

Summary of Financial Results for the Fiscal Period Ended January 31, 2020 (REIT)

March 13, 2020

REIT Securities Issuer	Mitsui Fudosan Logistics Park Inc.	Stock Exchange Listing	Tokyo Stock Exchange
Securities Code	3471	Website	https://www.mflp-r.co.jp/en/
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Scheduled date of submission of securities report: April 27, 2020

Scheduled date of commencement of distribution payout: April 23, 2020

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, 2020 (August 1, 2019 to January 31, 2020)

(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, 2020	5,064	1.9	2,315	(0.1)	2,238	1.6	2,237	1.6
Fiscal period ended July 31, 2019	4,969	51.5	2,318	48.6	2,203	44.9	2,202	44.9

	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, 2020	5,904	2.0	1.4	44.2
Fiscal period ended July 31, 2019	5,823	2.4	1.7	44.3

(2) Distributions

	Distributions per unit (excluding distributions in excess of retained earnings)	Total amount of distributions (excluding distributions in excess of retained earnings)	Distributions in excess of retained earnings per unit	Total amount of distributions in excess of retained earnings	Distributions per unit (including distributions in excess of retained earnings)	Total amount of distributions (including distributions in excess of retained earnings)	Payout ratio	Ratio of distributions to net assets
	Yen	Millions of yen	Yen	Millions of yen	Yen	Millions of yen	%	%
Fiscal period ended January 31, 2020	5,905	2,237	679	257	6,584	2,495	100.0	2.0
Fiscal period ended July 31, 2019	5,811	2,202	685	259	6,496	2,461	100.0	2.0

Notes:

- Due to the issuance of new investment units, the payout ratio for the fiscal period ended July 31, 2019 is calculated using the following formula and rounded to the first decimal place.
Payout ratio = Total amount of distributions (excluding distributions in excess of retained earnings) ÷ Net income × 100
- The total amount of distributions in excess of retained earnings for the fiscal period ended January 31, 2020 and the fiscal period ended July 31, 2019 is entirely return of capital applicable to distribution reducing unitholders' capital for tax purposes.
- The ratios of decreasing surplus attributable to distributions in excess of retained earnings (return of capital applicable to distribution reducing unitholders' capital for tax purposes) for the fiscal period ended January 31, 2020 and the fiscal period ended July 31, 2019 are 0.002 and 0.003, 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, 2020	157,023	109,060	69.5	287,758
Fiscal period ended July 31, 2019	160,681	109,284	68.0	288,349

(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, 2020	6,452	(92)	(6,361)	4,158
Fiscal period ended July 31, 2019	1,532	(52,724)	52,379	4,159

2. Forecast for the Fiscal Period Ending July 31, 2020 (February 1, 2020 to July 31, 2020) and the Fiscal Period Ending January 31, 2021 (August 1, 2020 to January 31, 2021)

(% 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, 2020	6,381	26.0	2,780	20.1	2,627	17.4	2,626	17.4	5,956	934	6,890
Fiscal period ending January 31, 2021	6,665	4.5	2,929	5.4	2,802	6.6	2,801	6.6	6,353	864	7,217

(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, 2020: ¥5,956 For the fiscal period ending January 31, 2021: ¥6,352

• 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, 2020	379,000 units	Fiscal period ended July 31, 2019	379,000 units
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(ii) Number of treasury units at the end of the fiscal period

Fiscal period ended January 31, 2020	0 units	Fiscal period ended July 31, 2019	0 units
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(Note)

Please refer to “Notes to Per Unit Information” on page 18 for the number of investment units used as the basis for calculating net income per unit.

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

• Special notes

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

For details of assumptions for the above forecast figures, please refer to “Forecast Assumptions for the Fiscal Period Ending July 31, 2020 (February 1, 2020 to July 31, 2020) and the Fiscal Period Ending January 31, 2021 (August 1, 2020 to January 31, 2021)” described on page 7.

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1. Status of Asset Management

(1) Results of Operations

(Summary of results for the reporting period)

i) Brief history of the investment corporation

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

ii) Investment environment and management performance

The Japanese economy has been on a moderate expansionary trend, with a functioning virtuous cycle from income to spending, despite signs of weakness in exports, production and corporate sentiment, mainly affected by a slowdown in overseas economies, natural disasters and the spread of infectious diseases. In addition, amid the accommodative financial conditions, capital investment is expected to continue on a modest increase, with emphasis on urban redevelopment investment, labor-saving investment to address labor shortage, and R&D investment in growth areas, despite a slowdown of the temporary increase, especially in manufacturing, due to the impact of a slowdown in overseas economies, as well as the accumulation of capital stock as a deceleration force when looking at the long term. As the impact of the consumption tax hike gradually recedes, private consumption is expected to follow a trajectory of moderate increase amid continued improvement in 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, upholding a basic policy of pursuing maximization of unitholder value by achieving sustainable growth through formation of a strategic partnership in the logistics facilities business with Mitsui Fudosan Co., Ltd. (“Mitsui Fudosan”), MFLP-REIT has conducted steady management of the 16 properties held as at the end of the fiscal period under review (total acquisition price of ¥156.7 billion) to maintain an excellent occupancy rate of 99.1% 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 ¥400 million (short-term loans payable) in October 2019 and ¥1,600 million (short-term loans payable) in November 2019 to repay short-term loans payable, and executed repayments of a total of ¥5,900 million (short-term loans payable) using funds from part of short-term loans payable procured in the fiscal period under review and internal reserve arising from depreciation, etc. As a result, at the end of the fiscal period under review, the balance of interest-bearing debt was ¥42,900 million (short-term loans payable of ¥1,600 million; long-term loans payable of ¥41,300 million) and the ratio of interest-bearing debt to total assets (LTV ratio) was 27.3%.

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 ¥5,064 million, operating income of ¥2,315 million, ordinary income of ¥2,238 million, and net income of ¥2,237 million.

In accordance with the distribution policy as defined in the Articles of Incorporation of MFLP-REIT, distributions for the fiscal period under review shall be subject to application of special provisions for taxation of investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation). Based on this, MFLP-REIT declared the distribution of ¥2,237,995,000, which is the integral multiple of the total number of investment units issued and outstanding (379,000 units) of unappropriated retained earnings. Accordingly, MFLP-REIT declared distribution of earnings per unit of ¥5,905.

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 ¥257 million, which is the amount almost equivalent to the remaining amount after subtracting the distribution of earnings of ¥2,237 million from ¥2,495 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 ¥679.

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, 2020)

i) Future management policy

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

(A) External growth strategy

“External growth based on the growth potential and extensive pipeline of Mitsui Fudosan’s logistics facilities business”

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

Notes:

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

(B) Internal growth strategy

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

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

(C) Financial strategy

“Financial and cash management with an emphasis on stability and efficiency”

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

ii) Significant subsequent events

(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 8, 2020 and January 22, 2020, as stated below, payment for the issuance of said units was completed through public offering on February 3, 2020 and through a third-party allotment on February 27, 2020.

As a result, the total investment amount (net) is ¥136,549,737,748, and there are 441,000 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: 59,000 units
(Domestic: 35,400 units, Overseas: 23,600 units)
Issue price: ¥495,747 per unit
Total amount of issue price: ¥29,249,073,000
Amount to be paid in (paid-in amount): ¥479,476 per unit
Total amount to be paid in (total paid-in amount): ¥28,289,084,000
Payment date: February 3, 2020

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

Number of new investment units to be issued: 3,000 units
Amount to be paid in (paid-in amount): ¥479,476 per unit
Total amount to be paid in (total paid-in amount): ¥1,438,428,000
Payment date: February 27, 2020
Allottee: Daiwa Securities Co. Ltd.

(B) Acquisitions of properties

MFLP-REIT acquired the trust beneficiary interests for the following assets on February 5, 2020 and March 2, 2020. It also plans to acquire MFLP Sakai (remaining 10% quasi co-ownership interest) on April 6, 2020 (3 properties inclusive of additional acquisition; total amount of acquisition price is ¥48,380 million).

Category	Property no.	Property name	Location	Acquisition price (Note 1) (millions of yen)	Acquisition date
Logistics facilities	L-8	MFLP Sakai (Note 2, 3)	Sakai-shi, Osaka	i) 16,710 ii) 2,390 Total 19,100	i) February 5, 2020 ii) April 6, 2020
	L-16	MFLP Prologis Park Kawagoe (Note 4)	Kawagoe-shi, Saitama	14,800 (50% quasi co- ownership interest)	February 5, 2020
	L-17	MFLP Hiroshima I (Note 3)	Hiroshima-shi, Hiroshima	14,480	March 2, 2020

Notes:

- “Acquisition price” is the purchase price of each trust beneficiary interest as set forth in each agreement for sale and purchase of trust beneficiary interest for the assets (to be) acquired, 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.
- Regarding the “Acquisition price” and “Acquisition date” for “MFLP Sakai,” the additionally acquired interest that was acquired on February 5, 2020 is described in (i), and the interest to be acquired additionally on April 6, 2020 is described in (ii).
- The sale and purchase agreements relating to “MFLP Sakai” (10% quasi co-ownership interest) and “MFLP Hiroshima I” 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).
- For “MFLP Prologis Park Kawagoe,” “Acquisition price” is the prorated figure equivalent to the quasi co-ownership interest in this property that MFLP-REIT acquired (50%).

