



Security Code : 3481

Mitsubishi Estate Logistics REIT Investment Corporation Investor Presentation Material

April 18, 2018

Asset Management Company:

 MITSUBISHI JISHO INVESTMENT ADVISORS, INC.

<https://mel-reit.co.jp/en/>

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IPO Highlights

■ MEL listed on September 14, 2017, with 8 properties at 70.8 bn yen

IPO summary

Asset management company	Mitsubishi Jisho Investment Advisors, Inc. (MJIA)
Sponsor	Mitsubishi Estate Company, Limited (MEC)
Launch date	August 7, 2017
Listing date	September 14, 2017
Number of investment units offered	206,000 units
Number of investment units issued and outstanding	214,000 units
Issue price	260,000 yen
Total amount paid in	51,685 mn yen
Portfolio	8 properties / 70.8 bn yen

Market response

“Nikkei Veritas Deal of the Year 2017”

Best IPO

1st Prize

“Capital Eye Best Deals of 2017”

Real Estate Investment Trust Securities Division

Best Deals of 2017



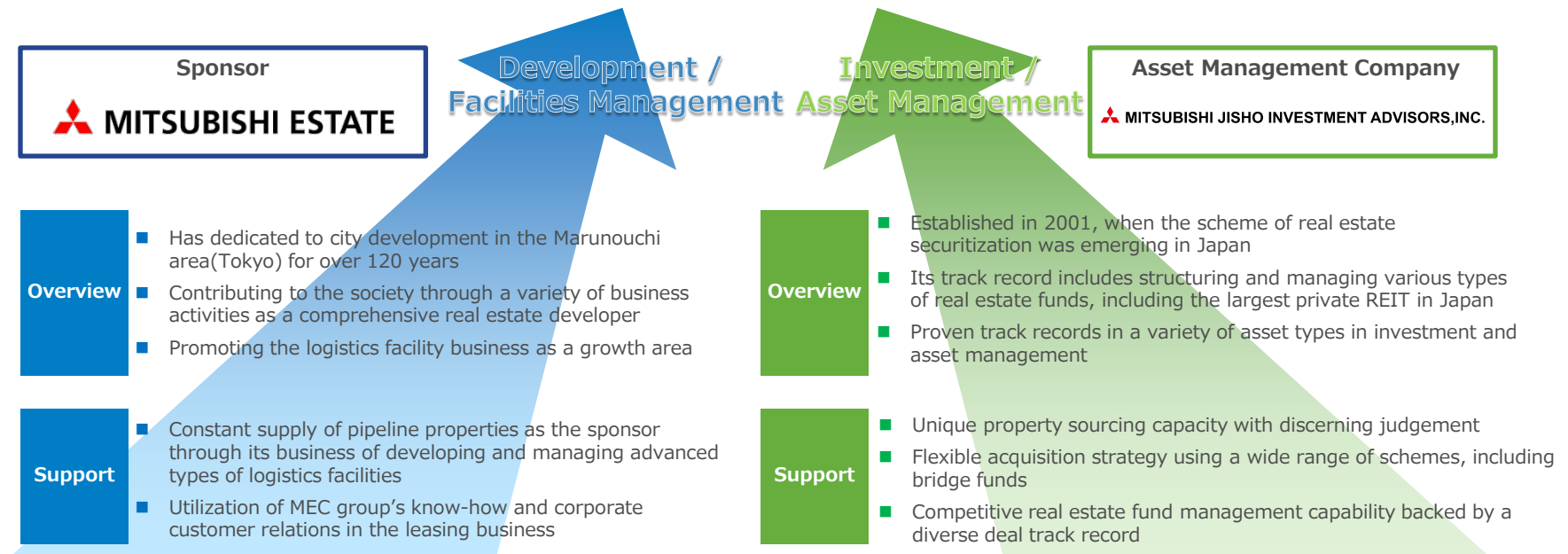
Features of Mitsubishi Estate Logistics REIT (MEL)

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



Mitsubishi Estate Logistics REIT Investment Corporation

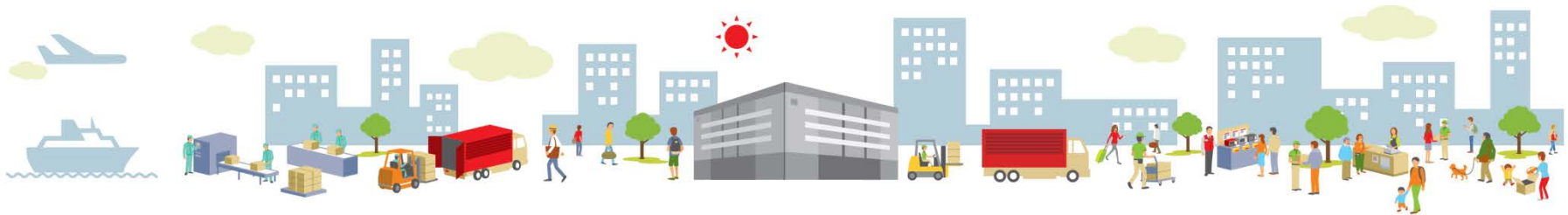
Depending on the changes in market environment and the phases of business cycle, blending each strengths and special expertise of both companies will be creatively used while also having the capability to combine the strengths, in order to steadily expand the asset size and to realize stable management, for the ultimate purpose of maximizing the unitholder value.



Investment policy	Property type (based on acquisition price)		Investment area (based on acquisition price)	
	Logistics facilities	Other ^(note)	Tokyo metropolitan area	Other area
	80% or more	20% or less	50% or more	50% or less

(note) Other means industrial facilities such as plants, R&D facilities and data centers.

1 . Financial Results for 3rd fiscal Period (September 1, 2017 to February 28, 2018)



3rd FP (ended Feb. 28, 2018) Financial Results

Operating Results (mn yen)	As of Oct. 13, 2017 3rd FP Forecast (A)	3rd FP Actual (B)	Difference (B) – (A)
Operating Revenue	2,018	2,042	23
Operating Revenues from Leasing	2,018	2,042	23
Operating Expenses from Leasing (excluding depreciation)	197	219	21
NOI	1,821	1,822	1
Depreciation	404	403	-1
NOI after Depreciation	1,416	1,419	3
Other Operating Expenses	177	175	-1
Operating Income	1,238	1,243	5
Ordinary Income	1,031	1,074	42
Net Income	1,030	1,073	43
Distribution Per Unit (yen)			
Distribution Per Unit (including SCD)	5,381	5,580	199
Distribution Per Unit (excluding SCD)	4,814	5,015	201
Surplus Cash Distributions (SCD)	567	565	-2
Number of investment units issued and outstanding (units)	214,000	214,000	0
Other Statistics			
LTV (%)	27.6%	27.6%	0.0%
NAV Per Unit	–	266,775	–
Investment Unit Price (As of Feb. 28, 2018)	–	269,300	–
P/NAV	–	1.01	–
Period-end Occupancy Rate (%)	98.5%	99.5%	1.0%

Main factors of difference

(unit : mn yen)

Operating revenues (+23)

- Increase in reimbursable utilities income (+12)
- Increase in operating revenue from leasing due to the improvement occupancy rate (+10)

Operating expenses (+18)

- Increase in utilities expenses (+9)
- Increasing in leasing fees (+8)

Non-operating profit and loss (+37)

- Decrease in investment unit issuance expenses (-26)
- Decrease in interest expenses (-10)

4th FP(ending Aug. 31, 2018) and 5th FP(ending Feb. 28, 2019) Financial Forecasts

Operating Results (mn yen)	3rd FP Actual (A)	4th FP Forecast (B)	Difference (B) – (A)	(Reference) 5th FP Forecast
Operating Revenue	2,042	2,171	128	2,136
Operating Revenues from Leasing	2,042	2,171	128	2,136
Operating expenses from Leasing (excluding depreciation)	219	417	197	428
NOI	1,822	1,754	-68	1,708
Depreciation	403	432	29	434
NOI after Depreciation	1,419	1,321	-98	1,273
Other Operating Expenses	175	268	92	257
Operating Income	1,243	1,052	-191	1,008
Ordinary Income	1,074	994	-79	950
Net Income	1,073	993	-79	949
Distribution Per Unit (yen)				
Distribution Per Unit (including SCD)	5,580	5,249	-331	5,249
Distribution Per Unit (excluding SCD)	5,015	4,643	-372	4,438
Surplus Cash Distributions (SCD)	565	606	41	811
Number of investment Units Issued and Outstanding (units)	214,000	214,000	0	214,000
Other Statistics				
LTV (%)	27.6%	25.1%	-2.5%	25.2%
NAV Per Unit	266,775	-	-	-
Investment Unit Price (As of Feb. 28, 2018)	269,300	-	-	-
P/NAV	1.01	-	-	-
Period-end Occupancy Rate (%)	99.5%	99.9%	0.4%	99.9%

Main factors of difference

Operating revenues (+128) (unit : mn yen)

- Increase in operating revenues from leasing due to full-period operation (+114)

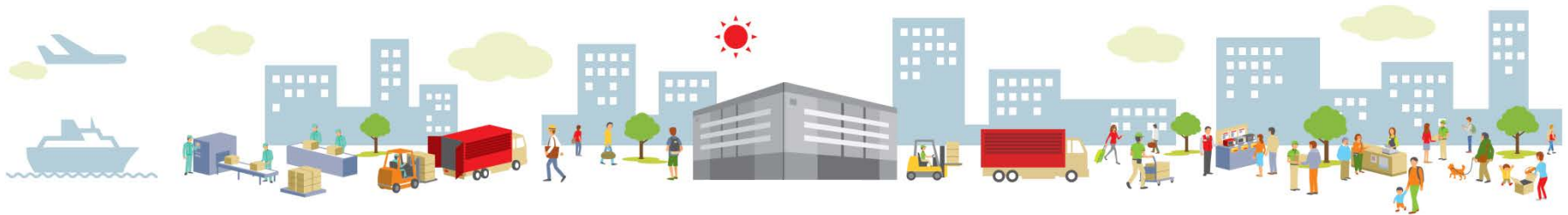
Operating expenses (+319)

- Property tax fully expensed on the 7 assets acquired in 2017 (+178)
- Increase in total general and administrative expenses (+92)

Non-operating profit and loss (+111)

- Decrease in investment unit issuance expenses (-117)

2. Growth Strategy



Portfolio Overview

Portfolio list (As of February 28, 2018)

Source of acquisition		Property name	Location	Acquisition price (million yen)	Total floor space (㎡)	Appraisal NOI yield(%)	Occupancy rate (%)	Building age (years)	Property type
Developed by MEC		Logicross Fukuoka Hisayama	Kasuya, Fukuoka	5,770	36,082	5.2	100.0	3.3	Multi
	Managed by MJIA	LOGIPORT Sagamihara (Beneficiary interest 49%)	Sagamihara, Kanagawa	21,364	200,252 (98,123)	4.7	98.1	4.5	Multi
	Managed by MJIA	LOGIPORT Hashimoto (Beneficiary interest 45%)	Sagamihara, Kanagawa	18,200	145,809 (65,614)	4.4	100.0	3.1	Multi
Sourced by MJIA	Managed by MJIA	MJ Logipark Atsugi 1	Atsugi, Kanagawa	6,653	27,836	4.7	100.0	4.6	Multi
	Managed by MJIA	MJ Logipark Funabashi 1	Funabashi, Chiba	5,400	18,262	6.5	100.0	28.2	Multi
	Managed by MJIA	MJ Logipark Kazo 1	Kazo, Saitama	1,272	7,602	5.7	100.0	12.0	Multi
	Managed by MJIA	MJ Logipark Osaka 1	Osaka, Osaka	6,090	39,157	5.0	100.0	10.4	Multi
	Managed by MJIA	MJ Logipark Fukuoka 1	Kasuya, Fukuoka	6,130	39,797	5.3	100.0	10.4	Multi
Total / Average				70,879	514,800 (332,475)	4.9	99.5	7.0	—

(note) 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.

