

Summary of Financial Results for the Fiscal Period Ended February 28, 2022 (REIT)

April 15, 2022

Name of Issuer: Mitsubishi Estate Logistics REIT
Investment Corporation (“MEL”)
Stock Exchange Listing: Tokyo Stock Exchange
Securities Code: 3481
Website: <https://mel-reit.co.jp/en/>
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Scheduled Date of Commencement of Distributions Payments: May. 20, 2022

Supplementary Materials for Financial Results: Yes
Investors and Analysts Meeting: Yes

(Values are rounded down to the nearest million yen)

1. Financial Results for the Fiscal Period Ended February 28, 2022 (11th Fiscal Period) (from Sept. 1, 2021 to Feb. 28, 2022)

(1) Operating Results

(Percentages indicate change from the previous period)

Fiscal period ended	Operating revenues		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Feb. 28, 2022	5,028	1.5	2,640	3.3	2,541	6.7	2,540	6.7
Aug. 31, 2021	4,953	17.8	2,555	15.9	2,382	14.9	2,381	14.9

Fiscal period ended	Net income per unit	Return on unitholders' Equity	Ratio of ordinary income to total assets	Ratio of ordinary income to operating revenues
	Yen	%	%	%
Feb. 28, 2022	6,495	2.2	1.4	50.5
Aug. 31, 2021	6,108	2.2	1.4	48.1

Note: MEL issued new investment units of 41,000 units and 1,898 units on Mar. 5, 2021 and Apr. 6, 2021, respectively. For the fiscal period ended Aug. 31, 2021, net income per unit is calculated by dividing net income by the day-weighted average number of investment units outstanding during the period 389,872 units.

(2) Distributions

Fiscal period ended	Distributions per unit (excluding surplus cash distributions (“SCD”))	Total amount of distributions (excluding SCD)	SCD per unit	Total amount of SCD	Distributions per unit (including SCD)	Total amount of distributions (including SCD)	Payout ratio	Ratio of distributions to net assets
	Yen	Millions of yen	Yen	Millions of yen	Yen	Millions of yen	%	%
Feb. 28, 2022	6,495	2,540	679	265	7,174	2,806	100.0	2.2
Aug. 31, 2021	6,089	2,381	675	264	6,764	2,645	100.0	2.1

Notes:

- Total amount of SCD are the refund of investment, which falls under the distributions through reduction in unitholders' capital under taxation law.
- The ratio of net asset value attributable to a reduction in unitholders' paid-in capital for the fiscal periods ended Aug. 31, 2021 and Feb. 28, 2022, is 0.003 and 0.002, respectively. The payment of SCD is deemed a return of capital. This calculation methodology is pursuant to Article 23, Paragraph 1, Item 4 of the Act on Special Measures Concerning Taxation.
- With the issuance of new investment units conducted in the fiscal period ended Aug. 31, 2021, the payout ratio is calculated using the following formula.

$$\text{Payout ratio} = \text{Total amount of distributions (excluding SCD)} / \text{Net income} \times 100$$

(3) Financial Position

	Total assets	Net assets	Unitholders' equity to total assets	Net assets per unit
Fiscal period ended	Millions of yen	Millions of yen	%	Yen
Feb. 28, 2022	180,403	116,305	64.5	297,352
Aug. 31, 2021	181,206	116,410	64.2	297,621

(4) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents
Fiscal period ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Feb. 28, 2022	4,273	(154)	(3,545)	12,217
Aug. 31, 2021	4,252	(28,171)	26,090	11,643

2. Forecasts for the Fiscal Periods Ending Aug. 31, 2022 (from Mar. 1, 2022 to Aug. 31, 2022) and Feb. 28, 2023 (from Sept. 1, 2022 to Feb. 28, 2023)

(Percentages indicate change from the previous period)

Fiscal period ending	Operating revenues		Operating income		Ordinary income		Net income		Distributions per unit (including SCD)	Distributions per unit (excluding SCD)	SCD
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen	Yen
Aug. 31, 2022	6,198	23.3	3,332	26.2	2,958	16.4	2,957	16.4	7,307	6,574	733
Feb. 28, 2023	6,224	0.4	3,279	(1.6)	3,101	4.8	3,100	4.8	7,628	6,890	738

(Reference) Forecasted net income per unit for the fiscal period ending Aug. 31, 2022: 6,574 yen

Forecasted net income per unit for the fiscal period ending Feb. 28, 2023: 6,890 yen

*Other

(1) Changes in accounting policies, accounting estimates, or restatements

- (a) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (b) Changes in accounting policies due to other reasons: None
- (c) Changes in accounting estimates: None
- (d) Restatements: None

(2) Total number of investment units issued and outstanding

(a) Total number of units issued and outstanding at the end of the fiscal period (including treasury units)

As of Feb. 28, 2022 391,135 units As of Aug. 31, 2021 391,135 units

(b) Number of treasury units at the end of the fiscal period

As of Feb. 28, 2022 0 units As of Aug. 31, 2021 0 units

Note: Please refer to "Notes Concerning Per Unit Information" on page 23 for the based calculation for the forecasted net income per unit.

*Implementation Status of Statutory Audit

At the time of this financial report, the audit procedures for the financial statements pursuant to the Financial Instruments and Exchange Act have not been completed.

*Explanation on the Appropriate Use of the Forecast of Financial Results and Other Matters of Special Consideration

The forward-looking statements in this material are based on information currently available to us and on certain assumptions that we believe are reasonable. Actual operating performance may differ substantially due to various factors. Furthermore, those statements shall not be deemed a guarantee or any commitment of the amount of future distributions and SCD. Please refer to "Forecast Assumptions for the Fiscal Periods Ending Aug. 31, 2022 and Feb. 28, 2023" on page 7 for assumptions regarding forward-looking statements.

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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1. Results of Operations

(1) Results of Operations

(A) Overview of the Current Fiscal Period

(i) Major Operational Results of MEL

Mitsubishi Estate Logistics REIT Investment Corporation (“MEL”) was established on July 14, 2016 under the “Act on Investment Trust and Investment Corporation” (“Investment Trust Law”), and was listed on the REIT Securities Market of the Tokyo Stock Exchange on September 14, 2017 (securities code: 3481).

Mitsubishi Estate Co., Ltd. (“MEC”), one of the largest comprehensive developers in Japan, acting as a sponsor. MEL focuses on investing in logistics facilities. MEL’s asset management company, Mitsubishi Jisho Investment Advisors, Inc. (“Asset Management Company” or “MJIA”) has boasting an extensive track record in real estate fund management since its establishment in 2001. Through “HYBRID” (Note) utilization of the strengths of both companies, MEL aims for maximization of unitholder value by striving for the building of a high-quality portfolio and steady and stable asset management as a listed real estate investment corporation investing mainly in logistics facilities. Focusing on “location”, “building features” and “stability,” we aim to build a long-term and stable portfolio through selective investments in highly competitive logistics facilities that meet tenant needs.

Furthermore, MEL announced its management policy based on the “Three Pillars” on April 17, 2019, as a management plan designed to maximize unitholder value in the medium- to long-term. The management policy is intended to gather the entire MEC Group to work together and improve unitholder value of MEL, focusing on the following three pillars: Alignment (align interest with unitholders), Discipline (disciplined growth) and Hybrid (enhance MEL’s unique strategy, the hybrid model).

MEL owned 22 properties (aggregate acquisition price: 170,404 million yen), at the end of the reporting fiscal period (Feb. 28, 2022).

Note: “HYBRID,” as in the English term “hybrid” meaning a combination of two things, is used in the context of utilization of the strengths of MEC and MJIA to refer to the strengths of both companies being utilized creatively and at times combined depending on the situation and thereby making the most of these in the management of MEL.

(ii) Investment Environment and Operational Results of the Current Fiscal Period

During the reporting fiscal period ended February 2022, the Japanese economy began to recover from the full cancellation of the state of emergency for COVID-19 at the end of September 2021. However, the economic recovery kept getting better and then worse again as a result of rising resource prices, anticipation of higher interest rate and a rapid expansion of highly infectious variant: “Omicron”. Although the economy is expected to slowly recover as economic activities are resuming with the progress in COVID-19 vaccination, it is necessary to closely monitor trends in geopolitical risks such as the situation in Ukraine and trends in the financial and capital markets going forward. The actual GDP (gross domestic product) for the fourth quarter of 2021 (from Oct. to Dec.) recorded a positive growth for the first time in two quarters with 4.6% increase on an annualized basis backed by the increase in personal consumption and corporate capital investment, etc.

In the real estate transaction market, domestic and overseas investors remain willing to invest due to factors such as the size of one of the largest markets in Asia and lower funding rates compared to other countries, and transactions are also active even in the COVID-19 pandemic. In addition, we will need to closely monitor the interest rate trends. However, investors continue to look for potential investment opportunities and cap rates of logistics facilities remain low due to stable cash flow. Recently, long-term bond yields have been fluctuated with a temporary decline related to geopolitical risks such as the situation in Ukraine. Nevertheless, attention should continue to be paid to long-term interest trends associated with inflation and uncertainty about the outlook for the economy as a whole.

Although J-REIT market remained weak due to concerns about the deterioration of the credit market due to the China Evergrande liquidity crisis and rising domestic long-term interest rates from September to November 2021, it recovered in a positive response to long-term interest rates that remains steady at a low level in December 2021. Since the beginning of 2022, the market has continued to show heavy upward pressure due to the spread of the Omicron variant and concerns over a rise in domestic and overseas interest rates. Within 2021, the trend of TSE REIT Index was from 2,000 points to around 2,100 points. From the beginning of 2022, however, it temporarily fell below 1,800 points due to concerns about the quantitative tightening of U.S. finances. Since February of this year, volatility has been rising due to the deterioration of the situation in Ukraine. Although the adjustment since the beginning of 2022 has come to a pause recently, we believe it will be necessary to continue to closely monitor the increase in volatility associated with the deterioration of the real estate leasing market, risk-off caused by geopolitical risks, and changes in the interest rate environment.

In the logistics facilities market, a rapid increase of e-commerce use has drawn attention and further increase in demand for logistics facilities is expected, driven by the increased online-based consumption and inventories. Under these circumstances, the demand for logistics facilities continues to be strong and vacancy rates remain

low, despite a large volume of new supply. Although the trend of new supply is expected to continue, tenant leasing activities for properties under development are proceeding well, and no significant impact is expected on MEL's portfolio.

As of the end of the reporting fiscal period (Feb. 28, 2022), MEL owned 22 properties (aggregate acquisition price: 170,404 million yen) and the occupancy rate remained high, at 99.6%.

(iii) Overview of Financing

During the reporting fiscal period (Feb. 28, 2022), MEL successfully refinanced short-term loan of 500 million yen with a repayment date of Sept. 1, 2021 and long-term loan of 2,211 million yen with a repayment date of Sept. 14, 2021. Moreover, MEL prepaid short-term loan of 900 million yen with cash on hand including consumption tax refund for the properties acquired during fiscal period ended Aug. 31, 2021 on Dec. 9, 2021.

As of the end of the reporting fiscal period (Feb. 28, 2022), the balance of MEL's interest-bearing debt was 58,374 million yen and MEL's loan-to-value ratio (the ratio of aggregate balance of interest-bearing debt to MEL's total assets, hereinafter "LTV") was 32.4%.

MEL's credit rating as of the end of the reporting fiscal period (Feb. 28, 2022) was as follows:

Rating Agency	Rating Object	Rating	Outlook
Japan Credit Rating Agency, Ltd.	Long-term issuer rating	AA-	Positive

(iv) ESG Initiatives

MEL is committed to endeavoring to enhance consideration towards the environment, social contributions and corporate governance to improve the sustainability of society. We recognize that this is an important social responsibility for a listed enterprise to assume, and also believe that it is essential for maximizing our unitholder value. In addition, MJIA established the Sustainability Committee in February 2019 with the aim of improving sustainability and enhancing unitholder value on a company-wide basis. In January 2022, it was raised to a formal committee, and in April 2022, the Sustainability Management Office was established to appoint person in charge. In these ways, our commitment to sustainability has been enhanced and clarified further.

In December 2021, MJIA expressed support for the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) (Note 1) and joined the TCFD Consortium, a group of domestic companies that support TCFD recommendations. MEL will continue to share the sustainability objectives, and continues to embed sustainability into our business with MJIA.

In December 2021, MEL identified important issues (materiality) related to ESG that need to be addressed in sustaining its business model in order to achieve sustainable growth and increase corporate value over the medium to long term, and established policies, targets, and key performance indicators (KPIs) for each materiality. MEL recognizes that risks and opportunities related to climate change are of paramount importance to its business, and is promoting efforts to reduce carbon emissions and further information disclosure. In January 2022, we published our first Sustainability Report. MEL's main KPIs and targets in key materiality and the progress is as follows.

	Targets (by FY 2030)	Achievement status
CO2 emissions intensity (t-CO2/m2)	30% reduction (based on FY 2017)	21.3% reduction (FY2020)
Energy consumption intensity (kWh/m2)	15% reduction (based on FY 2017)	9.7% reduction (FY2020)
Water consumption intensity (m3/m2)	No increase (based on FY 2017)	18.9% reduction (FY2020)
Waste recycling rate	70% or more	63.4% reduction (FY2020)
Green building certification (Note 2) acquisition rate (Note 3)	100%	87.6% (As of March 4, 2022)

Our efforts for sustainability were highly evaluated in the 2021 survey of the Global Real Estate Sustainability Benchmark (GRESB) Real Estate Assessment (Note 4), and it received the highest "5 Stars" for the second consecutive year and the "Green Star" for the third consecutive year. Furthermore, in the 2021 GRESB Disclosure Assessment, which measures the level of enhancement of ESG information disclosure, we received an "A" rating, the highest level for two consecutive years, in recognition of our excellence in disclosing information on environmental considerations and sustainability initiatives.

Notes:

1. "TCFD(Task Force on Climate-related Financial Disclosures)" is an international initiative established by the Financial Stability

Board ("FSB") at the request of the G20 for the purpose of discussing the disclosures of climate-related financial information and the responses by financial institutions.. In addition, TCFD Consortium was established for the purpose of encouraging companies and financial institutions that endorse TCFD to work together to promote initiatives, to effectively disclose corporate information, and to discuss efforts to link disclosed information to appropriate investment decisions by financial institutions, etc.

2. "Green Building Certification" refers to either DBJ Green Building certification, BELS assessment or CASBEE real estate certification.
3. "Green Building Certification acquisition rate" is calculated based on total floor area of properties, excluding land.
4. "GRESB Real Estate Assessment" is a benchmark assessment that measures the sustainability considerations of real estate companies and investment managers established by the European pension fund group. It is used by major institutional investors in Europe, the United States, and Asia when selecting investment targets, etc. "Green Star" ratings are awarded to companies that excel in both the "management component" and "performance component" of sustainability assessment.

