment:	14 to 16 years	Vehicles:	4 years	Tools, furniture and fixtures:	5 to 15 years
Buildings:	2 to 59 years										
Structures:	8 to 45 years										
Machinery and equipment:	14 to 16 years										
Vehicles:	4 years										
Tools, furniture and fixtures:	5 to 15 years										
2. Recognition of revenues and expenses	<p><i>Taxes on property and equipment</i></p> <p>With respect to property taxes, city planning taxes and depreciable asset taxes imposed on real estate properties or trust beneficiary interests in real estate, of the tax amount assessed and determined, the amount corresponding to the relevant fiscal period is accounted for as property-related expenses.</p> <p>Of the amounts paid for the acquisitions of real estate properties or trust beneficiary interests in real estate, the amount equivalent to property-related taxes is capitalized as part of the acquisition cost of the relevant property instead of being charged as expenses.</p> <p>Capitalized property-related taxes amounted to ¥111,095 thousand for the 4th period and ¥1,526 thousand for the 5th period.</p>										
3. Scope of cash and cash equivalents in the statements of cash flows	<p>Cash and cash equivalents in the statements of cash flows consist of cash on hand and cash in trust, readily-available bank deposits, readily-available bank deposits in trust and short-term investments that are readily convertible to cash and realizable with a maturity of three months or less when purchased and that are subject to an insignificant risk of changes in value.</p>										
4. Other significant information for preparation of financial statements	<p>(1) Trust beneficiary interests in real estate</p> <p>As to trust beneficiary interests in real estate that have real estate properties as assets in trust, all accounts of assets and liabilities within assets in trust as well as all income generated and expenses incurred from assets in trust are recorded in the relevant balance sheet and statement of income account items.</p> <p>The following material items of the assets in trust recorded in the relevant account items are separately presented in the accompanying balance sheets.</p> <ul style="list-style-type: none"><li>i) Cash and deposits in trust</li><li>ii) 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</li><li>iii) Construction in progress in trust</li><li>iv) Tenant leasehold and security deposits in trust</li></ul> <p>(2) Consumption taxes</p> <p>Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.</p>										

[Notes to Change in Presentation Method]

MFLP-REIT has transitioned to presenting deferred tax assets under “Investments and other assets” classification and deferred tax liabilities under “Non-current liabilities” classification since the “Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018) have been adopted from the fiscal period under review. As a result, in the balance sheets of the 4th period, ¥13 thousand of “Deferred tax assets” under “Current assets” is presented included in ¥13 thousand of “Deferred tax assets” under “Investments and other assets.”

## (8) Notes to Financial Statements

## [Notes to Balance Sheets]

## 1. Commitment line contracts

MFLP-REIT had the commitment line contracts with two banks.

	(Thousands of yen)	
	4th period (As of July 31, 2018)	5th period (As of January 31, 2019)
Total amount of commitment line contracts	6,000,000	6,000,000
Loans executed	-	-
Unused line of credit	6,000,000	6,000,000

## \*2. Minimum net assets as required by the Article 67, Paragraph 4 of the Investment Trust Act

	(Thousands of yen)	
	4th period (As of July 31, 2018)	5th period (As of January 31, 2019)
	50,000	50,000

## [Notes to Statements of Income]

## \*1. Components of operating income from property leasing

	(Thousands of yen)			
	4th period (From February 1, 2018 to July 31, 2018)		5th period (From August 1, 2018 to January 31, 2019)	
A. Property leasing business revenues				
Property-related revenues				
Rental revenues	2,928,747		3,026,801	
Common area charges	108,694	3,037,442	108,799	3,135,601
Other revenues related to property leasing				
Utilities charges	85,310		105,030	
Parking lots	9,236		8,746	
Others	16,679	111,226	31,555	145,331
Total property leasing business revenues		3,148,668		3,280,932
B. Property leasing business expenses				
Property-related expenses				
Outsourcing service expenses	179,549		178,765	
Utilities expenses	78,317		96,567	
Repair expenses	32,173		20,247	
Taxes and dues	257,614		257,608	
Depreciation and amortization	744,962		772,289	
Others	13,508		12,659	
Total property leasing business expenses		1,306,126		1,338,137
C. Operating income from property leasing [A-B]		1,842,542		1,942,794

\*2. Transactions with major unitholders

	(Thousands of yen)	
	4th period (From February 1, 2018 to July 31, 2018)	5th period (From August 1, 2018 to January 31, 2019)
Operating transactions:		
Operating revenues	141,756	109,537
Operating expenses	70,891	70,817
Non-operating transactions:		
Purchase of trust beneficiary interests in real estate	12,106,173	88,426

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

[Notes to Statements of Changes in Net Assets]

\*1. Total number of investment units authorized and total number of investment units issued and outstanding

	4th period (From February 1, 2018 to July 31, 2018)	5th period (From August 1, 2018 to January 31, 2019)
Total number of investment units authorized	8,000,000 units	8,000,000 units
Total number of investment units issued and outstanding	262,774 units	262,774 units

[Notes to Statements of Cash Flows]

\*1. Reconciliation between cash and cash equivalents and accounts and amounts in the balance sheets

	(Thousands of yen)	
	4th period (From February 1, 2018 to July 31, 2018)	5th period (From August 1, 2018 to January 31, 2019)
Cash and deposits	953,525	936,079
Cash and deposits in trust	1,803,520	2,035,779
Cash and cash equivalents	2,757,046	2,971,858

[Notes to Lease Transactions]

Operating Leases (lessor)

Future lease payments

	(Thousands of yen)	
	4th period (As of July 31, 2018)	5th period (As of January 31, 2019)
Due within one year	5,494,623	5,598,916
Due after one year	10,934,324	11,780,363
Total	16,428,947	17,379,280

[Notes to Financial Instruments]

1. 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 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 liquidity risk by preparing monthly fund management plans.

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

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

(3) Supplementary explanation regarding fair values of financial instruments

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

2. Estimated fair value of financial instruments

4th period (As of July 31, 2018)

The carrying amounts, fair value and its differences as of July 31, 2018 are as follows. Financial instruments for which it is extremely difficult to determine the fair value are excluded from the following tables. (Note 2)

(Thousands of yen)			
	Carrying amount	Fair value	Difference
(1) Cash and deposits	953,525	953,525	—
(2) Cash and deposits in trust	1,803,520	1,803,520	—
Total assets	2,757,046	2,757,046	—
(3) Short-term loans payable	700,000	700,000	—
(4) Long-term loans payable	23,300,000	23,189,445	(110,554)
Total liabilities	24,000,000	23,889,445	(110,554)

5th period (As of January 31, 2019)

The carrying amounts, fair value and its differences as of January 31, 2019 are as follows. Financial instruments for which it is extremely difficult to determine the fair value are excluded from the following tables. (Note 2)

(Thousands of yen)			
	Carrying amount	Fair value	Difference
(1) Cash and deposits	936,079	936,079	—
(2) Cash and deposits in trust	2,035,779	2,035,779	—
Total assets	2,971,858	2,971,858	—
(3) Short-term loans payable	1,700,000	1,700,000	—
(4) Long-term loans payable	26,300,000	26,362,577	62,577
Total liabilities	28,000,000	28,062,577	62,577

Notes:

1. Methods to estimate fair values of financial instruments

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

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

(3) Short-term loans payable

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

(4) 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. Financial instruments for which it is extremely difficult to determine the fair value

(Thousands of yen)

Category	4th period (As of July 31, 2018)	5th period (As of January 31, 2019)
Tenant leasehold and security deposits in trust	1,891,354	1,978,772

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

3. Redemption schedule for monetary claims after the balance sheet date

4th period (As of July 31, 2018)

(Thousands of yen)

	Due within one year
Cash and deposits	953,525
Cash and deposits in trust	1,803,520

5th period (As of January 31, 2019)

(Thousands of yen)

	Due within one year
Cash and deposits	936,079
Cash and deposits in trust	2,035,779

4. Redemption schedule for loans after the balance sheet date

4th period (As of July 31, 2018)

(Thousands of yen)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Short-term loans payable	700,000	–	–	–	–	–
Long-term loans payable	–	–	–	1,900,000	6,500,000	14,900,000

5th period (As of January 31, 2019)

(Thousands of yen)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Short-term loans payable	1,700,000	–	–	–	–	–
Long-term loans payable	–	–	–	5,300,000	7,100,000	13,900,000

[Notes to Securities]

4th period (As of July 31, 2018)

Not applicable.