Portfolio summary

Number of properties

8

Total appraisal value

74.7 bn yen

Total acquisition price

70.8 bn yen

Appraisal NOI Yield

4.9%



Logicross Fukuoka Hisayama



LOGIPORT Sagamihara



LOGIPORT Hashimoto



MJ Logipark Atsugi 1



MJ Logipark Funabashi 1



MJ Logipark Kazo 1

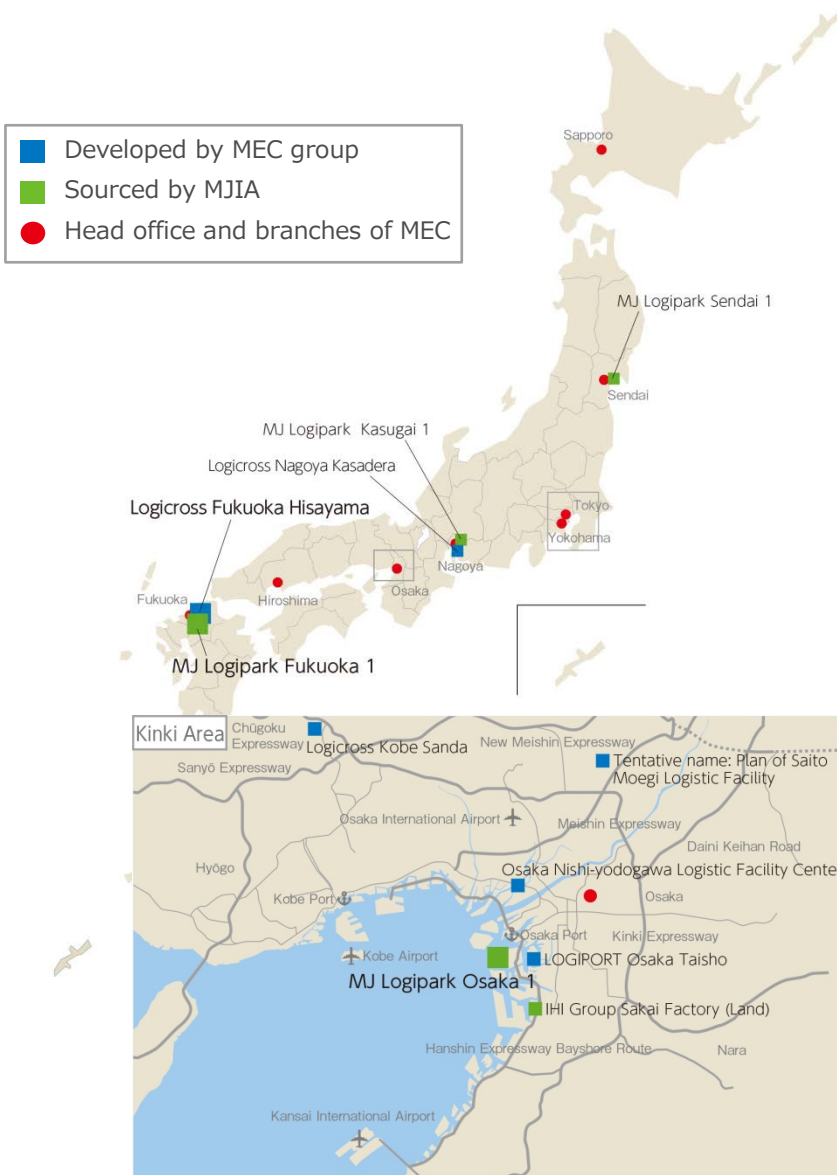


MJ Logipark Osaka 1

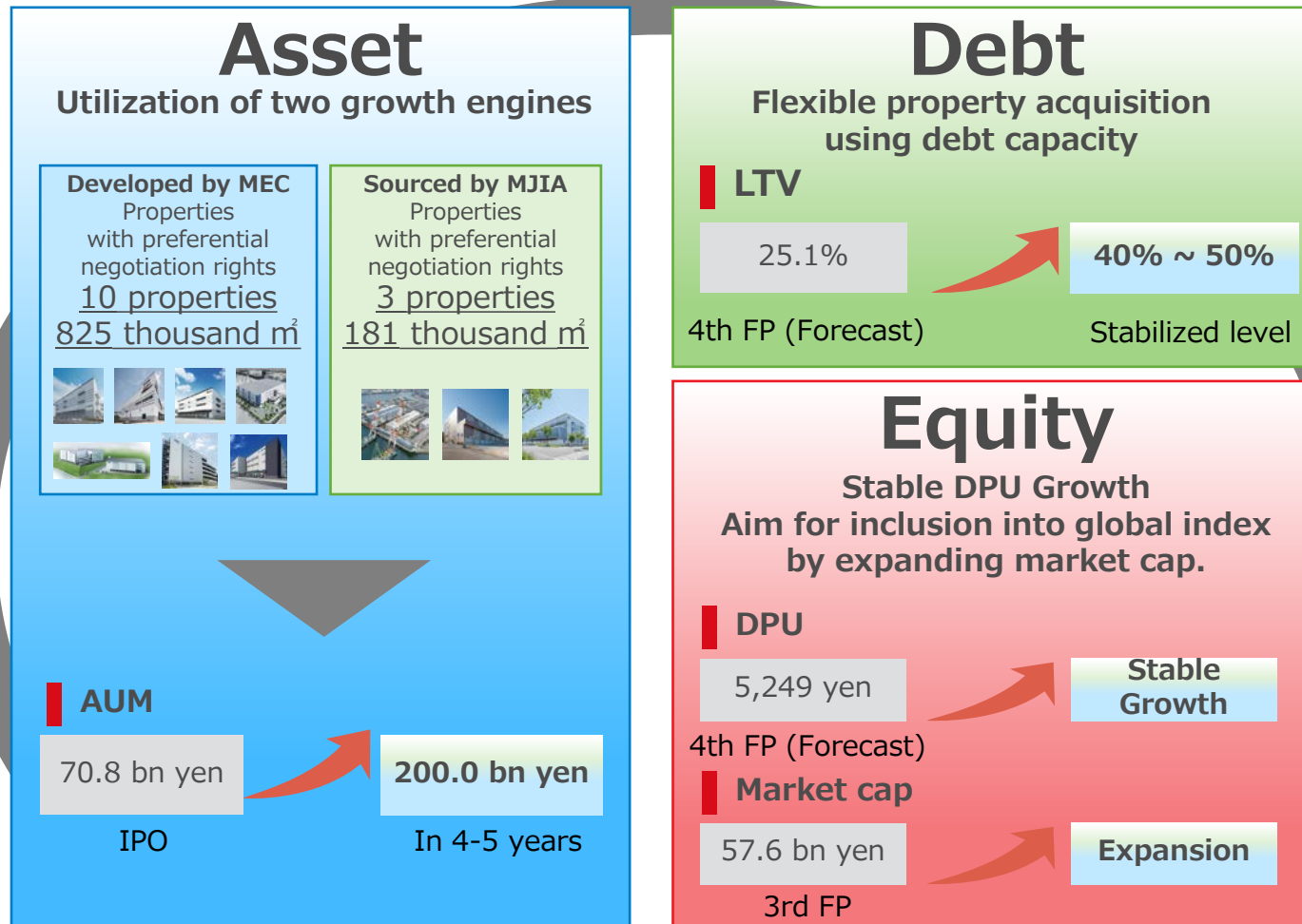


MJ Logipark Fukuoka 1

Portfolio Map



Mid-to-long Term Growth Strategy



Aim to increase AUM to 200 billion yen in 4 to 5 years mainly by sponsor pipelines

External Growth Strategy (1)-Pipeline



- 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

Property name		Fiscal year of completion	Location	Total floor space	Development
Logicross Atsugi	Completed	2016	Atsugi, Kanagawa	29 thousand m ²	Independently
Logicross Kobe Sanda	Completed	2017	Kobe, Hyogo	14 thousand m ²	Independently
LOGIPORT Osaka Taisho	Completed	2017	Osaka, Osaka	122 thousand m ²	Joint
Logicross Narashino	Completed	2017	Narashino, Chiba	39 thousand m ²	Independently
Osaka Nishi-yodogawa Logistic Facility Center		2018	Osaka, Osaka	38 thousand m ²	Joint
Logicross Nagoya Kasadera		2018	Nagoya, Aichi	80 thousand m ²	Independently
Tentative name: Logicross Yokohama Kohoku		2019	Yokohama, Kanagawa	16 thousand m ²	Independently
LOGIPORT Kawasaki Bay		2019	Kawasaki, Kanagawa	296 thousand m ²	Joint
Tentative name: Logicross Atsugi II		2019	Atsugi, Kanagawa	34 thousand m ²	Independently
Tentative name: Plan of Moegi Logistic Facility		2020 / 2021	Ibaraki, Osaka	31 thousand m ² / 125 thousand m ²	Joint

(note) 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.



- 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^(note1)

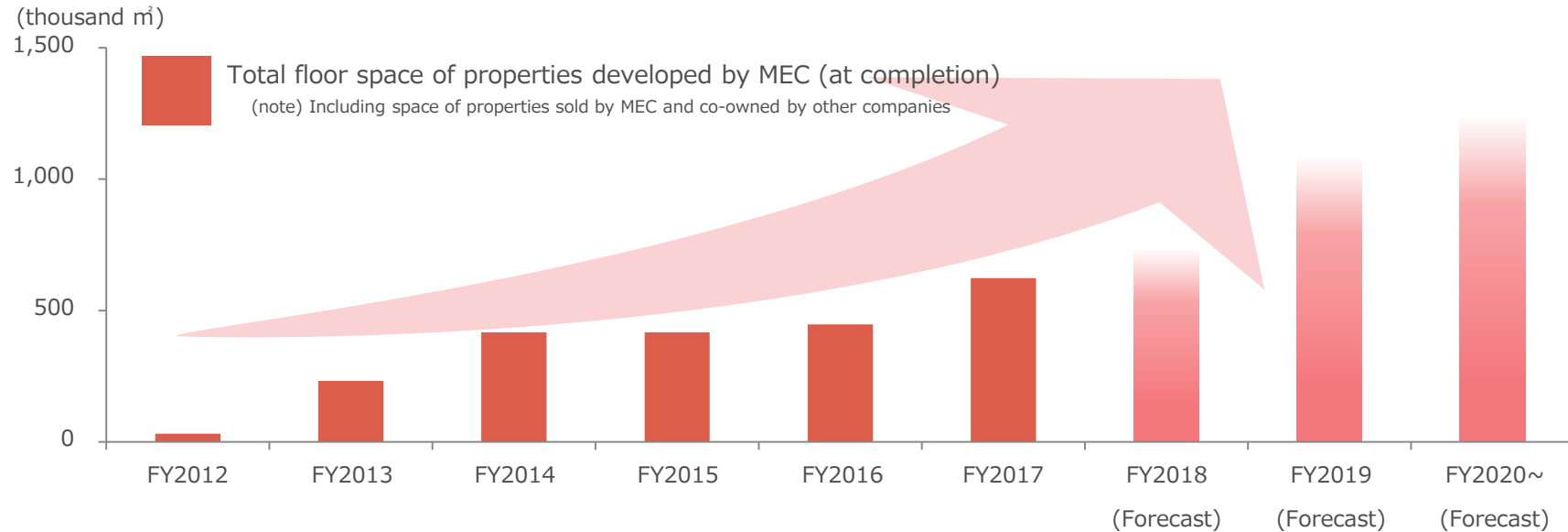
Property name	Type	Date of acquiring the bridge funds	Total floor space
IHI Group Sakai Factory (Land)	Land of Factory	March 2017	87 thousand m ² ^(note2)
MJ Logipark Kasugai 1	Logistics facility	March 2017	58 thousand m ²
MJ Logipark Sendai 1	Logistics facility	June 2017	36 thousand m ²

(note1) 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.

(note2) The data for IHI Group Sakai Factory (Land) shows that of "site area".

External Growth Strategy (2)-MEC's Logistics Facilities Business

Track record of logistics facilities development by MEC (including properties under planning)



Mid-term management plan FY2018 - 2020

Key Point No.1 :
Realization of profit as a result of reinforced income stream during previous mid-term

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

Accelerate fee business model through capital recycling

Lifestyle Property Business

Build strong platform for the industrial property business

Utilize client and partner networks together with solution planning capabilities to develop quality products including "Logicross" branded properties

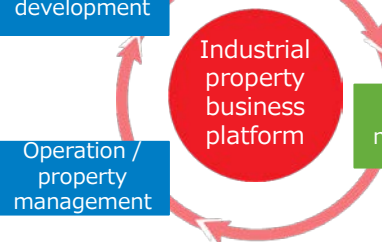
Full cooperation with Tokyo Ryutsu Center (TRC), consolidated subsidiary, to maximize the asset value

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

Completion of landmark projects (with concentration in Marunouchi area) will contribute to operating cash flow

Fee business model through capital recycling

Site acquisition/development



Operation / property management

Asset management

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.



