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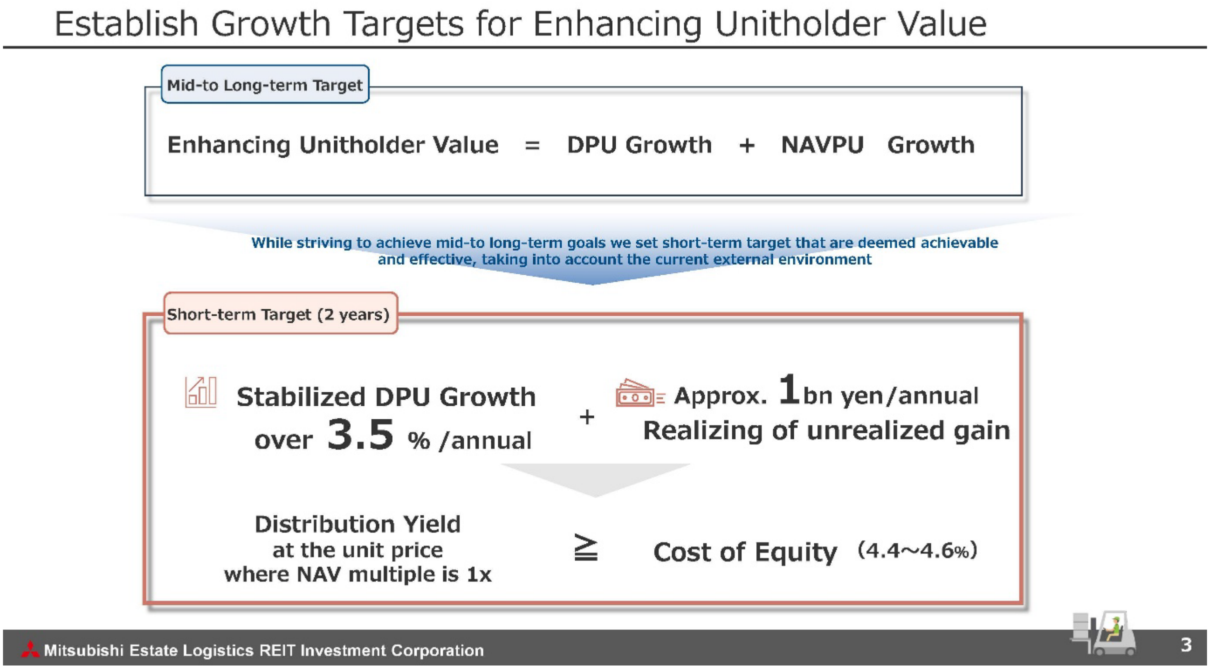

[Title]

[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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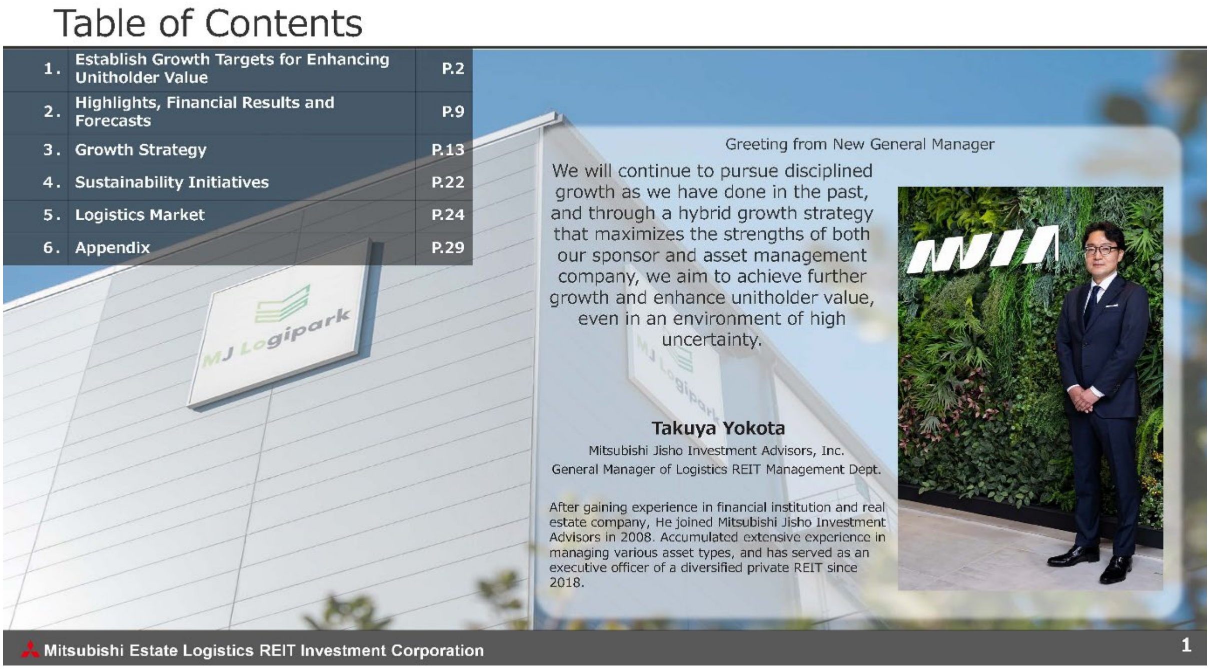


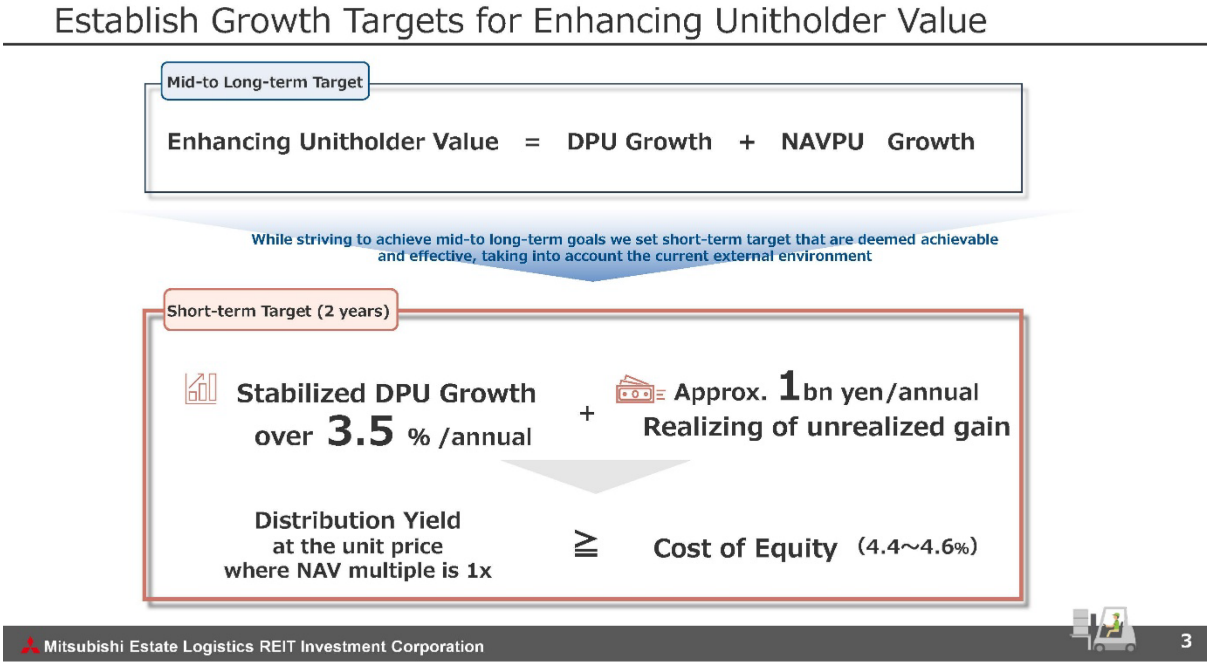
Takuya Yokota (hereinafter, Yokota): My name is Yokota from Mitsubishi Jisho Investment Advisors, Inc. (hereinafter, MJIA) Thank you very much for joining us today for the results presentation for Mitsubishi Estate Logistics REIT Investment Corporation (hereinafter, MEL) for the fiscal period ended February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



