

For Immediate Release

Real Estate Investment Trust Securities Issuer
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(Securities Code: 3481)

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Notice Concerning Disposition of Domestic Real Estate Trust Beneficiary Interest

Mitsubishi Jisho Investment Advisors, Inc. (the “Asset Management Company”), to which Mitsubishi Estate Logistics REIT Investment Corporation (“MEL”) entrusts the management of its assets, announces today that it has decided to dispose (the “Disposition”) a property (the “Property to be disposed”) in the form of trust beneficiary interest as described below.

1. Overview of the Disposition

Property Name	MJ Logipark Sendai 1	
Category	Logistics Facilities	
Location	Tagajo, Miyagi	
Anticipated Disposition Dates (Note 1)	①April 10, 2024 (51.0% of co-beneficiary interest)	②September 3, 2024 (49.0% of co-beneficiary interest)
Anticipated Disposition Prices (Note 2)	10,000 million yen	
	①5,100 million yen	②4,900 million yen
Estimated Book Values (Note 3)	7,094 million yen	
	①3,630 million yen	②3,463 million yen
Estimated Gain/Loss on Disposition (Note 4)	2,754 million yen	
	①1,392 million yen	②1,361 million yen
Appraisal Value (Note 5)	7,850 million yen	
Buyer	Not disclosed (Note 6)	
Brokerage	Brokered	
Date of Sale and Purchase Agreement	March 29, 2024	
Settlement Method	To be paid in a lump sum on each Anticipated Disposition Date	

(Note 1) “Anticipated Disposition Dates” indicates an anticipated disposition date described in sale and purchase agreement pertaining to the Property to be disposed (the “Sale and Purchase Agreement”). Note that the Anticipated Disposition Dates are subject to change as agreed upon between MEL and the buyer.

(Note 2) “Anticipated Disposition Prices” indicates the sale prices of the Property to be disposed stated in the Sale and Purchase Agreement, rounded down to the nearest million yen and does not include national or local consumption taxes or expenses which will be incurred in connection with the disposition.

(Note 3) “Estimated Book Values” shows the estimated book values of the co-beneficiary interest in the Property to be disposed on each Anticipated Disposition Date and the total amount. It may fluctuate.

(Note 4) “Estimated Gain/Loss on Disposition” calculated by deducting Estimated Book Values and estimated expenses related to the sale from Anticipated Disposition Prices on each Anticipated Disposition Date and the total amount. It may fluctuate.

(Note 5) “Appraisal Value” shows the appraisal value stated on the real estate appraisal report with the price as of February 29, 2024. The appraisal was conducted by Japan Real Estate Institute.

(Note 6) Not disclosed as consent has not been obtained.

(Note 7) The Sale and Purchase Agreement is considered a Forward Commitment, etc. (a postdated sale and purchase agreement under which payment and delivery will be made at least one month after the conclusion of the contract, or any other contract similar thereto; the same shall apply throughout this document), which is defined in the “Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc.” of Financial Services Agency. For the details of Forward Commitment etc., please refer to the below, “4. Financial Impact on MEL When the Forward Commitment, etc. Cannot be Fulfilled.”

2. Rationale for the Disposition

The Property to be disposed was built approximately 15 years ago, and we believe the Disposition will improve profitability of our portfolio since we can avoid major repair costs, etc.

In addition, the sale of the Property to be disposed in two parts at a price well above Estimated Book Values and Appraisal Value, will take advantage of the favorable buying and selling market, and contribute to raising in DPU over two fiscal periods.

For these reasons, MEL determined that the Disposition would enhance investor value and decided the Disposition.

We expect to use the proceeds from the Disposition for future acquisitions, returns to unitholders or prepayment of borrowings, etc. after considering market environment, equity costs and other factors.

3. Details of the Property to be disposed

The table below shows a summary of the Property to be disposed individually (the "Individual Asset Table"). The terms used in the Individual Asset Table are as follows; when referring to the Individual Asset Table, please refer to the following explanation regarding the terms used therein.

In principle, unless otherwise noted, all information included in the Individual Asset Table is current as of February 29, 2024.

(1) Explanation concerning Classification

- "Category" represents the purpose of the Property to be disposed in accordance with the classification prescribed in MEL's investment policy.

(2) Explanation concerning Summary of Specified Asset

- "Land area" of "Land" is based on the register.
- "Total floor area" of "Building" is based on the record in the register. "Total floor area" is the total floor area of the main building and annex. If there is more than one main building, the total floor area is the sum of the total floor area for each main building.
- "Details of the lease" shows the figures as of February 29, 2024.