External Growth Strategy (3)-Properties Developed by MEC (1)

Logicross Atsugi

- The site has good access to Ken-O Expressway, Tomei Expressway and National Route 129. It is an ideal area for logistics hubs as a delivery hub to the entire Tokyo metropolitan area including major consumption areas in central Tokyo, connecting the Tokyo metropolitan area to the Kansai and Tokai areas .
- The facility is approx. 20-minute walk from Aiko-Ishida Station on the Odakyu Odawara Line, and is located along a regular bus route. Therefore its location is suitable for securing necessary workforce.
- The facility has received DBJ Green Building Certification.



Location	Atsugi, Kanagawa
Access	0.9km from Atsuginishi IC of Odawara Atsugi Road 2.5km from Atsugi IC of Tomei Expressway
Completion date	Mar. 23, 2017
Total floor space	Approx. 29,900m ²
Land area	14,782m ²
Contractor	KONOIKE CONSTRUCTION
Number of tenant	1 (MITAKA SOKO)

Logicross Kobe Sanda

- The area is quite close to Kobe-Sanda Interchange on Chugoku Expressway and Rokko Kita Toll Road. Access convenience is expected to be further improved following the opening of New Meishin Expressway.
- The site's proximity to a residential area gives it advantage in securing necessary workforce.
- The facility was constructed as a build-to-suit logistics facility dedicated to "Sato," a tenant occupying the facility, and functions as an integrated logistics base consisting of "PC (processing and distribution center of fresh fish, dressed meat and cooked meals)," "DC (inventory distribution center of shelf-stable products)" and "TC (transfer center of fresh products, daily delivery goods and shelf-stable products)".



Location	Kobe, Hyogo
Access	2.0km from Kobe-Sanda IC of Chugoku Expressway / Rokko Kita toll road
Completion date	Jun. 19, 2017
Total floor space	14,464.67m ²
Land area	20,000.93m ²
Contractor	Shimizu Corporation
Number of tenant	1 (SATO)

External Growth Strategy (4)-Properties Developed by MEC (2)

Logicross Narashino

- The site has good access to National Route 357, Metropolitan Expressway Bay Shore Route, Higashi-Kanto Expressway and Keiyo Road, and it is an ideal area for logistics hubs as a delivery hub to cover the entire Tokyo metropolitan area such as major consumption areas in central Tokyo.
- The facility is approx. 5-minute walk from Shin-Narashino Station on the JR Keiyo Line, making it advantageous in securing necessary workforce.
- The facility has received DBJ Green Building Certification.



Location	Narashino, Chiba
Access	1.6km from Yatsufunabashi IC of Higashi-Kanto Expressway 5-minute walk from Shin-Narashino Station on the JR Keiyo Line
Completion date	Mar. 30, 2018
Total floor space	Approx. 39,100m ²
Land area	Approx. 19,300m ²
Contractor	KONOIKE CONSTRUCTION
Number of tenant	1 (Japan Realest)

Press release issued by MEC (March 30, 2018)

- Completed Logicross Narashino upon the conclusion of the agreement on the lease of the entire building
- Entrusted building management and operation services to TRC, founded more than 50 years ago
- Further utilize expertise in management developed by Mitsubishi Jisho Group

人を、想う力。街を、想う力。
三菱地所グループ

三菱地所の物流施設、ロジクロス
Logicross

「人・モノ・物流」
新たな価値・創造の場
TRC

2018年3月30日

報道関係各位

三菱地所株式会社
株式会社東京流通センター

三菱地所グループの物流施設事業プラットフォームを強化

「ロジクロス習志野」が竣工・同物件の運営管理業務を株式会社東京流通センターが受託決定

～「(仮称)ロジクロス厚木Ⅱ」の計画も決定し、三菱地所物流リート投資法人・東京流通センターと共に物流施設事業の更なる拡大へ～

三菱地所株式会社が、千葉県習志野市において開発を進めて参りました、地上4階建て・延床面積約39,100㎡の物流施設「ロジクロス習志野」が、2018年3月30日に竣工致しました。「ロジクロス習志野」においては、竣工後の運営管理業務を2016年8月に連結子会社化した株式会社東京流通センターに委託することを決定しました。また、同物件は株式会社日本リアルリストと全棟賃貸借契約締結済みです。

三菱地所グループは、2017年5月に発表した3ヵ年の中期経営計画で、物流施設事業のプラットフォーム強化を目標として掲げています。従来、竣工後の運営管理業務は外部の管理会社に委託しておりましたが、今後、「運営管理」の内製化により、三菱地所による「用地取得・開発」、昨年9月に東京証券取引所J-REIT市場に上場した三菱地所物流リート投資法人による「保有」、及び同投資法人から委託を受けて三菱地所投資顧問株式会社が行う「アセットマネジメント」と合わせ、3つの機能を役割分担し、投資回収の回転を加速しバリューチェーンを構築することで、物流施設事業のプラットフォームを強化しました。

三菱地所株式会社

・「(仮称)ロジクロス厚木Ⅱ」計画決定により、開発実績・計画棟数が14棟となり、総延床面積が120万㎡に到達。

三菱地所物流リート投資法人
・2017年9月14日上場。
・資産規模は8物件約708億円。4～5年後を目途に三菱地所開発物件を中心に2,000億円への拡大を目指す。

三菱地所投資顧問株式会社
・三菱地所物流リート投資法人の資産運用業務(アセットマネジメント)を受託。

「用地取得・開発」
物流施設事業プラットフォーム
「保有及びアセットマネジメント」

「人・モノ・物流」
新たな価値・創造の場
TRC 株式会社東京流通センター

「運営管理」
・2016年8月に連結子会社化。
・「ロジクロス習志野」の運営管理業務を依頼に、運営管理事業の拡大を目指していく方針。

また、今後、神奈川県厚木市において2棟目の物流施設となる「(仮称)ロジクロス厚木Ⅱ」の開発計画も決定しました。現在計画中の案件を含めると、開発実績は、累計14棟・延床面積120万㎡に到達する見込みです。三菱地所は今後も首都圏・中京圏・関西圏を中心として全国で年間2～4棟の開発を推進していきます。

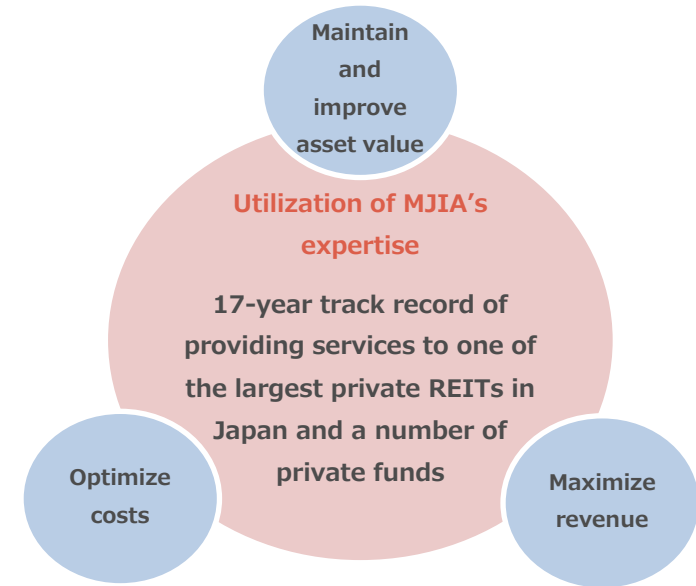
三菱地所グループは、eコマース拡大等を背景とした物流施設開発への底堅いニーズや、物流不動産に対する投資家からの投資ニーズ、加えて、物流業界を取り巻く劇的な環境変化(働き方改革・物流効率化推進等)への対応とテナントソリューションの実現を目指して参ります。

- Determined the plan to develop Logicross Atsugi II (tentative name)
- Expected to develop 14 buildings of total floor area of 1.2 million m² (including completed and planned projects)
- Aim to develop two to four buildings per year mainly in the Tokyo metropolitan, Chukyo and Kansai areas

Internal Growth Strategy (1) – Management Structure

Management utilizing MEC Group's business foundation

- By using MJIA's know-how accumulated through composing funds of a wide range of asset types and managing private REITs since its foundation in 2001, MEL aims to maximize property value and implement stable and steady management
- By entrusting the tenant relation support (TRS) business to the sponsor and maximizing its commitment to leasing, MEL aims to maintain and improve the portfolio revenue over the mid-to-long-term
- For tenant leasing activities for its assets, MEL will build a relationship with logistics business operators by using Mitsubishi Estate's corporate customer relationship built through office business, commercial facilities business, etc. in the Marunouchi area in Tokyo through entrusting the TRS business. In this manner, MEL aims to steadily achieve internal growth by capturing the market needs



TRS by MEC

Tenant relation

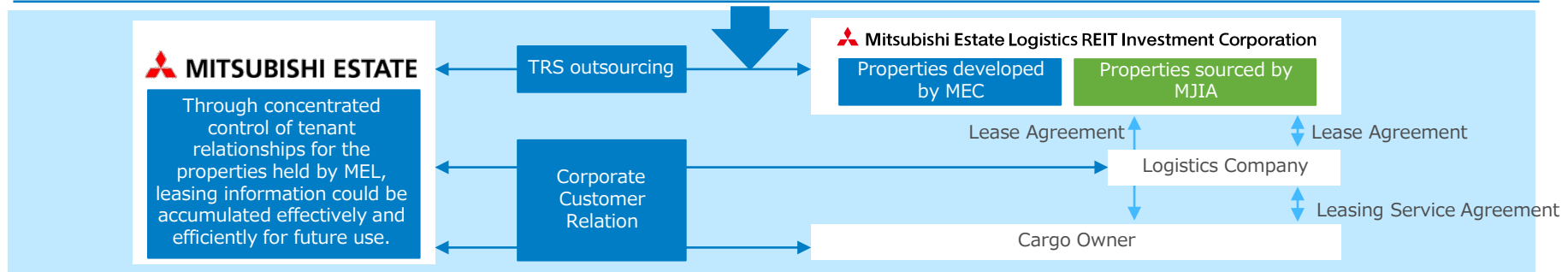
Periodically visit tenants and build a strong relationship to extend leasing period, understand their needs for floor increase and relocation, match vacant lots, prevent leaving, etc.

Tenant recruitment

Soliciting tenant candidates, supporting tenant screening, mediating and negotiating moving in conditions and construction works, etc.

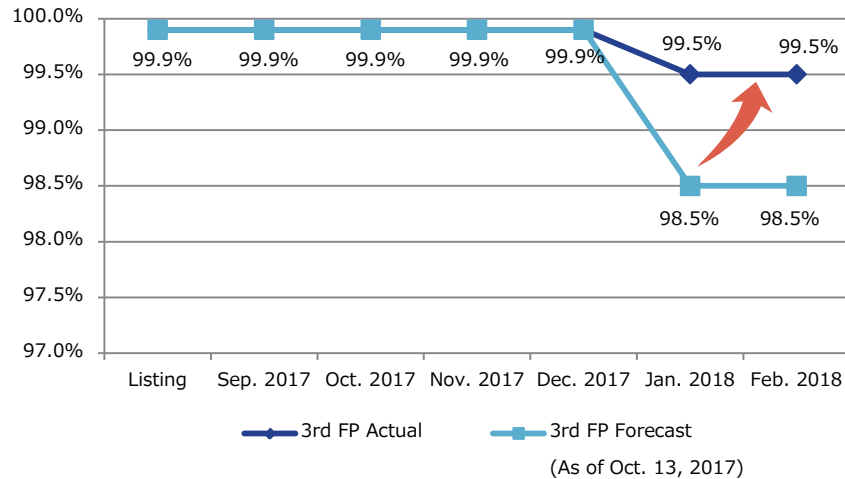
Proposal of leasing policy

Manage leasing periods on all owned assets and offer strategies to replace tenants

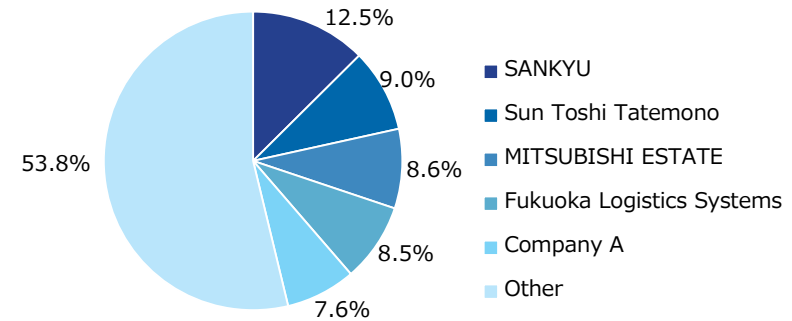


Internal Growth Strategy (2) – Tenant Leasing

Achievement of higher occupancy rate



Tenant diversification (As of February 28, 2018)



