

Security Code : 3481

 **Mitsubishi Estate Logistics REIT Investment Corporation**

Fiscal Period Ended August 31, 2019

Asset Management Company:  **MITSUBISHI JISHO INVESTMENT ADVISORS, INC.**

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

October 18, 2019

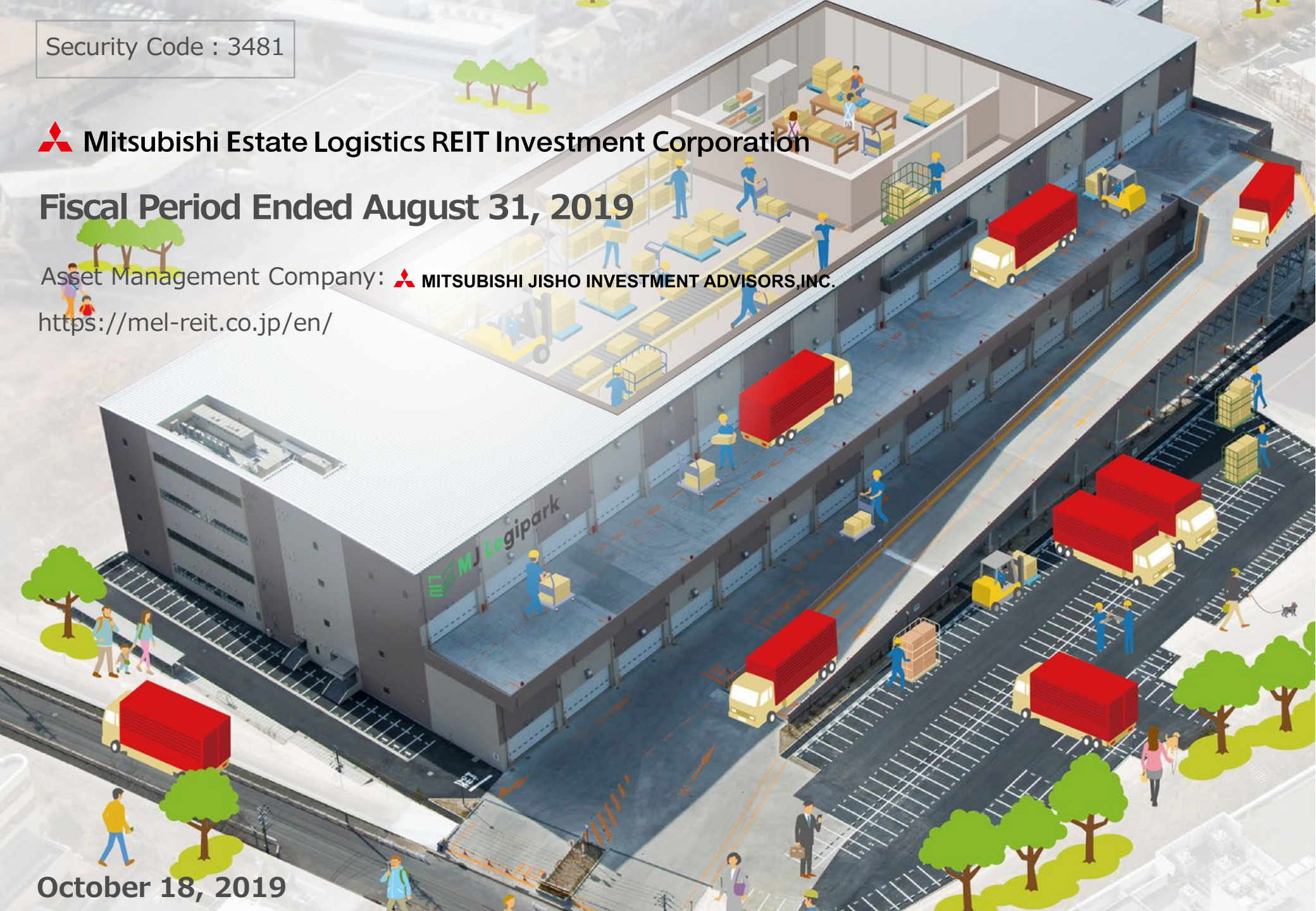


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Highlights and Updates from April 2019

Achieved AUM of over 100 bn yen through HYBRID external growth

- Acquired five properties for 30.5 bn yen through 2nd follow-on offering
- Achieved attractive 8.0% stabilized DPU growth and 3.5% NAV per unit growth

Increased DPU through HYBRID internal growth

- Maintained high occupancy of 99.9% and achieved rent growth for 3 consecutive periods
- Realized internal growth through unique measures over than rent revision

Further strengthened financial stability backed by high credibility

- Extended maturities and reduced debt cost through debt financing
- Added two new banks, The Shinkumi Federation Bank and The 77 Bank and diversified lenders

Initiatives for ESG

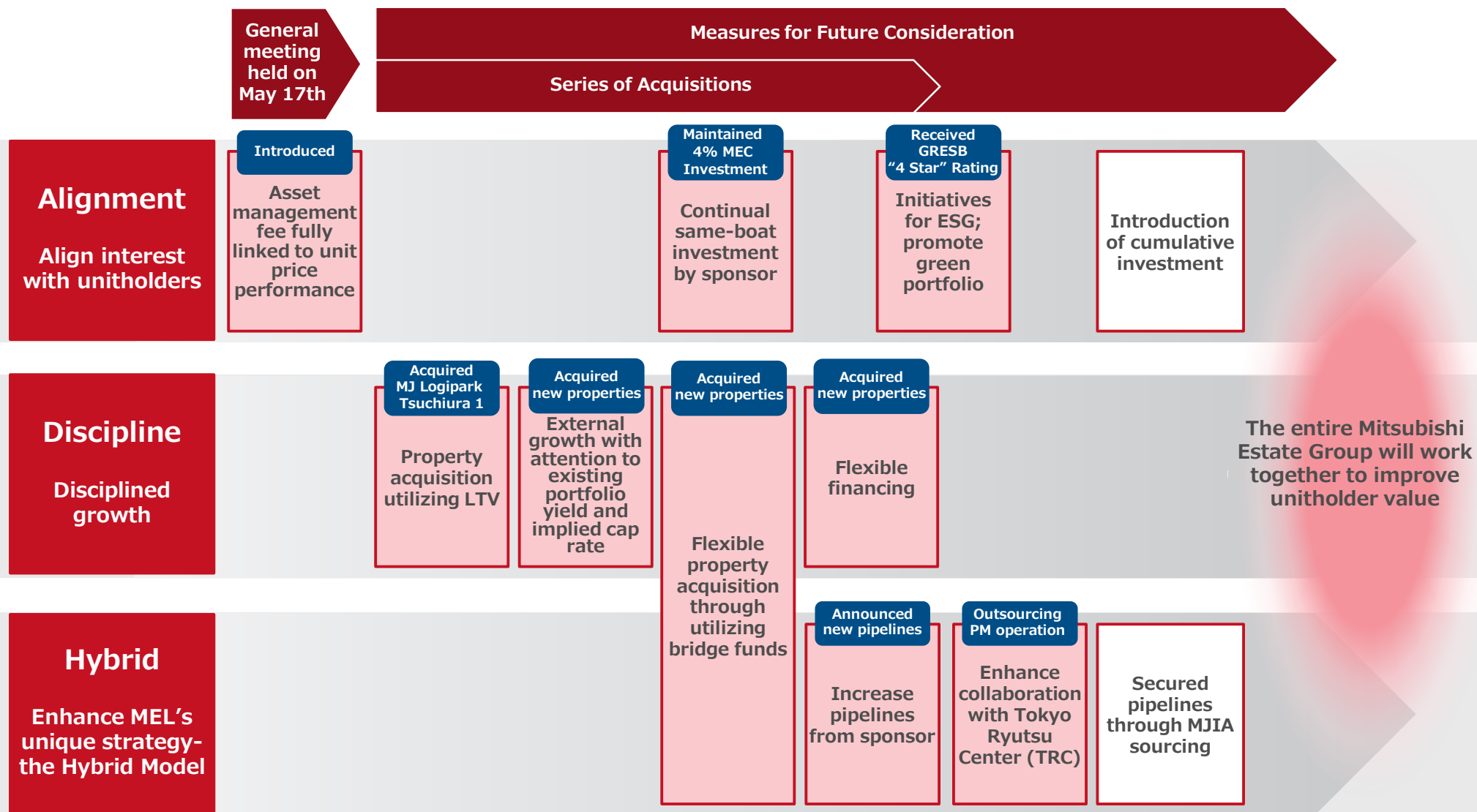
- Received “Green Star” in the 2019 GRESB Real Estate Assessment
- MEL was the only J-REIT to receive “4 Star” rating among the 6 J-REITs that participated for the first time

Financial Results for the Fiscal Period Ended Aug. 2019 (6th)

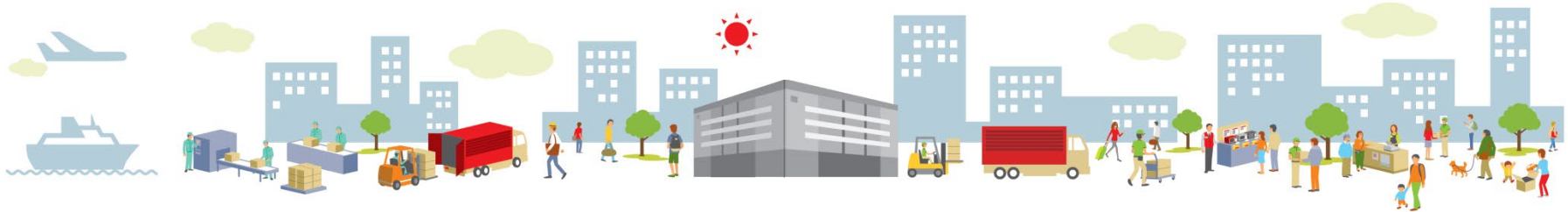
- Achieved stable DPU growth of 5,524 yen (+32 yen vs. forecast)

Management Policy Designed to Maximize Unitholders' Value in Mid-to Long-term

Progress of Management Policy based on "Three Pillars"



1. Overview of 2nd Follow-on Offering and New Acquisition



Overview of 2nd Follow-on Offering and 5 New Properties (1)

Offering Summary

Transaction	Domestic Public Offering (with Extraordinary Report)
Launch date	Sept. 19, 2019
Pricing date	Sept. 30, 2019
Issue price	335,887 yen per unit
Total amount issued	20,153 mn yen

Overview of 5 new properties

No. of Properties /
Total Acquisition Price
5 properties/30,568 mn yen

Average Property Age

5.0 years

Average Occupancy

100.0%

Average Appraisal NOI Yield/
Average Appraisal NOI Yield excluding Land

4.7%/4.9%

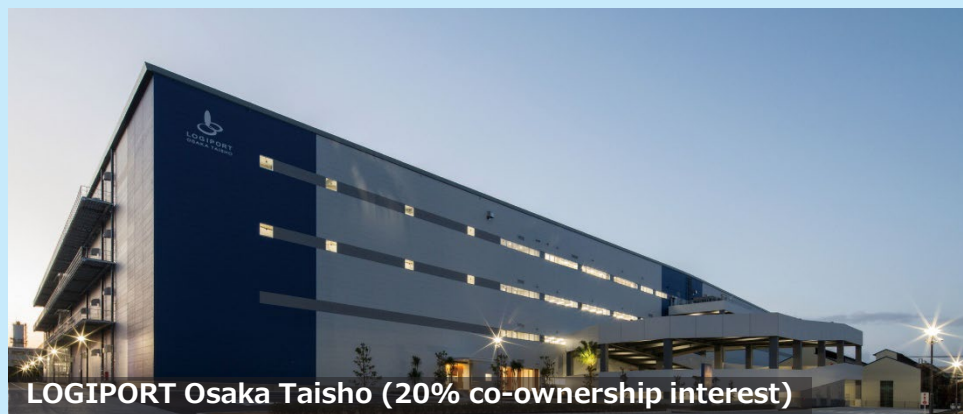
Total Acquisition Price vs.
Total Appraisal Value

96.3%

Weighted Average
Lease Expiry

13.0 years

Sponsor-developed property



LOGIPORT Osaka Taisho (20% co-ownership interest)

Acquisition price	5,682 mn yen
Appraisal value	6,020 mn yen
Appraisal NOI yield	4.6%

Location	Osaka, Osaka
Total floor area	117,045m ²
Main tenant	TOSHIBA LOGISTICS CORPORATION, others

Note : Data at the time of 2nd follow-on offering.