(3) Special Notes

- "Special notes" are matters that are deemed to be material considering the potential impact on the entitlements, usage, safety, etc. of the Property to be disposed as well as the appraisal value, profitability or disposability thereof as of the date hereof.

(4) Explanation of Summary of Appraisal Report

- "Summary of appraisal report" describes the summary of the appraisal report of the Property to be disposed which was appraised upon request from MEL and the Asset Management Company. Such appraisal report only represents the judgment and opinion of the appraiser as of a certain point in time, and the validity and accuracy of its contents, as well as the feasibility of a transaction at the appraisal value, are not guaranteed. The numbers included in the summary of the appraisal report are rounded down to the nearest unit, and the ratios are rounded to the second decimal.

Property name		MJ Logipark Sendai 1
Category		Logistics facilities
Type of specified assets		Real estate trust beneficiary interest
Buyer		Not disclosed (Note)
Overview of trust beneficiary interest	Trustee	Mitsubishi UFJ Trust and Banking Corporation
	Entrustment date	March 30, 2012
	Trust maturity date	March 31, 2027
Land	Ownership form	Proprietary ownership
	Location	2-202-4, Sakae, Tagajo, Miyagi
	Land area	19,877.94 m ²
	Zoning	Exclusive industrial districts
	Floor-area ratio	200%
	Building coverage ratio	60%
Building	Ownership form	Proprietary ownership
	Construction date	March 30, 2009
	Total floor area	36,854.27m ²
	Structure/No. of stories	Steel-frame reinforced concrete building with alloy-plated steel sheet roof / 4 story building
	Property type	Warehouse, Office
Collateral		Not applicable
Appraisal value		7,850,000,000 yen (as of February 29, 2024)
Real estate appraiser		Japan Real Estate Institute
Probable maximum loss (PML)		2.6% (obtained from the earthquake risk assessment report prepared by Tokio Marine dR Co., Ltd.)
Property management company		CBRE K.K.
Details of the lease	Number of tenants	3
	Name of major tenant	Toho Transportation and Warehouse Co., Ltd.
	Annual rent	448 million yen
	Tenant leasehold/security deposits	196 million yen
	Total leased area	39,098.87 m ²
	Total leasable area	39,098.87 m ²
	Occupancy rate	100.0%
Special notes		<ul style="list-style-type: none"> MEL has concluded a lease agreement for a portion of land, rooftop, roof and photovoltaic power generation facilities of the Property to be disposed for implementing photovoltaic power generation business. (1) Lessee: JAPAN BENEX CORPORATION (2) Term: From September 1, 2020 to August 31, 2021. Provided,

	<p>however, that if the parties do not give written notice of their desire to terminate the lease agreement by six months prior to the expiration date of the term of the lease agreement, the lease agreement shall be renewed for another one year with the same contents, and the same shall apply thereafter.</p> <p>(3) Monthly rent fee: The 97% of the electricity sales income from photovoltaic power generation business conducted by JAPAN BENEX CORPORATION based on power supply and demand contracts, etc. with Tohoku Electric Power Co., Inc.</p> <ul style="list-style-type: none"> • MEL has executed the Sale and Purchase Agreement with the buyer stating that 51% of the co-beneficiary interest in the Property to be disposed will be delivered on April 10, 2024 and 49% of the co-beneficiary interest in the Property to be disposed will be delivered on September 3, 2024. If disposition of 51% of the co-beneficiary interest in the Property to be disposed is implemented in accordance with the Sale and Purchase Agreement, until disposition of the remaining 49% of the co-beneficiary interest in the Property to be disposed is implemented, MEL will have a co-beneficiary interest in the Property to be disposed with the buyer. Therefore, when disposition of the initial 51% of the co-beneficiary interest in the Property to be disposed is implemented, MEL will execute a “Co-ownership beneficiary interest agreement” with the buyer. Note that the Anticipated Disposition Dates are subject to change as agreed upon between MEL and the buyer.
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(Note) Not disclosed as consent has not been obtained.