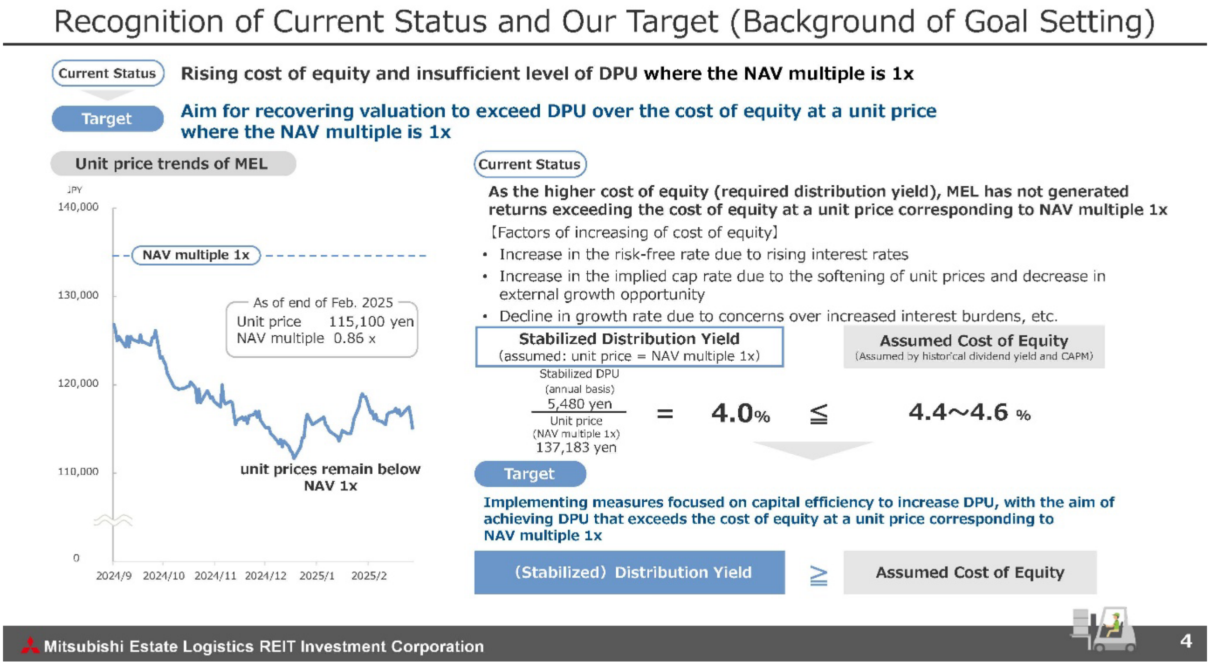
Before diving into the financial results, I'd like to first explain the new growth targets we have set. Our mid- to long-term target remains unchanged: to enhance unitholder value through the growth of both DPU and NAV, ultimately leading to an increase in unit price.

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)



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.

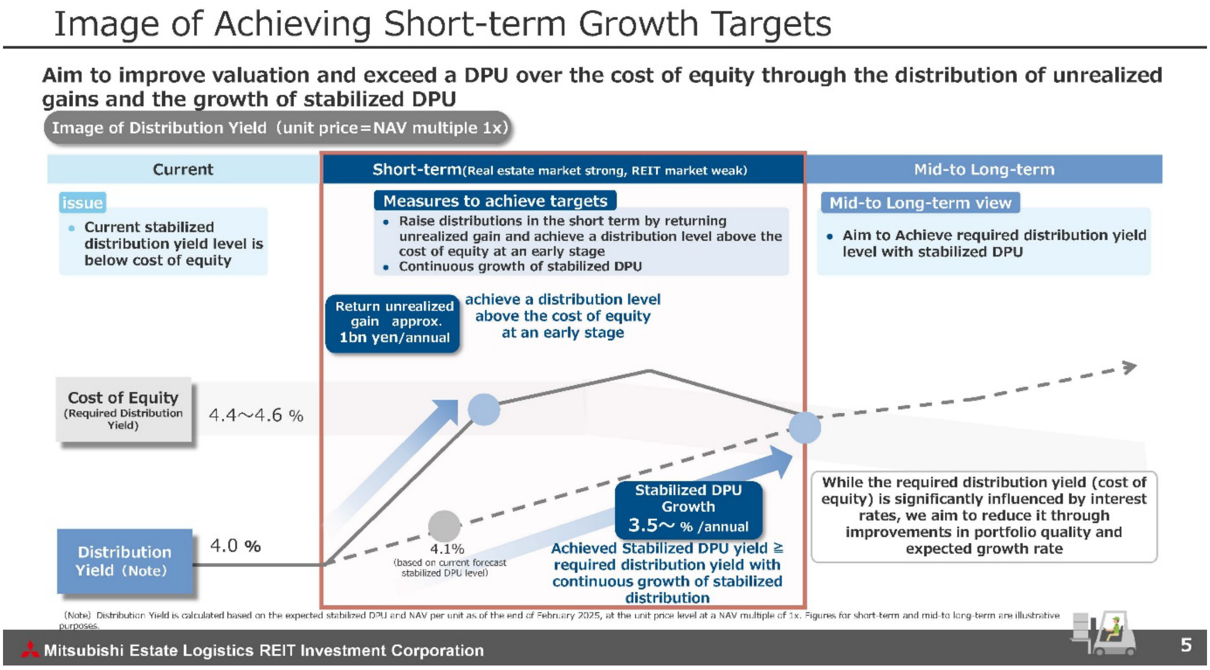
On the other hand, amid unstable financial markets and an environment where it has become difficult for investors to assess the growth potential of MEL, the unit price has remained soft. Throughout the 17th FP, the unit price traded below 1.0x NAV, and as of the end of February, it was approximately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



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.

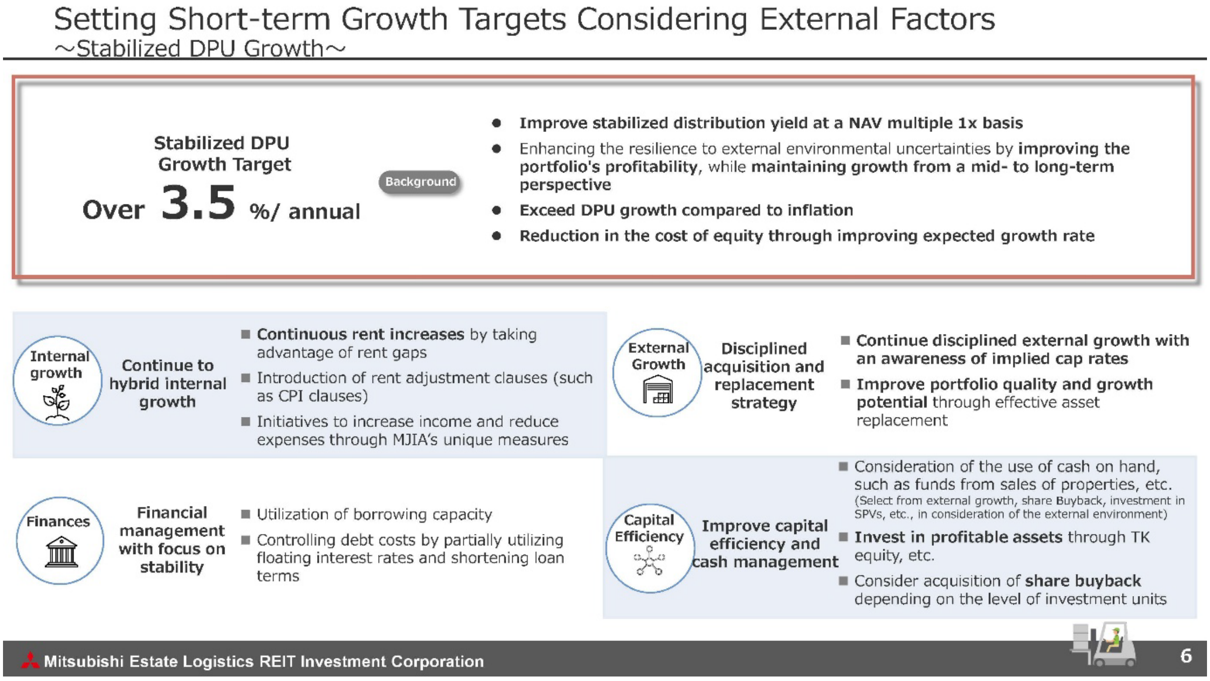
Therefore, to raise the level of distributions during the period until the stabilized target is achieved, we have committed to distributing approximately JPY1.0 billion of unrealized gains per year. Our portfolio holds approximately JPY50 billion in unrealized gains. By realizing and distributing roughly 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.

