

Summary of Financial Results for the Fiscal Period Ended August 31, 2018 (REIT)

October 15, 2018

Name of Issuer: Mitsubishi Estate Logistics REIT Investment Corporation (“MEL”)  
 Stock Exchange Listing: Tokyo Stock Exchange  
 Securities Code: 3481  
 Website: <https://mel-reit.co.jp/en/>  
 Representative: Masaki Sakagawa, Executive Director  
 Asset Management Company: Mitsubishi Jisho Investment Advisors, Inc.  
 Representative: Akinori Nakajo, President & CEO  
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Scheduled Date of Filing of Securities Report: November 28, 2018

Scheduled Date of Commencement of Distributions Payments: November 19, 2018

Supplementary Materials for Financial Results: Yes

Investors and Analysts Meeting: Yes

(Values are rounded to the nearest million yen)

1. Financial Results for the Fiscal Period Ended Aug. 31, 2018 (4th Fiscal Period) (from Mar. 1, 2018 to Aug. 31, 2018)

(1) Operating Results (Percentages indicate change from the previous period)

Fiscal period ended	Operating revenues		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Aug. 31, 2018	2,186	7.1	1,053	(15.3)	1,003	(6.6)	1,002	(6.6)
Feb. 28, 2018	2,042	964.2	1,243	-	1,074	-	1,073	-

Fiscal period ended	Net income per unit	Return on unitholders' equity	Ratio of ordinary income to total assets	Ratio of ordinary income to operating revenues
	Yen	%	%	%
Aug. 31, 2018	4,684	1.8	1.3	45.9
Feb. 28, 2018	5,389	3.8	2.5	52.6

Note: MEL issued 198,000 new investment units on Sept. 13, 2017 and 8,000 new investment units on Oct. 10, 2017. Net income per unit in the fiscal period ended Feb. 28, 2018 is calculated by the daily weighted average number of investment units (199,149 units).

(2) Distributions

Fiscal period ended	Distributions per unit (excluding surplus cash distributions)	Total amount of distributions (excluding surplus cash distributions)	Surplus cash distributions per unit	Total amount of surplus cash distributions	Distributions per unit (including surplus cash distributions)	Total amount of distributions (including surplus cash distributions)	Payout ratio	Ratio of distributions to net assets
	Yen	Millions of yen	Yen	Millions of yen	Yen	Millions of yen	%	%
Aug. 31, 2018	4,685	1,002	607	129	5,292	1,132	100.0	1.8
Feb. 28, 2018	5,015	1,073	565	120	5,580	1,194	100.0	2.0

Notes:

- Total amount of surplus cash distributions are the refund of investment, which falls under the distributions through reduction in unitholders' capital under taxation law.
- The ratio of net asset value attributable to a reduction in unitholders' paid-in capital for the fiscal periods ended Feb. 28, 2018 and Aug. 31, 2018, is 0.003 and 0.003, respectively. The payment of surplus cash distributions is deemed a return of capital. This calculation methodology is pursuant to Article 23, Paragraph 1, Item 3 of the Act on Special Measures Concerning Taxation.
- With the issuance of new investment units conducted in the fiscal period ended Feb. 28, 2018, the payout ratio is calculated using the following formula.

$$\text{Payout ratio} = \text{Total amount of distributions (excluding surplus cash distributions)} / \text{Net income} \times 100$$

### (3) Financial Position

	Total assets	Net assets	Unitholders' equity to total assets	Net assets per unit
Fiscal period ended	Millions of yen	Millions of yen	%	Yen
Aug. 31, 2018	75,453	54,567	72.3	254,986
Feb. 28, 2018	78,112	54,758	70.1	255,882

### (4) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents
Fiscal period ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Aug. 31, 2018	4,118	(80)	(3,807)	4,397
Feb. 28, 2018	(468)	(65,163)	69,043	4,166

2. Forecasts for the Fiscal Periods Ending Feb. 28, 2019 (Sept. 1, 2018 to Feb. 28, 2019) and Aug. 31, 2019 (from Mar. 1, 2019 to Aug. 31, 2019) and the Fiscal Period

(Percentages indicate change from the previous period)

Fiscal period ending	Operating revenues		Operating income		Ordinary income		Net income		Distributions per unit (including SCD)	Distributions per unit (excluding SCD)	SCD
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen	Yen
Feb. 28, 2019	2,488	13.8	1,261	19.7	1,159	15.6	1,158	15.6	5,445	4,714	731
Aug. 31, 2019	2,529	1.7	1,264	0.2	1,193	2.9	1,192	2.9	5,445	4,850	595

(Reference) Forecasted net income per unit for fiscal period ending Feb. 28, 2019: 4,714 yen

Forecasted net income per unit for the fiscal period ending Aug. 31, 2019: 4,850 yen

#### \*Other

##### (1) Changes in accounting policies, accounting estimates, or restatements

- (a) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (b) Changes in accounting policies due to other reasons: None
- (c) Changes in accounting estimates: None
- (d) Restatements: None

##### (2) Total number of investment units issued and outstanding

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

As of Aug. 31, 2018 214,000 units As of Feb. 28, 2018 214,000 units

###### (ii) Number of treasury units at the end of the fiscal period

As of Aug. 31, 2018 0 units As of Feb. 28, 2018 0 units

#### \*Implementation Status of Statutory Audit

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

#### \*Explanation on the Appropriate Use of the Forecast of Financial Results and Other Matters of Special Consideration

The forward-looking statements in this material are based on information currently available to us and on certain assumptions that we believe are reasonable. Actual operating performance may differ substantially due to various factors. Furthermore, those statements shall not be deemed a guarantee or any commitment of the amount of future distributions and surplus cash distributions. Please refer to "Forecast Assumptions for the Fiscal Periods Ending Feb. 28, 2019 and Aug. 31, 2019" on page 3 for assumptions regarding forward-looking statements.