(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
The Bank of Fukuoka, Ltd.	2,500	Base rate (JBA 1- month yen TIBOR) +0.035% (Note 1)	March 2, 2020	November 30, 2020	Bullet repayment	Unsecured Non-guaranteed
Sumitomo Mitsui Trust Bank, Limited	2,000	Base rate (JBA 3- month yen TIBOR) +0.035% (Note 2)	March 2, 2020	June 2, 2020	Bullet repayment	Unsecured Non-guaranteed
MUFG Bank, Ltd.	800	0.2385%	February 5, 2020	February 5, 2027	Bullet repayment	Unsecured Non-guaranteed
MUFG Bank, Ltd.	800	0.4272%	February 5, 2020	February 5, 2030	Bullet repayment	Unsecured Non-guaranteed
Shinkin Central Bank	1,600	0.3809%	February 5, 2020	February 5, 2029	Bullet repayment	Unsecured Non-guaranteed
The Norinchukin Bank	1,000	0.3360%	February 5, 2020	February 7, 2028	Bullet repayment	Unsecured Non-guaranteed
Shinsei Bank, Limited	800	0.3809%	February 5, 2020	February 5, 2029	Bullet repayment	Unsecured Non-guaranteed
Sumitomo Mitsui Banking Corporation	1,700	0.2000%	March 2, 2020	March 4, 2024	Bullet repayment	Unsecured Non-guaranteed
Sumitomo Mitsui Banking Corporation	1,700	0.3723%	March 2, 2020	March 4, 2030	Bullet repayment	Unsecured Non-guaranteed
Sumitomo Mitsui Trust Bank, Limited	800	0.1059%	March 2, 2020	March 3, 2025	Bullet repayment	Unsecured Non-guaranteed
The Yamaguchi Bank, Ltd.	900	0.3723%	March 2, 2020	March 4, 2030	Bullet repayment	Unsecured Non-guaranteed
Mitsui Sumitomo Insurance Company, Limited	800	0.1836%	March 2, 2020	March 2, 2027	Bullet repayment	Unsecured Non-guaranteed
Sumitomo Life Insurance Company	800	0.2182%	March 2, 2020	March 2, 2028	Bullet repayment	Unsecured Non-guaranteed
The Chiba Bank, Ltd.	500	0.1836%	March 2, 2020	March 2, 2027	Bullet repayment	Unsecured Non-guaranteed
The 77 Bank, Ltd.	900	0.3723%	March 2, 2020	March 4, 2030	Bullet repayment	Unsecured Non-guaranteed
Total	17,600	-	-	-	-	-

Notes:

1. The first payment date is April 2, 2020, and will be the 2nd of every month and the repayment date (in the case this is not a business day, the following business day). The base rate used for the calculation period of interest to be paid on the payment date is JBA 1-month yen TIBOR published by JBA TIBOR Administration as of two business days prior to the previous payment date (however, drawdown date for the first time) of each payment date. However, in the case that interest calculation period is less than 1 month, it will be the base rate corresponding to the applicable period calculated based on the method set forth in the contract.
2. The payment date is the repayment date. The base rate used for the calculation period of interest to be paid on the payment date is JBA 3-month yen TIBOR published by JBA TIBOR Administration as of two business days prior to the drawdown date. Please refer to the JBA TIBOR Administration website (<http://www.jbatibor.or.jp/rate/>) for JBA yen TIBOR.

iii) Forecast for the Fiscal Period

MFLP-REIT's forecasts for the fiscal period ending July 31, 2020 (February 1, 2020 to July 31, 2020) and the fiscal period ending January 31, 2021 (August 1, 2020 to January 31, 2021) 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, 2020	6,381	26.0	2,780	20.1	2,627	17.4	2,626	17.4	5,956	934	6,890
Fiscal period ending January 31, 2021	6,665	4.5	2,929	5.4	2,802	6.6	2,801	6.6	6,353	864	7,217

For the assumptions for this forecasts, please refer to "Forecast Assumptions for the Fiscal Period Ending July 31, 2020 (February 1, 2020 to July 31, 2020) and the Fiscal Period Ending January 31, 2021 (August 1, 2020 to January 31, 2021)" described on page 7

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, 2020 (February 1, 2020 to July 31, 2020) and the Fiscal Period Ending January 31, 2021 (August 1, 2020 to January 31, 2021)

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> The fiscal period ending July 31, 2020 (the eighth fiscal period) (February 1, 2020 to July 31, 2020) (182 days) The fiscal period ending January 31, 2021 (the ninth fiscal period) (August 1, 2020 to January 31, 2021) (184 days)
Investment assets	<ul style="list-style-type: none"> It is assumed that (i) the total number of the properties assets held by MFLP-REIT will be 18, which includes the trust beneficiary interests in real estate held by MFLP-REIT as of January 31, 2020 (total of 16 properties) (“Assets Currently Held”), with the acquisition of the trust beneficiary interests in real estate related to MFLP Sakai (quasi co-ownership interest of 70%) and MFLP Prologis Park Kawagoe (quasi co-ownership interest of 50%) on February 5, 2020, as well as those related to MFLP Hiroshima I on March 2, 2020, and those related to MFLP Sakai (quasi co-ownership interest of 10%) on April 6, 2020 (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, 2021 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.
Operating revenues	<ul style="list-style-type: none"> 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. 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. Calculations assume that there will be no gain or loss on sale of real estate.
Operating expenses	<ul style="list-style-type: none"> Leasing business expenses, which are major operating expenses, other than depreciation have been calculated by taking into consideration changes to expenses, with the historical results used as a benchmark for the Assets Currently Held and information provided by the current owner used as a benchmark for the Assets (to be) Acquired. Depreciation is calculated using the straight-line method. Depreciation is expected to be ¥1,714 million for the fiscal period ending July 31, 2020 and ¥1,745 million for the fiscal period ending January 31, 2021. Leasing business income (excluding gain on sale of real estate) after the deduction of leasing business expenses (including depreciation) is expected to be ¥3,463 million for the fiscal period ending July 31, 2020 and ¥3,707 million for the fiscal period ending January 31, 2021. 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 2021 will be booked from the fiscal period ending July 31, 2021. Repair expenses for buildings are expected to be ¥78 million for the fiscal period ending July 31, 2020 and ¥63 million for the fiscal period ending January 31, 2021 based on the medium- to long-term repair plan established by the Asset Management Company. However, given the possibility that repair expenses may increase or additional expenses may be incurred due to difficult-to-forecast factors, the actual results may differ significantly from the forecast amount.
Non-operating expenses	<ul style="list-style-type: none"> Interest expenses and other expenses related to borrowings are expected to be ¥91 million for the fiscal period ending July 31, 2020 and ¥93 million for the fiscal period ending January 31, 2021. The expenses for the issuance of new investment units shall be amortized on a monthly basis over a three-year period starting from their month of issuance. Amortization of investment unit issuance expenses is expected to be ¥33 million for the fiscal period ending July 31, 2020 and ¥33 million for the fiscal period ending January 31, 2021. It is also expected that there will be ¥27 million in temporary expenses related to the issuance of new investment units in the fiscal period ending July 31, 2020.
Interest-bearing debt	<ul style="list-style-type: none"> It is assumed that total interest-bearing debt will be ¥62,900 million at the end of the fiscal period ending July 31, 2020 and ¥58,400 million at the end of the fiscal period ending January 31, 2021. The loan to value (LTV) ratio is expected to be 30.6% at the end of the fiscal period ending July 31, 2020 and 28.9% at the end of the fiscal period ending January 31, 2021. The following formula is used to calculate LTV ratio. LTV ratio = Total interest-bearing debt ÷ Total assets × 100

