

April 8, 2021

For immediate Release

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

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MEL Announces Issuance of Investment Corporation Bonds (Green Bonds) and Prepayment of Bank Loans

Mitsubishi Estate Logistics REIT Investment Corporation (MEL) announces today that MEL decided to issue investment corporation bonds (“Green Bonds”) based on an amendment of shelf registration statement announced in the press release “MEL Files Amendment to Shelf Registration Statement for Issuance of Green Bonds” dated Jan. 18, 2021 and per the blanket resolution approved at the board of directors’ meeting held on Apr. 7, 2021, and prepayment of bank loans (the “Prepayment”), as outlined below:

1. Outline of Investment Corporation Bonds (Green Bonds)

- | | |
|---|--|
| (1) Name | Mitsubishi Estate Logistics REIT Investment Corporation 1st Series Unsecured Bonds (Ranking pari passu among Specified investment corporation bonds) (Green Bonds) |
| (2) Total Issue Amount | 2,000 million yen |
| (3) Form of Bond Certificate | Subject to the provisions of the Law Concerning Book-Entry Transfer of Corporate Bonds and Shares, bond certificates will not be issued. |
| (4) Issue Price | 100 yen per 100 yen of each bond |
| (5) Redemption price | 100 yen per 100 yen of each bond |
| (6) Interest Rate | 0.700% per annum |
| (7) Denomination Price | 100 million yen |
| (8) Offering Method | Public offering |
| (9) Application Date | April 8, 2021 (Thursday) |
| (10) Payment Date | April 14, 2021 (Wednesday) |
| (11) Collateral and guarantee | Neither collateral nor guarantee is provided for Green Bonds, and no asset has been particularly secured for the Green Bonds. |
| (12) Redemption Method and Date | The total amount of the principal of the Green Bonds will be redeemed on April 14, 2036.
Redemption by purchase will be available any time on and after the following days of the payment date except for the case separately provided by law or specified in operational rules and other rules of book-entry transfer institution.
If the redemption date of the Green Bonds falls under a bank holiday, the bank business day preceding it shall be deemed as the redemption date. |
| (13) Interest Payment Date | The first interest payment date will be October 31, 2021, and thereafter the April 30 and October 31 each year will be the interest payment date. (If the interest payment date falls under a bank holiday, the bank business day preceding it shall be deemed as the interest payment date.) |
| (14) Financial Covenant | Negative pledge is set. |
| (15) Credit Rating | AA- (Japan Credit Rating Agency, Ltd.) |
| (16) Financial Agent, Issuing Agent and Payment Agent | MUFG Bank, Ltd. |
| (17) Underwriters | SMBC Nikko Securities Inc.
Mizuho Securities Co., Ltd |

2. Purpose and Reason for the Issuance

As part of its environmental efforts, MEL promotes Green Finance, and MEL borrowed a Green Loan for the first time on Mar. 9, 2021 based on the Green Finance Framework described in the press release “Notice Concerning Debt Financing (including “ESG Loan for J-REIT” from MUFG Bank, Ltd. and “SDGs Green Loan” from Sumitomo Mitsui Banking Corporation)” dated Mar. 4, 2021. We have decided to issue the Green Bonds in order to promote efforts to enhance the environment, social contributions and corporate governance to improve the sustainability of society and to diversify financing methods. At the same time, MEL will further strengthen its financial base by issuing an extremely long-term Green Bonds of 15 years.

The Green Bonds is issued under the Green Finance Framework described above.

3. Amount of Funds to be Raised, Use of Proceeds and Schedule of Disbursement

(1) Amount of Funds to be Raised (estimated net proceeds)

1,980 million yen

(2) Use of Proceeds and Scheduled of Disbursement

The proceeds from the Green Bonds issuance will be allocated to the prepayment of a portion of the short-term loans (total amount 2,000 million yen) that were described in the press releases, “Notice Concerning Debt Financing” and “Notice Concerning Debt Financing (including “ESG Loan for J-REIT” from MUFG Bank, Ltd. and “SDGs Green Loan” from Sumitomo Mitsui Banking Corporation)” dated Oct. 6, 2020, and Mar. 4, 2021, respectively on Apr. 15, 2021.