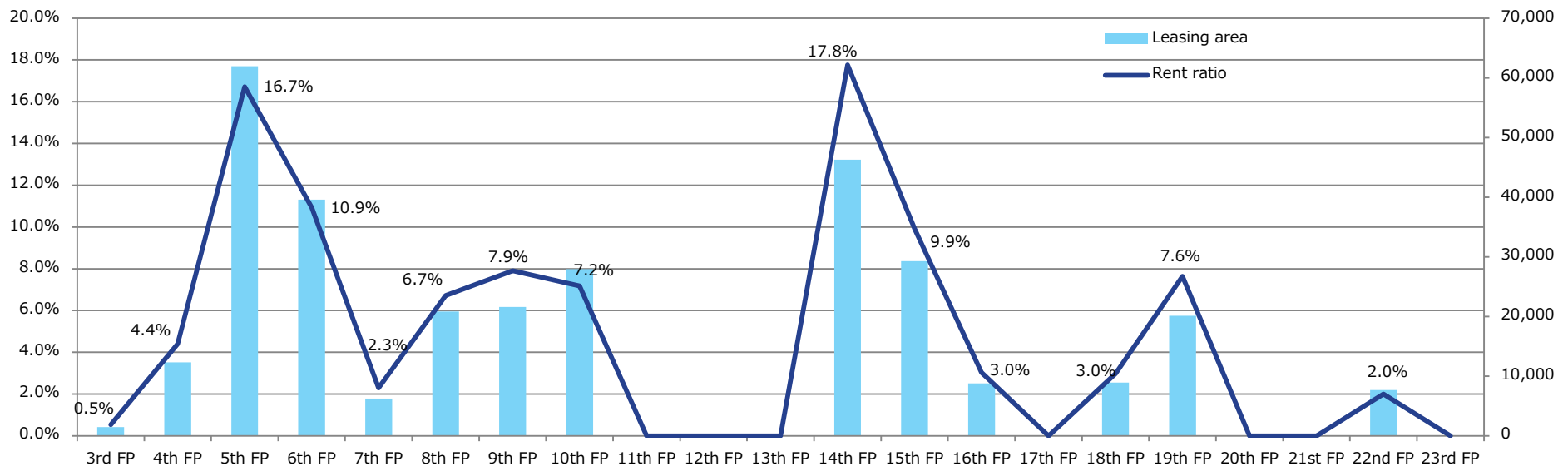
(note) Based on leased area

Status of lease agreements

Average contract period	Remaining lease contract period	Fixed term lease
6.9 years	3.6 years	100%

(note) As of February 28, 2018.

Lease maturity periods



Financial Strategy

LTV(Forecast) and capacity to acquire properties

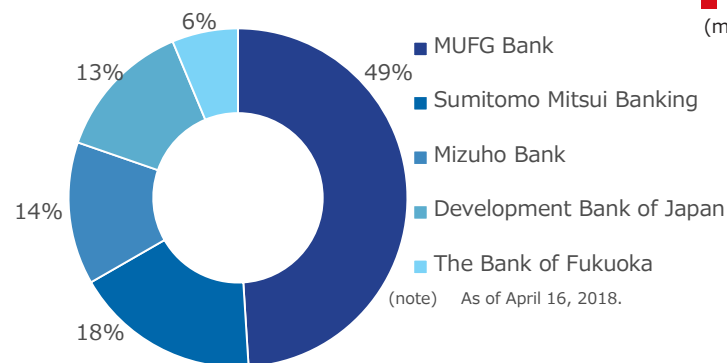
	4th FP (LTV: 25.1%)
Up to LTV of 40%	Approx. 1.8 bn yen
Up to LTV of 50%	Approx. 3.7 bn yen

Interest-bearing debt

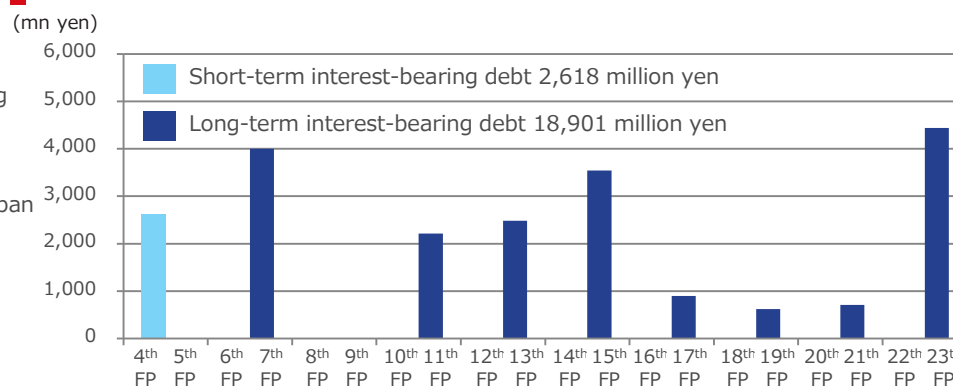
Interest-bearing debt	Average remaining debt duration	Average borrowing rate
Approx. 21.5 bn yen	4.91 years	0.43%

(note) As of February 28, 2018.

Lender



Repayment schedule



(note) As of February 28, 2018.

Credit rating

Rating Agency	Rating	Remarks
Japan Credit Rating Agency, Ltd.	Long-term issuer rating: AA-	Rating outlook: Stable

Cash management: Policy on utilization of depreciation expense

We expect to target the regular surplus cash distributions (SCD) on an ongoing basis at an amount equivalent to approximately 30% of the depreciation expense for the relevant fiscal period.

Commitments by Management



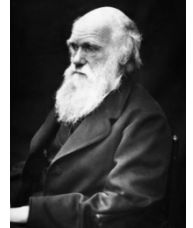
Mitsubishi Jisho Investment Advisors, Inc.
Masaki Sakagawa, Senior Executive Director

~Adaptation to Environmental Change~

"It is not the **strongest of the species** that survives,
nor the most **intelligent** that survives.

It is the one that is most **adaptable to change.**"

Charles Robert Darwin (Feb. 12, 1809 – Apr. 19, 1882)



Pursuit of "HYBRID" style that is adaptable to change through
"Developer × Real estate asset management company" style

~Two Commitments~

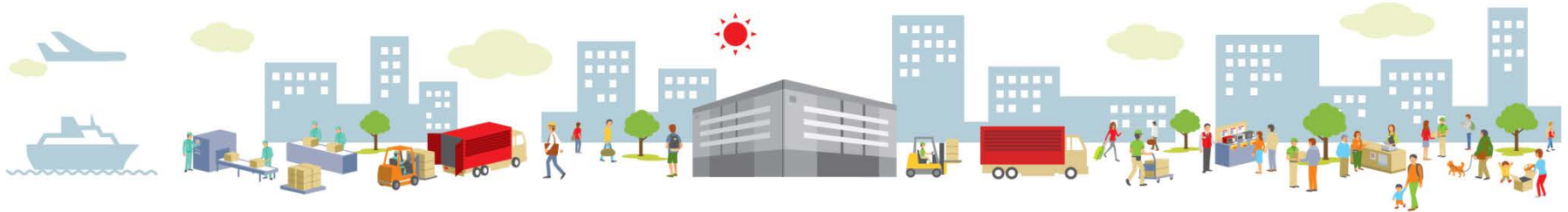
DPU

Aim for stable DPU growth
by adopting to the changes in the business environment

AUM

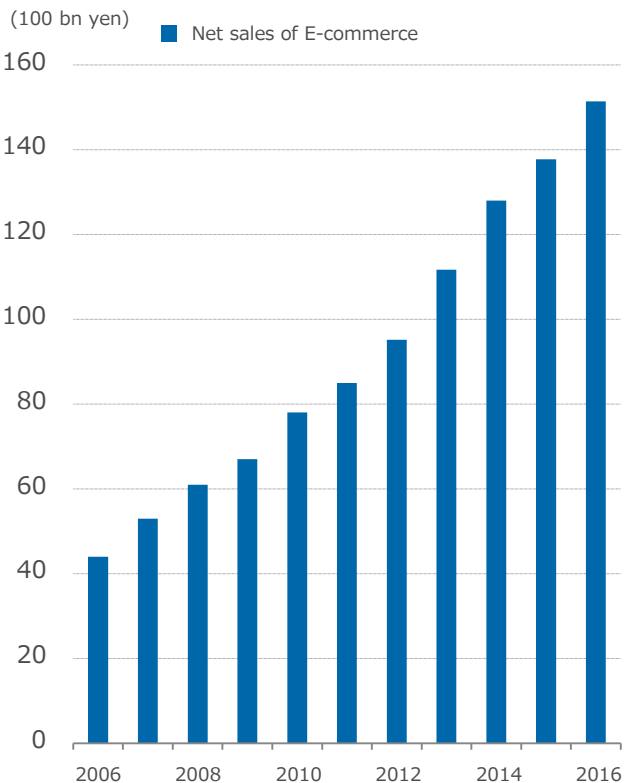
Aim to increase AUM to 200 billion yen in 4-5 years
and to 300 billion yen over the mid-to-long-term

3 . Logistics Market Overview



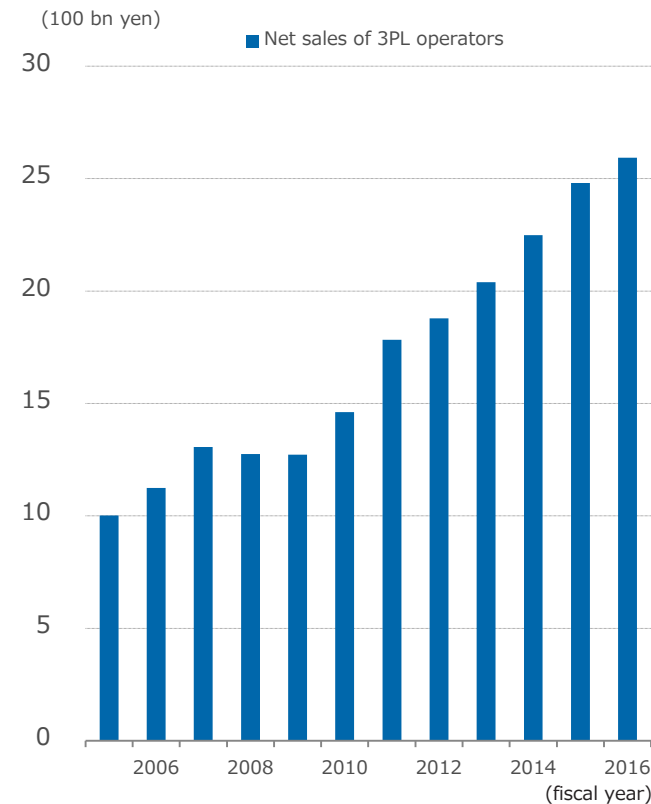
Logistics Market Overview (1)

E-commerce market size



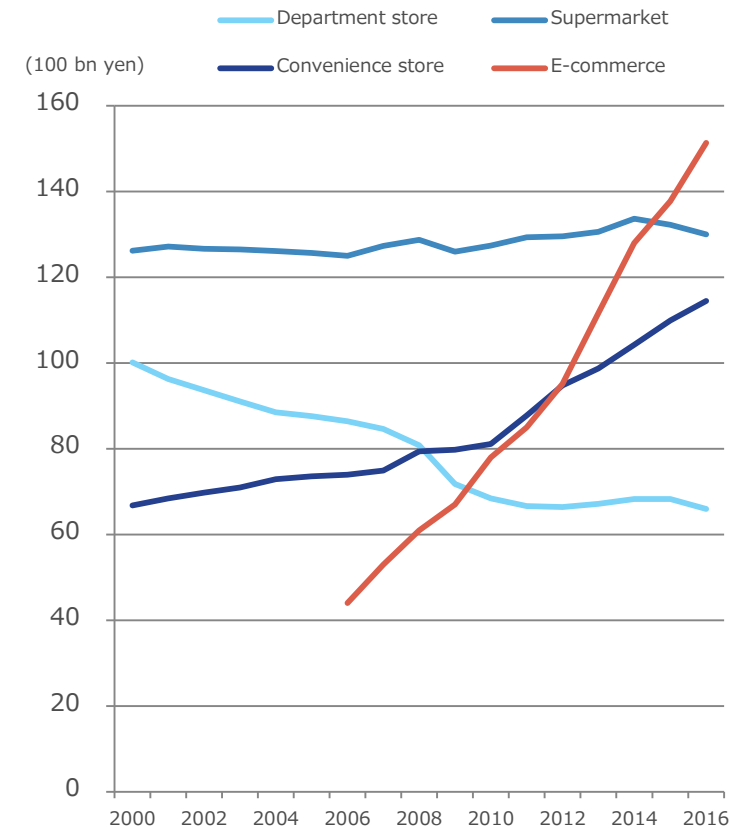
(note) Data aggregated by CBRE K.K. based on "Basic Conditions (E-Commerce Market Survey) of Data-Driven Society in 2016" (April 2017) issued by the Ministry of Economy, Trade and Industry
(Source) CBRE K.K.