Item	Assumptions
Investment units	<ul style="list-style-type: none"> It is assumed that the number of investment units issued and outstanding is the 441,000 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, 2021. Distributions per unit (excluding distributions in excess of retained earnings) and distributions in excess of retained earnings per unit are calculated based on the 441,000 units of expected total number of investment units issued and outstanding at the end of the fiscal period ending July 31, 2020 and the fiscal period ending January 31, 2021.
Distributions per unit (excluding distributions in excess of earnings)	<ul style="list-style-type: none"> Distributions per unit (excluding distributions in excess of retained earnings) is calculated in accordance with MFLP-REIT's policy on distributions of cash described in its Articles of Incorporation and assuming that the entire amount of earnings will be distributed. However, distributions per unit (excluding distributions in excess of retained earnings) may change for a variety of reasons, including changes in MFLP-REIT's investment assets, changes in leasing business revenues due to tenant movements, etc., and/or the occurrence of unforeseen repairs and maintenance, etc.
Distributions in excess of retained earnings per unit	<ul style="list-style-type: none"> Distributions in excess of retained earnings per unit is calculated in accordance with MFLP-REIT's policy on distributions of cash described in its Articles of Incorporation and the asset management guidelines for the asset management company. Total distributions in excess of retained earnings are expected to be ¥411 million for the fiscal period ending July 31, 2020 and ¥381 million for the fiscal period ending January 31, 2021. MFLP-REIT emphasizes cash flow generated by asset management, such as the leasing of investment assets, excluding gain or loss on sale of real estate. For the time being, it is MFLP-REIT's policy to calculate the amount distributable, including distributions in excess of retained earnings, to be around 70% of FFO up to a maximum of 75% of FFO and continually distribute the amount of this that exceeds the amount of distributions of earnings, within a scope where financial stability can be secured and owned assets can be maintained for a long duration of time, as distributions in excess of retained earnings determined based on a comprehensive judgment of the situation (the "continuous distributions in excess of retained earnings"). However, the continuous distributions in excess of retained earnings may be terminated given the economic environment, trends in the real estate market or leasing market, the situation surrounding owned assets, the percentage of distributions in excess of retained earnings accounted for in depreciation during MFLP-REIT's applicable operating period (Note 1), and the situation pertaining to LTV level and retained cash and deposits, among other factors. In addition to the continuous distributions in excess of retained earnings, in cases where the distribution amount for distributions per unit (including distributions in excess of retained earnings) is expected to temporarily decline by a certain degree due to such factors as the procurement of funds through the issuance of new investment units, etc., a temporary distributions in excess of retained earnings may be executed in order to standardize the amount of the distributions per unit (including distributions in excess of retained earnings). However, from the perspective of continuing to maintain owned assets for a long period of time, in cases where the above distribution of cash is executed, and where the amount equal to the equivalent of depreciation and amortization for the applicable operating period minus the amount of the distribution in excess of retained earnings for the applicable operating period falls below the standard amount of capital for building maintenance (Note 2), the distribution in excess of retained earnings will be decreased by a maximum amount that the distribution amount does not fall below the total equivalent of the distribution of earnings, and this may lead to cases where distribution in excess of retained earnings will not be executed. In addition, from the perspective of continuing stable financial management, distributions in excess of retained earnings will not be executed in cases where the appraisal LTV ratio (Note 3) exceeds 60% in the event that the above distribution of cash is executed. <p>Notes:</p> <ol style="list-style-type: none"> The maximum will be an amount equivalent to 60% of the depreciation for the applicable operating period. "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. 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
Other	<ul style="list-style-type: none"> It is assumed that there will be no change in legislation, taxation, accounting standards, listing regulations imposed by the Tokyo Stock Exchange, rules and requirements imposed by The Investment Trusts Association, Japan, etc. that will impact the aforementioned forecasts. It is assumed that there will be no unforeseen material changes in general economic trends, real estate market conditions, etc.

2. Financial Statements

(1) Balance Sheets

(Thousands of yen)

	6th period (As of July 31, 2019)	7th period (As of January 31, 2020)
Assets		
Current assets		
Cash and deposits	1,085,379	877,488
Cash and deposits in trust	3,074,601	3,281,157
Operating accounts receivable	284,297	145,158
Prepaid expenses	25,701	26,727
Consumption taxes receivable	2,261,176	-
Other	14,201	1,886
Total current assets	6,745,357	4,332,418
Non-current assets		
Property and equipment		
Buildings in trust	82,222,802	82,304,372
Accumulated depreciation	(3,714,286)	(4,825,576)
Buildings in trust, net	78,508,515	77,478,795
Structures in trust	2,847,469	2,855,278
Accumulated depreciation	(389,371)	(503,279)
Structures in trust, net	2,458,098	2,351,998
Machinery and equipment in trust	2,984,550	2,985,372
Accumulated depreciation	(436,905)	(537,988)
Machinery and equipment in trust, net	2,547,645	2,447,383
Vehicles and transport equipment in trust	2,642	2,642
Accumulated depreciation	(440)	(770)
Vehicles and transport equipment in trust, net	2,201	1,871
Tools, furniture and fixtures in trust	4,222	5,737
Accumulated depreciation	(484)	(868)
Tools, furniture and fixtures in trust, net	3,737	4,868
Land in trust	70,241,485	70,241,485
Construction in progress in trust	-	20,416
Total property and equipment	153,761,683	152,546,820
Intangible assets		
Software	4,876	3,756
Total intangible assets	4,876	3,756
Investments and other assets		
Lease and guarantee deposits	10,000	10,000
Long-term prepaid expenses	65,092	54,174
Deferred tax assets	16	9
Other	1,050	1,050
Total investments and other assets	76,159	65,233
Total non-current assets	153,842,719	152,615,811
Deferred assets		
Investment unit issuance expenses	93,614	74,891
Total deferred assets	93,614	74,891
Total assets	160,681,690	157,023,120

(Thousands of yen)

	6th period (As of July 31, 2019)	7th period (As of January 31, 2020)
Liabilities		
Current liabilities		
Operating accounts payable	228,467	266,060
Short-term loans payable	5,500,000	1,600,000
Accounts payable	502,181	580,570
Accrued expenses	312	312
Income taxes payable	944	791
Accrued consumption taxes	-	340,592
Advances received	849,898	851,554
Other	114	114
Total current liabilities	7,081,918	3,639,996
Non-current liabilities		
Long-term loans payable	41,300,000	41,300,000
Tenant leasehold and security deposits in trust	3,015,304	3,022,824
Total non-current liabilities	44,315,304	44,322,824
Total liabilities	51,397,223	47,962,821
Net assets		
Unitholders' capital		
Unitholders' capital	107,416,211	107,416,211
Deduction from unitholders' capital	(334,370)	(593,985)
Unitholders' capital, net	107,081,840	106,822,225
Retained earnings		
Unappropriated retained earnings (undisposed loss)	2,202,626	2,238,074
Total retained earnings	2,202,626	2,238,074
Total unitholders' equity	109,284,466	109,060,299
Total net assets	109,284,466	109,060,299
Total liabilities and net assets	160,681,690	157,023,120

(2) Statements of Income

(Thousands of yen)

	6th period (From February 1, 2019 to July 31, 2019)		7th period (From August 1, 2019 to January 31, 2020)	
Operating revenues				
Property-related revenues	*1, *2	4,766,132	*1	4,815,248
Other revenues related to property leasing	*1, *2	202,987	*1	248,825
Total operating revenues		4,969,119		5,064,073
Operating expenses				
Property-related expenses	*1, *2	2,134,534	*1	2,175,841
Asset management fee		439,926		482,669
Asset custody fee		5,229		8,034
Administrative service fees		17,000		20,400
Directors' compensations		5,400		5,400
Audit fee		9,100		9,100
Other operating expenses		38,950		46,855
Total operating expenses		2,650,140		2,748,301
Operating income		2,318,979		2,315,772
Non-operating income				
Interest income		18		16
Insurance income		3,010		25,696
Interest on refund		13		693
Other		0		0
Total non-operating income		3,042		26,407
Non-operating expenses				
Interest expenses		59,004		59,756
Amortization of investment unit issuance expenses		18,722		18,722
Offering costs associated with issuance of investment units		32,792		-
Borrowing related expenses		4,016		4,983
Disaster recovery expenses	*3	2,230	*3	20,098
Other		1,800		-
Total non-operating expenses		118,566		103,561
Ordinary income		2,203,454		2,238,617
Income before income taxes		2,203,454		2,238,617
Income taxes - current		947		793
Income taxes - deferred		(0)		7
Total income taxes		946		801
Net income		2,202,508		2,237,816
Retained earnings brought forward		117		257
Unappropriated retained earnings (undisposed loss)		2,202,626		2,238,074

(3) Statements of Changes in Net Assets

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

(Thousands of yen)

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

7th period (From August 1, 2019 to January 31, 2020)

(Thousands of yen)

	Unitholders' capital						Total net assets
	Unitholders' capital			Retained earnings		Total unitholders' equity	
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital (net)	Unappropriated retained earnings (undisposed loss)	Total retained earnings		
Balance at beginning of period	107,416,211	(334,370)	107,081,840	2,202,626	2,202,626	109,284,466	109,284,466
Changes of items during period							
Distribution in excess of retained earnings		(259,615)	(259,615)			(259,615)	(259,615)
Dividends of earnings				(2,202,369)	(2,202,369)	(2,202,369)	(2,202,369)
Net income				2,237,816	2,237,816	2,237,816	2,237,816
Total changes of items during period	-	(259,615)	(259,615)	35,447	35,447	(224,167)	(224,167)
Balance at end of period	107,416,211	(593,985)	106,822,225	2,238,074	2,238,074	109,060,299	109,060,299

(4) Statements of Cash Distributions

(Yen)

	6th period (From February 1, 2019 to July 31, 2019)	7th period (From August 1, 2019 to January 31, 2020)
I Unappropriated retained earnings	2,202,626,192	2,238,074,062
II Distributions in excess of retained earnings		
Deduction from unitholders' capital	259,615,000	257,341,000
III Distributions	2,461,984,000	2,495,336,000
(Distribution per unit)	(6,496)	(6,584)
Of which: Distribution of earnings	2,202,369,000	2,237,995,000
(Of which: Distribution of earnings per unit)	(5,811)	(5,905)
Of which: Distribution in excess of retained earnings	259,615,000	257,341,000
(Of which: Distribution in excess of retained earnings per unit)	(685)	(679)
IV Retained earnings carried forward	257,192	79,062