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Forecast Assumptions for the Fiscal Periods Ending Feb. 28, 2019 and Aug. 31, 2019

Items	Assumption																																	
Accounting Period	<ul style="list-style-type: none"> <li>➤ Fiscal period ending Feb. 28, 2019 (5th fiscal period): From Sept. 1, 2018 to Feb. 28, 2019 (181 days)</li> <li>➤ Fiscal period ending Aug. 31, 2019 (6th fiscal period): From Mar. 1, 2019 to Aug. 31, 2019 (184 days)</li> </ul>																																	
Assets Under Management	<ul style="list-style-type: none"> <li>➤ It is assumed that in addition to its 8 properties (the “current properties”) owned by MEL as of Aug. 31, 2018, MEL has acquired the real estate trust beneficiary interests in two new properties (the “two new properties”) on Sept. 3, 2018. It is assumed that there will be no change in the operational status of the properties held after the acquisitions on Sept. 3, 2018, up until Aug. 31, 2019. Changes include acquisitions of new properties and dispositions of existing properties.</li> <li>➤ The actual results may change due to the acquisition of new properties in addition to the two new properties or the disposition of existing properties, etc.</li> </ul>																																	
Operating Revenues	<ul style="list-style-type: none"> <li>➤ Operating rental revenues take into account factors such as market trends and the competitiveness, etc. of each property based on information provided by the current owner of the two new properties and operating results for the current properties held by Mitsubishi Jisho Investment Advisors, Inc., (the “Asset Manager”).</li> <li>➤ It is assumed tenants will pay rents without delinquency or withholding.</li> <li>➤ The forecasts of operating revenues are made on the assumption that there will be no profit or loss from sale of real estate.</li> </ul>																																	
Operating Expenses	<ul style="list-style-type: none"> <li>➤ Main items regarding operating expenses are as follows: <table border="1" style="margin-left: 40px; width: 100%;"> <thead> <tr> <th></th> <th align="center" colspan="2">(Millions of yen)</th> </tr> <tr> <th></th> <th align="center">Fiscal Period Ending Feb. 28, 2019</th> <th align="center">Fiscal Period Ending Aug. 31, 2019</th> </tr> </thead> <tbody> <tr> <td>Total Operating Rental Expenses</td> <td align="center">943</td> <td align="center">950</td> </tr> <tr> <td>Facility Management Fee</td> <td align="center">59</td> <td align="center">58</td> </tr> <tr> <td>Utilities Cost</td> <td align="center">98</td> <td align="center">96</td> </tr> <tr> <td>Repair and Maintenance</td> <td align="center">32</td> <td align="center">32</td> </tr> <tr> <td>Property Taxes</td> <td align="center">185</td> <td align="center">220</td> </tr> <tr> <td>Depreciation</td> <td align="center">485</td> <td align="center">488</td> </tr> <tr> <td>Total General and Administrative Expenses</td> <td align="center">283</td> <td align="center">315</td> </tr> <tr> <td>Asset Management Fee</td> <td align="center">188</td> <td align="center">209</td> </tr> <tr> <td>Sponsor Support Fee</td> <td align="center">41</td> <td align="center">41</td> </tr> </tbody> </table> </li> <li>➤ Of operating rental expenses, which is the main operating expense, expenses except depreciation are calculated by taking into account variable factors based on historical data provided by the current owner etc. in the case of the two new properties and historical data after acquisition in the case of the current properties.</li> <li>➤ Depreciation is calculated using the straight-line method and assumed to be 485 million yen and 488 million yen for the fiscal periods ending Feb. 28, 2019 and Aug. 31, 2019, respectively.</li> <li>➤ Operating rental income (excluding profit from sale of real estate) after deducting operating rental expenses (including depreciation) is assumed to be 1,545 million yen and 1,579 million yen for the fiscal periods ending Feb. 28, 2019 and Aug. 31, 2019, respectively.</li> <li>➤ Property tax and city planning tax is assumed to be 185 million yen and 220 million yen for the fiscal periods ending Feb. 28, 2019 and Aug. 31, 2019, respectively. Property tax and city planning tax are generally included in the purchase price of properties on a pro-rated basis of a calendar year and start to be expensed from the next calendar year. Accordingly, property tax and city planning tax for the two new properties will be expensed starting from the fiscal period ending Aug. 31, 2019.</li> <li>➤ Building repair and maintenance is assumed to be 32 million yen and 32 million yen for the fiscal periods ending Feb. 28, 2019 and Aug. 31, 2019, respectively. However, repair and maintenance may differ substantially from the anticipated amount due to unexpected factors.</li> </ul>		(Millions of yen)			Fiscal Period Ending Feb. 28, 2019	Fiscal Period Ending Aug. 31, 2019	Total Operating Rental Expenses	943	950	Facility Management Fee	59	58	Utilities Cost	98	96	Repair and Maintenance	32	32	Property Taxes	185	220	Depreciation	485	488	Total General and Administrative Expenses	283	315	Asset Management Fee	188	209	Sponsor Support Fee	41	41
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Non-operating Expenses	<ul style="list-style-type: none"> <li>➤ For the fiscal period ending Feb. 28, 2019, it is assumed that 101 million yen will be incurred as non-operating expenses which includes 65 million yen for interest expenses and other debt-related costs, 6 million yen as amortization of organization expenses and 29 million yen in relation to the offerings of the new investment units.</li> <li>➤ For the fiscal period ending Aug. 31, 2019, it is assumed that 71 million yen will be incurred as non-operating expenses which includes 65 million yen for interest expenses and other debt-related costs and 6 million yen as amortization of organization expenses.</li> </ul>																																	

