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## Establish Growth Targets for Enhancing Unitholder Value

### Mid-to Long-term Target

Enhancing Unitholder Value = DPU Growth + NAVPU Growth

While striving to achieve mid-to long-term goals we set short-term target that are deemed achievable and effective, taking into account the current external environment

### Short-term Target (2 years)

 **Stabilized DPU Growth**  
**over 3.5 % /annual** +  **Approx. 1bn yen/annual**  
**Realizing of unrealized gain**

**Distribution Yield**  
**at the unit price**  
**where NAV multiple is 1x**  $\geq$  **Cost of Equity (4.4~4.6%)**



[Title]

[Q&A included] Mitsubishi Estate Logistics REIT Investment Corporation sets short-term targets for stabilized DPU growth and distribution of unrealized gains, aiming for returns above cost of capital

[Lead]

This is a transcription of the April 18, 2025 presentation of Mitsubishi Estate Logistics REIT Investment Corporation's financial results for the fiscal period ended February 28, 2025.

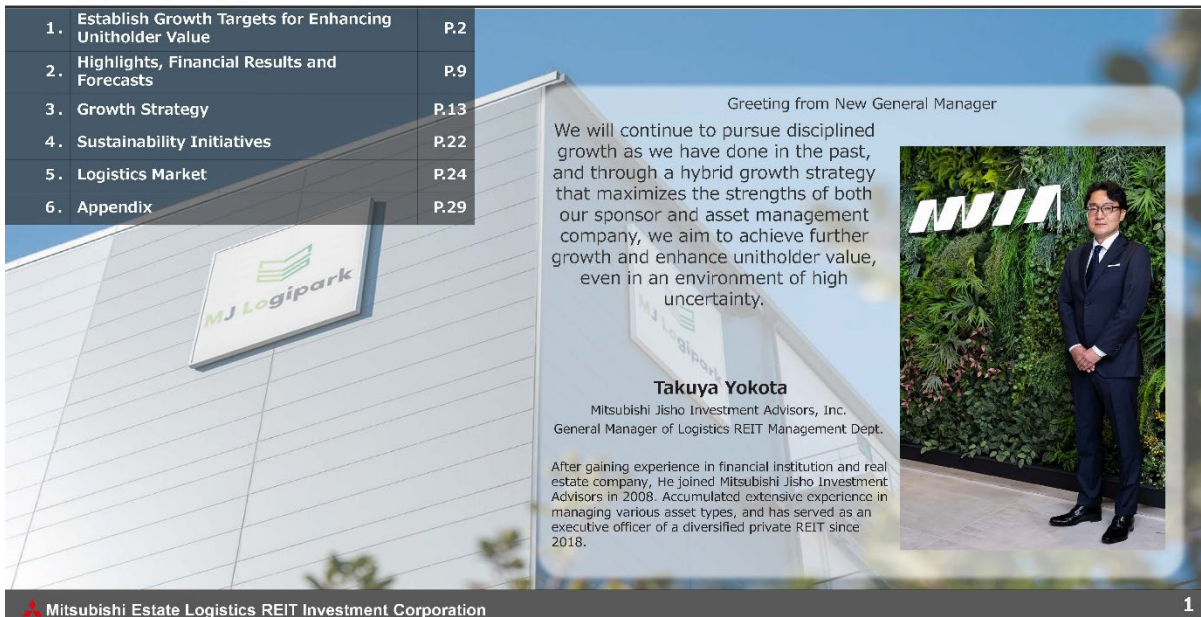
[Speaker]

Takuya Yokota, General Manager of Logistics REIT Management Dept., Mitsubishi Jisho Investment Advisors, Inc.

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Greeting from New General Manager

We will continue to pursue disciplined growth as we have done in the past, and through a hybrid growth strategy that maximizes the strengths of both our sponsor and asset management company, we aim to achieve further growth and enhance unitholder value, even in an environment of high uncertainty.

**Takuya Yokota**  
Mitsubishi Jisho Investment Advisors, Inc.  
General Manager of Logistics REIT Management Dept.

After gaining experience in financial institution and real estate company, He joined Mitsubishi Jisho Investment Advisors in 2008. Accumulated extensive experience in managing various asset types, and has served as an executive officer of a diversified private REIT since 2018.

Mitsubishi Estate Logistics REIT Investment Corporation

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Takuya Yokota (hereinafter, Yokota ): My name is Yokota from Mitsubishi Jisho Investment Advisors, Inc. (hereinafter, MJIA) Thank you very much for joining us today for the results presentation for Mitsubishi Estate Logistics REIT Investment Corporation (hereinafter, MEL) for the fiscal period ended February 28, 2025 (17th FP).

Effective April 2025, I have succeeded my predecessor, Mr. Takanashi, as the person responsible for the management of MEL and assumed the position of General Manager of Logistics REIT Management Depart. Since joining MJIA in 2008, I have been consistently involved in private real estate securitization. For the past seven years, I have served as the fund manager of a diversified private REIT, engaging in both real estate and REIT asset management operations.

MEL has steadily grown under fundamental policy of alignment, discipline, and hybrid (“Three Pillars”) . This approach represents our enduring growth strategy that will never change even with a change in management. In fact, I believe its importance is increasing as external environments surrounding the REIT continue to evolve.

We will continue striving to enhance unitholder value and meet the expectations of our investors. So, I appreciate your continued support.

## Establish Growth Targets for Enhancing Unitholder Value

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#### Mid-to Long-term Target

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While striving to achieve mid-to long-term goals we set short-term target that are deemed achievable and effective, taking into account the current external environment

#### Short-term Target (2 years)



**Stabilized DPU Growth**  
over **3.5 %** /annual

+



**Approx. 1bn yen/annual**  
**Realizing of unrealized gain**

**Distribution Yield**  
at the unit price  
where NAV multiple is 1x

≥

**Cost of Equity (4.4~4.6%)**



Before diving into the financial results, I'd like to first explain the new growth targets we have set. Our mid- to long-term target remains unchanged: to enhance unitholder value through the growth of both DPU and NAV, ultimately leading to an increase in unit price.

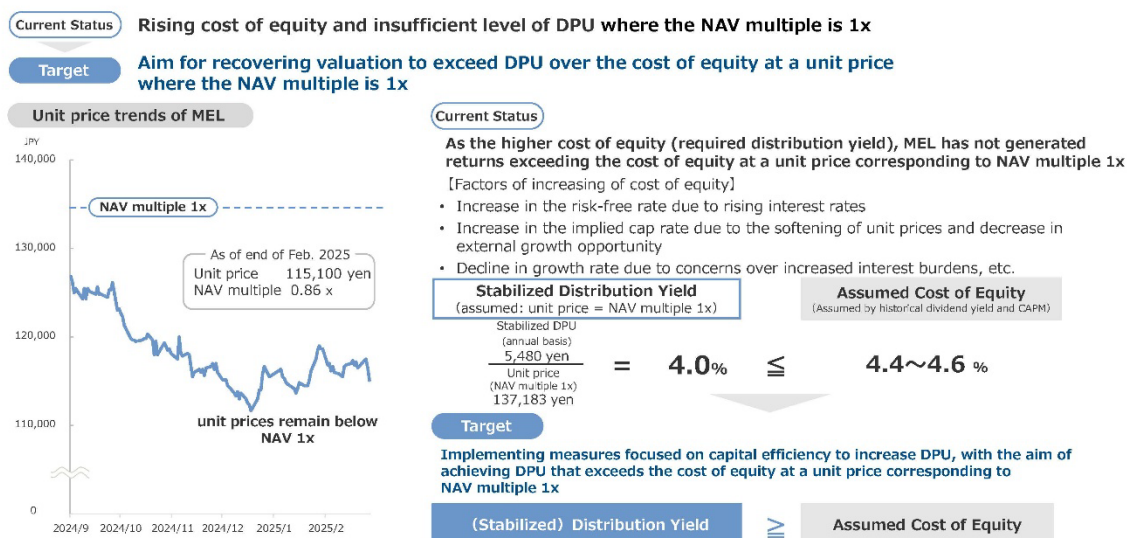
Even as external environments surrounding us—such as financial and real estate market environments—continue to change, we aim to consistently achieve this goal while also generating sufficient short-term returns that exceed the cost of capital.

Accordingly, we have newly established two short-term targets: to aim for stabilized DPU growth of over 3.5% annually and the distribution of unrealized gains of approximately JPY1.0 billion annually.