(v) Overview of Financial Results and Distributions

As a result of these investment activities and financings, MEL generated operating revenues of 5,028 million yen, operating income of 2,640 million yen, ordinary income of 2,541 million yen, net income of 2,540 million yen and distributions per unit of 7,174 yen for the reporting fiscal period.

MEL's distributions for the reporting fiscal period were 6,495 yen per unit, which included MEL's profit distributions in deductible expenses in accordance with the Section 1 of Article 67-15 of the Act on Special Taxation Measures Law (a customary practice of J-REITs). The distribution amount was determined to distribute all unappropriated retained earnings for the reporting period, excluding fractions less than one yen. MEL declared the distribution amount of 2,540,421,825 yen which was the amount equivalent to the maximum integral multiples of number of investment units issued and outstanding (391,135 investment units) as of the reporting fiscal period.

In addition to the above distributions arising from earnings, MEL intends to regularly distribute cash in excess of the amount of retained earnings ("Regular Surplus Cash Distributions") in each fiscal period in accordance with MEL's distribution policy set forth in its articles of incorporation (Note 1). Furthermore, to maintain the stability of MEL's distributions per unit in the event that it is expected that an amount of distributions per unit temporarily decreases by a certain degree due to financing actions or incurrence of large repair and maintenance, MEL may decide to make distributions as one-time surplus cash distributions ("One-time Surplus Cash Distributions," collectively with the Regular Surplus Cash Distributions, "SCD").

Accordingly, MEL made Regular Surplus Cash Distributions of 265,580,665 yen, equivalent to 30% of MEL's depreciation expense for the reporting fiscal period and the total amount of SCD per unit for the reporting fiscal period was 679 yen.

Notes:

1. However, MEL may decide not to make any surplus cash distributions for a fiscal period based on a consideration of factors such as economic or real estate market conditions and MEL's, financial condition or the amount of anticipated profitability, which includes capital gains arising from property dispositions. In addition, MEL does not plan to pay surplus cash distributions from the perspective of continuing stable financial management, in case such payment would cause the Appraisal LTV (Note 2), as defined below, to exceed 60%.
2. Appraisal LTV (%) = A / B (%)
A = Total interest bearing liabilities on the balance sheet for the fiscal period related to the operating period in question (excluding tax loan) + Reversal from security deposit reserves (excluding cases where security deposits are refunded according to leasing agreements with tenants)
B = Total assets on the balance sheet for the fiscal period related to the operating period in question – Book value after depreciation of real estate held in the fiscal period in question + Total appraisal value of real estate held in the fiscal period in question – Total cash distributions to be paid in the next operating period – Total surplus cash distributions to be paid in the next operating period

(B) Outlook for the Next Fiscal Period

(i) Future Management Policies

MEL aims to build a high-quality portfolio and manage assets in a stable and steady manner, and eventually to maximize unitholder value, through selective investments in highly competitive logistics facilities that meet tenant needs with a focus on "location," "building features" and "stability" and considered sustainability, based on the accumulated expertise of Mitsubishi Estate Group.

a. External Growth Strategy

MEL aims to achieve stable and steady external growth (hybrid external growth) by utilizing both the real estate development track record accumulated as a comprehensive developer of Mitsubishi Estate that MEL enters into sponsor support agreements with, its ability to develop and operate modern and state-of-the-art logistics facilities that capture various development strategies and tenant needs and the Asset Management

Company's ability to select investment projects (discernment) and its acquisition strategy through flexible and diverse schemes in line with market and environmental changes.

b. Internal Growth Strategy

MEL aims to achieve internal growth that maximizes the value of properties and contributes to MEL's steady growth by making the most of MEC's leasing capability based on relationships with a wide variety of corporate customers fostered as a comprehensive real estate developer and MJIA's capability to stably manage logistics facilities backed by its track record of fund management (hybrid internal growth).

c. Financial Strategy

MEL lays the foundation on long-lasting stable financial management leveraging MEC Group's expertise in financial strategy and credibility cultivated over the long term, and controls LTV in consideration of growth potential. In addition, MEL is committed to efficient cash management in order to achieve improvements in unitholder value.

(ii) Significant Subsequent Events

Issuance of New Investment Units

MEL issued new investment units based on the resolution made by the board of directors on Feb. 7, 2022 and Feb. 16, 2022 and the payment was completed on Mar. 1, 2022 and Mar. 23, 2022 for the issuance of new investment units through public offering and third-party allotment, respectively.

<Issuance of New Investment Units through Public Offering>

Number of units issued	: 56,000 units
Issue price	: 406,965 yen per unit
Total amount issued	: 22,790,040,000 yen
Issue amount	: 393,608 yen per unit
Net proceeds	: 22,042,048,000 yen
Payment date	: Mar. 1, 2022

<Issuance of New Investments Units through the Third-Party Allotment>

Number of units issued	: 2,800 units
Issue amount	: 393,608 yen per unit
Net proceeds	: 1,102,102,400 yen
Payment date	: Mar. 23, 2022
Allottee	: SMBC Nikko Securities Inc.

(Reference Information)

Property Acquisition

MEL acquired the following properties from the settlement date (Feb. 28, 2022) on and after.

Category	Property Name	Location	Acquisition Price (Millions of yen)	Acquisition Date	Seller
Logistics Facilities	LOGIPORT Kawasaki Bay (45% trust beneficiary co-ownership interest)	Kawasaki, Kanagawa	36,000	Mar. 1, 2022	Domestic business company (Note)
	Logicross Atsugi II	Atsugi, Kanagawa	9,838		Domestic business company (Note)
Total			45,838	-	-

Note: Not disclosed as the seller's consent has not been obtained.

(iii) Earnings Forecast

Forecasts for the fiscal period ending August 31, 2022 (from Mar. 1, 2022 to Aug. 31, 2022) are follows.

	Operating revenues	Operating income	Ordinary income	Net income	Distributions	Distributions	SCD
					per unit (including SCD)	per unit (excluding SCD)	
Fiscal period ending Aug. 31, 2022	Millions of yen 6,198	Millions of yen 3,332	Millions of yen 2,958	Millions of yen 2,957	Yen 7,307	Yen 6,574	Yen 733

(Reference)

Fiscal period ending Feb. 28, 2022: Expected number of investment units outstanding at the end of the period: 449,935 units;
Expected net income per unit: 6,574 yen

Forecasts for the fiscal period ending February 28, 2023 (from Sept. 1, 2022 to Feb. 28, 2023) are follows.

	Operating revenues	Operating income	Ordinary income	Net income	Distributions	Distributions	SCD
					per unit (including SCD)	per unit (excluding SCD)	per unit
Fiscal period ending Feb 28, 2022	Millions of yen 6,224	Millions of yen 3,279	Millions of yen 3,101	Millions of yen 3,100	Yen 7,628	Yen 6,890	Yen 738

(Reference)

Fiscal period ending Aug. 31, 2022: Expected number of investment units outstanding at the end of the period: 449,935 units;
Expected net income per unit: 6,890 yen

The forecast information is calculated based on the assumptions described in "Forecast Assumptions for the Fiscal Periods Ending Aug. 31, 2022 and Feb. 28, 2023".

Note: Forecast calculations are based on the assumptions as of the date hereof. Actual operating revenues, operating income, ordinary income, net income, distributions per unit (excluding SCD), and SCD per unit may vary due to changes in MEL's operational environment and circumstances. Therefore, these forecasts should not be deemed a commitment or guarantee of the amount of future cash distributions.

Forecast Assumptions for the Fiscal Periods Ending Aug. 31, 2022 and Feb. 28, 2023

Items	Assumption																																	
Accounting Period	<ul style="list-style-type: none"> ➤ Fiscal period ending Aug. 31, 2022 (12th fiscal period): From Mar. 1, 2022 to Aug. 31, 2022 (184 days) ➤ Fiscal period ending Feb. 28, 2023 (13th fiscal period): From Sept. 1, 2022 to Feb. 28, 2023 (181 days) 																																	
Assets Under Management	<ul style="list-style-type: none"> ➤ In addition to its 22 properties MEL owned as of Feb. 28, 2022 (“Properties Owned as of the End of 11th Fiscal Period”), MEL acquired LOGOPORT Kawasaki Bay (45% co-beneficiary interest) and Logicross Atsugi II on Mar. 1, 2022 (“Properties Acquired during the 12th Fiscal Period”), and currently MEL owns 24 properties. ➤ It is assumed there will be no material change (including acquisition of new properties and dispositions of existing properties) in the operational status of the 24 properties MEL owned as of Apr. 15, 2022, up until Feb. 28, 2023. ➤ The actual results may change due to the acquisition of new properties or the disposition of existing properties, etc. 																																	
Operating Revenues	<ul style="list-style-type: none"> ➤ Operating rental revenues take into account factors such as market trends and the competitiveness, etc. of each property based on information provided by the seller of the Properties Acquired during the 12th Fiscal Period and operating result held by the Asset Management Company for the Properties Owned as of the End of 11th Fiscal Period. ➤ It is assumed tenants will pay rents without delinquency or withholding. ➤ The forecasts of operating revenues are made on the assumption that there will be no profit or loss from sale of real estate. 																																	
Operating Expenses	<ul style="list-style-type: none"> ➤ Main items regarding operating expenses are as follows: <table border="1" style="margin-left: 20px; width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th colspan="2" style="text-align: center;">(Millions of yen)</th> </tr> <tr> <th></th> <th style="text-align: center;">Fiscal Period Ending Aug. 31, 2022</th> <th style="text-align: center;">Fiscal Period Ending Feb. 28, 2023</th> </tr> </thead> <tbody> <tr> <td>Total Operating Rental Expenses</td> <td style="text-align: right;">2,140</td> <td style="text-align: right;">2,168</td> </tr> <tr> <td>Facility Management Fee</td> <td style="text-align: right;">286</td> <td style="text-align: right;">285</td> </tr> <tr> <td>Utilities Cost</td> <td style="text-align: right;">148</td> <td style="text-align: right;">163</td> </tr> <tr> <td>Repair and Maintenance Expenses</td> <td style="text-align: right;">93</td> <td style="text-align: right;">96</td> </tr> <tr> <td>Property Taxes</td> <td style="text-align: right;">474</td> <td style="text-align: right;">475</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">1,100</td> <td style="text-align: right;">1,108</td> </tr> <tr> <td>Total General and Administrative Expenses</td> <td style="text-align: right;">725</td> <td style="text-align: right;">777</td> </tr> <tr> <td>Asset Management Fee</td> <td style="text-align: right;">525</td> <td style="text-align: right;">591</td> </tr> <tr> <td>Sponsor Support Fee</td> <td style="text-align: right;">109</td> <td style="text-align: right;">107</td> </tr> </tbody> </table> ➤ Of operating rental expenses, which is the main operating expense, expenses except depreciation are calculated by taking into account various factors based on historical data. ➤ Property taxes and city planning taxes are generally included in the purchase price of properties on a pro-rata basis of the calendar year and will begin to be expensed from the following calendar year. Accordingly, property taxes and city planning taxes for the Properties Acquired in 12th Fiscal Period will be expensed starting from the fiscal period ending Aug. 31, 2023. ➤ For building repair expenses, the amount assumed to be necessary for each property is based on the repair and maintenance plans of the Asset Management Company. However, repair expenses may differ substantially from the anticipated amount due to unexpected factors. For building repair expenses, the amount assumed to be necessary for each property is based on the repair and maintenance plans of the Asset Management Company. However, repair expenses may differ substantially from the anticipated amount due to unexpected factors. 		(Millions of yen)			Fiscal Period Ending Aug. 31, 2022	Fiscal Period Ending Feb. 28, 2023	Total Operating Rental Expenses	2,140	2,168	Facility Management Fee	286	285	Utilities Cost	148	163	Repair and Maintenance Expenses	93	96	Property Taxes	474	475	Depreciation	1,100	1,108	Total General and Administrative Expenses	725	777	Asset Management Fee	525	591	Sponsor Support Fee	109	107
	(Millions of yen)																																	
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Non-operating Expenses	<ul style="list-style-type: none"> ➤ For the fiscal period ending Aug. 31, 2022, it is assumed that 374 million yen will be incurred as non-operating expenses, which includes 179 million yen for interest expenses and other debt-related costs and 195 million yen in relation to the offerings of the new investment units and issuance of the investment corporation bonds. ➤ For the fiscal period ending Feb. 28, 2023, it is assumed that 178 million yen will be incurred as non-operating expenses, which includes 178 million yen for interest expenses and other debt-related costs. 																																	

Interest-bearing Debt	<ul style="list-style-type: none"> ➤ The balance of MEL's interest-bearing debt on an accounting basis as of today is 82,074 million yen. ➤ It is assumed that MEL will repay the short-term debt of 2,000 million yen obtained on Mar. 1, 2022 using cash on hand including the proceeds of tax refund during the fiscal period ending Feb. 28, 2023. ➤ The total expected amount of interest-bearing debt at the end of the fiscal periods ending Aug. 31, 2022 and Feb. 28, 2023 is estimated to be 82,074 million yen and 80,074 million yen, respectively. ➤ LTV at the end of the fiscal periods ending Aug. 31, 2022 and Feb. 28, 2023 is estimated to be 36.0% and 35.4%, respectively. For LTV calculation, please refer to the following formula. The ratios are rounded to the nearest tenth: LTV (%) = interest-bearing debt / total assets × 100 (%)
Investment Units	<ul style="list-style-type: none"> ➤ It is assumed that the number of investment units currently issued and outstanding will not change up until Feb. 28, 2022. Currently, there are 449,935 units issued and outstanding. ➤ Distributions per unit (excluding SCD) and SCD per unit for the fiscal periods ending Aug. 31, 2022 and Feb. 28, 2023 are calculated based on 449,935 investment units, which is the total number of investment units expected to be issued and outstanding at the end of the fiscal periods ending Aug. 31, 2022 and Feb. 28, 2023.
Distributions Per Unit (excluding SCD)	<ul style="list-style-type: none"> ➤ Distributions per unit (excluding SCD) are calculated based on the premise of the distribution policy in the Articles of Incorporation of MEL. ➤ Distributions per unit (excluding SCD) may change due to various factors including any additional acquisitions or dispositions of properties, changes in rent revenues attributable to tenant moves, changes in the property management environment including unexpected repair etc.
SCD Per Unit	<ul style="list-style-type: none"> ➤ SCD per unit are calculated based on the assumption that the cash distributions will be distributed in accordance with the fund distribution policy of the Articles of Incorporation of MEL. It is assumed that the total amount of SCD will be 329 million yen for the fiscal period ending Aug. 31, 2022 and 332 million yen for the fiscal period ending Feb. 28, 2023, respectively. There is no distribution from temporarily differences adjustment allowance. ➤ The amount of depreciation expenses may change depending on the amount of total assets under management, ancillary costs, capital expenditure, the allocation method of purchase prices for each asset and depreciable life, etc. Surplus cash distributions, which will be based on the amount of depreciation expenses, may change accordingly. ➤ There may be cases where MEL implements distribution of cash in surplus of the distributable amount to investors on the basis of financial statements related to cash distribution approved under the Act on Investment Trusts and Investment Corporations (Act No. 198 of June 4, 1951, as amended) if the board of directors of MEL deems such distribution to be appropriate (1) in light of the economic environment, real estate market, lease market or other trends; (2) when the amount of income fails to meet the amount equivalent to 90% of distributable income; (3) when the distribution amount fails to meet the requirements for the Special Provisions for Taxation on Investment Corporations; or (4) in other ways to maximize the interest of investors. When MEL implements distribution of cash in surplus of the distributable amount, it limits the amount to the total of the amount of income for the operating period in question and the amount stipulated under laws and ordinances (inclusive of the rules of the Investment Trusts Association, Japan). ➤ For the time being, MEL intends to target a level of surplus cash distributions on an ongoing basis at an amount equivalent to approximately 30% of the depreciation expense for the relevant fiscal period. Furthermore, to maintain the stability of MEL's distributions per unit in the event that an amount of distributions per unit temporarily decreases due to a series of financing actions such as the issuance of new investment units (including investment unit third-party allotment) or large scale repair and maintenance, which may result in a temporary dilution of investment units or incurrence of large expenses, MEL may make distributions as one-time surplus cash distributions. However, MEL may decide not to make any surplus cash distributions for a fiscal period based on a consideration of factors such as economic or real estate market conditions and MEL's, financial condition or the amount of anticipated profitability, which includes capital gains arising from property dispositions. ➤ In addition, in the event that MEL needs to allocate its cash to emergency capital expenditures for unexpected damages on MEL's assets, etc., surplus cash distributions per unit may be reduced. MEL does not plan to pay surplus cash distributions from the perspective of continuing stable financial management, in case such payment would cause the Appraisal LTV (Note), as defined below, to exceed 60%. (Note) Appraisal LTV (%) = A / B (%) A = Total interest bearing liabilities on the balance sheet for the fiscal period related to the operating period in question (excluding tax loan) + Reversal from security deposit reserves (excluding cases

