Security Code : 3481

A Mitsubishi Estate Logistics REIT Investment Corporation

Logicross

Investor Presentation Material

Asset Management Company: Asset Management Company: MITSUBISHI JISHO INVESTMENT ADVISORS, INC. https://mel-reit.co.jp/en/

October 17, 2018

A Mitsubishi Estate Logistics REIT Investment Corporation

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Executive Summary



1.Financial Results for the Fiscal Period Ended Aug. 2018 (Mar. 1, 2018 to Aug. 31, 2018)



A Mitsubishi Estate Logistics REIT Investment Corporation

Financial Results for the Fiscal Period Ended Aug. 2018

	FP Ended	Ended Aug. 2018	Difference	FP Ended Aug. 2018	
Operating Results (mn yen)	Feb. 2018 Actual (A)	Actual (B)	(B) – (A)	Forecast (As of Apr 13, 2018)	
Operating Revenues	2,042	2,186	+144	2,171	
Operating Rental Revenues	2,042	2,186	+144	2,171	, , , , , , , , , , , , , , , , , , ,
Operating Rental Expenses (excluding depreciation)	219	427	+208	417	
NOI	1,822	1,759	(64)	1,754	«
Depreciation	403	433	+29	432	
Operating Income	1,243	1,053	(189)	1,052	
Ordinary Income	1,074	1,003	(70)	994	«
Net Income	1,073	1,002	(70)	993	Ň
Distributions Per Unit (yen)					
Distributions Per Unit (including SCD)	5,580	5,292	(288)	5,249	
Distributions Per Unit (excluding SCD)	5,015	4,685	(330)	4,643	
Surplus Cash Distributions (SCD)	565	607	+42	606	_
Number of investment units issued and outstanding (units)	214,000 units	214,000 units	±0	214,000 units	«
					Ň
Other Statistics (yen)					
LTV (%)	27.5%	25.0%	(2.5)%	25.1%	«
NAV Per Unit	266,775	269,217	-	-	•
Investment Unit Price (As of Aug. 31, 2018)	-	254,100	-	-	
P/NAV	-	0.94	-	-	
Period-end Occupancy Rate (%)	99.5%	99.9%	+0.4%	99.9%	

FP Main Factors of Variance 3rd FP vs. 4th FP

《Operating Revenue》 (+144 mn yen)
• 7 properties acquired in 2017 fully contributed to P&L +120 mn yen
《Operating Expenses》 (+334 mn yen)
 Property tax fully expensed on the 7 properties acquired in 2017 +179 mn yen Increase in G&A +70 mn yen
《Non-operating expenses》 ((115) mn yen)
\cdot Absence of cost related to IPO (118) mn yen
Main Factors of Variance in 4th FP Forecast vs. Actual
《Non-operating revenues》 (+3 mn yen)
Consumption tax refund +3 mn yen

(Non-operating expenses) ((4)mn yen) • Decrease in interest expenses (3) mn yen

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Financial Forecasts for the Fiscal Period Ending Feb. 2019 and Aug. 2019

Operating Results (mn yen)	FP Ended Aug. 2018 Actual (A)	FP Ended Feb. 2019 Forecast (B)	Difference (B) – (A)	(Reference) FP Ended Aug. 2019 Forecast	
Operating Revenues	2,186	2,488	+301	2,529	
Operating Rental Revenues	2,186	2,488	+301	2,529	FP Main Factors of V
Operating Rental Expenses (excluding depreciation)	427	457	+30	462	4th FP Actual vs. 5th F
NOI	1,759	2,030	+271	2,067	
Depreciation	433	485	+52	488	《Operating Revenues》(+301
Operating Income	1,053	1,261	+207	1,264	Revenues from the 2 newly acqui
Ordinary Income	1,003	1,159	+156	1,193	
Net Income	1,002	1,158	+156	1,192	 Increase in rent of existing portfo Temporary decrease in operating
					revenues((32) mn yen)
Distributions Per Unit (yen)					
Distributions Per Unit (including SCD)	5,292	5,445	+153	5,445	《Operating Expenses》 (+94 n
Distributions Per Unit (excluding SCD)	4,685	4,714	+29	4,850	Increase mainly in depreciation d
Surplus Cash Distributions (SCD)	607	731	+124	595	of 2 newly acquired properties • Increase in leasing fees
Number of investment units issued and outstanding (units)	214,000 units	245,815 units	+31,815 units	245,815 units	
					《Non-operating expenses》 (+
Other Statistics (yen)					• Increase in interest expenses
LTV (%)	25.0%	27.1%	+2.1%	27.1%	Incur investment unit expenses
Period-end Occupancy Rate (%)	99.9%	99.9%	±0%	99.9%	