3 PL market size



(note1) Data aggregated by CBRE K.K. based on "LOGI-BIZ (September 2016)"
(note2) The fiscal period is from April 1 to March 31 of the following year, which is not the same as the Investment Corporation's fiscal period
(Source) CBRE K.K.

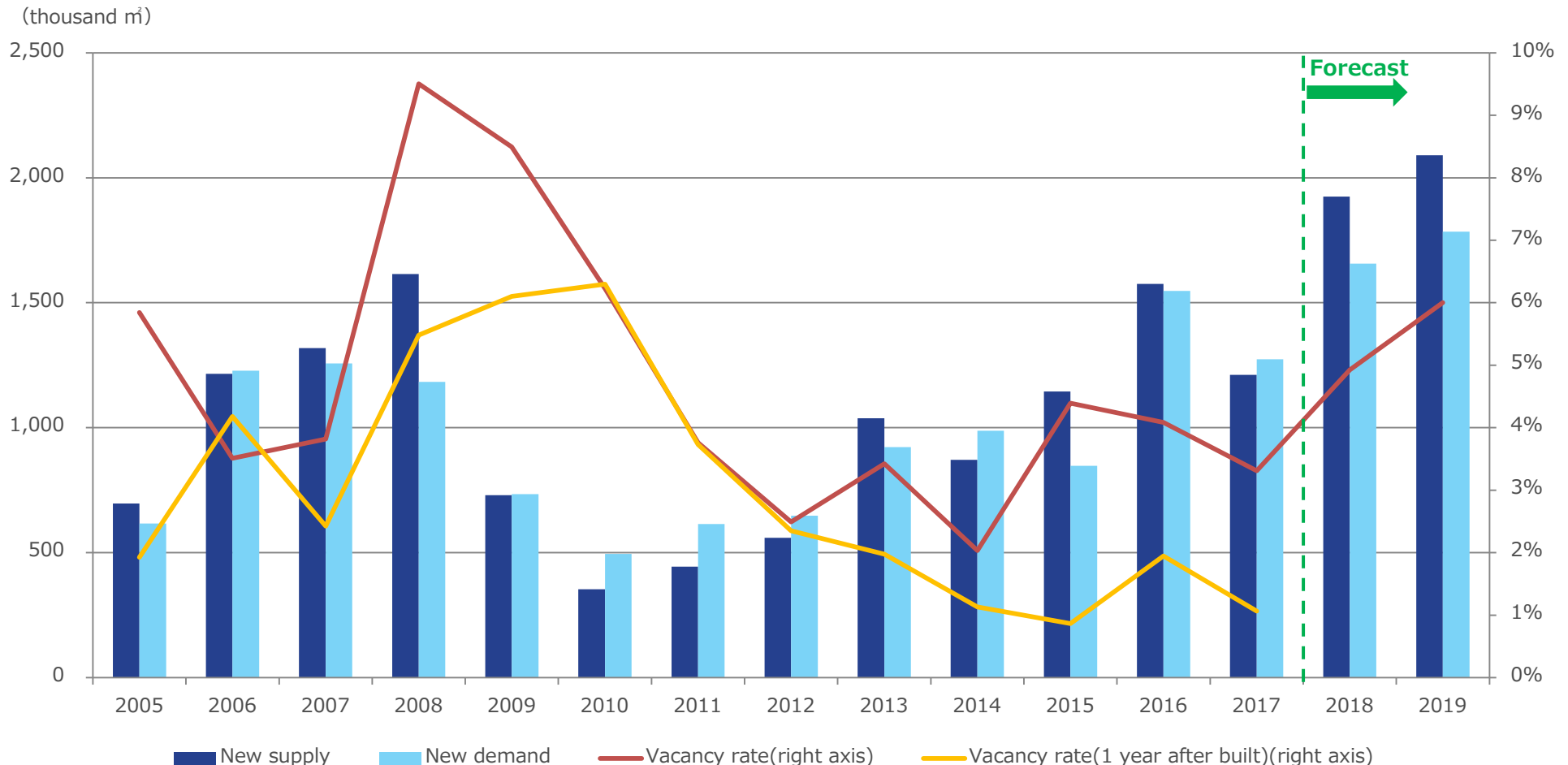
Retail market size



(note) Data aggregated by CBRE K.K. based on "Current Survey of Commerce" (June 2017) and "Basic Conditions (E-Commerce Market Survey) of Data-Driven Society in 2016" (April 2017) issued by the Ministry of Economy, Trade and Industry
(Source) CBRE K.K.

Logistics Market Overview (2)

Supply-demand balance and vacancy rate in Tokyo metropolitan area



(note1) In the above figure, "Tokyo metropolitan area" refers to Tokyo, Kanagawa, Chiba, and Saitama.

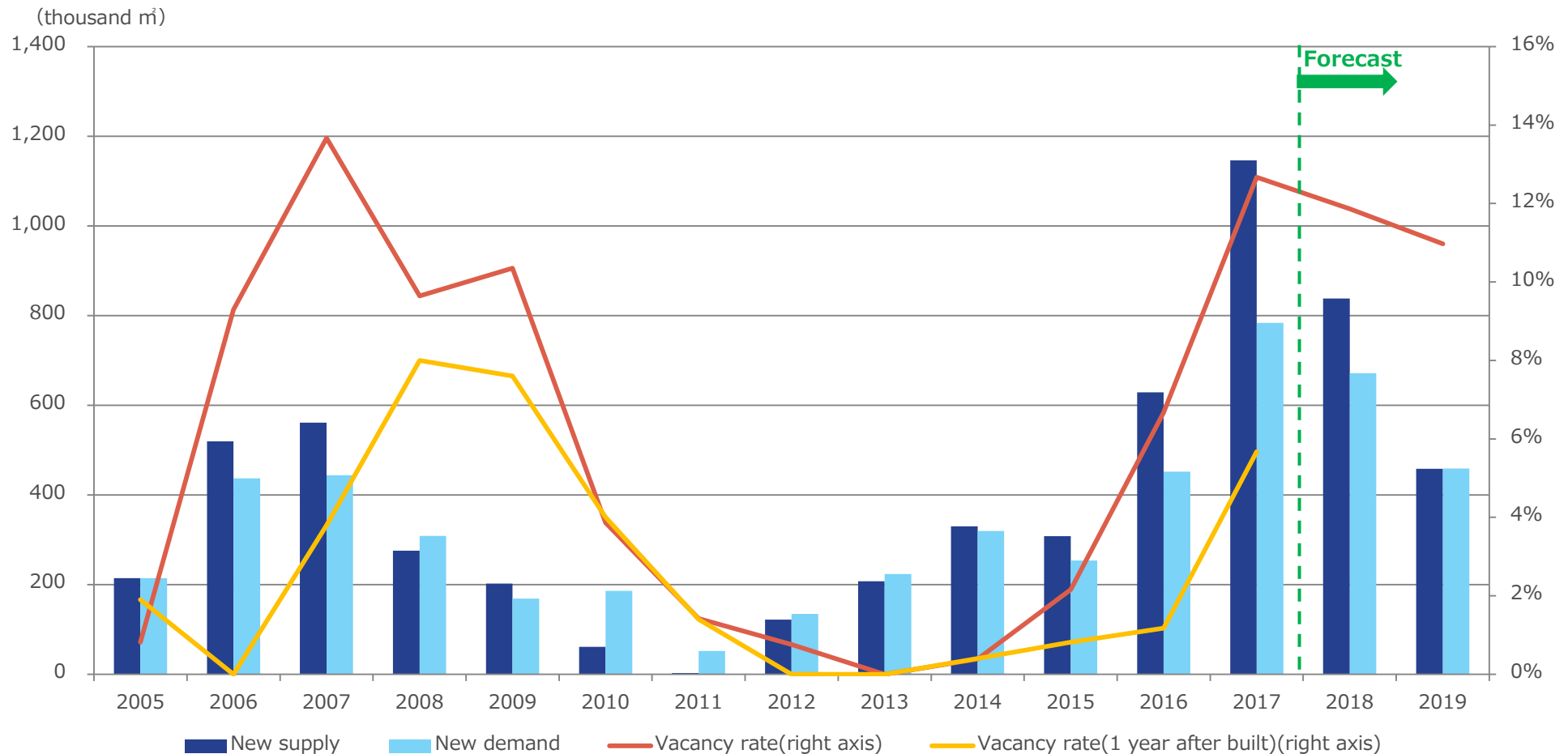
(note2) New supply refers to "total leasable floor area of newly constructed leasable logistics facilities" and new demand refers to "change in occupied floor area." Change in occupied floor area is calculated by subtracting tenant withdrawal floor area from floor area under new agreements.

(note3) 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 Kinki region



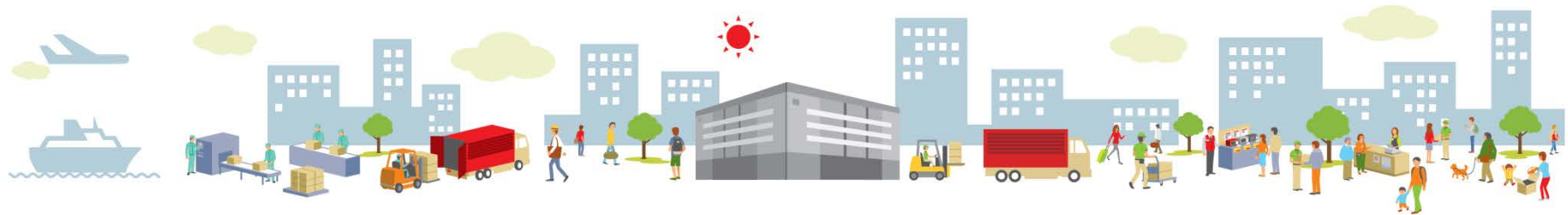
(note1) In the above figure, "Kinki region" refers to Osaka and Hyogo.

(note2) 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.

(note3) 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.

4 . Appendix



Income Statement and Balance Sheet

Income Statement

(unit : thousand yen)

Item	Actual
Operating revenue	2,042,440
Lease business revenue	1,923,172
Other lease business	119,267
Operating expenses	798,568
Expenses related to rent business	622,889
Asset management fee	107,897
Asset custody fee	699
Administrative service fee	12,246
Director's compensations	2,400
Commission fee	42,054
Other operating expenses	10,380
Operating income	1,243,871
Non-operating income	16
Interest income	16
Non-operating expenses	169,872
Interest expenses	36,083
Borrowing related expenses	10,026
Investment unit issuance expenses	6,047
Offering costs associated with issuance of investment	117,715
Other	-
Ordinary income	1,074,015
Profit before income taxes	1,074,015
Profit (Net income)	1,073,410
Unappropriated retained earnings	1,073,416

Balance Sheet

(unit : thousand yen)

Item	Actual
Current assets	6,730,832
Cash and deposits	1,500,868
Cash and deposits in trust	2,665,332
Other current assets	2,564,631
Non-current assets	71,341,495
Property and equipment	71,295,451
Intangible assets	9,626
Investments and other assets	36,417
Deferred assets	40,319
Total assets	78,112,648
Current liabilities	3,217,683
Operating accounts payable	77,945
Short-term borrowings	2,618,000
Accounts payable	8,926
Advances received	342,967
Other current liabilities	169,844
Non-current liabilities	20,136,148
Long-term borrowings	18,901,000
Tenant leasehold and security deposits in trust	1,235,148
Total liabilities	23,353,832
Total unitholders' equity	54,758,816
Unitholders' capital	53,685,400
Surplus	1,073,416
Total net assets	54,758,816
Total liabilities and net assets	78,112,648

Appraisal Value

(unit : mn yen)