5th period (As of January 31, 2019)

Not applicable.

[Notes to Derivative Transactions]

4th period (As of July 31, 2018)

Not applicable.

5th period (As of January 31, 2019)

Not applicable.

[Notes to Retirement Benefits]

4th period (As of July 31, 2018)

Not applicable.

5th period (As of January 31, 2019)

Not applicable.

[Notes to Tax Effect Accounting]

1. Breakdown of significant components of deferred tax assets and deferred tax liabilities

	(Thousands of yen)	
	4th period (As of July 31, 2018)	5th period (As of January 31, 2019)
Deferred tax assets		
Accrued enterprise tax excluded from expenses	13	15
Total deferred tax assets	13	15
Net deferred tax assets	13	15

2. Reconciliation of significant difference between the statutory tax rate and the effective income tax rate after application of tax-effect accounting

	(%)	
	4th period (As of July 31, 2018)	5th period (As of January 31, 2019)
Statutory tax rate	31.74	31.51
Adjustments:		
Deductible distributions	(31.72)	(31.49)
Other	0.04	0.04
Effective income tax rate after application of tax-effect accounting	0.06	0.06

[Notes to Equity in Income or Loss of Equity Method Investments]

4th period (As of July 31, 2018)

Not applicable.

5th period (As of January 31, 2019)

Not applicable.

[Notes to Transactions with Related Parties]

1. Parent company and major corporate unitholders

4th period (From February 1, 2018 to July 31, 2018)

Type	Name of company	Location	Capital stock or investments in capital (millions of yen)	Type of business	Percentage of voting rights held in (by) related party	Relationship with related parties	Type of transaction (Note 2)	Transaction amount (thousands of yen)	Account	Balance at end of period (thousands of yen)	
Major corporate unitholder	Mitsui Fudosan Co., Ltd.	Chuo-ku, Tokyo	339,766	Real estate business	10.99%	Outsourcing of logistics management business	Logistics management fee	69,283	Operating accounts payable	15,341	
							Repairs and related work	607			
							Other property-related expenses	1,000			
							Rent income, etc.	141,756	Operating accounts receivable		58,003
							Purchase of trust beneficiary interests in real estate	12,106,173	-		-

Notes:

- Consumption taxes are not included in the transaction amounts but included in the balances at the end of the period.
- Conditions of these transactions are determined based on the prevailing market price.

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

Type	Name of company	Location	Capital stock or investments in capital (millions of yen)	Type of business	Percentage of voting rights held in (by) related party	Relationship with related parties	Type of transaction (Note 2)	Transaction amount (thousands of yen)	Account	Balance at end of period (thousands of yen)	
Major corporate unitholder	Mitsui Fudosan Co., Ltd.	Chuo-ku, Tokyo	339,766	Real estate business	10.99%	Outsourcing of logistics management business	Logistics management fee	68,749	Operating accounts payable	13,057	
							Repairs and related work	1,220			
							Other property-related expenses	847			
							Rent income, etc.	109,537	Operating accounts receivable		29,242
							Purchase of trust beneficiary interests in real estate	88,426	-		-

Notes:

- Consumption taxes are not included in the transaction amounts but included in the balances at the end of the period.
- Conditions of these transactions are determined based on the prevailing market price.

2. Affiliated company, etc.

4th period (From February 1, 2018 to July 31, 2018)

Not applicable.

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

Not applicable.

3. Subsidiaries of parent company, etc.

4th period (From February 1, 2018 to July 31, 2018)

Type	Name of company	Location	Capital stock or investments in capital (millions of yen)	Type of business	Percentage of voting rights held in (by) related party	Relationship with related parties	Type of transaction (Note 2)	Transaction amount (thousands of yen)	Account	Balance at end of period (thousands of yen)
Subsidiary of major corporate unitholders	Mitsui Fudosan Logistics REIT Management Co., Ltd.	Chuo-ku, Tokyo	200	Investment management business	–	Asset management outsourcing	Asset management fee (Note 3)	327,740	Accounts payable	302,929
Subsidiary of major corporate unitholders	Mitsui Fudosan Building Management Co., Ltd.	Chuo-ku, Tokyo	490	Building management fee	–	Building management outsourcing	Repairs and related work	3,957	Operating accounts payable	1,377
Subsidiary of major corporate unitholders	Mitsui Fudosan Facilities Co., Ltd.	Chuo-ku, Tokyo	490	Building management fee	–	Building management outsourcing	Building management fee	66,665	Operating accounts payable	12,835
							Repairs and related work	12,494		
							Other property-related expenses	1,660		
							Other income	214	–	
Subsidiary of major corporate unitholders	Mitsui Fudosan Facilities West Co., Ltd.	Osaka-shi, Osaka	200	Building management fee	–	Building management outsourcing	Building management fee	6,242	Operating accounts payable	1,443
							Repairs and related work	1,278		
							Other property-related expenses	88		
Subsidiary of major corporate unitholders	Daiichi Engei Co., Ltd.	Shinagawa-ku, Tokyo	480	Leasing and other businesses	–	Repair and maintenance of real estate held	Repairs and related work	788	Operating accounts payable	527
Subsidiary of major corporate unitholders	Hino Tokutei Mokuteki Kaisha	Chuo-ku, Tokyo	3,311	Real estate business	–	–	Purchase of trust beneficiary interests in real estate	7,562,921	Operating accounts receivable	53,987

Notes:

1. Consumption taxes are not included in the transaction amounts but included in the balances at the end of the period.
2. Methods to determine terms and conditions of transactions
  - (1) Asset management fee is in accordance with terms set forth in the Articles of Incorporation of MFLP-REIT.
  - (2) Other terms and conditions of these transactions are determined based on the prevailing market price.
3. The asset management fee above includes ¥48,895 thousand of a management fee for property acquisitions included in the book value of real estate.



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

Type	Name of company	Location	Capital stock or investments in capital (millions of yen)	Type of business	Percentage of voting rights held in (by) related party	Relationship with related parties	Type of transaction (Note 2)	Transaction amount (thousands of yen)	Account	Balance at end of period (thousands of yen)
Subsidiary of major corporate unitholders	Mitsui Fudosan Logistics REIT Management Co., Ltd.	Chuo-ku, Tokyo	200	Investment management business	–	Asset management outsourcing	Asset management fee (Note 3)	336,593	Accounts payable	379,328
Subsidiary of major corporate unitholders	Mitsui Fudosan Building Management Co., Ltd.	Chuo-ku, Tokyo	490	Building management fee	–	Building management outsourcing	Repairs and related work	2,937	–	–
Subsidiary of major corporate unitholders	Mitsui Fudosan Facilities Co., Ltd.	Chuo-ku, Tokyo	490	Building management fee	–	Building management outsourcing	Building management fee	65,744	Operating accounts payable	14,424
							Repairs and related work	16,602		
							Other property-related expenses	1,423		
							Other income	234	–	–
Subsidiary of major corporate unitholders	Mitsui Fudosan Facilities West Co., Ltd.	Osaka-shi, Osaka	200	Building management fee	–	Building management outsourcing	Building management fee	7,130	Operating accounts payable	4,508
							Repairs and related work	2,131		
							Other property-related expenses	94		

Notes:

1. Consumption taxes are not included in the transaction amounts but included in the balances at the end of the period.
2. Methods to determine terms and conditions of transactions
  - (1) Asset management fee is in accordance with terms set forth in the Articles of Incorporation of MFLP-REIT.
  - (2) Other terms and conditions of these transactions are determined based on the prevailing market price.
3. The asset management fee above includes ¥26,343 thousand of a management fee for property acquisitions included in the book value of real estate.
4. Directors and major individual unitholders
  - 4th period (From February 1, 2018 to July 31, 2018)  
Not applicable.
  - 5th period (From August 1, 2018 to January 31, 2019)  
Not applicable.