We have defined our investors' required rate of return as being above the cost of equity, and through these targets, aim to achieve a state where the distribution yield at 1.0x NAV exceeds the cost of equity, thereby improving the valuation of the unit price. From the next page onward, I will explain the background behind setting these goals, the vision we are aiming for, and the specific initiatives we plan to implement.

## Recognition of Current Status and Our Target (Background of Goal Setting)

### Recognition of Current Status and Our Target (Background of Goal Setting)



First, I will discuss the background that led to setting these goals. In the 15th FP and 16th FP, we achieved our first property sale and conducted asset replacement to improve the quality of the portfolio while also maintaining steady internal growth. As a result, we earned a relatively strong evaluation among Logistics J-REITs.

On the other hand, amid unstable financial markets and an environment where it has become difficult for investors to assess the growth potential of MEL, the unit price has remained soft. Throughout the 17th FP, the unit price traded below 1.0x NAV, and as of the end of February, it was approximately discounted by 15% relative to NAV.

We believe this is due to a situation in which, under an increased investors' required returns, or the cost of equity, due to rising interest rates, the return offered by MEL, or the distribution yield at 1.0x NAV, has not exceeded the cost of equity.

In numerical terms, while the assumed cost of equity estimated using the historical distribution yield and CAPM is around 4.5%, the stabilized distribution yield based on NAV per unit as of the end of the 17th FP was approximately 4%, falling short of the estimated cost of equity.

Therefore, our target going forward is to raise the stabilized distribution yield at 1.0x NAV to a level that exceeds the cost of equity, thereby achieving an improvement in valuation.

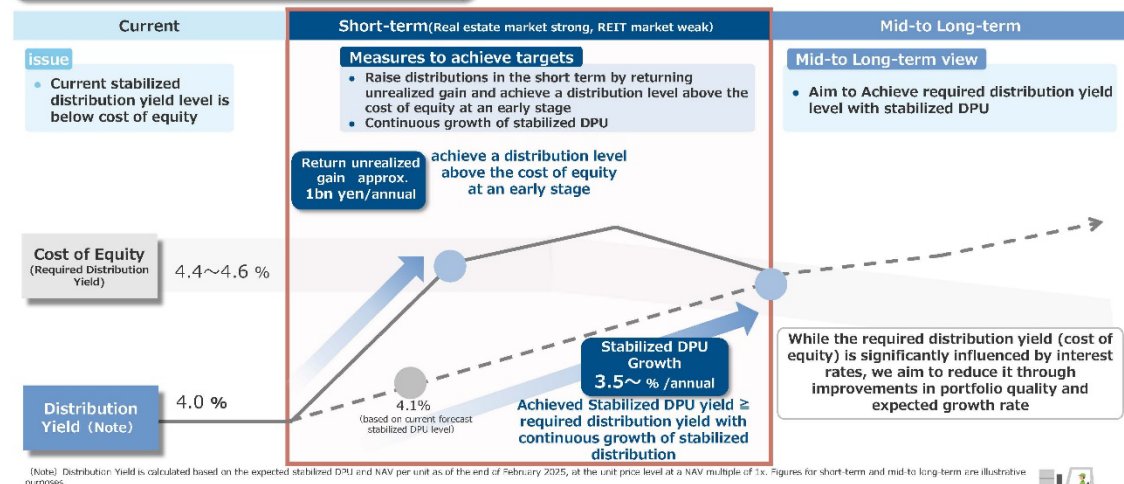


## Image of Achieving Short-term Growth Targets

### Image of Achieving Short-term Growth Targets

Aim to improve valuation and exceed a DPU over the cost of equity through the distribution of unrealized gains and the growth of stabilized DPU

Image of Distribution Yield (unit price=NAV multiple 1x)



This slide illustrates the direction envisioned going forward, along with the expected effects of establishing the two new targets. As mentioned earlier, we have set a target of achieving stabilized DPU growth of 3.5% or more annually. However, we recognize that securing returns exceeding the cost of equity on a stabilized DPU basis will take some time.

Therefore, to raise the level of distributions during the period until the stabilized target is achieved, we have committed to distributing approximately JPY1.0 billion of unrealized gains per year. Our portfolio holds approximately JPY50 billion in unrealized gains. By realizing and distributing roughly JPY1.0 billion of that—around 2%—and adding it to the stabilized DPU, we aim to achieve returns that exceed the cost of equity at an earlier stage.

While interest rates have a significant impact on the cost of equity, we intend to reduce it through improvements in portfolio quality and profitability via higher stabilized DPU levels, as well as by enhancing expected growth rates through effective IR activities.

Additionally, the two targets we have set are positioned as short-term initiatives, expected to span roughly two years. These measures are designed to take advantage of the current external environment—specifically, favorable real estate market with low cap rates and active transactions. As such, we recognize the need to change our growth strategy depending on changes in external environments.

Furthermore, since the cost of equity fluctuates with interest rate trends, we intend to implement measures in a timely and appropriate manner, taking external environments into account, to achieve mid- to long-term enhancement of unitholder value.

## Setting Short-term Growth Targets Considering External Factors ~Stabilized DPU Growth~

### Setting Short-term Growth Targets Considering External Factors ~Stabilized DPU Growth~

Stabilized DPU  
Growth Target

**over 3.5** %/ annual

Background

- Improve stabilized distribution yield at a NAV multiple 1x basis
- Enhancing the resilience to external environmental uncertainties by improving the portfolio's profitability, while maintaining growth from a mid- to long-term perspective
- Exceed DPU growth compared to inflation
- Reduction in the cost of equity through improving expected growth rate

<div style="display: flex; align-items: center; margin-bottom: 10px;"> <div style="border: 1px solid blue; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin-right: 10px;"> </div> <div> <p><b>Internal growth</b></p> <p>Continue to hybrid internal growth</p> </div> </div> <ul style="list-style-type: none"> <li>Continuous rent increases by taking advantage of rent gaps</li> <li>Introduction of rent adjustment clauses (such as CPI clauses)</li> <li>Initiatives to increase income and reduce expenses through MJIA's unique measures</li> </ul>	<div style="display: flex; align-items: center; margin-bottom: 10px;"> <div style="border: 1px solid blue; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin-right: 10px;"> </div> <div> <p><b>External Growth</b></p> <p>Disciplined acquisition and replacement strategy</p> </div> </div> <ul style="list-style-type: none"> <li>Continue disciplined external growth with an awareness of implied cap rates</li> <li>Improve portfolio quality and growth potential through effective asset replacement</li> </ul>
<div style="display: flex; align-items: center; margin-bottom: 10px;"> <div style="border: 1px solid blue; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin-right: 10px;"> </div> <div> <p><b>Finances</b></p> <p>Financial management with focus on stability</p> </div> </div> <ul style="list-style-type: none"> <li>Utilization of borrowing capacity</li> <li>Controlling debt costs by partially utilizing floating interest rates and shortening loan terms</li> </ul>	<div style="display: flex; align-items: center; margin-bottom: 10px;"> <div style="border: 1px solid blue; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin-right: 10px;"> </div> <div> <p><b>Capital Efficiency</b></p> <p>Improve capital efficiency and cash management</p> </div> </div> <ul style="list-style-type: none"> <li>Consideration of the use of cash on hand, such as funds from sales of properties, etc. (Select from external growth, share Buyback, investment in SPVs, etc., in consideration of the external environment)</li> <li>Invest in profitable assets through TK equity, etc.</li> <li>Consider acquisition of share buyback depending on the level of investment units</li> </ul>