Property name	Acquisition date	Acquisition price	Book value at end of 3rd FP	At acquisition *Figure of MJ Logipark Funabashi 1 is end of 2nd FP		3rd FP (Ended Feb. 28, 2018)		Fluctuation		Unrealized gain
				Appraisal value	Direct cap rate	Appraisal value	Direct cap rate	Appraisal value	Direct cap rate	
Logicross Fukuoka Hisayama	Sep. 2017	5,770	5,812	5,970	4.9%	6,070	4.8%	100	-0.1%	257
LOGIPORT Sagamihara	Sep. 2017	21,364	21,510	22,200	4.4%	22,700	4.3%	500	-0.1%	1,189
LOGIPORT Hashimoto	Sep. 2017	18,200	18,329	18,720	4.2%	18,720	4.2%	0	0.0%	390
MJ Logipark Atsugi 1	Sep. 2017	6,653	6,706	6,860	4.4%	6,860	4.4%	0	0.0%	153
MJ Logipark Funabashi 1	Sep. 2016	5,400	5,363	6,240	5.1%	6,270	5.1%	30	0.0%	906
MJ Logipark Kazo 1	Sep. 2017	1,272	1,285	1,330	5.2%	1,360	5.1%	30	-0.1%	74
MJ Logipark Osaka 1	Sep. 2017	6,090	6,135	6,260	4.8%	6,360	4.6%	100	-0.2%	224
MJ Logipark Fukuoka 1	Sep. 2017	6,130	6,152	6,310	4.8%	6,360	4.8%	50	0.0%	207
Total	—	70,879	71,295	73,890	—	74,700	—	810	—	3,404

Net assets per unit 250,866 yen Unrealized gain per unit 15,909 yen NAV per unit 266,775 yen

Financial Standing

Classification		Lender	Balance (million yen)	Borrowing rate	Drawdown date	Maturity date	Remarks
Short-term	Floating rate	MUFG Bank, Ltd.	1,746	Base rate (JBA 3-month JPY TIBOR) +0.0700%	Sep. 14, 2017	Sep. 14, 2018 ^(note 1, 2)	Unsecured / Unguaranteed
		Sumitomo Mitsui Banking	872				
Subtotal			2,618	-	-	-	-
Long-term	Floating rate	MUFG Bank	2,600	Base rate (JBA 3-month JPY TIBOR) +0.1750%	Sep. 29, 2016	Sep. 29, 2019	Unsecured / Unguaranteed
		Development Bank of Japan	1,400				
	Fixed rate	Mizuho Bank	720	0.3263%	Sep. 14, 2017	Sep. 14, 2021	
		Development Bank of Japan	1,491				
		MUFG Bank	430	0.3575%		Sep. 14, 2022	
		Sumitomo Mitsui Banking	2,050				
		MUFG Bank	1,760	0.3913%		Sep. 14, 2023	
		Mizuho Bank	1,330				
		The Bank of Fukuoka	450	Sep. 14, 2024			
		The Bank of Fukuoka	900	Sep. 14, 2025			
		MUFG Bank	620	Sep. 14, 2026			
		MUFG Bank	710	0.5500%		Sep. 14, 2027	
		MUFG Bank	2,680				
		Sumitomo Mitsui Baking	880				
		Mizuho Bank	880				
Subtotal			18,901	-	-	-	-
Total			21,519	-	-	-	-

(note1) Since a refund of consumption tax for the fiscal period ending February 2018 is scheduled to take place during the fiscal period ending August 2018, MEL plans to repay short-term borrowings amounting to 2,618 million yen using such tax refund, etc. during the fiscal period ending August 2018.

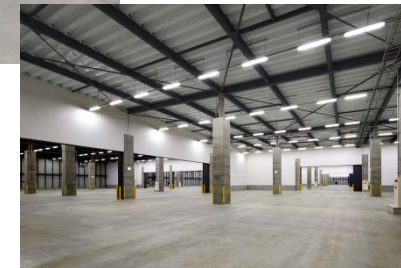
(note2) As of April 16, 2018

Portfolio (1)

Logicross Fukuoka Hisayama



Location	Kasuya, Fukuoka
Completion date	October 27, 2014
Total floor space	36,082.08m ²
Land area	18,136.89m ²
Leasable area	34,878.55m ²
Acquisition price	5,770 million yen
Appraisal value	6,070 million yen
Appraisal NOI Yield	5.2%
Number of tenant	2



Location Profile

- Around the site, many logistics facilities are concentrated for the freight handling within the wide metropolitan area centering on Fukuoka City, the largest consumption market in Kyushu.
- This facility could function as a delivery hub to cover the entire Kyushu area centering on northern Kyushu, by using the Kyushu Expressway.
- Its traffic access is excellent: within 10km to Fukuoka Airport and the port area. Also, the vicinity of Fukuoka IC is an important crossing of many routes, where demands for logistics facilities are concentrated.

Facility Profile

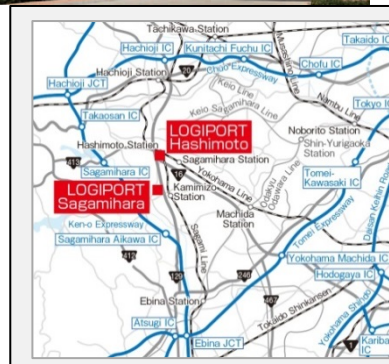
- Truck berths exist both on the first and the third floor. Trucks could directly climb up the slope road to the third floor, which enables efficient freight handling.
- The facility has received DBJ Green Building Certification. It proves to be quite eco-friendly.

Portfolio (2)

LOGIPORT Sagamihara (beneficiary interest 49%)



Location	Sagamihara, Kanagawa
Completion date	Aug. 16, 2013
Total floor space	200,252.53m ²
Land area	94,197.27m ²
Leasable area	88,609.64m ²
Acquisition price	21,364 million yen
Appraisal value	22,700 million yen
Appraisal NOI Yield	4.7%
Number of tenant	17



Profile

- The site is close to a dense residential area and is located along a regular bus route, making it an ideal location to secure necessary workforce.
- The site directly faces National Route 129 which runs from north to south in the center of Kanagawa Pref.
- In consideration of BCP, a quake-absorbing structure was adopted for the buildings, and emergency power generators (capable of running for 72 hours) have been equipped.
- An advanced security system (working 24 hours and 365 days a year) was adopted for the building.

LOGIPORT Hashimoto (beneficiary interest 45%)



Location Profile

- The area surrounding the facilities has over time been recognized as fitting for a logistics hub: the gateway to the Tokyo metropolitan area for those who come from western Japan. Therefore high tenant demands can be expected.
- The area is close to the Tomei Expressway and the Chuo Expressway via Ebina JCT and Hachioji JCT respectively, ensuring easier access from outside the Tokyo metropolitan area.

Location	Sagamihara, Kanagawa
Completion date	Jan. 9, 2015
Total floor space	145,809.59m ²
Land area	67,746.26m ²
Leasable area	58,537.70m ²
Acquisition price	18,200 million yen
Appraisal value	18,720 million yen
Appraisal NOI Yield	4.4%
Number of tenant	12

Profile

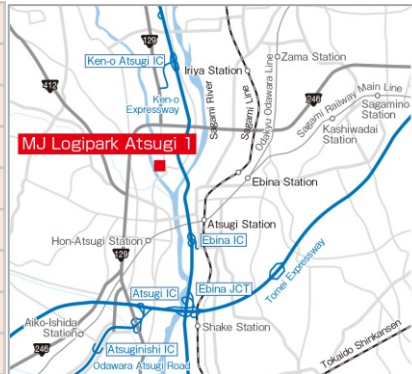
- The site is a walking distance from Hashimoto Station of JR Yokohama Line, JR Sagami Line and Keio Sagami Line, as well as being close to a residential area. This location is advantageous to secure necessary workforce for the facilities.
- The site directly faces National Route 16, a major circular road of the Tokyo metropolitan area.
- In consideration of BCP, a quake-absorbing structure was adopted for the buildings, and emergency power generators (capable of running for 72 hours) have been equipped.
- An advanced security system (working 24 hours and 365 days a year) was adopted for the building.

Portfolio (3)

MJ Logipark Atsugi 1



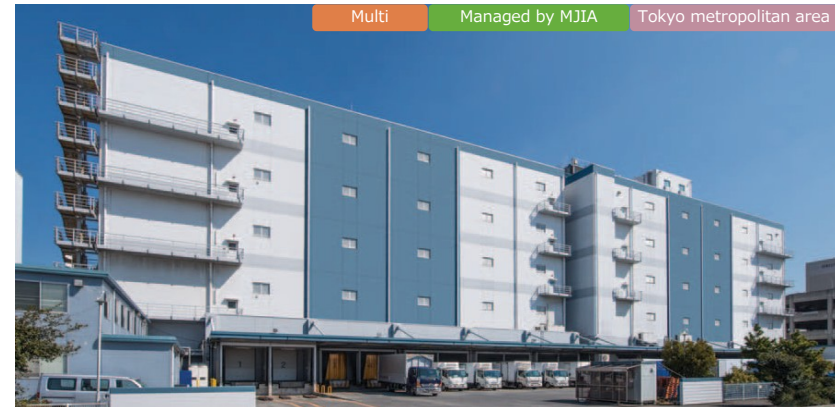
Location	Atsugi, Kanagawa
Completion date	Jul. 12, 2013
Total floor space	27,836.15m ²
Land area	19,780.93m ²
Leasable area	28,002.44m ²
Acquisition price	6,653 million yen
Appraisal value	6,860 million yen
Appraisal NOI Yield	4.7%
Number of tenant	1



Profile

- It is located in the area between the center of the Tokyo metropolitan area and the Chubu/Kinki regions, so the area could function as a gateway for those who are visiting Tokyo from western Japan. This would ensure high business potential for the facility as a logistics hub.
- The site is also close from a dense residential area and is located along a regular bus route. So its location should be good at securing necessary workforce.
- Its basic specifications include highly versatile functions, including with four freight elevators and four vertical conveyors.

MJ Logipark Funabashi 1



Location	Funabashi, Chiba
Completion date	Nov. 30, 1989
Total floor space	18,262.08m ²
Land area	7,481.00m ²
Leasable area	18,232.07m ²
Acquisition price	5,400 million yen
Appraisal value	6,270 million yen
Appraisal NOI Yield	6.5%
Number of tenant	1



Profile

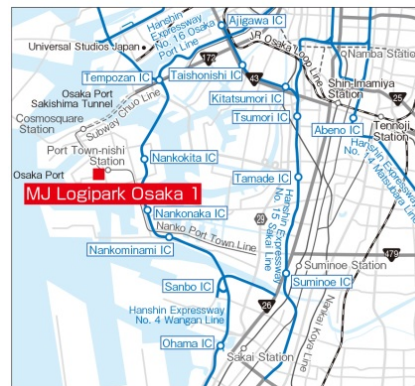
- Delivery to the center of Tokyo from the site takes approx. 1, enabling the site to meet high demands for a logistics hub in suburban Tokyo.
- Onsite animal quarantine services are available by dispatched quarantine officers near the site. This could be an advantageous aspect of the facility for merchants of food and beverages.
- It consists of a standard temperature space, a cold storage and a freezer. Demand for the freezer and cold storage functions are expected to further increase.

Portfolio (4)

MJ Logipark Osaka 1



Location	Osaka, Osaka
Completion date	Sep. 28, 2007
Total floor space	39,157.61m ²
Land area	13,028.81m ²
Leasable area	39,082.95m ²
Acquisition price	6,090 million yen
Appraisal value	6,360 million yen
Appraisal NOI Yield	5.0%
Number of tenant	1



Profile

- It is located in a corner of the Nanko area which houses the key functions necessary for the Osaka Port. This place is one of the most competitive areas in the Kinki region.
- It is a walking distance from Port Town Nishi Station (closest station) and also very close to a residential area, making the site advantageous in securing workforce.
- The building has a north-faced, a south-faced and a west-faced truck berths: a total of 36 truck berths. This large capacity enables rapid shipping and receiving of freights.

MJ Logipark Kazo 1



Profile

- This site would accommodate the pickup and delivery needs to cover the entire Tokyo metropolitan area, by using the Tohoku Expressway and the Metropolitan Inter-City Expressway.
- Its basic specifications are versatile, enabling it to meet a wide range of tenant needs.

Location	Kazo, Saitama
Completion date	Mar. 13, 2006
Total floor space	7,602.06m ²
Land area	7,621.09m ²
Leasable area	7,678.10m ²

Acquisition price	1,272 million yen
Appraisal value	1,360 million yen
Appraisal NOI Yield	5.7%
Number of tenant	1

MJ Logipark Fukuoka 1



Profile

- It has easy access to the two major cities in Fukuoka Pref. (Fukuoka City and Kita-Kyushu City) as well as to adjacent prefectures. Fukuoka Airport is also within its coverage via Fukuoka IC, which is a junction of the Fukuoka Urban Expressway with the Kyushu Expressway.
- This is a multi-tenant and rampway-equipped facility: a rare type of property in Fukuoka Pref. Five vertical conveyors could be installed for each floor in the building.