[Notes to Asset Retirement Obligations]

4th period (As of July 31, 2018)

Not applicable.

5th period (As of January 31, 2019)

Not applicable.

[Notes to Investment and Rental Properties]

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

(Thousands of yen)

	4th period (From February 1, 2018 to July 31, 2018)	5th period (From August 1, 2018 to January 31, 2019)
Carrying amount		
Balance at the beginning of the period	77,615,688	96,664,568
Changes during the period	19,048,880	4,660,118
Balance at the end of period	96,664,568	101,324,687
Balance at the end of the period	105,180,000	112,140,000

Notes:

- The carrying amount represents acquisition cost less accumulated depreciation.
- Changes in the carrying amount during the 4th period consisted of the increase mainly attributable to acquisition of trust beneficiary interests in real estate for three properties (¥19,747,009 thousand), and the decrease mainly attributable to depreciation (¥744,962 thousand). Changes in the carrying amount during the 5th period consisted of the increase mainly attributable to acquisition of trust beneficiary interests in real estate for one property (¥5,395,942 thousand), and the decrease mainly attributable to depreciation (¥772,289 thousand).
- The fair value at the end of the period represents the appraisal value or surveyed value by external real estate appraisers.

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

[Notes to Segment and Related Information]

1. Segment Information

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

2. Related information

4th period (From February 1, 2018 to July 31, 2018)

(1) Information by product and service

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

(2) Information by geographical area

i) Operating revenues

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

ii) Property and equipment

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

(3) Information on major tenant

(Thousands of yen)

Tenant name	Operating revenues	Related segment
Nippon Express Co., Ltd.	Not disclosed (Note)	Real estate leasing business

(Note)

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

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

(1) Information by product and service

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

(2) Information by geographical area

i) Operating revenues

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

ii) Property and equipment

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

(3) Information on major tenant

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

[Notes to Per Unit Information]

	4th period (From February 1, 2018 to July 31, 2018)	5th period (From August 1, 2018 to January 31, 2019)
Net assets per unit	¥279,340	¥279,292
Net income per unit	¥5,499	¥5,783

Notes:

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

	4th period (From February 1, 2018 to July 31, 2018)	5th period (From August 1, 2018 to January 31, 2019)
Net income (thousands of yen)	1,444,466	1,519,723
Amount not attributable to common unitholders (thousands of yen)	—	—
Net income attributable to common investment units (thousands of yen)	1,444,466	1,519,723
Average number of investment units for the period (unit)	262,659	262,774

[Notes to 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 9, 2019 and January 23, 2019, as stated below, payment for the issuance of said units was completed through public offering on February 1, 2019 and through a third-party allotment on February 27, 2019.

As a result, the total investment amount (net) is ¥107,166,453,976, and there are 379,000 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 to be issued: 110,700 units (Domestic: 75,900 units, Overseas: 34,800 units)  
 Issue price: ¥313,986 per unit  
 Total amount of issue price: ¥34,758,250,200  
 Amount to be paid in (paid-in amount): ¥303,680 per unit  
 Total amount to be paid in (total paid in amount): ¥33,617,376,000  
 Payment date: February 1, 2019

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

Number of new investment units to be issued: 5,526 units  
 Amount to be paid in (paid-in amount): ¥303,680 per unit  
 Total amount to be paid in (total paid in amount): ¥1,678,135,680  
 Payment date: February 27, 2019  
 Allottee: Daiwa Securities Co. Ltd.

## 2. Acquisitions of properties

MFLP-REIT acquired the trust beneficiary interests for the following assets on February 4, 2019 and March 1, 2019. It also plans to acquire MFLP Fukuoka I (remaining 19% quasi co-ownership interest) on April 5, 2019 (6 properties inclusive of additional acquisition; total amount of acquisition price is ¥53,128 million).

Category	Property no.	Property name	Location	Acquisition price (Note 1) (millions of yen)	Acquisition date
Logistics facilities	L-10	MFLP Hino (Note 2)	Hino-shi, Tokyo	5,013 (Additional 10% quasi co-ownership interest)	February 4, 2019
	L-12	MFLP Tsukuba (Note 3, 6)	Tsukubamirai-shi, Ibaraki	3,512 (Additional 40% quasi co-ownership interest)	March 1, 2019
	L-13	MFLP Inazawa	Inazawa-shi, Aichi	16,200	February 4, 2019
	L-14	MFLP Atsugi II	Isehara-shi, Kanagawa	13,100	February 4, 2019
	L-15	MFLP Fukuoka I (Note 4, 6)	Sue-machi, Kasuya- gun, Fukuoka	i) 4,263 ii) 1,000 Total 5,263	i) February 4, 2019 ii) April 5, 2019
Industrial real estate	I-1	MFIP Inzai (Note 5)	Inzai-shi, Chiba	10,040 (Additional 80% quasi co-ownership interest)	February 4, 2019

Notes:

- “Acquisition price” is the purchase price of each trust beneficiary interest as set forth in the agreement for sale and purchase of trust beneficiary interest for the acquired asset, rounded down to the nearest million yen. The transaction price does not include consumption tax and local consumption tax or the various costs required in the acquisition.
- For “MFLP Hino,” “Acquisition price” is the prorated figure equivalent to the quasi co-ownership interest in this property that MFLP-REIT additionally acquired (10%).
- For “MFLP Tsukuba,” “Acquisition price” is the prorated figure equivalent to the quasi co-ownership interest in this property that MFLP-REIT additionally acquired (40%).
- For “MFLP Fukuoka I,” “Acquisition price” noted in the upper section is the prorated figure equivalent to the quasi co-ownership interest in this property that MFLP-REIT acquired (81%), and the price noted in the lower section is the prorated figure equivalent to the quasi co-ownership interest of the same to be acquired on April 5, 2019 (19%).
- For “MFIP Inzai,” “Acquisition price” is the prorated figure equivalent to the quasi co-ownership interest in this property that MFLP-REIT additionally acquired (80%).
- The sale and purchase agreements relating to “MFLP Tsukuba” and “MFLP Fukuoka I” (19% quasi co-ownership interest) fall under the definition of “forward commitments, etc.” (as defined as “a postdated sales contract under which payment and delivery shall be made at least one month after the conclusion of the contract, or any other contract similar thereto” stated in the “Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc.” established by the Financial Services Agency).