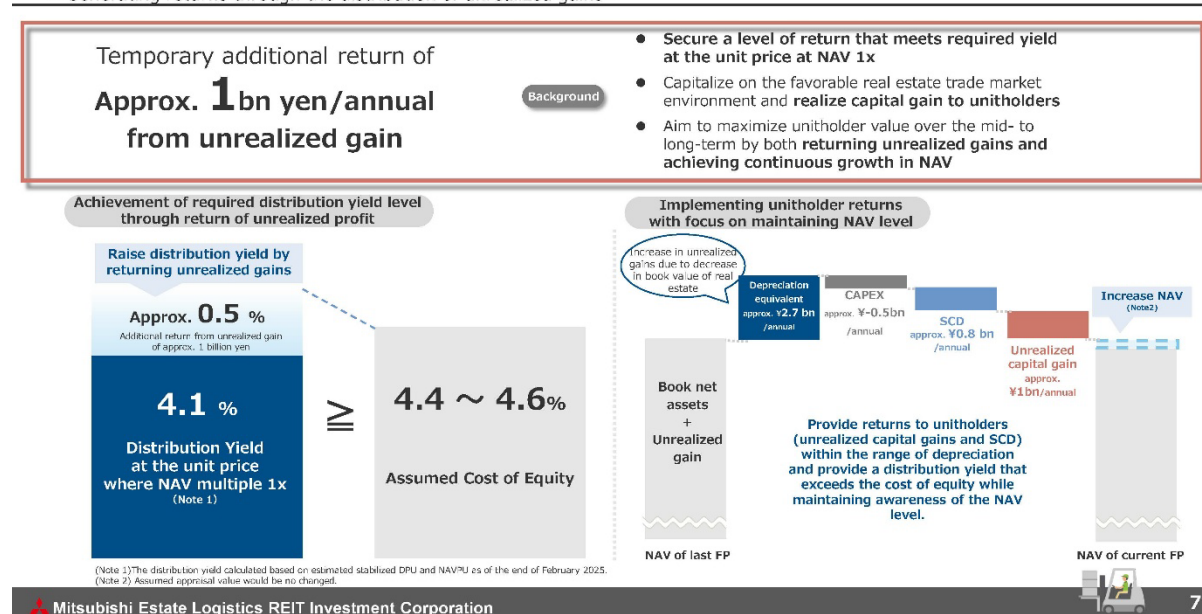
Now, regarding the target for stabilized DPU growth. We have set the target for stabilized DPU growth at 3.5% or more annually with the aim of achieving mid- to long-term growth in stabilized DPU levels, building a portfolio with strong resilience to external factors such as inflation and rising interest rates, and enhancing investors' expected growth rates.

Key initiatives include internal growth driven by rent increases, external growth leveraging acquisition capacity, and asset replacement or share buybacks using proceeds from property sales. Proceeds from sales and cash on hand will be allocated to measures deemed most effective, considering factors such as the implied cap rate and unit price.

## Setting Short-term Growth Targets Considering External Factors ~Generating returns through the distribution of unrealized gains~

### Setting Short-term Growth Targets Considering External Factors

~Generating returns through the distribution of unrealized gains~



Now, regarding the distribution of unrealized gains. By realizing and distributing approximately JPY1.0 billion of unrealized gains, we expect to boost distributions by around 0.5%. As a result, we believe it will be possible to achieve a distribution yield at 1.0x NAV that exceeds the assumed cost of equity, which is around 4.5%.

While our mid- to long-term target is to grow NAV per unit, the distribution of unrealized gains is, by nature, a factor that reduces NAV. To achieve continuous NAV growth, we have carefully considered the amount of unrealized gains to be distributed to unitholders in line with this target.

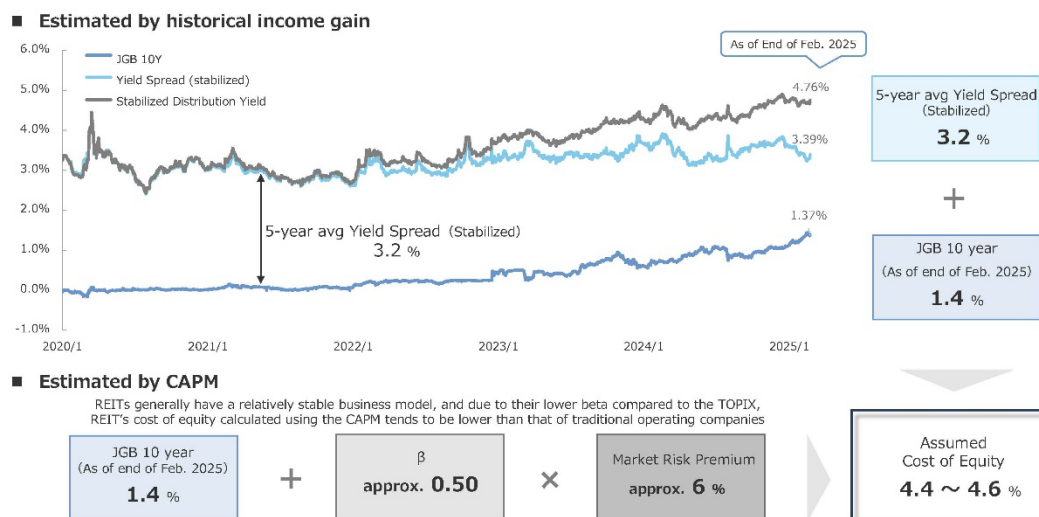
As shown in the waterfall chart on the right side of the slide, assuming that real estate appraisal values remain constant, we believe that by keeping the total amount of unrealized gains distributed and SCD within the range of unrealized gains generated through the self-financing effect of depreciation, it is possible to achieve both NAV growth and unitholder returns.



## Setting short-term growth targets considering external factors ~Approach to cost of capital~

### Setting short-term growth targets considering external factors

~Approach to cost of capital~



(Note) The  $\beta$  is the adjusted daily  $\beta$  over the past 5 years relative to TOPIX, and the market risk premium is based on the historical method for TOPIX values.



The slide outlines the calculation methods used to estimate the cost of equity. In the yield spread approach based on historical average income gains, we calculate the yield spread by using the five-year average stabilized distribution yield and the risk-free rate, then adding the risk-free rate.

We estimate CAPM by using the five-year average  $\beta$  against TOPIX, the market risk premium of TOPIX, and the risk-free rate. Based on these two methods, we estimate the assumed cost of equity to be around 4.5%.

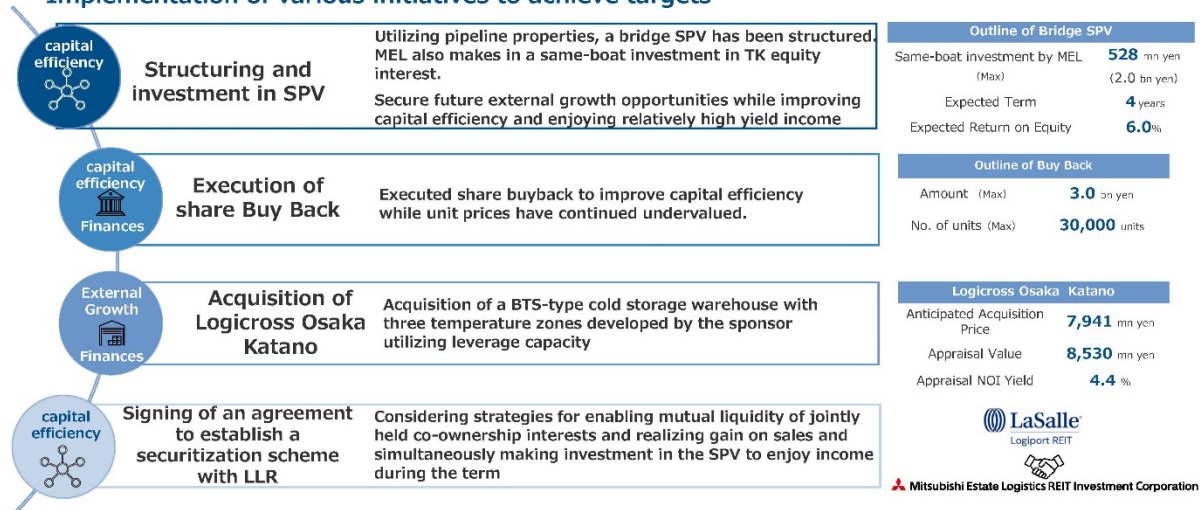
However, since the cost of equity can fluctuate depending on external factors such as interest rates—and because there may be a perception gap between us and our investors—we would like to gather your feedback through IR activities and use it as a reference going forward.

That concludes the explanation of the newly established targets. From the next page, we will cover the initiatives being implemented to achieve these targets, along with highlights from the 17th FP financial results.

## Highlights Since April 2024

### Highlights Since April 2024

#### Implementation of various initiatives to achieve targets



Here are the highlights of our initiatives toward achieving the targets.

The first is the structuring and investment in SPV. At the end of March, we established an additional acquisition-type bridge SPV that incorporated two pipeline properties. MEL also made a same-boat investment in the SPV.

The second is the execution of share buyback. With unit prices remaining undervalued, we are aiming to improve capital efficiency by conducting a JPY3 billion share buyback.

The third is external growth through the use of acquisition capacity. We acquired a recently built, sponsor-developed BTS-type cold storage warehouse at a price below its appraisal value, improving the portfolio's profitability.

The fourth is a collaborative initiative to establish a joint liquidity scheme with LaSalle LOGIPORT REIT ("LLR"). The two companies have agreed to consider strategies for enabling mutual liquidity of jointly held co-ownership interests and have entered into a formal agreement to that effect.