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, 2019, MFLP-REIT declared a distribution amount of ¥2,202,369,000, which is the maximum value of the integral multiple of the total number of investment units issued and outstanding at the end of the period in amounts not in excess of unappropriated retained earnings.</p> <p>Furthermore, based on the distribution policy as defined in the Article 35, Paragraph 2 of the Articles of Incorporation, MFLP-REIT executes the distribution of cash in excess of retained earnings (return of capital applicable to distribution reducing unitholders' capital for tax purposes) each fiscal period on a continuous basis.</p> <p>Based on this policy, for the fiscal period ended July 31, 2019, MFLP-REIT declared the distribution of ¥259,615,000, which is calculated as being almost equivalent to the remaining amount after subtracting the distribution of earnings of ¥2,202,369,000 from ¥2,462,214,609 or 70% of FFO (funds from operation), as distribution of cash in excess of retained earnings (return of capital applicable to distribution reducing unitholders' capital for tax purposes).</p>	<p>In accordance with the distribution policy as defined in the Article 35, Paragraph 1 of the Articles of Incorporation of MFLP-REIT, distributions shall be in excess of the amount equivalent to 90% of the amount of earnings available for dividends defined in the Article 67-15 of the Act on Special Measures Concerning Taxation.</p> <p>Based on this policy, for the fiscal period ended January 31, 2020, MFLP-REIT declared a distribution amount of ¥2,237,995,000, which is the maximum value of the integral multiple of the total number of investment units issued and outstanding at the end of the period in amounts not in excess of unappropriated retained earnings.</p> <p>Furthermore, based on the distribution policy as defined in the Article 35, Paragraph 2 of the Articles of Incorporation, MFLP-REIT executes the distribution of cash in excess of retained earnings (return of capital applicable to distribution reducing unitholders' capital for tax purposes) each fiscal period on a continuous basis.</p> <p>Based on this policy, for the fiscal period ended January 31, 2020, MFLP-REIT declared the distribution of ¥257,341,000, which is calculated as being almost equivalent to the remaining amount after subtracting the distribution of earnings of ¥2,237,995,000 from ¥2,495,368,859 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)

	6th period (From February 1, 2019 to July 31, 2019)	7th period (From August 1, 2019 to January 31, 2020)
Cash flows from operating activities		
Income before income taxes	2,203,454	2,238,617
Depreciation and amortization	1,316,061	1,328,115
Amortization of investment unit issuance expenses	18,722	18,722
Interest income	(18)	(16)
Interest expenses	59,004	59,756
Insurance income	(3,010)	(25,696)
Disaster recovery expenses	2,230	20,098
Decrease (increase) in operating accounts receivable	(249,039)	164,547
Decrease (increase) in prepaid expenses	(8,222)	(1,025)
Decrease (increase) in long-term prepaid expenses	(15,258)	10,917
Decrease (increase) in consumption taxes receivable	(2,161,465)	2,261,176
Increase (decrease) in accrued consumption taxes	-	340,592
Increase (decrease) in operating accounts payable	15,191	40,420
Increase (decrease) in accounts payable	144,133	57,250
Increase (decrease) in advances received	279,396	1,656
Other, net	(9,491)	12,314
Subtotal	1,591,685	6,527,449
Interest income received	18	16
Interest expenses paid	(58,902)	(59,756)
Insurance income received	3,010	287
Disaster recovery expenses paid	(2,230)	(14,598)
Income taxes paid	(932)	(947)
Net cash provided by (used in) operating activities	1,532,649	6,452,451
Cash flows from investing activities		
Purchase of property and equipment in trust	(53,760,799)	(100,044)
Repayments of tenant leasehold and security deposits in trust	(60,770)	(2,400)
Proceeds from tenant leasehold and security deposits in trust	1,097,303	9,920
Net cash provided by (used in) investing activities	(52,724,267)	(92,524)
Cash flows from financing activities		
Proceeds from short-term loans payable	12,700,000	2,000,000
Repayments of short-term loans payable	(8,900,000)	(5,900,000)
Proceeds from long-term loans payable	15,000,000	-
Proceeds from issuance of investment units	35,183,174	-
Payment of distribution of earnings	(1,518,873)	(2,201,806)
Payment of distribution in excess of retained earnings	(84,562)	(259,455)
Net cash provided by (used in) financing activities	52,379,739	(6,361,262)
Net increase (decrease) in cash and cash equivalents	1,188,122	(1,335)
Cash and cash equivalents at beginning of period	2,971,858	4,159,980
Cash and cash equivalents at end of period	4,159,980	4,158,645

(6) Notes to Going Concern Assumption

Not applicable.

(7) Notes to Significant Accounting Policies

1. Method of depreciation and amortization of non-current assets	<p>(1) Property and equipment (including those in trust)</p> <p>Amortization of property and equipment is calculated using the straight-line method over the estimated useful lives. The useful lives of principal property and equipment are as follows:</p> <table border="0"><tr><td>Buildings:</td><td>2 to 59 years</td></tr><tr><td>Structures:</td><td>8 to 50 years</td></tr><tr><td>Machinery and equipment:</td><td>14 to 17 years</td></tr><tr><td>Vehicles:</td><td>4 years</td></tr><tr><td>Tools, furniture and fixtures:</td><td>5 to 15 years</td></tr></table> <p>(2) Intangible assets</p> <p>Amortization of intangible assets is calculated using the straight-line method over the estimated useful lives.</p> <p>Amortization of software for internal use is calculated using the straight-line method over the estimated useful lives of five years at MFLP-REIT.</p>	Buildings:	2 to 59 years	Structures:	8 to 50 years	Machinery and equipment:	14 to 17 years	Vehicles:	4 years	Tools, furniture and fixtures:	5 to 15 years
Buildings:	2 to 59 years										
Structures:	8 to 50 years										
Machinery and equipment:	14 to 17 years										
Vehicles:	4 years										
Tools, furniture and fixtures:	5 to 15 years										
2. Accounting method for deferred assets	<p><i>Investment unit issuance expenses</i></p> <p>Investment unit issuance expenses are amortized using the straight-line method over a three-year period.</p>										
3. Recognition of revenues and expenses	<p><i>Taxes on property and equipment</i></p> <p>With respect to property taxes, city planning taxes and depreciable asset taxes imposed on real estate properties or trust beneficiary interests in real estate, of the tax amount assessed and determined, the amount corresponding to the relevant fiscal period is accounted for as property-related expenses.</p> <p>Of the amounts paid for the acquisitions of real estate properties or trust beneficiary interests in real estate, the amount equivalent to property-related taxes is capitalized as part of the acquisition cost of the relevant property instead of being charged as expenses.</p> <p>Capitalized property-related taxes amounted to ¥264,449 thousand for the 6th period. No property-related taxes were capitalized for the 7th period.</p>										
4. Scope of cash and cash equivalents in the statements of cash flows	<p>Cash and cash equivalents in the statements of cash flows consist of cash on hand and cash in trust, readily-available bank deposits, readily-available bank deposits in trust and short-term investments that are readily convertible to cash and realizable with a maturity of three months or less when purchased and that are subject to an insignificant risk of changes in value.</p>										
5. Other significant information for preparation of financial statements	<p>(1) Trust beneficiary interests in real estate</p> <p>As to trust beneficiary interests in real estate that have real estate properties as assets in trust, all accounts of assets and liabilities within assets in trust as well as all income generated and expenses incurred from assets in trust are recorded in the relevant balance sheet and statement of income account items.</p> <p>The following material items of the assets in trust recorded in the relevant account items are separately presented in the accompanying balance sheets.</p> <ul style="list-style-type: none">i) Cash and deposits in trustii) Buildings in trust, structures in trust, machinery and equipment in trust, vehicles and transport equipment in trust, tools, furniture and fixtures in trust and land in trustiii) Construction in progress in trustiv) Tenant leasehold and security deposits in trust <p>(2) Consumption taxes</p> <p>Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.</p>										

(8) Notes on Changes in Presentation

“Insurance income” and “Disaster recovery expenses” under “Cash flows from operating activities” are separately presented from the 7th period due to an increase in materiality. To reflect this change in presentation, figures in the statements of cash flows for the 6th period were reclassified.

As a result, in the statements of cash flows for the 6th period, under “Cash flows from operating activities,” “Insurance income” is presented as negative ¥3,010 thousand and “Disaster recovery expenses” is presented as ¥2,230 thousand above the subtotal, and “Insurance income received” is presented as ¥3,010 thousand and “Disaster recovery expenses paid” is presented as negative ¥2,230 thousand below the subtotal.