Interest-bearing Debt	<ul style="list-style-type: none"> <li>➤ The balance of MEL's interest-bearing debt on an accounting basis as of today is 23,924 million yen and 23,924 million yen for the fiscal period ending Feb. 28, 2019 and Aug. 31, 2019, respectively.</li> <li>➤ LTV at the end of the fiscal periods ending Feb. 28, 2019 and Aug. 31, 2019 is estimated to be 27.1% and 27.1%, respectively. For LTV calculation, please refer to the following formula. The ratios are rounded to the first decimal place: LTV(%) = interest-bearing debt / total assets×100 (%)</li> <li>➤ However, the actual LTV may differ considerably from this assumption, depending on the final number of investment units to be issued and the final issue amount.</li> </ul>
Investment Units	<ul style="list-style-type: none"> <li>➤ It is assumed that the number of investment units currently issued and outstanding will not change up until Aug. 31, 2019. Currently, there are 245,815 units issued and outstanding.</li> <li>➤ Distributions per unit (excluding surplus cash distributions) and surplus cash distributions per unit for the fiscal periods ending Feb. 28, 2019 and Aug. 31, 2019 are calculated on the basis of the expected number of investment units issued and outstanding at the end of the fiscal periods ending Feb. 28, 2019 and Aug. 31, 2019 of 245,815 units.</li> </ul>
Distributions Per Unit (excluding surplus cash distributions)	<ul style="list-style-type: none"> <li>➤ Distributions per unit (excluding surplus cash distributions) are calculated based on the premise of the distribution policy in the Articles of Incorporation of MEL.</li> <li>➤ Distributions per unit (excluding surplus cash distributions) may change due to various factors including any additional acquisitions or dispositions of properties, changes in rent revenues attributable to tenant moves, changes in the property management environment including unexpected repair etc.</li> </ul>
Surplus Cash Distributions Per Unit	<ul style="list-style-type: none"> <li>➤ Surplus cash distributions per unit are calculated based on the premises of the fund distribution policy in the Articles of Incorporation of MEL. It is assumed that the surplus cash distributions (including on an ongoing and one-time basis) in the fiscal period ending Feb. 28, 2019 is assumed to be 179 million yen. For the fiscal period ending Feb. 28, 2019, the amount of distributions per unit (excluding surplus cash distributions) is expected to temporarily decrease due to a temporary decline in operating revenues from leasing. It is therefore assumed that 145 million yen as ongoing surplus cash distributions (an amount equivalent to 30.0% of depreciation of the period) and 34 million yen as surplus cash distributions on a one-time basis (an amount equivalent to 7.0% of depreciation of the period) will be distributed for the purpose of equalizing the amount of distributions per unit (including surplus cash distributions). In addition, it is assumed that the surplus cash distributions (surplus cash distributions on an ongoing basis) in the fiscal period ending Aug. 31, 2019, will be equal to 30% of depreciation expenses for the fiscal period, which is assumed to be 146 million yen. These are the refunds of investment categorized as a distribution from in unitholders' capital for tax purposes and there are no refunds from a distribution of the allowance for temporary difference adjustments.</li> <li>➤ The amount of depreciation expenses may change depending on the amount of total assets under management, ancillary costs, capital expenditure, the allocation method of purchase prices for each asset and depreciable life, etc. Surplus cash distributions, which will be based on the amount of depreciation expenses, may change accordingly.</li> <li>➤ There may be cases where MEL implements distribution of cash in surplus of the distributable amount to investors on the basis of financial statements related to cash distribution approved under the Act on Investment Trusts and Investment Corporations (Act No. 198 of June 4, 1951, as amended) if the board of directors of MEL deems such distribution to be appropriate (1) in light of the economic environment, real estate market, lease market or other trends; (2) when the amount of income fails to meet the amount equivalent to 90% of distributable income; (3) when the distribution amount fails to meet the requirements for the Special Provisions for Taxation on Investment Corporations; or (4) in other ways to maximize the interest of investors. When MEL implements distribution of cash in surplus of the distributable amount, it limits the amount to the total of the amount of income for the operating period in question and the amount stipulated under laws and ordinances (inclusive of the rules of the Investment Trusts Association, Japan).</li> <li>➤ For the time being, MEL intends to target a level of surplus cash distributions on an ongoing basis at an amount equivalent to approximately 30% of the depreciation expense for the relevant fiscal period. Furthermore, to maintain the stability of MEL's distributions per unit in the event that an amount of distributions per unit temporarily decreases due to a series of financing actions such as the issuance of new investment units (including investment unit third-party allotment) or large scale repair and maintenance, which may result in a temporary dilution of investment units or incurrence of large expenses, MEL may make distributions as one-time surplus cash distributions. However, MEL may decide not to make any surplus cash distributions for a fiscal period based on a consideration of factors such as economic or real estate market conditions and MEL's, financial condition or the amount of anticipated profitability, which includes capital gains arising from</li> </ul>