### 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, as well as to the repayment of loans.

Lender	Borrowing amount (millions of yen)	Interest rate	Drawdown date	Repayment date	Repayment method	Collateral
Mizuho Bank, Ltd.	2,900	0.08387%	February 4, 2019	April 5, 2019	Bullet repayment	Unsecured Non-guaranteed
The Bank of Fukuoka, Ltd.	1,100	0.08318%	March 1, 2019	May 7, 2019	Bullet repayment	Unsecured Non-guaranteed
Sumitomo Mitsui Banking Corporation	1,000	0.25%	February 4, 2019	February 6, 2023	Bullet repayment	Unsecured Non-guaranteed
Sumitomo Mitsui Banking Corporation	1,000	0.1475%	February 4, 2019	February 5, 2024	Bullet repayment	Unsecured Non-guaranteed
Sumitomo Mitsui Trust Bank, Limited	1,500	0.1475%	February 4, 2019	February 5, 2024	Bullet repayment	Unsecured Non-guaranteed
Mizuho Bank, Ltd.	2,000	0.36869%	February 4, 2019	August 4, 2028	Bullet repayment	Unsecured Non-guaranteed
MUFG Bank, Ltd.	1,000	0.25%	February 4, 2019	February 6, 2023	Bullet repayment	Unsecured Non-guaranteed
MUFG Bank, Ltd.	500	0.2313%	February 4, 2019	February 4, 2026	Bullet repayment	Unsecured Non-guaranteed
The Bank of Fukuoka, Ltd.	2,000	0.3988%	February 4, 2019	February 5, 2029	Bullet repayment	Unsecured Non-guaranteed
Shinkin Central Bank	1,800	0.1863%	February 4, 2019	February 4, 2025	Bullet repayment	Unsecured Non-guaranteed
The Norinchukin Bank	1,000	0.2313%	February 4, 2019	February 4, 2026	Bullet repayment	Unsecured Non-guaranteed
Mizuho Trust & Banking Co., Ltd.	500	0.1163%	February 4, 2019	February 6, 2023	Bullet repayment	Unsecured Non-guaranteed
Mizuho Trust & Banking Co., Ltd.	500	0.1475%	February 4, 2019	February 5, 2024	Bullet repayment	Unsecured Non-guaranteed
The Chiba Bank, Ltd.	1,000	0.2313%	February 4, 2019	February 4, 2026	Bullet repayment	Unsecured Non-guaranteed
The Yamaguchi Bank, Ltd.	600	0.2313%	February 4, 2019	February 4, 2026	Bullet repayment	Unsecured Non-guaranteed
Mitsui Sumitomo Insurance Company, Limited	600	0.20869%	February 4, 2019	August 4, 2025	Bullet repayment	Unsecured Non-guaranteed
Total	19,000	-	-	-	-	-

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

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

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

Notes:

1. "Unitholders' capital, net" is the amount of "Unitholders' capital" less "Deduction from unitholders' capital."
2. MFLP-REIT was established at an issue price of ¥500,000 per unit.
3. A two-for-one split of investment units was conducted on June 15, 2016 as the effective date.
4. New investment units were issued through public offering at an issue price of ¥270,000 (paid-in amount of ¥260,550) per unit for the purpose of procuring funds for acquisition of new properties.
5. New investment units were issued with Daiwa Securities Co. Ltd. as the allottee at a paid-in amount of ¥260,550 per unit.
6. By resolution of the Board of Directors of MFLP-REIT at its meeting held on March 16, 2017, distribution of cash in excess of retained earnings (return of capital) of ¥243 per unit was declared as distribution of cash for the 1st fiscal period (fiscal period ended January 31, 2017), the payout of which commenced on April 21, 2017.
7. By resolution of the Board of Directors of MFLP-REIT at its meeting held on September 13, 2017, distribution of cash in excess of retained earnings (return of capital) of ¥204 per unit was declared as distribution of cash for the 2nd fiscal period (fiscal period ended July 31, 2017), the payout of which commenced on October 13, 2017.
8. New investment units were issued through public offering at an issue price of ¥367,581 (paid-in amount of ¥355,139) per unit for the purpose of procuring funds for acquisition of new properties.
9. New investment units were issued with Daiwa Securities Co. Ltd. as the allottee at a paid-in amount of ¥355,139 per unit.
10. By resolution of the Board of Directors of MFLP-REIT at its meeting held on March 15, 2018, distribution of cash in excess of retained earnings (return of capital) of ¥275 per unit was declared as distribution of cash for the 3rd fiscal period (fiscal period ended January 31, 2018), the payout of which commenced on April 23, 2018.
11. By resolution of the Board of Directors of MFLP-REIT at its meeting held on September 14, 2018, distribution of cash in excess of retained earnings (return of capital) of ¥335 per unit was declared as distribution of cash for the 4th fiscal period (fiscal period ended July 31, 2018), the payout of which commenced on October 19, 2018.

#### **4. Changes in Directors**

(1) Changes in Directors of MFLP-REIT

There have been no changes of Directors during the Period.

(2) Changes in Officers of Asset Management Company

There have been no changes of Directors during the Period.

## 5. Reference Information

### (1) Status of Investment

Type of asset	Use	Geographic classification (Note 1)	4th period (As of July 31, 2018)		5th period (As of January 31, 2019)		
			Total amount held (millions of yen) (Note 2)	As a percentage of total assets (%) (Note 3)	Total amount held (millions of yen) (Note 2)	As a percentage of total assets (%) (Note 3)	
Real estate in trust (Note 4) (Note 5)	Logistics facilities	Tokyo metropolitan area	81,928	81.7	86,736	82.9	
		Kansai area	4,374	4.4	4,333	4.1	
		Other areas	8,219	8.2	8,131	7.8	
	Subtotal		94,522	94.3	99,201	94.8	
	Industrial real estate (Note 6)	Tokyo metropolitan area	2,142	2.1	2,123	2.0	
		Kansai area	–	–	–	–	
		Other areas	–	–	–	–	
	Subtotal		2,142	2.1	2,123	2.0	
	Real estate in trust total			96,664	96.4	101,324	96.9
	Deposits and other assets			3,585	3.6	3,267	3.1
Total assets			100,250	100.0	104,591	100.0	

	4th period (As of July 31, 2018)		5th period (As of January 31, 2019)	
	Amount (millions of yen)	As a percentage of total assets (%)	Amount (millions of yen)	As a percentage of total assets (%)
Total liabilities	26,846	26.8	31,201	29.8
Total net assets	73,403	73.2	73,390	70.2

Notes:

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

### (2) Investment Assets

#### i) Major investment securities

Not applicable.

#### ii) Investment properties

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



iii) Other major investment assets

(A) Summary of the assets held

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

a. List of portfolio

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

Category	Property no.	Property name	Location	Acquisition date	Acquisition price (millions of yen) (Note 1)	Acquisition price ratio (Note 2)	Book value (millions of yen)	Appraisal value (millions of yen) (Note 3)
Logistics facilities	L-1	GLP/MFLP Ichikawa Shiohama (Note 4)	Ichikawa-shi, Chiba	September 1, 2016	15,500	15.0	15,204	17,250
	L-2	MFLP Kuki	Kuki-shi, Saitama	August 2, 2016	12,500	12.1	12,048	13,700
	L-3	MFLP Yokohama Daikoku (Note 4)	Yokohama-shi, Kanagawa	August 2, 2016	10,100	9.8	9,808	10,500
	L-4	MFLP Yashio	Yashio-shi, Saitama	August 2, 2016	9,650	9.3	9,396	10,900
	L-5	MFLP Atsugi	Aiko-gun, Kanagawa	August 2, 2016	7,810	7.5	7,552	8,700
	L-6	MFLP Funabashi Nishiura	Funabashi-shi, Chiba	August 2, 2016	6,970	6.7	6,757	7,680
	L-7	MFLP Kashiwa	Kashiwa-shi, Chiba	August 2, 2016	6,300	6.1	6,100	6,900
	L-8	MFLP Sakai (Note 4)	Sakai-shi, Osaka	August 2, 2016	4,500	4.3	4,333	4,880
	L-9	MFLP Komaki (Note 5)	Komaki-shi, Aichi	August 4, 2017	8,260	8.0	8,131	8,530
	L-10	MFLP Hino (Note 4)	Hino-shi, Tokyo	February 2, 2018	7,520	7.3	7,493	7,570
	L-11	MFLP Hiratsuka	Hiratsuka-shi, Kanagawa	March 15, 2018	7,027	6.8	6,998	7,090
	L-12	MFLP Tsukuba (Note 4)	Tsukubamirai-shi, Ibaraki	December 3, 2018	5,268	5.1	5,376	6,000
	Logistics facilities total					101,405	97.9	99,201
Industrial real estate	I-1	MFIP Inzai (Note 4)	Inzai-shi, Chiba	August 2, 2016	2,180	2.1	2,123	2,440
	Industrial real estate total					2,180	2.1	2,123
Total					103,585	100.0	101,324	112,140