ain Factors of Variance ctual vs. 5th FP Forecast

venues》(+301 mn yen)

the 2 newly acquired properties +325 mn yen

t of existing portfolio +17 mn yen crease in operating rental mn yen)

penses》 (+94 mn yen)

y in depreciation due to acquisition +76 mn yen uired properties sing fees +29 mn yen

g expenses》(+47 mn yen)

+17 mn yen +29 mn yen

2. First Follow-on Offering and Newly Acquired Properties



Delivering Mitsubishi Estate Group's Commitment within One Year after Listing

Offering Overview

Type of Offering	Domestic public offering			
Launch date	August 23, 2018			
Pricing date	September 3, 2018			
Offer price	246,772 yen			
	Total Units Offered :	31,815 units (7.85 bn yen)		
Offering size	Domestic Total Units Offered : -Strategic Buyer (Mitsubishi Estate)	30,300 units (7.47 bn yen) 2,000 units (0.49 bn yen)		
	Third-party Allotment :	1,515 units (0.37 bn yen)		

Key Points of the Offering

- Achieved steady growth by acquiring advanced logistics facilities "Logicross" developed by Mitsubishi Estate
- Increased unitholder value through DPU growth
- Improved earnings stability by diversifying the portfolio



DPU



Asset Size

Overview of Acquisition

Overview of Acquisition



Public Offering Review

Market Response

Issuance of new investment units by MEL: Stability attracted investors' demand in spite of weakened demand (Excerpted from DealWatch by Thomson Reuters Japan KK. Japanese only: translated by MJIA)

It was the first public offering for MEL since the listing in September 2017. Investors, such as shinkin banks and regional banks, were concerned that only small number of investment units were traded in the market, and thus this offering was a great opportunity for them to be able to purchase investment units finally. The allocation between retail and institutional investors was 50:50 at the bookbuilding. Eventually, the demand multiple was more than 30 times for retail investors and approx. 9 times for institutional investors, resulting in more than 20 times overall.

MEL steadily acquires properties and grows distributions, which was highly evaluated by investors. "MEL has an extensive pipeline, such as properties developed by MEC group, which provides comfort to investors" (an asset manager of a shinkin bank). The ordinary level of the distributions per unit was 5,445 yen, up 3.7%.

While MEL increased distributions, some investors pointed out about the balance between equity and debt. The ratio of interest-bearing debt to total assets, or <u>LTV (Loan to Value) was as low as around 27% even</u> <u>after the offering</u>. "MEL could have achieved higher yield not by issuing new investment units but by increasing leverage" (an institutional investor).

In response, MJIA commented, "MEL has properties in its pipeline and aims to increase AUM to 200 billion yen in four to five years. We plan to control LTV to 40% by the time when we reach the goal." It <u>plans to</u> <u>keep the leverage low for the time being in preparation for acquisition of</u> <u>properties in the future</u>. Furthermore, he mentioned, "If MEL had acquired properties this time only with borrowings, LTV would rise to 36%. We aim to expand AUM by utilizing the capacity to acquire properties."