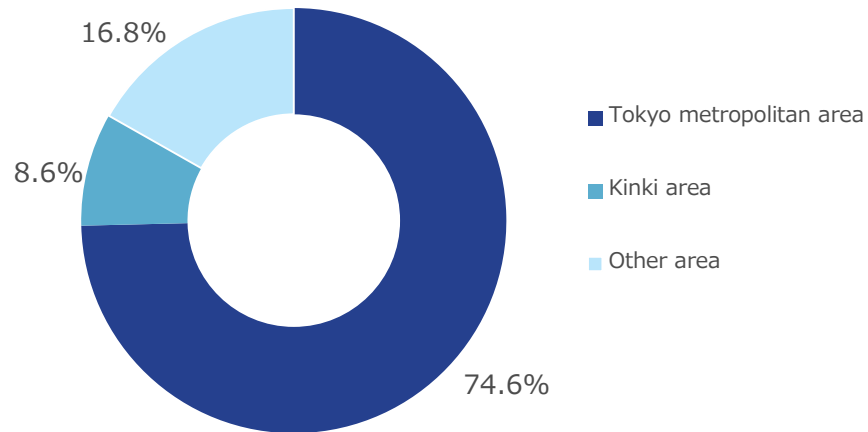
Location	Kasuya, Fukuoka
Completion date	Sep. 25, 2007
Total floor space	39,797.96m ²
Land area	20,297.84m ²
Leasable area	38,143.21m ²

Acquisition price	6,130 million yen
Appraisal value	6,360 million yen
Appraisal NOI Yield	5.3%
Number of tenant	5

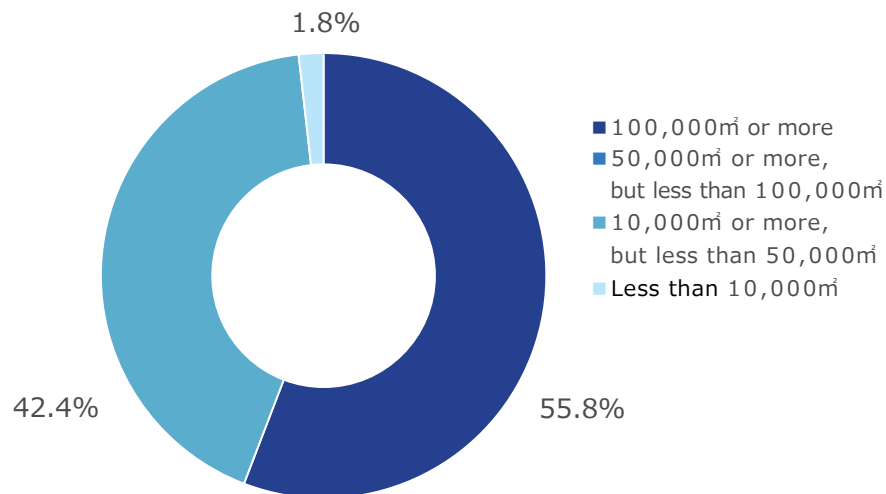
(note) Number of tenant is as of February 28, 2018.

Portfolio Data

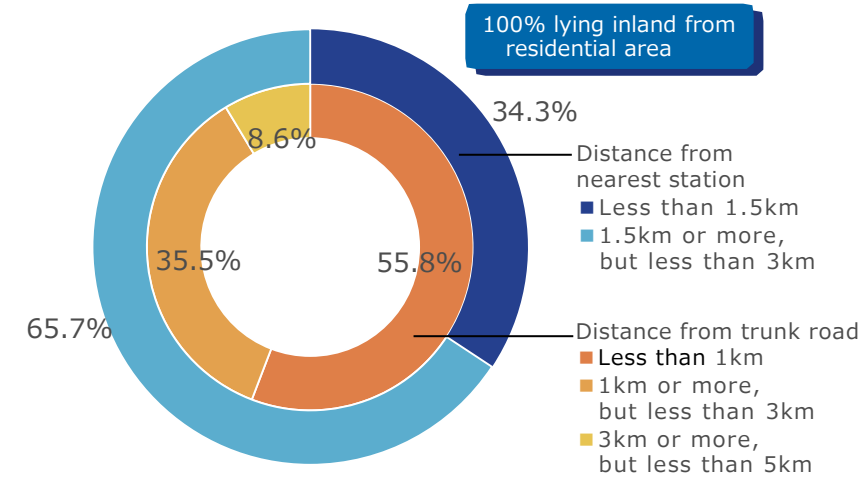
Area (based on acquisition price)



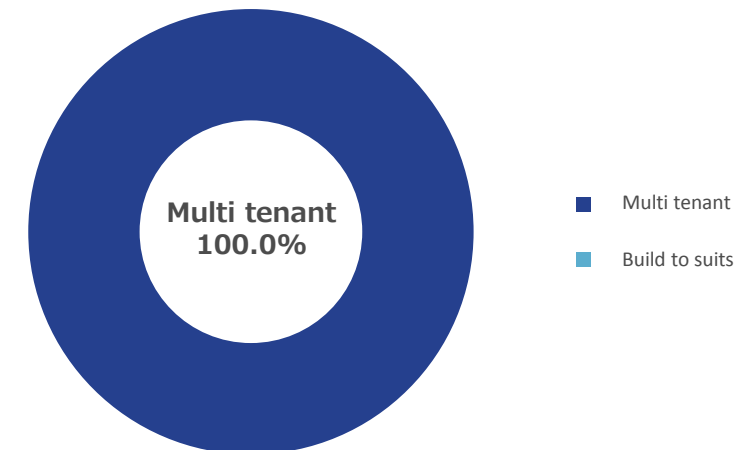
Total floor area (based on acquisition price)



Convenience in traffic (based on acquisition price)

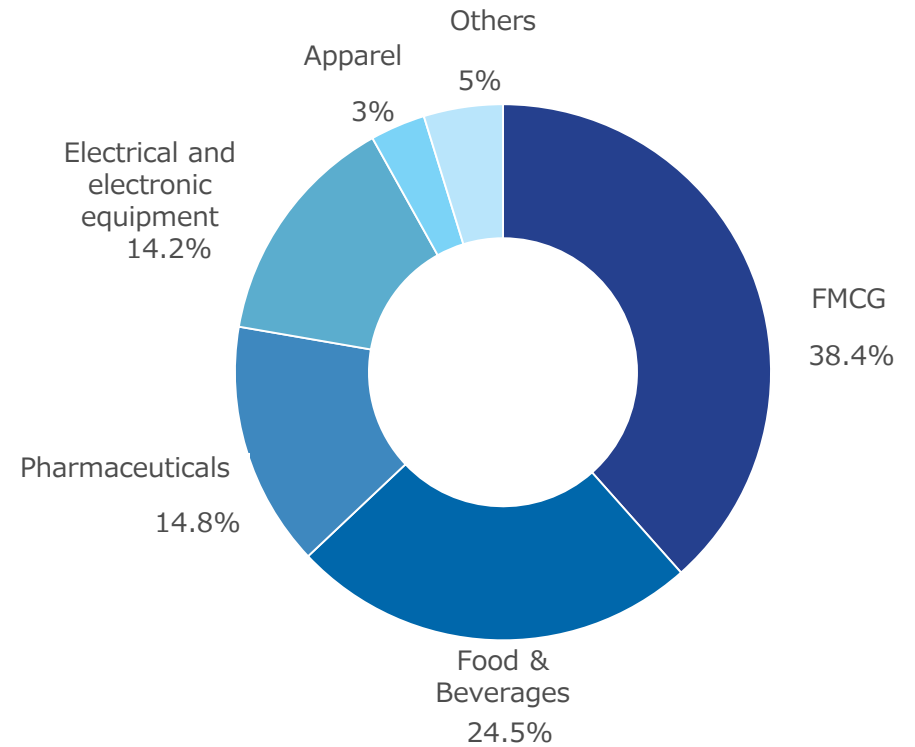
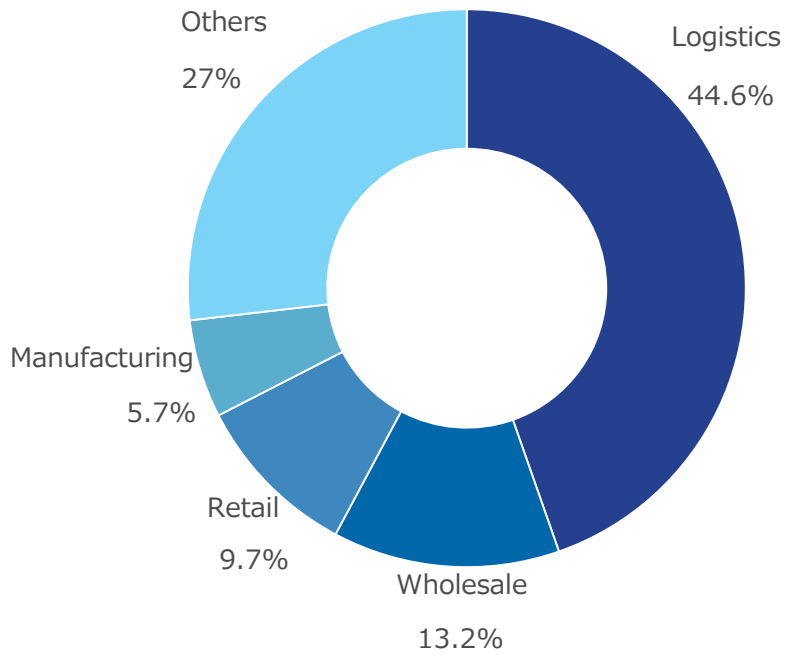


Property type (based on acquisition price)

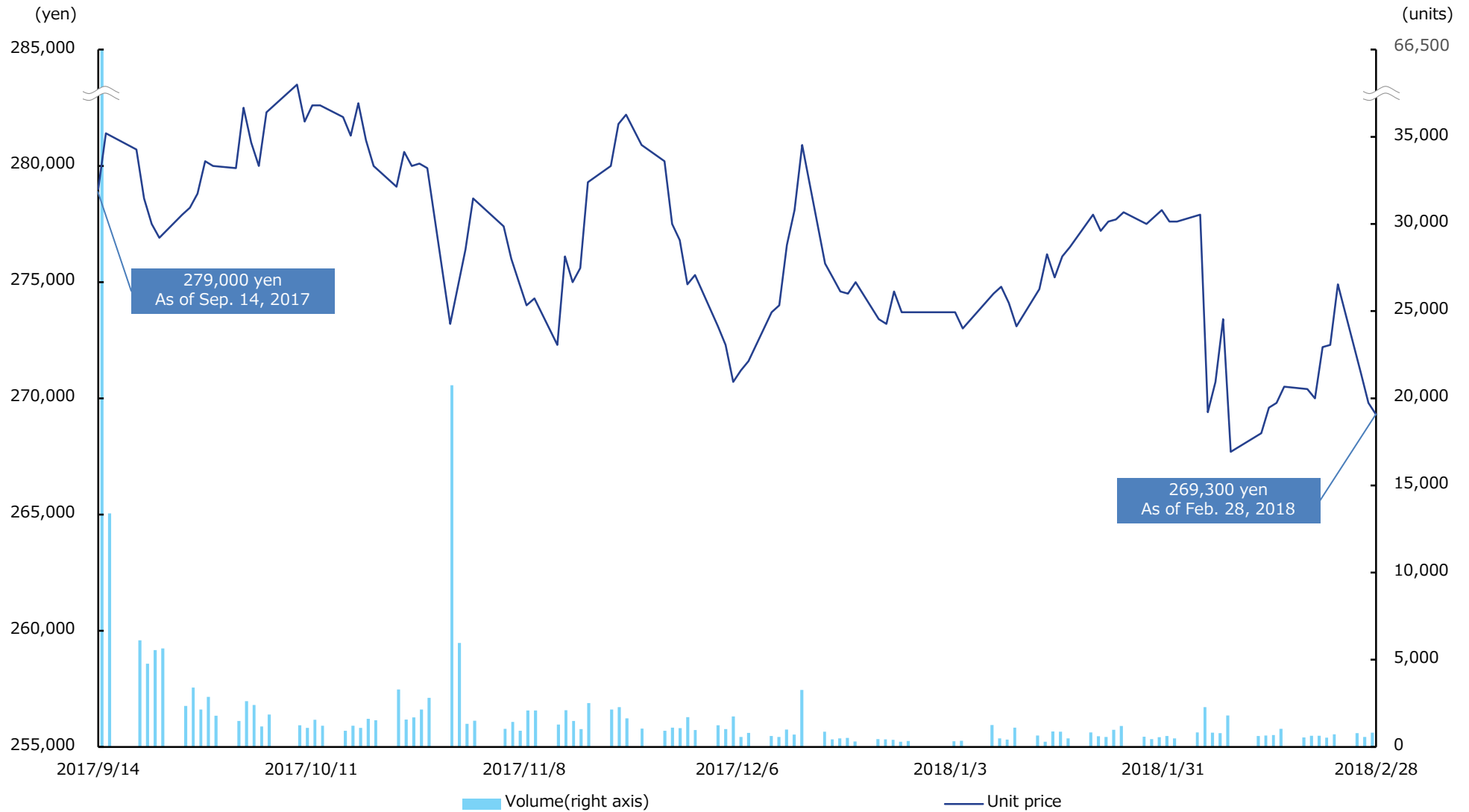


Tenant Diversification

■ Tenants of logistics facilities (based on leased area) ■ End users of logistics facilities (based on leased area)