	<p>property dispositions.</p> <ul style="list-style-type: none"> <li>➤ In addition, in the event that MEL needs to allocate its cash to emergency capital expenditures for unexpected damages on MEL's assets, etc., surplus cash distributions per unit may be reduced. MEL does not plan to pay surplus cash distributions from the perspective of continuing stable financial management, in case such payment would cause the Appraisal LTV (Note), as defined below, to exceed 60%.</li> </ul> <p>(Note) Appraisal LTV (%) = A / B (%)</p> <p>A = Total interest bearing liabilities on the balance sheet for the fiscal period related to the operating period in question (excluding tax loan) + Reversal from security deposit reserves (excluding cases where security deposits are refunded according to leasing agreements with tenants)</p> <p>B = Total assets on the balance sheet for the fiscal period related to the operating period in question – Book value after depreciation of real estate held in the fiscal period in question + Total appraisal value of real estate held in the fiscal period in question – Total cash distributions to be paid in the next operating period – Total surplus cash distributions to be paid in the next operating period</p>
Others	<ul style="list-style-type: none"> <li>➤ It is assumed that no any revision that will have an impact on the forecast information above will be made with regard to the laws and regulations, tax system, accounting standards, listing rules of the Tokyo Stock Exchange and rules of the Investment Trusts Association, Japan, etc.</li> <li>➤ It is assumed that no unexpected material change will arise in overall economic trends and real estate market conditions, etc.</li> </ul>

### 3. Reference Information

#### (1) Composition of MEL's Assets

Type of assets	Category	Region	Fourth fiscal period (As of Aug. 31, 2018)	
			Retained amount (Millions of yen) (Note 1)	Ratio of total assets (%)
Beneficiary right in trust	Logistic facility	Tokyo metropolitan area (Note 2)	52,965	70.2
		Kansai area (Note 3)	6,102	8.1
		Others	11,863	15.7
	Total	70,931	94.0	
Deposit and other assets			4,521	6.0
Total assets (Note 3)			75,453	100.0

	Fourth fiscal period (As of Aug. 31, 2018)	
	Amount (Millions of yen)	Ratio of total asset (%)
Total liabilities (Note 4)(Note 5)	20,886	27.7
Total net assets (Note 4)	54,567	72.3
Total assets (Note 4)	75,453	100.0

Notes:

1. The retained amount is the amount allocated in the balance sheet (the book value after depreciation) at the end of the reporting fiscal period (as of Aug. 31, 2018).
2. Tokyo metropolitan area refers to Tokyo, Kanagawa, Chiba and Saitama prefectures.
3. Kansai area refers to Osaka, Hyogo Kyoto, Nara and Shiga prefectures.
4. Total liabilities, total net assets and total assets is the amount allocated in the balance sheet at the end of the reporting fiscal period (as of Aug. 31, 2018).
5. Total liabilities include the tenant leasehold and security deposits.

#### (2) Overview of the Portfolio

The following summarizes (location, acquisition price, investment ratio, book value, appraisal value, acquisition date) the real estate or the real estate properties in trust owned by MEL at the end of the reporting fiscal period:

Category	Property name	Location	Acquisition price (Millions of yen) (Note 1)	Investment ratio (%) (Note 2)	Book value (Millions of yen)	Appraisal value (Millions of yen)(Note 3)	Acquisition date (Note 4)
Logistic facility	Logicross Fukuoka Hisayama	Hisayama-machi Kasuya-gun, Fukuoka	5,770	8.1	5,769	6,070	Sept. 14, 2017
	LOGIPOINT Sagamihara (Note 5)	Sagamihara-shi, Kanagawa	21,364	30.1	21,403	22,800	Sept. 14, 2017
	LOGIPOINT Hashimoto (Note 6)	Sagamihara-shi, Kanagawa	18,200	25.7	18,244	18,720	Sept. 14, 2017
	MJ Logi Park Atsugi 1	Atsugi-shi, Kanagawa	6,653	9.4	6,673	6,860	Sept. 14, 2017
	MJ Logi Park Funabashi 1	Funabashi-shi, Chiba	5,400	7.6	5,365	6,280	Sept. 29, 2016
	MJ Logi Park Kazo 1	Kazo-shi, Saitama	1,272	1.8	1,279	1,370	Sept. 14, 2017
	MJ Logi Park Osaka 1	Osaka-shi, Osaka	6,090	8.6	6,102	6,500	Sept. 14, 2017
	MJ Logi Park Fukuoka 1	Umi-machi, Kasuya-gun, Fukuoka	6,130	8.6	6,094	6,380	Sept. 14, 2017
Total			70,879	100.0	70,931	74,980	-

Notes:

1. "Acquisition price" represents the purchase price of each property or beneficiary right in trust as set forth on the relevant purchase agreement and does not include expenses such as consumption taxes, and is rounded down to nearest million yen.
2. "Investment ratio" is calculated by dividing the acquisition price for each property by the total acquisition price and is rounded to second decimal place. Thus the sum of the figures in total may not add up to the figure in the total column.
3. "Appraisal value as of the end of the reporting fiscal period" represents the appraisal value as set forth on the relevant study reports by real estate appraisers as of Aug. 31, 2018. Please refer to the below-mentioned "(4) Overview of Appraisal Reports as of Aug. 31, 2018".
4. "Acquisition date" represents the acquisition date in the relevant sale and purchase agreement.
5. "Acquisition price" and "Appraisal value" of LOGIPOINT Sagamihara is shown with the values corresponding to the quasi co-ownership interests ratios (49%).
6. "Acquisition price" and "Appraisal value" of LOGIPOINT Hashimoto is shown with the values corresponding to the quasi co-ownership interests ratios (45%).