Notes:

- “Acquisition price” is the purchase price of each trust beneficiary interest as set forth in the agreement for sale and purchase of trust beneficiary interest of the assets held by MFLP-REIT, rounded down to the nearest million yen. The transaction price does not include consumption tax and local consumption tax or the various costs required in the acquisition.
- “Acquisition price ratio” is the portfolio asset acquisition price share of MFLP-REIT of the total acquisition price rounded to the first decimal place.
- “Appraisal value” is the value in the real estate appraisal reports as of the valuation date of January 31, 2019. The appraisal of each asset held is entrusted to Japan Real Estate Institute, The Tanizawa Sōgō Appraisal Co., Ltd., Daiwa Real Estate Appraisal Co., Ltd. and CBRE K.K.
- For “GLP/MFLP Ichikawa Shiohama,” “MFLP Yokohama Daikoku,” “MFLP Sakai,” “MFLP Hino,” “MFLP Tsukuba” and “MFIP Inzai,” acquisition price, book value, appraisal value are the prorated figures equivalent to the quasi co-ownership interest in each property that MFLP-REIT has acquired (50%, 50%, 20%, 15%, 60% and 20%, respectively).
- 40% quasi co-ownership in MFLP Komaki was acquired on August 4, 2017 and 60% quasi co-ownership was additionally acquired on February 2, 2018, but the acquisition date lists the initial date of acquisition of the property.

b. Summary of buildings

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

Category	Property no.	Property name	Property type (Note 1)	Site area (m <sup>2</sup> ) (Note 2)	Total floor area (m <sup>2</sup> ) (Note 2)	Construction completion (Note 3)	Building age (years) (Note 4)
Logistics facilities	L-1	GLP/MFLP Ichikawa Shiohama (Note 5)	Rampway MFLP	52,887	105,019 (52,509)	January 14, 2014	5.0
	L-2	MFLP Kuki	Slope MFLP	35,037	73,153	July 7, 2014	4.6
	L-3	MFLP Yokohama Daikoku (Note 5)	Rampway MFLP	47,974	100,530 (50,265)	April 14, 2009	9.8
	L-4	MFLP Yashio	Box MFLP	23,422	40,728	March 24, 2014	4.9
	L-5	MFLP Atsugi	Slope MFLP	20,522	40,942	March 13, 2015	3.9
	L-6	MFLP Funabashi Nishiura	Box MFLP	15,518	30,947	February 6, 2015	4.0
	L-7	MFLP Kashiwa	Box MFLP	15,484	31,242	November 30, 2015	3.2
	L-8	MFLP Sakai (Note 5)	Rampway MFLP	57,792	125,127 (25,025)	Sept. 11, 2014	4.4
	L-9	MFLP Komaki	Slope MFLP	23,484	40,597	January 31, 2017	2.0
	L-10	MFLP Hino (Note 5)	Rampway MFLP	97,579	205,200 (30,780)	October 16, 2015	3.3
	L-11	MFLP Hiratsuka	Box MFLP	16,398	33,061	November 30, 2016	2.2
	L-12	MFLP Tsukuba (Note 5)	Box MFLP	45,605	Existing building: 37,027 (22,216) Annex building: 25,457 (15,274)	Existing building: June 30, 2010 Annex building: March 30, 2018	Existing building: 8.6 Annex building: 0.8
Logistics facilities total (average) (Note 5)				451,707	889,036 (486,745)	–	4.6
Industrial real estate	I-1	MFIP Inzai (Note 5)	Data center	25,000	40,478 (8,095)	February 28, 2014	4.9
	Industrial real estate total (average) (Note 5)				25,000	40,478 (8,095)	–
Total (average) (Note 5)				476,707	929,514 (494,840)	–	4.6

Notes:

- Property types are as follows: Rampway MFLPs are properties that are logistics facilities that provide spiral rampways that allow delivery trucks to directly access each of the upper-floor truck berths (hereinafter “Rampway MFLP”), Slope MFLPs are properties that are logistics facilities that provide slopes that allow delivery trucks to directly access some of the upper-floor truck berths (hereinafter “Slope MFLP”), and Box MFLPs are properties that are logistics facilities that allow delivery trucks to access truck berths located on the ground floor and are equipped with vertical conveyors for delivery to upper floors (hereinafter “Box MFLP”). For Industrial real estate, a specific usage is described in the “Property type” of the building.
- “Site area” and “Total floor area” are rounded down to the nearest whole number based upon presentations in the registers for the land or buildings in the portfolio assets of MFLP-REIT. “Total floor area” is the total floor area for main buildings and ancillary buildings. If there is more than one main building, “Total floor area” represents the total floor area for each main building. For MFLP Tsukuba, total floor area for existing buildings is in the upper section and that for added buildings is in the lower section.
- “Construction completed” is the date of construction of the main building of each asset held by MFLP-REIT in the register. If there is more than one main building, the construction completed is the oldest date shown in the register. For MFLP Tsukuba, completion dates for existing buildings are in the upper section and those for added buildings are in the lower section.
- “Building age” is the age from the date of completion in the register for the main building in the portfolio asset of MFLP-REIT to January 31, 2019, rounded to the first decimal place. Sections for totals (averages) and sections for totals (averages) in each category describe the weighted average values based upon acquisition prices. For MFLP Tsukuba, building ages for existing buildings are in the upper section and those for added buildings are in the lower section.
- Total floor area for “GLP/MFLP Ichikawa Shiohama,” “MFLP Yokohama Daikoku,” “MFLP Sakai,” “MFLP Hino,” “MFLP Tsukuba” and “MFIP Inzai” in parentheses are the prorated figures equivalent to the quasi co-ownership interest in each property that MFLP-REIT holds (50%, 50%, 20%, 15%, 60% and 20%, respectively). Sections for totals and sections for totals in each category for “Total floor area” contain in parentheses total values or total values in each category under “Total floor area” for each portfolio asset taking into consideration the quasi co-ownership interest in each property.

c. Summary of real estate appraisal reports

The following summarizes the real estate appraisal reports prepared based upon MFLP-REIT and the Asset Management Company entrusting appraisal to Japan Real Estate Institute, The Tanizawa Sōgō Appraisal Co., Ltd., Daiwa Real Estate Appraisal Co., Ltd. or CBRE K.K., concerning the portfolio assets. These appraisal reports are the judgments and views of appraisal agencies conducting evaluations at a certain point in time, and they do not constitute a guarantee of their appropriateness, accuracy or potential for transactions at the appraised price. Also, there is no particular conflict of interest between Japan Real Estate Institute, The Tanizawa Sōgō Appraisal Co., Ltd., Daiwa Real Estate Appraisal Co., Ltd. or CBRE K.K., and MFLP-REIT and the Asset Management Company.