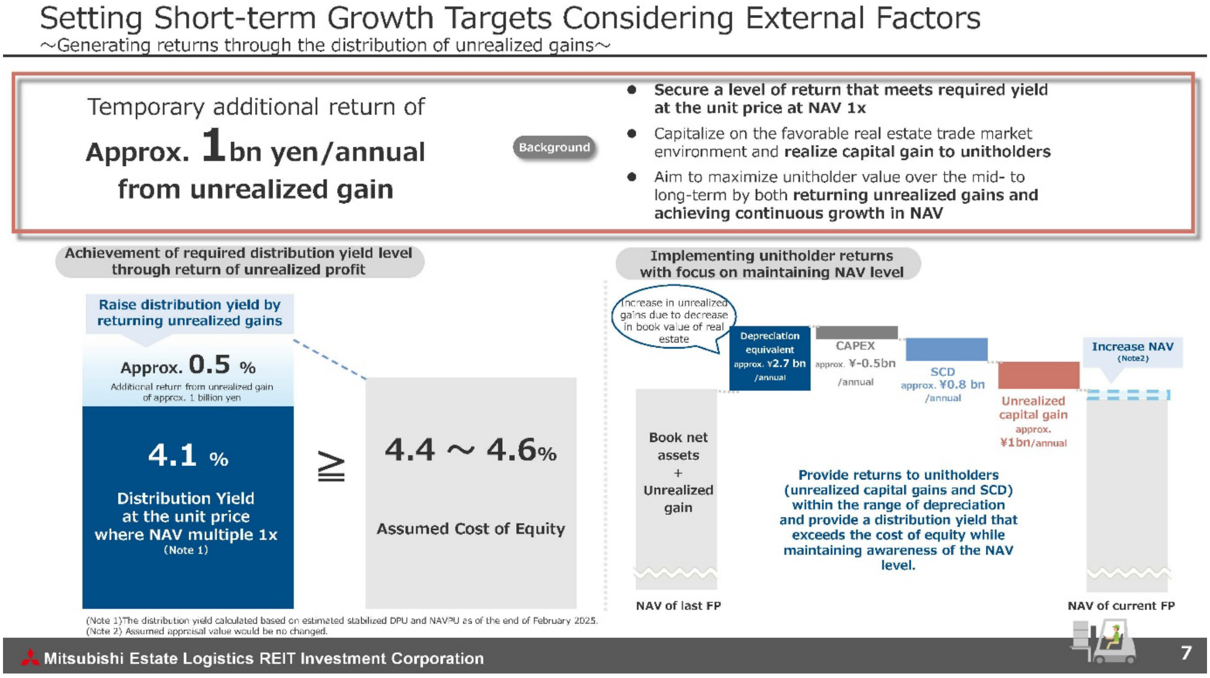
Setting Short-term Growth Targets Considering External Factors 〜Stabilized DPU Growth〜



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〜

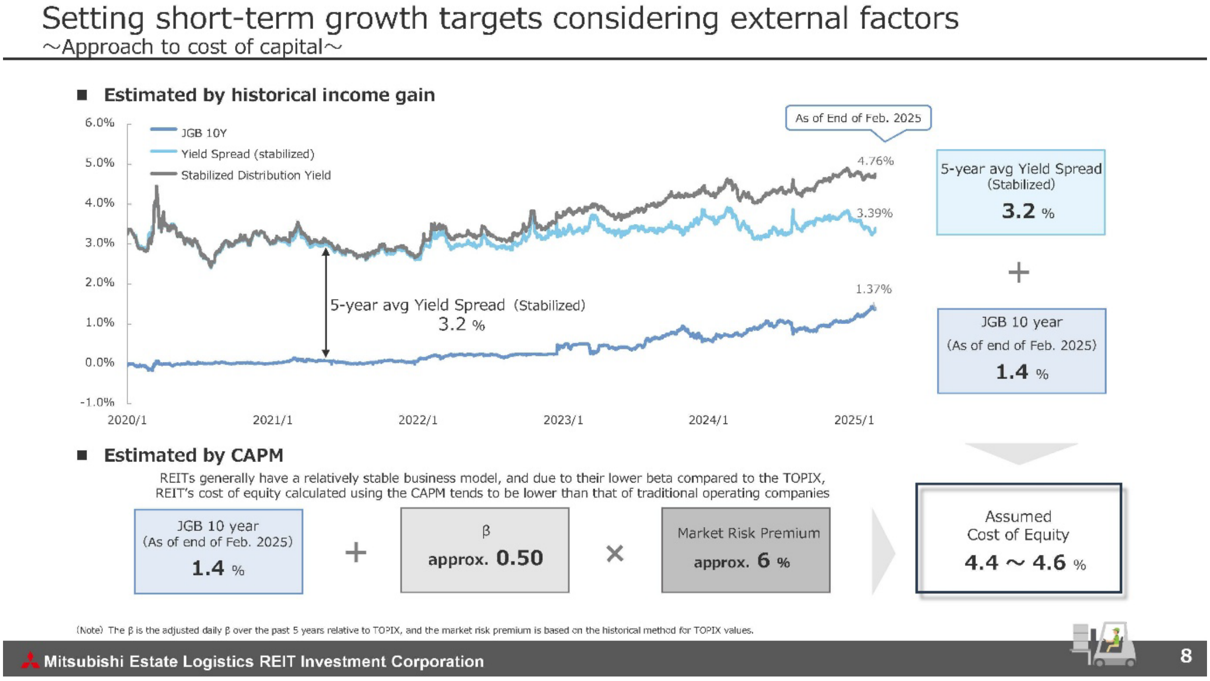


Now, regarding the distribution of unrealized gains. By realizing and distributing approximately JPY1.0 billion of unrealized gains, we expect to boost distributions by around 0.5%. As a result, we believe it will be possible to achieve a distribution yield at 1.0x NAV that exceeds the assumed cost of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



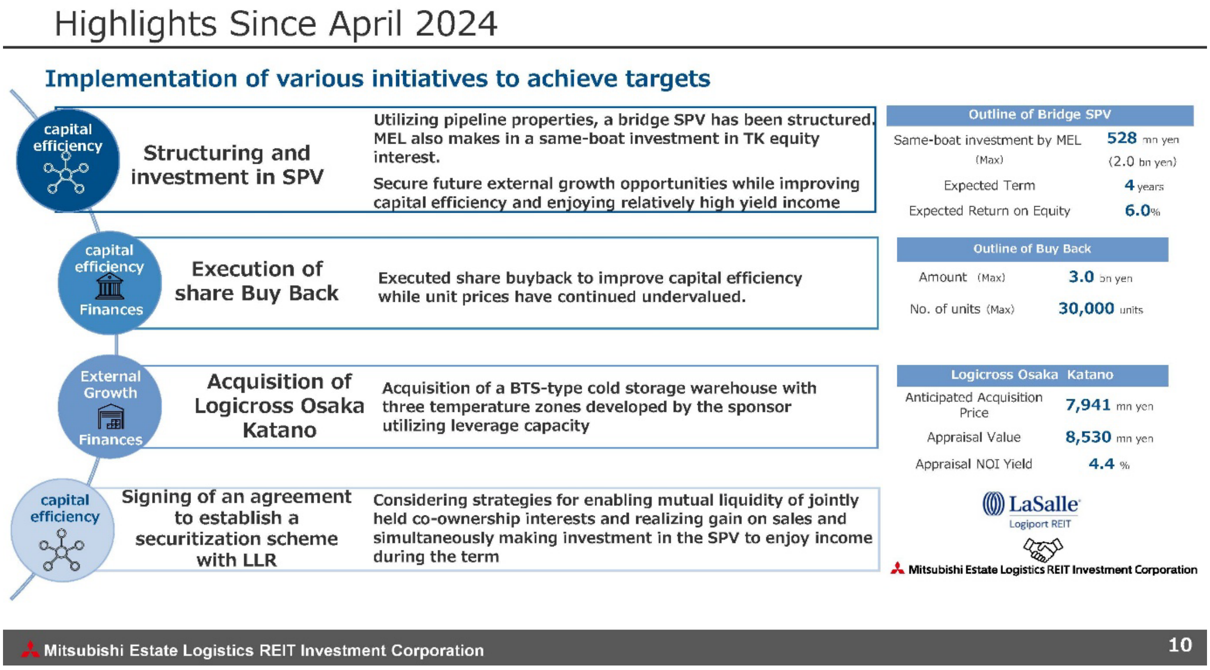
The slide outlines the calculation methods used to estimate the cost of equity. In the yield spread approach based on historical average income gains, we calculate the yield spread by using the five-year average stabilized distribution yield and the risk-free rate, then adding the risk-free rate.