## Highlights of Feb. 2025 Financial Results

### Highlights of Feb. 2025 Financial Results



Note 1: Figures of after split is considered unit split conducted on Mar. 4, 2025, shown are rounded down to the nearest whole number.  
Note 2: Average rent growth for the losses is expressed as well as the highest during the relevant period (excluding short-term contracts). This figure is for the portion of the contract that has been signed.  
Note 3: as of April 21, 2025.



Here are the highlights from the 17th FP. Due to internal growth from existing properties and the effects of asset replacement, DPU came in at JPY9,521, exceeding the forecast by JPY80. In addition, driven by an increase in the appraisal value of real estate held, NAV per unit rose 2.3% from the previous period to JPY411,551.

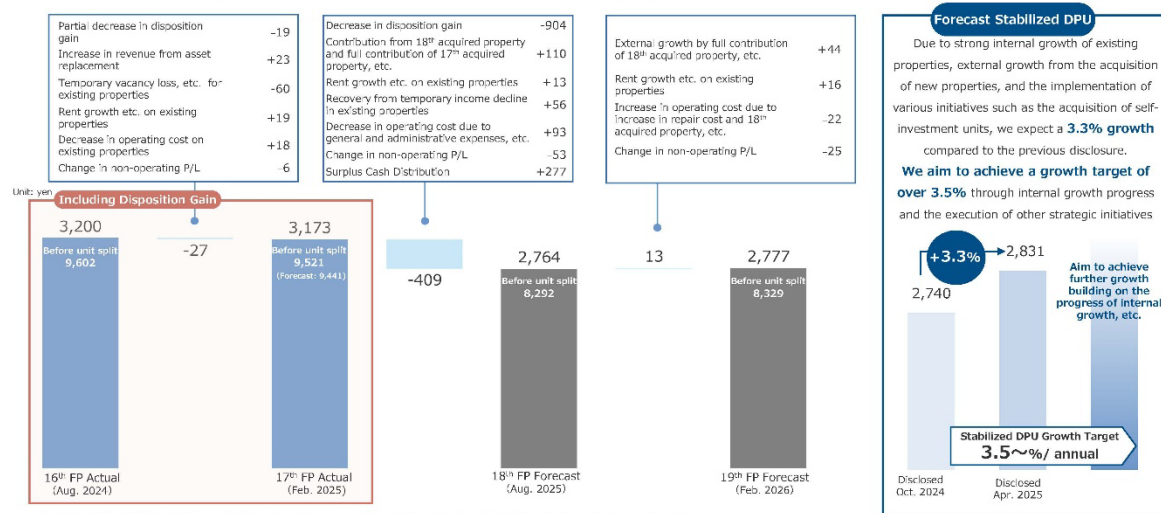
Details on internal growth will be covered later, but we will continue to maintain high occupancy and are on track to achieve rent increases for the 15 consecutive fiscal periods.



## DPU Result and Forecast

### DPU Result and Forecast

While the 17th FP saw a partial decrease of capital gains and temporary revenue decline, the impact of asset reshuffles and internal growth led to a performance that exceeded forecast.  
From the 18th FP onward, although capital gains will be absent, growth driven by external growth and steady internal growth will continue



Let me explain the DPU result and forecast. The figures shown on the slide reflect the investment unit split carried out in March. The 17th FP, like the previous fiscal period, was another period in which capital gains were recorded.

While there was a partial decrease of capital gains and a temporary revenue decline from existing properties compared to the prior period, the effects of asset replacement and internal growth led to a performance that exceeded the forecast. From the 18th FP onward, despite the absence of capital gains, we expect steady growth to continue, driven by contributions from newly acquired properties and ongoing internal growth.

On the right-hand side of the slide shows the stabilized DPU, excluding temporary fluctuations in income and expenses. Factoring in the effects of external growth—including the previously mentioned share buyback and investment in the SPV—we are currently projecting growth of 3.3% from the level disclosed at the time of the previous financial results announcement. To achieve the annual stabilized DPU growth target of 3.5%, which was mentioned at the beginning of this presentation, we will continue to assess the progress of internal growth and consider additional strategic initiatives to drive further growth.

## Initiatives to Achieve Targets ① Structuring and Investment in SPV

### Initiatives to Achieve Targets ① Structuring and Investment in SPV

**Newly structured additional acquisition-type bridge SPV in March 2025.  
MEL made same-boat investment in the SPV**

- Adopting an additional acquisition type scheme to **secure a one-year bridge capacity** (Additional acquisition capacity approx. **60 bn yen**)
- Diversification of bridging methods and longer bridging periods (Maintain the ability to adjust the timing and price of acquisitions)
- **Aim to improve capital efficiency** through the same-boat investment, which has expected profit distribution yield of 6.0%

Outline of Bridge SPV	
SPV name	MRB1 GK
Fund term	Fund inception : March 28, 2025 Additional acquisition period : March 31, 2026 Expected Expiration : March 28, 2029 (4 years)
AUM	21.7 bn yen (as of March 2025) Maximum 80 bn yen
Underlying assets	Logicross Hasuda Logicross Kasukabe
Same-boat investment by MEL	528 million yen/ 16.7% as an initial investment Additional investment capacity of up to 2.0 bn yen
Expected return on equity (Note 1)	6.0%
Exit Strategy	MEL secured preferential negotiation rights for the acquisition of the underlying assets

■ Allocation of funds to high-yield assets				
	Contribution to Profit		DPU boosting effect	
Initial investment amount	+ 12 mn yen/FP		+0.3%	
In case of additional investment (up to 2 bn yen)(Note 2)	+48 mn yen/FP		+1.1%	
■ Enhanced bridge function	Bridge SPV (additional acquisition type)	Bridge SPV (Specific asset)	Third party bridge	
	Acquisition of additional properties	○	×	×
	Same-boat investment by MEL	○	○	×
	Term	○(4 ~ 5 years)	○(4 ~ 5 years)	△(2 ~ 3 years)
	Adjust acquisition price	○	○	○
	Adjust acquisition timing	○	○	○

Note 1 : Expected return on equity is annual averages of assumed values from March 2025 to February 2029. Additional acquisition, additional investment, and additional borrowings, etc. have not been considered.

Note 2 : These figures are based on the assumption that the entire acquisition capacity of the bridge SPV is used up, and do not take into account indirect costs, etc.

As the first of our initiatives toward achieving our targets, this slide outlines the overview and expected effects of the bridge SPV structured in March. While MEL has previously utilized third-party bridge structures, we have decided to establish this SPV in response to challenges such as the need to diversify bridging methods amid increasing uncertainty in financial markets.

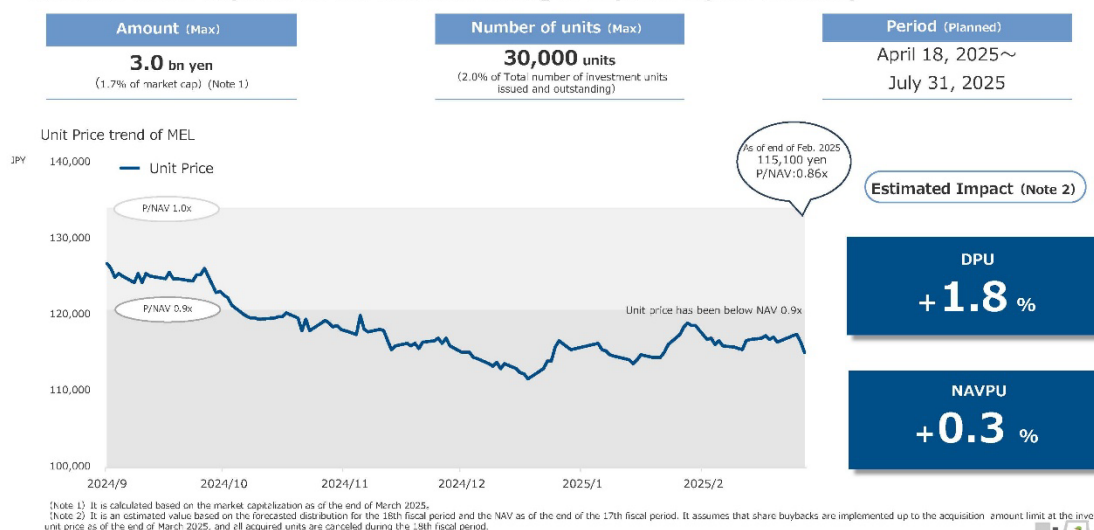
Through this initiative, we believe we can continue to leverage the inherent functions of bridge schemes—such as price adjustment through book value amortization and timing flexibility for acquisitions—while enabling more flexible external growth.