Category	Property no.	Real estate in trust (property name)	Appraisal agency	Date of valuation	Appraisal value (millions of yen)	Integrated value (millions of yen)	Appraisal value based on income method (millions of yen)				
							Appraisal value based on direct capitalization method	Capitalization rate (%)	Appraisal value based on discounted cash flow method	Discount rate (%)	Terminal capitalization rate (%)
Logistics facilities	L-1	GLP/MFLP Ichikawa Shiohama (Note 1)	Japan Real Estate Institute	January 31, 2019	17,250	13,700	17,400	4.1	17,100	3.8	4.3
	L-2	MFLP Kuki	The Tanizawa Sōgō Appraisal Co., Ltd.	January 31, 2019	13,700	11,900	13,600	4.7	13,700	Year 1 4.7 From year 2 4.8	4.9
	L-3	MFLP Yokohama Daikoku (Note 1)	Daiwa Real Estate Appraisal Co., Ltd.	January 31, 2019	10,500	10,000	10,600	4.6	10,500	4.4	4.8
	L-4	MFLP Yashio	Japan Real Estate Institute	January 31, 2019	10,900	10,100	11,000	4.4	10,700	4.1	4.7
	L-5	MFLP Atsugi	Japan Real Estate Institute	January 31, 2019	8,700	8,140	8,780	4.6	8,620	4.2	4.9
	L-6	MFLP Funabashi Nishiura	Japan Real Estate Institute	January 31, 2019	7,680	6,790	7,800	4.5	7,560	4.2	4.8
	L-7	MFLP Kashiwa	Japan Real Estate Institute	January 31, 2019	6,900	5,960	6,930	4.6	6,860	4.3	4.8
	L-8	MFLP Sakai (Note 1)	The Tanizawa Sōgō Appraisal Co., Ltd.	January 31, 2019	4,880	4,380	4,920	4.7	4,860	Year 1 4.6 From year 2 4.8	4.9
	L-9	MFLP Komaki	The Tanizawa Sōgō Appraisal Co., Ltd.	January 31, 2019	8,530	7,800	8,580	4.6	8,510	Years 1 - 3 4.6 From year 4 4.7	4.8
	L-10	MFLP Hino (Note 1)	The Tanizawa Sōgō Appraisal Co., Ltd.	January 31, 2019	7,570	7,550	7,610	4.2	7,550	Years 1 - 3 4.2 From year 4 4.3	4.4
	L-11	MFLP Hiratsuka	Japan Real Estate Institute	January 31, 2019	7,090	6,790	7,150	4.5	7,020	4.3	4.7
	L-12	MFLP Tsukuba (Note 1)	Japan Real Estate Institute	January 31, 2019	6,000	5,328	6,060	4.9	5,952	4.6	5.1
Logistics facilities total					109,700	98,438	110,430		108,932		
Industrial real estate	I-1	MFIP Inzai (Note 1)	CBRE K.K.	January 31, 2019	2,440	1,800	2,440	4.8	2,440	4.5	4.9
	Industrial real estate total					2,440	1,800	2,440		2,440	
Portfolio total					112,140	100,238	112,870		111,372		

(Note)

The appraisal value, integrated value, appraisal value based on direct capitalization method and discounted cash flow method for “GLP/MFLP Ichikawa Shiohama,” “MFLP Yokohama Daikoku,” “MFLP Sakai,” “MFLP Hino,” “MFLP Tsukuba” and “MFIP Inzai” are the prorated figures equivalent to the quasi co-ownership interest in each property that MFLP-REIT holds (50%, 50%, 20%, 15%, 60% and 20%, respectively).

d. Summary of the Building Condition Evaluation Report and Earthquake Risk Evaluation Report

The following summarizes the evaluation results report (Building Condition Evaluation Report) prepared as a result of a building status evaluation and the evaluation results report (Earthquake Risk Evaluation Report) prepared as a result of an earthquake risk analysis, both conducted by Tokio Marine & Nichido Risk Consulting Co., Ltd., which was entrusted by MFLP-REIT and the Asset Management Company, concerning the portfolio assets. These reports are the judgments and views of an inspection contractor at a certain point in time, and they do not constitute a guarantee of their appropriateness or accuracy.

Category	Property no.	Property name	Building Condition Evaluation Report			Earthquake Risk Evaluation Report		
			Inspection contractor	Inspection report date	Estimated mid-to long-term repair and renewal costs (thousands of yen) (Note 1)	Inspection contractor	Evaluation report date	Probable maximum loss (PML) (%)
Logistics facilities	L-1	GLP/MFLP Ichikawa Shiohama (Note 2)	Tokio Marine & Nichido Risk Consulting Co., Ltd.	April 2016	220,644	Tokio Marine & Nichido Risk Consulting Co., Ltd.	April 2016	1.4
	L-2	MFLP Kuki	Tokio Marine & Nichido Risk Consulting Co., Ltd.	April 2016	398,351	Tokio Marine & Nichido Risk Consulting Co., Ltd.	April 2016	2.7
	L-3	MFLP Yokohama Daikoku (Note 2)	Tokio Marine & Nichido Risk Consulting Co., Ltd.	April 2016	370,738	Tokio Marine & Nichido Risk Consulting Co., Ltd.	April 2016	1.5
	L-4	MFLP Yashio	Tokio Marine & Nichido Risk Consulting Co., Ltd.	April 2016	258,915	Tokio Marine & Nichido Risk Consulting Co., Ltd.	April 2016	1.7
	L-5	MFLP Atsugi	Tokio Marine & Nichido Risk Consulting Co., Ltd.	April 2016	241,488	Tokio Marine & Nichido Risk Consulting Co., Ltd.	April 2016	4.4
	L-6	MFLP Funabashi Nishiura	Tokio Marine & Nichido Risk Consulting Co., Ltd.	April 2016	184,916	Tokio Marine & Nichido Risk Consulting Co., Ltd.	April 2016	3.4
	L-7	MFLP Kashiwa	Tokio Marine & Nichido Risk Consulting Co., Ltd.	April 2016	103,923	Tokio Marine & Nichido Risk Consulting Co., Ltd.	April 2016	1.9
	L-8	MFLP Sakai (Note 2)	Tokio Marine & Nichido Risk Consulting Co., Ltd.	April 2016	107,842	Tokio Marine & Nichido Risk Consulting Co., Ltd.	April 2016	3.5
	L-9	MFLP Komaki	Tokio Marine & Nichido Risk Consulting Co., Ltd.	July 2017	145,906	Tokio Marine & Nichido Risk Consulting Co., Ltd.	July 2017	1.6
	L-10	MFLP Hino (Note 2)	Tokio Marine & Nichido Risk Consulting Co., Ltd.	December 2017	Warehouse building 58,415 Welfare facilities 254	Tokio Marine & Nichido Risk Consulting Co., Ltd.	December 2017	Warehouse building 0.6 Welfare facilities 11.8
	L-11	MFLP Hiratsuka	Tokio Marine & Nichido Risk Consulting Co., Ltd.	December 2017	66,609	Tokio Marine & Nichido Risk Consulting Co., Ltd.	December 2017	7.0
	L-12	MFLP Tsukuba (Note 2)	Tokio Marine & Nichido Risk Consulting Co., Ltd.	August 2018	113,234	Tokio Marine & Nichido Risk Consulting Co., Ltd.	August 2018	2.6
	Subtotal				2,271,235			
Industrial real estate	I-1	MFIP Inzai (Note 2)	Tokio Marine & Nichido Risk Consulting Co., Ltd.	December 2018	68,213	Tokio Marine & Nichido Risk Consulting Co., Ltd.	April 2016	1.9
	Subtotal				68,213			
Total / PML in the Portfolio (Note 3)					2,339,448			1.4

Notes:

1. “Estimated mid- to long-term repair and renewal costs” represent the cost of repairs and renewal, as identified in the engineering report that are likely to arise within twelve years from the date of the report.
2. Estimated mid- to long-term repair and renewal costs for “GLP/MFLP Ichikawa Shiohama,” “MFLP Yokohama Daikoku,” “MFLP Sakai,” “MFLP Hino,” “MFLP Tsukuba” and “MFIP Inzai” are the prorated figures equivalent to the quasi co-ownership interest in each property that MFLP-REIT holds (50%, 50%, 20%, 15%, 60% and 20%, respectively), rounded down to the nearest 1,000 yen.
3. “PML in the Portfolio” is based upon the December 2018 Earthquake Risk Survey Portfolio Analysis Report calculated by Tokio Marine & Nichido Risk Consulting Co., Ltd. The properties in the portfolio to which PML applies are “GLP/MFLP Ichikawa Shiohama,” “MFLP Kuki,” “MFLP Yokohama Daikoku,” “MFLP Yashio,” “MFLP Atsugi,” “MFLP Funabashi Nishiura,” “MFLP Kashiwa,” “MFLP Sakai,” “MFLP Komaki,” “MFLP Hino,” “MFLP Hiratsuka,” “MFLP Tsukuba” and “MFIP Inzai,” and the quasi co-ownership interest of each property was taken into account.

e. Status of portfolio asset collateral

Not applicable.