Overview of 2nd Follow-on Offering and 5 New Properties (2)

Asset Management Company (MJIA)-sourced properties



Acquisition price	13,670 mn yen	Location	Kasugai, Aichi
Appraisal value	13,900 mn yen	Total floor area	58,236m ²
Appraisal NOI yield	4.8%	Main tenant	KIMURA UNITY Co., Ltd., others



Acquisition price	2,483 mn yen	Location	Nishinomiya, Hyogo
Appraisal value	2,630 mn yen	Total floor area	13,903m ²
Appraisal NOI yield	5.7%	Main tenant	F-LINE Co., Ltd.



Acquisition price	5,600 mn yen	Location	Sakai, Osaka
Appraisal value	5,780 mn yen	Site area	87,476m ²
Appraisal NOI yield	3.8%	Main tenant	IHI Infrastructure Systems Co., Ltd.

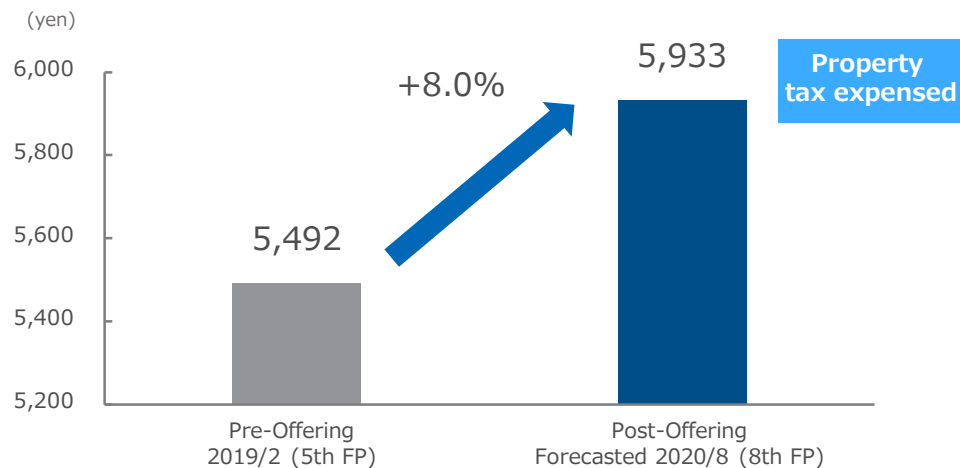


Acquisition price	3,133 mn yen	Location	Tsuchiura, Ibaraki
Appraisal value	3,420 mn yen	Total floor area	15,485m ²
Appraisal NOI yield	5.3%	Main tenant	EntreX Incorporated

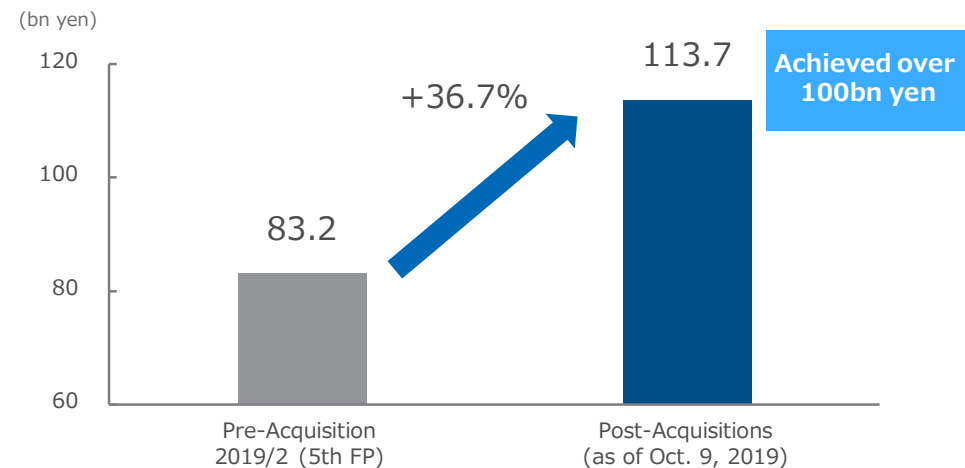
Note : Data at the time of 2nd follow-on offering.

Accretion and Effect through Offering and Acquisitions

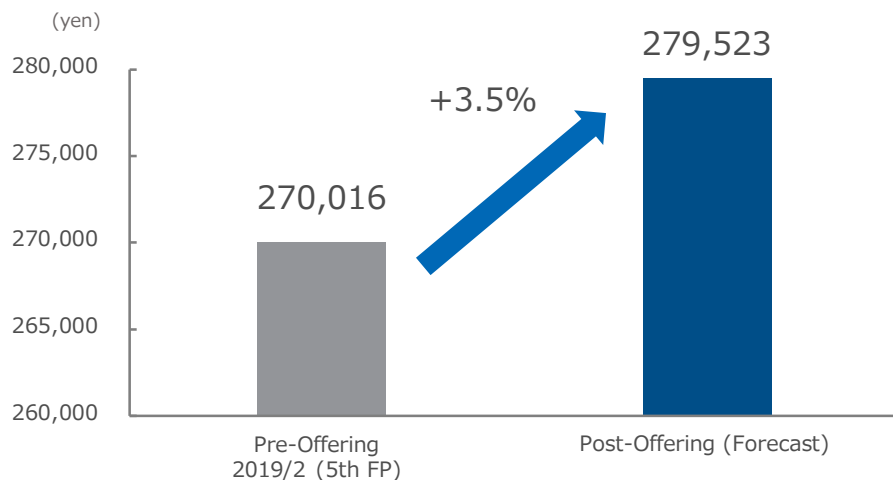
Stabilized DPU



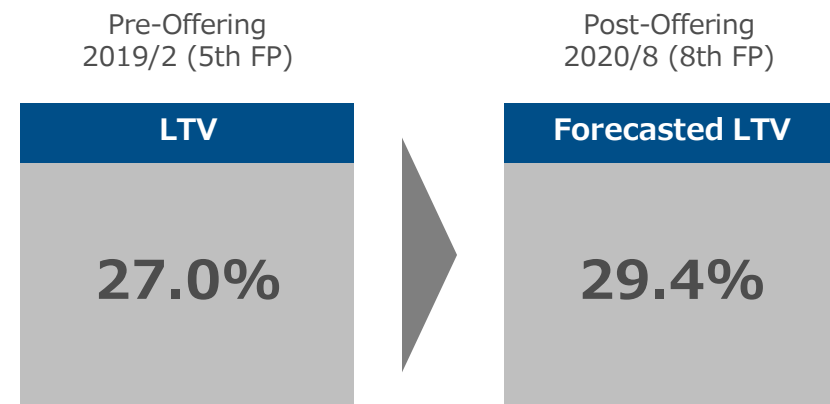
Asset Size



NAV per Unit

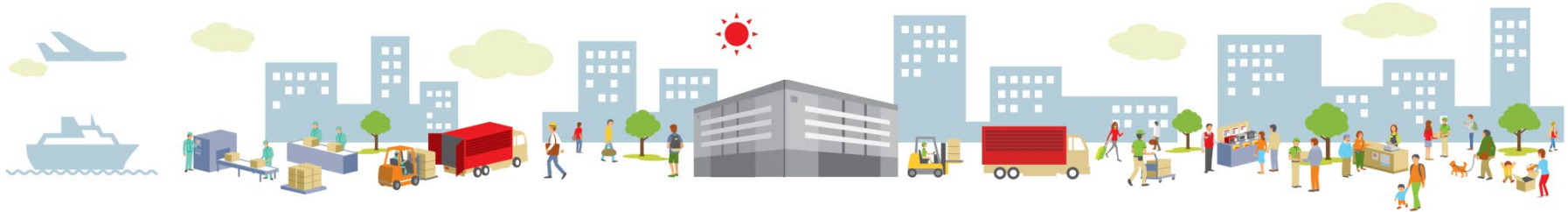


LTV



Note : Data at the time of 2nd follow-on offering except for LTV which is calculated based on the borrowings obtained on Oct. 9, 2019

2. Financial Results and Forecasts



Financial Results for the Fiscal Period Ended August 2019

Operating Results (mn yen)	FP Ended Feb. 2019 Actual (5th FP) (A)	FP Ended Aug. 2019 Actual (6th FP) (B)	Difference (B) – (A)	FP Ended Aug. 2019 Forecast (As of Apr. 15, 2019)(6th FP)
Operating Revenues	2,493	2,530	+36	2,532
Operating Rental Revenues	2,493	2,530	+36	2,532
Operating Rental Expenses (excluding depreciation)	455	472	+16	478
NOI	2,038	2,058	+20	2,053
Depreciation	484	487	+2	487
Operating Income	1,267	1,253	(13)	1,250
Ordinary Income	1,171	1,212	+41	1,205
Net Income	1,170	1,211	+41	1,204
Distributions Per Unit (yen)				
Distributions Per Unit (including SCD)	5,492	5,524	+32	5,492
Distributions Per Unit (excluding SCD)	4,763	4,930	+167	4,898
Surplus Cash Distributions (SCD) Per Unit	729	594	(135)	594
Number of investment units issued and outstanding (units)	245,815	245,815	±0	245,815
Other Statistics				
AFFO (mn yen)	1,611	1,647	356	1,611
AFFO Payout ratio	83.8%	82.4%	(1.4)%	83.8%
LTV	27.0%	27.0%	±0%	27.0%
NAV Per Unit (yen)	270,016	275,236	(5,220)	-
Average Occupancy	99.9%	99.9%	±0%	99.9%

Main Factors of Variance 5th FP Actual vs. 6th FP Actual

《Operating Revenues》 (+36 mn yen)

- No temporary decrease in rental revenues
+32 mn yen
- 2 properties acquired in 5th FP fully
contributed to operating revenue +3.6 mn yen

《Operating expenses》 (+50 mn yen)