This SPV has the capacity to acquire approximately JPY60 billion in additional properties within the next 12 months, and MEL itself can make additional same-boat investments of up to JPY2 billion. The expected yield on these investments is around 6%, offering a relatively high return and contributing to improved capital efficiency.

## Initiatives to Achieve Targets ②Capital Policy (Share Buyback)

### Initiatives to Achieve Targets ②Capital Policy (Share Buyback)

#### Executed Share Buyback for the first time aiming to improve capital efficiency



As the second initiative toward achieving our targets, I will explain the share buyback conducted as part of our capital policy. Following the asset replacement discussed in the previous financial results presentation, we have been evaluating how to utilize the JPY3 billion in cash on hand. After comprehensively considering factors such as the unit price level, implied cap rate, and the comparative impact of other potential initiatives, we have decided to proceed with the share buyback.

By executing this initiative, we expect to improve capital efficiency by acquiring units at undervalued prices, as well as to help improve the supply-demand dynamics in the market. Assuming the full execution of the share buyback up to the maximum amount, we anticipate a positive impact of approximately 1.8% on DPU and around 0.3% on NAVPU.

## Initiatives to Achieve Targets ② Capital Policy (Investment unit split & IR)

### Initiatives to Achieve Targets ②Capital Policy (Investment unit split & IR)

Actively implementing various information dissemination and investment unit split to expand the investor base

#### ■ Investment unit split aiming to expand investor base and improve liquidity

Split ratio	Change of unit price <small>As of end of Feb. 2025</small>	Effective date
1 : 3	345,300 yen → 115,100 yen	March 1, 2025

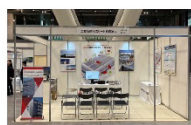
#### ■ IR for individual investors

Number of events attended for individual investors

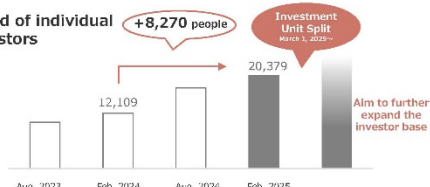
2024 Investment Management Expo, etc. 6

2025 IR Conference 2025 1

Plan to attend other events



#### Trend of individual investors



#### ■ Introduction of transcription service for financial results briefings



- To increase recognition among individual investors and as a new method of disseminating information to institutional investors in Japan and overseas, MEL introduced a service to transcribe financial results briefings.
- The transcribed article will be posted on the website a few days after the results briefing.

#### ■ MEL's Website Renewal

- MEL's website was renewed in April 2025 with the aim of enriching content and improving information dissemination, etc.
- A new page for individual investors has been established to further expand the investor base (Japanese only)



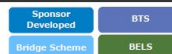
Let me share our efforts to broaden our investor base. Effective March 1, MEL carried out a 3-for-1 investment unit split. With the launch of the new NISA program in 2024 and a growing number of individual investors, we implemented the split to make the unit price more accessible, aiming to further expand our investor base and improve liquidity.

As a result of our proactive IR activities targeting individual investors last year, the number of individual investors increased by 8,270 compared to the previous year. Furthermore, this figure is based on the number of units before the split. We will continue to focus on investor outreach through seminars and online information, with the goal of further expanding our investor base.

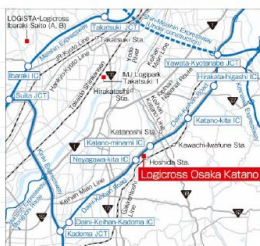
## Initiatives to Achieve Targets ③ Acquisition of Logicross Osaka Katano

### Initiatives to Achieve Targets ③ Acquisition of Logicross Osaka Katano

- Desirable location near ICs, covering the two major consumer hubs, central Osaka and Kyoto.
- A 4-stories BTS-type logistics facility with three temperature zones



Anticipated Acquisition Price	7,941 mn yen
Appraisal Value	8,530 mn yen
Appraisal NOI yield	4.4%
Location	Katano, Osaka
Year Built	Oct. 2022
Total Floor Area	19,212.69㎡
Land Area	10,194.96㎡
# of tenant	1



#### Property acquisition with implied cap rates in mind

17 <sup>th</sup> FP avg	Logicross Osaka Katano	
Implied Cap Rate	Appraisal NOI yield	Expected NOI yield
4.6 %	4.4 %	4.5 %
After depreciation Implied cap rate	After depreciation Appraisal NOI yield	After depreciation Expected NOI yield
3.6 %	3.7 %	3.7 %

Acquire newer, well-located properties at the same level as the implied cap rate and aim to increase unitholder value over the medium to long term

#### Property Characteristics

- Highly versatile facility, with floor weight capacity of 1.5t/㎡, effective ceiling height of 5.5m and pillar intervals of 10.8m
- Two truck berths with space for 29 vehicles on two sides and can accommodate 40-ft semi-trailers.
- Air shelters with excellent heat insulation have been installed in some berths to allow loading and unloading without exposing the outside air.



Refrigerated zone

#### Location Characteristics

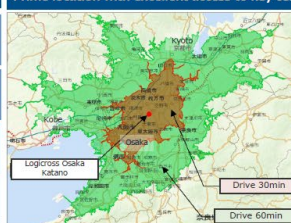
Approx. 1 km from "Katano Minami IC" on Daini-Keihan Road

Approx. 800 m from "Neyagawa Kita IC" on Daini-Keihan Road

Extremely close to the National Route 1 Bypass

A 8-minute walk from "Hoshida Station" on the JR Gakkentoshi Line

#### Prime location with excellent access to key centers across Kansai region



- Within a 30-minute radius, located at the heart of Osaka Prefecture's inland area, with access to Osaka city center, including the Osaka metropolitan area. The covered population is approximately 5 million
- Within a 60-minute radius, it provides access to Osaka, Kyoto, and Kobe, covering the major consumer areas of the Kansai region. Additionally, it is offering access to key logistics infrastructure such as the two major ports of Kansai, as well as Itami Airport.


As the third initiative toward achieving our targets, I will explain the acquisition of Logicross Osaka Katano. This property is a sponsor-developed, BTS-type cold storage warehouse located in a desirable area with excellent access to the two major consumer hubs of Osaka and Kyoto.

The property's NOI yield was roughly in line with the implied cap rate during the 17th FP, and the after depreciation NOI yield was also strong, given that the property would contribute to the growth of stabilized DPU. All of these factors justified our acquisition.



## Initiatives to Achieve Targets ④ Consideration of structuring a joint liquidity scheme with LLR

### Initiatives to Achieve Targets ④ Consideration of structuring a joint liquidity scheme with LLR

Signed an agreement regarding the Securitization and investment in properties jointly owned with LaSalle LOGIPORT REIT ("LLR")



Mitsubishi Estate Logistics REIT Investment Corporation

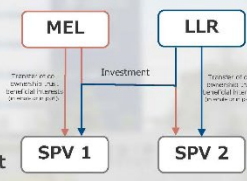



**Overview of the Agreement**

- ✓ Both LLR and MEL are considering implementing securitization for all or part of the properties jointly held in shared ownership
- ✓ LLR and MEL consider investing in each of the securitized SPVs individually."

**Expected Effects**


- ✓ Realize unrealized gain
- ✓ Utilization of sale proceeds (considering the implied cap rate, unit price, etc., in a comprehensive manner to determine the purpose of use)
- ✓ Enjoy distribution income for the term of the investment




```

graph TD
    MEL[MEL] -- "Investment" --> SPV1[SPV 1]
    MEL -- "Investment" --> SPV2[SPV 2]
    LLR[LLR] -- "Investment" --> SPV2
    SPV1 -- "Transfer of co-ownership (all shared ownership interests)" --> MEL
    SPV1 -- "Transfer of co-ownership (all shared ownership interests)" --> LLR
    SPV2 -- "Transfer of co-ownership (all shared ownership interests)" --> MEL
    SPV2 -- "Transfer of co-ownership (all shared ownership interests)" --> LLR
    
```

(Note) As of the date of announcement, there is no fact that MEL and LLR have decided on the transaction, and there is no guarantee or obligation that the transaction will take place.



Mitsubishi Estate Logistics REIT Investment Corporation



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As the fourth initiative toward achieving our targets, I will explain our joint liquidity scheme with LLR. This initiative leverages the fact that both investment corporations hold co-ownership interests in several properties. We are considering a scheme in which each of the co-owned properties is securitized and transferred to an SPV, with both parties making investments in each SPV to maintain indirect ownership even after securitization.