(B) Summary of lease

a. Summary of lease

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

Category	Property no.	Property name	Leasable area (m <sup>2</sup> ) (Note 1)	Leased area (m <sup>2</sup> ) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (tenants) (Note 4)	Name of main tenant (Note 5)	Annual rent (millions of yen) (Note 6)	Tenant leasehold/security deposits (millions of yen) (Note 7)	Average lease period (Remaining lease contract period) (years) (Note 8, 9)
Logistics facilities	L-1	GLP/MFLP Ichikawa Shiohama (Note 10)	50,813	50,813	100.0	5	Rakuten, Inc.	862	123	6.9 (2.6)
	L-2	MFLP Kuki	67,925	67,925	100.0	3	KOKUBU SHUTOKEN CORP.	820	310	6.6 (3.5)
	L-3	MFLP Yokohama Daikoku (Note 10)	47,929	47,929	100.0	5	ACROSS TRANSPORT Corp.	660	239	5.6 (2.1)
	L-4	MFLP Yashio	39,692	39,692	100.0	2	e-LogiT co., Ltd.	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)
	L-5	MFLP Atsugi	40,958	40,958	100.0	1	Sun Toshi Tatemono Kabushiki Kaisha	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)
	L-6	MFLP Funabashi Nishiura	31,034	31,034	100.0	1	DAIWA CORPORATION., Ltd.	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)
	L-7	MFLP Kashiwa	31,291	31,291	100.0	1	Hitachi Transport System Metropolitan Co., Ltd.	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)
	L-8	MFLP Sakai (Note 10)	22,429	22,429	100.0	5	Not disclosed (Note 11)	292	132	4.2 (1.8)
	L-9	MFLP Komaki	40,605	40,605	100.0	1	KIMURA UNITY CO., LTD.	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)
	L-10	MFLP Hino (Note 10)	28,080	28,080	100.0	16	Celestica Japan K.K.	415	144	5.9 (3.6)
	L-11	MFLP Hiratsuka	33,055	33,055	100.0	Not disclosed (Note 11)	Nippon Express Co., Ltd.	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)
	L-12	MFLP Tsukuba (Note 10)	Existing building 22,762 Annex building 15,360	Existing building 22,762 Annex building 15,360	100.0	1	MARUBENI LOGISTICS CORPORATION	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)
Subtotal (average)			471,933	471,933	100.0	Not disclosed (Note 11)	–	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)
Industrial real estate	I-1	MFIP Inzai	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)
	Subtotal (average)			Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)
Total (average)			Not disclosed (Note 11)	Not disclosed (Note 11)	100.0	Not disclosed (Note 11)	–	6,267	1,971	6.4 (3.3)

Notes:

- “Total leasable area” is the total floor area (rounded down to the nearest whole number) of each asset held by MFLP-REIT that is deemed to be leasable based on the lease agreement or floor plan, etc. for such building as of January 31, 2019, and does not include the leased area indicated in the lease agreements concerning shops, vending machines, photovoltaic power generation facilities, parking lots, nursery centers and the like.
- “Leased area” is the total leased area rounded down to the nearest whole number presented in the lease agreements for buildings in the portfolio assets of MFLP-REIT as of January 31, 2019 (Excluding lease agreements concerning shops, vending machines, photovoltaic power generation facilities and parking lots. Lease agreements for said buildings hereinafter referred to as “Subject Lease Agreements” in (B)). If a master lease agreement has been

executed for assets held by MFLP-REIT, the total leased area represents the sum total of the area that is actually leased based on the Subject Lease Agreement signed with end-tenant rounded down to the nearest whole number. Total leased area is calculated based on the assumption that the subject property is actually leased if the Subject Lease Agreement has been executed as of January 31, 2019 even if there is no occupancy / delivery relating to the subject property as of January 31, 2019.

3. "Occupancy rate" is the share of the leased area of the buildings in the leasable area for said buildings in the real estate in trust in lease agreements concluded for properties as of January 31, 2019, rounded to the first decimal place. Occupancy rates for the subtotal (average) section and total (average) section are the share of the total leased area of the properties of the total leasable area of said properties, rounded to the first decimal place.
4. "Number of tenants" is the total number of Subject Lease Agreements. If a master lease agreement has been signed for the assets held by MFLP-REIT, the total number of end-tenants will be indicated. However, if one lessee enters into a multiple number of the Subject Lease Agreements for the same building of assets held by MFLP-REIT, the number of tenants is calculated on the assumption that such lessee is one party.
5. "Name of main tenant" is the name of the tenant with the largest leased floor area in the Subject Lease Agreement.
6. "Annual rent" represents the annualized amount of rent (the sum of annualized amounts of rent if a multiple number of lease agreements have been executed), which is 12 times monthly rent indicated in the Subject Lease Agreement, rounded down to the nearest million yen. However, if there are different provisions for monthly rent depending on the time period in the Subject Lease Agreement, the monthly rent (including common area expenses) for January 2019 shown in said lease agreement is the basis of the calculation. The rent-free periods and annual rent holiday periods (meaning that the payment of rents for specific months is exempted) as of the date shall not be included.
7. "Tenant leasehold/security deposits" represent the sum of the outstanding amounts of tenant leasehold/security deposits (the sum of the outstanding amounts of tenant leasehold/security deposits if a multiple number of lease agreements have been executed), rounded down to the nearest million yen, shown in the Subject Lease Agreement. However, if there are different provisions for the sum of outstanding leasehold/security deposits depending on the time period in each Subject Lease Agreement, the sum of the amount of tenant leasehold/security deposits for January 2019 shown in the lease agreement is the basis of the calculation.
8. "Average lease period" is calculated by weight averaging the lease periods presented in the Subject Lease Agreements with rents and rounded to the first decimal place. Concerning the Subject Lease Agreements, when a new lease agreement (hereinafter, referred to as "re-contract") starting on the day immediately following the expiration date (including the case of cancellation, the same applies hereinafter) of the respective lease agreement is concluded with the same lessee in the Subject Lease Agreements as of January 31, 2019, lease period is deemed to be from the start of the initial lease agreement to the expiration date of the re-contract, and used in the calculation as such.
9. "Average remaining lease period" is calculated by weight averaging the lease periods remaining from January 31, 2019 based upon the Subject Lease Agreements with rents and rounded to the first decimal place. Concerning the Subject Lease Agreements, when the re-contract is concluded with the same lessee as of January 31, 2019, the remaining period shall be calculated assuming that the lease period continues from January 31, 2019 to the expiration date of the re-contract.
10. For "GLP/MFLP Ichikawa Shiohama," "MFLP Yokohama Daikoku," "MFLP Sakai," "MFLP Hino," and "MFLP Tsukuba," leasable area, leased area, annual rent, and tenant leasehold/security deposits are the prorated figures equivalent to the quasi co-ownership interest in each property that MFLP-REIT holds (50%, 50%, 20%, 15% and 60%, respectively).
11. Not disclosed, because consent has not been obtained from the lessee.