(Thousands of yen)

Summary of appraisal report			
Property name	MJ Logipark Sendai 1	Appraiser	Japan Real Estate Institute
Appraisal value	7,850,000	Valuation date	As of February 29, 2024
Items	Details	Outline	
Appraisal value based on income method	7,850,000	Assessed using the direct capitalization method and the DCF method.	
Appraisal value based on direct capitalization method	7,890,000		
(1) Operating Revenue (Effective gross income ①+②+③+④-⑤-⑥)	485,052		
① Gross potential income Rental revenue, Common service charges	454,492		
② Utility income	30,000		
③ Parking lot income	4,488		
④ Other income	10,966		
⑤ Losses due to vacancies	14,894		
⑥ Bad debt loss	0		
(2) Operational expenses (⑦+⑧+⑨+⑩+⑪+⑫+⑬+⑭)	120,433		
⑦ Building maintenance costs	26,388		
⑧ Utility expenses	35,624		
⑨ Repair expenses	8,204		
⑩ Property tax	43,307	Assessed based on actual property tax amount.	
⑪ Property management fees	2,580		
⑫ Tenant soliciting fees etc.	3,753		
⑬ Insurance premiums	552		
⑭ Other expenses	25		
(3) Net operating income (NOI: ①-②)	364,619		
(4) Earnings from temporary deposits	1,921	Assessed based on an investment yield of 1.0%.	
(5) Capital expenditure	19,533	Assessed based on the medium and long term repair and maintenance costs in the engineering report.	
(6) Net cash flow (NCF: ③+④-⑤)	347,007		
(7) Capitalization rate	4.4%	Assessed based on a comprehensive consideration of factors such as the marketability of the target real estate, real estate investment market trends and others.	
Appraisal value based on discounted cash flow method	7,800,000		
Discount rate	4.1%		
Terminal capitalization rate	4.5%		
Integrated value based on cost method	5,340,000		
Proportion of land	52.3%		
Proportion of building	47.7%		
Other matters for consideration by the appraiser		Appraisal Value was decided by using the income method assessed by direct capitalization method and the DCF method, and the cost method was used as a reference.	

4. Financial Impact on MEL When the Forward Commitment, etc. Cannot be Fulfilled

The Anticipated Disposition Date is September 3, 2024 for the second scheduled date of the Disposition, and is more than one month after the date of conclusion of the Sale and Purchase Agreement. Therefore, the Sale and Purchase Agreement falls under a Forward Commitment, etc., which is defined in the “Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc.” of Financial Services Agency.

Under the Sale and Purchase Agreement, in the event either party fails to perform any material obligation under the Sale and Purchase Agreement and the purpose of the Sale and Purchase Agreement cannot be achieved or a material breach of the representations and warranties of either party stipulated in the Sale and Purchase Agreement is found and the purpose of the Sale and Purchase Agreement cannot be achieved (the party that fails to perform its obligations under the Sale and Purchase Agreement or is found to be in material breach of any of its representations and warranties is hereinafter referred to as the “defaulting party”), the non-defaulting party may terminate the Sale and Purchase Agreement, if the non-defaulting party demands a cure of such default or breach within a certain period of time and the defaulting party fails to cure such default or breach within such period. In addition, in the event the Sale and Purchase Agreement is terminated, the defaulting party shall pay to the non-defaulting party an amount equivalent to 10% of the sales price (excluding the amount equivalent to the consumption tax and local consumption tax) as a penalty. Since MEL is the seller and there are no financing risks or other concerns with respect to the execution of the Sale and Purchase Agreement, it is unlikely that MEL will be liable for damages and have a material impact on its financial condition, etc.

5. Buyer Profile

The company name has not been disclosed, as the consent of the buyer, which is a domestic company, has not been obtained. MEL and the Asset Management Company have no capital, personnel, or business relationship with the buyer that should be noted. In addition, the buyer does not fall under the category of Interested party, etc., as set forth in the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended, hereinafter, the “Investment Trusts Act”), or an Interested Party as set forth in the Rules Regarding Related-party Transactions of the Asset Management Company.

6. Status of the Buyer

Not applicable as the buyer is not a related party of MEL or the Asset Management Company.

7. Brokerage

As the broker is not an interested party, etc. stipulated in the Investment Trusts Act, or does not fall under the category of an Interested Party as set forth in the Rules Regarding Related-party Transactions of the Asset Management Company, the description including the company name of the broker is omitted.

8. Outlook

For more details on the business outlook of MEL, please refer to the “Notice Concerning Revisions to Forecast for the Fiscal Period Ending August 31, 2024 (16th Fiscal Period)” announced today.

This is the English translation of original Japanese documents and is provided solely for information purposes. If there are any discrepancies between the translation and the Japanese original, the latter shall prevail.

For more information about Mitsubishi Estate Logistics REIT Investment Corporation, please visit:

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