

 **Mitsubishi Estate Logistics REIT Investment Corporation**
Fiscal Period Ended February 28, 2021

Securities Code : 3481



Asset Management Company

 **MITSUBISHI JISHO INVESTMENT ADVISORS, INC.**

April 15, 2021

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Logicross Narashino

Highlights after Oct. 2020

Mitsubishi Estate Logistics REIT Investment Corporation

HYBRID External Growth

- Acquired **3 Sponsor-Developed properties** and **2 Asset Management Company-Sourced properties**. Successfully completed **follow-on offering for 2 consecutive periods** and expanded asset size to 170.4 bn yen
- Achieved stabilized DPU growth by **+16.2%** and NAV per unit growth by **+10.7%** ^(Note 1)

HYBRID Internal Growth

- Maintained **high occupancy** and achieved **rent growth for 6 consecutive periods** despite the COVID-19 pandemic. Upward trend is expected to continue

Average rent growth ^(Note 2) 9th period **+8.5%** 10th period (forecast) **+13.4%**

Financial Strategy

- **Extended debt duration** and **maintained low debt-cost** through **new debt**. **LTV** still remains **low at 32.4%**
- Achieved diversification of financing method through issuance of **Green Bonds** and extension of debt duration

ESG

- Awarded the prestigious **5 Stars** and recognized as **Global Listed Sector Leader** ranked **No.1** globally in listed industrial sector in GRESB Real Estate Assessment (2020)
- **Introduced cumulative investment** for employees of Sponsor and Asset Management Company

Note 1: Data at the time of 4th follow-on offering

Note 2: Average rent growth for the leases that expired or will expire during the relevant period, and lease contracts that are not yet contracted are assumed to be unchanged for the calculation



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

Progress of Management Policy based on "Three Pillars"

Execution of Growth Strategy based on "Three Pillars" (Since April 2019)

Measures for the Future

Alignment

Align interest with unitholders

Asset management fee fully linked to unit price performance

Inclusion in the FTSE EPRA Nareit Global Real Estate Index Series

Support from Sponsor and continued same-boat investment

Acquisition of highest rating from GRESB Real Estate and greening of the portfolio

Introducing cumulative investment for employees of Sponsor and Asset Management Company

- Aim for further inclusion in major indices and improve liquidity by steadily increasing market capitalization

Discipline

Achieve disciplined growth

External growth utilizing LTV

Flexible property acquisition strategy utilizing bridge funds

External growth with attention to portfolio yield and implied cap rate

Flexible financing carefully watching the market conditions

Issuance of Green Bond to diversify financing methods

- Maximize unitholder value through disciplined acquisitions and utilizing low LTV

Hybrid

Enhance MEL's unique strategy Hybrid Model

Enhanced collaboration with Tokyo Ryutsu Center (TRC)

Internal growth utilizing management capability of Asset Management Company and leasing capacity of Sponsor

Expanding pipelines from both Sponsor and Asset Management Company

Introducing new pipeline method of "PDP" by Asset Management Company

- Continue "Hybrid" internal growth
- Secure pipelines continuously from Sponsor
- Secure pipelines through utilizing Asset Management Company's various sourcing methods, such as CRE proposals

Note: Executed measures after Oct. 2020 are highlighted in red



1


Overview of 4th Follow-on Offering and New Acquisition




Overview of 4th Follow-On Offering and New Acquisition

Offering format	Domestic Public Offering (with Extraordinary Report)
Launch date	Feb. 18, 2021 (Thursday)
Pricing date	Mar. 1, 2021 (Monday)
Issue price	403,650 yen per unit
Total number of issued units	Units issued : 41,000 units (Designated Purchaser 1,750 units) Overallotment : 1,898 units
Total amount issued	17.3 bn yen

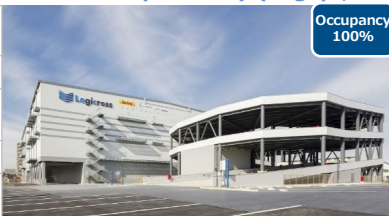
Logicross Narashino (Narashino, Chiba)

Acquisition Price	11,851 mn yen	
Appraisal Value	12,400 mn yen	
Appraisal NOI Yield	4.3%	
Total Floor Area	36,437.92m ²	
Main Tenant	Nihon Realest Co., Ltd.	

Logicross Osaka (40% additional co-beneficiary interest) (Osaka, Osaka)

Acquisition Price	3,868 mn yen	
Appraisal Value	4,000 mn yen	
Appraisal NOI Yield	4.3%	
Total Floor Area	36,619.48m ²	
Main Tenant	e-LogiT Co., Ltd., other	

Logicross Nagoya Kasadera (40% additional co-beneficiary interest) (Nagoya, Aichi)

Acquisition Price	5,719 mn yen	
Appraisal Value	6,400 mn yen	
Appraisal NOI Yield	5.0%	
Total Floor Area	72,376.03m ²	
Main Tenant	YAGAMI Co., Ltd., others	

No. of Properties /
Total Acquisition Price

5 properties / **28.2** bn yen

Total
Appraisal Value

30.4 bn yen

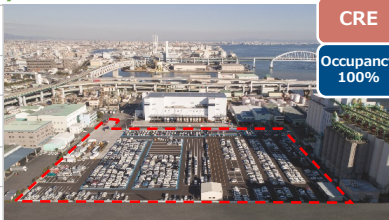
Average Appraisal
NOI Yield

4.6%

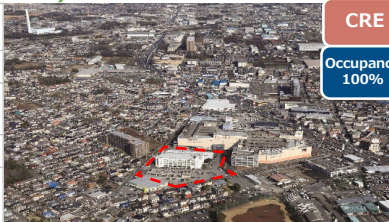
Average
Property Age

2.4 years

MJ Industrial Park Kobe (Land) (Kobe, Hyogo)

Acquisition Price	4,970 mn yen	
Appraisal Value	5,670 mn yen	
Appraisal NOI Yield	5.1%	
Total Floor Area	40,050.71m ²	
Main Tenant	ORIX Auto Corporation	

MJ Industrial Park Chiba-Kita (Land) (Chiba, Chiba)

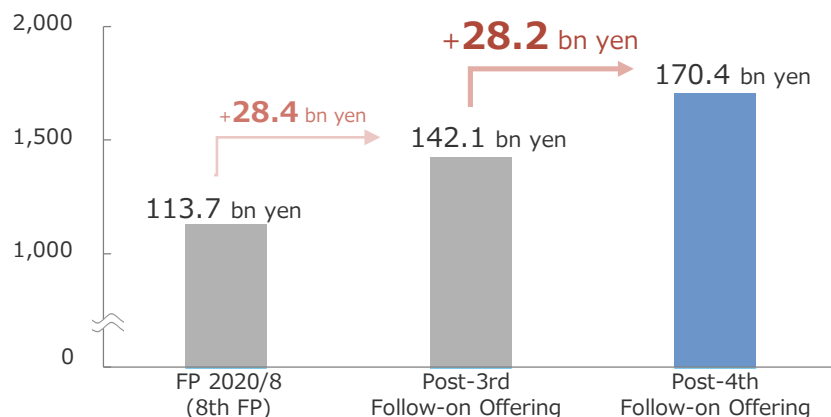
Acquisition Price	1,800 mn yen	
Appraisal Value	1,950 mn yen	
Appraisal NOI Yield	4.4%	
Total Floor Area	14,986.64m ²	
Main Tenant	Kinugawa Rubber Industrial Co., Ltd.	

Note : Data at the time of 4th follow-on offering

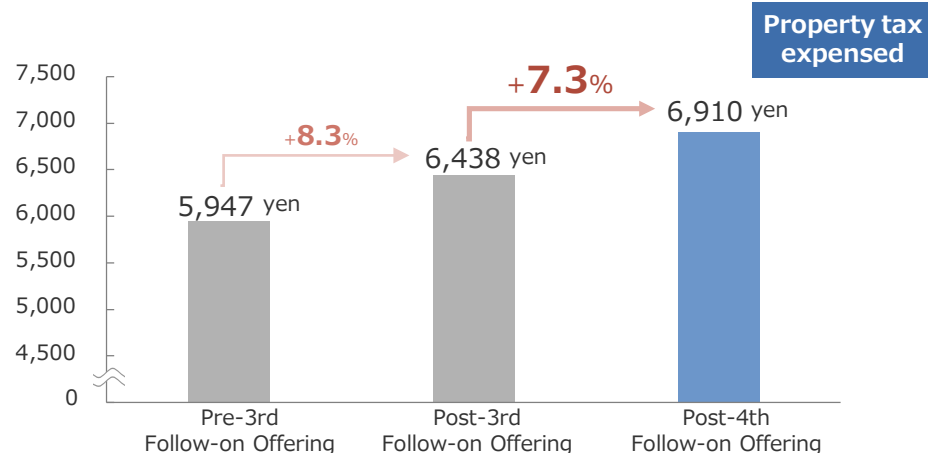


Effect through 4th Follow-On Offering

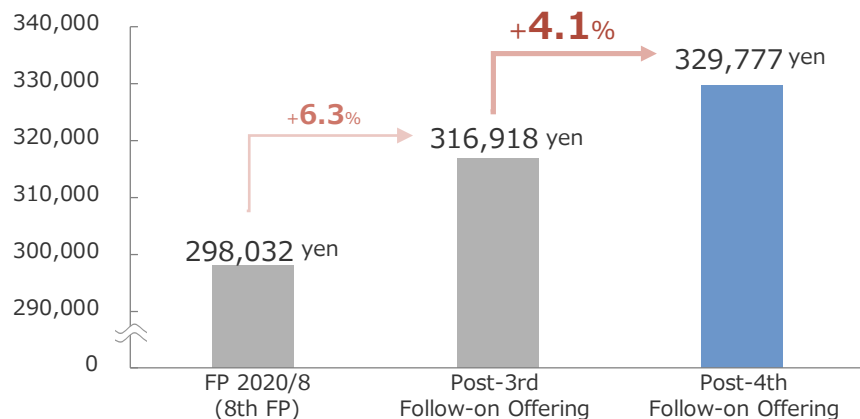
Asset Size



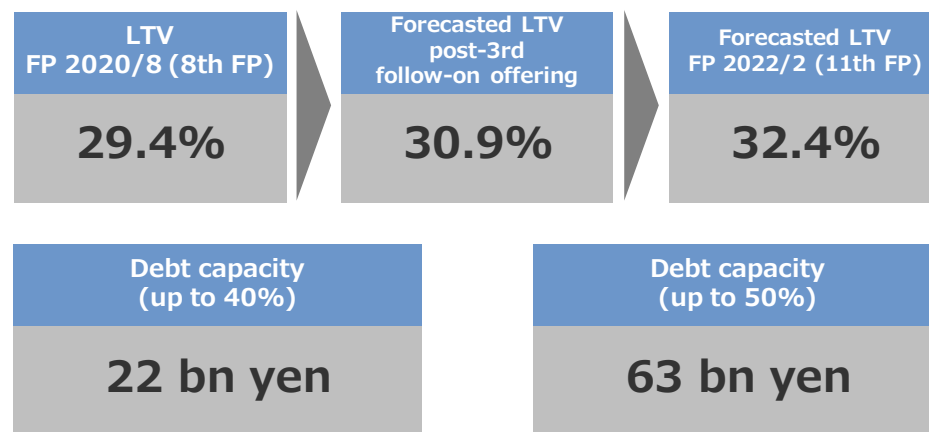
DPU per Unit (Stabilized basis)



NAV per Unit



LTV · Debt Capacity



Note: Data at the time of 4th follow-on offering. Forecasted LTV post-4th follow-on offering is as of Apr. 15, 2021



2

Financial Results and Forecasts



Financial Results for the Fiscal Period Ended Feb. 2021

Operating Results (mn yen)	FP Ended Aug. 2020 Actual (8th FP)(A)	FP Ended Feb. 2021 Actual (9th FP)(B)	Difference (B) – (A)	FP Ended Feb. 2021 Forecast (As of Oct. 15, 2020)(9th FP)
Operating Revenues	3,342	4,203	① +860	4,222
Operating Rental Revenues	3,342	4,203	+860	4,222
Operating Rental Expenses (excluding depreciation)	582	723	+141	781
NOI	2,759	3,479	+719	3,440
Depreciation	604	773	+169	770
Operating Income	1,729	2,204	② +474	2,177
Ordinary Income	1,655	2,074	+418	2,040
Net Income	1,654	2,073	③ +418	2,039
Distributions Per Unit (yen)				
Distributions Per Unit (including SCD)	6,003	6,619	+616	6,520
Distributions Per Unit (excluding SCD)	5,411	5,953	+542	5,857
Surplus Cash Distributions (SCD) Per Unit	592	666	+74	663
Number of investment units issued and outstanding (units)	305,815	348,237	+42,422	348,237
Other Statistics				
AFFO (mn yen)	2,214	2,733	+518	2,618
AFFO payout ratio	82.9%	84.3%	+1.4%	86.7%
LTV	29.4%	31.4%	+2.0%	31.5%
NAV per unit	298,032	323,737	+25,706	-
Average Occupancy	99.9%	99.7%	(0.2)%	99.8%