	<p>where security deposits are refunded according to leasing agreements with tenants)</p> <p>B = Total assets on the balance sheet for the fiscal period related to the operating period in question – Book value after depreciation of real estate held in the fiscal period in question + Total appraisal value of real estate held in the fiscal period in question – Total cash distributions to be paid in the next operating period – Total surplus cash distributions to be paid in the next operating period</p>
Others	<ul style="list-style-type: none"> ➤ It is assumed that no any revision that will have an impact on the forecast information above will be made with regard to the laws and regulations, tax system, accounting standards, listing rules of the Tokyo Stock Exchange and rules of the Investment Trusts Association, Japan, etc. ➤ It is assumed that no unexpected material change will arise in overall economic trends and real estate market conditions, etc.

(2) Risk Factors

No significant changes have occurred to the risk factors since the most recent Securities Report (filed on Nov. 29, 2021) and the Securities Registration Statement (filed on Feb. 7, 2022); therefore, their descriptions are not stated here.

2. Financial Statements

(1) Balance Sheet

	Thousands of yen	
	As of	
	August 31, 2021	February 28, 2022
ASSETS		
Current assets:		
Cash and deposits	4,669,730	5,380,624
Cash and deposits in trust	6,973,856	6,836,890
Operating accounts receivable	43,411	38,457
Prepaid expenses	21,978	22,284
Consumption taxes receivable	594,077	-
Other current assets	-	1,890
Total current assets	12,303,054	12,280,146
Fixed assets:		
Property and equipment		
Buildings in trust	*1 69,323,806	*1 69,433,894
Less: accumulated depreciation	(4,572,054)	(5,420,209)
Buildings in trust, net	64,751,752	64,013,685
Structures in trust	*1 2,413,488	*1 2,415,040
Less: accumulated depreciation	(126,726)	(150,817)
Structures in trust, net	2,286,761	2,264,223
Machinery and equipment in trust	202,323	202,323
Less: accumulated depreciation	(24,328)	(35,872)
Machinery and equipment in trust, net	177,994	166,450
Tools, furniture and fixtures in trust	28,674	33,200
Less: accumulated depreciation	(4,392)	(7,116)
Tools, furniture and fixtures in trust, net	24,281	26,083
Land in trust	101,608,148	101,608,148
Total property and equipment	168,848,938	168,078,592
Intangible assets		
Software	2,035	1,085
Other intangible assets	591	541
Total intangible assets	2,626	1,626
Investments and other assets		
Deferred tax assets	11	14
Long-term prepaid expenses	41,711	33,339
Security deposit	10,000	10,000
Total investments and other assets	51,722	43,354
Total fixed assets	168,903,287	168,123,573
Total assets	181,206,341	180,403,720

	Thousands of yen			
	As			
	August 31, 2021		February 28, 2022	
LIABILITIES				
Operating accounts payable	306,660		189,127	
Short-term loans payable	1,400,000		-	
Long-term loans payable due within one year	2,211,000		3,310,000	
Accounts payable	11,159		12,754	
Distributions payable	4,808		4,632	
Accrued expenses	566,362		647,119	
Income taxes payable	826		904	
Consumption taxes payable	-		281,822	
Advances received	877,391		876,143	
Deposits received	63,771		83	
Others	96		-	
Total current liabilities	5,442,075		5,322,587	
Non-current liabilities				
Investment corporation bonds	2,000,000		2,000,000	
Long-term loans payable	53,663,000		53,064,000	
Tenant leasehold and security deposits in trust	3,691,040		3,712,060	
Total non-current liabilities	59,354,040		58,776,060	
Total liabilities	64,796,116		64,098,648	
NET ASSETS				
Unitholders' equity				
Unitholders' capital				
Unitholders' capital, gross	115,191,501		115,191,501	
Deduction from unitholders' capital	(1,162,998)		(1,427,014)	
Unitholders' capital, net	114,028,503		113,764,487	
Surplus				
Retained earnings	2,381,722		2,540,583	
Total surplus	2,381,722		2,540,583	
Total unitholders' equity	116,410,225		116,305,071	
Total net assets	*2 116,410,225		*2 116,305,071	
Total liabilities and net assets	181,206,341		180,403,720	

(2) Statement of Income and Retained Earnings

	Thousands of yen			
	For the fiscal period ended			
	For the fiscal period from Mar. 1, 2021 to Aug. 31, 2021		For the fiscal period from Sept. 1, 2021 to Feb. 28, 2022	
Operating revenues:				
Operating rental revenues	*1	4,720,745	*1	4,798,577
Other rental revenues	*1	232,341	*1	230,320
Total operating revenues		4,953,086		5,028,898
Operating expenses:				
Expenses related to property rental business	*1	1,801,259	*1	1,744,322
Asset management fee		398,037		475,962
Asset custody fee		1,558		1,570
Administrative service fee		21,662		17,686
Directors' compensation		2,400		2,400
Commission paid		101,640		102,961
Other operating expenses		70,591		43,502
Total operating expenses		2,397,151		2,388,405
Operating income		2,555,935		2,640,493
Non-operating income:				
Interest income		55		57
Interest on refund		829		-
Compensation income for damage or loss		-		36,387
Refund of Property taxes		604		-
Reversal of distributions payable		2,284		737
Total non-operating income		3,773		37,182
Non-operating expenses:				
Interest expenses		112,251		111,309
Interest expenses on investment corporation bonds		5,343		6,916
Borrowing related expenses		3,959		2,899
Amortization of organization expenses		4,032		-
Investment unit issuance expenses		35,343		-
Investment corporation bond issuance expenses		16,411		-
Reduction entry of tangible fixed assets		-		15,157
Total non-operating expenses		177,341		136,283
Ordinary income		2,382,367		2,541,392
Income before income taxes		2,382,367		2,541,392
Income taxes-current		834		913
Income taxes-deferred		4		(3)
Total income taxes		839		909
Net income		2,381,528		2,540,482
Retained earnings brought forward		193		101
Unappropriated retained earnings		2,381,722		2,540,583

(3) Statement of Changes in Net Assets

The Reporting Period (from Sept. 1, 2021 to Feb. 28, 2022)

	Thousands of yen						
	Unitholders' equity						Total net assets
	Unitholders' capital			Surplus		Total unitholders' equity	
Unitholders' capital, gross	Deduction of unitholders' capital	Unitholders' capital, net	Unappropriated retained earnings	Total surplus			
Balance as of Sept. 1, 2021	115,191,501	△1,162,998	114,028,503	2,381,722	2,381,722	116,410,225	116,410,225
Change during the period							
Distributions in excess of retained earnings	-	(264,016)	(264,016)	-	-	(264,016)	(264,016)
Dividends of surplus	-	-	-	(2,381,621)	(2,381,621)	(2,381,621)	(2,381,621)
Net income	-	-	-	2,540,482	2,540,482	2,540,482	2,540,482
Total change during the period	-	(264,016)	(264,016)	158,861	158,861	(105,154)	(105,154)
Balance as of Feb. 28, 2022	*1 115,191,501	(1,427,014)	113,764,487	2,540,583	2,540,583	116,305,071	116,305,071

The Previous Period (from Mar. 1, 2021 to Aug. 31, 2021)

	Thousands of yen						
	Unitholders' equity						Total net assets
	Unitholders' capital			Surplus		Total unitholders' equity	
Unitholders' capital, gross	Deduction of unitholders' capital	Unitholders' capital, net	Unappropriated retained earnings	Total surplus			
Balance as of Mar. 1, 2021	98,444,036	(931,072)	97,512,964	2,073,248	2,073,248	99,586,213	99,586,213
Change during the period							
Issuance of new investments	16,747,464	-	16,747,464	-	-	16,747,464	16,747,464
Distributions in excess of retained earnings	-	(231,925)	(231,925)	-	-	(231,925)	(231,925)
Dividends of surplus	-	-	-	(2,073,054)	(2,073,054)	(2,073,054)	(2,073,054)
Net income	-	-	-	2,381,528	2,381,528	2,381,528	2,381,528
Total change during the period	16,747,464	(231,925)	16,515,539	308,473	308,473	16,824,012	16,824,012
Balance as of Aug. 31, 2021	*1 115,191,501	(1,162,998)	114,028,503	2,381,722	2,381,722	116,410,225	116,410,225

(4) Statement of Cash Distributions

	Yen	
	For the fiscal period from Mar. 1, 2021 to Aug. 31, 2021	For the fiscal period from Sept. 1, 2021 to Feb. 28, 2022
I. Unappropriated retained earnings	2,381,722,226	2,540,583,889
II. Distributions in excess of retained earnings		
Deduction from unitholders' capital	264,016,125	265,580,665
III. Distributions	2,645,637,140	2,806,002,490
(Distributions per unit)	(6,764)	(7,174)
Of which, distributions of retained earnings	2,381,621,015	2,540,421,825
(Of which, distributions in retained earnings per unit)	(6,089)	(6,495)
Of which, distributions in excess of retained earnings	264,016,125	265,580,665
(Of which, distributions in excess of retained earnings per unit)	(675)	(679)
IV. Retained earnings carried forward	101,211	162,064円
Calculation method of distribution amount	<p>Pursuant to the "Policy on the Distribution of Funds" as defined in Article 35, Paragraph 1 of the Articles of Incorporation, the amount of distributions shall be the amount which does not exceed the amount of profits but exceeds 90% of the distributable profit as defined in Article 67-15 of the Special Taxation Measures Act. Based on the policy, MEL declared distribution amount of 2,381,621,015 yen. This amount was equivalent to the maximum integral multiples of number of investment units issued and outstanding (391,135 units) as of the end of fiscal period. Based on the distribution policy as defined in Article 35, Paragraph 2 of the Articles of Incorporation, MEL shall make Surplus Cash Distributions (SCD), defined as distributions in excess of retained earnings, as a return of unitholders' capital, each fiscal period on a continuous basis. Accordingly, MEL declared SCD of 264,016,125 yen as a return of unitholders' capital, which was the amount equivalent to approximately 30% of depreciation expense.</p>	<p>Pursuant to the "Policy on the Distribution of Funds" as defined in Article 35, Paragraph 1 of the Articles of Incorporation, the amount of distributions shall be the amount which does not exceed the amount of profits but exceeds 90% of the distributable profit as defined in Article 67-15 of the Special Taxation Measures Act. Based on the policy, MEL declared distribution amount of 2,540,421,825 yen. This amount was equivalent to the maximum integral multiples of number of investment units issued and outstanding (391,135 units) as of the end of fiscal period. Based on the distribution policy as defined in Article 35, Paragraph 2 of the Articles of Incorporation, MEL shall make Surplus Cash Distributions (SCD), defined as distributions in excess of retained earnings, as a return of unitholders' capital, each fiscal period on a continuous basis. Accordingly, MEL declared SCD of 265,580,665 yen as a return of unitholders' capital, which was the amount equivalent to approximately 30% of depreciation expense.</p>

Note: MEL is permitted to distribute cash in excess of the amount of retained earnings if the amount of the accounting income is smaller than 90% of its distributable retained earnings on a tax basis to the extent that such distribution amount does not exceed the amount of MEL's depreciation for the same fiscal period, and if MEL determines that such excess distribution amount is appropriate.