MEL's View

- Achieved steady growth shortly after IPO
- Achieved DPU growth
- Further growth potential by taking advantage of low leverage

MEL's growth strategy enjoys wide support

Logistic specialized J-REIT market is experiencing a unit price adjustment phase due to supply-demand imbalance.

Exploring Future Measures

- Further discussions with the sponsors
- Acquire properties by utilizing LTV
- Consider timing of offering
- Utilize bridge fund scheme
- Introduce Employee Investment Unit Ownership Program
- Acquire own investment units

3. Growth Strategy



Portfolio Overview

Portfolio Summary (As of Sept. 3, 2018)

Number of	f properties	Occupar	-	Total acquisition price		Appraisal NOI yield		Forecasted NOI yield (FP 6th)	
Property name	Logicross Fukuoka Hisayama	Property name	Logicross Atsugi	Property name	Logicross Kobe Sanda	Property name	LOGIPORT Sagamihara	Property name	LOGIPORT Hashimoto
Acquisition price	5,770 million yen	Acquisition price	8,440 million yen	Acquisition price	3,900 million yen	Acquisition price	21,364 million yen	Acquisition price	18,200 million yen
Occupancy rate	100.0%	Occupancy rate	100.0%	Occupancy rate	100.0%	Occupancy rate	99.7%	Occupancy rate	100.0%
Appraisal NOI yield	5.2%	Appraisal NOI yield	4.5%	Appraisal NOI yield	5.0%	Appraisal NOI yield	4.7%	Appraisal NOI yield	4.4%
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Property name	MJ Logipark Funabashi 1
Acquisition price	5,400 million yen
Occupancy rate	100.0%
Appraisal NOI yield	6.5%



Property name	MJ Logipark Atsugi 1		
Acquisition price	6,653 million yen		
Occupancy rate	100.0%		
Appraisal NOI yield	4.7%		



Property name	MJ Logipark Kazo 1
Acquisition price	1,272 million yen
Occupancy rate	100.0%
Appraisal NOI yield	5.7%



Property name	MJ Logipark Osaka 1
Acquisition price	6,090 million yen
Occupancy rate	100.0%
Appraisal NOI yield	5.0%

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Property name	MJ Logipark Fukuoka 1
Acquisition price	6,130 million yen
Occupancy rate	100.0%
Appraisal NOI yield	5.3%

Note: As of Aug. 31, 2018. Except for 2 properties acquired on Sept. 3, 2018, which are as of May 31, 2018.

Portfolio Map (As of Sept. 3, 2018)



Mid-to-Long Term Growth Strategy

Aim to maintain the current portfolio NOI yield



External Growth Strategy - Pipeline

MITSUBISHIESTATE Capability to develop logistics facilities independently based on extensive land information

Capability to co-develop facilities backed by MEC's development ability and credibility

Properties with Preferential Negotiation Right (Note 1)

Fiscal Year (Planned) of Completion	Property Name	Location		Total Floor Area	Development
2017	LOGIPORT Osaka Taisho	Osaka, Osaka		121 thousand m	Joint
2017	Logicross Narashino	Narashino, Chiba		39 thousand m	Independently
2018	Osaka Nishi-Yodogawa Logistic Facility Center	Osaka, Osaka		38 thousand m	Joint
2018	Logicross Nagoya Kasadera	Nagoya, Aichi		80 thousand m	Independently
	Logicross Yokohama Kohoku	Yokohama, Kanagawa		16 thousand m	Independently
2019	LOGIPORT Kawasaki Bay	Kawasaki, Kanagawa		296 thousand m	Joint
	Logicross Atsugi II	Atsugi, Kanagawa		34 thousand m	Independently
2020/ 2021	Tentative name: Plan of Moegi Logistic Facility	Ibaraki, Osaka		31 thousand m ² / 125 thousand m ²	Joint
			Total	781 thousand m	

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Capability to assess properties backed by experience in continuously acquiring properties from 2001

Flexible and diversified property acquisition strategy by leveraging the capability to manage real estate funds