Main Factors of Variance 8th FP Actual vs. 9th FP Actual

①	<ul style="list-style-type: none"> • Increase in revenue from properties acquired in 9th FP +856mn yen • Rent increase, others from existing properties +4mn yen <ul style="list-style-type: none"> Increase in rent +14mn yen Decrease in utility cost (16)mn yen
②	<ul style="list-style-type: none"> • Increase in expenses from properties acquired in 9th FP (341)mn yen <ul style="list-style-type: none"> Increase in depreciation (167)mn yen Increase in facility management fee, etc. (98)mn yen Increase in G&A expenses such as AM fee, etc. (75)mn yen • Increase in expenses from existing properties (44)mn yen <ul style="list-style-type: none"> Increase in leasing fee (28)mn yen Increase in repair and maintenance expense (26)mn yen Decrease in utility cost +16mn yen
③	<ul style="list-style-type: none"> • Increase in non-operating expenses (54)mn yen <ul style="list-style-type: none"> Increase in interest expenses from debt in 9th FP (18)mn yen Temporary increase in expense from offering in Aug. 2020 (34)mn yen



Forecasts for the Fiscal Periods Ending Aug. 2021 and Feb. 2022

Operating Results (mn yen)	FP Ended Feb. 2021 Actual (9th FP)(A)	FP Ending Aug. 2021 Forecast (10th FP)(B)	Difference (B) – (A)	(Reference) FP Ending Feb. 2022 Forecast (11th FP)
Operating Revenues	4,203	4,941	① +738	5,035
Operating Rental Revenues	4,203	4,941	+738	5,035
Operating Rental Expenses (excluding depreciation)	723	940	+216	909
NOI	3,479	4,001	+521	4,125
Depreciation	773	880	+106	892
Operating Income	2,204	2,521	② +316	① 2,613
Ordinary Income	2,074	2,336	+261	2,493
Net Income	2,073	2,335	③ +261	② 2,492
Distributions Per Unit (yen)				
Distributions Per Unit (including SCD)	6,619	6,685	+66	7,099
Distributions Per Unit (excluding SCD)	5,953	5,969	+16	6,372
Surplus Cash Distributions (SCD) Per Unit	666	716	+50	727
Number of investment units issued and outstanding (units)	348,237	391,135	+42,898	391,135
Other Statistics				
AFFO (mn yen)	2,733	2,974	+241	3,234
AFFO payout ratio	84.3%	87.9%	+3.6%	85.9%
LTV	31.4%	32.7%	+1.3%	32.4%
Average Occupancy	99.7%	99.7%	±0%	100.0%

Main Factors of Variance 9th FP Actual vs. 10th FP Forecast

- Increase in revenue from properties acquired in 10th FP +723mn yen
 - Rent increase from existing properties +14mn yen
- Increase in expenses from properties acquired in 10th FP (239)mn yen
 - Increase in depreciation (96)mn yen
 - Increase in G&A expenses such as AM fee, etc. (98)mn yen
 - Increase in expenses from existing properties (181)mn yen
 - Property tax, expensed from properties in 9th FP (95)mn yen
- Increase in non-operating expenses (56)mn yen
 - Increase in interest expenses from debt in 10th FP (30)mn yen
 - Temporary increase in expenses from offering in Feb. 2021 and issuance of investment corporation bonds (25)mn yen

Main Factors of Variance 10th FP Forecast vs. 11th FP Forecast

- Full contribution from properties acquired in 10th FP +93mn yen
- Decrease in non-operating expenses +65mn yen
 - No temporary expense from offering in Feb. 2021 and issuance of investment corporation bonds +60mn yen



3

Growth Strategy



Features of Mitsubishi Estate Logistics REIT Investment Corporation

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



Mitsubishi Estate Logistics REIT Investment Corporation

No. of Properties /
Asset Size

22 properties /
170.4bn yen

Sponsor-developed
Properties / Asset
Management
Company-sourced
Properties

61.1% /
38.9%

Average Occupancy

99.8%

Appraisal
NOI Yield

4.8%

Forecasted LTV
(2022/2)

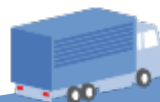
32.4%

Credit Rating
(JCR)

AA-
(Stable)

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 **one of the largest comprehensive real estate developers**
- Promoting the logistics facility business as a growth area

Support

- Constant supply of **pipeline properties from sponsor** through development / operation of advanced logistics facilities
- Utilization of Sponsor's know-how and corporate customer relations in the **leasing** activities
- Formulation of capital market-oriented long-term management plan to **promote recycling business** in domestic asset business and to **expand AUM consistently** in non-asset businesses

Asset Management Company

Investment/
Asset Management



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 larger 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 judgment
- **Flexible and diverse acquisition strategies**, using a wide range of schemes, including **bridge funds**
- Competitive real estate fund management capability backed by a **diverse deal track record**

Note: As of Feb. 28, 2021. However, the properties acquired during 10th FP are included



External Growth Strategy

13 properties / Total floor area: 1,091,000m² (preferential negotiation rights)

 Mitsubishi Estate Logistics REIT Investment Corporation

Sponsor-Developed Properties

 **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


Logicross

Logicross
Brand of logistics facilities
MEC develops throughout Japan


MJ Logipark

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

Asset Management Company-Sourced Properties

 **MITSUBISHI JISHO INVESTMENT ADVISORS, INC.**

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

Sponsor-Developed properties with expected preferential negotiation right

Asset Management Company-Sourced properties with expected preferential negotiation right



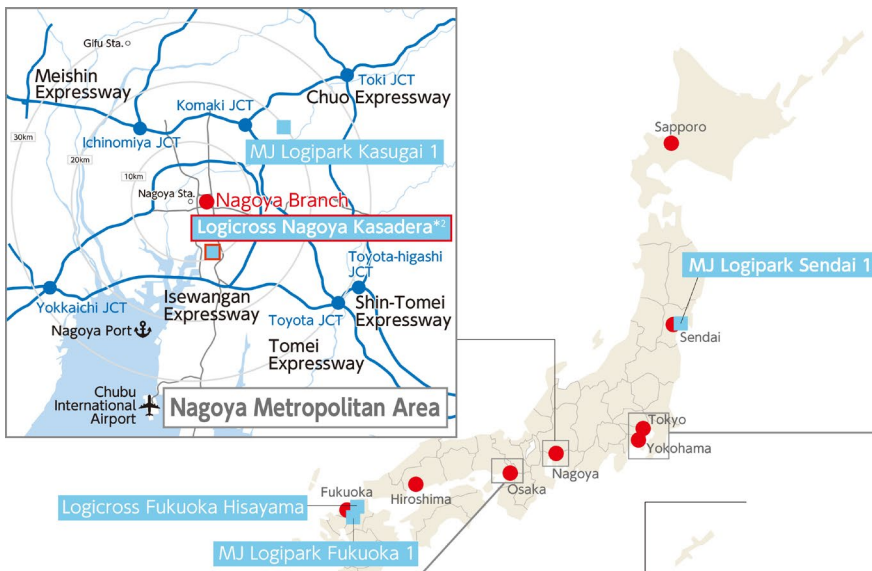
PDP
(Partnership Development Program)
Unique development initiative by the asset
manager to incorporate properties developed by
partners into the pipeline

* Tentative Name
Note: As of Apr. 15, 2021

Other Projects

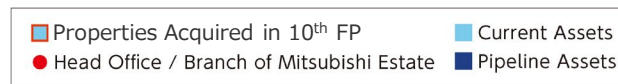


Portfolio Map



Note 1: As of Apr. 15, 2021

Note 2: For Logiccross Osaka and Logiccross Nagoya Kasadera, 60% co-beneficiary interest was acquired in 9th FP and 40% co-beneficiary interest in 10th FP, respectively

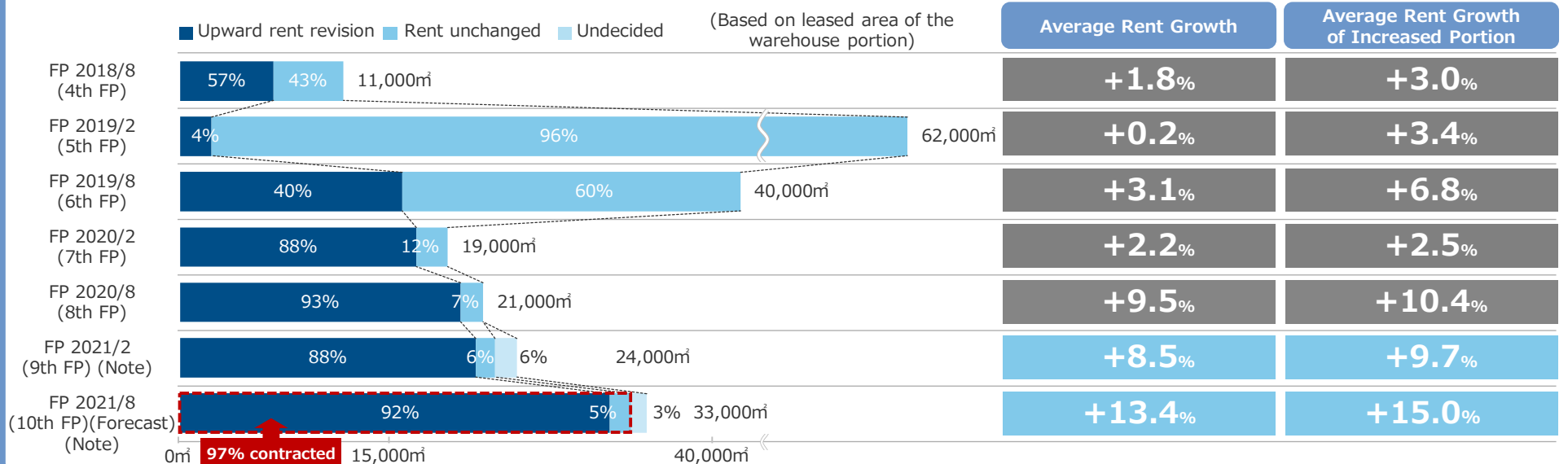


Internal Growth Strategy ①

Rent Revision



Achieved rent growth for 6 consecutive periods and upward trend is expected to continue for 10th FP



Upward Rent Revision Examples

- Achieved rent increase upon rent renewal by leveraging tenant relationship by our Sponsor in Fukuoka where demand is increasing



Leased Area : Approx. 26,000m²
Rent Growth : +17.2%

- Upon rent renewal, MEL installed LED lighting at MEL's cost which reduced tenant's electricity bills significantly
- As a result, MEL achieved rent growth



Leased Area : Approx. 9,000m²
Rent Growth : +6.1%

Unique Initiatives by Asset Management Company

- Improved profitability through installation of LED lighting**
 - Received green lease fee based on Green lease contract (MJ Logipark Fukuoka 1)
 - Achieved rent increase as a result of reduction of electricity charges borne by tenants (LOGIPORT Sagamiyara, LOGIPORT Hashimoto)
- Achieved income increase by execution of lease contract for installation solar panels on the roof top (MJ Logipark Fukuoka 1)**
- Improved tenant satisfaction and profitability by increasing parking space (LOGIPORT Osaka Taisho)**
- Reduced property tax due to review in asset valuation (Logicross Atsugi)**

Note: As of Apr. 5, 2021. Lease contracts that are not yet contracted are assumed to be unchanged for the calculation

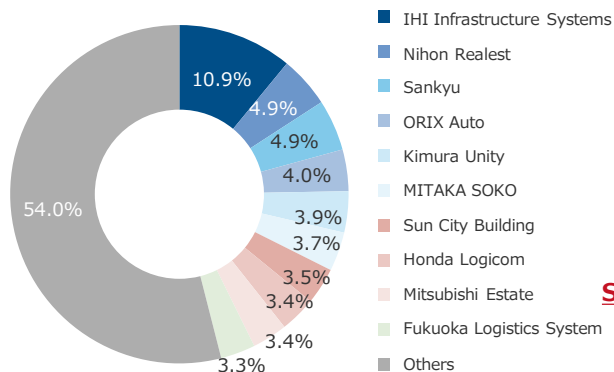


Internal Growth Strategy ②

Tenant Data



Tenant Diversification (Based on leased area)