(5) Statement of Cash Flows

	Thousands of yen	
	For the period ended	
	For the fiscal period from Mar. 1, 2021 to Aug. 31, 2021	For the fiscal period from Sept. 1, 2021 to Feb. 28, 2022
Cash flows from operating activities:		
Income before income taxes	2,382,367	2,541,392
Depreciation	882,103	887,512
Investment unit issuance expenses	35,343	-
Investment corporation bond issuance expenses	16,411	-
Interest income	(55)	(57)
Interest expenses	112,251	111,309
Interest expenses on investment corporation bonds	5,343	6,916
Reversal of distributions payable	(2,284)	(737)
Compensation income for damage or loss	-	(36,387)
Loss on reduction entry of tangible fixed assets	-	15,157
Decrease (Increase) in operating accounts receivable	(14,832)	4,954
Decrease (Increase) in consumption taxes receivable	615,612	594,077
Decrease (Increase) in prepaid expenses	(628)	(306)
Decrease (Increase) in long-term prepaid expenses	1,003	8,371
Increase (Decrease) in operating accounts payable	41,049	(58,169)
Increase (Decrease) in accounts payable	(10,191)	1,595
Increase (Decrease) in accrued expenses	67,176	83,773
Increase (Decrease) in consumption taxes payable	-	281,822
Increase (Decrease) in advances received	161,834	(1,248)
Others	67,802	(44,444)
Subtotal	4,360,307	4,395,532
Interest received	55	57
Interest paid	(107,225)	(121,243)
Income taxes paid	(924)	(835)
Net cash provided by (used in) operating activities	4,252,212	4,273,511
Cash flows from investing activities:		
Purchases of property and equipment in trust	(29,046,707)	(175,529)
Proceeds from tenant leasehold and security deposits in trust	895,083	35,200
Repayments from tenant leasehold and security deposits in trust	(20,172)	(14,179)
Net cash provided by investing activities	(28,171,796)	(154,509)
Cash flows from financing activities:		
Proceeds from short-term loans payable	3,500,000	-
Repayments of short-term loans payable	(4,100,000)	(1,400,000)
Proceeds from long-term loans payable	10,300,000	2,711,000
Repayments from long-term loans payable	-	(2,211,000)
Proceeds from issuance of investment corporation bonds	1,983,588	-
Proceeds from issuance of new investment units	16,712,121	-
Payment of distributions of retained earnings	(2,072,871)	(2,381,210)
Payment of distributions in excess of retained earnings	(231,878)	(263,864)
Net cash provided by (used in) financing activities	26,090,959	(3,545,074)
Net increase (decrease) in cash and cash equivalents	2,171,375	573,927
Cash and cash equivalents at the beginning of period	9,472,211	11,643,587
Cash and cash equivalents at the end of period	*1 11,643,587	*1 12,217,514

(6) Notes Concerning Going Concerns Assumption

Not applicable

(7) Notes Concerning Significant Accounting Policies

<p>1. Method of depreciation of non-current assets</p>	<p>(1) Property and equipment Property and equipment are stated at cost. Depreciation of property and equipment, including property and equipment in trust, is calculated by the straight-line method over the estimated useful lives as follows:</p> <table border="0"> <tr> <td>Buildings</td> <td>2-63 years</td> </tr> <tr> <td>Structures</td> <td>10-58 years</td> </tr> <tr> <td>Machinery and equipment</td> <td>8-12 years</td> </tr> <tr> <td>Tools, furniture and fixtures</td> <td>3-15 years</td> </tr> </table> <p>(2) Intangible assets Intangible assets are stated at cost. Amortization of intangible assets, including intangible assets in trust, is calculated by the straight-line method over the estimated useful lives.</p> <p>(3) Long-term prepaid expenses Long-term prepaid expenses are amortized by the straight-line method.</p>	Buildings	2-63 years	Structures	10-58 years	Machinery and equipment	8-12 years	Tools, furniture and fixtures	3-15 years
Buildings	2-63 years								
Structures	10-58 years								
Machinery and equipment	8-12 years								
Tools, furniture and fixtures	3-15 years								
<p>2. Accounting method of deferred charges</p>	<p>Not applicable.</p>								
<p>3. Revenue and expense recognition</p>	<p>(1) Recognition standard for revenues Details of the main performance obligations related to revenues arising from contracts with customers of MEL and the normal timing at which such performance obligations are satisfied (the normal timing for recognizing revenue) are as follows.</p> <p>(a) Sale of real estate Income from the sale of real estate is recorded as income when the buyer, who is the customer, acquires control of the relevant real estate by fulfilling the obligation of delivery stipulated in the contract for the sale of real estate.</p> <p>(b) Utilities charge Revenues from utilities are recorded according to the supply of electricity, water, etc. to the lessee who is the customer based on the lease contract for real estate, etc. and the agreement incidental thereto. Among the revenue from utilities, if the tenant is determined as an agent by MEL, the net amount obtained by deducting the amount to be paid to the other party from the amount received as electricity and gas charges supplied by the other party is recognized as revenue.</p> <p>(2) Accounting treatment of property taxes and other taxes With respect to property taxes, city planning taxes and depreciable asset taxes, of the tax amount assessed and determined, the amount corresponding to the relevant fiscal period is accounted for as rental expenses. Of the amounts paid for the acquisitions of real estate properties or beneficiary right in trust of real estate, the amount equivalent to property taxes is capitalized as part of the acquisition cost of the relevant property instead of being charged as an expense.</p>								
<p>4. Cash and cash equivalents as stated in the Statement of Cash Flows</p>	<p>Cash and cash equivalents consist of cash on hand and cash in trust, floating deposits, deposits in trust and short-term investments that are very liquid and realizable with a maturity of three months or less when purchased and that are subject to insignificant risks of changes in value.</p>								
<p>5. Other basic matters for preparing financial statements</p>	<p>Accounting treatment of trust beneficiary interests of real estate As to trust beneficiary interests of real estate, all accounts of assets and liabilities within assets in trust, as well as all income generated and expenses incurred from assets in trust, are recorded in the relevant balance sheets and income statement accounts. Of which, the following significant trust assets are shown separately on the balance sheet.</p> <p>(a) Cash and deposits in trust (b) Buildings in trust, structures in trust, machinery and equipment in trust, tools in trust, furniture and fixtures and land in trust (c) Tenant leasehold and security deposits in trust</p>								

(8) Notes on Changes in Accounting Policies

Application of Accounting Standard for Revenue Recognition

The "Accounting Standard for Revenue Recognition" (Accounting Standard Board of Japan ("ASBJ") Statement No. 29, March 31, 2020; hereinafter the "Revenue Recognition Accounting Standard") has been applied from the beginning of the fiscal period ended Feb. 28, 2022. Under this accounting standard, revenue is recognized in an amount expected to be received in exchange for goods or services when control of promised goods or services is transferred to a customer. There is no impact from this change on the fiscal period ended Feb. 28, 2022.

In accordance with the transitional treatment outlined in Paragraph 89 - 3 of Accounting Standard for Revenue Recognition, the note related to the Revenue Recognition for the previous fiscal period is not presented.

(9) Notes on Changes in Display Method

Application of Accounting Standard for Fair Value Measurement

The "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019; hereinafter the "Fair Value Measurement Accounting Standard") has been applied from the beginning of the fiscal period ended Feb. 28, 2022. In accordance with the transitional treatment provided for in Paragraph 19 of the "Accounting Standard for Fair Value Measurement" and Article 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019), the Fair Value Measurement Accounting Standard will henceforth be applied on an ongoing basis. There is no impact from this change on the fiscal period ended Feb. 28, 2022.

In accordance with the provisions of Article 2, Paragraph 5 of the Supplementary Provisions of the Cabinet Office Ordinance for Partial Revision of the Ordinance on Terminology, Forms, and Preparation Methods of Financial Statements, etc. (Cabinet Office Ordinance No. 61, September 24, 2021), the matters listed in Article 8-6-2, Paragraph 1, Item 3 of the Ordinance on Terminology, Forms, and Preparation Methods of Financial Statements, etc. after the revision have been omitted.

(10) Notes Concerning Financial Statements

(Notes Concerning Balance Sheet)

*1 Reduction entry of tangible fixed assets

	Thousands of yen	
	As of	
	Aug. 31, 2021	Feb. 28, 2022
Buildings in trust	31,220	31,220
Structures in trust	7,008	22,166

*2 Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations

	Thousands of yen	
	As of	
	Aug. 31, 2021	Feb. 28, 2022
	50,000	50,000

(Notes Concerning Statement of Income and Retained Earnings)

*1 Operating income from property leasing is as follows:

	Thousands of yen	
	For the fiscal period from Mar. 1, 2021 to Aug. 31, 2021	For the fiscal period from Sept. 1, 2021 to Feb. 28, 2022
A. Property-related revenues		
Operating rental revenues		
Rental revenues	4,533,464	4,606,378
Common area charges	187,280	192,198
Total	4,720,745	4,798,577
Other rental revenues		
Received utilities cost	144,882	151,770
Others	87,458	78,550
Total	232,341	230,320
Total property-related revenues	4,953,086	5,028,898
B. Property-related expenses		
Rental expenses		
Facility management fee	208,222	212,078
Property and other taxes	407,913	407,631
Insurance	7,306	7,202
Repair and maintenance	142,071	62,387
Utilities cost	131,715	144,931
Depreciation	881,103	886,512
Custodian fee	3,676	3,710
Others	19,251	19,867
Total rental expenses	1,801,259	1,744,322
C. Operating income from property leasing (A-B)	3,151,826	3,284,575

(Notes Concerning Statement of Unitholders' Equity)

	For the fiscal period from Mar. 1, 2021 to Aug. 31, 2021	For the fiscal period from Sept. 1, 2021 to Feb. 28, 2022
Number of investment units authorized	10,000,000 units	10,000,000 units
Number of investment units issued and outstanding	391,135 units	391,135 units

(Notes Concerning Statement of Cash Flow)

*1. Relationship between cash and cash equivalents in statement of cash flows and accounts and amounts in the accompanying balance sheet

	Thousands of yen	
	For the fiscal period from Mar. 1, 2021 to Aug. 31, 2021	For the fiscal period from Sept. 1, 2021 to Feb. 28, 2022
Cash and deposits	4,669,730	5,380,624
Cash and deposits in trust	6,973,856	6,836,890
Cash and cash equivalents	11,643,587	12,217,514

(Notes Concerning to Lease Contracts)

Operating lease transactions (as lessor)

Unearned rental revenue

	Thousands of yen	
	For the fiscal period from Mar. 1, 2021 to Aug. 31, 2021	For the fiscal period from Sept. 1, 2021 to Feb. 28, 2022
Due within one year	8,732,265	8,951,097
Due after one year	58,945,497	55,564,422
Total	67,677,762	64,515,520

(Notes Concerning Financial Instruments)

1. Overview

(1) Policy for Financial Instruments

MEL procures funds for the acquisition of assets and repayment of debt mainly through bank loans, issuance of investment corporation bonds or the issuance of new investment units.

In borrowing funds or issuance of investment corporation bonds, MEL takes consideration in interest rate trend, debt cost, floating or fixed interest rate, borrowing or issuance period and repayment or redemption date.

In the case of borrowing, the lender shall be limited to qualified institutional investors as stipulated in Article 2, Paragraph 3, Item of the Financial Instruments and Exchange Act of Japan (limited to institutional investors prescribed in Article 67-15 of the Taxation Special Measures Law), with in principle no collateral / no guarantee. However, MEL may provide assets as collateral in consideration of financing environment and economic conditions. In addition, in order to flexibly procure the necessary funds related to MEL's operation such as property acquisition and repayment debt financing, MEL may enter into the overdraft agreements, commitment line agreements or conclude the reserved agreements.

In addition, aiming for long-term and stable growth, MEL will issue additional investment units while paying due regard to the dilution of investment units, comprehensively taking into account the financial environment, MEL's capital structure and the impact on existing unitholders.

MEL also may invest surplus funds in bank deposits etc. for the purpose of efficiency of fund operations.

MEL enters into derivative transactions solely for the purposes of reducing risks of rising interest rates related to financings and other types of risks. There was no derivative transactions during the reporting period.

(2) Type of Financial Instruments, related Risks and Risk Management System

Bank loans and investment corporation bonds are mainly made to procure funds for acquisition of properties, repayment of interest-bearing debt. Although MEL is exposed to liquidity risks upon repayment, by diversifying the maturities and lending institutions, securing liquidity of cash in hand and managing such liquidity risks by preparing and monitoring cash flows projection, such risks are maintained under control. In addition, some loans bear floating interest rates and are exposed to potential risks of rising interest rates. MEL attempts to mitigate such risks on its operations by maintaining a conservative loan to value ratio and increasing the ratio of long-term fixed interest rate loans.

The security deposits which MEL has received from the tenants are exposed to liquidity risk due to cancelation of lease agreement before the maturity date. In the case of trust beneficiary interest in real estate, MEL secures safety by accumulating a portion in the trust account, and in the case of real estate, leasehold rights of real estate, and superficies, MEL secures safety by accumulating a portion in bank savings account or bank time deposit account. Moreover, MEL ensures safety by accurately tracking the timing of the tenant move-ins and outs and anticipating the fund demand utilizing historical data.

(3) Supplemental Explanation Regarding the Estimated Fair Values of Financial Instruments

The fair value of financial instruments is calculated based on certain assumptions. Accordingly, the fair value of financial instruments may differ if different assumptions are used.

2. Estimated Fair Value of Financial Instruments

The book value, fair value and differences between the values as of Aug. 31, 2021 are as follows: Financial instruments for "Cash and deposits", "Cash and deposits in trust" and "Short-term loans payable" are excluded from the following table due to the short maturities and the book value of these instruments which is deemed a reasonable approximation of the fair value. "Tenant leasehold and security deposits in trust" is also excluded from the following table because of lack of materiality.

	Thousands of yen		
	Book value	Fair value (Note 1)	Difference
(1) Long-term loans payable due within one year	2,211,000	2,211,276	276
(2) Investment corporation bonds	2,000,000	2,035,749	35,749
(3) Long-term loans payable	53,663,000	54,043,474	380,474
Total liabilities	57,874,000	58,290,500	416,500

(Note) Methods to estimate fair values of financial instruments

(1) Long-term loans payable due within one year, (2) Investment corporation bonds and (3) Long-term loans payable

The fair value of long-term loans payable is determined based on the present value of contractual cash flows which would be applicable to new loans payable under the same terms. In terms of floating interest rate loans payable, since it reflects the market interest rate in a short period of time, the fair value is approximately equal to the book value. Thus, the book value is used.

The book value, fair value and differences between the values as of Feb. 28, 2022 are as follows: Financial instruments for “Cash and deposits”, “Cash and deposits in trust” and “Short-term loans payable” are excluded from the following table due to the short maturities and the book value of these instruments which is deemed a reasonable approximation of the fair value. “Tenant leasehold and security deposits in trust” is also excluded from the following table because of lack of materiality.

	Thousands of yen		
	Book value	Fair value (Note 1)	Difference
(1) Long-term loans payable due within one year	3,310,000	3,316,298	6,298
(2) Investment corporation bonds	2,000,000	1,973,800	(26,200)
(3) Long-term loans payable	53,064,000	53,888,893	824,893
Total liabilities	58,374,000	59,178,991	804,991

(Note 1) Methods to estimate fair values of financial instruments

(1) Long-term loans payable due within one year and 3) Long-term loans payable

The fair value of long-term loans payable is determined based on the present value of contractual cash flows which would be applicable to new loans payable under the same terms. In terms of floating interest rate loans payable, since it reflects the market interest rate in a short period of time, the fair value is approximately equal to the book value. Thus, the book value is used.

(2) Investment corporation bonds

Calculated based on the reference values published by the Japan Securities Dealers Association.