We estimate CAPM by using the five-year average β 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



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

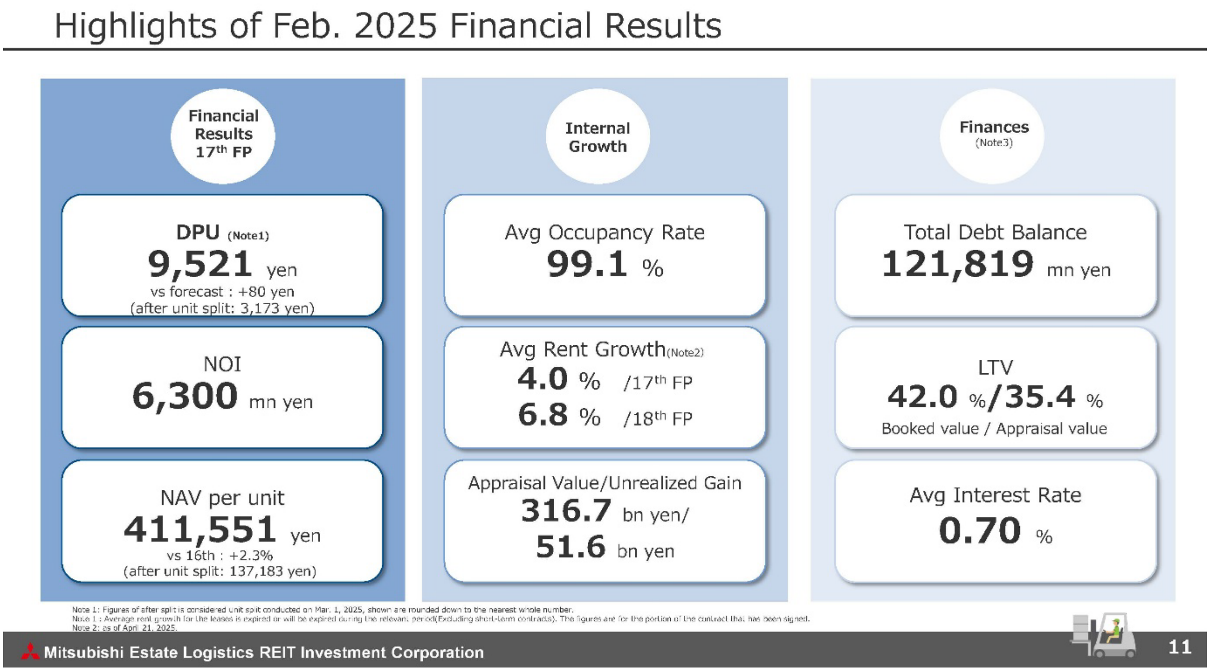
The first is the structuring and investment in SPV. At the end of March, we established an additional acquisition-type bridge SPV that incorporated two pipeline properties. MEL also made a same-boat investment in the SPV.

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.

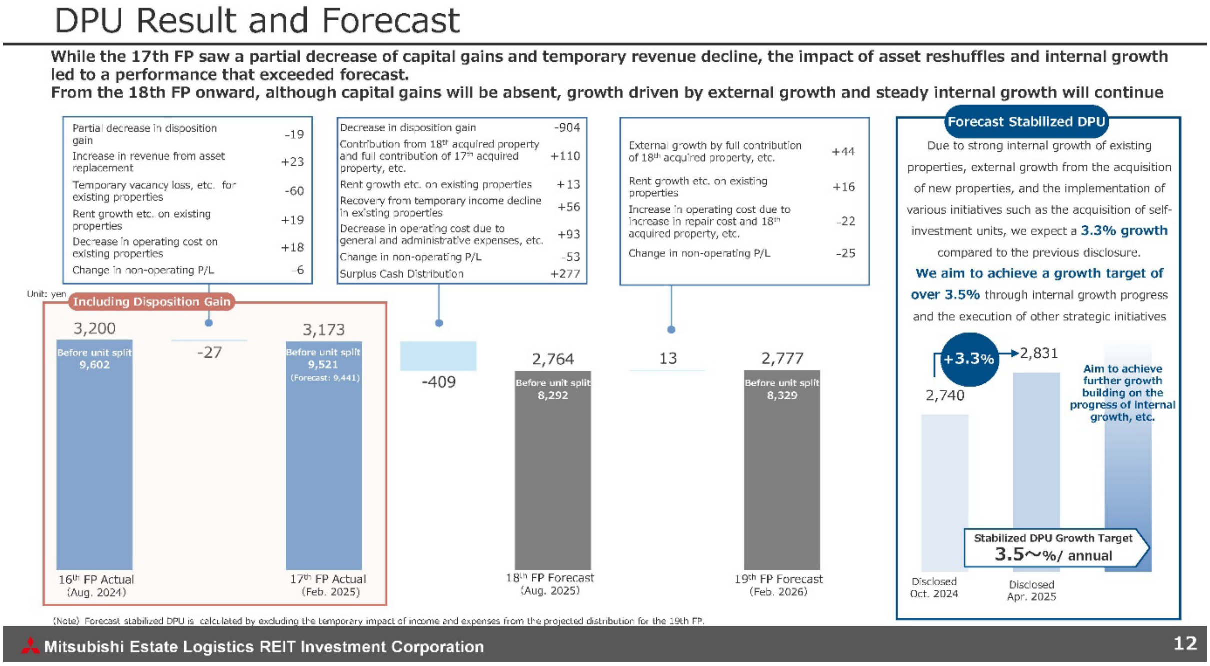
Highlights of Feb. 2025 Financial Results



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



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

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.