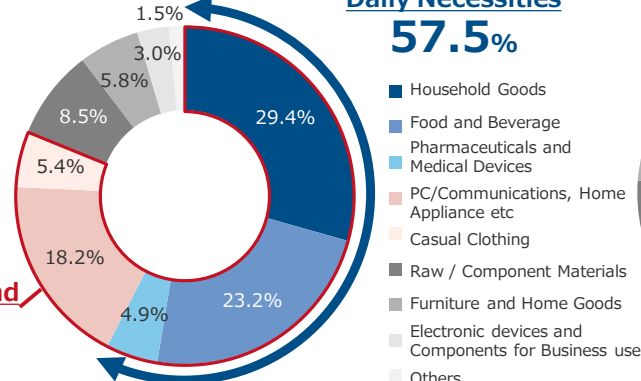


Cargo for EC
23.0%

BtoC
83.0%

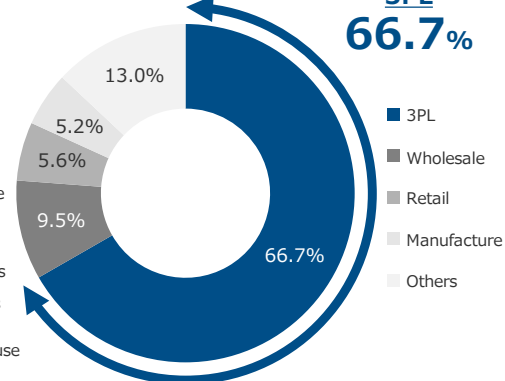
Cargo with Strong Demand
81.2%

Type of Cargo (Based on leased area)



Daily Necessities
57.5%

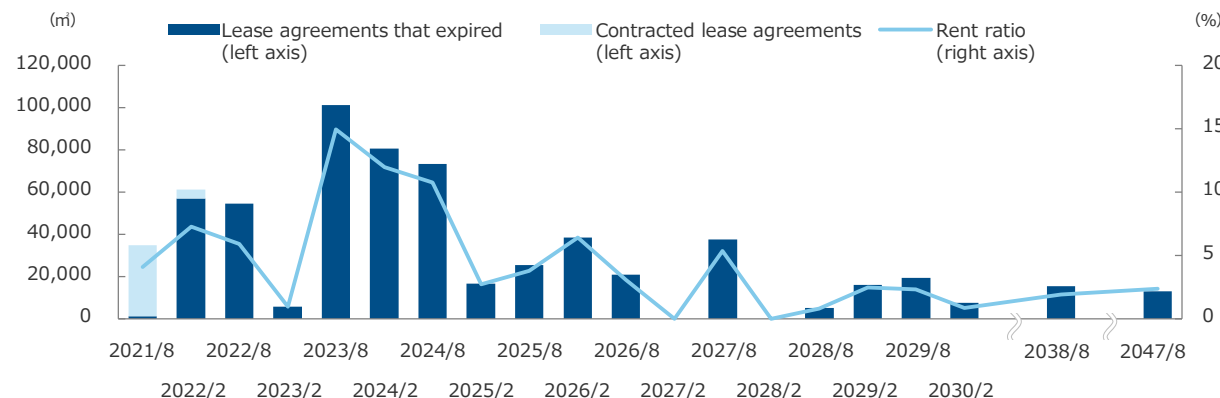
Delivery Destination (Based on leased area)



Average Occupancy Rate and Lease Agreements

Average Occupancy Rate	99.8%
Fixed-term Lease	100.0%
Weighted Average Remaining Expiry	7.4years

Lease Agreement Expiration Schedule (Note 2)



Note 1: As of Feb. 28, 2021. However, the properties acquired during 10th FP are included

Note 2: Excludes land



Financial Strategy

Financial Highlight

Long-term Debt Ratio

95.5%

Fixed Interest Rate Ratio

95.5%

Average Remaining
Debt Duration
(all / excluding short-term)

5.6 years/5.9 years

Average Debt Cost
(all / excluding short-term)

0.40%/0.41%

Credit Rating (JCR)

AA- (Stable)

Forecasted LTV
(FP 2022/2)

32.4%

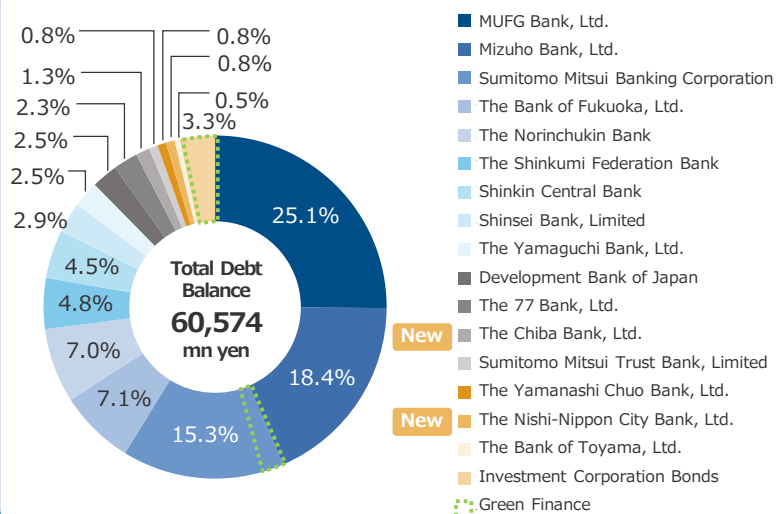
Debt Capacity
(LTV up to 40%)

Approx. **22** bn yen

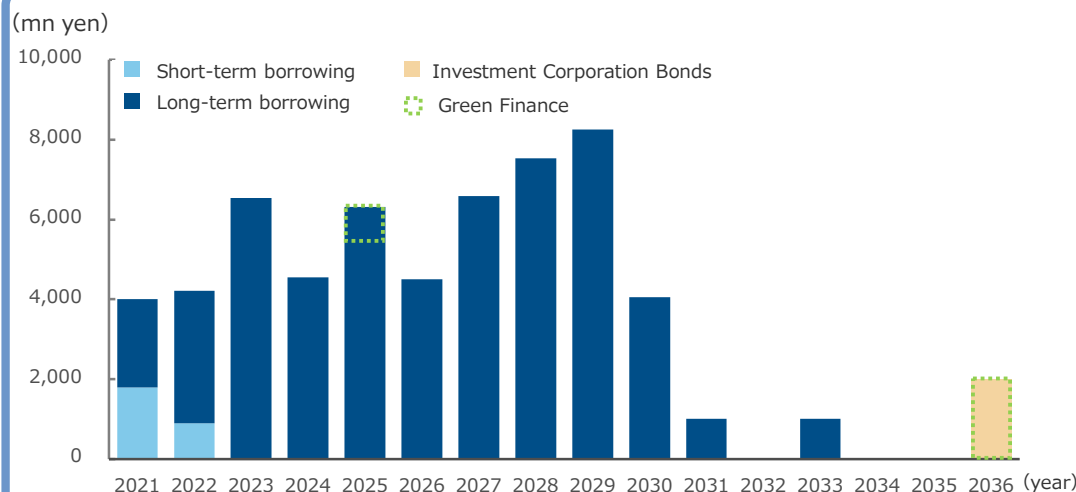
Debt Capacity
(LTV up to 50%)

Approx. **63** bn yen

Lenders



Debt Maturity Schedule



Note: As of Apr. 15, 2021



Green Finance

Initiatives for Financing utilizing ESG Assessments evaluated by External Organizations

Green Bond

MEL issued Green Bonds on Apr. 14, 2021 with the terms described below in order to promote efforts to improve sustainability and to further strengthen our financial base

Name	Investment Corporation 1st Series Unsecured Bonds (Green Bonds)
Total Amount Issued / Term	2,000 mn yen / 15 years
Interest Rate	0.700% per annum
Credit Rating (JCR)	AA-
Evaluation by Third-Party Entities	"Green 1(F)" (highest for JCR Green Finance Evaluation) rating in Green Finance Framework

Green Eligible Assets for Investment (Note 1)



LOGIPORT Osaka Taisho
BELS: ★★★★★ (ZEB Ready)
CASBEE: S Rank for Real Estate



Logicross Osaka
BELS: ★★★★★
CASBEE: S Rank for Real Estate



Logicross Nagoya Kasadera
BELS: ★★★★★
CASBEE: S Rank for Real Estate

Green Loan

- MEL borrowed 1,350 mn yen through the SDGs Green Loan financed by Sumitomo Mitsui Banking Corporation on Mar. 9, 2021, based on the above third-party evaluation institution's "Green Finance Framework"
- First case in J-REIT financed by MUFG Bank with "ESG Loan for J REIT" and SMBC with "Funding to promote SDG's"



Upper Limit of Green Finance

	Funds (mn yen)	Procurement Date	Repayment / Redemption Date	Allocation Status
Green Loans	1,350	Mar. 9, 2021	Mar. 9, 2025	Allocated
Green Bonds	2,000	Apr. 14, 2021	Apr. 14, 2036	Allocated
Total Green Finance	3,350	—	—	—
Upper limit of Green Finance (Note 2)	33,682	—	—	—

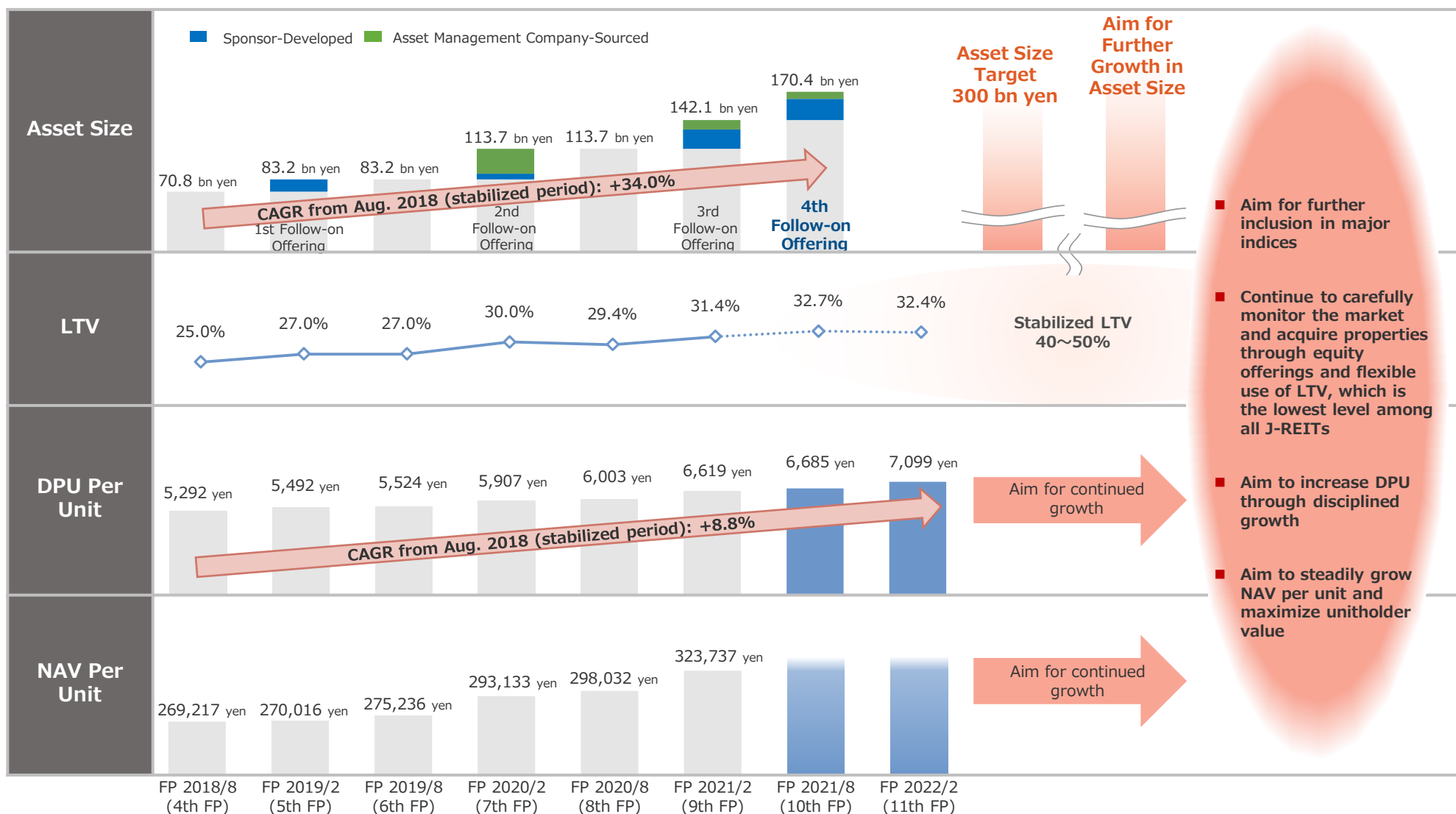
Note 1: The proceeds from the Green Bonds issuance have been allocated to the prepayment of a portion of the short-term loans which were borrowed for the acquisition of three properties described above