Properties with the preferential negotiation right through bridge fund scheme (Note 2)

Acquisition Year of the Bridge Funds	Property Name	Туре	Total Floor Area
2016	IHI Group Sakai Factory (Land)	Land of Factory	87 thousand m ^{^(Note 3)}
2010	MJ Logipark Kasugai 1	Logistics facility	58 thousand m
2017	MJ Logipark Sendai 1	Logistics facility	36 thousand m
		Total	181 thousand m

Notes:

1. There may be cases where MEL is not granted the preferential negotiation right based on the sponsor support agreement, such as cases where consent for the grant of the preferential negotiation right or the sale has not been obtained from co-owners, quasi-co-owners or joint business partners, if there are any such parties.

2. Fund Scheme means a method to acquire properties from development funds to which MJIA provides investment advisory services, a flexible method to acquire properties, etc. by utilizing bridge funds depending on the capital market environment and the timing of property acquisition.

3. The data for IHI Group Sakai Factory (Land) shows that of "site area".

Internal Growth Strategy



Maintaining High Average Occupancy



Lease Expiration Schedule^(Note1)



Notes:

1. Including Logicross Atsugi and Logicross Kobe Sanda which were acquired on Sept. 3, 2018

2. Based on leased area as of the end of Aug. 31, 2018 for the 10 properties owned as of Oct. 17, 2018.

Features of MEC Group's Logistics Facility Business

	La	and Acquisition	Development		Operation & Management
Diversified business portfolio as a comprehensive RE developer	Obtain a va	ariety of land information	Manage developme	nt cost	
Tenant solicitation approach unique to comprehensive RE developer		date plots of land from Itiple landowners			Walk around logistics facilities to identify tenants' needs
Corporate customer relations		ct land information rough relations			Group-wide leasing
Customer network supported by branches	Explore la	and information on site			Explore tenants' needs at various locations
Joint project	Captu	re needs of office tenants, et	tc. for logistics facility develop	oment	
Strengthening of value chain through in-house PM	Reflect tenant	s' needs in land acquisition	Understand tenants' need specifications	s for facility	Understand tenants' usage needs
Collaboration with TRC		ormation from tenants of anaged facilities			Utilize relations with tenants of managed facilities
Obtain a variety of land information Efforts such as acquiring development lands to consolidation of multiple owners MITSUBIS Log	through land	2 Understand tenants' Collaborative project making tenant in Daimaruyu area Example of LOGIPORT K	g full use of relation with office	 Use the regular of the set of t	of Logicross Kobe Sanda re the needs of logistics bases in the Kansai area> HESTATE Needs of logistics bases ranch hformation HESTATE Facilities ment

Financial Strategy

Financial Highlights



Debt Maturity Schedule

Our Lenders







Initiatives for ESG

Environment initiatives

Use of renewable energy

Mitsubishi Estate (MEC) Group is committed to develop environmentfriendly facilities. As part of this initiative, MEL is promoting the use of renewable energy and working on the installation of photovoltaic power generation systems on the rooftop of "Logicross" facilities developed by MEC.

Logicross Atsugi



Logicross Fukuoka Hisayama



Energy saving initiatives



panels for exterior walls

BCP initiatives





Installed motiondetecting sensors Enhanced greenery



Installed private power generators



Seismic isolators

Supporting local communities



Clean up activity after Atsugi Ayu Firework Festival Volunteer work near MJ Logi Park Atsugi 1



Free beverage service for tenants at LOGIPORT Sagamihara

Proactive information disclosure

MEL's website now has the "ESG Initiatives" section. Please visit the following link to find its proactive initiatives.

https://mel-reit.co.jp/en/features/esg_environment.html



Environmental assessment and certifications

"Global Real Estate Sustainability Benchmark (GRESB)" is a benchmark developed by a group of leading European pension funds. It evaluates the ESG performance of real estate companies and funds, and is becoming a de facto standard among major institutional investors utilized in their investment decision-making processes. MEL aims to obtain a "Green Star" rating in future GRESB real estate assessments.