■ 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	○	○	○

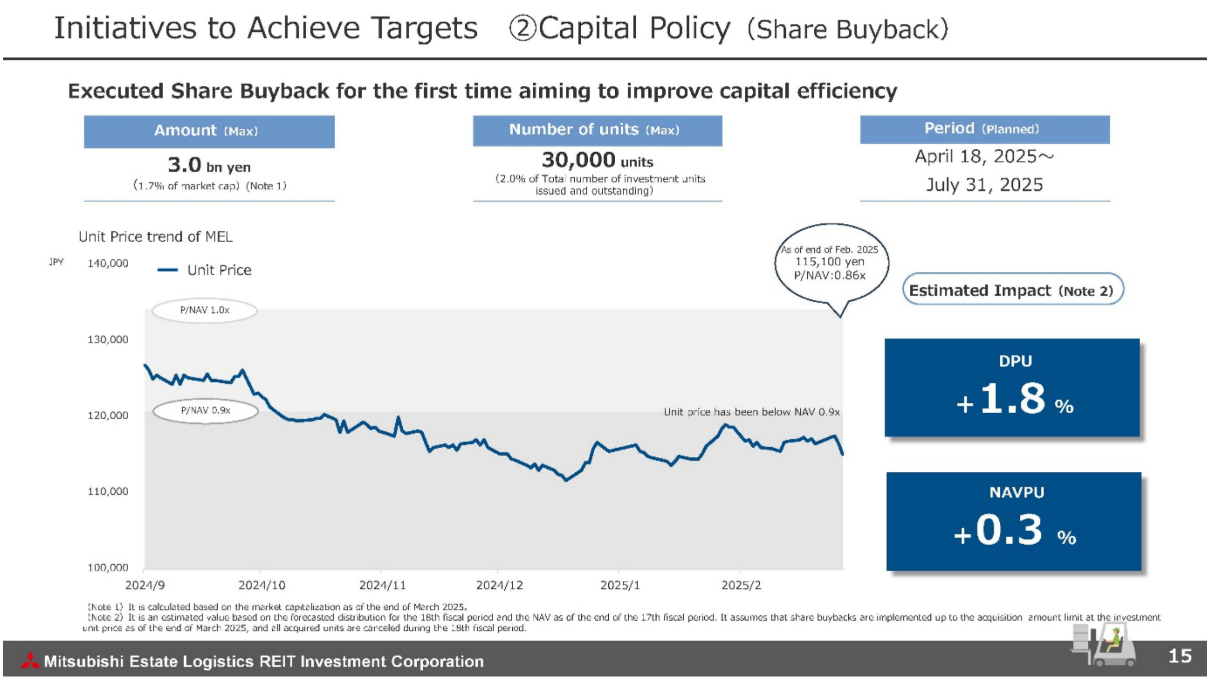
Note 2 : These figures are based on the assumption that the entire acquisition capacity of the bridge SPV is used up, and do not take into account indirect costs, etc.

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.

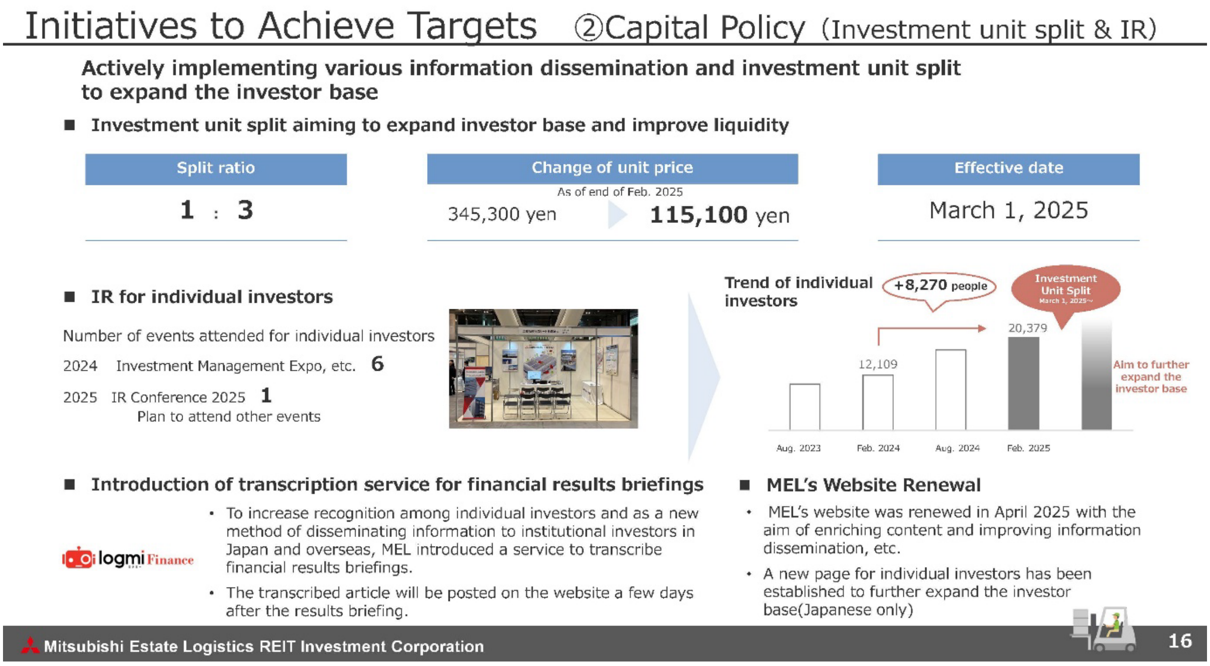
Initiatives to Achieve Targets ②Capital Policy (Share Buyback)



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.

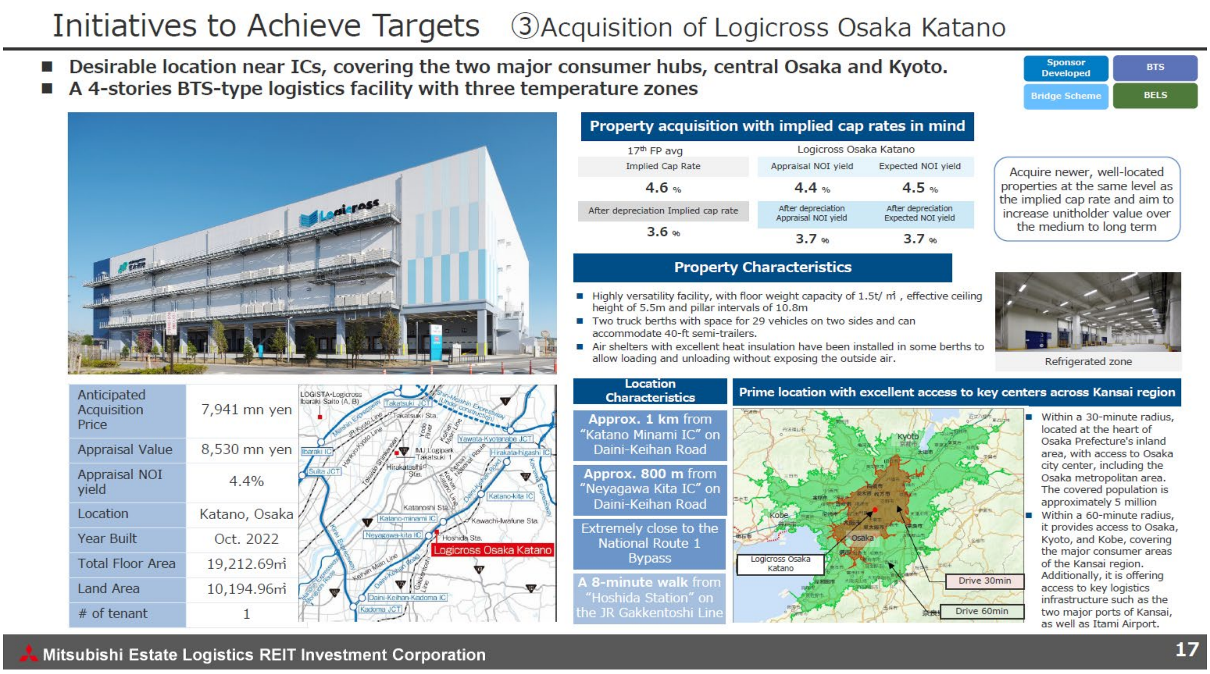
Initiatives to Achieve Targets ② Capital Policy (Investment unit split & IR)



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.