(Note 2) Repayment schedule for debt after Aug. 31, 2021

	Thousands of yen					
	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Long-term loans payable due within one year	2,211,000	-	-	-	-	-
Investment corporation bonds	-	-	-	-	-	2,000,000
Long-term loans payable	-	3,310,000	6,540,000	5,900,000	4,970,000	32,943,000
Total	2,211,000	3,310,000	6,540,000	5,900,000	4,970,000	32,943,000

Repayment schedule for debt after Feb. 28, 2022

	Thousands of yen					
	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Long-term loans payable due within one year	3,310,000	-	-	-	-	-
Investment corporation bonds	-	-	-	-	-	2,000,000
Long-term loans payable	-	6,540,000	4,550,000	6,320,000	5,010,000	30,644,000
Total	3,310,000	6,540,000	4,550,000	6,320,000	5,010,000	32,644,000

(Notes Concerning Investment Securities)

For the periods ended Aug. 31, 2021 and Feb. 28, 2022

Not applicable

(Notes Concerning Derivative Transactions)

For the periods ended Aug. 31, 2021 and Feb. 28, 2022

Not applicable

(Notes Concerning Retirement Payment)

For the periods ended Aug. 31, 2021 and Feb. 28, 2022

Not applicable

(Notes Concerning Deferred Tax Accounting)

1. Primary components of deferred tax assets and deferred tax liabilities

	Thousands of yen	
	As of	
	Aug. 31, 2021	Feb. 28, 2022
Enterprise tax payable	11	14
Subtotal deferred tax assets	11	14
Total deferred tax assets	11	14
Net deferred tax assets	11	14

2. Reconciliations of major items that caused differences between statutory tax rate and effective tax rate after applying Deferred tax accounting

	For the fiscal period ended	
	Aug. 31, 2021	Feb. 28, 2022
Statutory tax rate	31.46%	31.46%
Adjustments:		
Deductible cash distributions	(31.45%)	(31.45%)
Other	0.03%	0.02%
Actual effective income tax rate	0.04%	0.04%

(Notes Concerning Equity Earnings of Affiliate Companies)

For the periods from Mar. 1, 2021, to Aug. 31, 2021, and from Sept. 1, 2021, to Feb. 28, 2022
Not applicable

(Notes Concerning Related Party Transaction)

1. Transactions with Account Balances with the Parent company and Major Unit Holders

For the periods from Mar. 1, 2021, to Aug. 31, 2021, and from Sept. 1, 2021, to Feb. 28, 2022
Not applicable

2. Transactions and Account Balances with Affiliates

For the periods from Mar. 1, 2021, to Aug. 31, 2021, and from Sept. 1, 2021, to Feb. 28, 2022
Not applicable

3. Transactions and Account Balances with Companies under Common Control

For the periods from Mar. 1, 2021, to Aug. 31, 2021, and from Sept. 1, 2021, to Feb. 28, 2022
Not applicable

4. Transaction and Account Balances with Board of Directors and Individual Unitholders

For the periods from Mar. 1, 2021, to Aug. 31, 2021, and from Sept. 1, 2021, to Feb. 28, 2022
Not applicable

(Notes Concerning Asset Retirement Obligations)

For the periods ended Aug. 31, 2021 and Feb. 28, 2022
Not applicable

(Notes Concerning Rental Properties)

MEL owns logistics facilities for leasing for the purpose of earning rental income. The book value, changes during the reporting fiscal period and fair value of the properties are as follows:

	Thousands of yen	
	For the fiscal period from Mar. 1, 2021 to Aug. 31, 2021	For the fiscal period from Sept. 1, 2021 to Feb. 28, 2022
Book value (Note 1)		
Balance at the beginning of the period	140,675,424	168,848,938
Changes during the period (Note 2)	28,173,514	(770,346)
Balance at the end of the period	168,848,938	168,078,592
Fair value at the end of the period (Note 3)	189,300,000	191,520,000

(Note 1) Book value is calculated by deducting accumulated depreciation from acquisition cost.

(Note 2) The increase for the fiscal period ended Aug. 31, 2021 was primarily a result of acquiring new properties for a total of 28,886,168 thousand yen. The decrease was primarily a result of the recognition of depreciation, which amounted to 881,103 thousand yen. The increase for the fiscal period ended Feb. 28, 2022 was primarily a result of the recognition of CAPEX which amounted 131,323 thousand yen. The decrease was primarily a result of the recognition of depreciation, which amounted to 886,512 thousand yen.

(Note 3) The fair value at the end of the period is determined based on appraised value provided by independent real estate appraisers.

Income and loss in connection with investment and rental properties are disclosed in “Notes Concerning Statements of Income and Retained Earnings.”

(Notes Concerning Segment and Related Information)

1. Segment Information

Disclosure is omitted because the real estate leasing business is MEL’s sole business and it has no reportable segment subject to disclosure.

2. Related Information

For the period from Mar. 1, 2021, to Aug. 31, 2021

(1) Information by Products and Services

Description of this information is not stated herein as operating revenues generated from external customers for a single product and service have exceeded 90% of total operating revenues on the statement of income and retained earnings.

(2) Information by Geographic Region

(a) Operating Revenues

Disclosure is omitted because net sales to external customers in Japan account for over 90% of the operating revenues on the statement of income and retained earnings.

(b) Property and Equipment

Disclosure is omitted because the amount of property and equipment located in Japan accounts for over 90% of the amount of property and equipment on the balance sheet.

(3) Information by Each Major Customer

Disclosure is omitted because net sales to a single external customer account for less than 10% of the operating revenues on the statement of income and retained earnings.

For the period from Sept. 1, 2021, to Feb. 28, 2022

(1) Information by Products and Services

Description of this information is not stated herein as operating revenues generated from external customers for a single product and service have exceeded 90 % of total operating revenues on the statement of income and retained earnings.

(2) Information by Geographic Region

(a) Operating Revenues

Disclosure is omitted because net sales to external customers in Japan account for over 90% of the operating revenues on the statement of income and retained earnings.

(b) Property and Equipment

Disclosure is omitted because the amount of property and equipment located in Japan accounts for over 90% of the amount of property and equipment on the balance sheet.

(3) Information by Each Major Customer

Disclosure is omitted because net sales to a single external customer account for less than 10% of the operating revenues on the statement of income and retained earnings.

(Notes Concerning Per Unit Information)

	Yen	
	For the fiscal period from Mar. 1, 2021 to Aug. 31, 2021	For the fiscal period from Sept. 1, 2021 to Feb. 28, 2022
Net assets per unit	297,621	297,352
Net income per unit	6,108	6,495

(Note 1) Net income per unit is calculated by dividing net income for the period by the weighted average number of investment units issued and outstanding based on the number of days during the applicable reporting periods. Diluted net income per unit is not stated as there is no dilutive equity issued and outstanding.

(Note 2) The basis for calculation of the profit per unit is as follows:

	Yen	
	For the fiscal period from Mar. 1, 2021 to Aug. 31, 2021	For the fiscal period from Sept. 1, 2021 to Feb. 28, 2022
Net income (Thousands of yen)	2,381,528	2,540,482
Amount not attributable to common unitholders (Thousands of yen)	-	-
Net income attributable to common unitholders (Thousands of yen)	2,381,528	2,540,482
Average number of investment units during the period (Unit)	389,872	391,135

(Notes Concerning Significant Subsequent Events)

Issuance of New Investment Units

MEL issued new investment units based on the resolution made by the board of directors on Feb. 7, 2022 and Feb. 16, 2022 and the payment was completed on Mar. 1, 2022 and Mar. 23, 2022 for the issuance of new investment units through public offering and third-party allotment, respectively.

<Issuance of New Investment Units through Public Offering>

Number of units issued : 56,000 units
Issue price : 406,965 yen per unit
Total amount issued : 22,790,040,000 yen
Issue amount : 393,608 yen per unit
Net proceeds : 22,042,048,000 yen
Payment date : Mar. 1, 2022

<Issuance of New Investments Units through the Third-Party Allotment>

Number of units issued : 2,800 units
Issue amount : 393,608 yen per unit
Net proceeds : 1,102,102,400 yen
Payment date : Mar. 23, 2022
Allottee : SMBC Nikko Securities Inc.

(Notes on Revenue Recognition)

1. Breakdown information on revenue from contracts with customers

The Reporting Period (from Sept. 1, 2021 to Feb. 28, 2022)

	Thousands of yen	
	Revenue from contracts with customers	Net sales to external customers
Received utilities cost	151,770	151,770
Others	-	4,877,127
Total	151,770	5,028,898

Note1: Rental business revenue, etc. subject to ASBJ Statement No. 13, "Accounting Standard for Lease Transactions," and transfers of real estate, etc. subject to ASBJ Statement No. 15, "Practical Guidance on Accounting Practical Guidelines for Real Estate Securitization Utilizing Special Purpose Companies," are not included in the above amounts because they are exempt from the revenue recognition accounting standard. Revenues from contracts with major customers consist of revenues from utilities.

Note2: Received utilities cost is the amount recorded as revenues based on the supply of electricity, water, etc. to lessees who are customers, based on the lease agreements for real estate, etc. and associated agreements.

2. Basic information for understanding revenue from contracts with customers

As stated in "(7) Notes Concerning Significant Accounting Policies".

3. Information on relationship between fulfillment of performance obligations based on contracts with customers and cash flow generated from said contracts, and on amount and period of revenues expected to be recognized in the following accounting period or thereafter from contracts with customers existing at the end of the current accounting period

(1) Balance of contract assets and contract liabilities, etc.

	Thousands of yen
	For the fiscal period from
	Sept. 1, 2021 to
	Feb. 28, 2022
Claims generated from contracts with customers (balance at beginning of fiscal year)	32,553
Claims generated from contracts with customers (balance at end of fiscal year)	29,511
Contract assets (balance at beginning of fiscal year)	-
Contract assets (balance at end of fiscal year)	-
Contract liabilities (balance at beginning of fiscal year)	-
Contract liabilities (balance at end of fiscal year)	-

(2) Transaction price allocated to the remaining performance obligations

Not applicable.

Revenue from utilities is recognized at the amount that the Company has the right to claim in accordance with paragraph 19 of the accounting standard guidance for revenue recognition, as the Company is entitled to receive from the customer the amount of consideration that directly corresponds to the value to the lessee that is the customer for the portion of performance completed by the end of the period. Accordingly, the Company has applied the provisions of paragraph 80-22(2) of the Accounting Standard for Revenue Recognition and has not included them in the notes to the transaction price allocated to its remaining performance obligations.

(11) Change in Number of Investment Units Issued and Outstanding

Changes in the number of investment units issued and outstanding and unitholders' capital for the most recent five years until Feb. 28, 2022 are as follows:

Date	Type of Issue	Unitholders' Capital (Thousands of yen)(Note 1)		Number of Investment Units Issued and Outstanding (Units)		Note
		Increase / Decrease	Total	Increase / Decrease	Total	
June 15, 2017	Reverse split of investment units	-	2,000,000	(12,000)	8,000	(Note 2)
Sept. 13, 2017	Public offering	49,678,200	51,678,200	198,000	206,000	(Note 3)
Oct. 10, 2017	Capital increase through third-party allotment	2,007,200	53,685,400	8,000	214,000	(Note 4)
May 21, 2018	Surplus cash distribution (return on capital)	(120,910)	53,564,490	-	214,000	(Note 5)
Sept. 10, 2018	Public offering	7,216,429	60,780,919	30,300	244,300	(Note 6)
Oct. 11, 2018	Capital increase through third-party allotment	360,821	61,141,741	1,515	245,815	(Note 7)
Nov. 19, 2018	Surplus cash distribution (return on capital)	(129,898)	61,011,843	-	245,815	(Note 8)
May 21, 2019	Surplus cash distribution (return on capital)	(179,199)	60,832,644	-	245,815	(Note 9)
Oct. 7, 2019	Public offering	18,556,033	79,388,677	57,150	302,965	(Note 10)
Nov. 7, 2019	Capital increase through third-party allotment	925,366	80,314,044	2,850	305,815	(Note 11)
Nov. 18, 2019	Surplus cash distribution (return on capital)	(146,014)	80,168,030	-	305,815	(Note 12)
May 20, 2020	Surplus cash distribution (return on capital)	(174,008)	79,994,021	-	305,815	(Note 13)
Sept. 1, 2020	Public offering	16,898,058	96,892,079	40,500	346,315	(Note 14)
Sept. 30, 2020	Capital increase through third-party allotment	801,927	97,694,006	1,922	348,237	(Note 15)
Nov. 20, 2020	Surplus Cash Distributions (return on capital)	(181,042)	97,512,964	-	348,237	(Note 16)
Mar. 5, 2021	Public offering	16,006,482	113,519,446	41,000	389,237	(Note 17)
Apr. 6, 2021	Capital increase through third-party allotment	740,982	114,260,429	1,898	391,135	(Note 18)
May 20, 2021	Surplus Cash Distributions (return on capital)	(231,925)	114,028,503	—	391,135	(Note 19)
Nov. 19, 2021	Surplus Cash Distributions (return on capital)	(264,016)	113,764,487	—	391,135	(Note 20)

Notes:

1. "Unitholders' capital" is the amount after deducting the "Deduction from unitholders' capital."
2. A 0.4-for-1 reverse split of investment units was conducted, with June 15, 2017 as the effective date.
3. New investment units were issued through public offering at an issue price of 260,000 yen (paid-in amount of 250,900 yen) per unit.
4. New investment units were issued through third-party allotment at a paid-in amount of 250,900 yen per unit.
5. Cash distributions for the fiscal period ended Feb. 2018 in the amount of 565 yen per unit as return of capital. It was

- decided on Apr. 13, 2018 and started payment on May 21, 2018.
6. New investment units were issued through public offering at an issue price of 246,772 yen (paid-in amount of 238,166 yen) per unit.
 7. New investment units were issued through third-party allotment at a paid-in amount of 238,166 yen per unit.
 8. Cash distributions for the fiscal period ended Aug. 2018 in the amount of 607 yen per unit as return of capital. It was decided on Oct. 15, 2018 and started payment on Nov. 19, 2018.
 9. Cash distributions for the fiscal period ended Feb. 2019 in the amount of 729 yen per unit as return of capital. It was decided on Apr. 15, 2019 and started payment on May 21, 2019.
 10. New investment units were issued through public offering at an issue price of 335,887 yen (paid-in amount of 324,690 yen) per unit.
 11. New investment units were issued through third-party allotment at a paid-in amount of 324,690 yen per unit.
 12. Cash distributions for the fiscal period ended Aug. 2019 in the amount of 594 yen per unit as return of capital. It was decided on Oct. 17, 2019 and started payment on Nov. 18, 2019.
 13. Cash distributions for the fiscal period ended Feb. 2020 in the amount of 569 yen per unit as return of capital. It was decided on Apr. 17, 2020 and started payment on May 20, 2020.
 14. New investment units were issued through public offering at an issue price of 431,701 yen (paid-in amount of 417,236 yen) per unit.
 15. New investment units were issued through third-party allotment at a paid-in amount of 417,236 yen per unit.
 16. Cash distributions for the fiscal period ended Aug. 2020 in the amount of 592 yen per unit as return of capital. It was decided on Oct. 15, 2020 and started payment on Nov. 20, 2020.
 17. New investment units were issued through public offering at an issue price of 403,650 yen (paid-in amount of 390,402 yen) per unit.
 18. New investment units were issued through third-party allotment at a paid-in amount of 390,402 yen per unit.
 19. Cash distributions for the fiscal period ended Mar. 2021 in the amount of 666 yen per unit as return of capital. It was decided on Apr. 15, 2021 and started payment on May. 20, 2021.
 20. Cash distributions for the fiscal period ended Mar. 2021 in the amount of 675 yen per unit as return of capital. It was decided on Oct. 15, 2021 and started payment on Nov. 19, 2021.