- Property tax expensed for 2 properties
acquired in 5th FP +31 mn yen
- Increase in AM fee due to 2 properties
acquired in 5th FP +19 mn yen
- Decrease property tax due to review in asset
valuation (1.7) mn yen

《Non-operating revenues》 (+25 mn yen)

- Received insurance payment from typhoon
damages
(5th FP 30 mn yen→6th FP 41 mn yen)
+11mn yen
- Refund of property tax due to review in asset
valuation +13 mn yen

《Non-operating expenses》 ((29) mn yen)

- No investment units issuance cost (31) mn yen
- Repair cost incurred by typhoon damage
(5th FP 29 mn yen→6th FP 31 mn yen)
+2 mn yen

Forecasts for the Fiscal Periods Ending February and August 2020

Operating Results (mn yen)	FP Ended Aug. 2019 Actual (6th FP) (A)	FP Ended Feb. 2020 Forecast (7th FP) (B)	Difference (B) – (A)	(Reference) FP Ended Aug. 2020 Forecast (8th FP)
Operating Revenues	2,530	3,213	+682	3,349
Operating Rental Revenues	2,530	3,213	+682	3,349
Operating Rental Expenses (excluding depreciation)	472	516	+44	601
NOI	2,058	2,696	+638	2,747
Depreciation	487	587	+100	610
Operating Income	1,253	1,743	+489	1,716
Ordinary Income	1,212	1,610	+397	1,632
Net Income	1,211	1,609	+397	1,631
Distributions Per Unit (yen)				
Distributions Per Unit (including SCD)	5,524	5,839	+315	5,933
Distributions Per Unit (excluding SCD)	4,930	5,263	+333	5,334
Surplus Cash Distributions (SCD) Per Unit	594	576	(18)	599
Number of investment units issued and outstanding (units)	245,815	305,815	+60,000	305,815
Other Statistics				
AFFO (mn yen)	1,647	2,131	+484	2,215
AFFO payout ratio	82.4%	83.8%	+1.4%	81.9%
LTV	27.0%	30.1%	+3.1%	29.4%
Average Occupancy	99.9%	99.9%	±0%	99.9%

Main Factors of Variance 6th FP Actual vs. 7th FP Forecast

«Operating Revenues» (+682 mn yen)

- Increase in rent from acquisition of 5 new properties +681 mn yen

«Operating expenses» (+193 mn yen)

- Increase in rental expenses (excluding depreciation) from acquisition of 5 new properties +44 mn yen
- Increase in depreciation from acquisition of 5 new properties +100 mn yen
- Increase in AM fee from acquisition +40 mn yen
- Increase in other general and administrative expenses from acquisition +9 mn yen

«Non-operating revenues» ((55) mn yen)

- No insurance payment from typhoon damages and no refund in property tax due to review in asset valuation (55) mn yen

«Non-operating expenses» (+35 mn yen)

- Increase in interest expenses for new borrowings +23 mn yen
- Incur investment unit issuance cost +49 mn yen
- No repair cost incurred by typhoon damage (31) mn yen

Main Factors of Variance 7th FP Forecast vs. 8th FP Forecast

«Operating Revenues» (+136 mn yen)

- Increase in rent from existing properties + 3 mn yen
- 5 new properties fully contributed to operating revenue +133 mn yen

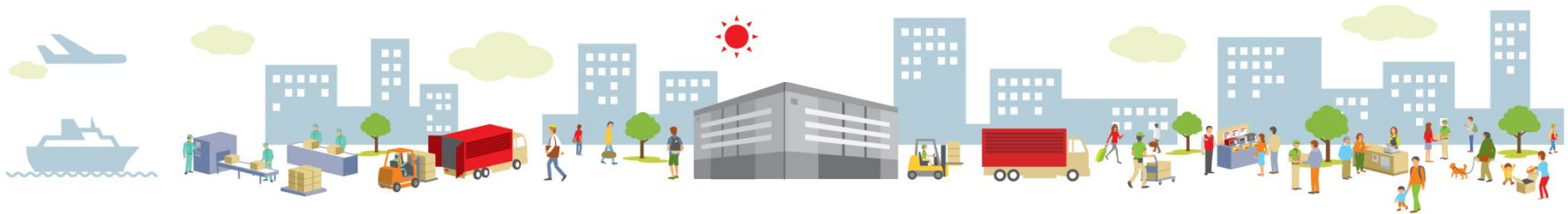
«Operating expenses» (+162 mn yen)

- Property tax expensed for 5 new properties +98 mn yen
- Increase in AM fee from acquisition +41 mn yen
- Depreciation fully expensed on 5 new properties +23 mn yen

«Non-operating expenses» ((47) mn yen)

- No investment unit issuance cost (49) mn yen

3. Growth Strategy



Features of Mitsubishi Estate Logistics REIT Investment Corporation (MEL)

Stable Growth Strategy with Hybrid Model “Developer x Real Estate Asset Manager”



Mitsubishi Estate Logistics REIT Investment Corporation

Asset Size/
No. of Properties

113.7 bn yen
/ **15** properties

Average
Occupancy

99.9%

Appraisal NOI Yield/
Appraisal NOI Yield
(after depreciation)

4.8%/3.7%

Forecasted LTV
(2020/8)

29.4%

Credit Rating
(JCR)

AA- (Stable)

Debt Cost
(excluding
short-term debt)

0.39%

Sponsor



MITSUBISHI ESTATE

**Development /
Facilities Management**

Overview

- Dedicated to city development in the Marunouchi area (Tokyo) for over 120 years
- Contributing to the society through a variety of business activities as a comprehensive real estate developer
- Promoting the logistics facility business as a growth area

Support

- Constant supply of pipeline properties through development / operation of advanced logistics facilities
- Utilization of MEC group's know-how and corporate customer relations in the leasing activities

**Investment /
Asset Management**

Asset Management Company

MITSUBISHI JISHO INVESTMENT ADVISORS, INC.

Overview

- Established in 2001, when the scheme of real estate securitization was emerging in Japan
- Its track record includes structuring and managing various types of real estate funds, such as the largest private REIT in Japan
- Proven track records in a variety of asset types in investment and asset management

Support

- Unique property sourcing capacity with discerning judgement
- Flexible acquisition strategy using a wide range of schemes, including bridge funds
- Competitive real estate fund management capability backed by a diverse deal track record

External Growth Strategy

Mitsubishi Estate Logistics REIT Investment Corporation

MITSUBISHI ESTATE

- Capability to develop logistics facilities independently based on extensive land information
- Capability to co-develop facilities backed by MEC's ability and credibility for development

Sponsor-developed properties with expected preferential negotiation right

Logicross

Brand of logistics facilities that MEC develops throughout Japan



MJ Logipark

Properties which MEL acquired or intends to acquire from 3rd parties

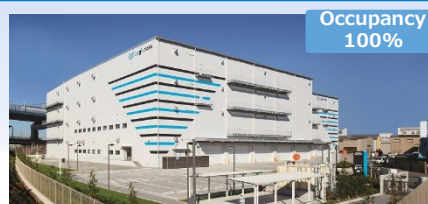


MITSUBISHI JISHO INVESTMENT ADVISORS, INC.

- Capability to assess properties backed by experience in continuously acquisitions of properties since 2001
- Flexible and diversified property acquisition strategy by leveraging the capability to manage real estate funds

MJIA-sourced and operated properties with expected preferential negotiation right

MEC Group



Occupancy 100%

Osaka Nishi-Yodogawa Logistic Facility Center (38,000m²) Completed in FY2018 (Jointly)



Occupancy 100%

LOGIPOINT Kawasaki Bay (296,000m²) Completed in FY2019 (Jointly)



Occupancy 100%

Logicross Atsugi II (34,000m²) Completed in FY2019 (Independently)



Occupancy approx. 95%

Logicross Nagoya Kasadera (80,000m²) Completed in FY2018 (Independently)



Pre-leased 100%

Logicross Yokohama Kohoku (16,000m²) Completed in FY 2019 (Independently)



Saitomoegi Logistics Facilities Project (tentative name) (32,000m²/125,000m²) To be completed in FY2020/FY2021



Newly announced

Logicross Hasuda (tentative name) (79,000m²) To be completed in FY2020



Newly announced

Logicross Kasukabe (tentative name) (38,000m²) To be completed in FY2021



Newly announced

Logicross Funabashi (tentative name) (23,000m²) To be completed in FY2021



Newly announced

Logicross Zama (tentative name) (183,000m²) To be completed in FY2023

Bridge Fund



Occupancy 99.9%

LOGIPOINT Osaka Taisho (117,000m²) Completed in FY2017 (Jointly)



Occupancy 100%

Logicross Narashino (39,000m²) Completed in FY2017 (Independently)



Occupancy 100%

MJ Logipark Sendai 1 (36,000m²) Completed in FY2008

14 properties 1,141,000m²

Note : As of Oct. 18, 2019.

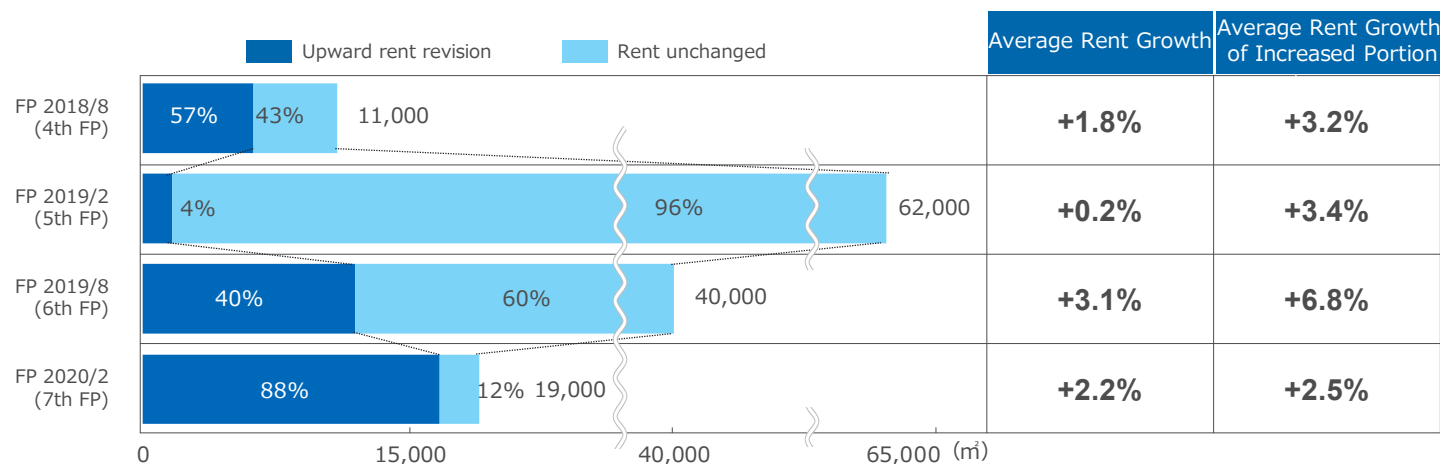
Portfolio of MEL and Pipelines



Note : As of Oct. 18, 2019.