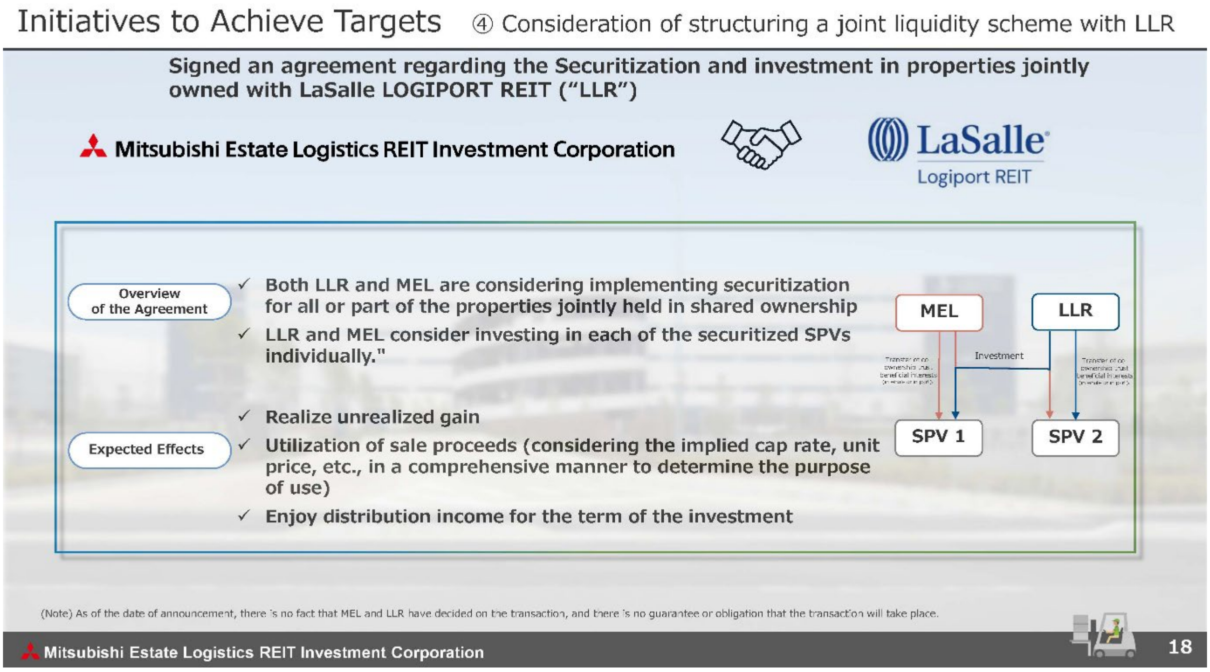
Initiatives to Achieve Targets ③ Acquisition of Logicross Osaka Katano



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.

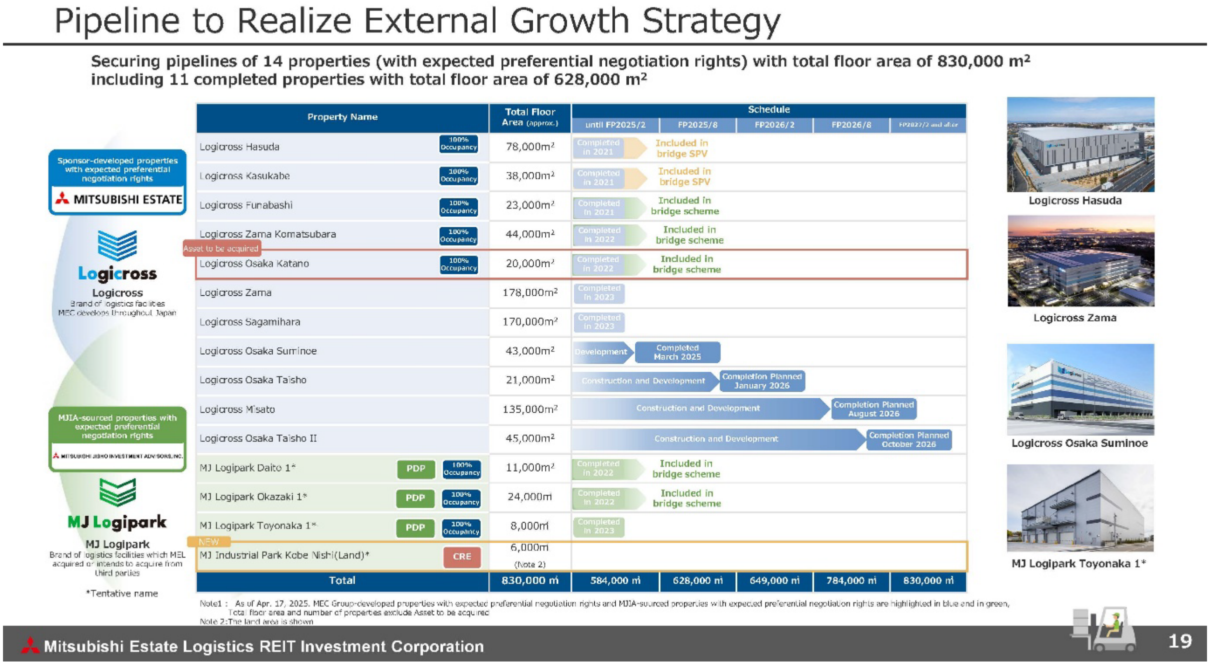
Initiatives to Achieve Targets ④ Consideration of structuring a joint liquidity scheme with LLR



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.

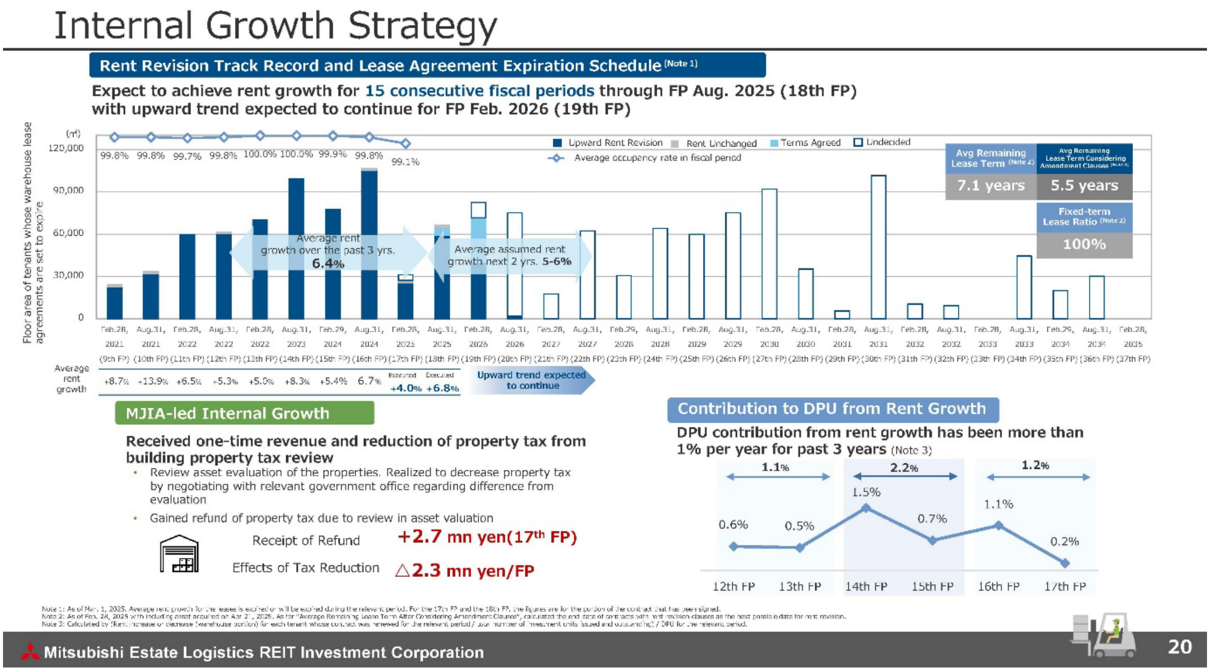
While the specific timing and details are still under discussion, we expect this initiative to provide multiple benefits, including the distribution of unrealized gains, effective use of sale proceeds, and the receipt of distribution income through the investment.