While the specific timing and details are still under discussion, we expect this initiative to provide multiple benefits, including the distribution of unrealized gains, effective use of sale proceeds, and the receipt of distribution income through the investment.



## Pipeline to Realize External Growth Strategy

### Pipeline to Realize External Growth Strategy

Securing pipelines of 14 properties (with expected preferential negotiation rights) with total floor area of 830,000 m<sup>2</sup> including 11 completed properties with total floor area of 628,000 m<sup>2</sup>

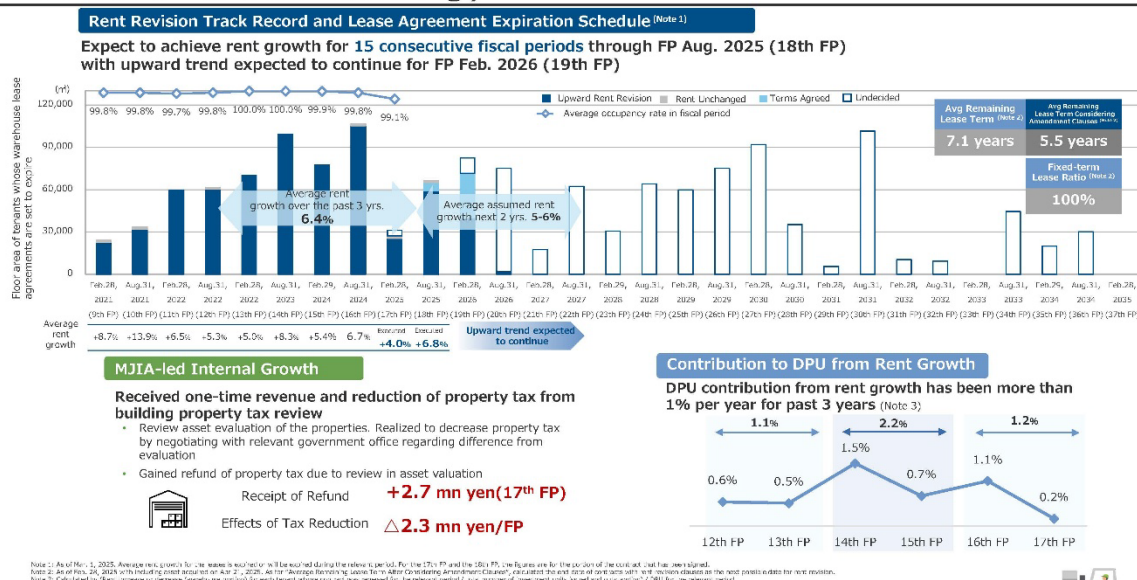
	Property Name	Total Floor Area (approx.)	Schedule				
			until FY2025/2	FY2025/3	FY2026/2	FY2026/3	FY2027/2 and after
<b>Sponsor-developed properties with expected preferential negotiation rights</b> <b>MITSUBISHI ESTATE</b> <b>Logicross</b> Brand of logistics facilities MEC-developed throughout Japan	Logicross Hasuda	78,000m <sup>2</sup>	Completed in 2021	Included in bridge SPV			
	Logicross Kasukabe	38,000m <sup>2</sup>	Completed in 2021	Included in bridge SPV			
	Logicross Funabashi	23,000m <sup>2</sup>	Completed in 2021	Included in bridge scheme			
	Logicross Zama Komatsubara	44,000m <sup>2</sup>	Completed in 2021	Included in bridge scheme			
	Logicross Osaka Katano	20,000m <sup>2</sup>	Completed in 2022	Included in bridge scheme			
	Logicross Zama	178,000m <sup>2</sup>	Completed in 2021				
	Logicross Sagami-hara	170,000m <sup>2</sup>	Completed in 2021				
	Logicross Osaka Suminobe	43,000m <sup>2</sup>	Development	Completed March 2025			
	Logicross Osaka Taisho	21,000m <sup>2</sup>	Construction and Development		Completion Planned January 2026		
	Logicross Misato	135,000m <sup>2</sup>	Construction and Development			Completion Planned August 2026	
	Logicross Osaka Taisho II	45,000m <sup>2</sup>	Construction and Development			Completion Planned October 2026	
<b>MJIA-sourced properties with expected preferential negotiation rights</b> <b>MITSUBISHI ESTATE INVESTMENT ADVISORS INC.</b> <b>MJ Logipark</b> Brand of logistics facilities which MJL acquired or intends to acquire from third parties	MJ Logipark Dai-1*	11,000m <sup>2</sup>	Completed in 2022	Included in bridge scheme			
	MJ Logipark Okazaki 1*	24,000m <sup>2</sup>	Completed in 2022	Included in bridge scheme			
	MJ Logipark Toyonaka 1*	8,000m <sup>2</sup>	Completed in 2023				
	MJ Industrial Park Kobe Nishi(Land)*	6,000m <sup>2</sup> (Note 2)					
<b>Total</b>			<b>830,000 m<sup>2</sup></b>	<b>584,000 m<sup>2</sup></b>	<b>628,000 m<sup>2</sup></b>	<b>649,000 m<sup>2</sup></b>	<b>784,000 m<sup>2</sup></b>
						<b>830,000 m<sup>2</sup></b>	

Note 1: As of Apr. 17, 2025, MEC Group-developed properties with expected preferential negotiation rights and MJIA-sourced properties with expected preferential negotiation rights are highlighted in blue and in green.  
 Note 2: The land area is shown.

Now, regarding our pipeline. We currently have a secured pipeline of 14 properties with a total gross floor area of approximately 830,000 square meters. By leveraging these opportunities and taking into account market conditions, we will pursue external growth that contributes to enhancing unitholder value.

## Internal Growth Strategy

### Internal Growth Strategy



This section covers our internal growth strategy. The graph at the top of the slide shows the rent revision track record. In the 17th FP, finalized contracts reflected a 4% rent increase. In the current 18th FP, the increase rate for contracts concluded to date stands at 6.8%, indicating that the upward trend continues.

The average rent growth rate over the past three years is 6.4%. As shown at the bottom right of the slide, these rent increases have translated into over 1% annual growth in terms of distribution, and for the next two years, we expect the average growth rate to remain in the 5% to 6% range.

In the bottom left of the slide, we present a case study of MJIA-led internal growth driven by a factor other than the rent increase, which is a reassessment of property tax on buildings. This case involves properties acquired since 2022, where we reviewed the property tax and city planning tax on buildings, and received a lump-sum refund and a reduction in taxes for four properties.

This initiative has led to a cost reduction of approximately JPY2.3 million per fiscal period. We will continue to implement our own initiatives to reduce costs and enhance earnings, contributing to further internal growth.

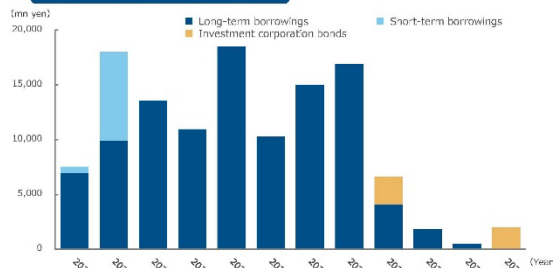
## Financial Strategy

### Financial Strategy

#### Financial Highlights (As of Apr. 21, 2025)

Total Debt Balance	Fixed Interest Rate Ratio	Long-term Debt Ratio	Credit Rating (JCR)
<b>121,819</b> mn yen	<b>86.6</b> %	<b>92.8</b> %	<b>AA</b> (Stable)
Average Remaining Debt Duration (All / Excluding short-term)	Average Interest Rate (All / Excluding short-term)	LTV (Note) (Book value basis / Appraisal value basis)	Acquisition Capacity (LTV up to 45%)
<b>4.4</b> years / <b>4.6</b> years	<b>0.70</b> % / <b>0.69</b> %	<b>42.0</b> % / <b>35.4</b> %	<b>15.0</b> bn yen

#### Debt Maturity Schedule



(Note) Total assets and appraisal values are based on the figures as of February 28, 2025, and include the assets acquired on April 21, 2025.

#### Financial Policy

Fixed/floating ratio

Target : **More than 85%**

- Interest rates are rising, MEL is seeking to control costs by financing some portion at short-term floating interest rates.

Average term

Target : **5~6 years**

- Awareness of ALM and procurement costs

LTV

Target : up to **45%** (book value basis)

- Leverage borrowing capacity, with awareness of the implied cap rate and the yield of acquired properties, to sustain disciplined growth.