### (3) Overview of the Properties

The following summarizes (land area, total floor area, total leasable area, total leased area, year built) the real estate or the real estate properties in trust owned by MEL at the end of the reporting fiscal period:

Category	Property name	Land area (㎡)(Note 1)	Total floor area (㎡) (Note 1)	Total leasable area(㎡) (Note 2)	Total leased area (㎡) (Note 3)	Year built (Note 4)
Logistic Facility	Logicross Fukuoka Hisayama	18,136.89	36,082.08	34,878.55	34,878.55	Oct. 2014
	LOGIPOINT Sagamihara (Note 5)	94,197.27	200,252.53	88,609.64	88,376.62	Aug. 2013
	LOGIPOINT Hashimoto (Note 6)	67,746.26	145,809.59	58,537.69	58,537.69	Jan. 2015
	MJ Logi Park Atsugi 1	19,780.93	27,836.15	28,002.44	28,002.44	Jul. 2013
	MJ Logi Park Funabashi 1	7,481.00	18,262.08	18,232.07	18,232.07	Nov. 1989
	MJ Logi Park Kazo 1	7,621.09	7,602.06	7,678.10	7,678.10	Mar. 2006
	MJ Logi Park Osaka 1	13,028.81	39,157.61	39,082.95	39,082.95	Sept. 2007
	MJ Logi Park Fukuoka 1	20,297.84	39,797.96	38,143.21	38,143.21	Sept. 2007
Total		248,290.09	514,800.06	313,164.65	312,931.63	-

#### Notes:

1. "Land area" and "Total floor area" are the lot area recorded 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.
2. "Total leasable area" equals to the gross leasable space in each property or property in trust as of Aug. 31, 2018, based on lease agreements and floor plans included in lease agreements, plus available space based on floor plans, rounded down to the nearest square meter. It does not include the leased area indicated in the lease agreements concerning shops, vending machines, photovoltaic power generation facilities and parking lots.
3. "Total leased area" equals to the gross floor area of leased space in each property or property in trust as of Aug. 31, 2018, based on the lease agreements and floor plans included in the lease agreements. It does not include the leased area indicated in the lease agreements concerning shops, vending machines, photovoltaic power generation facilities and parking lots.
4. "Year built" is the date of construction of the building in the register. If there is more than one main building, the oldest date shown in the register.
5. "Total leasable area" and "Total leased area" of LOGIPOINT Sagamihara is shown with the values corresponding to the quasi co-ownership interests ratios (49%).
6. "Total leasable area" and "Total leased area" of LOGIPOINT Hashimoto is shown with the values corresponding to the quasi co-ownership interests ratios (45%).

### (3) Overview of the Tenant Agreements

The following summarizes (total leasable area, total leased area, occupancy, number of tenants, name of major tenant, annual rent, security deposit, average lease term and average remaining lease term) the real estate or the real estate properties in trust owned by MEL at the end of the reporting fiscal period:

Category	Property name	Total leasable area (㎡) (Note 1)	Total leased area (㎡) (Note 2)	Occupancy (%) (Note 3)	Number of tenants (Note 4)	Name of major tenant (Note 5)	Annual rent (Millions of yen) (Note 6)	Security deposit (Millions of yen) (Note 7)	Average lease term / Average remaining lease term (Years) (Note 8, 9)
Logistic Facility	Logicross Fukuoka Hisayama	34,878.55	34,878.55	100.0	2	Mitsubishi Estate Co., Ltd.	Not disclosed (Note 12)	Not disclosed (Note 12)	3.6 (2.4)
	LOGIPOINT Sagamihara (Note 10)	88,609.64	88,376.62	99.7	17	S·V·D Co., Ltd.	1,260	297	7.4 (3.7)
	LOGIPOINT Hashimoto (Note 11)	58,537.69	58,537.69	100.0	14	KDDI Corporation	922	225	6.0 (3.4)
	MJ Logi Park Atsugi 1	28,002.44	28,002.44	100.0	1	Sun Toshi Tatemono K.K.	Not disclosed (Note 12)	Not disclosed (Note 12)	Not disclosed (Note 12)
	MJ Logi Park Funabashi 1	18,232.07	18,232.07	100.0	1	Fuji Echo Co., Ltd.	Not disclosed (Note 12)	Not disclosed (Note 12)	Not disclosed (Note 12)
	MJ Logi Park Kazo 1	7,678.10	7,678.10	100.0	1	Kanda Holdings Co., Ltd.	Not disclosed (Note 12)	Not disclosed (Note 12)	Not disclosed (Note 12)
	MJ Logi Park Osaka 1	39,082.95	39,082.95	100.0	1	Sankyu Inc.	Not disclosed (Note 12)	Not disclosed (Note 12)	Not disclosed (Note 12)
	MJ Logi Park Fukuoka 1	38,143.21	38,143.21	100.0	5	Fukuoka Logistics Systems Corp.	392	179	3.0 (0.9)
Total (Average)		313,164.65	312,931.63	99.9	42	-	4,129	1,204	6.9 (3.3)

#### Notes:

1. "Total leasable area" equals to the gross leasable space in each property or property in trust as of Aug. 31, 2018, based on lease agreements and floor plans included in lease agreements, plus available space based on floor plans, rounded down to the nearest square meter. It does not include the leased area indicated in the lease agreements concerning shops, vending machines, photovoltaic power generation facilities and parking lots.
2. "Total leased area" equals to the gross floor area of leased space in each property or property in trust as of Aug. 31, 2018, based on the lease agreements and floor plans included in the lease agreements. It does not include the leased area indicated in the lease agreements concerning shops, vending machines, photovoltaic power generation facilities and parking lots.
3. "Occupancy" is as of Aug. 31, 2018, calculated by dividing total leased area for each property by the total leasable area. The total occupancy rate is calculated by dividing the aggregate total leased area for the relevant properties by the aggregate total leasable area for the relevant properties. Figures are rounded to the first decimal place.
4. "Number of tenants" is based on the lease agreements with tenants for each property or property in trust as of Aug. 31, 2018. However, if one lessee enters into a multiple number of lease agreements for the same property, the total number of tenants will be calculated on the assumption that such lessee is one party.
5. "Name of major tenant" is the name of the tenant with the largest leased floor area in the relevant lease agreement for each property or property in trust as of Aug. 31, 2018.
6. "Annual rent" represents the annualized amount of rent (the sum of annualized amounts of rent if a multiple number of lease agreements have been executed), which is 12 times monthly rent (including common area expenses), rounded down to the nearest million yen, indicated in the relevant lease agreement for each property or property in trust as of Aug. 31, 2018. However, if there are different provisions for monthly rent (including common area expenses) depending on the time period in each lease agreement for each property or property in trust as of Aug. 31, 2018, the annualized amount of rent will be calculated based on the monthly rent (including common area expenses) for Aug. 2018 shown in said lease agreement. The rent-free periods and annual rent holiday periods (meaning that the payment of rents for specific months is exempted) as of Aug. 31, 2018 shall not be included.
7. "Security deposits" represent the sum of the outstanding amounts of leasehold/security deposits (the sum of the outstanding amounts of leasehold/security deposits if a multiple number of lease agreements have been executed), rounded down to the nearest million yen, indicated in the subject lease agreement as of Aug. 31, 2018. However, if there are different provisions for the sum of outstanding leasehold/security deposits depending on the time period in each lease agreement for each property or property in trust, the amount of tenant leasehold/security deposits for Aug. 2018 shown in said lease agreement is indicated.
8. "Average lease term" is calculated as the weighted average lease term indicated in the relevant lease agreements for each property or property in trust as of Aug. 31, 2018, by the rent and figures are rounded to the first decimal place.