Internal Growth Strategy (1)

Rent Revision (Based on leased area of warehouse)



Average occupancy

99.9%

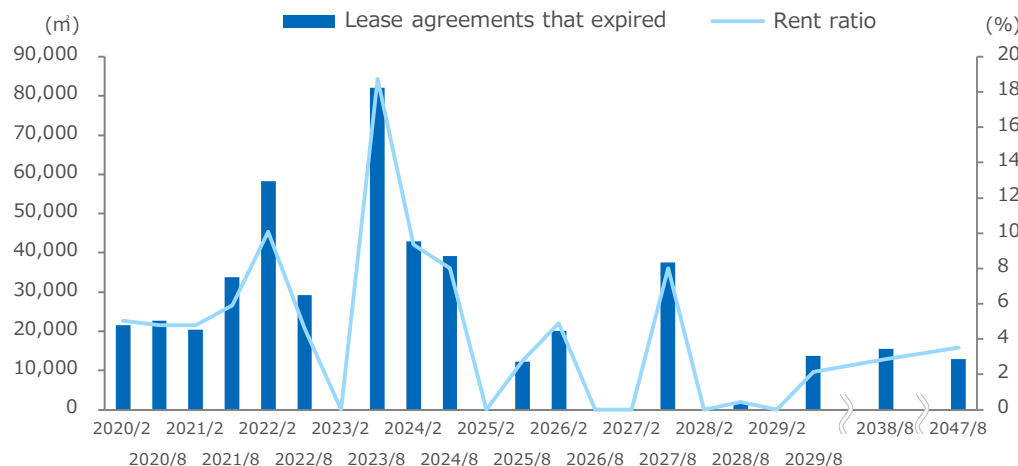
Fixed-term lease ratio

100.0%

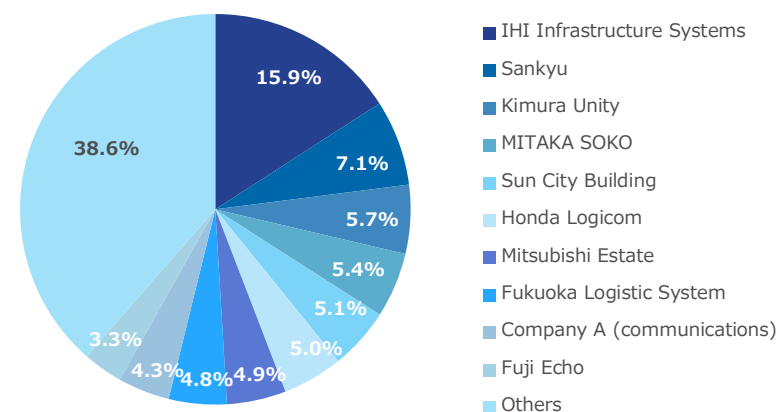
Weighted average remaining expiry

6.8 years

Lease Agreement Expiration Schedule



Tenant Diversification



Note : As of Aug. 31, 2019. Includes the 5 properties acquired in the 7th FP.

Internal Growth Strategy (2)



- Leasing capability utilizing corporate customer relations and customer network
- Utilization of MEC Group's know-how in the leasing business

Leasing Support utilizing MEC's Corporate Customer Relations

MEL will aim to establish business relationships with logistics service providers and shippers and achieve steady internal growth by understanding the needs of the market and utilizing the corporate customer relations that MEC has built in its office and commercial facility businesses operated primarily in the Marunouchi area (Tokyo) through the Tenant Relation Support (TRS) consignment contract.

Attracting existing tenants in office buildings managed by the Mitsubishi Estate Group

- Logicross Fukuoka Hisayama



Attracted the current tenant of the office building managed by MEC as a new tenant of Logicross Fukuoka Hisayama by capturing the tenant's needs for a logistics facility. This was attained due to MEC group's broad-ranging corporate customer relations and achieved rent increases.

Leased Area: Approx. 7,700m²
Rent Growth : +4.9%

Attracting retailers and wholesalers in the Tokyo Distribution Center

- Logicross Nagoya Kasadera



Attracted a tenant of Tokyo Ryutsu Center Inc. (TRC), a wholesaler and retailer of liquors and foods, as a tenant of Logicross Nagoya Kasadera, capturing the tenant's needs for establishing a new logistics base that covers the Chubu area.

Leased Area: Approx. 3,000m²



- Competitive real estate fund management capability
- Proven track record in a variety of asset types and investment schemes in investment and asset management

Realize Internal Growth through Initiatives other than Rent Revisions

Improvement by switching to LED based on Green Lease contract

Overview

- Installed LED lighting at cost to MEL
- Received part of the reduction in electricity bills and maintenance costs to be borne by tenant as Green Lease fee

Effects

- MEL's income will increase by approx. 1.9 mn yen per term due to the receipt of Green Lease fee
- Tenants' electricity bills are reduced substantially
- The latest dimming functions capable of adjusting grouping and brightness improved tenants' convenience

Review of contract with electricity supplier (Logicross Fukuoka Hisayama, MJ Logipark Fukuoka 1)

Overview

- Reviewed the contract with electricity suppliers and changed the supplier for two properties
- The contract will be reviewed periodically

Effects

- Saved tenants' electricity bills and improved their satisfaction

Review asset evaluation of the properties (MJ Logipark Funabashi 1, LOGIPORT Sagamihara)

Overview

- Review asset evaluation of the properties held
- Negotiation with relevant government office regarding difference from evaluation amount, if any

Effects

- Decreased property tax for two properties (approx. 1.7 mn yen per fiscal period)
- Refund of property tax due to review in asset evaluation (approx. 12 mn yen in 6th FP)
- Negotiation is underway for other properties

Financial Strategy

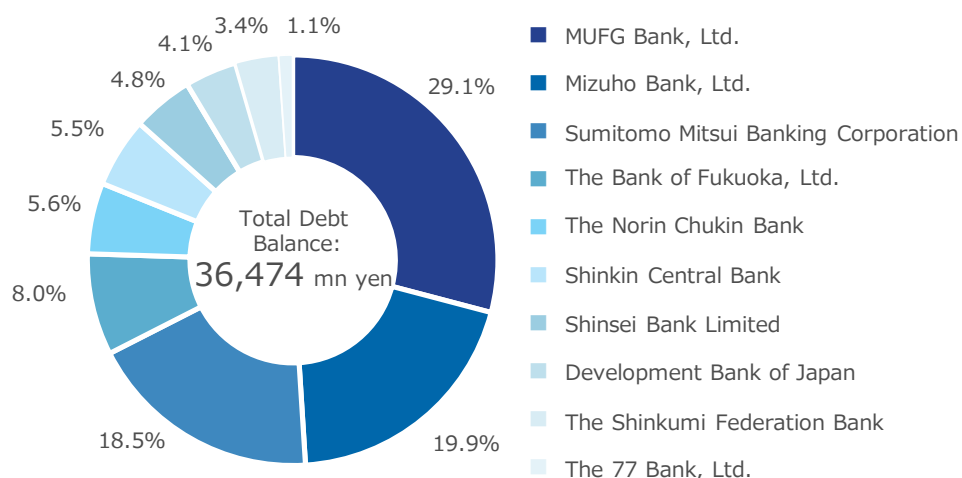
Financial Highlights

Long-term debt ratio	Fixed interest rate debt ratio	Average remaining debt duration/ Average remaining debt duration excluding short-term debt	Average debt cost / Average debt cost excluding short-term debt
94.4%	94.4%	5.8 years/ 6.1 years	0.38%/ 0.39%
Credit rating (JCR)	Forecasted LTV (2020/8 FP)	Debt capacity (up to 40%)	Debt capacity (up to 50%)
AA- (Stable)	29.4%	Approx. 20 bn yen	Approx. 48 bn yen

Reduction in Debt Cost

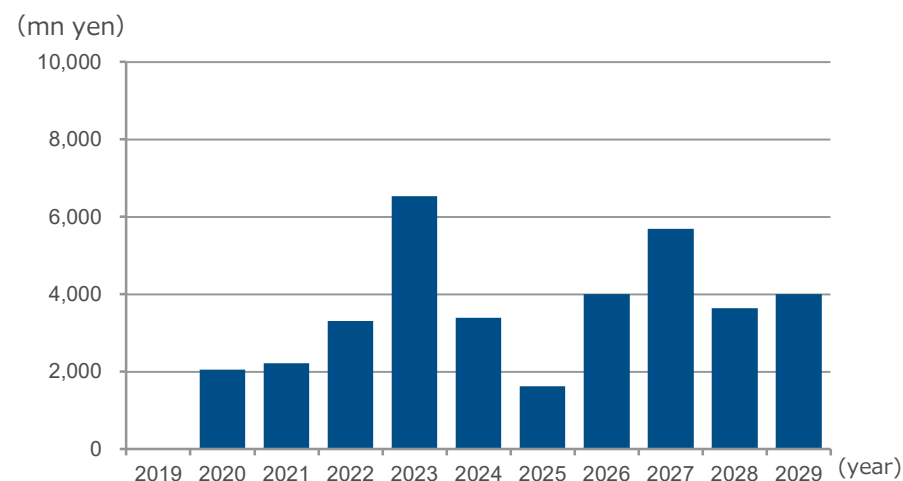
	At the end of 6th FP	After borrowings (excluding short-term debt)
Average debt cost	0.47%	0.39%
Average remaining debt duration	4.7 year	6.1 years
LTV	27.0%	29.4%

Our Lenders



Note : As of Oct. 9, 2019. Excludes the third-party allotment loan of 900 mn yen.

Debt Maturity Schedule



Initiatives for ESG

GRESB Survey

- Participated in the 2019 GRESB Real Estate Assessment for the first time
- Awarded the prestigious “Green Star” rating and received “4 Star” rating, the second highest rating out of five
- MEL was the only J-REIT to receive “4 Star” rating among the 6 J-REITs that participated for the first time



Environment

- Energy saving initiatives



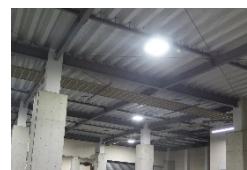
Insulated sandwich panels for exterior walls



Installation of motion-detection sensors



Enhanced greenery



Improvement by switching to LED based on Green Lease contract

- Use of renewable energy



Insulated solar panels

- BCP initiatives



Installation of private power generators



Seismic isolators

Social

- Proactive participation in CSR activities



Clean up activity after Atsugi Ayu Firework Festival volunteer work near MJ Logipark Atsugi 1