Note 2: The Upper Limit of Green Finance = Total Acquisition Price of Green Eligible Assets × Total Asset. LTV is calculated based on Feb. 28, 2021



Mid-to Long-Term Growth Strategy

Asset size target and transition of key financial figures



Note: As of Apr. 15, 2021



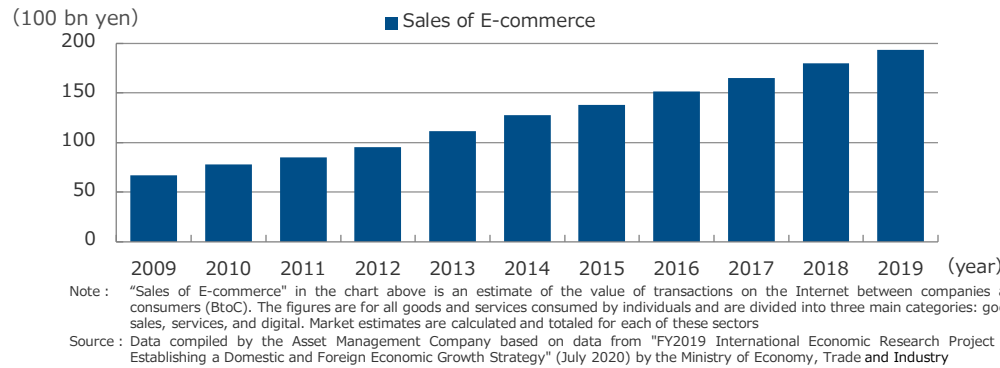
4

Overview of Logistics Market

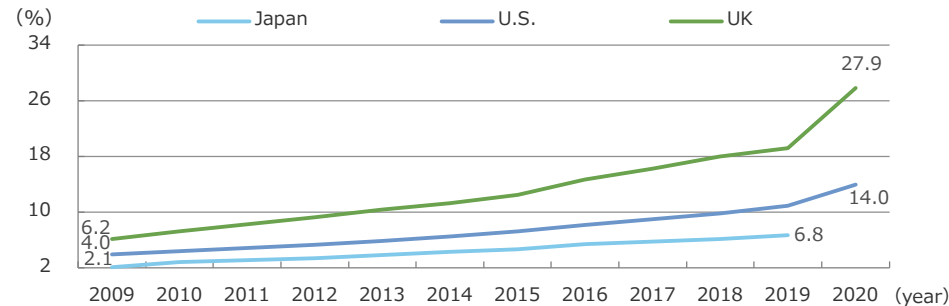


Logistics Market Fundamentals ①

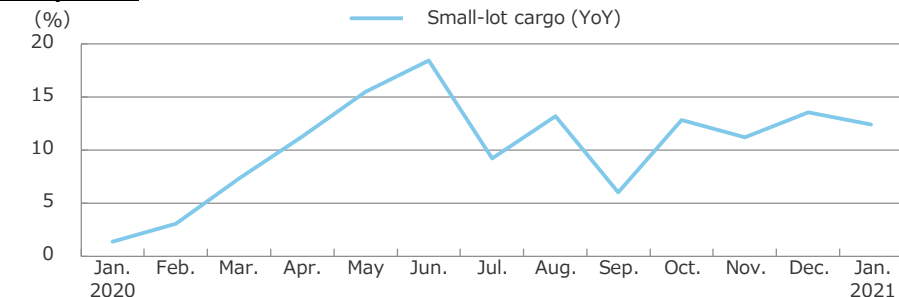
Expansion of E-commerce Market



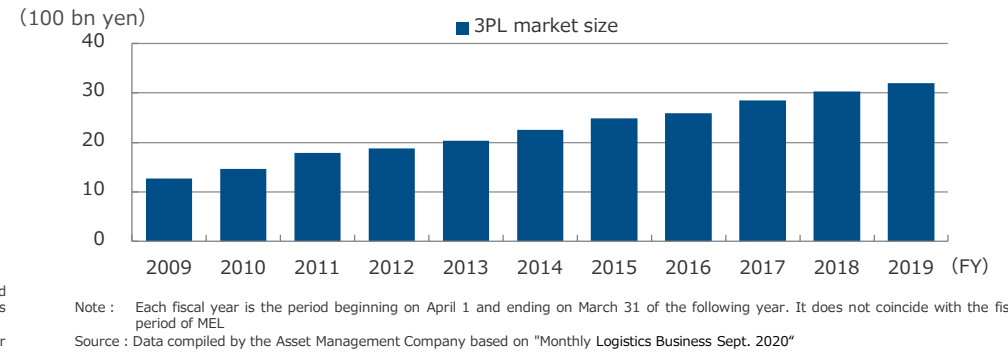
E-commerce Penetration Rate



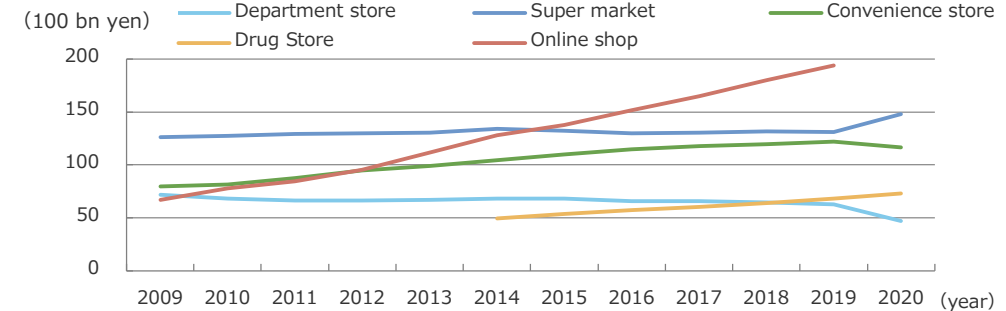
Growth Rate of Small-lot Cargo Amount Handled by 3 Major Shipping Companies



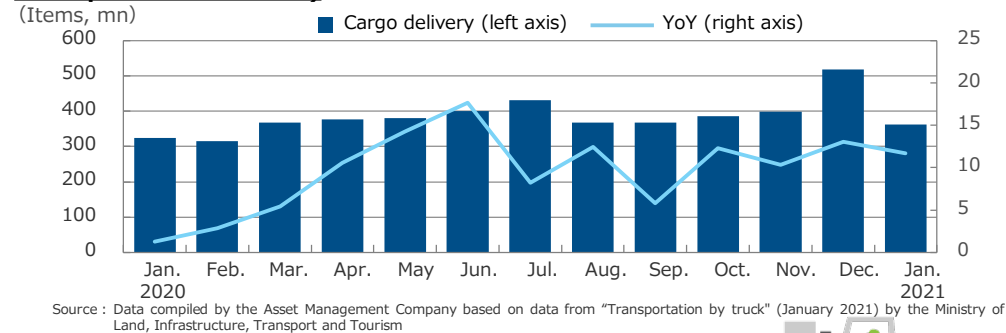
3 PL Market Size



Retail Market Size

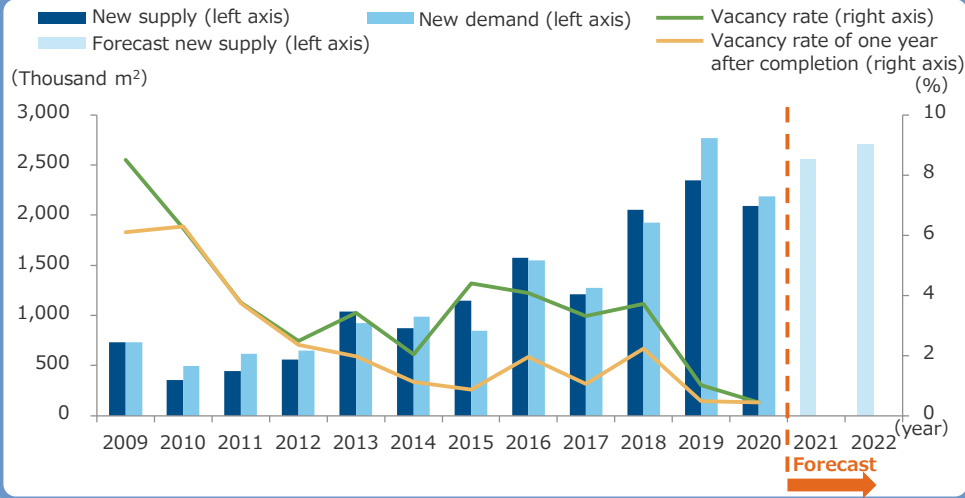


Monthly Trends in Cargo delivery (Ministry of Land, Infrastructure, Transport and Tourism)