9. "Average remaining lease term" is calculated as the weighted average remaining lease term indicated in the relevant lease agreements for each property or property in trust as of Aug. 31, 2018, by the rent and figures are rounded to the first decimal place.
10. "Total leasable area", "Total leased area", "Annual rent" and "Security deposits" of LOGIPORT Sagamihara is shown with the values corresponding to the quasi co-ownership interests ratios (49%).
11. "Total leasable area", "Total leased area", "Annual rent" and "Security deposits" of LOGIPORT Hashimoto is shown with the values corresponding to the quasi co-ownership interests ratios (45%).
12. We have not obtained permission from the tenant of the properties to disclose the information unstated in this table.

(4) Overview of Appraisal Report as of Aug. 31, 2018

Category	Property name	Appraiser	Appraisal value (Millions of yen)	Integrated value based on cost method (Millions of yen)	Return price					Appraisal NOI Yield (%) (Note 1)
					Direct capitalization method		DCF method			
					Value based on direct capitalization method (Millions of yen)	Direct capitalization rate (%)	Value based on DCF method (Millions of yen)	Discount rate (%)	Terminal capitalization rate (%)	
Logistic Facility	Logicross Fukuoka Hisayama	Tanizawa Sogo Appraisal Co., Ltd.	6,070	6,010	6,080	4.8	6,070	4.7, 4.9 (Note 5)	5.0	5.2
	LOGIPOINT Sagamihara (Note 3)	DAIWA REAL ESTATE APPRAISAL Corporation	22,800	16,400	22,700	4.3	22,800	4.1	4.5	4.7
	LOGIPOINT Hashimoto (Note 4)	Japan Real Estate Institute	18,720	15,255	18,990	4.2	18,450	4.0	4.4	4.4
	MJ Logi Park Atsugi 1	Japan Real Estate Institute	6,860	6,400	6,970	4.4	6,740	4.2	4.6	4.7
	MJ Logi Park Funabashi 1	Japan Real Estate Institute	6,280	2,930	6,310	5.1	6,240	4.3	5.5	6.5
	MJ Logi Park Kazo 1	Japan Real Estate Institute	1,370	1,250	1,390	5.1	1,340	4.9	5.4	5.7
	MJ Logi Park Osaka 1	Tanizawa Sogo Appraisal Co., Ltd.	6,500	5,960	6,540	4.5	6,480	4.6	4.7	5.0
	MJ Logi Park Fukuoka 1	Japan Real Estate Institute	6,380	4,410	6,440	4.8	6,310	4.6	5.0	5.3
Total			74,980	58,615	75,420	-	74,430	-	-	4.9

Notes:

- “Appraisal NOI Yield” is the ratio of appraisal NOI using the direct capitalization method to the acquisition price of each property in each real estate appraisal report, rounded to the first decimal place.
- “Appraisal value”, “Integrated value based on cost method”, “Value based on direct capitalization method” and “Value based on DCF method” of LOGIPOINT Sagamihara is shown with the values corresponding to the quasi co-ownership interests ratios (49%).
- “Appraisal value”, “Integrated value based on cost method”, “Value based on direct capitalization method” and “Value based on DCF method” of LOGIPOINT Hashimoto is shown with the values corresponding to the quasi co-ownership interests ratios (45%).
- The discount rate for Logicross Fukuoka Hisayama is assessed first to third year as 4.7% and fourth and thereafter as 4.9%

(5) Information regarding Major Real Estate Properties

The following summarizes the properties where “annual rent” represents 10% or more of the total portfolio annual rent as of Aug. 31, 2018.

Property name	Annual rent (Millions of yen) (Note 1)	Percentage of rent (%) (Note 2)
LOGIPOINT Sagamihara (Note 3)	1,260	30.5
LOGIPOINT Hashimoto (Note 4)	922	22.3
Total	2,182	52.8

Notes:

- “Annual rent” represents the annualized amount of rent (the sum of annualized amounts of rent if a multiple number of lease agreements have been executed), which is 12 times monthly rent (including common area expenses), rounded down to the nearest million yen, indicated in the relevant lease agreement for each property or property in trust as of Aug. 31, 2018. However, if there are different provisions for monthly rent (including common area expenses) depending on the time period in each lease agreement for each property or property in trust as of Aug. 31, 2018, the annualized amount of rent will be calculated based on the monthly rent (including common area expenses) for Aug. 2018 shown in said lease agreement. The rent-free periods and annual rent holiday periods (meaning that the payment of rents for specific months is exempted) as of Aug. 31, 2018 shall not be included.
- “Percentage of rent” is the ratio of that property’s total annual rent to the total portfolio annual rent, rounded to the first decimal place.
- “Annual rent” of LOGIPOINT Sagamihara is shown with the values corresponding to the quasi co-ownership interests ratios (49%).
- “Annual rent” of LOGIPOINT Hashimoto is shown with the values corresponding to the quasi co-ownership interests ratios (45%).