The subject short-term loans were borrowed for MEL’s acquisition of three properties (LOGIPORT Osaka Taisho (initial acquisition of 20%), Logicross Osaka (additional acquisition of 40%) and Logicross Nagoya Kasadera (additional acquisition of 40%) that were described in the press release “Notice Concerning Acquisition of Domestic Real Estate Trust Beneficiary Interests and Lease Contracts with New Tenants” and “Notice Concerning Acquisition of Domestic Real Estate Trust Beneficiary Interests and Lease Contracts with New Tenants” dated Sept. 19, 2019 and Feb. 18, 2021, respectively.

Property name	External Evaluation and Certifications	Assessment Grades
LOGIPORT Osaka Taisho (Initial acquisition of 20%)	CASBEE	S Rank for Real Estate
	BELS	★★★★★ (ZEB Ready)
Logicross Osaka (Additional acquisition of 40%)	CASBEE	S Rank for Real Estate
	BELS	★★★★★
Logicross Nagoya Kasadera (Additional acquisition of 40%)	CASBEE	S Rank for Real Estate
	BELS	★★★★★

4. Detail of Prepayment

(1) Prepayment amount and Detail of the Bank Loan to be Prepaid

2,000 million yen

Category	Lender	Borrowing Amount (Millions of yen)	Interest rate	Borrowing Date	Original Repayment Date	Repayment Method	Collateral
Short-term	MUFG Bank, Ltd.	200	Basic interest rate+0.090% (floating rate)	Oct. 9, 2020	Oct. 9, 2021	Paid in full upon maturity	Unsecured and nonguaranteed
		1,800		Mar. 9, 2021	Mar. 9, 2022		

(2) Prepayment Date

April 15, 2021

(3) Source of Funds for Prepayment

The issuance of the Green Bonds and cash on hand.

5. Upper Limit of Green Finance and Allocation Status After Issuing the Green Bonds

The total acquisition price of Green Eligible Assets (Note) after issuing the Green Bonds are 107,267 million. The upper limit of green finance is 31,536 million using the LTV as of the end of August 2020 (8th fiscal period) of 29.4%.

The allocation status after the issuance of Green Bonds are as follows.

	Funds (Millions of yen)	Procurement Date	Repayment / Redemption Date	Allocation Status	Use of Initial Funds
Green Loans	1,350	Mar. 9, 2021	Mar. 9, 2025	Allocated	Acquisition of Logicross Osaka (additional acquisition of 40%), Logicross Nagoya Kasadera (additional acquisition of 40%)
Green Bonds	2,000	Apr. 14, 2021	Apr. 14, 2036	To be allocated	Refinancing of acquisition of LOGIPORT Osaka Taisho (initial acquisition of 20%), Logicross Osaka (additional acquisition 40%), Logicross Nagoya Kasadera (additional acquisition of 40%)
Total Green Finance	3,350	-	-	-	-
Upper Limit of Green Finance	31,536	-	-	-	-

Note: For further details on Green Eligible Assets, please refer to the press release, "MEL Files Amendment to Shelf Registration Statement for Issuance of Green Bonds" dated Jan. 18, 2021.

6. Additional Information for Investors

For the risks associated with the Green Bonds issuance and the Prepayment, there have been no changes to "1. Fund Information, 1. Fund Status, 3. Investment Risks" stated in the Securities Report, filed on Nov. 27, 2020 (Japanese only).

< Reference > Outstanding Debt Balance after the Prepayment and Issuance of the Green Bonds

(Unit : Millions of yen)

	Before Prepayment and Before issuance of the Green Bonds	Before Prepayment and Before issuance of the Green Bonds	Variance
Short-term Borrowings (Note 1)	4,700	2,700	(2,000)
Long-term Borrowings (Note 2)	55,874	55,874	-
Total Borrowings	60,574	58,574	(2,000)
Investment Corporation Bonds	-	2,000	+2,000
Total Borrowings and Investment Corporation Bonds	60,574	60,574	-

Notes:

- Short-term refers to borrowings due within one year from the borrowing date.
- Long-term refers to borrowings due within a period longer than one year from the borrowing date.

For more information about Mitsubishi Estate Logistics REIT Investment Corporation, please visit :
<https://mel-reit.co.jp/en/>