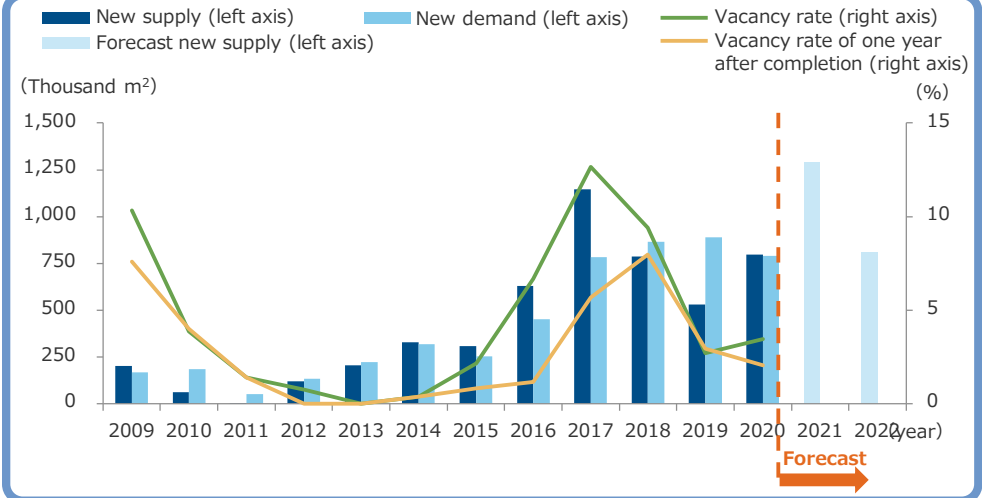


Logistics Market Fundamentals ②

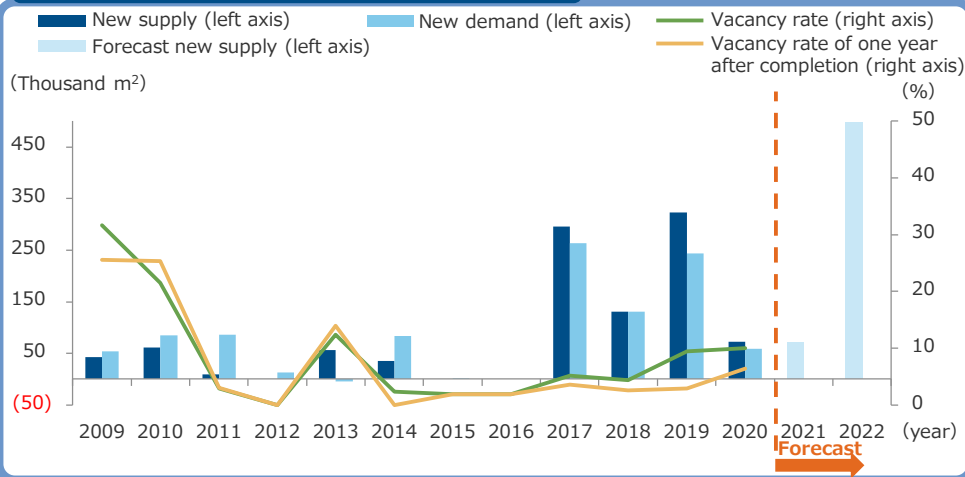
Tokyo Metropolitan Area



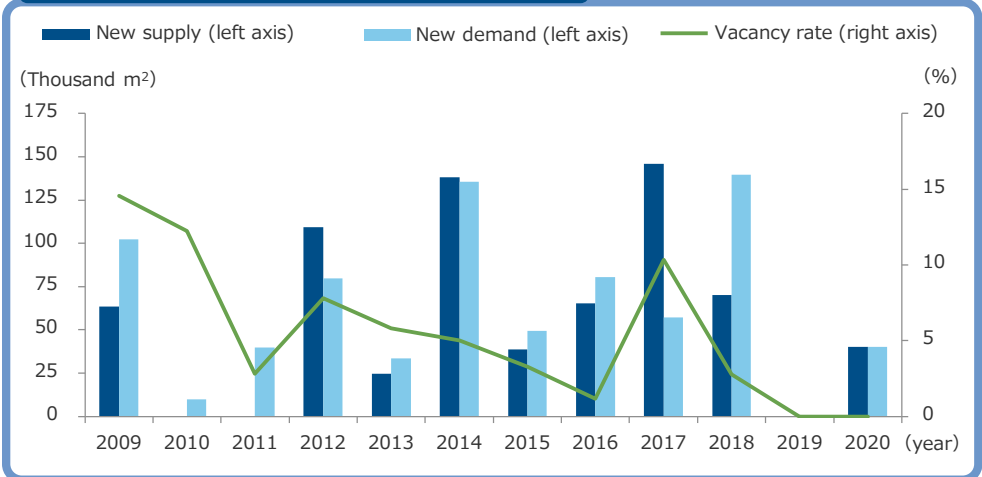
Osaka Metropolitan Area



Nagoya Metropolitan Area



Kyushu Area



Source: CBRE



5

ESG Initiatives



ESG Initiatives

GRESB Assessment

For 2020 GRESB Real Estate Assessment, MEL was awarded the prestigious “5 Stars” for the first time based on a relative evaluation by overall score, and “Green Star” for 2 consecutive years. Furthermore, MEL ranked 1st among 22 companies in industrial-listed sector in global, and was selected as “Global Listed Industrial Sector Leader”. In addition, in the “GRESB Public Disclosure” (5-level rating) that measures the level of ESG information disclosure, MEL’s effort to disclose ESG information was highly evaluated, and for the first time, was awarded the highest rank “A Level”.



Signing of PRI

Asset Management Company became a signatory of PRI, the Principles for Responsible Investment in March 2020. PRI encourages the incorporation of Environment, Social and Governance issues into investment decision-making processes, with the aim to help companies enhance long-term investment performance and better fulfill their fiduciary duty.

Signatory of:



Participate in United Nations Global Compact (UNGC)

UNGC is a voluntary, global initiative supporting a global framework for sustainable growth through the demonstration of creative, responsible leadership by the respective corporations and organizations as principled members of society.

Mitsubishi Estate became a signatory of the UNGC and Mitsubishi Estate Group was registered as participants in April 2018. Along with this, the Asset Management Company has participated in this initiative as a member of Mitsubishi Estate Group.



Mitsubishi Estate Group's Initiatives for ESG

Mitsubishi Estate Group's Sustainable Development Goals 2030 (Long-term Business Plan)

1.Environment

Sustainable urban development that proactively addresses climate change and environmental issues



2.Diversity & Inclusion

Urban development that responds to lifestyle and human resources trends and facilitates active participation for all



3.Innovation

Innovative urban development that continuously renews society



4.Resilience

Dynamic, flexible urban development that builds disaster-resilient communities and prioritizes safety and security






ESG Initiatives (Environment)

Environment

Promotion of Green Portfolio

Ratio of Green Properties in Portfolio (Total Floor Area basis)

75.3%

Certification System	# of properties
 Building-Housing Energy-Efficiency Labeling System (BELS)	8
 Comprehensive Assessment System for Built Environment Efficiency (CASBEE)	8
 DBJ Green Building Certification	1

Property Name	Evaluation
Logicross Fukuoka Hisayama	DBJ Green Building Certification : ★★★★★ (2018/3/30)
Logicross Atsugi	BELS : ★★★★★ (2019/2/20) CASBEE S Rank for Real Estate (2019/3/29)
Logicross Kobe Sanda	BELS : ★★★★★ (2019/2/20) CASBEE A Rank for Real Estate (2019/3/29)
Logicross Osaka	BELS : ★★★★★ (2021/1/27) CASBEE S Rank for Real Estate (2021/2/26)
Logicross Nagoya Kasadera	BELS : ★★★★★ (2021/1/27) CASBEE S Rank for Real Estate (2021/2/26)
LOGIPOINT Sagamihara	BELS : ★★★★★ (2020/12/22) CASBEE S Rank for Real Estate (2019/8/21)
LOGIPOINT Hashimoto	BELS : ★★ (2018/2/15) CASBEE S Rank for Real Estate (2019/8/21)
LOGIPOINT Osaka Taisho	BELS : ★★★★★/ZEB Ready (2020/12/22) CASBEE S Rank for Real Estate (2020/7/10)
MJ Logipark Kasugai 1	CASBEE A Rank for New Construction Aichi (2015/9/1)
MJ Logipark Kazo 1	BELS : ★★★★★ (2019/2/20)

Examples of Initiatives



Energy Saving Initiatives



Insulated sandwich panels for exterior walls



Installation of motion-detection sensors



Reuse of OA floor panels of office buildings in Marunouchi



Renovation with LED installation based on Green Lease contract



Use of Renewable Energy /BCP Initiatives



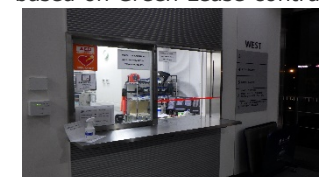
Installation of solar panels



Seismic isolators



Installation of emergency power generators



Measures against infectious diseases (acrylic plate, hand sanitizer)



ESG Initiatives (Social & Governance)

Social

Proactive Participation in CSR activities



Participation in flower bed Maintenance activities of community near Logicross Atsugi



Register for Disaster Cooperation Building (LOGIPORT Sagami-hara, LOGIPORT Hashimoto)



Lawn-mowing at greenery areas in MJ Logipark Atsugi 1



Secure reserves in case of emergency (Food, beverage & portable toilet)



As a heatstroke measure, free salt candy Service for tenants in properties (for all properties held as of Aug. 2020)



Donated 1,900 unused surge masks stored to the Chiyoda Ward Health Center As a substitute for notebooks



Donated unused calendars to elementary schools in developing countries through a supporting organization

Collaboration with Local Educational Institute and Improvement in Tenant Satisfaction



Conducted a survey to employees and reflected result on the renovation of employee lounge. Also, A wall design contest involving local universities and vocational schools was done, and the design of the winner is used at lounge's wall design of MJ Logipark Fukuoka 1



Before



After



Offering Comfortable Working Environment

Examples in the Asset Management Company

- Introduction of flexible working hour
- Installation of community spaces within office area
- Invitation of personnel from group companies and outside professionals
- Specialized training for skill improvement
- Employee satisfaction survey



These initiatives are intended to maximize asset management performance by improving productivity, skills and motivation of employees

Governance

Cumulative Investment for Employees

- Introduced cumulative investment for employees of Sponsor and the Asset Management Company to align interest with unitholders

Asset Management Fee Structure

- MEL introduced an asset management fee structure reflecting the performance of investment unit price for the purpose of aligning interest with unitholders.

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

1st in J-REIT

Same-boat investment by Mitsubishi Estate (as of Apr. 15, 2021)

c. 4.1%



6

Appendix



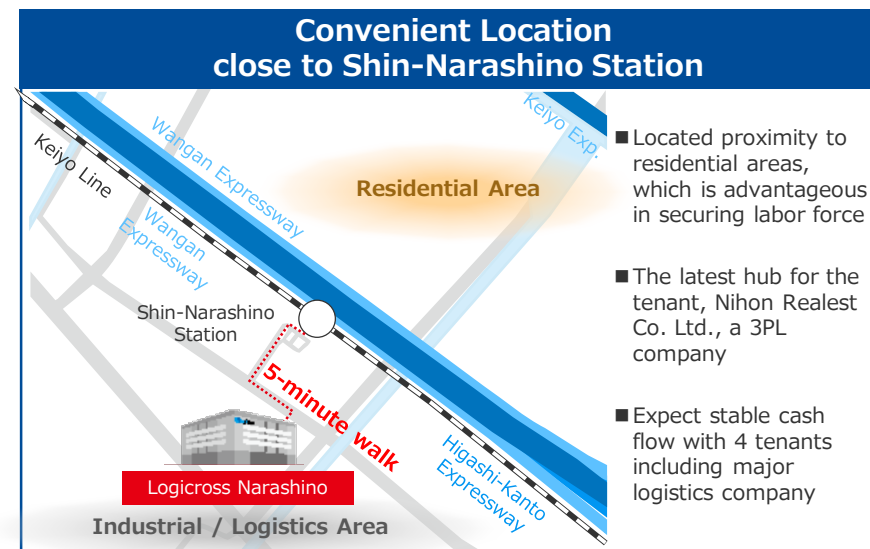
Properties Acquired during the 10th Fiscal Period ①

Logiccross Narashino

Multi

Sponsor-Developed

- High-spec multi-tenant facility located in Chiba Bay area near central Tokyo
- Advantage in securing labor with 5-minute walk to the nearest station



Anticipated Acquisition Price	11,851 mn yen
Appraisal Value	12,400 mn yen
Appraisal NOI Yield	4.3%
Location	Narashino, Chiba
Year Built	Mar. 2018
Total Floor Area	36,437.92m ²
Land Area	19,386.40m ²
No. of Tenants	1
Main Tenant	Nihon Realest Co., Ltd.

Note : Data at the time of 4th follow-on offering

Property Characteristics

- 4-story box-type with 2 entrances, and truck berths on both north and south sides of the 1st floor. Equipped with both luggage and vertical conveyor (4 of each in total)
- Floor weight capacity of 1.5t/m², effective ceiling height of 5.5m, pillar span of 10.45m x 10.4m, making it a highly versatile, easy-to-use logistics facility

Main Highway

- Approx. 2km from "Yatsu Funabashi IC" on Higashi-Kanto Expressway
- Approx. 3km from "Hanawa IC" on Keiyo Expressway
- Approx. 400m from National Route 357

Location Characteristics

- Located in Akanehama, Narashino in Chiba Bay area. Surrounding area is concentrated with factories, logistics facilities, retails and universities. Also, there are many logistics facilities in the neighboring Shibazono area, and Keiyo Food Industrial Complex in Takase, Funabashi, where food-related factories are concentrated
- Relatively good access to ports and airports (approx. 30km from Port of Tokyo, approx. 40km from Narita and Haneda Airport)



Properties Acquired during the 10th Fiscal Period ②

Logicross Osaka (40% additional co-beneficiary interest)

- High-performance multi-tenant facility with accessible to major consumption areas (Osaka and Kobe)
- Advantage in securing labor with walking distance from two train stations

Multi

Sponsor-
Developed

CASBEE

BELS



Capturing Strong E-commerce Demand

A 3PL company specialized in E-commerce



- Leased to e-LogiT Co., Ltd., a company which provides comprehensive mail-order services
- e-LogiT Co., Ltd. uses the facility as the first fulfillment center in Kansai region, and plans to expand its business in the near future
- The tenant values its high potential location with good access to major consumption areas in Osaka and Kobe

Anticipated Acquisition Price	3,868 mn yen
Appraisal Value	4,000 mn yen
Appraisal NOI Yield	4.3%
Location	Osaka, Osaka
Year Built	Sept. 2018
Total Floor Area	36,619.48m ²
Land Area	18,176.07m ²
No. of Tenants	2
Main Tenant	e-LogiT Co., Ltd., other

Note : Data at the time of 4th follow-on offering

Property Characteristics

- 4 story box-type with 2 truck berths, equipped with luggage elevators and vertical conveyors (4 in each section), making it easy to rent the facility in sections
- Each floor has an effective ceiling height of 5.5m and a floor weight capacity of 1.5t/m², making it a highly versatile, easy-to-use logistics facility