3. Reference Information

(1) Composition of MEL's Assets

Type of assets	Category	Region	11th fiscal period (As of Feb. 28, 2022)	
			Retained amount (Millions of yen) (Note 1)	Ratio of total assets (%)
Beneficiary right in trust	Logistics facilities	Tokyo metropolitan area (Note 2)	76,324	42.3
		Osaka metropolitan area (Note 3)	32,466	18.0
		Nagoya metropolitan area (Note 4)	27,983	15.5
		Others	18,520	10.3
	Others	12,783	7.1	
	Total	168,078	93.2	
	Deposit and other assets	12,325	6.8	
	Total assets (Note 5)	180,403	100.0	

	11th fiscal period (As of Feb. 28, 2022)	
	Amount (Millions of yen)	Ratio of total asset (%)
Total liabilities (Note 5)(Note 6)	64,098	35.5
Total net assets (Note 5)	116,305	64.5
Total assets (Note 5)	180,403	100.0

Notes:

- The retained amount is the amount allocated in the balance sheet (the book value after depreciation) at the end of the reporting fiscal period (as of Feb. 28, 2022.)
- Tokyo metropolitan area refers to Tokyo, Kanagawa, Chiba, Saitama and Ibaraki prefectures.
- Osaka metropolitan area refers to Osaka, Hyogo, Kyoto, Nara and Shiga prefectures.
- Nagoya metropolitan area refers to Aichi, Mie and Gifu prefectures.
- Total liabilities, total net assets and total assets is the amount allocated in the balance sheet at the end of the reporting fiscal period (as of Feb. 28, 2022).
- Total liabilities include the tenant leasehold and security deposits.

(2) Investment Assets

(A) Major Components of Investment Securities
Not applicable

(B) Investment Properties
Not applicable

(C) Other Major Investment Assets

The real estate trust beneficiary interests held by MEL as of the end of Feb. 28, 2022 are as follows.

(i) Overview of Portfolio

The following summarizes (location, acquisition price, investment ratio, book value, appraisal value, acquisition date) the real estate or the real estate properties in trust owned by MEL at the end of the reporting fiscal period:

Category	Property name	Location	Acquisition price (Millions of yen) (Note 1)	Investment ratio (%) (Note 2)	Book value (Millions of yen)	Appraisal value (Millions of yen) (Note 3)	Acquisition date (Note 4)
Logistics Facilities	Logicross Fukuoka Hisayama	Hisayama, Kasuya, Fukuoka	5,770	3.4	5,467	7,650	Sept. 14, 2017
	Logicross Atsugi	Atsugi, Kanagawa	8,440	5.0	8,313	9,440	Sept. 3, 2018
	Logicross Kobe Sanda	Kobe, Hyogo	3,900	2.3	3,844	4,400	Sept. 3, 2018
	Logicross Osaka (Note 5)	Osaka, Osaka	①5,874 ②3,868 Total:9,743	5.7	9,753	10,300	①Sept. 1, 2020 ②Mar. 9, 2021
	Logicross Nagoya Kasadera (Note 5)	Nagoya, Aichi	①8,705 ②5,719 Total:14,424	8.5	14,477	16,900	①Sept. 1, 2020 ②Mar. 9, 2021
	Logicross Narashino	Narashino, Chiba	11,851	7.0	11,921	12,400	Mar. 9, 2021
	LOGIPOINT Sagamihara (Note 6)	Sagamihara, Kanagawa	21,364	12.5	20,648	24,000	Sept. 14, 2017
	LOGIPOINT Hashimoto (Note 7)	Sagamihara, Kanagawa	18,200	10.7	17,649	21,600	Sept. 14, 2017
	LOGIPOINT Osaka Taisho (Note 8)	Osaka, Osaka	①5,682 ②4,802 Total:10,484	6.2	10,424	11,850	①Oct. 9, 2019 ②Sept. 1, 2020
	MJ Logipark Funabashi 1	Funabashi, Chiba	5,400	3.2	5,330	6,690	Sept. 29, 2016
	MJ Logipark Atsugi 1	Atsugi, Kanagawa	6,653	3.9	6,440	7,190	Sept. 14, 2017
	MJ Logipark Kazo 1	Kazo, Saitama	1,272	0.7	1,221	1,520	Sept. 14, 2017
	MJ Logipark Osaka 1	Osaka, Osaka	6,090	3.6	5,883	7,130	Sept. 14, 2017
	MJ Logipark Fukuoka 1	Umi, Kasuya, Fukuoka	6,130	3.6	5,750	6,720	Sept. 14, 2017
	MJ Logipark Tsuchiura 1	Tsuchiura, Ibaraki	3,133	1.8	3,108	3,490	Sept. 2, 2019
	MJ Logipark Nishinomiya 1	Nishinomiya, Hyogo	2,483	1.5	2,560	2,690	Oct. 9, 2019
	MJ Logipark Kasugai 1	Kasugai, Aichi	13,670	8.0	13,506	14,700	Oct. 9, 2019
	MJ Logipark Kazo 2	Kazo, Saitama	1,637	1.0	1,690	1,720	Sept. 1 2020
MJ Logipark Sendai 1	Tagajo, Miyagi	7,388	4.3	7,303	7,670	Sept. 1 2020	
Others	MJ Industrial Park Sakai (Land)	Sakai, Osaka	5,600	3.3	5,666	5,780	Oct. 9, 2019
	MJ Industrial Park Kobe (Land)	Kobe, Hyogo	4,970	2.9	5,202	5,710	Mar. 9, 2021
	MJ Industrial Park Chiba- Kita (Land)	Chiba, Chiba	1,800	1.1	1,914	1,970	Mar. 19, 2021
Total			170,404	100.0	168,078	191,520	-

Notes:

1. "Acquisition price" represents the purchase price of each property or beneficiary right in trust as set forth on the relevant purchase agreement and does not include expenses such as consumption taxes, and is rounded down to nearest million yen.
2. "Investment ratio" is calculated by dividing the acquisition price for each property by the total acquisition price and is rounded to second decimal place. Thus, the sum of the figures in total may not add up to the figure in the total column.
3. "Appraisal value" represents the appraisal value as set forth on the relevant study reports by real estate appraisers as of Feb. 28, 2022. Please refer to the below mentioned" (iv) Overview of Appraisal Reports".
4. "Acquisition date" represents the acquisition date in the relevant sale and purchase agreement.
5. "Total Acquisition price" and "Appraisal value" of Logicross Osaka and Logicross Nagoya Kasadera is shown with the values corresponding to the co-beneficiary interest ratios (100%). "Acquisition price" and "Acquisition date" are shown with the number on the top refers to the 60 % co-beneficiary interest acquired on Sept. 1, 2020, and the bottom refers to the 40% co-beneficiary interest acquired on Mar. 9, 2021.

6. "Acquisition price" and "Appraisal value" of LOGIPORT Sagamihara is shown with the values corresponding to the co-beneficiary interest ratios (49%).
7. "Acquisition price" and "Appraisal value" of LOGIPORT Hashimoto is shown with the values corresponding to the co-beneficiary interest ratios (45%).
8. "Total Acquisition price" and "Appraisal value" of LOGIPORT Osaka Taisho is shown with the values corresponding to the co-beneficiary interest ratios (37.5%). "Acquisition price" and "Acquisition date" are shown with the number on the top refers to the 20 % co-beneficiary interest acquired on Oct. 9, 2019, and the bottom refers to the 17.5% co-beneficiary interest acquired on Sept. 1, 2020.

(ii) Overview of Properties

The following summarizes (land area, total floor area, total leasable area, total leased area, year built) the real estate or the real estate properties in trust owned by MEL at the end of the reporting fiscal period:

Category	Property name	Land area (m ²)(Note 1)	Total floor area (m ²) (Note 1)	Total leasable area (m ²) (Note 2)	Total leased area (m ²) (Note 3)	Year built (Note 4)
Logistics Facilities	Logicross Fukuoka Hisayama	18,136.89	36,082.08	34,878.55	34,878.55	Oct. 2014
	Logicross Atsugi	14,782.03	29,895.80	29,895.80	29,895.80	Mar. 2017
	Logicross Kobe Sanda	20,000.93	12,879.33	12,844.35	12,844.35	Jun. 2017
	Logicross Osaka	18,176.07	36,619.48	35,616.58	35,616.58	Sept. 2018
	Logicross Nagoya Kasadera	33,224.00	72,376.03	62,289.08	62,289.08	Jan. 2019
	Logicross Narashino	19,386.40	36,437.92	39,132.05	39,132.05	Mar. 2018
	LOGIPOINT Sagamihara (Note 5)	94,197.27	200,252.53 (98,123.73)	88,609.64	88,376.62	Aug. 2013
	LOGIPOINT Hashimoto (Note 6)	67,746.26	145,809.59 (65,614.31)	58,487.96	57,215.57	Jan. 2015
	LOGIPOINT Osaka Taisho (Note 7)	55,929.57	117,045.04 (43,891.89)	40,081.57	38,492.07	Feb. 2018
	MJ Logipark Funabashi 1	7,481.00	18,262.08	18,232.07	18,232.07	Nov. 1989
	MJ Logipark Atsugi 1	19,780.93	27,836.15	28,002.44	28,002.44	Jul. 2013
	MJ Logipark Kazo 1	7,621.09	7,602.06	7,678.10	7,678.10	Mar. 2006
	MJ Logipark Osaka 1	13,028.81	39,157.61	39,082.95	39,082.95	Sept. 2007
	MJ Logipark Fukuoka 1	20,297.84	39,797.96	38,143.21	38,143.21	Sept. 2007
	MJ Logipark Tsuchiura 1	22,914.37	15,485.00	15,485.00	15,485.00	Oct. 2014
	MJ Logipark Nishinomiya 1	23,008.83	13,903.42	13,777.07	13,777.07	Mar. 1991
	MJ Logipark Kasugai 1	38,972.99	58,236.48	57,866.98	57,866.98	Jan. 2017
	MJ Logipark Kazo 2	11,454.21	7,349.18	7,349.18	7,349.18	Dec. 1998
MJ Logipark Sendai 1	19,877.94	36,854.27	39,098.87	39,098.87	Mar. 2009	
Others	MJ Industrial Park Sakai (Land)	87,476.71	-	87,476.71	87,476.71	-
	MJ Industrial Park Kobe (Land)	40,050.71	-	31,743.99	31,743.99	-
	MJ Industrial Park Chiba-Kita (Land)	14,986.64	-	14,986.64	14,986.64	-
Total		668,531.49	951,882.01 (696,404.78)	800,758.79	797,663.88	-

Notes:

1. "Land area" and "Total floor area" are the lot area recorded in the register. "Total floor area" is the total floor area of the main building and annex. If there is more than one main building, the total floor area is the sum of the total floor area for each main building. Figures in parentheses for LOGIPOINT Sagamihara, LOGIPOINT Hashimoto and LOGIPOINT Osaka Taisho are stated

corresponding to each co-beneficiary interest (49%, 45% and 37.5%). "Total" are the sum of total floor area of each property owned taking into account the co-beneficiary interest of each property. Each figure is rounded down to the nearest hundredth

2. "Total leasable area" equals to the gross leasable space in each property or property in trust as of Feb. 28, 2022, based on lease agreements and floor plans included in lease agreements, plus available space based on floor plans, rounded down to the nearest hundredth. It does not include the leased area indicated in the lease agreements concerning shops, vending machines, photovoltaic power generation facilities and parking lots.
3. "Total leased area" equals to the gross floor area of leased space in each property or property in trust as of Feb. 28, 2022, based on the lease agreements and floor plans included in the lease agreements. It does not include the leased area indicated in the lease agreements concerning shops, vending machines, photovoltaic power generation facilities and parking lots.
4. "Year built" is the date of construction of the building in the register. If there is more than one main building, the oldest date shown in the register.
5. "Total leasable area" and "Total leased area" of LOGIPORT Sagamihara is shown with the values corresponding to the co-beneficiary interest ratios (49%).
6. "Total leasable area" and "Total leased area" of LOGIPORT Hashimoto is shown with the values corresponding to the co-beneficiary interest ratios (45%).
7. "Total leasable area" and "Total leased area" of LOGIPORT Osaka Taisho is shown with the values corresponding to the co-beneficiary interest ratios (37.5%).