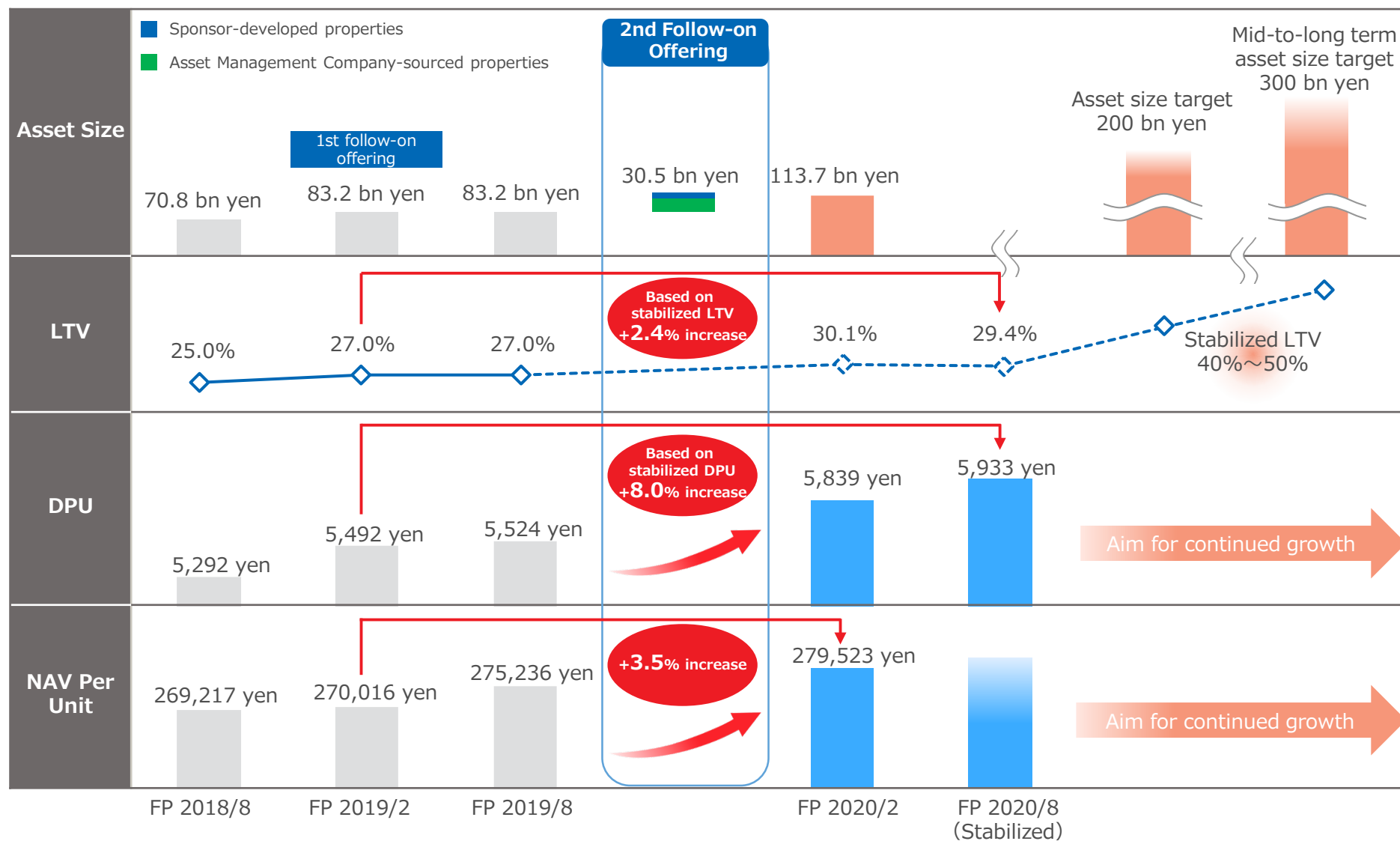
Free beverage service for tenants at LOGIPORT Sagami-hara

Governance

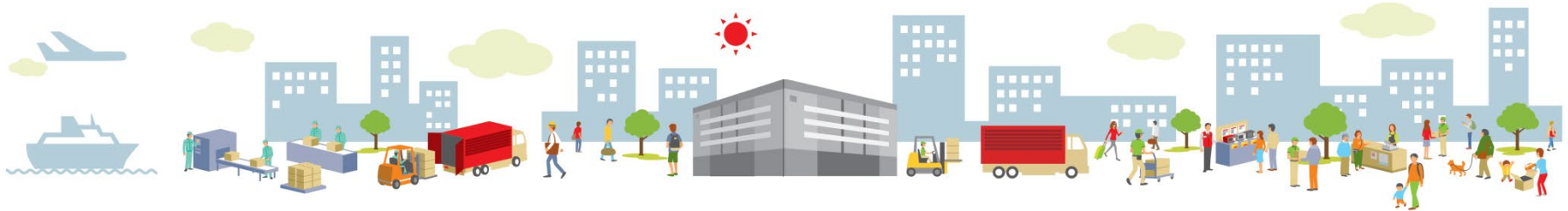
- Introduced asset management fee fully linked to unit price performance
- Continual same-boat investment in MEL by MEC, a sponsor

Mid-to Long-Term Growth Strategy

Asset size target and transition of DPU



4. Mitsubishi Estate's Logistics Facilities Business



Features of MEC Group's Logistics Facility Business

	Land Acquisition	Development	Operation & Management
1	Obtain a variety of land information Consolidate plots of land from multiple landowners	Manage development cost	
<u>Diversified business portfolio as a comprehensive RE developer</u> <u>Tenant solicitation approach unique to comprehensive RE developer</u>			Walk around logistics facilities to identify tenants' needs
Corporate customer relations	Collect land information through relations		Group-wide leasing
<u>Customer network supported by branches</u>	Explore land information on site		3 Explore tenants' needs at various locations
<u>Joint project</u>	2 Capture needs of office tenants, etc. for logistics facility development		
4 Strengthening of value chain through in-house PM	Reflect tenants' needs in land acquisition	Understand tenants' needs for facility specifications	Understand tenants' usage needs
Collaboration with TRC	Capture information from tenants of managed facilities		Utilize relations with tenants of managed facilities

1 Obtain a variety of land information

- Efforts such as acquiring development lands through land consolidation of multiple owners
- MEL's ability to respond to complex schemes for ownership interest swaps were highly rated

Logicross Kasukabe (tentative name)



Logicross Hasuda (tentative name)



2 Understand tenants' needs for facility specs

- Collaborative project making full use of relation with office tenant in Daimaru area

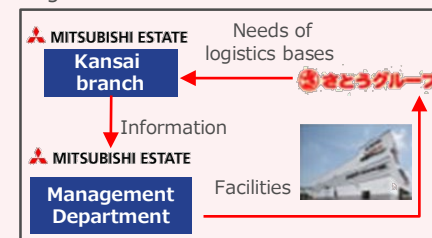
LOGIPORT Kawasaki Bay



3 Explore tenants' needs at various locations

- Use the regional network mainly in the areas where MEC's head office and branches are located to achieve tenant leasing activities

Logicross Kobe Sanda



4 Partnership with TRC

Partnership with TRC

Outsourcing Operation and Management to TRC



Approx. 50 years of experience



Logicross Atsugi



Logicross Kobe Sanda



Logicross Atsugi II



Osaka Nishi-Yodogawa Logistic Facility Center



Logicross Narashino



Logicross Yokohama Kohoku



MJ Logipark Kasugai 1



MJ Logipark Tsuchiura 1



Logicross Nagoya Kasadera

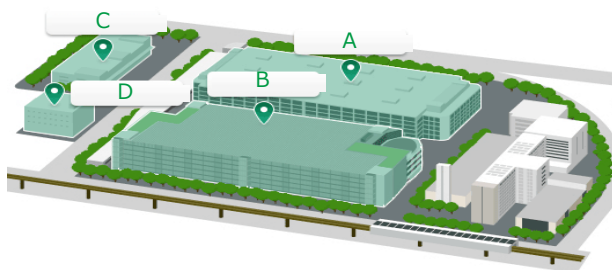


MJ Industrial Park Sakai (Land)

- Operation & management of 10 sponsor-developed properties are outsourced to TRC
- Promoting in-house operation & management by utilizing TRC's know-how

Overview of Tokyo Ryutsu Center (TRC)

- Established in 1967 to operate large distribution facilities that take a critical role for streamlining logistics in the Tokyo Metropolitan area, and became a consolidated subsidiary of MEC.
- Rebuilt Logistics Building, B-wing as the first in-premise re-development project (completed in June, 2017, with floor area of 171,300m²) . MEC entered "Project Management Support consignment contract" associated with rebuilding.



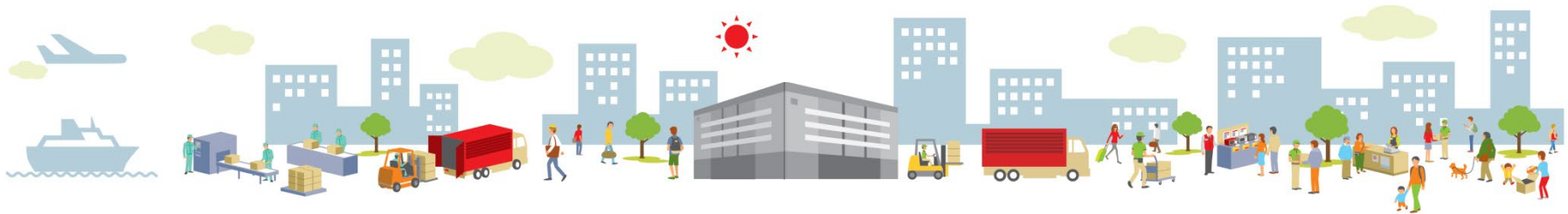
Personnel Exchange with TRC (As of Apr. 1, 2019)



- Six employees are seconded from MEC to TRC, while three employees from TRC to MEC
- One employee is seconded from MJIA to TRC, while one from TRC to MJIA
- Promoting the accumulation of know-how through personnel exchange

MEMO

5. Appendix



Portfolio Overview

Portfolio summary

Number of properties

15 properties

Average occupancy

99.9 %

Total acquisition price

113.7 bn yen

Average appraisal NOI yield

4.8 %

Average NOI yield
after depreciation

3.7 %



Property Name	Logicross Fukuoka Hisayama
Acquisition Price	5,770 mn yen
Appraisal NOI Yield	5.2%



Property Name	LOGIPOINT Sagamiyama
Acquisition Price	21,364 mn yen
Appraisal NOI Yield	4.7%



Property Name	MJ Logipark Funabashi 1
Acquisition Price	5,400 mn yen
Appraisal NOI Yield	6.5%



Property Name	MJ Logipark Atsugi 1
Acquisition Price	6,653 mn yen
Appraisal NOI Yield	4.6%



Property Name	MJ Logipark Kazo 1
Acquisition Price	1,272 mn yen
Appraisal NOI Yield	5.7%



Property Name	Logicross Atsugi
Acquisition Price	8,440 mn yen
Appraisal NOI Yield	4.5%



Property Name	LOGIPOINT Hashimoto
Acquisition Price	18,200 mn yen
Appraisal NOI Yield	4.4%



Property Name	MJ Logipark Osaka 1
Acquisition Price	6,090 mn yen
Appraisal NOI Yield	5.0%



Property Name	MJ Logipark Fukuoka 1
Acquisition Price	6,130 mn yen
Appraisal NOI Yield	5.3%



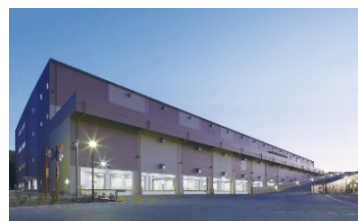
Property Name	MJ Logipark Tsuchiura 1
Acquisition Price	3,133 mn yen
Appraisal NOI Yield	5.3%



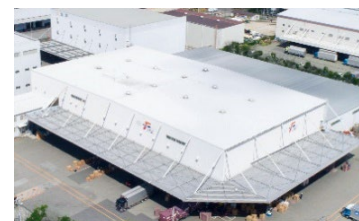
Property Name	Logicross Kobe Sanda
Acquisition Price	3,900 mn yen
Appraisal NOI Yield	5.1%