## (6) Information regarding Major Tenants

The following summarizes the major tenant where “leased area” represents 10% or more of the total portfolio leased area as of Aug. 31, 2018.

Tenant Name	Type of industry (Note 1)	Property name	Annual rent (Millions of yen)	Percentage of rent (%)	Leased area (m <sup>2</sup> ) (Note 2)	Percentage of area (%) (Note 3)	Lease expiration date
Sankyu Inc.	Delivery transportation industry	MJ Logi Park Osaka 1	Not disclosed (Note 4)	Not disclosed (Note 4)	39,082.95	12.5	Not disclosed (Note 4)
Total			Not disclosed (Note 4)	Not disclosed (Note 4)	39,082.95	12.5	—

Notes:

1. “Type of industry” refers to either the report from the TOKYO SHOKO RESEARCH, LTD. or the industry based on Ministry of Internal Affairs and Communications Japan Standard Industry Classification.
2. “Total leased area” equals to the gross floor area of leased space in each property or property in trust as of Aug. 31, 2018, based on the lease agreements and floor plans included in the lease agreements. It does not include the leased area indicated in the lease agreements concerning shops, vending machines, photovoltaic power generation facilities and parking lots.
3. Percentage of area refers to the floor area leased to end tenant as a proportion of total leased area. Figures are rounded to the first decimal place.
4. We have not obtained permission from the tenant of the properties to disclose the information unstated in this table.

## (7) Property Distribution

### (i) Distribution by category

Category	Number of properties	Acquisition price (Millions of yen) (Note)	Ratio (%)
Logistic facility	8	70,879	100.0
Others	-	—	—
Total	8	70,879	100.0

Note: “Acquisition price” represents the purchase price of each property or beneficiary right in trust as set forth on the relevant purchase agreement and does not include expenses such as consumption taxes, and is rounded down to nearest million yen.

### (ii) Distribution by region

Region	Number of properties	Total floor area (m <sup>2</sup> ) (Note 1)	Ratio (%)	Acquisition price (Millions of yen)	Investment ratio (%) (Note 2)
Tokyo metropolitan area (Note 3)	5	399,762.41	77.7	52,889	74.6
Kansai area (Note 4)	1	39,157.61	7.6	6,090	8.6
Others	2	75,880.04	14.7	11,900	16.8
Total	8	514,800.06	100.0	70,879	100.0

Notes:

1. “Total floor area” are the lot area recorded 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.
2. Figures are rounded to the first decimal place.
3. Tokyo metropolitan area refers to Tokyo, Kanagawa, Chiba and Saitama prefectures.
4. Kansai area refers to Osaka, Hyogo, Kyoto, Nara and Shiga prefectures.

## (iii) Distribution by property age

Property age (Note 1)	Number of properties	Total floor area (m <sup>2</sup> ) (Note 2)	Ratio (%)	Acquisition price (Millions of yen)	Investment ratio (%) (Note 3)
5 years or less	2	181,891.67	35.3	23,970	33.8
More than 5 years and 10 years or less	2	228,088.68	44.3	28,017	39.5
Over 10 years	4	104,819.71	20.4	18,892	26.7
Total	8	514,800.06	100.0	70,879	100.0

## Notes:

1. "Property age" is calculated based on the date recorded in the register up to Aug. 31, 2018.
2. "Total floor area" are the lot area recorded 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.
3. Figures are rounded to the first decimal place.

## (iv) Distribution by total floor area

Total floor area	Number of properties	Total floor area (m <sup>2</sup> ) (Note 1)	Ratio (%)	Acquisition price (Millions of yen)	Investment ratio (%) (Note 2)
Less than 10,000m <sup>2</sup>	1	7,602.06	1.5	1,272	1.8
10,000m <sup>2</sup> or more and less than 30,000m <sup>2</sup>	2	46,098.23	9.0	12,053	17.0
30,000m <sup>2</sup> or more	5	461,099.77	89.6	57,554	81.2
Total	8	514,800.06	100.0	70,879	100.0

## Notes:

1. "Total floor area" are the lot area recorded 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.
2. Figures are rounded to the first decimal place.

## (v) Distribution by lease term

Lease term (Note 1)	Annual rent (Millions of yen) (Note 2)	Ratio (%)
10 years or more	1,745	42.3
7 years or more and less than 10 years	40	1.0
5 years or more and less than 7 years	1,089	26.4
Less than 5 years	1,254	30.4
Total	4,129	100.0

## Notes:

1. "Lease term" is calculated as the weighted average lease term indicated in the relevant lease agreements for each property or property in trust as of Aug. 31, 2018, by the rent and figures are rounded to the first decimal place. It does not include the leased area indicated in the lease agreements concerning shops, vending machines, photovoltaic power generation facilities and parking lots.
2. "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 area expenses), rounded down to the nearest million yen, indicated in the relevant lease agreement for each property or property in trust as of Aug. 31, 2018. However, if there are different provisions for monthly rent (including common area expenses) depending on the time period in each lease agreement for each property or property in trust as of Aug. 31, 2018, the annualized amount of rent will be calculated based on the monthly rent (including common area expenses) for Aug. 2018 shown in said lease agreement. The rent-free periods and annual rent holiday periods (meaning that the payment of rents for specific months is exempted) as of Aug. 31, 2018 shall not be included.
3. LOGIPORT Sagami-hara is shown with the values corresponding to the quasi co-ownership interests ratios (49%), and LOGIPORT Hashimoto is shown with the values corresponding to the quasi co-ownership interests ratios (45%).