4. Appendix



Income Statement and Balance Sheet

Income Statement	(Unit : Thousands of yen)
Item	Actual
Operating revenues	2,186,855
Operating rental revenues	2,043,691
Other rental revenues	143,164
Operating expenses	1,132,896
Expenses related to rent business	860,255
Asset management fee	178,404
Asset custody fee	730
Administrative service fee	16,756
Director's compensations	2,400
Commission fee	46,768
Other operating expenses	27,580
Operating income	1,053,959
Non-operating income	3,342
Interest income	21
Interest on refund	3,320
Non-operating expenses	53,930
Interest expenses	38,490
Borrowing related expenses	9,391
Amortization of organization expenses	6,047
Ordinary income	1,003,371
Profit before income taxes	1,003,371
Profit (Net income)	1,002,518
Unappropriated retained earnings	1,002,724

Balance Sheet

	(Unit : Thousands of yen)
Item	Actual
Current assets	4,453,762
Cash and deposits	1,869,456
Cash and deposits in trust	2,527,566
Other current assets	56,739
Non-current assets	70,965,543
Property and equipment	70,931,988
Intangible assets	8,626
Investments and other assets	24,928
Deferred assets	34,271
Total assets	75,453,578

Current liabilities	755,068
Operating accounts payable	71,563
Accounts payable	12,873
Advances received	313,578
Other current liabilities	357,050
Non-current liabilities	20,131,295
Long-term borrowings	18,901,000
Tenant leasehold and security deposits in trust	1,230,295
Total liabilities	20,886,363
Total unitholders' equity	54,567,214
Unitholders' capital	53,564,490
Surplus	1,002,724
Total net assets	54,567,214
Total liabilities and net assets	75,453,578

Portfolio list

Property name	Location	Acquisition price (million yen)	Total floor area (㎡)	Appraisal NOI yield(%)	Occupancy rate (%)	Property age (years)	Property type
Logicross Fukuoka Hisayama	Hisayama, Kasuya, Fukuoka	5,770	36,082	5.2	100.0	3.9	Multi
Logicross Atsugi	Atsugi, Kanagawa	8,440	29,895	4.5	100.0	1.5	Multi
Logicross Kobe Sanda	Kobe, Hyogo	3,900	12,879	5.0	100.0	1.2	BTS
LOGIPORT Sagamihara (Beneficiary interest 49%)	Sagamihara, Kanagawa	21,364	200,252 (98,123)	4.7	99.7	5.0	Multi
LOGIPORT Hashimoto (Beneficiary interest 45%)	Sagamihara, Kanagawa	18,200	145,809 (65,614)	4.4	100.0	3.6	Multi
MJ Logipark Funabashi 1	Funabashi, Chiba	5,400	18,262	6.5	100.0	28.8	Multi
MJ Logipark Atsugi 1	Atsugi, Kanagawa	6,653	27,836	4.7	100.0	5.1	Multi
MJ Logipark Kazo 1	Kazo, Saitama	1,272	7,602	5.7	100.0	12.5	Multi
MJ Logipark Osaka 1	Osaka, Osaka	6,090	39,157	5.0	100.0	10.9	Multi
MJ Logipark Fukuoka 1	Umi, Kasuya, Fukuoka	6,130	39,797	5.3	100.0	10.9	Multi
Total / Average		83,219	557,575 (375,251)	4.8	99.9	6.6	-

Notes:

1. As of Aug. 31, 2018. Including Logicross Atsugi and Logicross Kobe Sanda which were acquired on Sept. 3, 2018.

^{2.} Figures in parentheses of "LOGIPORT Sagamihara" and "LOGIPORT Hashimoto" are calculated in proportion to the co-ownership interest of trust beneficiary rights in each property owned by the Investment Corporation (49% and 45%, respectively). Figures in parentheses in "Total / Average" are the sum of total floor area of each property owned taking into account the co-ownership interest of trust beneficiary rights of each property. Each figure is rounded to the first decimal place.