(9) Notes to Financial Statements

[Notes to Statements of Income]

*1. Components of operating income from property leasing

	(Thousands of yen)			
	6th period (From February 1, 2019 to July 31, 2019)		7th period (From August 1, 2019 to January 31, 2020)	
A. Property leasing business revenues				
Property-related revenues				
Rental revenues	4,587,276		4,635,333	
Common area charges	178,855	4,766,132	179,914	4,815,248
Other revenues related to property leasing				
Utilities charges	143,571		191,289	
Parking lots	18,247		20,329	
Others	41,168	202,987	37,206	248,825
Total property leasing business revenues		4,969,119		5,064,073
B. Property leasing business expenses				
Property-related expenses				
Outsourcing service expenses	284,400		287,794	
Utilities expenses	136,929		171,591	
Repair expenses	45,700		36,545	
Taxes and dues	332,697		332,689	
Depreciation and amortization	1,314,941		1,326,995	
Others	19,864		20,224	
Total property leasing business expenses		2,134,534		2,175,841
C. Operating income from property leasing [A-B]		2,834,585		2,888,231

*2. Transactions with major unitholders

	(Thousands of yen)	
	6th period (From February 1, 2019 to July 31, 2019)	7th period (From August 1, 2019 to January 31, 2020)
Operating transactions:		
Operating revenues	167,340	-
Operating expenses	121,311	-
Non-operating transactions:		
Purchase of trust beneficiary interests in real estate	33,786,303	-

*3. Disaster recovery expenses

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

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.

7th period (From August 1, 2019 to January 31, 2020)

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 2019.

[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)	
	6th period (From February 1, 2019 to July 31, 2019)	7th period (From August 1, 2019 to January 31, 2020)
Carrying amount		
Balance at beginning of period	101,324,687	153,761,683
Changes during the period	52,436,996	(1,235,279)
Balance at end of period	153,761,683	152,526,403
Balance at end of period	167,640,000	169,750,000

Notes:

- The carrying amount represents acquisition cost less accumulated depreciation.
- Changes in the carrying amount during the 6th period consisted of the increase mainly attributable to acquisition of trust beneficiary interests in real estate for six properties (¥53,665,177 thousand), and the decrease mainly attributable to depreciation (¥1,314,941 thousand). Decrease in the carrying amount during the 7th period was mainly attributable to depreciation (¥1,326,995 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

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

(1) Information by product and service

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

(2) Information by geographical area

i) Operating revenues

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

ii) Property and equipment

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

(3) Information on major tenant

(Thousands of yen)

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

(Note)

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

7th period (From August 1, 2019 to January 31, 2020)

(1) Information by product and service

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

(2) Information by geographical area

i) Operating revenues

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

ii) Property and equipment

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

(3) Information on major tenant

(Thousands of yen)

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

(Note)

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

[Notes to Per Unit Information]

	6th period (From February 1, 2019 to July 31, 2019)	7th period (From August 1, 2019 to January 31, 2020)
Net assets per unit	¥288,349	¥287,758
Net income per unit	¥5,823	¥5,904

Notes:

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

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

		6th period (From February 1, 2019 to July 31, 2019)	7th period (From August 1, 2019 to January 31, 2020)
Net income	(thousands of yen)	2,202,508	2,237,816
Amount not attributable to common unitholders	(thousands of yen)	-	-
Net income attributable to common investment units	(thousands of yen)	2,202,508	2,237,816
Average number of investment units for the period	(unit)	378,206	379,000

[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 8, 2020 and January 22, 2020, as stated below, payment for the issuance of said units was completed through public offering on February 3, 2020 and through a third-party allotment on February 27, 2020.

As a result, the total investment amount (net) is ¥136,549,737,748, and there are 441,000 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:	59,000 units (Domestic: 35,400 units, Overseas: 23,600 units)
Issue price:	¥495,747 per unit
Total amount of issue price:	¥29,249,073,000
Amount to be paid in (paid-in amount):	¥479,476 per unit
Total amount to be paid in (total paid-in amount):	¥28,289,084,000
Payment date:	February 3, 2020

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

Number of new investment units to be issued:	3,000 units
Amount to be paid in (paid-in amount):	¥479,476 per unit
Total amount to be paid in (total paid-in amount):	¥1,438,428,000
Payment date:	February 27, 2020
Allottee:	Daiwa Securities Co. Ltd.

2. Acquisitions of properties

MFLP-REIT acquired the trust beneficiary interests for the following assets on February 5, 2020 and March 2, 2020. It also plans to acquire MFLP Sakai (remaining 10% quasi co-ownership interest) on April 6, 2020 (3 properties inclusive of additional acquisition; total amount of acquisition price is ¥48,380 million).

Category	Property no.	Property name	Location	Acquisition price (Note 1) (millions of yen)	Acquisition date
Logistics facilities	L-8	MFLP Sakai (Note 2, 3)	Sakai-shi, Osaka	i) 16,710 ii) 2,390 Total 19,100	i) February 5, 2020 ii) April 6, 2020
	L-16	MFLP Prologis Park Kawagoe (Note 4)	Kawagoe-shi, Saitama	14,800 (50% quasi co- ownership interest)	February 5, 2020
	L-17	MFLP Hiroshima I (Note 3)	Hiroshima-shi, Hiroshima	14,480	March 2, 2020

Notes:

- “Acquisition price” is the purchase price of each trust beneficiary interest as set forth in each agreement for sale and purchase of trust beneficiary interest for the assets (to be) acquired, 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.
- Regarding the “Acquisition price” and “Acquisition date” for “MFLP Sakai,” the additionally acquired interest that was acquired on February 5, 2020 is described in (i), and the interest to be acquired additionally on April 6, 2020 is described in (ii).
- The sale and purchase agreements relating to “MFLP Sakai” (10% quasi co-ownership interest) and “MFLP Hiroshima I” 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).

4. For “MFLP Prologis Park Kawagoe,” “Acquisition price” is the prorated figure equivalent to the quasi co-ownership interest in this property that MFLP-REIT acquired (50%).

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
The Bank of Fukuoka, Ltd.	2,500	Base rate (JBA 1- month yen TIBOR) +0.035% (Note 1)	March 2, 2020	November 30, 2020	Bullet repayment	Unsecured Non-guaranteed
Sumitomo Mitsui Trust Bank, Limited	2,000	Base rate (JBA 3- month yen TIBOR) +0.035% (Note 2)	March 2, 2020	June 2, 2020	Bullet repayment	Unsecured Non-guaranteed
MUFG Bank, Ltd.	800	0.2385%	February 5, 2020	February 5, 2027	Bullet repayment	Unsecured Non-guaranteed
MUFG Bank, Ltd.	800	0.4272%	February 5, 2020	February 5, 2030	Bullet repayment	Unsecured Non-guaranteed
Shinkin Central Bank	1,600	0.3809%	February 5, 2020	February 5, 2029	Bullet repayment	Unsecured Non-guaranteed
The Norinchukin Bank	1,000	0.3360%	February 5, 2020	February 7, 2028	Bullet repayment	Unsecured Non-guaranteed
Shinsei Bank, Limited	800	0.3809%	February 5, 2020	February 5, 2029	Bullet repayment	Unsecured Non-guaranteed
Sumitomo Mitsui Banking Corporation	1,700	0.2000%	March 2, 2020	March 4, 2024	Bullet repayment	Unsecured Non-guaranteed
Sumitomo Mitsui Banking Corporation	1,700	0.3723%	March 2, 2020	March 4, 2030	Bullet repayment	Unsecured Non-guaranteed
Sumitomo Mitsui Trust Bank, Limited	800	0.1059%	March 2, 2020	March 3, 2025	Bullet repayment	Unsecured Non-guaranteed
The Yamaguchi Bank, Ltd.	900	0.3723%	March 2, 2020	March 4, 2030	Bullet repayment	Unsecured Non-guaranteed
Mitsui Sumitomo Insurance Company, Limited	800	0.1836%	March 2, 2020	March 2, 2027	Bullet repayment	Unsecured Non-guaranteed
Sumitomo Life Insurance Company	800	0.2182%	March 2, 2020	March 2, 2028	Bullet repayment	Unsecured Non-guaranteed
The Chiba Bank, Ltd.	500	0.1836%	March 2, 2020	March 2, 2027	Bullet repayment	Unsecured Non-guaranteed
The 77 Bank, Ltd.	900	0.3723%	March 2, 2020	March 4, 2030	Bullet repayment	Unsecured Non-guaranteed
Total	17,600	—	—	—	—	—

Notes:

- The first payment date is April 2, 2020, and will be the 2nd of every month and the repayment date (in the case this is not a business day, the following business day). The base rate used for the calculation period of interest to be paid on the payment date is JBA 1-month yen TIBOR published by JBA TIBOR Administration as of two business days prior to the previous payment date (however, drawdown date for the first time) of each payment date. However, in the case that interest calculation period is less than 1 month, it will be the base rate corresponding to the applicable period calculated based on the method set forth in the contract.
- The payment date is the repayment date. The base rate used for the calculation period of interest to be paid on the payment date is JBA 3-month yen TIBOR published by JBA TIBOR Administration as of two business days prior to the drawdown date. Please refer to the JBA TIBOR Administration website (<http://www.jbatibor.or.jp/rate/>) for JBA yen TIBOR.