Main Highway

- Approx. 1.5km from "Amagasaki Higashi IC" on Hanshin Expressway No.3 Kobe Line, and approx. 4km from "Nakajima IC" on Hanshin Expressway No. 5 Wangan Line
- Approx. 200m from National Route 43

Location Characteristics

- Located 7.5km from the center of Osaka (Umeda Station) and 24km from Kobe City (Sannomiya Station). Easy access to Port of Hanshin (Port of Osaka and Kobe) and to a wide area via Hanshin Expressway No.3 Kobe Line and No.5 Wangan Line, and proximity to National Route 43 leads to high potential location
- It is possible to operate 24 hours a day, 365 days a year



Properties Acquired during the 10th Fiscal Period ③

Logicross Nagoya Kasadera (40% additional co-beneficiary interest)

- Proximity to central Nagoya and can cover a wide area in Chubu
- Advantage in securing labor with walking distance from a station serving 2 train lines

Multi

Sponsor-Developed

CASBEE

BELS



Acquired Land Information as a Comprehensive Developer

The Sponsor has collected a wide range of land information as a comprehensive developer and developed the facility for the most effective use

Collection of a wide range of land information



MITSUBISHI ESTATE Group

Offices

Retails

Residences

Logistics

Hotel / Airport

Consideration of Environment / Society

Reuse of Material

Reuse of OA floor panels used in Marunouchi area office space



Tsunami Evacuation Facility Designation

Facility can be used as a temporary shelter for local residents in the event of major tsunami warning. Equipped with emergency generators and emergency storage for employees



Anticipated Acquisition Price	5,719 mn yen
Appraisal Value	6,400 mn yen
Appraisal NOI Yield	5.0%
Location	Nagoya, Aichi
Year Built	Jan. 2019
Total Floor Area	72,376.03m ²
Land Area	33,224.00m ²
No. of Tenants	10
Main Tenant	YAGAMI Co., Ltd., others

Note : Data at the time of 4th follow-on offering

Property Characteristics

- Direct access to each floor with spiral rampway, floor weight capacity of 1.5t/m², an effective ceiling height of at least 5.5m, a pillar span of at least 10m and equipped with LED lighting
- Installed emergency generators and storage for employees to support tenants' BCP

Main Highway

- Located approx. 1.2km from "Kasadera IC" on Nagoya Expressway No.3 Odaka Line, approx. 3.0km from "Kiba IC" on Nagoya Expressway No.4 Tokai Line, and approx. 6km from "Tokai IC" on Isewangan Expressway
- Located approx. 0.5km from National Route 23, approx. 1.5km from National Route 247 and approx. 0.5km from National Route 1

Location Characteristics

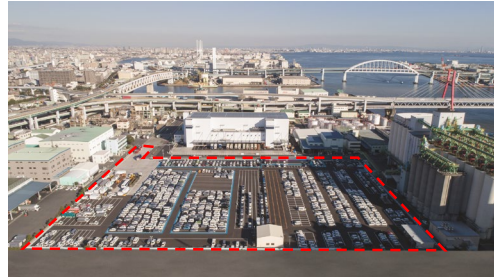
- Located near "Kasadera IC", allows easy access to Nagoya Highway No.4 Tokai Line and Isewangan Expressway. Proximity to National Route 23, which crosses the Nagoya Port area, and National Route 247, which crosses from Nagoya City to Tokai City, making it a convenient transportation
- Easy access to Nagoya Port, Japan's largest port in terms of total cargo handled, and Chubu Centrair International Airport can be reached in 35 minutes, making it possible to use the major logistics infrastructure of Aichi Prefecture



Properties Acquired during the 10th Fiscal Period ④

MJ Industrial Park Kobe (Land)

■ CRE project in Hanshin bay area capturing seller's business restructuring needs



Anticipated Acquisition Price	4,970 mn yen
Appraisal Value	5,670 mn yen
Appraisal NOI Yield	5.1%
Location	Kobe, Hyogo
Land Area	40,050.71m ²
Main Tenant	ORIX Auto Corporation

Property Characteristics

- Newly developed base for tenant (major car leasing company), covering the Kinki, Chugoku and Shikoku areas

Main Highway

- Approx. 1.4km from "Sumiyoshihama IC" on Hanshin Expressway No.5 Wangan Line
- Approx. 2.4km from "Uozaki IC" on Hanshin Expressway No.3 Kobe Line

Location Characteristics

- Proximity to IC which gives excellent access to central Osaka and Kobe. Advantage in securing labor with walking distance from nearest train station
- High potential for redevelopment to logistics facilities
- Expected further improvements in transportation convenience following the construction of Hanshin Expressway Osaka Wangan Line (Rokko Island North to Komasaekae) commenced in 2016

CRE

Asset Management
Company-Sourced

MJ Industrial Park Chiba-Kita (Land)

■ CRE project proximity to National Route 16 capturing tenant's off-balance sheet needs



Anticipated Acquisition Price	1,800 mn yen
Appraisal Value	1,950 mn yen
Appraisal NOI Yield	4.4%
Location	Chiba, Chiba
Land Area	14,986.64m ²
Main Tenant	Kinugawa Rubber Industrial Co., Ltd.

Property Characteristics

- Production base with headquarters functions of an automotive parts manufacturer

Main Highway

- Approx. 2.1km from "Chiba-Kita IC" on Higashi-Kanto Expressway
- Approx. 300m from National Route 16

Location Characteristics

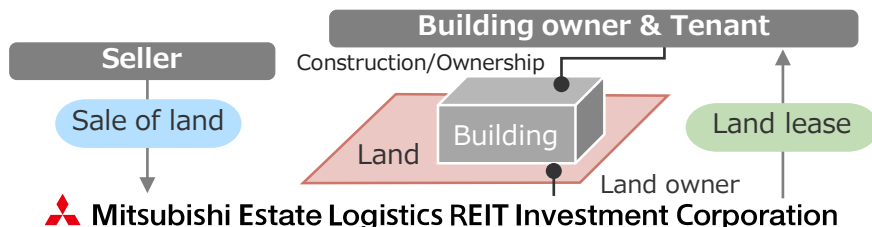
- Easy access to "Chiba-Kita IC" and National Route 16. Competitive business site due to advantage of securing labor as surrounded by residential area
- High potential to be a highly versatile location that can be converted to logistics facility with excellent access to Higashi-Kanto Expressway, Keiyo Expressway, National Route 14, National Route 16, National Route 126, providing connection to central Tokyo, access to Narita Airport and Tokyo Bay area

CRE

Asset Management
Company-Sourced

Ensuring long-term stable income through CRE proposal

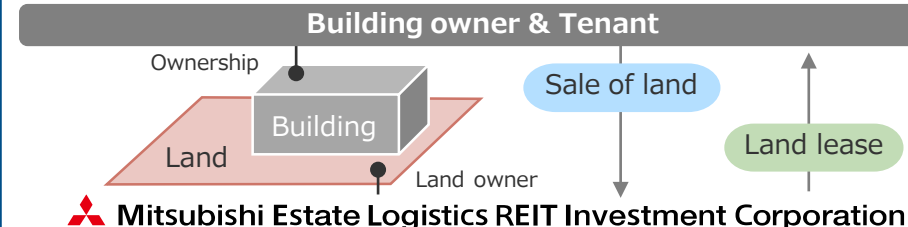
Capturing seller's selling needs and securing stable income through long-term lease



Note : Data at the time of 4th follow-on offering

Property acquisition through CRE strategy

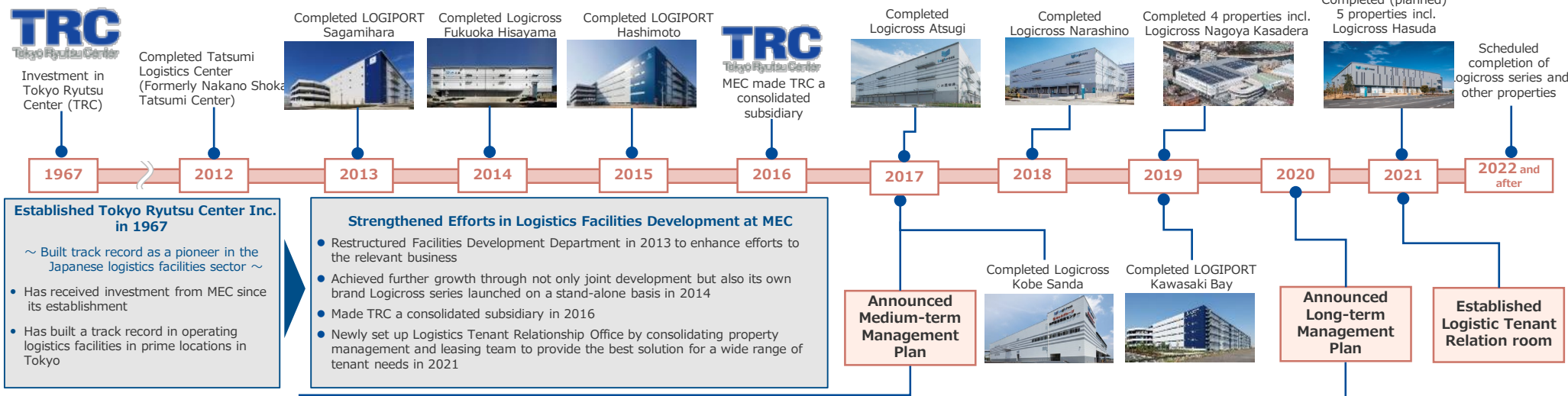
Acquisition that captures the seller's demand for sale-and-leaseback



Features of Mitsubishi Estate Group's Logistic Facilities Business ①

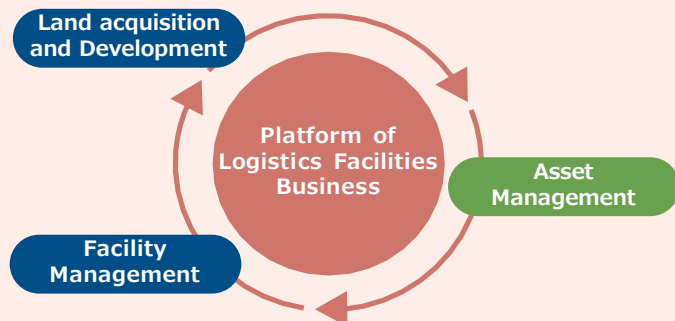
History of Logistics Facility Business in Mitsubishi Estate Group

- MEC Group has developed safe and secure logistics facilities proactively and consistently, since the commencement of the business in 1967, and strengthened capacity with the establishment of Logistics Facilities Development Office within Urban Project Development Department in 2012
- MEC Group aims to enhance social infrastructure and quality of life through this high-growth business, leveraging expertise and relations cultivated as a comprehensive real estate developer



Taken from "Mitsubishi Estate Group Medium-term Management Plan from 2018/3 to 2020/3"

Value Chain of "Capital Recycling Investment"



Taken from "Mitsubishi Estate Group Long-Term Management Plan 2030"

Domestic Asset Business

- Advance and commercialize redevelopment PJ, including Marunouchi
- Promote capital recycling business in response to real estate market conditions

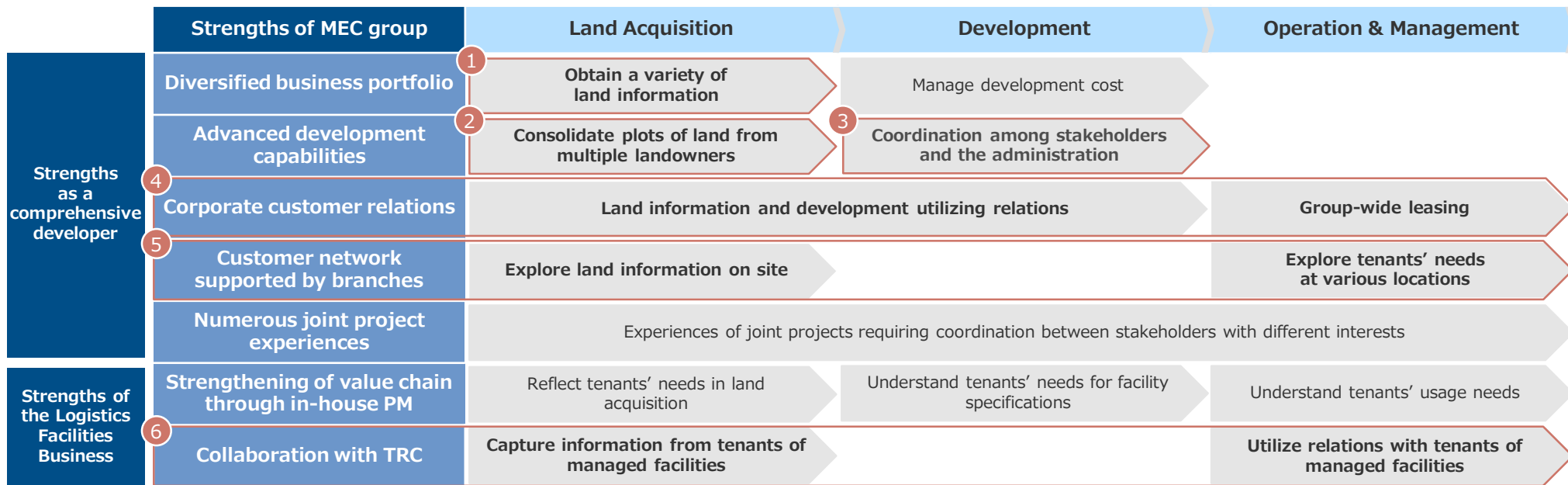
International Asset Business

Non-asset Business

- Increase AUM to 5 trillion yen by the mid-2020s
- Utilization of the latest technologies such as AI and Robotics