Here is the financial strategy. We continue to maintain stable financial operations by leveraging the strong creditworthiness of the Mitsubishi Estate Group.

As shown in the bottom right of the slide, in future financing activities, while taking interest rate trends into consideration, we aim to maintain a fixed rate ratio of 85% or more and target an average term of around five to six years, striking a balance between stability and cost control. With regard to the LTV level, we will maintain an upper limit of 45% on a book value basis for the time being. By leveraging our borrowing capacity, we aim to achieve disciplined external growth.

This concludes the presentation. Thank you for your attention.

## Q&A: Breakdown of the Target for Stabilized DPU Growth

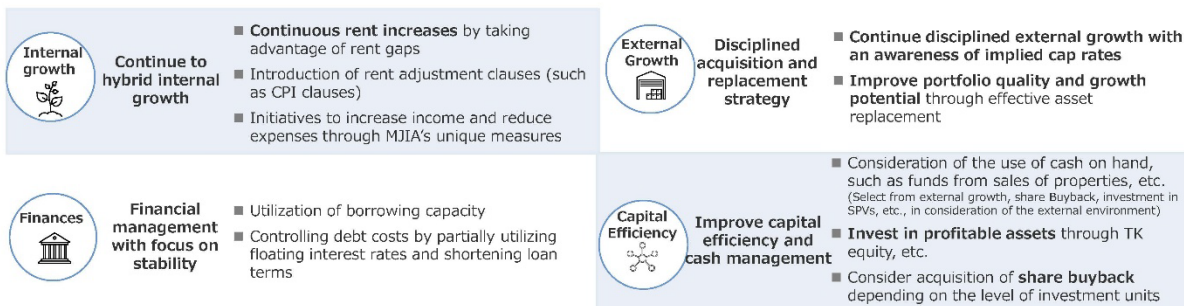
### Setting Short-term Growth Targets Considering External Factors

~Stabilized DPU Growth~

Stabilized DPU  
Growth Target  
**Over 3.5 %/ annual**

Background

- Improve stabilized distribution yield at a NAV multiple 1x basis
- Enhancing the resilience to external environmental uncertainties by improving the portfolio's profitability, while maintaining growth from a mid- to long-term perspective
- Exceed DPU growth compared to inflation
- Reduction in the cost of equity through improving expected growth rate



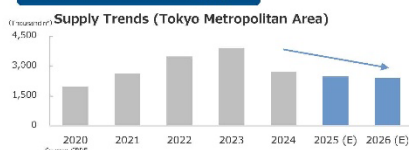
Questioner: You mentioned that the target for stabilized DPU growth is 3.5% or more annually. Could you provide a breakdown of how you plan to achieve this—specifically through rent increases, property acquisitions, share buybacks, and other initiatives? In your earlier explanation, you noted that rent increases alone contribute over 1% annually in distribution terms. Could you clarify the approach for the remaining 2.5%?

Yokota: Of the 3.5% growth target, we aim to achieve more than 1% through internal growth, such as rent increases. As for the remaining 2.5%, we envision achieving it through the use of leverage and capital allocation strategies.

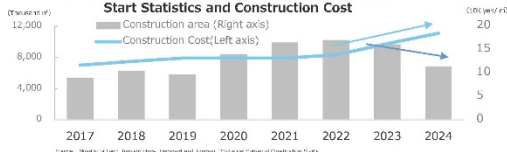
## Q&A: Current View on the Logistics Facility Leasing Market

### Expected to See a Turnaround in the Supply-Demand Environment

#### Decrease in future supply



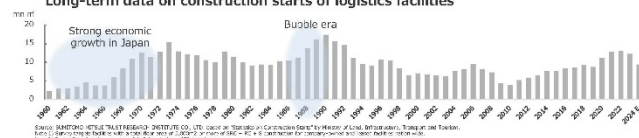
#### More than 5,000 m² of Logistics Facility Construction Start Statistics and Construction Cost



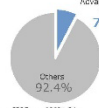
Future supply is expected to decrease due to soaring construction costs, etc.

#### Rarity of advanced logistics facilities

##### Long-term data on construction starts of logistics facilities



##### Proportion of advanced logistics facilities



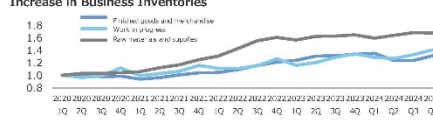
Proportion of advanced logistics facilities remains low and scarce

#### Solid demand led by E-commerce

##### Trend in Retail E-commerce Market Size and E-commerce Penetration Rate



##### Increase in Business Inventories



Demand remains strong due to expansion of the EC market and growing demand from the manufacturing sector



Questioner: Internal growth hinges heavily on rent increases, so could you share your view on the current state of the logistics facility leasing market? Do tenants still have the capacity to absorb rent increases? Additionally, while there was a significant amount of new supply in 2023, do you expect the market to improve going forward? I'd appreciate your insights on overall market conditions.

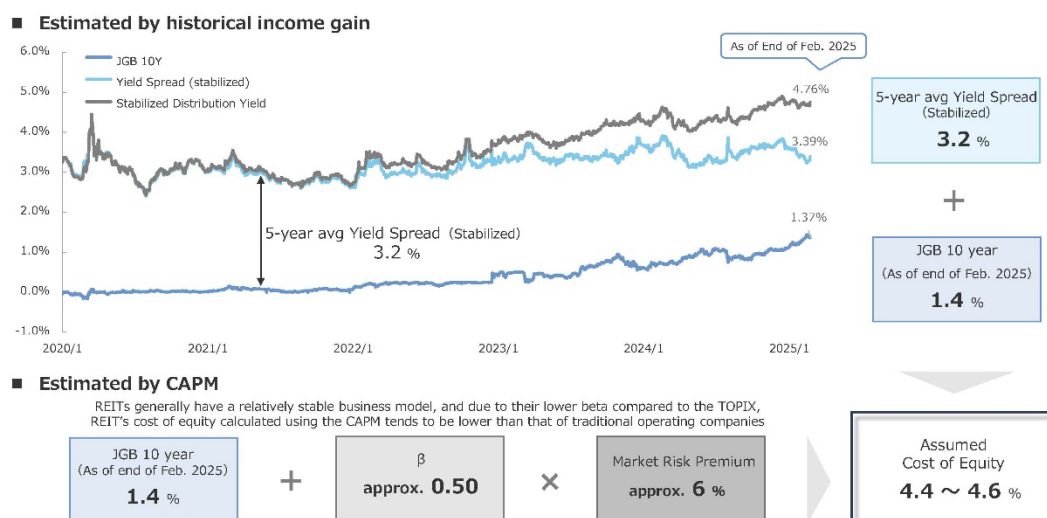
Yokota: Regarding the outlook for the logistics facility leasing market, while some areas are currently experiencing higher vacancy rates, the overall trend of restrained supply has not changed. In that environment, demand has been tracking reasonably well.

As a result, we view the supply-demand balance as continuing to trend toward improvement. At the same time, in the context of ongoing inflation, we have a positive outlook on rent revisions.

## Q&A: Reason for Using TOPIX as the Benchmark in CAPM

### Setting short-term growth targets considering external factors

~Approach to cost of capital~



(Note) The  $\beta$  is the adjusted daily  $\beta$  over the past 5 years relative to TOPIX, and the market risk premium is based on the historical method for TOPIX values.

Questioner: I'm impressed with your presentation materials this time, which seem to delve deeper into various areas. In particular, the discussion of CAPM on page 8 stood out as something new. When calculating  $\beta$ , you used TOPIX as the benchmark. Why did you choose TOPIX instead of the TSE REIT Index?

I'm wondering if this was because the slide refers to the "cost of equity," which might imply a broader equity investor base rather than just unitholders. Or perhaps using the TSE REIT Index would have yielded a different outcome, and you chose TOPIX because it better reflects market behavior.

Another possibility is that, since J-REITs are one category of equity, you opted to use TOPIX to enable comparison with other equity assets. Could you explain the rationale behind using TOPIX as the benchmark rather than the TSE REIT Index?

Yokota: As you pointed out, there are various perspectives when it comes to CAPM, and we ourselves deliberated over which benchmark to use. To be honest, we ultimately decided to use TOPIX because we considered it to be the more broadly accepted and general market index.