[Omission of disclosure]

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

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

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

Date	Description	Total number of investment units issued and outstanding (units)		Unitholders' capital, net (Note 1) (millions of yen)		Remarks
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
March 4, 2016	Establishment through private placement	600	600	300	300	(Note 2)
June 15, 2016	Split of investment units	600	1,200	—	300	(Note 3)
August 1, 2016	Capital increase through public offering	212,800	214,000	55,445	55,745	(Note 4)
August 29, 2016	Capital increase through third-party allotment	10,000	224,000	2,605	58,350	(Note 5)
April 21, 2017	Distribution of cash in excess of retained earnings (return of capital)	—	224,000	(54)	58,296	(Note 6)
October 13, 2017	Distribution of cash in excess of retained earnings (return of capital)	—	224,000	(45)	58,250	(Note 7)
February 1, 2018	Capital increase through public offering	38,000	262,000	13,495	71,745	(Note 8)
February 28, 2018	Capital increase through third-party allotment	774	262,774	274	72,020	(Note 9)
April 23, 2018	Distribution of cash in excess of retained earnings (return of capital)	—	262,774	(61)	71,958	(Note 10)
October 19, 2018	Distribution of cash in excess of retained earnings (return of capital)	—	262,774	(88)	71,870	(Note 11)
February 1, 2019	Capital increase through public offering	110,700	373,474	33,617	105,488	(Note 12)
February 27, 2019	Capital increase through third-party allotment	5,526	379,000	1,678	107,166	(Note 13)
April 23, 2019	Distribution of cash in excess of retained earnings (return of capital)	—	379,000	(84)	107,081	(Note 14)
October 15, 2019	Distribution of cash in excess of retained earnings (return of capital)	—	379,000	(259)	106,822	(Note 15)

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 mainly 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 mainly for the purpose of procuring funds for acquisition of new properties.
9. New investment units were issued with Daiwa Securities Co. Ltd. as the allottee at a paid-in amount of ¥355,139 per unit.
10. By resolution of the Board of Directors of MFLP-REIT at its meeting held on March 15, 2018, distribution of cash in excess of retained earnings (return of capital) of ¥275 per unit was declared as distribution of cash for the 3rd fiscal period (fiscal period ended January 31, 2018), the payout of which commenced on April 23, 2018.
11. By resolution of the Board of Directors of MFLP-REIT at its meeting held on September 14, 2018, distribution of cash in excess of retained earnings (return of capital) of ¥335 per unit was declared as distribution of cash for the 4th fiscal period (fiscal period ended July 31, 2018), the payout of which commenced on October 19, 2018.
12. New investment units were issued through public offering at an issue price of ¥313,986 (paid-in amount of ¥303,680) per unit mainly for the purpose of procuring funds for acquisition of new properties.
13. New investment units were issued with Daiwa Securities Co. Ltd. as the allottee at a paid-in amount of ¥303,680 per unit.
14. By resolution of the Board of Directors of MFLP-REIT at its meeting held on March 15, 2019, distribution of cash in excess of retained earnings (return of capital) of ¥322 per unit was declared as distribution of cash for the 5th fiscal period (fiscal period ended January 31, 2019), the payout of which commenced on April 23, 2019.
15. By resolution of the Board of Directors of MFLP-REIT at its meeting held on September 13, 2019, distribution of cash in excess of retained earnings (return of capital) of ¥685 per unit was declared as distribution of cash for the 6th fiscal period (fiscal period ended July 31, 2019), the payout of which commenced on October 15, 2019.

3. Reference Information

(1) Status of Investment

Type of asset	Use	Geographic classification (Note 1)	6th period (As of July 31, 2019)		7th period (As of January 31, 2020)	
			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	107,851	67.1	107,085	68.2
		Kansai area	4,290	2.7	4,253	2.7
		Other areas	29,485	18.4	29,161	18.6
	Subtotal		141,627	88.1	140,500	89.5
	Industrial real estate (Note 6)	Tokyo metropolitan area	12,133	7.6	12,026	7.7
		Kansai area	–	–	–	–
		Other areas	–	–	–	–
	Subtotal		12,133	7.6	12,026	7.7
	Real estate in trust total			153,761	95.7	152,526
Deposits and other assets			6,920	4.3	4,496	2.9
Total assets			160,681	100.0	157,023	100.0

	6th period (As of July 31, 2019)		7th period (As of January 31, 2020)	
	Amount (millions of yen)	As a percentage of total assets (%) (Note 3)	Amount (millions of yen)	As a percentage of total assets (%) (Note 3)
Total liabilities	51,397	32.0	47,962	30.5
Total net assets	109,284	68.0	109,060	69.5

Notes:

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

(2) Investment Assets

i) Major investment securities

Not applicable.

ii) Investment properties

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

iii) Other major investment assets

(A) Summary of the assets held

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

a. List of portfolio

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

Category	Property no.	Property name	Location	Acquisition date	Acquisition price (millions of yen) (Note 1)	Acquisition price ratio (Note 2)	Book value (millions of yen)	Appraisal value (millions of yen) (Note 3)
Logistics facilities	L-1	GLP/MFLP Ichikawa Shiohama (Note 4)	Ichikawa-shi, Chiba	September 1, 2016	15,500	9.9	15,047	17,900
	L-2	MFLP Kuki	Kuki-shi, Saitama	August 2, 2016	12,500	8.0	11,843	14,300
	L-3	MFLP Yokohama Daikoku (Note 4)	Yokohama-shi, Kanagawa	August 2, 2016	10,100	6.4	9,770	10,900
	L-4	MFLP Yashio	Yashio-shi, Saitama	August 2, 2016	9,650	6.2	9,284	11,100
	L-5	MFLP Atsugi	Aiko-gun, Kanagawa	August 2, 2016	7,810	5.0	7,426	9,140
	L-6	MFLP Funabashi Nishiura	Funabashi-shi, Chiba	August 2, 2016	6,970	4.4	6,656	7,890
	L-7	MFLP Kashiwa	Kashiwa-shi, Chiba	August 2, 2016	6,300	4.0	6,000	7,110
	L-8	MFLP Sakai (Note 4)	Sakai-shi, Osaka	August 2, 2016	4,500	2.9	4,253	4,760
	L-9	MFLP Komaki (Note 5)	Komaki-shi, Aichi	August 4, 2017	8,260	5.3	7,954	8,570
	L-10	MFLP Hino (Note 4, 6)	Hino-shi, Tokyo	February 2, 2018	12,533	8.0	12,380	12,600
	L-11	MFLP Hiratsuka	Hiratsuka-shi, Kanagawa	March 15, 2018	7,027	4.5	6,896	7,150
	L-12	MFLP Tsukuba (Note 7)	Tsukubamirai-shi, Ibaraki	December 3, 2018	8,781	5.6	8,792	10,100
	L-13	MFLP Inazawa	Inazawa-shi, Aichi	February 4, 2019	16,200	10.3	15,997	16,500
	L-14	MFLP Atsugi II	Isehara-shi, Kanagawa	February 4, 2019	13,100	8.4	12,987	13,500
	L-15	MFLP Fukuoka I (Note 8)	Sue-machi, Kasuya-gun, Fukuoka	February 4, 2019	5,263	3.4	5,209	5,430
Logistics facilities total					144,494	92.2	140,500	156,950
Industrial real estate	I-1	MFIP Inzai (Note 9)	Inzai-shi, Chiba	August 2, 2016	12,220	7.8	12,026	12,800
	Industrial real estate total					12,220	7.8	12,026
Total					156,714	100.0	152,526	169,750

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, 2020. The appraisal of each asset held is entrusted to Japan Real Estate Institute, The Tanizawa Sōgō Appraisal Co., Ltd., Daiwa Real Estate Appraisal Co., Ltd. and CBRE K.K.

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

b. Summary of buildings

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

Category	Property no.	Property name	Property type (Note 1)	Site area (m ²) (Note 2)	Total floor area (m ²) (Note 2)	Construction completed (Note 3)	Building age (years) (Note 4)
Logistics facilities	L-1	GLP/MFLP Ichikawa Shiohama (Note 5)	Rampway MFLP	52,887	105,019 (52,509)	January 14, 2014	6.0
	L-2	MFLP Kuki	Slope MFLP	35,037	73,153	July 7, 2014	5.6
	L-3	MFLP Yokohama Daikoku (Note 5)	Rampway MFLP	47,974	100,530 (50,265)	April 14, 2009	10.8
	L-4	MFLP Yashio	Box MFLP	23,422	40,728	March 24, 2014	5.9
	L-5	MFLP Atsugi	Slope MFLP	20,522	40,942	March 13, 2015	4.9
	L-6	MFLP Funabashi Nishiura	Box MFLP	15,518	30,947	February 6, 2015	5.0
	L-7	MFLP Kashiwa	Box MFLP	15,484	31,242	November 30, 2015	4.2
	L-8	MFLP Sakai (Note 5)	Rampway MFLP	57,792	125,127 (25,025)	September 11, 2014	5.4
	L-9	MFLP Komaki	Slope MFLP	23,484	40,597	January 31, 2017	3.0
	L-10	MFLP Hino (Note 5)	Rampway MFLP	97,579	205,200 (51,300)	October 16, 2015	4.3
	L-11	MFLP Hiratsuka	Box MFLP	16,398	33,061	November 30, 2016	3.2
	L-12	MFLP Tsukuba	Box MFLP	45,605	Existing building: 37,027 Annex building: 25,457	Existing building: June 30, 2010 Annex building: March 30, 2018	Existing building: 9.6 Annex building: 1.8
	L-13	MFLP Inazawa	Slope MFLP	35,074	72,883	May 31, 2017	2.7
	L-14	MFLP Atsugi II	Slope MFLP	25,991	48,976	April 27, 2018	1.8
	L-15	MFLP Fukuoka I	Box MFLP	20,093	32,199	October 12, 2016	3.3
Logistics facilities total (average) (Note 5)				532,866	1,043,095 (686,318)	–	4.9
Industrial real estate	I-1	MFIP Inzai	Data center	25,000	40,478	February 28, 2014	5.9
	Industrial real estate total (average) (Note 5)				25,000	40,478	–
Total (average) (Note 5)				557,866	1,083,574 (726,796)	–	5.0