Appraisal Value

										(unit : mn yen)
Property name	Acquisition date	Acquisition price		4th FP (Ended Aug. 31, 2018)		3r (Ended Fe	rd FP :b. 28, 2018)	Fluct	uation	Unrealized gain
			4th FP	Appraisal value	Direct cap rate	Appraisal value	Direct cap rate	Appraisal value	Direct cap rate	
Logicross Fukuoka Hisayama	Sept. 2017	5,770	5,769	6,070	4.8%	6,070	4.8%	0	0.0%	+300
LOGIPORT Sagamihara	Sept. 2017	21,364	21,403	22,800	4.3%	22,700	4.3%	+100	0.0%	+1,396
LOGIPORT Hashimoto	Sept. 2017	18,200	18,244	18,720	4.2%	18,720	4.2%	0	0.0%	+475
MJ Logipark Funabashi 1	Sept. 2016	5,400	5,365	6,280	5.1%	6,270	5.1%	+10	0.0%	+914
MJ Logipark Atsugi 1	Sept. 2017	6,653	6,673	6,860	4.4%	6,860	4.4%	0	0.0%	+186
MJ Logipark Kazo 1	Sept. 2017	1,272	1,279	1,370	5.1%	1,360	5.1%	+10	0.0%	+90
MJ Logipark Osaka 1	Sept. 2017	6,090	6,102	6,500	4.5%	6,360	4.6%	+140	(0.1)%	+397
MJ Logipark Fukuoka 1	Sept. 2017	6,130	6,094	6,380	4.8%	6,360	4.8%	+20	0.0%	+285
Logicross Atsugi	Sept. 2018	8,440	-	8,740 (Note)	4.3% (Note)	-	-	-	-	_
Logicross Kobe Sanda	Sept. 2018	3,900	-	4,050 (Note)	4.7% (Note)	-	-	-	-	-
Total	-	83,219	70,931	87,770	-	74,700	-	+280	-	+4,048

Note: As of May 31, 2018 for Logicross Atsugi and Logicross Kobe Sanda.

Portfolio Data



Financial Standing

Classi	ification	Lender	Balance (million yen)	Borrowing rate	Drawdown date	Maturity date	Remarks		
	Floating	MUFG Bank	2,600	Base rate (JBA 3-month JPY					
	rate	Development Bank of Japan	1,400	TIBOR) +0.1750%	Sept. 29, 2016	Sept. 29, 2019			
		Mizuho Bank	720	0.226204		Coult 14, 2021			
		Development Bank of Japan	1,491	0.3263%		Sept. 14, 2021			
		MUFG Bank	430	0.05750/					
		Sumitomo Mitsui Banking Corporation	2,050	0.3575%		Sept. 14, 2022			
		MUFG Bank	1,760						
		Mizuho Bank	1,330	0.3913%		Sept. 14, 2023			
		The Bank of Fukuoka	450		Sept. 14, 2017				
Long-		The Bank of Fukuoka	900	0.4288%				Sept. 14, 2024	Unsecured /
term		MUFG Bank	620	0.4675%			Sept. 14, 2025	Unguaranteed	
	Fixed rate	MUFG Bank	710	0.5075%			Sept. 14, 2026		
		MUFG Bank	2,680						
		Sumitomo Mitsui Baking Corporation	880	0.5500%		Sept. 14, 2027			
		Mizuho Bank	880						
		Sumitomo Mitsui Baking Corporation	830	0.24%		Sept. 14, 2022			
		The Norinchukin Bank	800	0.3950%		Sept. 14, 2025			
		Shinsei Bank	500	0.4538%	Sept. 14, 2018	Sept. 14, 2026			
		Mizuho Bank	830						
		The Bank of Fukuoka	807	0.5750%		Sept. 14, 2028			
		Shinkin Central Bank	1,256						
	Т	otal	23,924	-	-	-	-		