## (vi) Distribution by remaining lease term

Remaining lease term (Note 1)	Annual rent (Millions of yen) (Note 2)	Ratio (%)
7 years or more	397	9.6
5 years or more and less than 7 years	1,060	25.7
3 years or more and less than 5 years	430	10.4
1 year or more and less than 3 years	1,061	25.7
Less than 1 year	1,178	28.5
Total	4,129	100.0

## Notes:

- “Remaining lease term” is calculated as the weighted average remaining lease term indicated in the relevant lease agreements for each property or property in trust as of Aug. 31, 2018, by the rent and figures are rounded to the first decimal place. It does not include the leased area indicated in the lease agreements concerning shops, vending machines, photovoltaic power generation facilities and parking lots.
- “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 area expenses), rounded down to the nearest million yen, indicated in the relevant lease agreement for each property or property in trust as of Aug. 31, 2018. However, if there are different provisions for monthly rent (including common area expenses) depending on the time period in each lease agreement for each property or property in trust as of Aug. 31, 2018, the annualized amount of rent will be calculated based on the monthly rent (including common area expenses) for Aug. 2018 shown in said lease agreement. The rent-free periods and annual rent holiday periods (meaning that the payment of rents for specific months is exempted) as of Aug. 31, 2018 shall not be included.
- LOGIPORT Sagamihara is shown with the values corresponding to the quasi co-ownership interests ratios (49%), and LOGIPORT Hashimoto is shown with the values corresponding to the quasi co-ownership interests ratios (45%).

## (8) Details of collateral

Not applicable

## (9) Capital expenditure for owned properties

## 1. Future plans for capital expenditure

The following summarizes the major capital expenditure plans in connection with scheduled renovations and other work for properties owned by MEL. Estimated construction cost includes the amounts to be expensed for accounting purposes

Property name (Location)	Purpose	Planned period	Estimate construction cost (Millions of yen) (Note)		
			Total amount	Paid during the reporting period	Total amount already paid
MJ Logi Park Kazo 1 (Kazo-shi, Saitama)	Renewal work of LED lighting	From Nov. 2018 to Dec. 2018	16	-	-

Note: Figures are rounded down to the nearest million yen.

## 2. Capital expenditure incurred for the reporting fiscal period

MEL conducted construction work worth 99 million yen in the reporting fiscal period which is a sum of capital expenditures of 69 million yen and repair and maintenance expenses of 30 million yen.

## 3. Reserved Amount for Long-Term Repairs, Maintenance and Renovation Plans

	First fiscal period	Second fiscal period	Third fiscal period	Fourth fiscal period
	July 14, 2016 to Feb. 28, 2017	Mar. 1, 2017 to Aug. 31, 2017	Sept. 1, 2017 to Feb. 28, 2018	Mar. 1, 2018 to Aug. 31, 2018
Reserved balance at the beginning of the period	-	31,581 thousand yen	52,635 thousand yen	123,369 thousand yen
Reserved amount during the period	31,581 thousand yen	21,054 thousand yen	70,734 thousand yen	54,174 thousand yen
Reversal of reserved amount during the period	-	-	-	-
Reserved balance at the end of the period	31,581 thousand yen	52,635 thousand yen	123,369 thousand yen	177,543 thousand yen

(10) Overview of property leasing and status of operating income  
Fourth fiscal period from Mar. 1, 2018, to Aug. 31, 2018

(Units: Thousands of yen)

Property name	Logicross Fukuoka Hisayama	LOGIPORT Sagamihara	LOGIPORT Hashimoto	MJ Logi Park Atsugi 1	MJ Logi Park Funabashi 1
Operating days	184 days	184 days	184 days	184 days	184 days
(A) Property related revenues	Not disclosed (Note)	672,207	500,171	Not disclosed (Note)	Not disclosed (Note)
Property revenues		609,089	461,410		
Other property related revenues		63,117	38,760		
(B) Property related expenses		278,592	190,274		
Facility management fee		37,546	24,974		
Property taxes		58,434	43,834		
Non-life insurance premium		980	712		
Repair and maintenance		13,556	2,890		
Utilities cost		42,744	26,589		
Custodian fee		61	56		
Other expenses	9,319	1,272			
(C) Depreciation	43,684	115,948	89,944	33,269	44,423
(D) Property related income (A-B)	113,944	393,615	309,896	117,725	135,324
(E) NOI (D+C)	157,628	509,563	399,841	150,994	179,747

Property name	MJ Logi Park Kazo 1	MJ Logi Park Osaka 1	MJ Logi Park Fukuoka 1	Total
Operating days	184 days	184 days	184 days	
(A) Property related revenues	Not disclosed (Note)	Not disclosed (Note)	214,947	2,186,855
Property revenues			196,456	2,043,691
Other property related revenues			18,490	143,164
(B) Property related expenses			106,075	860,255
Facility management fee			8,438	87,649
Property taxes			14,180	185,803
Non-life insurance premium			422	3,547
Repair and maintenance			5,708	30,163
Utilities cost			18,050	104,285
Custodian fee			240	1,382
Other expenses	217	14,404		
(C) NOI(=A-B)	9,879	37,053	58,817	433,019
(D) Depreciation	25,978	121,242	108,872	1,326,599
(E) Operating income from property leasing (=C-D)	35,858	158,295	167,689	1,759,619

Note: We have not obtained permission from the tenants of the properties to disclose the information and therefore it has been omitted from this table.