b. Occupancy rate trends

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

(%)

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

Notes:

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

c. Information on major real estates and other properties

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

Property name	Annual rent (millions of yen) (Note 1, 3)	Rent ratio (%) (Note 2)
GLP/MFLP Ichikawa Shiohama	862	13.8
MFLP Kuki	820	13.1
MFLP Yokohama Daikoku	660	10.5
Total	2,343	37.4

Notes:

- “Annual rent” represents the annualized amount of rent (the sum of annualized amounts of rent if a multiple number of lease agreements have been executed), which is 12 times monthly rent (including common service fees) indicated in the Subject Lease Agreements for buildings in the portfolio assets as of January 31, 2019, rounded down to the nearest million yen. If a master lease agreement has been concluded based upon said portfolio assets, this is calculated based upon lease agreements with the end-tenants. However, if there are different provisions for monthly rent depending on the time period in the subject lease agreement, the monthly rent (including common area expenses) for January 2019 shown in the lease agreement is the basis of the calculation. The rent-free periods and annual rent holiday periods (meaning that the payment of rents for specific months is exempted) as of January 31, 2019 shall not be included.
- “Rent ratio” is the ratio of the annual rent of said property to the total of annual rents for the entire portfolio rounded to the first decimal place.
- For “GLP/MFLP Ichikawa Shiohama” and “MFLP Yokohama Daikoku,” annual rent are the prorated figures equivalent to the quasi co-ownership interest in each property that MFLP-REIT holds (50% and 50%, respectively).

d. Information about main tenant

Disclosure of this information has been omitted as there were no tenants of the assets held with a leased area of 10% or more of the total leased area of the entire portfolio as of January 31, 2019 (including end-tenants for assets with a pass-through master lease agreement concluded or to be concluded, but not including master lease companies concluding or planning to conclude said master lease agreements).



(C) Capital expenditures of real estate held

a. Schedule of capital expenditures

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

Name of real estate, etc.	Location	Purpose	Scheduled time	Planned construction amount (millions of yen) (Note)		
				Total amount	Amount paid during period	Total amount already paid
MFLP Kuki	Kuki-shi, Saitama	Renewal of equipment of access management facilities	From October 2019 to October 2019	5	–	–
MFLP Yokohama Daikoku	Yokohama-shi, Kanagawa	Exterior wall painting (Section 4)	From January 2019 to June 2019	48	–	–
MFLP Yokohama Daikoku	Yokohama-shi, Kanagawa	Replacement of heads of foam fire extinguishing system	From April 2019 to June 2019	12	–	–
MFLP Yokohama Daikoku	Yokohama-shi, Kanagawa	Exterior wall painting (Section 5)	From July 2019 to December 2019	49	–	–
MFLP Yokohama Daikoku	Yokohama-shi, Kanagawa	Replacement of heads of foam fire extinguishing system	From October 2019 to December 2019	12	–	–
MFLP Yashio	Yashio-shi, Saitama	Renewal of equipment of access management facilities	From June 2019 to July 2019	4	–	–
MFLP Hino	Hino-shi, Tokyo	Construction for expansion of bicycle parking	From June 2019 to July 2019	5	–	–

(Note)

For “MFLP Yokohama Daikoku,” and “MFLP Hino,” planned construction amount are the prorated figures equivalent to the quasi co-ownership interest in each property that MFLP-REIT holds (50% and 25%, respectively). For “MFLP Hino,” the amount stated above includes additional acquisition of 10% quasi co-ownership interest acquired on February 4, 2019.

b. Capital expenditures during period

The following summarizes the major construction work falling under capital expenditures conducted during the fiscal period under review for real estate, etc. held by MFLP-REIT. Capital expenditures in the fiscal period under review amounted to ¥36 million and, other than this, there was ¥20 million in repair expenses categorized as operating expenses in the fiscal period under review.

Name of real estate, etc.	Location	Purpose	Period	Construction amount (millions of yen) (Note)
MFLP Yokohama Daikoku	Yokohama-shi, Kanagawa	Exterior wall painting (Section 2)	From September 2018 to December 2018	21
Other capital expenditures				15
Total				36

(Note)

For “MFLP Yokohama Daikoku,” construction amount is the prorated figure equivalent to the quasi co-ownership interest in the property that MFLP-REIT holds (50%).

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

Not applicable.

## (D) Status of individual asset earnings

(Thousands of yen)

Property no.	L-1	L-2	L-3	L-4	L-5
Name	GLP/MFLP Ichikawa Shiohama	MFLP Kuki	MFLP Yokohama Daikoku	MFLP Yashio	MFLP Atsugi
Management period	From August 1, 2018 to January 31, 2019	From August 1, 2018 to January 31, 2019	From August 1, 2018 to January 31, 2019	From August 1, 2018 to January 31, 2019	From August 1, 2018 to January 31, 2019
Number of days of management	184 days	184 days	184 days	184 days	184 days
(A) Property leasing business revenues	481,660	476,055	351,171	Not disclosed (Note)	Not disclosed (Note)
Real estate leasing business revenues	450,608	436,787	331,517		
Other revenues related to property leasing	31,052	39,268	19,653		
(B) Property leasing business expenses	95,194	110,488	91,258		
Outsourcing service expenses	35,922	30,960	25,435		
Utilities expenses	19,189	28,664	16,075		
Repair expenses	831	5,309	8,796		
Taxes and dues	37,765	43,290	39,421		
Various costs required	1,486	2,263	1,528		
(C) NOI (=A-B)	386,466	365,567	259,913		
(D) Depreciation and amortization	79,894	107,298	84,533	62,470	63,638
(E) Operating income from property leasing (=C-D)	306,571	258,268	175,379	198,473	159,833

Property no.	L-6	L-7	L-8	L-9	L-10
Name	MFLP Funabashi Nishiura	MFLP Kashiwa	MFLP Sakai	MFLP Komaki	MFLP Hino
Management period	From August 1, 2018 to January 31, 2019	From August 1, 2018 to January 31, 2019	From August 1, 2018 to January 31, 2019	From August 1, 2018 to January 31, 2019	From August 1, 2018 to January 31, 2019
Number of days of management	184 days	184 days	184 days	184 days	184 days
(A) Property leasing business revenues	Not disclosed (Note)	Not disclosed (Note)	162,427	Not disclosed (Note)	230,057
Real estate leasing business revenues			138,598		213,252
Other revenues related to property leasing			23,829		16,805
(B) Property leasing business expenses			36,429		34,108
Outsourcing service expenses			11,108		18,780
Utilities expenses			4,616		13,584
Repair expenses			3,015		936
Taxes and dues	17,051	—			
Various costs required	638	808			
(C) NOI (=A-B)	185,051	172,055	125,997	229,883	195,949
(D) Depreciation and amortization	50,309	50,021	43,803	88,578	52,888
(E) Operating income from property leasing (=C-D)	134,741	122,034	82,193	141,304	143,060

Property no.	L-11	L-12	I-1	Total
Name	MFLP Hiratsuka	MFLP Tsukuba	MFIP Inzai	
Management period	From August 1, 2018 to January 31, 2019	From December 3, 2018 to January 31, 2019	From August 1, 2018 to January 31, 2019	
Number of days of management	184 days	60 days	184 days	
(A) Property leasing business revenues				3,280,932
Real estate leasing business revenues				3,135,601
Other revenues related to property leasing				145,331
(B) Property leasing business expenses	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	565,848
Outsourcing service expenses				178,765
Utilities expenses				96,567
Repair expenses				20,247
Taxes and dues				257,608
Various costs required				12,659
(C) NOI (=A-B)				192,004
(D) Depreciation and amortization	51,028	19,174	18,649	772,289
(E) Operating income from property leasing (=C-D)	140,975	37,261	42,695	1,942,794

(Note)

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