(iii) Overview of Tenant Agreements

The following summarizes (total leasable area, total leased area, occupancy, number of tenants, name of major tenant, annual rent, security deposit, average lease term and average remaining lease term) the real estate or the real estate properties in trust owned by MEL at the end of the reporting fiscal period:

Category	Property name	Total leasable area (㎡) (Note 1)	Total leased area (㎡) (Note 2)	Occupancy (%) (Note 3)	Number of tenants (Note 4)	Name of major tenant (Note 5)	Annual rent (Millions of yen) (Note 6)	Security deposit (Millions of yen) (Note 7)	Average lease term / Average remaining lease term (Years) (Note 8, 9)
Logistics Facilities	Logicross Fukuoka Hisayama	34,878.55	34,878.55	100.0	2	AXions GROUP	Not disclosed (Note 10)	Not disclosed (Note 10)	5.0 (4.0)
	Logicross Atsugi	29,895.80	29,895.80	100.0	1	MITAKA SOKO Co., Ltd.	Not disclosed (Note 10)	Not disclosed (Note 10)	10.0 (5.1)
	Logicross Kobe Sanda	12,844.35	12,844.35	100.0	1	Fresh Creator Co., Ltd.	Not disclosed (Note 10)	Not disclosed (Note 10)	30.0 (25.3)
	Logicross Osaka	35,616.58	35,616.58	100.0	2	e-LogiT co Ltd	Not disclosed (Note 10)	Not disclosed (Note 10)	Not disclosed (Note 10)
	Logicross Nagoya Kasadera	62,289.08	62,289.08	100.0	10	YAGAMI Co., LTD	939	400	6.7 (3.8)
	Logicross Narashino	39,132.05	39,132.05	100.0	1	Nihon Realest., Ltd.	Not disclosed (Note 10)	Not disclosed (Note 10)	Not disclosed (Note 10)
	LOGIPOINT Sagamihara (Note 11)	88,609.64	88,376.62	99.7	18	S・V・D Co., Ltd.	1,287	304	7.3 (2.3)
	LOGIPOINT Hashimoto (Note 12)	58,487.96	57,215.57	97.8	15	KDDI Corporation	961	241	6.3 (3.3)
	LOGIPOINT Osaka Taisho (Note 13)	40,081.57	38,492.07	96.0	10	SBS Toshiba Logistics Corporation	559	134	5.7 (2.5)
	MJ Logipark Funabashi 1	18,232.07	18,232.07	100.0	1	Fuji Echo Co., Ltd.	Not disclosed (Note 10)	Not disclosed (Note 10)	Not disclosed (Note 10)
	MJ Logipark Atsugi 1	28,002.44	28,002.44	100.0	1	Sun Toshi Tatemono K.K.	Not disclosed (Note 10)	Not disclosed (Note 10)	Not disclosed (Note 10)
	MJ Logipark Kazo 1	7,678.10	7,678.10	100.0	1	Kanda Holdings Co., Ltd.	Not disclosed (Note 10)	Not disclosed (Note 10)	Not disclosed (Note 10)
	MJ Logipark Osaka 1	39,082.95	39,082.95	100.0	1	Sankyu Inc.	Not disclosed (Note 10)	Not disclosed (Note 10)	Not disclosed (Note 10)
	MJ Logipark Fukuoka 1	38,143.21	38,143.21	100.0	4	Fukuoka Logistics Systems Corp.	401	179	2.9 (0.7)
	MJ Logipark Tsuchiura 1	15,485.00	15,485.00	100.0	1	EntreX Incorporated	Not disclosed (Note 10)	Not disclosed (Note 10)	20.0 (16.4)
	MJ Logipark Nishinomiya 1	13,777.07	13,777.07	100.0	1	F - LINE CO., Ltd	Not disclosed (Note 10)	Not disclosed (Note 10)	10.0 (7.1)
	MJ Logipark Kasugai 1	57,866.98	57,866.98	100.0	2	Kimura-Unity Co., Ltd.	Not disclosed (Note 10)	Not disclosed (Note 10)	5.1 (1.7)
	MJ Logipark Kazo 2	7,349.18	7,349.18	100.0	1	MS JAPAN Co.,Ltd.	Not disclosed (Note 10)	Not disclosed (Note 10)	10.0 (7.8)
MJ Logipark Sendai 1	39,098.87	39,098.87	100.0	3	Toho Transportation and Warehouse Co., Ltd.	424	188	3.5 (0.6)	

Category	Property name	Total leasable area (㎡) (Note 1)	Total leased area (㎡) (Note 2)	Occupancy (%) (Note 3)	Number of tenants (Note 4)	Name of major tenant (Note 5)	Annual rent (Millions of yen) (Note 6)	Security deposit (Millions of yen) (Note 7)	Average lease term / Average remaining lease term (Years) (Note 8, 9)
Others	MJ Industrial Park Sakai (Land)	87,476.71	87,476.71	100.0	1	IHI Infrastructure Systems Co., Ltd	Not disclosed (Note 10)	Not disclosed (Note 10)	Not disclosed (Note 10)
	MJ Industrial Park Kobe (Land)	31,743.99	31,743.99	100.0	1	ORIX Auto Corporation	Not disclosed (Note 10)	Not disclosed (Note 10)	Not disclosed (Note 10)
	MJ Industrial Park Chiba-Kita (Land)	14,986.64	14,986.64	100.0	1	Kinugawa Rubber Industrial Co., Ltd.	Not disclosed (Note 10)	Not disclosed (Note 10)	Not disclosed (Note 10)
Total (Average)		800,758.79	797,663.88	99.6	79	—	9,668	3,644	10.5 (6.7)

Notes:

- “Total leasable area” equals to the gross leasable space in each property or property in trust as of Feb. 28, 2022, based on lease agreements and floor plans included in lease agreements, plus available space based on floor plans, rounded down to the nearest hundredth. It does not include the leased area indicated in the lease agreements concerning shops, vending machines, photovoltaic power generation facilities and parking lots.
- “Total leased area” equals to the gross floor area of leased space in each property or property in trust as of Feb. 28, 2022, based on the lease agreements and floor plans included in the lease agreements. It does not include the leased area indicated in the lease agreements concerning shops, vending machines, photovoltaic power generation facilities and parking lots.
- “Occupancy” is as of Feb. 28, 2022, calculated by dividing total leased area for each property by the total leasable area. The total occupancy rate is calculated by dividing the aggregate total leased area for the relevant properties by the aggregate total leasable area for the relevant properties. Figures are rounded to the nearest tenth.
- “Number of tenants” is based on the lease agreements with tenants for each property or property in trust as of Feb. 28, 2022. However, if one lessee enters into a multiple number of lease agreements for the same property, the total number of tenants will be calculated on the assumption that such lessee is one party.
- “Name of major tenant” is the name of the tenant with the largest leased floor area in the relevant lease agreement for each property or property in trust as of Feb. 28, 2022
- “Annual rent” represents the annualized amount of rent (the sum of annualized amounts of rent if a multiple number of lease agreements have been executed), which is 12 times monthly rent (including common area expenses), rounded down to the nearest million yen, indicated in the relevant lease agreement for each property or property in trust as of Feb. 28, 2022. However, if there are different provisions for monthly rent (including common area expenses) depending on the time period in each lease agreement for each property or property in trust as of Feb. 28, 2022, the annualized amount of rent will be calculated based on the monthly rent (including common area expenses) for Feb. 2022 shown in said lease agreement. The rent-free periods and annual rent holiday periods (meaning that the payment of rents for specific months is exempted) as of Feb. 28, 2022 shall not be included.
- “Security deposit” represent the sum of the outstanding amounts of leasehold/security deposits (the sum of the outstanding amounts of leasehold/security deposit if a multiple number of lease agreements have been executed), rounded down to the nearest million yen, indicated in the subject lease agreement as of Feb. 28, 2022. However, if there are different provisions for the sum of outstanding leasehold/security deposit depending on the time period in each lease agreement for each property or property in trust, the amount of tenant leasehold/security deposit for Feb. 2022 shown in said lease agreement is indicated.
- “Average lease term” is calculated as the weighted average lease term indicated in the relevant lease agreements for each property or property in trust as of Feb. 28, 2022, by the rent and figures are rounded to the first decimal place.
- “Average remaining lease term” is calculated as the weighted average remaining lease term indicated in the relevant lease agreements for each property or property in trust as of Feb. 28, 2022, by the rent and figures are rounded to the first decimal place.
- Not disclosed as the tenant’s consent has not been obtained.
- “Total leasable area”, “Total leased area”, “Annual rent” and “Security deposits” of LOGIPORT Sagami-hara is shown with the values corresponding to the co-beneficiary interest ratios (49%).
- “Total leasable area”, “Total leased area”, “Annual rent” and “Security deposits” of LOGIPORT Hashimoto is shown with the values corresponding to the co-beneficiary interest ratios (45%).
- “Total leasable area”, “Total leased area”, “Annual rent” and “Security deposits” of LOGIPORT Osaka Taisho is shown with the values corresponding to the co-beneficiary interest ratios (37.5%).

(iv) Overview of Appraisal Reports (as of Feb. 28, 2022)

Category	Property name	Appraiser	Appraisal value date	Appraisal value (Millions of yen)	Integrated value based on cost method (Millions of yen)	Return price					Appraisal NOI (Millions of yen) (Note 1)	Appraisal NOI Yield (%) (Note 2)
						Direct capitalization method		DCF method				
						Value based on direct capitalization method (Millions of yen)	Direct capitalization rate (%)	Value based on DCF method (Millions of yen)	Discount rate (%)	Terminal capitalization rate (%)		
Logistics Facilities	Logicross Fukuoka Hisayama	Tanizawa Sogo Appraisal Co., Ltd.	Feb. 28, 2022	7,650	6,980	7,670	4.5	7,640	4.4,4.6 (Note 3)	4.7	350	6.1
	Logicross Atsugi	Tanizawa Sogo Appraisal Co., Ltd.	Feb. 28, 2022	9,440	9,330	9,540	4.0	9,390	4.0,4.1 (Note 4)	4.2	382	4.5
	Logicross Kobe Sanda	Tanizawa Sogo Appraisal Co., Ltd.	Feb. 28, 2022	4,400	4,000	4,440	4.4	4,380	4.3,4.4 (Note 5)	4.6	197	5.1
	Logicross Osaka	Japan Real Estate Institute	Feb. 28, 2022	10,300	9,610	10,500	4.0	10,100	3.8	4.2	421	4.3
	Logicross Nagoya Kasadera	Japan Real Estate Institute	Feb. 28, 2022	16,900	16,300	17,100	4.2	16,700	4.0	4.4	720	5.0
	Logcross Narashino	Japan Real Estate Institute	Feb. 28, 2022	12,400	12,700	12,600	4.0	12,200	3.8	4.2	505	4.3
	LOGIPORT Sagamihara (Note 6)	DAIWA REAL ESTATE APPRAISAL Corporation	Feb. 28, 2022	24,000	16,600	23,900	4.1	24,000	3.9	4.3	999	4.7
	LOGIPORT Hashimoto (Note 7)	Japan Real Estate Institute	Feb. 28, 2022	21,600	20,700	21,915	3.9	21,240	3.7	4.1	856	4.7
	LOGIPORT Osaka Taisho (Note 8)	Japan Real Estate Institute	Feb. 28, 2022	11,850	10,800	12,037	4.0	11,662	3.8	4.2	486	4.6
	MJ Logipark Funabashi 1	Japan Real Estate Institute	Feb. 28, 2022	6,690	3,590	6,710	4.9	6,670	4.1	5.3	354	6.6
	MJ Logipark Atsugi 1	Japan Real Estate Institute	Feb. 28, 2022	7,190	7,660	7,290	4.1	7,080	3.9	4.3	302	4.5
	MJ Logipark Kazo 1	Japan Real Estate Institute	Feb. 28, 2022	1,520	1,290	1,540	4.6	1,500	4.4	4.8	72	5.7
	MJ Logipark Osaka 1	Tanizawa Sogo Appraisal Co., Ltd.	Feb. 28, 2022	7,130	5,890	7,180	4.2	7,110	4.1,4.3 (Note 9)	4.4	312	5.1
	MJ Logipark Fukuoka 1	Japan Real Estate Institute	Feb. 28, 2022	6,720	4,640	6,790	4.7	6,650	4.5	4.9	333	5.4
	MJ Logipark Tsuchiura 1	Japan Real Estate Institute	Feb. 28, 2022	3,490	2,860	3,530	4.7	3,450	4.5	4.9	165	5.3
	MJ Logipark Nishinomiya 1	Tanizawa Sogo Appraisal Co., Ltd.	Feb. 28, 2022	2,690	2,910	2,770	4.7	2,650	4.4,4.7 (Note 10)	4.9	141	5.7
	MJ Logipark Kasugai 1	Tanizawa Sogo Appraisal Co., Ltd.	Feb. 28, 2022	14,700	12,600	15,100	4.3	14,500	4.3,4.4 (Note 11)	4.5	659	4.8
MJ Logipark Kazo 2	Tanizawa Sogo Appraisal Co., Ltd.	Feb. 28, 2022	1,720	1,630	1,800	4.3	1,690	4.4	4.5	82	5.0	

Category	Property name	Appraiser	Appraisal value date	Appraisal value (Millions of yen)	Integrated value based on cost method (Millions of yen)	Return price					Appraisal NOI (Millions of yen) (Note 1)	Appraisal NOI Yield (%) (Note 2)
						Direct capitalization method		DCF method				
						Value based on direct capitalization method (Millions of yen)	Direct capitalization rate (%)	Value based on DCF method (Millions of yen)	Discount rate (%)	Terminal capitalization rate (%)		
Logistics Facilities	MJ Logipark Sendai 1	Japan Real Estate Institute	Feb. 28, 2022	7,670	5,210	7,730	4.7	7,610	4.3	4.7	380	5.2
Others	MJ Industrial Park Sakai (Land)	Japan Real Estate Institute	Feb. 28, 2022	5,780	-	5,840	3.7	5,710	3.5	3.8	214	3.8
	MJ Industrial Park Kobe (Land)	Tanizawa Sogo Appraisal Co., Ltd.	Feb. 28, 2022	5,710	-	5,780	4.0	5,710	3.9,4.0 (Note 12)	4.0	254	5.1
	MJ Industrial Park Chiba-Kita (Land)	Tanizawa Sogo Appraisal Co., Ltd.	Feb. 28, 2022	1,970	-	2,030	4.3	1,970	4.2,4.3 (Note 13)	4.4	79	4.4
Total				191,520	155,300	193,792	-	189,612	-	-	8,274	4.9

Notes:

1. "Appraisal NOI" is the net operating income by the direct capitalization method stated in the appraisal report, rounded down to the nearest million yen.
2. "Appraisal NOI Yield" is the ratio of appraisal NOI using the direct capitalization method to the acquisition price of each property in each real estate appraisal report, rounded to the first decimal place.
3. "Discount rate" for Logicross Fukuoka Hisayama is assessed from first to fourth year as 4.4% and fifth year and thereafter as 4.6%.
4. "Discount rate" for Logicross Atsugi is assessed first to fifth year as 4.0% and sixth and thereafter as 4.1%.
5. "Discount rate" for Logicross Kobe Sanda is assessed first to fifth year as 4.3% and sixth to 11th as 4.4%.
6. "Appraisal value", "Integrated value based on cost method", "Value based on direct capitalization method" and "Value based on DCF method" of LOGIPORT Sagami-hara is shown with the values corresponding to the co-beneficiary interest ratios (49%).
7. "Appraisal value", "Integrated value based on cost method", "Value based on direct capitalization method" and "Value based on DCF method" of LOGIPORT Hashimoto is shown with the values corresponding to the co-beneficiary interest ratios (45%).
8. "Appraisal value", "Integrated value based on cost method", "Value based on direct capitalization method" and "Value based on DCF method" of LOGIPORT Osaka Taisho is shown with the values corresponding to the co-beneficiary interest ratios (37.5%).
9. "Discount rate" for MJ Logipark Osaka 1 is assessed first year as 4.1% and second to 11th year as 4.3%.
10. "Discount rate" for MJ Logipark Nishinomiya 1 is assessed first to seventh year as 4.4% and eighth and thereafter as 4.7%.
11. "Discount rate" for MJ Logipark Kasugai 1 is assessed first to second year as 4.3% and third and thereafter as 4.4%.
12. "Discount rate" for MJ Industrial Park Kobe (Land) is assessed first to eighth year as 3.9% and ninth and thereafter as 4.0%.
13. "Discount rate" for MJ Industrial Park Chiba-Kita (Land) is assessed first to fourth year as 4.2% and fifth and thereafter as 4.3%.

(v) Information Regarding Major Real Estate Properties

The following summarizes the properties where “annual rent” represents 10% or more of the total portfolio annual rent as of Feb. 28, 2022.