Features of MEC Group's Logistic Facilities Business ②



① Obtain a variety of land information

- Obtaining a variety of land information through group-wide information sharing

Logicross
Nagoya Kasadera



② Consolidate plots of land from multiple landowners

- Efforts such as acquiring development lands through land consolidation of multiple owners



③ Coordination among stakeholders and the administration

- MEL's ability to respond to complex schemes for ownership interest swaps were highly rated

Logicross Hasuda



④ Corporate customer relations

- Collaborative project making full use of relation with office tenant in Otemachi, Marunouchi and Yurakucho area

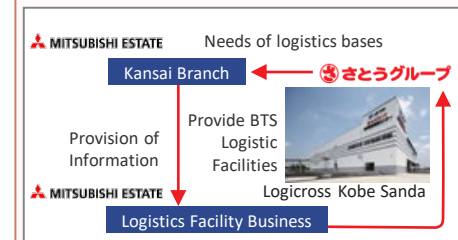
LOGIPORT Kawasaki Bay



⑤ Customer network supported by branches

- 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

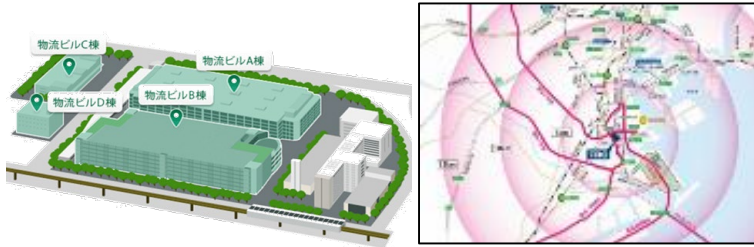


Features of MEC Group's Logistic Facilities Business ③

⑥ Cooperation with 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 since 2016
- Rebuilt Logistics Building, B-wing as the first in-premise redevelopment project (completed in June, 2017, with floor area of 171,300m²). MEC entered "Project Management Support consignment contract" associated with rebuilding



Launch of a co-working showroom that aims to solve problems through logistics tech

- Launched the "TRC LODGE", a permanent exhibition space where visitors can learn the latest logistics tech to help solve problems of all sizes faced by logistics companies
- A "Seminar and Co-working Space" is available for exhibiting companies to hold seminars, etc.
- The "Time Share Warehouse" is an experimental space where companies can rent the entire latest warehouse for an hour or more to test and demonstrate new products. It can be used not only for the display of existing products, but also for new product development and demonstration
- Supporting the tenants of logistics facilities developed and operated by the MEC Group through this facility to enhance the efficiency and sophistication of logistics operations, both in terms of software and hardware



"TRC LODGE", a permanent exhibition space



"Time Share Warehouse"



"Seminar and Co-working Space"

Operation management by TRC



Logicross Nagoya Kasadera



Logicross Atsugi II

- Operation & management of 13 properties held by MEL and pipeline assets are outsourced to TRC
- Promoting in-house operation & management by utilizing TRC's know-how

Personnel Exchange with TRC (Since Apr. 1, 2016)



- Nine employees are seconded from MEC to TRC, while two employees from TRC to MEC
- One employee is seconded from Asset Management Company to TRC, while one from TRC to Asset Management Company
- Promoting the accumulation of know-how through personnel exchange

Development of Facility Management Service Utilizing Drones

- Started the joint development of an advanced and efficient operation/management method, utilizing TRC's operational/management know-how
- The MEC Group promotes digital transformation unbound by the traditional Real Estate business, through the fusion of Real Estate Assets and digital technology



Portfolio Overview

No. of Properties/ Total Acquisition Price

22 properties /
170.4 bn yen

Average Occupancy Rate

99.8%

Average Appraisal NOI Yield

4.8%

Sponsor-Developed/ Asset Management Company-Sourced

61.1% / 38.9%

Average Property Age

7.3 years

Sponsor-Developed Properties

Logicross Fukuoka Hisayama



Logicross Narashino



Logicross Atsugi



LOGIPORT Sagami-hara (49% co-beneficiary interest)



Logicross Kobe Sanda



LOGIPORT Hashimoto (45% co-beneficiary interest)



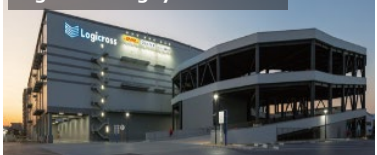
Logicross Osaka



LOGIPORT Osaka Taisho (37.5% co-beneficiary interest)



Logicross Nagoya Kasadera



Asset Management Company-Sourced Properties

MJ Logipark Funabashi 1



MJ Logipark Fukuoka 1



MJ Logipark Kazo 2



MJ Logipark Atsugi 1



MJ Logipark Tsuchiura 1



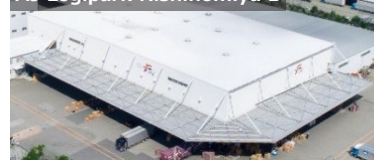
MJ Logipark Sendai 1



MJ Logipark Kazo 1



MJ Logipark Nishinomiya 1



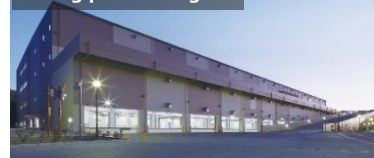
MJ Industrial Park Sakai (Land)



MJ Logipark Osaka 1



MJ Logipark Kasugai 1



MJ Industrial Park Kobe (Land)



MJ Industrial Park Chiba-Kita (Land)



Note: As of Feb. 28, 2021. However, the properties acquired during 10th FP are included



Overview of Portfolio

	Property Name	Location	Acquisition Price (mn yen)	Appraisal Value (mn yen)	Appraisal NOI Yield (%)	Total Leasable Area (㎡)	Ratio (%)	Occupancy Rate (%)	Property Age (years)	Property Type
Properties held as of 9th Fiscal Period	Logicross Fukuoka Hisayama	Kasuya, Fukuoka	5,770	6,870	5.6	34,878	3.4	100.0	6.4	Multi
	Logicross Atsugi	Atsugi, Kanagawa	8,440	9,190	4.5	29,895	5.0	100.0	4.0	Multi
	Logicross Kobe Sanda	Kobe, Hyogo	3,900	4,220	5.1	12,844	2.3	100.0	3.7	BTS
	Logicross Osaka (initial 60% co-beneficiary interest)	Osaka, Osaka	5,874	6,000	4.3	21,369	3.4	100.0	2.4	Multi
	Logicross Nagoya Kasadera (initial 60% co-beneficiary interest)	Nagoya, Aichi	8,705	9,780	4.9	37,373	5.1	100.0	2.1	Multi
	LOGIPORT Sagamihara (49% co-beneficiary interest)	Sagamihara, Kanagawa	21,364	24,000	4.7	88,609	12.5	99.7	7.5	Multi
	LOGIPORT Hashimoto (45% co-beneficiary interest)	Sagamihara, Kanagawa	18,200	20,430	4.6	58,487	10.7	99.9	6.1	Multi
	LOGIPORT Osaka Taisho (37.5% co-beneficiary interest)	Osaka, Osaka	10,484	11,550	4.6	40,081	6.2	96.0	3.0	Multi
	MJ Logipark Funabashi 1	Funabashi, Chiba	5,400	6,580	6.5	18,232	3.2	100.0	31.2	Multi
	MJ Logipark Atsugi 1	Atsugi, Kanagawa	6,653	7,010	4.5	28,002	3.9	100.0	7.6	Multi
	MJ Logipark Kazo 1	Kazo, Saitama	1,272	1,460	5.7	7,678	0.7	100.0	15.0	Multi
	MJ Logipark Osaka 1	Osaka, Osaka	6,090	6,960	5.1	39,082	3.6	100.0	13.4	Multi
	MJ Logipark Fukuoka 1	Kasuya, Fukuoka	6,130	6,460	5.3	38,143	3.6	100.0	13.4	Multi
	MJ Logipark Tsuchiura 1	Tsuchiura, Ibaraki	3,133	3,420	5.3	15,485	1.8	100.0	6.3	BTS
	MJ Logipark Nishinomiya 1	Nishinomiya, Hyogo	2,483	2,660	5.7	13,777	1.5	100.0	30.0	BTS
	MJ Logipark Kasugai 1	Kasugai, Aichi	13,670	14,300	4.8	57,866	8.0	100.0	4.1	Multi
	MJ Logipark Kazo 2	Kazo, Saitama	1,637	1,720	5.0	7,349	1.0	100.0	22.2	BTS
	MJ Logipark Sendai 1	Sendai, Miyagi	7,388	7,510	5.2	39,098	4.3	100.0	11.9	Multi
	MJ Industrial Park Sakai (Land)	Sakai, Osaka	5,600	5,780	3.8	87,476	3.3	100.0	-	Land
Sub-total / Average			142,194	155,900	4.9	675,733	83.5	99.7	8.1	-
Properties Acquired during 10th Fiscal Period	Logicross Narashino	Narashino, Chiba	11,851	12,400	4.3	39,132	7.0	100.0	3.0	Multi
	Logicross Osaka (additional 40% beneficiary interest)	Osaka, Osaka	3,868	4,000	4.3	14,216	2.3	100.0	2.4	Multi
	Logicross Nagoya Kasadera (additional 40% beneficiary interest)	Nagoya, Aichi	5,719	6,400	5.0	24,915	3.4	100.0	2.1	Multi
	MJ Industrial Park Kobe (Land)	Kobe, Kobe	4,970	5,670	5.1	31,743	2.9	100.0	-	Land
	MJ Industrial Park Chiba-Kita (Land)	Chiba, Chiba	1,800	1,950	4.4	14,986	1.1	100.0	-	Land
Sub-total / Average			28,209	30,420	4.6	125,024	16.6	100.0	2.7	-
Total / Average			170,404	186,320	4.8	800,758	100.0	99.8	7.3	-

Note: The date are as of Feb. 28, 2021. However, for the properties acquired during the 10th fiscal period, the appraisal value and appraisal NOI yield NOI is as of Dec. 1, 2020.