Pipeline to Realize External Growth Strategy



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



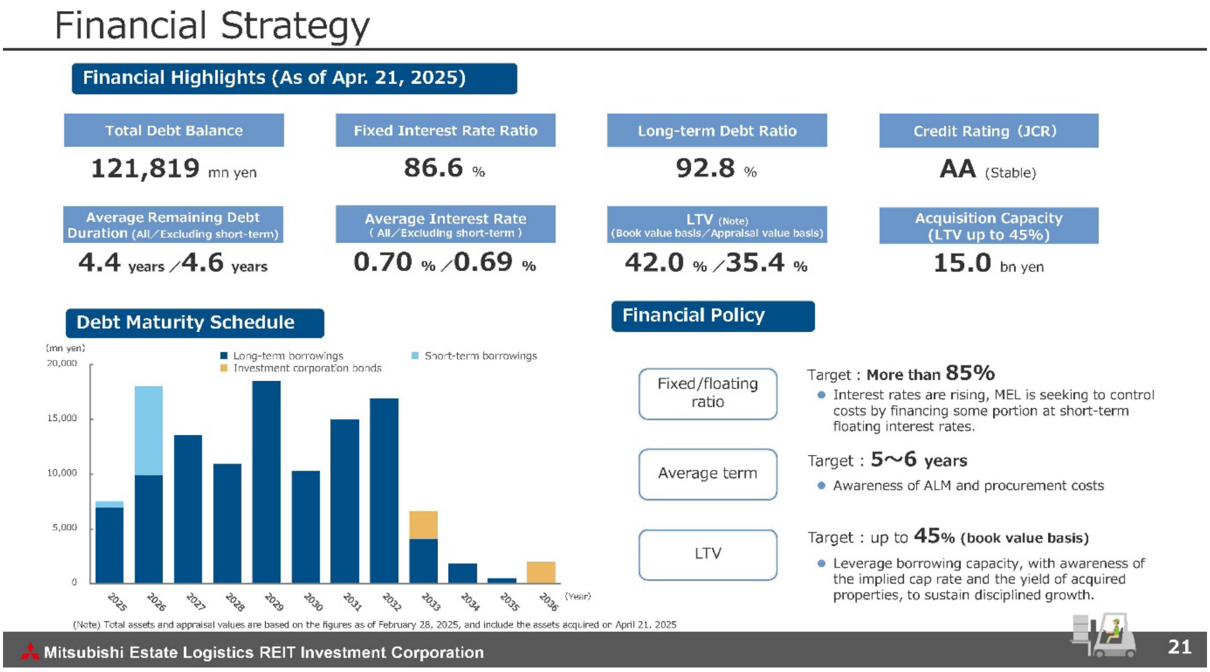
This section covers our internal growth strategy. The graph at the top of the slide shows the rent revision track record. In the 17th FP, finalized contracts reflected a 4% rent increase. In the current 18th FP, the increase rate for contracts concluded to date stands at 6.8%, indicating that the upward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

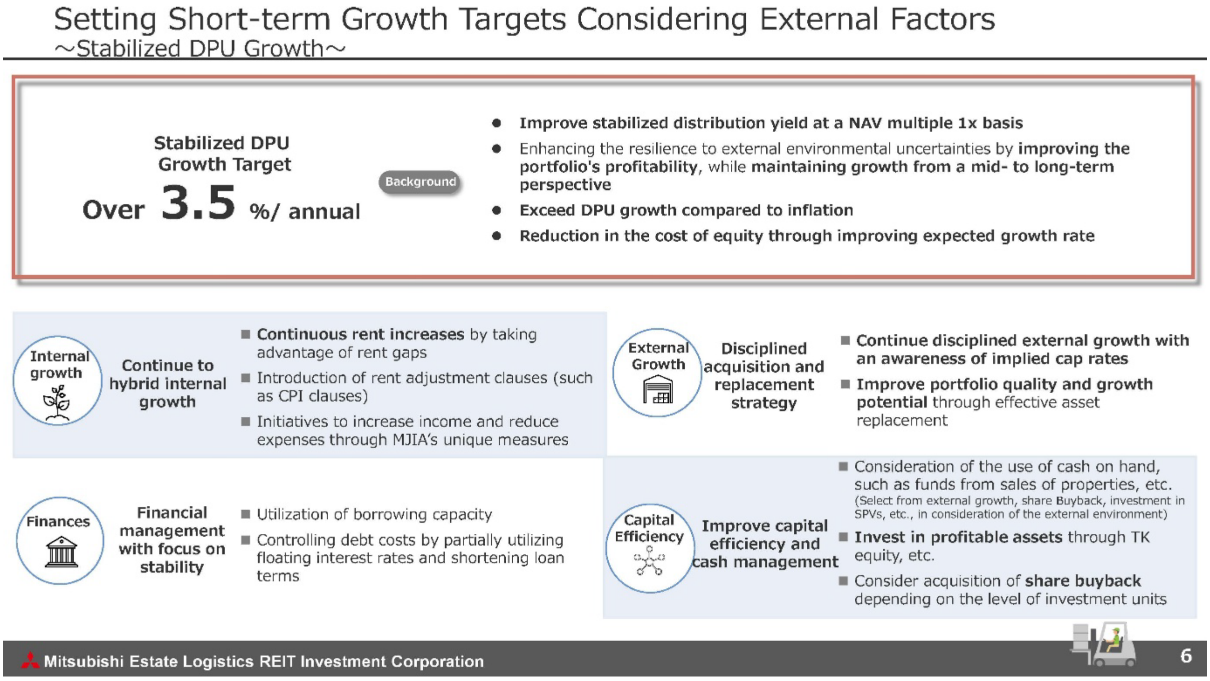


Here is the financial strategy. We continue to maintain stable financial operations by leveraging the strong creditworthiness of the Mitsubishi Estate Group.

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.

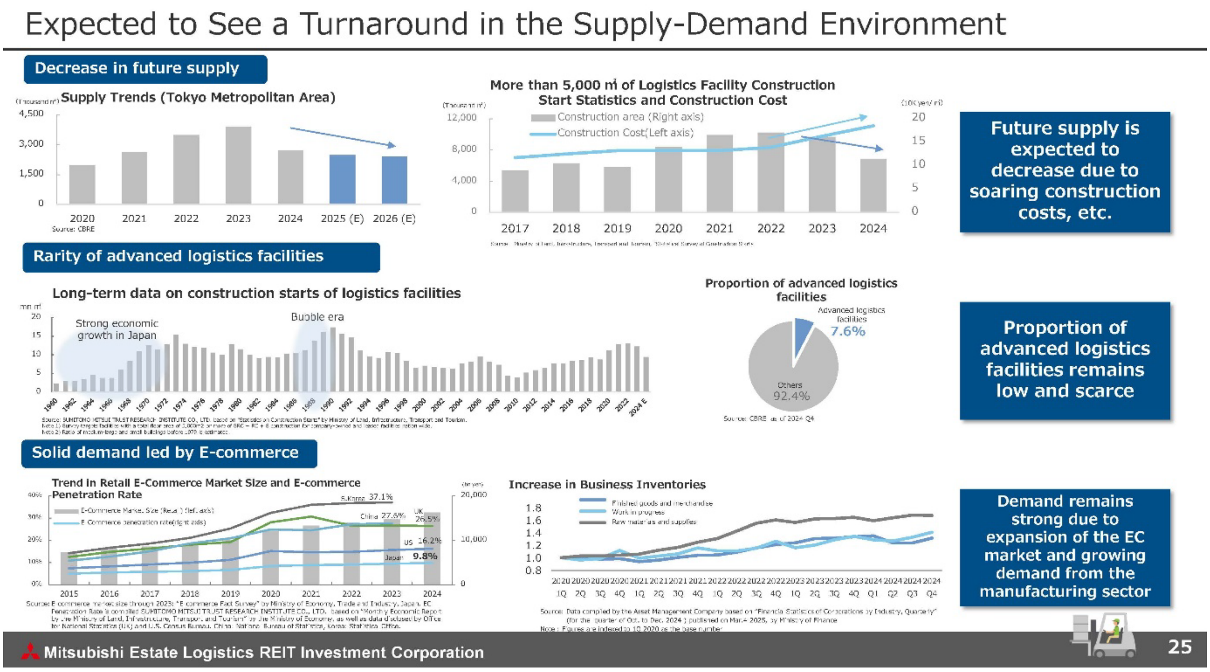
Q&A: Breakdown of the Target for Stabilized DPU Growth