Property name	Annual rent (Millions of yen) (Note 1)	Percentage of rent (%) (Note 2)
LOGIPOINT Sagamihara (Note 3)	1,287	13.3

Notes:

1. “Annual rent” represents the annualized amount of rent (the sum of annualized amounts of rent if a multiple number of lease agreements have been executed), which is 12 times monthly rent (including common area expenses), rounded down to the nearest million yen, indicated in the relevant lease agreement for each property or property in trust as of Feb. 28, 2022. However, if there are different provisions for monthly rent (including common area expenses) depending on the time period in each lease agreement for each property or property in trust as of Feb. 28, 2022, the annualized amount of rent will be calculated based on the monthly rent (including common area expenses) for Feb. 2022 shown in said lease agreement. The rent-free periods and annual rent holiday periods (meaning that the payment of rents for specific months is exempted) as of Feb. 28, 2022 shall not be included.
2. “Percentage of rent” is the ratio of that property’s total annual rent to the total portfolio annual rent, rounded to the nearest tenth.
3. “Annual rent” of LOGIPOINT Sagamihara is shown with the values corresponding to the co-beneficiary interest ratios (49%).

(vi) Information Regarding Major Tenants

The following summarizes the major tenant where “leased area” represents 10% or more of the total portfolio leased area as of Feb. 28, 2022.

Tenant Name	Type of industry (Note 1)	Property name	Annual rent (Millions of yen)	Percentage of rent (%)	Leased area (m ²) (Note 2)	Percentage of area (%) (Note 3)	Lease expiration date
IHI Infrastructure Systems Co., Ltd	Manufacturing of metal products for construction (excluding steel frame)	MJ Industrial Park Sakai (Land)	Not disclosed (Note 4)	Not disclosed (Note 4)	87,476.71	11.0	Not disclosed (Note 4)

Notes:

1. “Type of industry” refers to the report from the TOKYO SHOKO RESEARCH, LTD.
2. “Total leased area” equals to the gross floor area of leased space in each property or property in trust as of Feb. 28, 2022, based on the lease agreements and floor plans included in the lease agreements. It does not include the leased area indicated in the lease agreements concerning shops, vending machines, photovoltaic power generation facilities and parking lots.
3. “Percentage of area” refers to the floor area leased to end tenant as a proportion of total leased area. Figures are rounded to the nearest tenth.
4. Not disclosed as the tenant’s consent has not been obtained.

(vii) Property Distribution

a. Distribution by category

Category	Number of properties	Acquisition price (Millions of yen) (Note 1)	Investment Ratio (%) (Note 2)
Logistics facilities	19	158,033	92.7
Others	3	12,370	7.3
Total	22	170,404	100.0

Notes:

1. "Acquisition price" represents the purchase price of each property or beneficiary right in trust as set forth on the relevant purchase agreement and does not include expenses such as consumption taxes, and is rounded down to nearest million yen. Same applies below (vii) Property Distribution.
2. "Investment ratio" is calculated by dividing the acquisition price for each property by the total acquisition price and is rounded to the nearest hundredth. Thus, the sum of the figures in total may not add up to the figure in the total column. Same applies below (vii) Property Distribution.

b. Distribution by region

<Based on total floor area (Note 1)>

Region	Number of properties	Total floor area (m ²) (Note 2)	Ratio (%)
Tokyo metropolitan area (Note 3)	9	488,930.31	51.4
Osaka metropolitan area (Note 4)	5	219,604.88	23.1
Nagoya metropolitan area (Note 5)	2	130,612.51	13.7
Others	3	112,734.31	11.8
Total	19	915,882.01	100.0

<Based on acquisition price>

Region	Number of properties	Acquisition price (Millions of yen)	Investment ratio (%)
Tokyo metropolitan area (Note 3)	10	79,750	46.8
Osaka metropolitan area (Note 4)	7	43,270	25.4
Nagoya metropolitan area (Note 5)	2	28,094	16.5
Others	3	19,288	11.3
Total	22	170,404	100.0

Notes:

1. MJ Industrial Park Sakai (Land), MJ Industrial Park Kobe (Land) and MJ Industrial Park Chiba-Kita (Land) are not included in the calculation.
2. "Total floor area" are the lot area recorded in the register. "Total floor area" is the total floor area of the main building and annex. If there is more than one main building, the total floor area is the sum of the total floor area for each main building. Same applies below (vii) Property Distribution.
3. Tokyo metropolitan area refers to Tokyo, Kanagawa, Chiba, Saitama and Ibaraki prefectures.
4. Osaka metropolitan area refers to Osaka, Hyogo, Kyoto, Nara and Shiga prefectures.
5. Nagoya metropolitan area refers to Aichi, Mie and Gifu prefectures.

c. Distribution by property age (Note 1)

Property age (Note 2)	Number of properties	Total floor area (m ²)	Ratio (%)	Acquisition price (Millions of yen)	Investment ratio (%)
Less than 5 years	6	305,253.60	32.1	58,842	37.2
5 years or more and less than 10 years	6	483,701.83	50.8	68,790	43.5
10 years or more	7	162,926.58	17.1	30,400	19.2
Total	19	951,882.01	100.0	158,033	100.0

Notes:

1. MJ Industrial Park Sakai (Land), MJ Industrial Park Kobe (Land) and MJ Industrial Park Chiba-Kita (Land) are not included in the calculation.
2. "Property age" is calculated based on the date recorded in the register up to Feb. 28, 2022.

d. Distribution by total floor area (Note)

Total floor area	Number of properties	Total floor area (m ²)	Ratio (%)	Acquisition price (Millions of yen)	Investment ratio (%)
Less than 10,000m ²	2	14,951.24	1.6	2,909	1.8
10,000m ² or more and less than 30,000m ²	6	118,261.78	12.4	30,009	19.0
30,000m ² or more	11	818,668.99	86.0	125,114	79.2
Total	19	951,882.01	100.0	158,033	100.0

Note: MJ Industrial Park Sakai (Land), MJ Industrial Park Kobe (Land) and MJ Industrial Park Chiba-Kita (Land) are not included in the calculation.

e. Distribution by lease term

Lease term (Note 1)	Annual rent (Millions of yen) (Note 2)(Note 3)	Ratio (%)
10 years or more	4,354	45.0
7 years or more and less than 10 years	361	3.7
5 years or more and less than 7 years	3,383	35.0
Less than 5 years	1,569	16.2
Total	9,668	100.0

Notes:

- “Lease term” is calculated as the weighted average lease term indicated in the relevant lease agreements for each property or property in trust as of Feb. 28, 2022, by the rent and figures are rounded to the first decimal place. It does not include the leased area indicated in the lease agreements concerning shops, vending machines, photovoltaic power generation facilities and parking lots.
- “Annual rent” represents the annualized amount of rent (the sum of annualized amounts of rent if a multiple number of lease agreements have been executed), which is 12 times monthly rent (including common area expenses), rounded down to the nearest million yen, indicated in the relevant lease agreement for each property or property in trust as of Feb. 28, 2022. However, if there are different provisions for monthly rent (including common area expenses) depending on the time period in each lease agreement for each property or property in trust as of Feb. 28, 2022, the annualized amount of rent will be calculated based on the monthly rent (including common area expenses) for Feb. 2021 shown in said lease agreement. The rent-free periods and annual rent holiday periods (meaning that the payment of rents for specific months is exempted) as of Feb. 28, 2022 shall not be included. Same applies below (vii) Property Distribution.
- LOGIPORT Sagamihara, LOGIPORT Hashimoto and LOGIPORT Osaka Taisho is shown with the values corresponding to the co-beneficiary interest ratios (49%, 45% and 37.5% respectively). Same applies below (vii) Property Distribution.

f. Distribution by remaining lease term

Remaining lease term (Note)	Annual rent (Millions of yen)	Ratio (%)
7 years or more	1,888	19.5
5 years or more and less than 7 years	870	9.0
3 years or more and less than 5 years	1,768	18.3
1 year or more and less than 3 years	4,053	41.9
Less than 1 year	1,086	11.2
Total	9,668	100.0

Note: “Remaining lease term” is calculated as the weighted average remaining lease term indicated in the relevant lease agreements for each property or property in trust as of Feb. 28, 2022, by the rent and figures are rounded to the first decimal place. It does not include the leased area indicated in the lease agreements concerning shops, vending machines, photovoltaic power generation facilities and parking lots.

(viii) Details of Collateral

Not applicable

(ix) Capital Expenditure for Owned Properties

a. Future plans for capital expenditure

The following summarizes the major capital expenditure plans in connection with scheduled renovations and other work for properties owned by MEL. Estimated construction cost includes the amounts to be expensed for accounting purposes.

Property name (Location)	Purpose	Planned period	Estimated construction cost (Millions of yen) (Note)		
			Total amount	Paid during the reporting period	Total amount already paid
MJ Logipark Kazo 1 (Kazo, Saitama)	Repair work of elevator	From May. 2022 to Aug. 2022	12	-	-
MJ Logipark Sendai 1 (Tagajo, Miyagi)	Waterproof repair for road surface	From Apr. 2022 to Aug. 2022	85	-	-

Note: Figures are rounded down to the nearest million yen.

b. Capital expenditure incurred for the reporting fiscal period

MEL conducted construction work worth 193 million yen in the reporting fiscal period which is a sum of capital expenditures of 131 million yen and repair and maintenance expenses of 62 million yen.

c. Reserved Amount for Long-Term Repairs, Maintenance and Renovation Plans

(Thousands of yen)

	Seventh fiscal period	Eighth fiscal period	Ninth fiscal period	10th fiscal period	11th fiscal period
	Sept. 1, 2019 to Feb. 29, 2020	Mar. 1, 2020 to Aug. 31, 2020	Sept. 1, 2020 to Feb. 28, 2021	Mar. 1, 2021 to Aug. 31, 2021	Sept. 1, 2021 to Feb. 28, 2022
Reserved balance at the beginning of the period	297,841	376,229	448,139	554,768	659,295
Reserved amount during the period	78,388	71,910	106,629	104,527	101,182
Reversal of reserved amount during the period	-	-	-	-	-
Reserved balance at the end of the period	376,229	448,139	554,768	659,295	760,477

(x) Overview of Property Leasing and Status of Operating Income
11th fiscal period from Sep. 1, 2021, to Feb. 28, 2022

(Units: Thousands of yen)

Property name	Logicross Fukuoka Hisayama	Logicross Atsugi	Logicross Kobe Sanda	Logicross Osaka	Logicross Nagoya Kasadera
Operating days	181 days	181 days	181 days	181 days	181 days
(A) Property related revenues					505,278
Property revenues					469,694
Other property related revenues					35,583
(B) Property related expenses					183,405
Facility management fee					40,589
Property taxes	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	34,776
Non-life insurance premium					744
Repair and maintenance expenses					3,455
Utilities cost					24,272
Custodian fee					150
Other expenses					2,572
(C) Depreciation	43,876	34,776	16,292	53,024	76,844
(D) Property related income (=A-B)	131,663	153,260	83,639	170,149	321,872
(E) NOI (=C+D)	175,540	188,037	99,932	223,173	398,717

Property name	Logicross Narashino	LOGIPORT Sagamihara	LOGIPORT Hashimoto	LOGIPORT Osaka Taisho	MJ Logipark Funabashi 1
Operating days	181 days	181 days	181 days	181 days	181 days
(A) Property related revenues		694,910	515,738	281,625	
Property revenues		642,086	478,074	267,015	
Other property related revenues		52,824	37,664	14,610	
(B) Property related expenses		269,120	188,212	106,265	
Facility management fee		30,677	23,161	11,508	
Property taxes	Not disclosed (Note)	56,956	43,293	33,194	Not disclosed (Note)
Non-life insurance premium		981	715	516	
Repair and maintenance expenses		17,031	4,305	525	
Utilities cost		33,976	24,258	10,962	
Custodian fee		61	56	37	
Other expenses		10,955	946	365	
(C) Depreciation	51,838	118,480	91,475	49,154	44,372
(D) Property related income (=A-B)	230,341	425,789	327,526	175,360	137,167
(E) NOI (=C+D)	282,179	544,269	419,001	224,515	181,540

Note: Not disclosed as the tenant's consent has not been obtained

(Units: Thousands of yen)

Property name	MJ Logipark Atsugi 1	MJ Logipark Kazo 1	MJ Logipark Osaka 1	MJ Logipark Fukuoka 1	MJ Logipark Tsuchiura 1
Operating days	181 days	181 days	181 days	181 days	181 days
(A) Property related revenues				210,132	
Property revenues				196,528	
Other property related revenues				13,603	
(B) Property related expenses				115,107	
Facility management fee				25,294	
Property taxes	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	13,800	Not disclosed (Note)
Non-life insurance premium				395	
Repair and maintenance expenses				5,095	
Utilities cost				9,081	
Custodian fee				240	
Other expenses				365	
(C) Depreciation	33,160	10,423	39,489	60,835	12,894
(D) Property related income (=A-B)	118,689	25,599	113,703	95,024	70,192
(E) NOI (=C+D)	151,850	36,023	153,192	155,860	83,087

Property name	MJ Logipark Nishinomiya 1	MJ Logipark Kasugai 1	MJ Logipark Kazo 2	MJ Logipark Sendai1	MJ Industrial Park Sakai (Land)
Operating days	181 days	181 days	181 days	181 days	181 days
(A) Property related revenues				235,633	
Property revenues				212,369	
Other property related revenues				23,264	
(B) Property related expenses				124,923	
Facility management fee				26,289	
Property taxes	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	20,734	Not disclosed (Note)
Non-life insurance premium				375	
Repair and maintenance expenses				3,370	
Utilities cost				13,412	
Custodian fee				290	
Other expenses				530	
(C) Depreciation	12,244	69,801	7,603	59,921	-
(D) Property related income (=A-B)	46,360	241,980	27,943	110,710	107,329
(E) NOI (=C+D)	58,604	311,781	35,546	170,632	107,329

Note: Not disclosed as the tenant's consent has not been obtained

(Units: Thousands of yen)

Property name	MJ Industrial Park Kobe (Land)	MJ Industrial Park Chiba-Kita (Land)	Total
Operating days	181 days	181 days	
(A) Property related revenues			5,028,898
Property revenues			4,798,577
Other property related revenues			230,320
(B) Property related expenses			1,744,322
Facility management fee			212,078
Property taxes	Not disclosed (Note)	Not disclosed (Note)	407,631
Non-life insurance premium			7,202
Repair and maintenance expenses			62,387
Utilities cost			144,931
Custodian fee			3,710
Other expenses			19,867
(C) Depreciation	-	-	886,512
(D) Property related income (=A-B)	127,407	42,863	3,284,575
(E) NOI (=C+D)	127,407	42,863	4,171,088

Note: Not disclosed as the tenant's consent has not been obtained