Property Name	LOGIPOINT Osaka Taisho
Acquisition Price	5,682 mn yen
Appraisal NOI Yield	4.6%



Property Name	MJ Logipark Kasugai 1
Acquisition Price	13,670 mn yen
Appraisal NOI Yield	4.8%



Property Name	MJ Logipark Nishinomiya 1
Acquisition Price	2,483 mn yen
Appraisal NOI Yield	5.7%

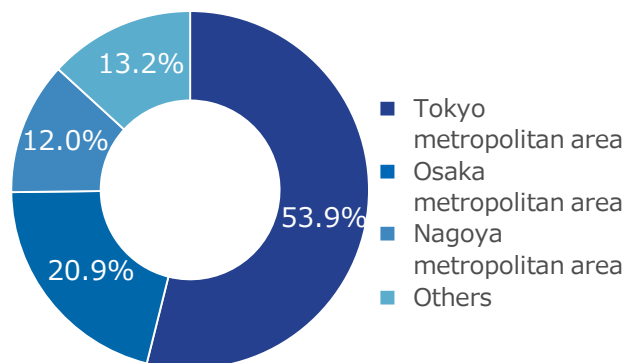


Property Name	MJ Industrial Park Sakai (Land)
Acquisition Price	5,600 mn yen
Appraisal NOI Yield	3.8%

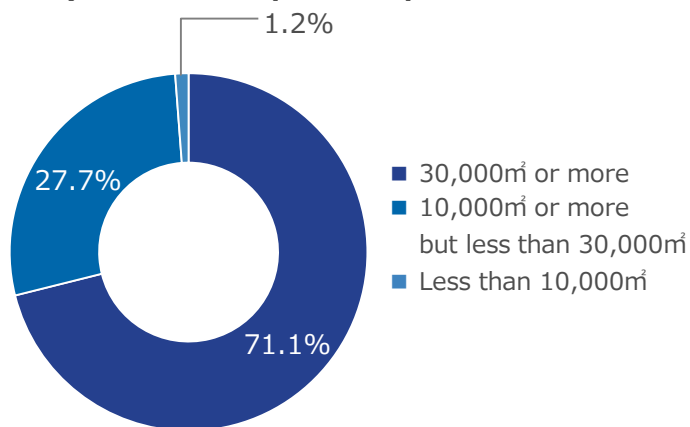
Note: As of Aug. 31, 2019 except for properties acquired in 7th FP are as of June 30, 2019.

Portfolio Data

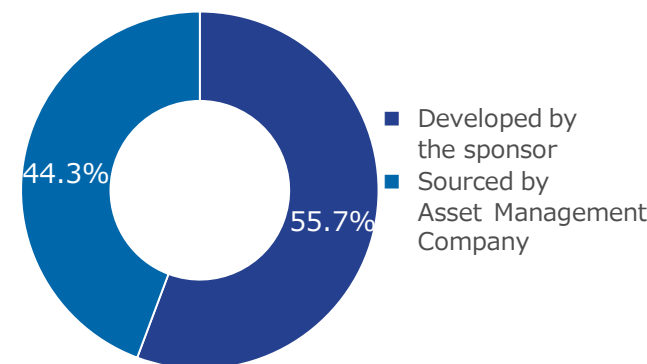
By Area
(based on acquisition price)



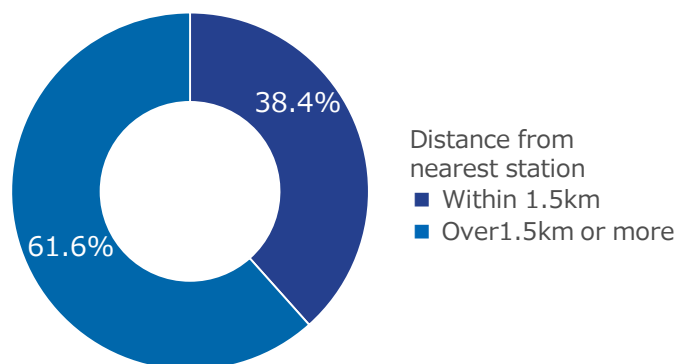
By Total Floor Area
(based on acquisition price)



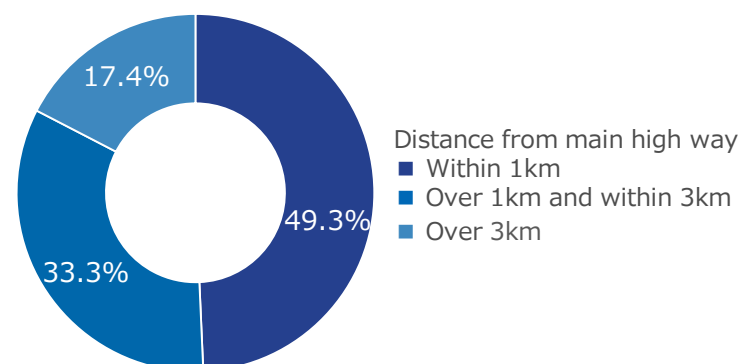
By Acquisition Source
(based on acquisition price)



By Accessibility①
(based on acquisition price)



By Accessibility②
(based on acquisition price)



Note: As of Oct. 9, 2019.

Portfolio Details

	Property Name	Location	Acquisition Price (mn yen)	Total Floor Area (m ²)	Appraisal NOI yield (%)	Occupancy Rate (%)	Property Age (years)	Property Type
Properties Held as of the end of 6th FP (Note 2)	Logicross Fukuoka Hisayama	Kasuya, Fukuoka	5,770	36,082	5.2	100.0	4.9	Multi
	Logicross Atsugi	Atsugi, Kanagawa	8,440	29,895	4.5	100.0	2.5	Multi
	Logicross Kobe Sanda	Kobe, Hyogo	3,900	12,879	5.1	100.0	2.2	BTS
	LOGIPORT Sagamihara (Beneficiary interest 49%)	Sagamihara, Kanagawa	21,364	200,252 (98,123)	4.7	99.7	6.0	Multi
	LOGIPORT Hashimoto (Beneficiary interest 45%)	Sagamihara, Kanagawa	18,200	145,809 (65,614)	4.4	100.0	4.6	Multi
	MJ Logipark Funabashi 1	Funabashi, Chiba	5,400	18,262	6.5	100.0	29.8	Multi
	MJ Logipark Atsugi 1	Atsugi, Kanagawa	6,653	27,836	4.6	100.0	6.1	Multi
	MJ Logipark Kazo 1	Kazo, Saitama	1,272	7,602	5.7	100.0	13.5	Multi
	MJ Logipark Osaka 1	Osaka, Osaka	6,090	39,157	5.0	100.0	11.9	Multi
	MJ Logipark Fukuoka 1	Kasuya, Fukuoka	6,130	39,797	5.3	100.0	11.9	Multi
Sub total / Average			83,219	557,575 (375,251)	4.9	99.9	7.6	-
Properties Acquired in the 7th FP (Note 2)	MJ Logipark Tsuchiura 1	Tsuchiura, Ibaraki	3,133	15,485	5.3	100.0	4.8	BTS
	LOGIPORT Osaka Taisho (Beneficiary interest 20%)	Osaka, Osaka	5,682	117,045 (23,409)	4.6	99.9	1.5	Multi
	MJ Logipark Nishinomiya 1	Hyogo, Osaka	2,483	13,903	5.7	100.0	28.5	BTS
	MJ Logipark Kasugai 1	Kasugai, Aichi	13,670	58,236	4.8	100.0	2.6	Multi
	MJ Industrial Park Sakai (Land)	Sakai, Osaka	5,600	-	3.8	100.0	-	Land
Sub total / Average			30,568	204,669 (111,033)	4.7	100.0	5.2	-
Total / Average			113,787	762,245 (486,285)	4.8	99.9	7.1	-

Note 1: "Total Floor Area" of LOGIPORT Sagamihara, LOGIPORT Hashimoto and LOGIPORT Osaka Taisho are shown with the values corresponding to each co-ownership interest (49%, 45% and 20%, respectively).

The figure in parentheses in the "Sub-total (Total) / Average" column is the sum of total floor area of properties calculated based on the values corresponding to each co-ownership interest ratio.

Note 2: As of Aug. 31, 2019 except for the "Appraisal NOI yield" for the Properties Acquired in the 7th FP which are as of June 30, 2019.

Summary of Latest Appraisals

(Units: Millions of yen)

	Property Name	Acquisition Date	Acquisition Price	Book Value at end of 6th FP	6th FP (Ended Aug. 31, 2019) (Note 1)		5th FP (Ended Feb.28, 2019) (Note 2)		Difference		Unrealized Gain
					Appraisal value	Direct cap rate	Appraisal value	Direct cap rate	Appraisal value	Direct cap rate	
Properties Held as of the end of 6th FP	Logicross Fukuoka Hisayama	Sept. 2017	5,770	5,683	6,110	4.8%	6,070	4.8%	+40	±0.0%	426
	Logicross Atsugi	Sept. 2018	8,440	8,485	8,780	4.3%	8,740	4.3%	+40	±0.0%	294
	Logicross Kobe Sanda	Sept. 2018	3,900	3,923	4,100	4.7%	4,050	4.7%	+50	±0.0%	176
	LOGIPORT Sagamihara (Beneficiary interest 49%)	Sept. 2017	21,364	21,175	23,300	4.2%	22,800	4.3%	+500	(0.1)%	2,124
	LOGIPORT Hashimoto (Beneficiary interest 45%)	Sept. 2017	18,200	18,071	19,305	4.1%	19,080	4.1%	+225	±0.0%	1,233
	MJ Logipark Funabashi 1	Sept. 2016	5,400	5,294	6,440	5.0%	6,440	5.0%	± 0	±0.0%	1,145
	MJ Logipark Atsugi 1	Sept. 2017	6,653	6,606	6,910	4.3%	6,910	4.3%	± 0	±0.0%	303
	MJ Logipark Kazo 1	Sept. 2017	1,272	1,272	1,370	5.1%	1,370	5.1%	± 0	±0.0%	97
	MJ Logipark Osaka 1	Sept. 2017	6,090	6,035	6,670	4.4%	6,520	4.5%	+150	(0.1)%	634
	MJ Logipark Fukuoka 1	Sept. 2017	6,130	6,000	6,390	4.8%	6,390	4.8%	± 0	±0.0%	389
Sub total			83,219	82,550	89,375	-	88,370	-	+1,005	-	-
Properties Acquired in the 7th FP	MJ Logipark Tsuchiura 1	Sept. 2019	3,133	-	3,420	4.8%	-	-	-	-	-
	LOGIPORT Osaka Taisho (Beneficiary interest 20%)	Oct. 2019	5,682	-	6,020	4.2%	-	-	-	-	-
	MJ Logipark Nishinomiya 1	Oct. 2019	2,483	-	2,630	4.8%	-	-	-	-	-
	MJ Logipark Kasugai 1	Oct. 2019	13,670	-	13,900	4.5%	-	-	-	-	-
	MJ Industrial Park Sakai (Land)	Oct. 2019	5,600	-	5,780	3.7%	-	-	-	-	-
Sub total			30,568	-	31,750	-	-	-	-	-	-
Total			113,787	-	121,125	-	-	-	-	-	-

Note 1: As of Aug. 31, 2019 for the Properties held as of the 6th FP, and as of June 30, 2019 for the Properties acquired in the 7th FP.