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

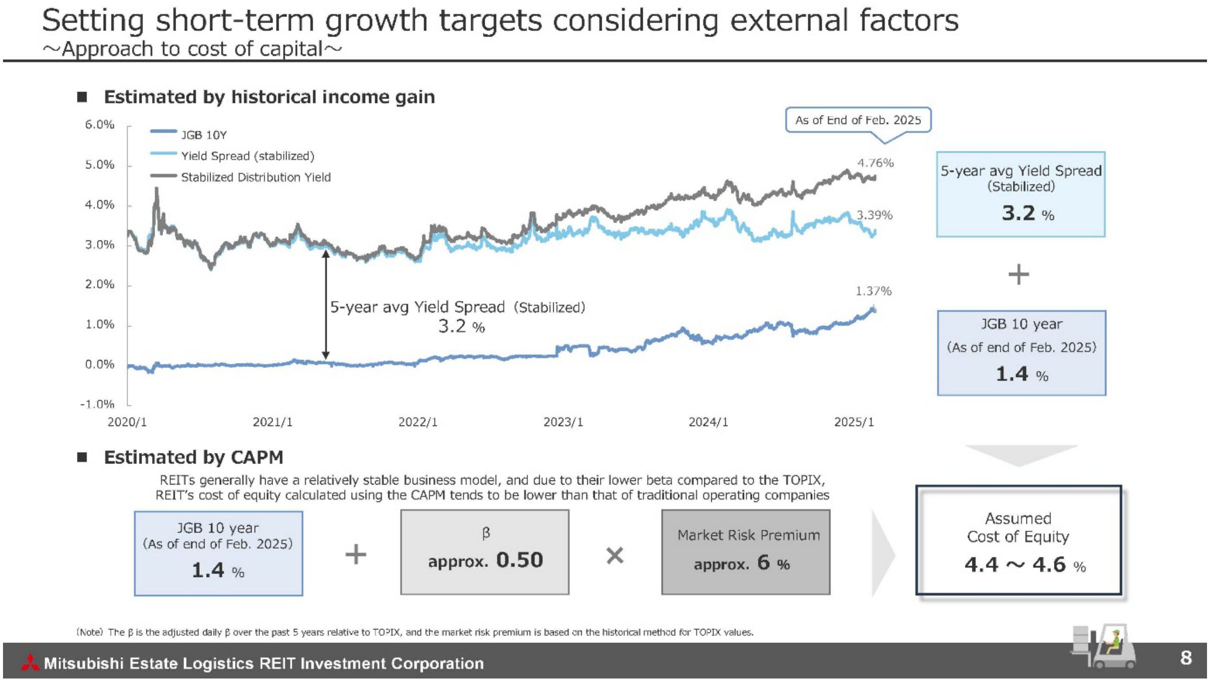


Questioner: Internal growth hinges heavily on rent increases, so could you share your view on the current state of the logistics facility leasing market? Do tenants still have the capacity to absorb rent increases? Additionally, while there was a significant amount of new supply in 2023, do you expect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



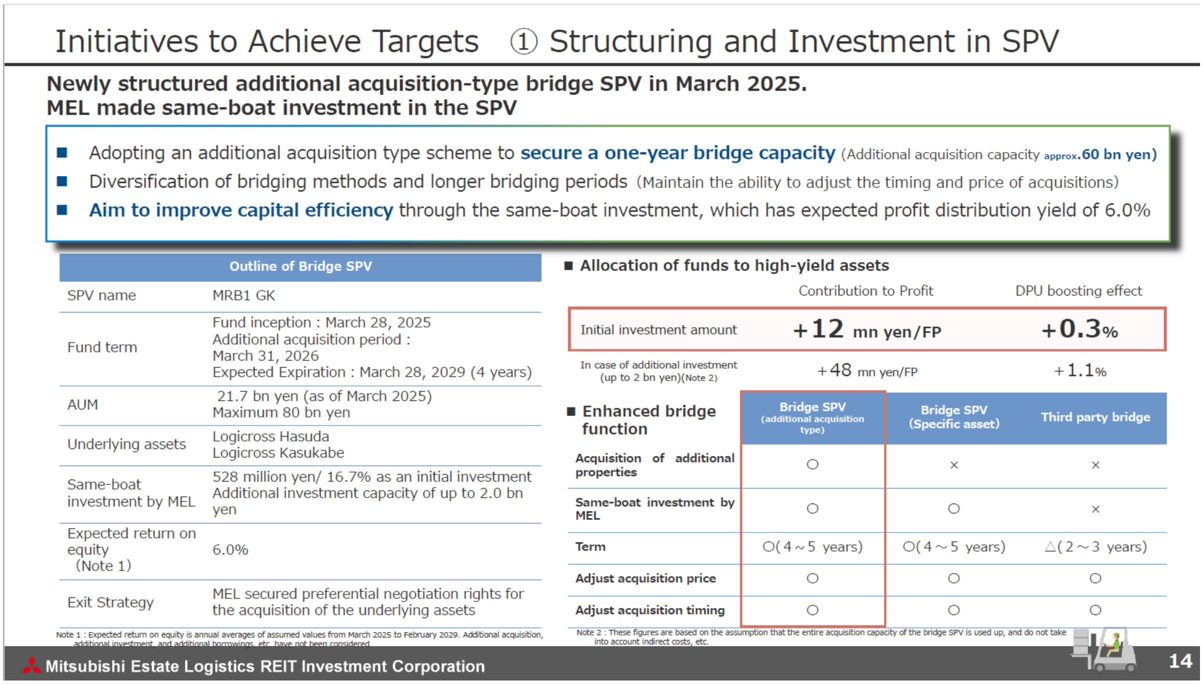
Questioner: I'm impressed with your presentation materials this time, which seem to delve deeper into various areas. In particular, the discussion of CAPM on page 8 stood out as something new. When calculating β, you used TOPIX as the benchmark. Why did you choose TOPIX instead of the TSE REIT Index?

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



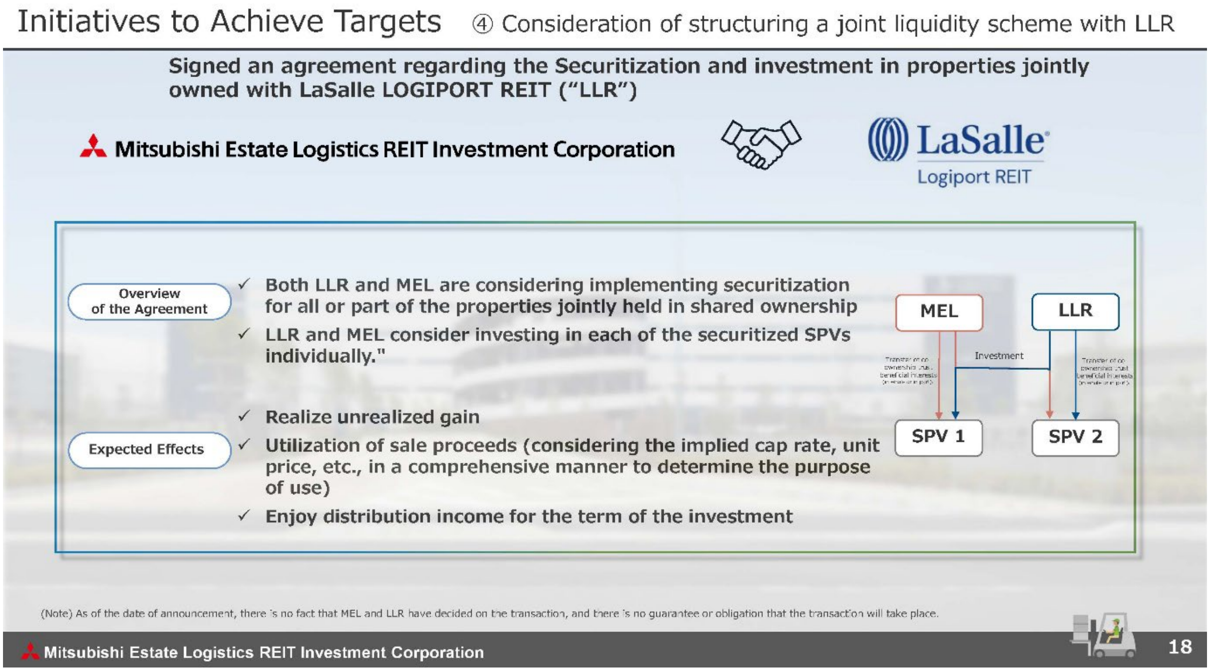
Questioner: You mentioned that an investment has already been made in the bridge SPV and that there is room for additional investment going forward. Given the current challenges in property acquisitions, this approach is certainly understandable. That said, do you plan to continue expanding the use of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



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

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.