Summary of Latest Appraisals

(Unit: Millions of yen)

	Property Name	Acquisition Date	Acquisition Price	Book Value at end of 9th FP	9th FP (Ended Feb. 28, 2021) (Note 1)		8th FP (Ended Aug.31, 2021) (Note 2)		Difference		Unrealized gain
					Appraisal value	Direct cap rate (%)	Appraisal value	Direct cap rate (%)	Appraisal value	Direct cap rate (%)	
Properties held as of 9th Fiscal Period	Logicross Fukuoka Hisayama	Sept. 2017	5,770	5,552	6,870	4.7	6,150	4.8	+720	-0.1	1,317
	Logicross Atsugi	Sept. 2018	8,440	8,382	9,190	4.1	9,200	4.1	-10	±0.0	807
	Logicross Kobe Sanda	Sept. 2018	3,900	3,875	4,220	4.6	4,230	4.6	-10	±0.0	344
	Logicross Osaka (initial 60% co-beneficiary interest)	Sept. 2020	5,874	5,930	6,000	4.1	6,000	4.1	±0	±0.0	69
	Logicross Nagoya Kasadera (initial 60% co-beneficiary interest)	Sept. 2020	8,705	8,803	9,780	4.3	9,540	4.4	+240	-0.1	976
	LOGIPORT Sagamihara (49% co-beneficiary interest)	Sept. 2017	21,364	20,855	24,000	4.1	23,500	4.2	+500	-0.1	3,144
	LOGIPORT Hashimoto (45% co-beneficiary interest)	Sept. 2017	18,200	17,813	20,430	4.0	20,295	4.0	+135	±0.0	2,616
	LOGIPORT Osaka Taisho (37.5% co-beneficiary interest)	Oct. 2019	10,484	10,520	11,550	4.1	11,287	4.2	+263	-0.1	1,029
	MJ Logipark Funabashi 1	Sept. 2016	5,400	5,259	6,580	4.9	6,560	4.9	+20	±0.0	1,320
	MJ Logipark Atsugi 1	Sept. 2017	6,653	6,507	7,010	4.2	7,020	4.2	-10	±0.0	502
	MJ Logipark Kazo 1	Sept. 2017	1,272	1,242	1,460	4.8	1,430	4.9	+30	-0.1	217
	MJ Logipark Osaka 1	Sept. 2017	6,090	5,953	6,960	4.3	6,830	4.3	+130	±0.0	1,006
	MJ Logipark Fukuoka 1	Sept. 2017	6,130	5,846	6,460	4.8	6,440	4.8	+20	±0.0	613
	MJ Logipark Tsuchiura 1	Sept. 2019	3,133	3,134	3,420	4.8	3,420	4.8	±0	±0.0	285
	MJ Logipark Nishinomiya 1	Oct. 2019	2,483	2,559	2,660	4.8	2,640	4.8	+20	±0.0	100
	MJ Logipark Kasugai 1	Oct. 2019	13,670	13,645	14,300	4.4	14,100	4.5	+200	-0.1	654
	MJ Logipark Kazo 2	Sept. 2020	1,637	1,706	1,720	4.3	1,710	4.3	+10	±0.0	13
	MJ Logipark Sendai 1	Sept. 2020	7,388	7,421	7,510	4.8	7,410	4.9	+100	-0.1	88
	MJ Industrial Park Sakai (Land)	Oct. 2019	5,600	5,666	5,780	3.7	5,780	3.7	±0	±0.0	113
Sub-total			142,194	140,675	155,900	-	153,542	-	+2,358	-	15,224
Properties Acquired during 10th Fiscal Period	Logicross Narashino	Mar. 2021	11,851	-	12,400	4.0	-	-	-	-	-
	Logicross Osaka (additional 40% beneficiary interest)	Mar. 2021	3,868	-	4,000	4.1	-	-	-	-	-
	Logicross Nagoya Kasadera (additional 40% beneficiary interest)	Mar. 2021	5,719	-	6,400	4.4	-	-	-	-	-
	MJ Industrial Park Kobe (Land)	Mar. 2021	4,970	-	5,670	4.0	-	-	-	-	-
	MJ Industrial Park Chiba-Kita (Land)	Mar. 2021	1,800	-	1,950	4.3	-	-	-	-	-
Sub-total			28,209	-	30,420	-	-	-	-	-	-
Total			170,404	-	186,320	-	-	-	-	-	-

Note 1: As of Feb. 28, 2021. As of Dec. 1, 2020 for the properties acquired during the fiscal period during 10th fiscal period

Note 2: As of Aug. 31, 2020. As of June 30, 2020 for the properties acquired during the 9th fiscal period



Statement of Income and Balance Sheet

Statement of Income

(Unit : Thousands of yen)

Item	Actual
Operating revenues	4,203,412
Operating rental revenues	4,002,266
Other rental revenues	201,145
Operating expenses	1,998,671
Expenses related to property rental business	1,497,479
Asset management fee	352,247
Asset custody fee	1,390
Administrative service fee	19,156
Director's compensations	2,400
Commission paid	94,815
Other operating expenses	31,182
Operating income	2,204,740
Non-operating income	770
Interest income	44
Interest on refund	726
Non-operating expenses	131,455
Interest expenses	87,433
Borrowing related expenses	3,290
Amortization of organization expenses	6,047
Amortization of investment unit issuance expenses	34,682
Ordinary income	2,074,055
Net income	2,073,136
Unappropriated retained earnings	2,073,248

Balance Sheet

(Unit : Thousands of yen)

Item	Actual
Current assets	10,731,829
Cash and deposits	3,787,095
Cash and deposits in trust	5,685,115
Other current assets	1,259,618
Total fixed assets	140,731,780
Property and equipment	140,675,424
Intangible assets	3,626
Investments and other assets	52,730
Deferred assets	4,032
Total assets	151,467,642
Current liabilities	5,702,299
Operating accounts payable	257,699
Short-term loans payable	2,000,000
Long-term loans payable due within one year	2,211,000
Advances received	488,817
Consumption taxes payable	715,556
Other current liabilities	29,225
Non-current liabilities	46,179,129
Long-term loans payable	43,363,000
Tenant leasehold and security deposits in trust	2,816,129
Total liabilities	51,881,429
Total unitholders' equity	99,586,213
Unitholders' capital, net	97,512,964
Surplus	2,073,248
Total net assets	99,586,213
Total liabilities and net assets	151,467,642



Debt ① (As of Apr. 15, 2021)

Category		Lenders	Balance (mn yen)	Interest Rate	Borrowing Date	Repayment Date	Collateral	
Short-term	Floating rate	Mizuho Bank	1,300	Base rate (JBA 1-month JPY TIBOR)+0.07000%	Sept. 1, 2020	Sept. 1, 2021		
		Sumitomo Mitsui Trust Bank	500	Base rate (JBA 1-month JPY TIBOR)+0.09000%				
		Mizuho Bank	900	Base rate (JBA 1-month JPY TIBOR)+0.07000%	Mar. 9, 2021	Mar. 9, 2022		
	Sub-total		2,700	-	-	-		
Long-term	Fixed rate	Mizuho Bank	720	0.32630%	Sept. 14, 2017	Sept. 14, 2021	Unsecured Unguaranteed	
		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	0.42880%				Sept. 14, 2024
		MUFG Bank	1,760					Sept. 14, 2025
		Mizuho Bank	1,330	0.46750%		Sept. 14, 2026		
		The Bank of Fukuoka	450	0.50750%		Sept. 14, 2027		
		The Bank of Fukuoka	900					
		MUFG Bank	620	Sept. 14, 2018		Sept. 14, 2022		
		MUFG Bank	710			Sept. 14, 2025		
		MUFG Bank	2,680		Sept. 14, 2026			
		Sumitomo Mitsui Banking Corporation	880		0.57500%	Sept. 14, 2028		
		Mizuho Bank	880			Oct. 9, 2019		Oct. 9, 2024
		Sumitomo Mitsui Banking Corporation	830					Oct. 9, 2025
		The Norinchukin Bank	800		Oct. 9, 2026			
		Shinsei Bank	500		0.26000%			Oct. 9, 2027
		Mizuho Bank	830					
		The Bank of Fukuoka	807					
		Shinkin Central Bank	1,256					
		Sumitomo Mitsui Banking Corporation	3,000					
		MUFG Bank	4,000	Oct. 9, 2019	Oct. 9, 2028			
		The Norinchukin Bank	1,250					
		The Shinkumi Federation Bank	1,250					
		MUFG Bank	200					
		Mizuho Bank	2,400					
		The 77 Bank	400	0.24000%	Oct. 10, 2028			
		Shinsei Bank	1,250					
		The Bank of Fukuoka	750					



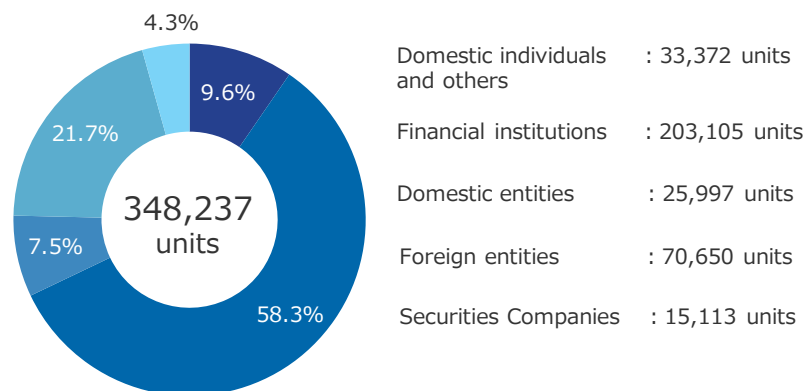
Debt ② (As of Apr. 15, 2021)

Category		Lenders	Balance (mn yen)	Interest Rate	Borrowing Date	Repayment Date	Collateral
Long-term	Fixed-rate	Sumitomo Mitsui Banking Corporation	1,150	0.20000%	Sept. 1, 2020	Sept. 1, 2024	Unsecured Unguaranteed
		The Shinkumi Federation Bank	1,500	0.20000%		Sept. 1, 2025	
		The Bank of Toyama	300				
		The Norinchukin Bank	800	0.31250%		Sept. 1, 2028	
		The Norinchukin Bank	500				
		The Bank of Fukuoka	900	0.50000%		Sept. 1, 2030	
		The 77 Bank	500				
		Mizuho Bank	1,750	0.21000%		Mar. 9, 2025	
		MUFG Bank	2,000				
		The Yamanashi Chuo Bank	500	0.43130%		Mar. 9, 2028	
		The Yamaguchi Bank	500				
		Shinkin Central Bank	750	0.36130%	Mar. 9, 2030		
		Sumitomo Mitsui Banking Corporation	1,350			0.65000%	
		Mizuho Bank	900	0.39630%	Mar. 19, 2028		
		The Norinchukin Bank	900			0.46630%	
		The Chiba Bank	800	-	-		
		The Bank of Fukuoka	500			-	
		The 77 Bank	500	-	-		
		THE NISHI-NIPPON CITY BANK	500			-	
		Mizuho Bank	1,050	-	-		
		MUFG Bank	1,000			-	
		The Yamaguchi Bank	1,000	-	-		
		MUFG Bank	800			-	
		MUFG Bank	1,000	-	-		
		Sub-total				55,874	
Investment Corporation Bond	Fixed-rate	1st Series Unsecured Bonds	2,000	0.70000%	Apr. 14, 2021	Apr. 14, 2036	
Total			60,574	-	-	-	-

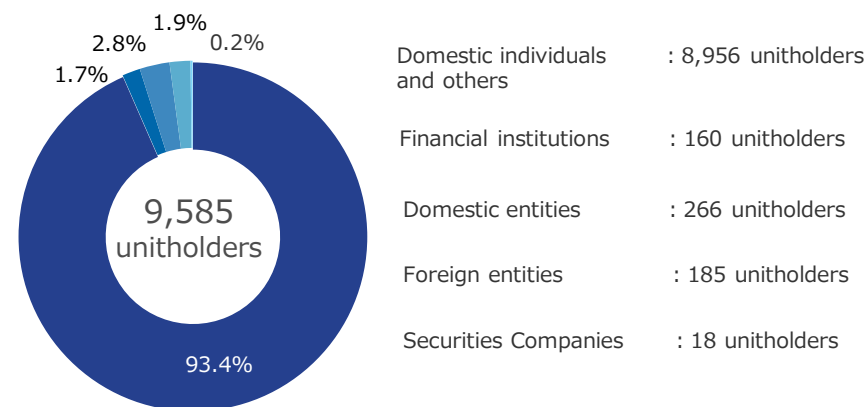


Unitholders Composition

Breakdown by Units



Breakdown by Unitholders



Note: As of Feb. 28, 2021

Major Unitholders

	Number of Units	Ratio
The Master Trust Bank of Japan, Ltd. (Trust Account)	53,105	15.24%
Custody Bank of Japan, Ltd. (Trust Account)	46,559	13.36%
Mitsubishi Estate Co., Ltd.	14,200	4.07%
Custody Bank of Japan, Ltd. (Securities Investment Trust Account)	13,755	3.94%
The Nomura Trust and Banking Company, Ltd. (Trust Account)	10,859	3.11%
SMBC Nikko Securities Inc.	9,270	2.66%
The Chugoku Bank, Limited	6,194	1.77%
The Shinkumi Federation Bank	5,748	1.65%
Mitsubishi UFJ Trust and Banking Corporation	5,413	1.55%
STATE STREET BANK WEST CLIENT-TREATY 505234	4,632	1.33%
Total	169,735	48.74%

Same-boat Investment by MEC (as of Apr. 15, 2021)

Investment in
MEL by MEC

4.1%