Unit Price Performance



(source) Bloomberg

Unitholders Summary

Unitholder composition

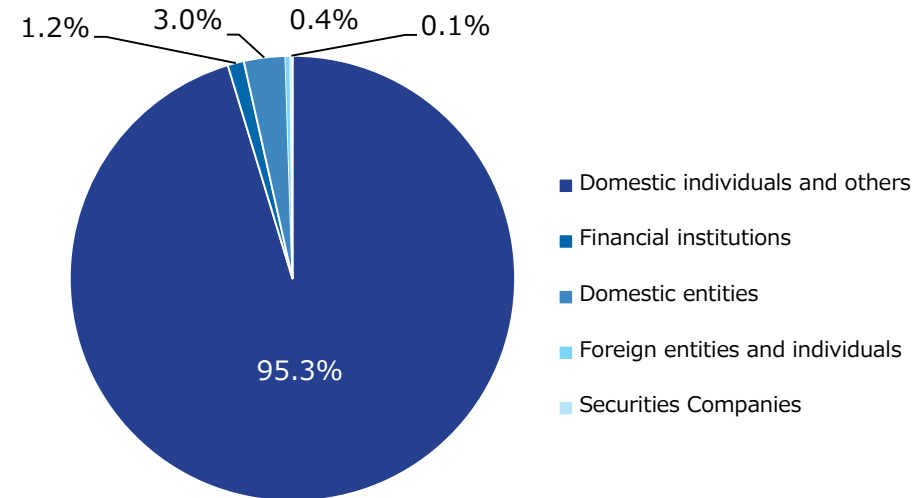
	3rd FP (ending Feb. 28, 2018)			
	Number of investors	Ratio	Number of units	Ratio
Domestic individuals and others	10,968	95.3%	51,897	24.3%
Financial institutions	135	1.2%	121,210	56.6%
Domestic entities	345	3.0%	20,061	9.4%
Foreign entities and individuals	42	0.4%	18,090	8.5%
Securities Companies	17	0.1%	2,742	1.3%
Total	11,507	100.0%	214,000	100.0%

(note) As of February 28, 2018.

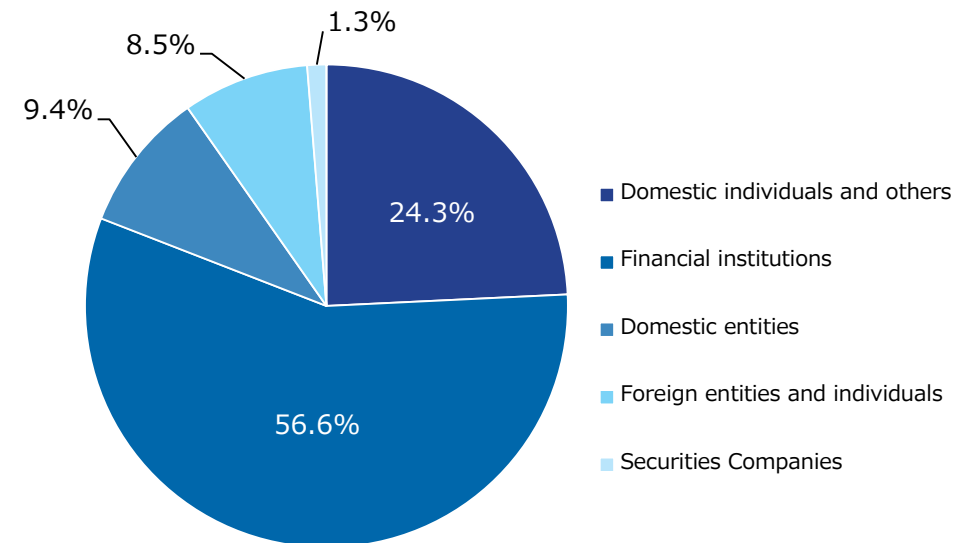
Major unitholders

	Number of units	Number of total
Japan Trustee Services Bank, Ltd. (Trust Account)	26,095	12.19%
Japan Master Trust Bank (Trust Account)	25,888	12.09%
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	10,552	4.93%
Mitsubishi Estate Co., Ltd.	8,000	3.73%
NORTHERN TRUST CO. AVFC) RE COLONIAL FIRST STATE INVESTMENTS LIMITED	5,046	2.35%
The Hyakujushi Bank, Ltd	4,324	2.02%
The Chugoku Bank	3,826	1.78%
THE IYO BANK, Ltd.	3,652	1.70%
Nomura Trust Bank (Trust Account)	3,631	1.69%
JA-Bank SAGA	3,424	1.60%
Total	94,438	44.12%

Break down by unitholders



Break down by units



Governance Structure

Same-boat investment in MEL by MEC

Investment in MEL by MEC

Approx. 3.7%

(note) As of February 28, 2018.

Rules concerning the preferential negotiation right on acquisition

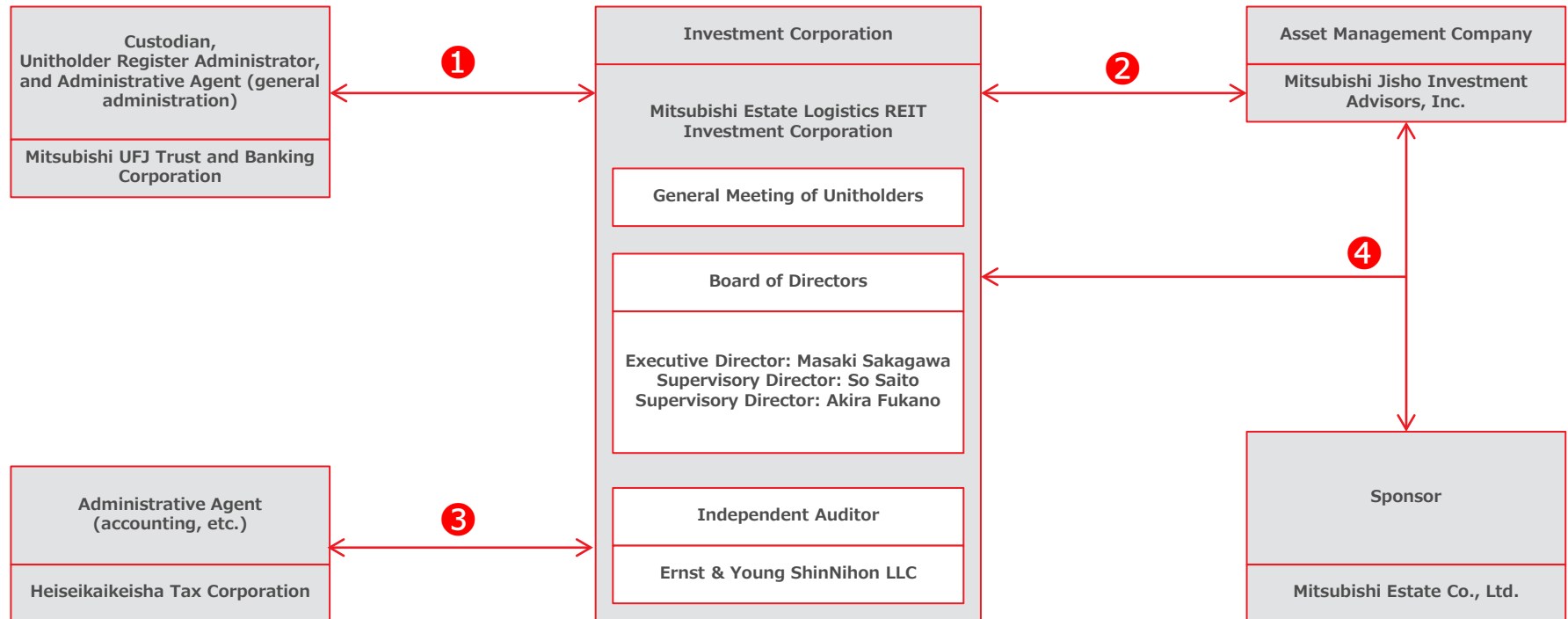
In addition to MEL, MJIA manages a private REIT and private funds, investing in offices, residences, commercial facilities, etc. MEL has the preferential negotiation right on acquisition of its target logistics properties and industrial properties.

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 × 5.0% (maximum)
Asset management fee III	Adjusted pre-tax income × Pre-tax EPU × 0.001% (maximum)

Structure

Organization



- ① Asset custody agreement, transfer agency service agreement, and general administrative agency service agreement
- ③ Accounting agreement

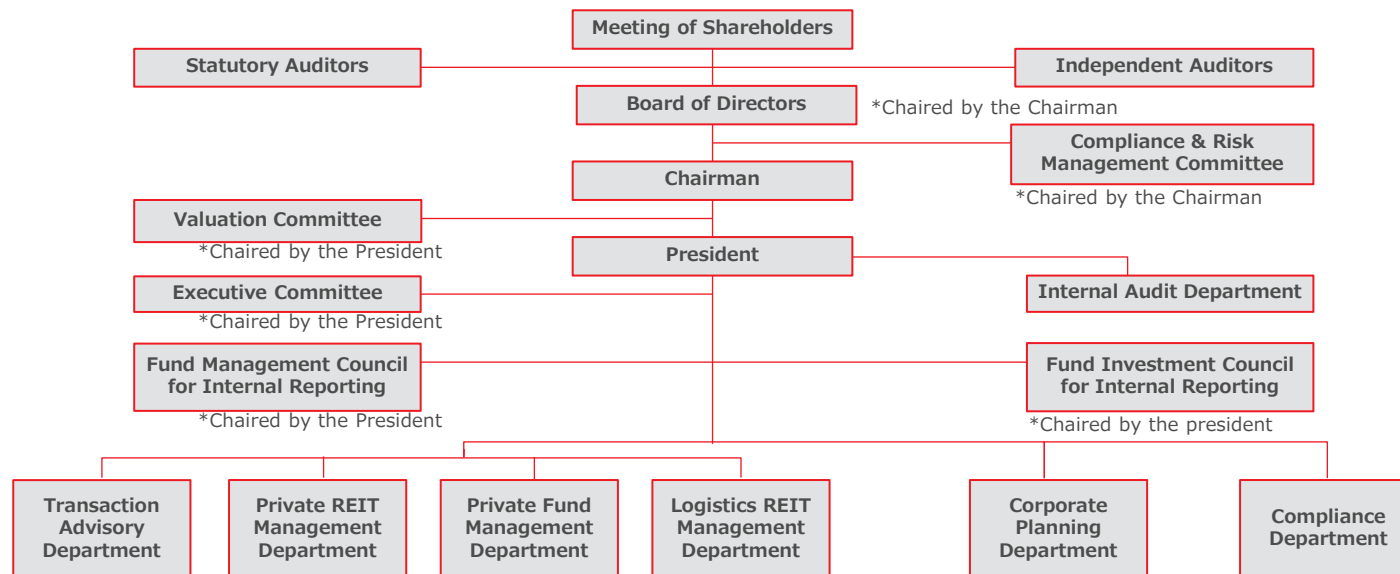
- ② Asset management agreement
- ④ Sponsor support agreement, trademark license agreement, etc.

Asset Management Company

Company overview

Trade name	Mitsubishi Jisho Investment Advisors, Inc.	Corporate officers	Directors: 6 Auditors: 2
Establishment	July 2001	Registration and licenses	Financial product transactions: Director-General of the Kanto Local Finance Bureau Registration (FIBO) No. 1086
Capitalization	150 million yen (As of April 18, 2018)		Real estate transactions: Governor of Tokyo License (4) No. 79933
Shareholders	Mitsubishi Estate Co., Ltd. (MEC) 100%		Discretionary transaction agent, etc.: Minister of Land, Infrastructure, Transport and Tourism License No. 64
Main lines of business	Investment management business Type II financial instruments business Investment advisory and agency business		

Organization



(note) Because of the lack of chairman, president also chairs "Board of Directors" and "Compliance & Risk Management Committee."

MEMO

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