Note 2: As of Feb. 28, 2019 for Appraisal value and Direct cap rate at end of 5th FP.

Statement of Income and Balance Sheet

Statement of Income

(Unit : Thousands of yen)

Item	Actual
Operating revenues	2,530,386
Operating rental revenues	2,399,157
Other rental revenues	131,229
Operating expenses	1,276,463
Expenses related to property rental business	959,140
Asset management fee	209,632
Asset custody fee	850
Administrative service fee	19,278
Director's compensations	2,400
Commission paid	57,014
Other operating expenses	28,147
Operating income	1,253,922
Non-operating income	55,255
Interest income	25
Other non-operating income	55,230
Non-operating expenses	96,427
Interest expenses	49,662
Borrowing related expenses	8,915
Amortization of organization expenses	6,047
Other non-operating expenses	31,801
Ordinary income	1,212,751
Income before income taxes	1,212,751
Net income	1,211,868
Unappropriated retained earnings	1,211,916

Balance Sheet

(Unit : Thousands of yen)

Item	Actual
Current assets	5,856,848
Cash and deposits	2,627,266
Cash and deposits in trust	3,196,426
Other current assets	33,155
Non-current assets	82,578,642
Property and equipment	82,550,517
Intangible assets	6,626
Investments and other assets	21,498
Deferred assets	22,175
Total assets	88,457,666
Current liabilities	4,947,542
Operating accounts payable	97,523
Long-term loans payable due within one year	4,000,000
Accrued expenses	286,273
Advances received	405,806
Other current liabilities	157,939
Non-current liabilities	21,465,562
Long-term loans payable	19,924,000
Tenant leasehold and security deposits in trust	1,541,562
Total liabilities	26,413,105
Total unitholders' equity	62,044,560
Unitholders' capital, net	60,832,644
Surplus	1,211,916
Total net assets	62,044,560
Total liabilities and net assets	88,457,666

Debt

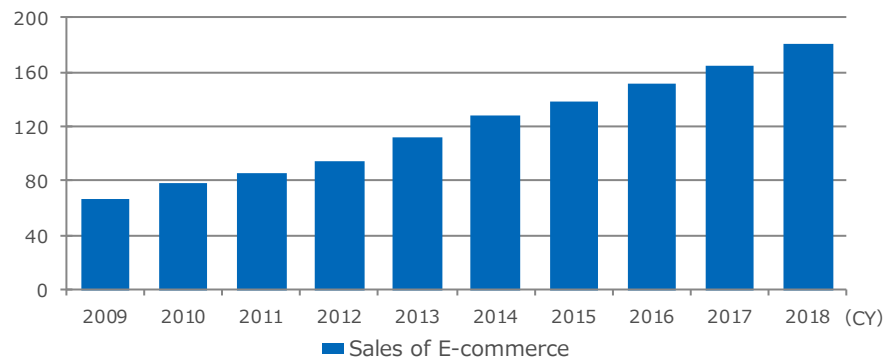
Category		Lenders	Balance (mn yen)	Interest Rate	Borrowing Date	Repayment Date	Collateral			
Short-term	Floating rate	MUFG Bank	200	Base rate (JBA 1-month JPY TIBOR)+0.07000%	Oct. 9, 2019	Oct. 9, 2020	Unsecured, Unguaranteed			
		Shinkin Central Bank	750							
		Mizuho Bank	900							
		Mizuho Bank	1,100							
Long-term	Fixed rate	Mizuho Bank	720	0.32630%	Sept. 14, 2017	Sept. 14, 2021				
		Development Bank of Japan	1,491	0.35750%		Sept. 14, 2022				
		MUFG Bank	430			0.39130%		Sept. 14, 2023		
		Sumitomo Mitsui Banking Corporation	2,050					Sept. 14, 2024		
		MUFG Bank	1,760	Sept. 14, 2025						
		Mizuho Bank	1,330	Sept. 14, 2026						
		The Bank of Fukuoka	450	0.55000%				Sept. 14, 2027		
		The Bank of Fukuoka	900			0.24000%		Sept. 14, 2022		
		MUFG Bank	620					Sept. 14, 2025		
		MUFG Bank	710					Sept. 14, 2026		
		MUFG Bank	2,680					0.57500%	Sept. 14, 2028	
		Sumitomo Mitsui Banking Corporation	880	0.25000%	Sept. 2, 2023					
		Mizuho Bank	880		Sept. 30, 2029					
		Sumitomo Mitsui Banking Corporation	3,000		0.18000%				Oct. 9, 2024	
		MUFG Bank	4,000			Oct. 9, 2025				
		The Norinchukin Bank	1,250			Oct. 9, 2026				
		The Shinkumi Federation Bank	1,250			Oct. 9, 2027				
		MUFG Bank	200			Oct. 10, 2028				
		Mizuho Bank	2,400	0.26000%		Oct. 9, 2019				
		The 77 Bank	400							
		Shinsei Bank	1,250							
		The Bank of Fukuoka	750							
		Total			37,374	-		-	-	-

Note : As of Oct. 9, 2019

Logistics Market Overview (1)

E-commerce Market Size

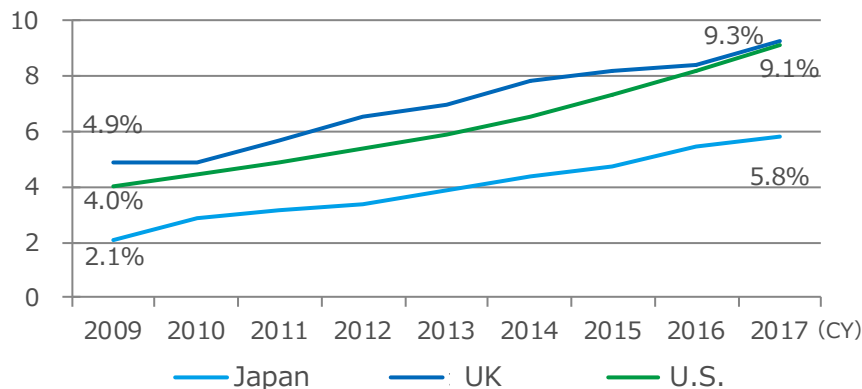
(100 bn yen)



Source: Data compiled by the Asset Management Company based on data from "Establishment of infrastructure for data malignant society in Japan (FY2018 E-Commerce Market Survey)" (May 2019) by the Ministry of Economy, Trade and Industry

Note: "Sales of E-commerce" in the above figure is an estimate of the transaction amount on the Internet at B to C (between enterprises and consumers), and the figure to be estimated is the sum of transaction amount through the Internet among all goods and services in personal consumption. It is broadly classified into the fields of sales merchandising, service and digital, and market estimate value is calculated for each and totaled.

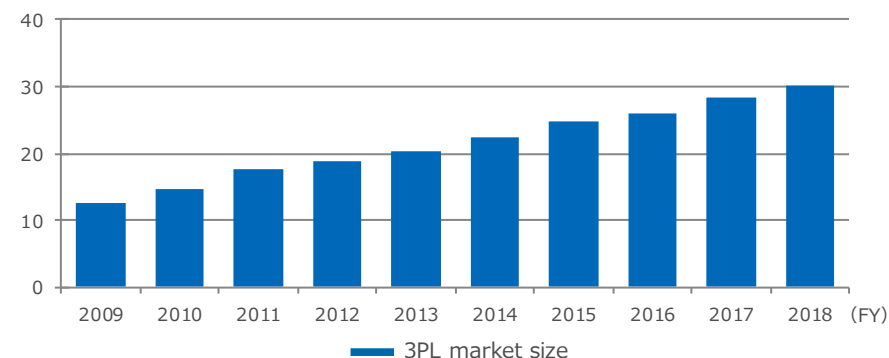
E-commerce Rate



Source: Data created by the Asset Management Company based on data from Ministry of Economy, Trade and Industry (Japan), Office for National Statistics (UK) and U.S. Census Bureau (USA)

3 PL Market Size

(100 bn yen)

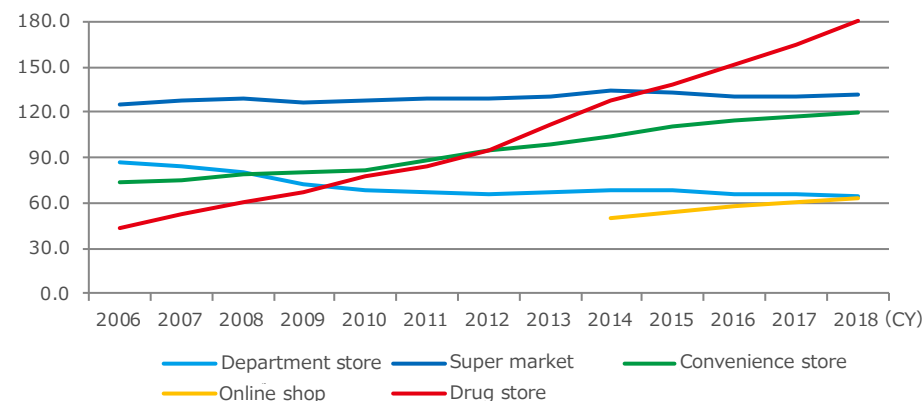


Source: Data created by the Asset Management Company based on "Monthly Logistics Business Sept. 2019"

Note: Each FY refers to a period commencing on April 1 and ending on March 31 of the following year. It does not coincide with the FY of MEL.