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Logistics Market Overview (1)

E-commerce market size **3 PL market size** Retail market size Supermarket Department store (100 bn yen) (100 bn yen) (100 bn yen) Convinience store E-commerce Sales of E-commerce Sales of 3PL 200 180 30 160 25 160 140 120 20 120 100 15 80 80 60 10 40 40 5 20 0 (Year) 0 0 2017 2012 2073 2018 2016 2007 2000 2009 2010 2015 2006 (FY) 2015 2070 2012 2013 2018 2016 2006 2001 2000 2009 2011 2013 2005

Source: Data created by the Asset management company based on Ministry of Economy, Trade and Industry "Establishment of infrastructure for data malignant society in Japan (Heisei 29 Fiscal Year Market survey on e-commerce)" (April 2018)

- Note: "Sales pf E-commerce " in the above figure is an estimate of the transaction amount on the Internet at B to C (between enterprises and consumers), and the object to be estimated is the sum of transaction amount through the Internet among all goods and services in personal consumption. It is roughly classified into the field of sales merchandising field, service section field and digital field, and market estimate value is calculated for each and total
- Source: Data created by the Asset management company based on "Monthly Logistics Business September 2018"
- Note: Each fiscal year refers to a period commencing on April 1 and ending on March 31 of the following year. It does not coincide with the fiscal term of MEL.
- (Year) 2001 2003 2005 2007 2009 2011 2013 2015 2017 Source: Data created by the Asset management company based on Ministry of Economy, Trade and Industry "Commercial Vehicle Statistics of Heisei 29 Fiscal Year" (June 2018) and the Ministry of Economy, Trade and Industry "Heisei 29 Fiscal Year 2009 Factory Improvement on Data Driven Society (Market Survey on Electronic Commerce)" (April 2018)

Logistics Market Overview (2)

Supply-demand balance and vacancy rate in Tokyo metropolitan area



1. In the above figure, "Tokyo metropolitan area" refers to Tokyo, Kanagawa, Chiba, and Saitama.

2. New supply refers to "total leasable floor area of newly constructed leasable logistics facilities" and new demand refers to "change in occupied floor area." Change in occupied floor area is calculated by subtracting tenant withdrawal floor area from floor area under new agreements.

3. Based on data for leasable logistics facilities with 5,000m² or more of gross floor area owned by real estate investment company, real estate developer, etc. Excluding leasable logistics facilities owned by logistics company, and therefore not covering all logistics facilities for lease having a gross floor area of 5,000m² or more.

Source: CBRE K.K.

Logistics Market Overview (3)

Supply-demand balance and vacancy rate in Kansai region



Notes:

1. In the above figure, "Kinki region" refers to Osaka and Hyogo.

2. New supply refers to "total leasable floor area of newly constructed leasable logistics facilities" and new demand refers to "change in occupied floor area." Change in occupied floor area is calculated by subtracting tenant withdrawal floor area from floor area under new agreements.

3. Based on data for leasable logistics facilities with 5,000m² or more of gross floor area owned by real estate investment company, real estate developer, etc. Excluding leasable logistics facilities owned by logistics company, and therefore not covering all logistics facilities for lease having a gross floor area of 5,000m² or more.

Source: CBRE K.K.

Features of Mitsubishi Estate Logistics REIT

Stable growth strategy using the strengths of "Developer × Real Estate Asset Management Company" in "HYBRID" style



Governance Structure

Same-boat investment in MEL by MEC

Investment in MEL by MEC (As of Oct. 11, 2018)

Approx. **4.1**%

Rules concerning the preferential negotiation right on acquisition

In addition to MEL, MJIA manages a private REIT and private funds, investing in offices, residences, commercial facilities, etc. MEL has the preferential negotiation right on acquisition of its target logistics properties and industrial properties.