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, 2020, rounded to the first decimal place. Sections for totals (averages) and sections for totals (averages) in each category describe the weighted average values based on total floor taking into consideration the quasi co-ownership interest in each property. For MFLP Tsukuba, building ages for existing buildings are in the upper section and those for added buildings are in the lower section.
- Total floor areas for GLP/MFLP Ichikawa Shiohama, MFLP Yokohama Daikoku, MFLP Sakai and MFLP Hino in parentheses are the prorated figures equivalent to the quasi co-ownership interest in each property that MFLP-REIT holds (50%, 50%, 20% and 25%, respectively). Sections for totals and sections for totals in each category for “Total floor area” contain in parentheses total values or total values in each category under “Total floor area” for each portfolio asset taking into consideration the quasi co-ownership interest in each property.

c. Status of portfolio asset collateral

Not applicable.

(B) Summary of lease

a. Summary of lease

The property names, leasable areas, leased areas, occupancy rates, number of tenants, names of main tenants, annual rents, tenant leasehold / security deposits, average lease periods and average remaining lease periods of the portfolio assets held by MFLP-REIT as at the end of the fiscal period under review are as follows.

Category	Property no.	Property name	Leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (tenants) (Note 4)	Name of main tenant (Note 5)	Annual rent (millions of yen) (Note 6)	Tenant leasehold/security deposits (millions of yen) (Note 7)	Average lease period (Average remaining lease period) (years) (Note 8, 9)
Logistics facilities	L-1	GLP/MFLP Ichikawa Shiohama (Note 10)	50,813	44,509	87.6	5	Rakuten, Inc.	759	124	7.8 (2.9)
	L-2	MFLP Kuki	67,925	67,925	100.0	3	KOKUBU SHUTOKEN CORP.	820	310	6.9 (2.8)
	L-3	MFLP Yokohama Daikoku (Note 10)	47,929	47,929	100.0	5	ACROSS TRANSPORT Corp.	665	234	6.5 (1.5)
	L-4	MFLP Yashio	39,692	39,692	100.0	2	e-LogiT co., ltd.	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)
	L-5	MFLP Atsugi	40,958	40,958	100.0	1	Sun Toshi Tatemono Kabushiki Kaisha	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)
	L-6	MFLP Funabashi Nishiura	31,034	31,034	100.0	1	DAIWA CORPORATION., Ltd.	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)
	L-7	MFLP Kashiwa	31,291	31,291	100.0	1	Hitachi Transport System Metropolitan Co., Ltd.	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)
	L-8	MFLP Sakai (Note 10)	22,429	22,429	100.0	8	BIC CAMERA INC.	294	111	8.1 (5.5)
	L-9	MFLP Komaki	40,605	40,605	100.0	1	KIMURA UNITY CO., LTD.	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)
	L-10	MFLP Hino (Note 10)	46,801	46,801	100.0	16	Celestica Japan K.K.	692	240	5.9 (2.6)
	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	Existing building: 37,938 Annex building: 25,600	Existing building: 37,938 Annex building: 25,600	100.0	1	MARUBENI LOGISTICS CORPORATION	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)
	L-13	MFLP Inazawa	68,922	68,922	100.0	2	Japan Logistic Systems Corp.	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)
	L-14	MFLP Atsugi II	48,032	48,032	100.0	2	Japan Logistic Systems Corp.	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)
	L-15	MFLP Fukuoka I	32,216	32,216	100.0	1	Sagawa Global Logistics Co., Ltd.	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)
	Subtotal (average)		665,246	658,942	99.1	Not disclosed (Note 11)	–	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)

Category	Property no.	Property name	Leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (tenants) (Note 4)	Name of main tenant (Note 5)	Annual rent (millions of yen) (Note 6)	Tenant leasehold/security deposits (millions of yen) (Note 7)	Average lease period (Average remaining lease period) (years) (Note 8, 9)
Industrial real estate	I-1	MFIP Inzai	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)
	Subtotal (average)		Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)	–	Not disclosed (Note 11)	Not disclosed (Note 11)	Not disclosed (Note 11)
Total (average)			Not disclosed (Note 11)	Not disclosed (Note 11)	99.1	Not disclosed (Note 11)	–	9,259	3,018	7.1 (3.4)

Notes:

- “Leasable area” is the total floor area (rounded down to the nearest whole number) of each asset held by MFLP-REIT that is deemed to be leasable based on the lease agreement or floor plan, etc. for such building as of January 31, 2020, 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, 2020 (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 each portfolio assets held by MFLP-REIT as of January 31, 2020, 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, 2020 even if there is no occupancy / delivery relating to the subject property as of January 31, 2020.
- “Occupancy rate” is the share of the leased area of the buildings in the leasable area for said buildings in the real estate in trust in lease agreements concluded for each property held by MFLP-REIT as of January 31, 2020, rounded to the first decimal place. Occupancy rates for the subtotal (average) section and total (average) section are the share of the total leased area of the properties of the total leasable area of said properties, rounded to the first decimal place.
- “Number of tenants” is the total number of Subject Lease Agreements for buildings in each portfolio assets of MFLP-REIT as of January 31, 2020. If a master lease agreement has been concluded based upon each portfolio assets of MFLP-REIT as of January 31, 2020, this is the total number of end-tenants. However, if one lessee enters into a multiple number of the Subject Lease Agreements for the same building of assets held by MFLP-REIT as of January 31, 2020, the number of tenants is calculated on the assumption that such lessee is one party.
- “Names of main tenant” are the names of the tenants with the largest leased area presented in the Subject Lease Agreements for buildings in each portfolio assets of MFLP-REIT as of January 31, 2020.
- “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 Agreements for buildings in each portfolio assets of MFLP-REIT as of January 31, 2020, 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 2020 shown in said lease agreement is the basis of the calculation. The rent-free periods and annual rent holiday periods (meaning that the payment of rents for specific months is exempted) as of the date shall not be included.
- “Tenant leasehold/security deposits” represent the sum of the outstanding amounts of tenant leasehold/security deposits (the sum of the outstanding amounts of tenant leasehold/security deposits if a multiple number of lease agreements have been executed), rounded down to the nearest million yen, shown in the Subject Lease Agreement for buildings in each portfolio asset of MFLP-REIT as of January 31, 2020. 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 2020 shown in the lease agreement is the basis of the calculation.
- “Average lease period” is calculated by weight averaging the lease periods presented in the Subject Lease Agreements for buildings in each portfolio asset of MFLP-REIT as of January 31, 2020, 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, 2020, lease period is deemed to be from the start of the initial lease agreement to the expiration date of the re-contract, and used in the calculation as such.
- “Average remaining lease period” is calculated by weight averaging the remaining period of the lease periods after January 31, 2020, based on the Subject Lease Agreements for buildings in each portfolio asset of MFLP-REIT as of January 31, 2020, with rents and rounded to the first decimal place.
- For GLP/MFLP Ichikawa Shiohama, MFLP Yokohama Daikoku, MFLP Sakai and MFLP Hino, leasable area, leased area, annual rent and tenant leasehold/security deposits are the prorated figures equivalent to the quasi co-ownership interest in each property that MFLP-REIT holds (50%, 50%, 20% and 25%, respectively) as of January 31, 2020.
- Not disclosed, because consent has not been obtained from the lessee.

b. Occupancy rate trends

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

(%)

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

(%)

Category	Property no.	Property name	Occupancy rate (Note 1)	
			6th period (From February 1, 2019 to July 31, 2019)	7th period (From August 1, 2019 to January 31, 2020)
Logistics facilities	L-1	GLP/MFLP Ichikawa Shiohama	100.0	87.6
	L-2	MFLP Kuki	100.0	100.0
	L-3	MFLP Yokohama Daikoku	100.0	100.0
	L-4	MFLP Yashio	100.0	100.0
	L-5	MFLP Atsugi	100.0	100.0
	L-6	MFLP Funabashi Nishiura	100.0	100.0
	L-7	MFLP Kashiwa	100.0	100.0
	L-8	MFLP Sakai	100.0	100.0
	L-9	MFLP Komaki	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	100.0
	L-13	MFLP Inazawa	100.0	100.0
	L-14	MFLP Atsugi II	100.0	100.0
	L-15	MFLP Fukuoka I	100.0	100.0
	Subtotal (average)		100.0	99.1
Industrial real estate	I-1	MFIP Inzai	Not disclosed (Note 2)	Not disclosed (Note 2)
	Subtotal (average)		Not disclosed (Note 2)	Not disclosed (Note 2)
Total (average)			100.0	99.1

Notes:

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

c. Information on major real estates and other properties

The following is an overview of the real estates held whose annual rent makes up 10% or more of the total annual rent for the entire portfolio as of January 31, 2020.