Retail Market Size

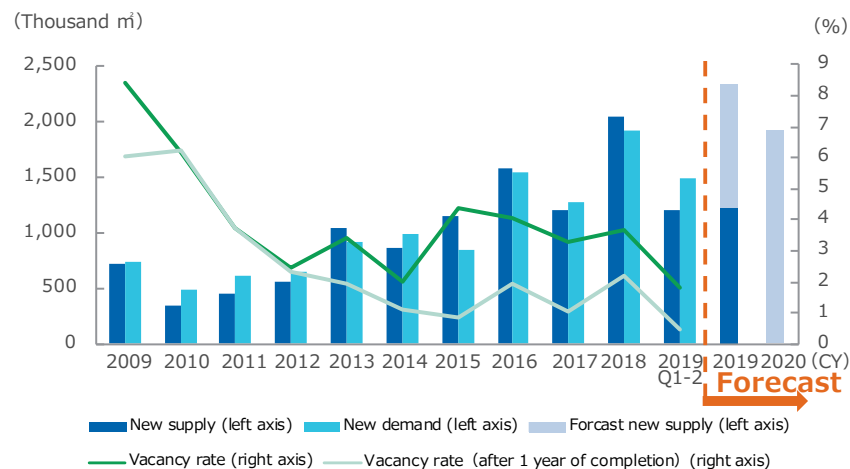
(100 bn yen)



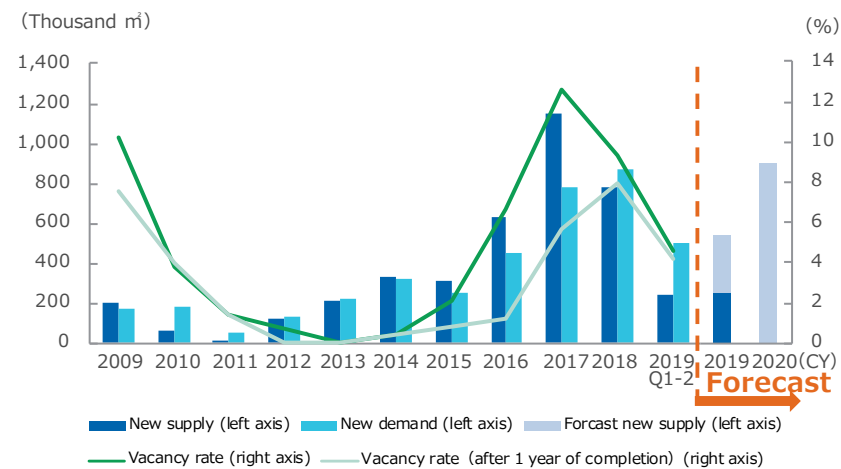
Source: Data compiled by the Asset Management Company based on data from "Current Survey of Commerce FY 2018" (March 2019) by the Ministry of Economy, Trade and Industry and "Establishment of infrastructure for data malignant society in Japan (FY 2018 E-Commerce Market Survey)" (May 2019) by the Ministry of Economy, Trade and Industry

Logistics Market Overview (2)

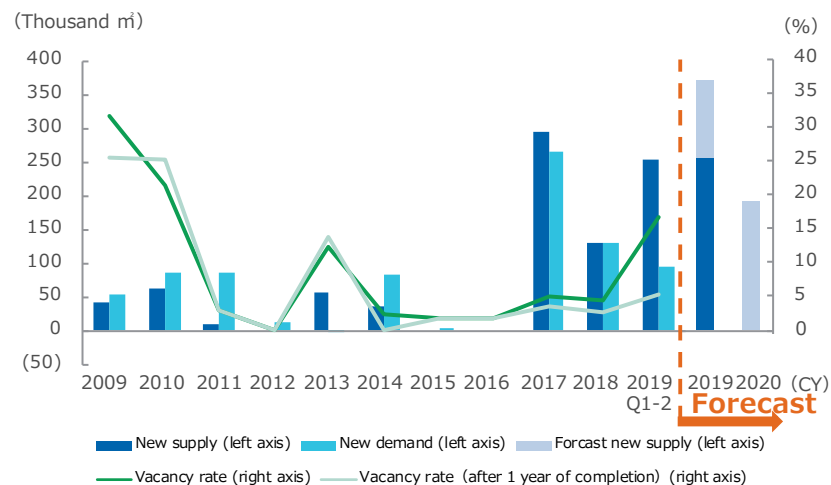
Tokyo Metropolitan Area



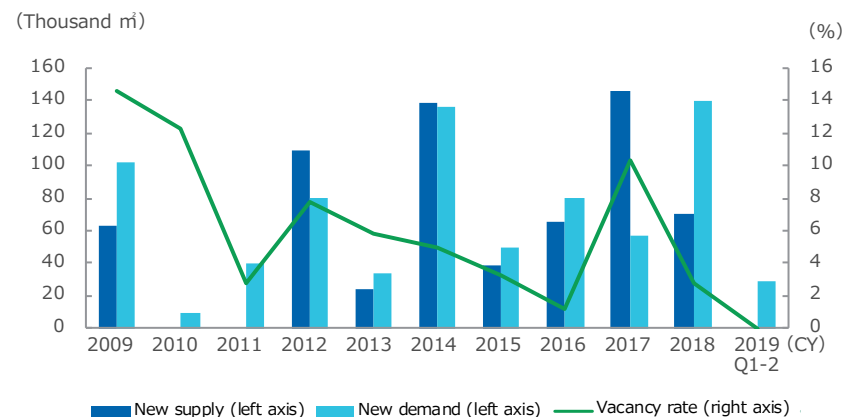
Osaka Metropolitan Area



Nagoya Metropolitan Area



Kyushu Area



Source : CBRE K.K.

Notes:

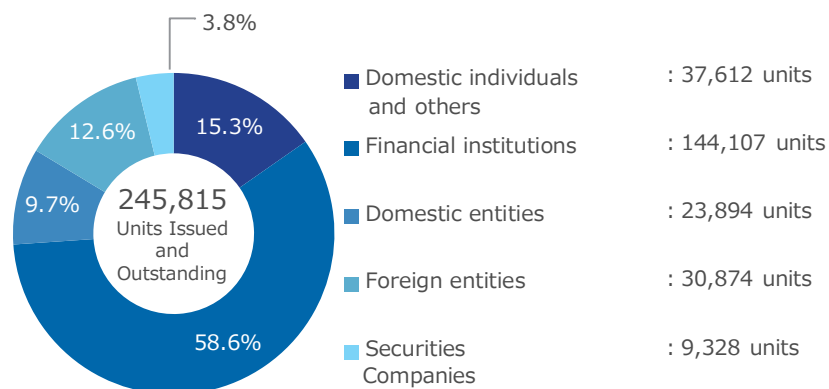
1. In the above figures, "Tokyo Metropolitan Area" refers to Tokyo, Chiba, Saitama, Kanagawa and Ibaraki prefectures, "Osaka Metropolitan Area" refers to Osaka and Hyogo prefectures, "Nagoya Area" refers to Aichi prefecture and "Kyushu Area" refers to Fukuoka and Saga prefectures.

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

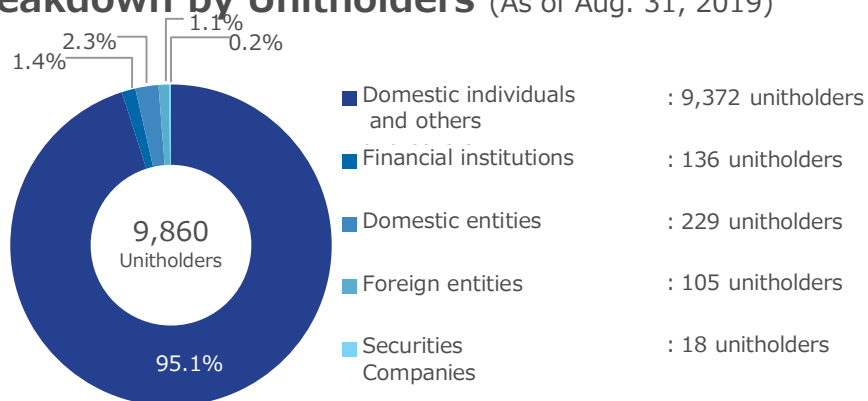
Note 3: Based on data for leasable logistics facilities with 5,000m² or more of gross floor area owned by real estate investment company, real estate developer, etc. Excluding leasable logistics facilities owned by logistics company, and therefore not covering all logistics facilities for lease having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

Unitholders Composition

Breakdown by Units (As of Aug. 31, 2019)



Breakdown by Unitholders (As of Aug. 31, 2019)



Major Unitholders (As of Aug. 31, 2019)

	Number of Units	Ratio
Japan Trustee Services Bank, Ltd. (Trust Account)	32,372	13.16%
The Master Trust Bank of Japan, Ltd. (Trust Account)	28,251	11.49%
Mitsubishi Estate Co., Ltd.	10,000	4.06%
Trust and Custody Services Bank, Ltd. (Securities Investment Trust Account)	8,832	3.59%
The Nomura Trust and Banking Company, Ltd. (Trust Account)	7,132	2.90%
Tokyo Century Corporation	6,069	2.46%
The Chugoku Bank, Limited	5,372	2.18%
The Shinkumi Federation Bank	4,806	1.95%
The Iyo Bank, Ltd.	3,652	1.48%
The Hyakujushi Bank, Ltd	3,500	1.42%
Total	109,986	44.74%

Same-boat Investment by MEC (As of Oct. 18, 2019)

Investment in MEL by MEC

Approx. 4.1%

Asset Management Fee Fully Linked to Unit Price Performance

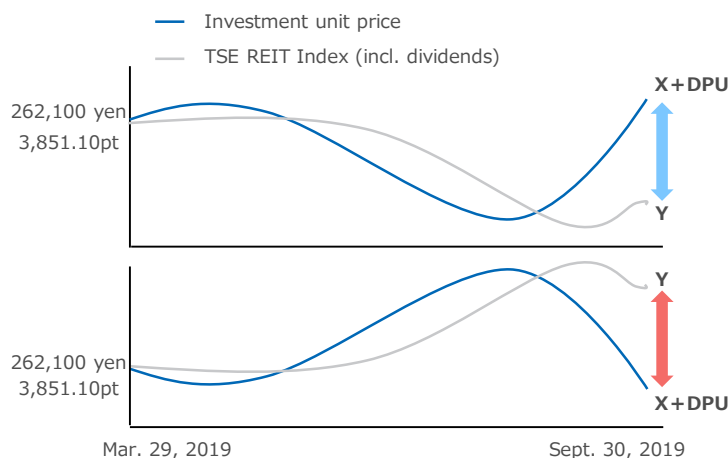
MEL's Asset Management Fee Structure

Asset management fee I (AUM-linked)	Total assets as of the end of previous period x 0.2% (upper limit)
Asset management fee II (Real estate profit-linked)	Adjusted NOI x 5.0% (upper limit)
Asset management fee III (Unitholder interest-linked)	Adjusted net income before tax x net income before tax per unit x 0.001% (upper limit) "Investment unit price-linked management fee"※ Performance against TSE REIT Index ((a) – (b)) x market capitalization (for fiscal period of each term) x 0.1% (upper limit) (a) : Fluctuations in MEL's investment unit price (incl. dividends) (b) : Fluctuations in the TSE REIT Index (incl. dividends)

First J-REIT to Introduce Asset Management Fee Fully Linked to Unit Price Performance

- Strengthen the alignment between asset management company and unitholder interest by giving incentives to asset management company for improving unitholders' value. Align both parties interest by introducing an asset management fee reflecting above performance.

Calculation Period	Reference date (Previous period)	Reference date (Present period)	DPU to include
FP Ending Feb. 2020	Last business day of Mar. 2019	Last business day of Sept. 2019	FP Ending Aug. 2019
FP Ending Aug. 2020	Last business day of Sept. 2019	Last business day of Mar. 2020	FP Ending Feb. 2020



If MEL's growth rate is greater
 $(a)-(b)=\text{positive}$
 ↓
 Increase Fee

If TSE REIT Index growth rate is greater
 $(a)-(b)=\text{negative}$
 ↓
 Decrease Fee

For the period ending February 2020

<Example>

- Closing price of MEL's investment unit as of Mar. 29, 2019 : 262,100 yen
 - TSE REIT Index (incl. dividends) as of Mar. 29, 2019 : 3,851.10pt
 - Closing price of MEL's investment unit as of Sept. 30, 2019 : 344,500 yen
 - TSE REIT Index (incl. dividends) as of Sept. 30, 2019 : 4,477.77 pt
- (a) = $(344,500 \text{ yen} - 262,100 \text{ yen} + 5,524 \text{ yen}) / 262,100 \text{ yen}$
 (b) = $(4,477.77 \text{ pt} - 3,851.10 \text{ pt}) / 3,851.10 \text{ pt}$

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