Asset management fee structure consistent with the interests of unitholders

Asset management fee I	Total assets × 0.2% (maximum)
Asset management fee II	Adjusted NOI \times 5.0% (maximum)
Asset management fee III	Adjusted pre-tax income × Pre-tax EPU × 0.001% (maximum)

MEC's Logistics Facilities Business

Appeal of MEC's Logistics Facilities Business

Holding of a Briefing Session

MJIA held a briefing session of "MEC's Logistics Facilities Business" on July 3, 2018





Mid-term Management Plan FY2018 - 2020

Accelerate fee business model

Kev Point No.1:

Realization of profit as a result of reinforced income stream during previous mid-term

Accompanying MEL's overseas IR Hong kong : 1 day Singapore : 2 days



Key Point No.2 : Initiate business model innovation by capturing the momentum of changes in business environment as new opportunities in order to achieve further growth in 2020's

Expansion and advancement of overseas business

Investment Management

Aim for the sustainable growth of business by accommodating cross-border investment demand through the expansion of investment management platform in Japan, US, Europe and Asia.

🙏 MITSUBISHI JISHO INVESTMENT ADVISORS,INC.





Full cooperation with Tokyo Ryutsu Center (TRC), consolidated subsidiary, to maximize the asset value

Sponsorship of asset pipeline to the REIT which is targeting to go public



Completion of landmark projects

Unit Price Performance and Unitholders Summary



Source: Bloomberg

Unitholder Composition

	Fiscal period ended Aug. 31, 2018						
	Number of investors	Ratio	Number of units	Ratio			
Domestic individuals and others	10,471	95.1%	48,383	22.6%			
Financial institutions	133	1.2%	121,235	56.7%			
Domestic entities	301	2.7%	21,501	10.0%			
Foreign entities	93	0.8%	20,288	9.5%			
Securities Companies	17	0.2%	2,593	1.2%			
Total	11,015	100.0%	214,000	100.0%			

Major Unitholders

	Number of units	Number of total
The Master Trust Bank of Japan, Ltd. (Trust Account)	27,236	12.72%
Japan Trustee Services Bank, Ltd. (Trust Account)	21,035	9.82%
Mitsubishi Estate Co., Ltd.	8,000	3.73%
Trust and Custody Services Bank, Ltd. (Securities Investment Trust Account)	6,508	3.04%
NORTHERN TRUST CO. (AVFC) RE COLONIAL FIRST STATE INVESTMENT S LIMITED	5,008	2.34%
The Hyakujushi Bank, Ltd	4,324	2.02%
The Nomura Trust and Banking Company, Ltd. (Trust Account)	4,243	1.98%
The Chugoku Bank, Limited	3,826	1.78%
THE IYO BANK, Ltd.	3,652	1.70%
JA-Bank SAGA	3,424	1.60%
Total	87,256	40.77%

Structure

Organization



- Asset custody agreement, transfer agency service agreement, and general administrative agency service agreement
- **3** Accounting agreement

- 2 Asset management agreement
- Sponsor support agreement, trademark license agreement, etc.

Asset Management Company

Company overview (As of October 17, 2018)

Trade name	Mitsubishi Jisho Investment Advisors, Inc.	Corporate officers	Directors: 5 Auditors: 2		
Establishment	July 2001		Financial product transactions: Director-General of the Kanto Local Finance		
Capitalization	150 million yen		Bureau Registration (FIBO) No. 1086		
Shareholders	Mitsubishi Estate Co., Ltd. (MEC) 100%	Registration and licenses	Real estate transactions: Governor of Tokyo License (4) No. 79933		
Main lines of business	Investment management business Type II financial instruments business Investment advisory and agency business		Discretionary transaction agent, etc.: Minister of Land, Infrastructure, Transport and Tourism License No. 64		

Organization



Note: Due to the lack of chairman, president also chairs "Board of Directors" and "Compliance & Risk Management Committee."



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