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

Notes:

1. "Annual rent" represents the annualized amount of rent (the sum of annualized amounts of rent if a multiple number of lease agreements have been executed), which is 12 times monthly rent (including common service fees) indicated in the Subject Lease Agreements for buildings in the portfolio assets as of January 31, 2020, 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 2020 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, 2020 shall not be included.
2. "Rent ratio" is the ratio of the annual rent of said property to the total of annual rents for the entire portfolio rounded to the first decimal place.
3. Not disclosed, because consent has not been obtained from the lessee.

d. Information about main tenant

Status of leasing to tenants of the assets held with a leased area of 10% or more of the total leased area for the entire portfolio as of January 31, 2020 (including end-tenants for assets with a pass-through master lease agreement concluded or to be concluded, but not including master lease companies concluding or planning to conclude said master lease agreements) is as follows:

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

Notes:

1. "Industry in which the tenant operates" is an industry in which the tenant operates according to research by Tokyo Shoko Research, Ltd., or in accordance with classification of industry by Japan Standard Industrial Classification of the Ministry of Internal Affairs and Communications.
2. "Leased area" is the total leased area to respective main tenants as of January 31, 2020, presented in the lease agreements for buildings in the portfolio assets, rounded down to the nearest whole number. The leased area is calculated based on the assumption that the property is actually leased if the said lease agreement has been executed as of January 31, 2020 even if there is no occupancy/delivery relating to the subject property as of January 31, 2020.

(C) Capital expenditures of real estate held

a. Schedule of capital expenditures

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

Name of real estate, etc.	Location	Purpose	Scheduled time	Planned construction amount (millions of yen) (Note)		
				Total amount	Amount paid during period	Total amount already paid
GLP/MFLP Ichikawa Shiohama	Ichikawa-shi, Chiba	Replacement of electric power meter	From April 2020 to May 2020	3	–	–
GLP/MFLP Ichikawa Shiohama	Ichikawa-shi, Chiba	Replacement of membrane filters for septic tank	From July 2020 to August 2020	3	–	–
MFLP Kuki	Kuki-shi, Saitama	Installation of bird netting	From December 2019 to February 2020	4	–	–
MFLP Kuki	Kuki-shi, Saitama	Replacement of fire extinguishing system	From April 2020 to April 2020	5	–	–
MFLP Kuki	Kuki-shi, Saitama	Replacement of main vertical conveyor chain (Section 1)	From September 2020 to January 2021	4	–	–
MFLP Kuki	Kuki-shi, Saitama	Replacement of main vertical conveyor chain (Section 2)	From September 2020 to January 2021	3	–	–
MFLP Yokohama Daikoku	Yokohama-shi, Kanagawa	Exterior wall painting (Section 6)	From February 2020 to August 2020	49	–	–
MFLP Yokohama Daikoku	Yokohama-shi, Kanagawa	Installation of additional security cameras (2nd stage)	From March 2020 to July 2020	9	–	–
MFLP Yokohama Daikoku	Yokohama-shi, Kanagawa	Replacement of heads of foam fire extinguishing system	From March 2020 to March 2020	8	–	–
MFLP Yokohama Daikoku	Yokohama-shi, Kanagawa	Installation of LED lighting	From May 2020 to June 2020	18	–	–
MFLP Yokohama Daikoku	Yokohama-shi, Kanagawa	Exterior wall painting (Section 7)	From July 2020 to December 2020	49	–	–
MFLP Yokohama Daikoku	Yokohama-shi, Kanagawa	Installation of additional security cameras (3rd stage)	From September 2020 to November 2020	5	–	–
MFLP Yashio	Yashio-shi, Saitama	Replacement of equipment attached to security cameras	From May 2020 to May 2020	3	–	–
MFLP Sakai	Sakai-shi, Osaka	Installation of LED lighting	From February 2020 to February 2020	10	–	–
MFLP Sakai	Sakai-shi, Osaka	Replacement of fire extinguishing system	From May 2020 to June 2020	3	–	–
MFLP Sakai	Sakai-shi, Osaka	Replacement of electricity meter	From August 2020 to August 2020	12	–	–

(Note)

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

b. Capital expenditures during period

The following summarizes the major construction work falling under capital expenditures conducted during the fiscal period under review for real estate, etc. held by MFLP-REIT. Capital expenditures in the fiscal period under review amounted to ¥91 million and, other than this, there was ¥36 million in repair expenses categorized as operating expenses in the fiscal period under review.

Name of real estate, etc.	Location	Purpose	Period	Construction amount (millions of yen) (Note)
MFLP Kuki	Kuki-shi, Saitama	Replacement of equipment for access management	From December 2019 to January 2020	5
MFLP Yokohama Daikoku	Yokohama-shi, Kanagawa	Exterior wall painting (Section 5)	From July 2019 to December 2019	49
MFLP Yokohama Daikoku	Yokohama-shi, Kanagawa	Installation of additional security cameras (1st stage)	From September 2019 to December 2019	7
MFLP Yokohama Daikoku	Yokohama-shi, Kanagawa	Replacement of heads of foam fire extinguishing system	From October 2019 to November 2019	8
MFLP Yokohama Daikoku	Yokohama-shi, Kanagawa	Repair work in public open space	From October 2019 to December 2019	4
Other capital expenditures				16
Total				91

(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, 2019 to January 31, 2020	From August 1, 2019 to January 31, 2020	From August 1, 2019 to January 31, 2020	From August 1, 2019 to January 31, 2020	From August 1, 2019 to January 31, 2020
Number of days of management	184 days	184 days	184 days	184 days	184 days
(A) Property leasing business revenues	447,415	475,062	352,463	Not disclosed (Note)	Not disclosed (Note)
Real estate leasing business revenues	411,452	437,480	332,690		
Other revenues related to property leasing	35,962	37,581	19,773		
(B) Property leasing business expenses	100,575	104,273	98,084		
Outsourcing service expenses	39,199	30,637	25,657		
Utilities expenses	19,709	27,527	16,180		
Repair expenses	1,302	991	15,203		
Taxes and dues	38,442	42,921	39,303		
Various costs required	1,921	2,194	1,738		
(C) NOI (=A-B)	346,839	370,789	254,379		
(D) Depreciation and amortization	80,027	107,604	86,382	63,093	63,742
(E) (E) Operating income from property leasing (=C-D)	266,812	263,184	167,996	191,889	156,643

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, 2019 to January 31, 2020	From August 1, 2019 to January 31, 2020	From August 1, 2019 to January 31, 2020	From August 1, 2019 to January 31, 2020	From August 1, 2019 to January 31, 2020
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)	164,789	Not disclosed (Note)	385,233
Real estate leasing business revenues			135,215		355,291
Other revenues related to property leasing			29,573		29,941
(B) Property leasing business expenses			36,627		82,597
Outsourcing service expenses			12,153		35,409
Utilities expenses			5,472		20,717
Repair expenses			1,515		1,550
Taxes and dues	16,819	23,447			
Various costs required	666	1,471			
(C) NOI (=A-B)	183,340	171,996	128,162	207,825	302,635
(D) Depreciation and amortization	50,309	50,079	43,977	88,605	87,890
(E) (E) Operating income from property leasing (=C-D)	133,030	121,917	84,185	119,219	214,745

Property no.	L-11	L-12	L-13	L-14	L-15
Name	MFLP Hiratsuka	MFLP Tsukuba	MFLP Inazawa	MFLP Atsugi II	MFLP Fukuoka I
Management period	From August 1, 2019 to January 31, 2020	From August 1, 2019 to January 31, 2020	From August 1, 2019 to January 31, 2020	From August 1, 2019 to January 31, 2020	From August 1, 2019 to January 31, 2020
Number of days of management	184 days	184 days	184 days	184 days	184 days
(A) Property leasing business revenues Real estate leasing business revenues Other revenues related to property leasing					
(B) Property leasing business expenses Outsourcing service expenses Utilities expenses Repair expenses Taxes and dues Various costs required	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)
(C) NOI (=A-B)	171,716	277,919	472,011	353,166	163,656
(D) Depreciation and amortization	51,028	95,402	181,201	113,798	56,205
(E) (E) Operating income from property leasing (=C-D)	120,687	182,516	290,809	239,367	107,451

Property no.	I-1	Total
Name	MFIP Inzai	
Management period	From August 1, 2019 to January 31, 2020	
Number of days of management	184 days	
(A) Property leasing business revenues	Not disclosed (Note)	5,064,073
Real estate leasing business revenues		4,815,248
Other revenues related to property leasing		248,825
(B) Property leasing business expenses		848,846
Outsourcing service expenses		287,794
Utilities expenses		171,591
Repair expenses		36,545
Taxes and dues		332,689
Various costs required		20,224
(C) NOI (=A-B)		335,418
(D) Depreciation and amortization	107,643	1,326,995
(E) Operating income from property leasing (=C-D)	227,774	2,888,231

(Note)

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