## Q&A: Regarding the Bridge SPV

### Initiatives to Achieve Targets ① Structuring and Investment in SPV

**Newly structured additional acquisition-type bridge SPV in March 2025.  
MEL made same-boat investment in the SPV**

- Adopting an additional acquisition type scheme to **secure a one-year bridge capacity** (Additional acquisition capacity approx. **60 bn yen**)
- Diversification of bridging methods and longer bridging periods (Maintain the ability to adjust the timing and price of acquisitions)
- **Aim to improve capital efficiency** through the same-boat investment, which has expected profit distribution yield of 6.0%

Outline of Bridge SPV		Allocation of funds to high-yield assets		
SPV name	MRB1 GK	Contribution to Profit		DPU boosting effect
Fund term	Fund inception : March 28, 2025 Additional acquisition period : March 31, 2026 Expected Expiration : March 28, 2029 (4 years)	Initial investment amount	<b>+12 mn yen/FP</b>	<b>+0.3%</b>
AUM	21.7 bn yen (as of March 2025) Maximum 80 bn yen	In case of additional investment (up to 2 bn yen)(Note 2)	+ 48 mn yen/FP	+ 1.1%
Underlying assets	Logicross Hasuda Logicross Kasukabe	Enhanced bridge function		
Same-boat investment by MEL	528 million yen/ 16.7% as an initial investment Additional investment capacity of up to 2.0 bn yen	Acquisition of additional properties	Bridge SPV (additional acquisition type) ○	Bridge SPV (Specific asset) × Third party bridge ×
Expected return on equity (Note 1)	6.0%	Same-boat investment by MEL	○	○ ×
Exit Strategy	MEL secured preferential negotiation rights for the acquisition of the underlying assets	Term	○(4~5 years)	○(4~5 years) △(2~3 years)
		Adjust acquisition price	○	○ ○
		Adjust acquisition timing	○	○ ○

Note 1 : Expected return on equity is annual averages of assumed values from March 2025 to February 2029. Additional acquisition, additional investment, and additional borrowings, etc. have not been considered.

Note 2 : These figures are based on the assumption that the entire acquisition capacity of the bridge SPV is used up, and do not take into account indirect costs, etc.



Questioner: You mentioned that an investment has already been made in the bridge SPV and that there is room for additional investment going forward. Given the current challenges in property acquisitions, this approach is certainly understandable. That said, do you plan to continue expanding the use of bridge SPV?

Specifically, will you continue initiatives where properties developed by Mitsubishi Estate are placed into an SPV, in which you then invest while securing preferential negotiation rights?




Yokota: Our immediate priority is to allocate up to the maximum JPY2.0 billion investment in the current bridge SPV over the next year. As for future expansion, considering the inherent risks involved, we believe it's important to proceed carefully while monitoring the overall scale.

We intend to manage the volume thoughtfully, paying close attention to the stability of the underlying assets.

## Q&A: Joint liquidity scheme with LLR

### Initiatives to Achieve Targets ④ Consideration of structuring a joint liquidity scheme with LLR

Signed an agreement regarding the Securitization and investment in properties jointly owned with LaSalle LOGIPORT REIT ("LLR")

 **Mitsubishi Estate Logistics REIT Investment Corporation**  

Overview of the Agreement

- ✓ Both LLR and MEL are considering implementing securitization for all or part of the properties jointly held in shared ownership
- ✓ LLR and MEL consider investing in each of the securitized SPVs individually."

Expected Effects

- ✓ Realize unrealized gain
- ✓ Utilization of sale proceeds (considering the implied cap rate, unit price, etc., in a comprehensive manner to determine the purpose of use)
- ✓ Enjoy distribution income for the term of the investment

MEL

LLR

SPV 1



SPV 2

Investment

Transfer of co-ownership (all or part of the assets of the SPV)

Transfer of co-ownership (all or part of the assets of the SPV)

(Note) As of the date of announcement, there is no fact that MEL and LLR have decided on the transaction, and there is no guarantee or obligation that the transaction will take place.

 **Mitsubishi Estate Logistics REIT Investment Corporation**  18

Questioner: Regarding the joint liquidity scheme with LLR, I understand this involves eventually selling or securitizing the four jointly held properties. In doing so, if both your REIT and LLR establish an SPV and invest in it as the buyer of those properties, wouldn't that raise concerns about conflicts of interest within the group or issues of true sale?

As I'm not entirely clear on how the structure works, could you explain the rationale behind establishing this joint liquidity scheme and whether it poses any governance or compliance concerns?

Yokota: The details of the joint liquidity scheme are still being worked out, but as mentioned earlier, the two main expected benefits are the distribution of unrealized gains and fund procurement.

As for how these benefits will be allocated, I previously outlined the components of the 3.5% stabilized DPU growth target. Within our capital allocation strategy, the use of sale proceeds plays a role, and this initiative fits within that category.

As you rightly pointed out, from the perspective of ensuring a true sale, there may be certain restrictions on investment ratios. We are aware of this, and we will be carefully working out the necessary measures to address those regulatory and governance considerations.

Questioner: So, will the details on that front be clarified over time? I imagine there may be further updates at the next briefing, so I'll continue to keep a close eye on this topic.

## Q&A: About NOI Yields in Property Acquisitions

### Initiatives to Achieve Targets ③ Acquisition of Logicross Osaka Katano

- Desirable location near ICs, covering the two major consumer hubs, central Osaka and Kyoto.
- A 4-stories BTS-type logistics facility with three temperature zones

Sponsor Developed	BTS
Bridge Scheme	BELS



#### Property acquisition with implied cap rates in mind

17th FP avg	Logicross Osaka Katano	
Implied Cap Rate	Appraisal NOI yield	Expected NOI yield
4.6 %	4.4 %	4.5 %
After depreciation Implied cap rate	After depreciation Appraisal NOI yield	After depreciation Expected NOI yield
3.6 %	3.7 %	3.7 %

Acquire newer, well-located properties at the same level as the implied cap rate and aim to increase unitholder value over the medium to long term

#### Property Characteristics

- Highly versatile facility, with floor weight capacity of 1.5t/㎡, effective ceiling height of 5.5m and pillar intervals of 10.8m
- Two truck berths with space for 29 vehicles on two sides and can accommodate 40-ft semi-trailers.
- Air shelters with excellent heat insulation have been installed in some berths to allow loading and unloading without exposing the outside air.



Refrigerated zone

Anticipated Acquisition Price	7,941 mn yen
Appraisal Value	8,530 mn yen
Appraisal NOI yield	4.4%
Location	Katano, Osaka
Year Built	Oct. 2022
Total Floor Area	19,212.69㎡
Land Area	10,194.96㎡
# of tenant	1



Location Characteristics
Approx. 1 km from "Katano Minami IC" on Daini-Keihan Road
Approx. 800 m from "Neyagawa Kita IC" on Daini-Keihan Road
Extremely close to the National Route 1 Bypass
A 8-minute walk from "Hoshida Station" on the JR Gakkentoshi Line

Prime location with excellent access to key centers across Kansai region
<ul style="list-style-type: none"> <li>■ Within a 30-minute radius, located at the heart of Osaka Prefecture's inland area, with access to Osaka city center, including the Osaka metropolitan area. The covered population is approximately 5 million</li> <li>■ Within a 60-minute radius, it provides access to Osaka, Kyoto, and Kobe, covering the major consumer areas of the Kansai region. Additionally, it is offering access to key logistics infrastructure such as the two major ports of Kansai, as well as Itami Airport.</li> </ul>

Questioner: Regarding the acquisition of "Logicross Osaka Katano," you mentioned that the expected NOI yield is 4.5%, which is roughly in line with the implied cap rate. I'd like to revisit your stance and approach toward target yields for future property acquisitions.

If the acquisition yield is equivalent to the implied cap rate, one could argue that it adds no incremental value. Given that you aim to enhance unitholder value, shouldn't you be targeting higher yields? Could you share your view on this point?

Yokota: I understand your point, and I agree in principle. However, in practice, we must also consider the balance within the realistic pipeline of opportunities available to us.

Of course, we aim to pursue acquisitions with higher yields, but in this case, our approach was to enhance the stabilized DPU growth rate toward the 3.5% target by acquiring at a level close to the implied cap rate while leveraging LTV to boost returns.

Going forward, we intend to continue seeking acquisitions at levels that exceed the implied cap rate, using leverage effectively to support growth.

#### Remarks from Mr. Yokota

Thank you very much for taking the time to attend the financial results presentation for Mitsubishi Estate Logistics REIT Investment Corporation for the fiscal period ended February 28, 2025 (17th FP).

We will continue to manage the REIT with the utmost effort to meet the expectations of our investors, and we sincerely appreciate your continued support.