

Sustainability Report 2023



Maximize unitholder value by improving sustainability

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.

To put our commitment into practice, MEL together with its asset management company, MJIA, shares the sustainability objectives, and continues to embed sustainability into our business.

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Sustainability Report

We have published this report for the purpose of publicizing our approach to ESG and our initiatives to a wide range of stakeholders, including investors.

Top Message



Ken Takanashi, Executive Director,
Mitsubishi Estate Logistics REIT Investment Corporation

The global economy has confronted unprecedented challenges in recent years, from the COVID-19 pandemic to the Russia-Ukraine conflict along with supply chain disruptions, rising energy prices, and food crises, leading to economic slowdowns and political instability. MEL thinks that the significance of sustainability with a mid-to-long term perspectives is becoming increasingly important.

All our properties are deeply rooted in the neighborhood to support people's daily lives with a close relationship to the local communities over the mid-to-long term. We believe that it is our social responsibility as a J-REIT to engage in sustainability improvement, such as environmental considerations, social contributions, and governance enhancement, and that it is essential to maximize unitholder value. For implementing these initiatives, MEL is promoting various efforts based on the "Sustainability Policy," a basic guideline formulated by MJIA in February 2019.

The most recent specific initiatives include expanding disclosure based on TCFD (Task Force on Climate-related Financial Disclosure) recommendations, formulating a Climate Transition Plan (roadmap) to achieve a decarbonized society, and obtaining certification by SBTi for its newly set GHG emission reduction targets for FY2030. We will continue to make earnest efforts to reduce our environmental impact, including addressing climate change, and promote energy conservation in our properties, introduction of renewable energy, and greening of our portfolio. In addition, we will be conscious of responding to ever-changing social issues and ensuring reliable and transparent governance and will work to ensure the safety and security of our portfolio, improve comfort, and build a governance structure with a high degree of diversity.

Furthermore, the Mitsubishi Estate Group, to which MJIA belongs, has established the "Mitsubishi Estate Group Sustainability Vision 2050" with a view to sustainability management in 2050. To achieve this vision, we have identified the "Mitsubishi Estate Group Sustainable Development Goals 2030" in the Long-Term Management Plan 2030 as a milestone that defines specific themes and actions to achieve this vision, which is also shared by MJIA.

MEL will continue to strive to build a relationship of trust with various stakeholders including our unitholders and fulfill its mission of maximizing unitholder value over the mid-to-long term through further enhancement of ESG initiatives in asset management and appropriate disclosure of its performance.

Initiatives for Sustainability

Basic stance

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.

To put our commitment into practice, MEL together with its asset management company, Mitsubishi Jisho Investment Advisors, Inc. ("MJIA"), shares the sustainability objectives, and continues to embed sustainability into our business.

Mitsubishi Estate Group's efforts and policies on ESG issues

Mitsubishi Estate Group 2030 Goals for SDGs

In order to help realize a sustainable world and provide even more profound value to a wider range of stakeholders, the Mitsubishi Estate Group is implementing world-class initiatives on the four key themes of **Environment, Diversity & Inclusion, Innovation, and Resilience**.

1.Environment

Sustainable urban development that proactively addresses climate change and environmental issues



2.Diversity & Inclusion

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



3.Innovation

Innovative urban development that continuously renews society

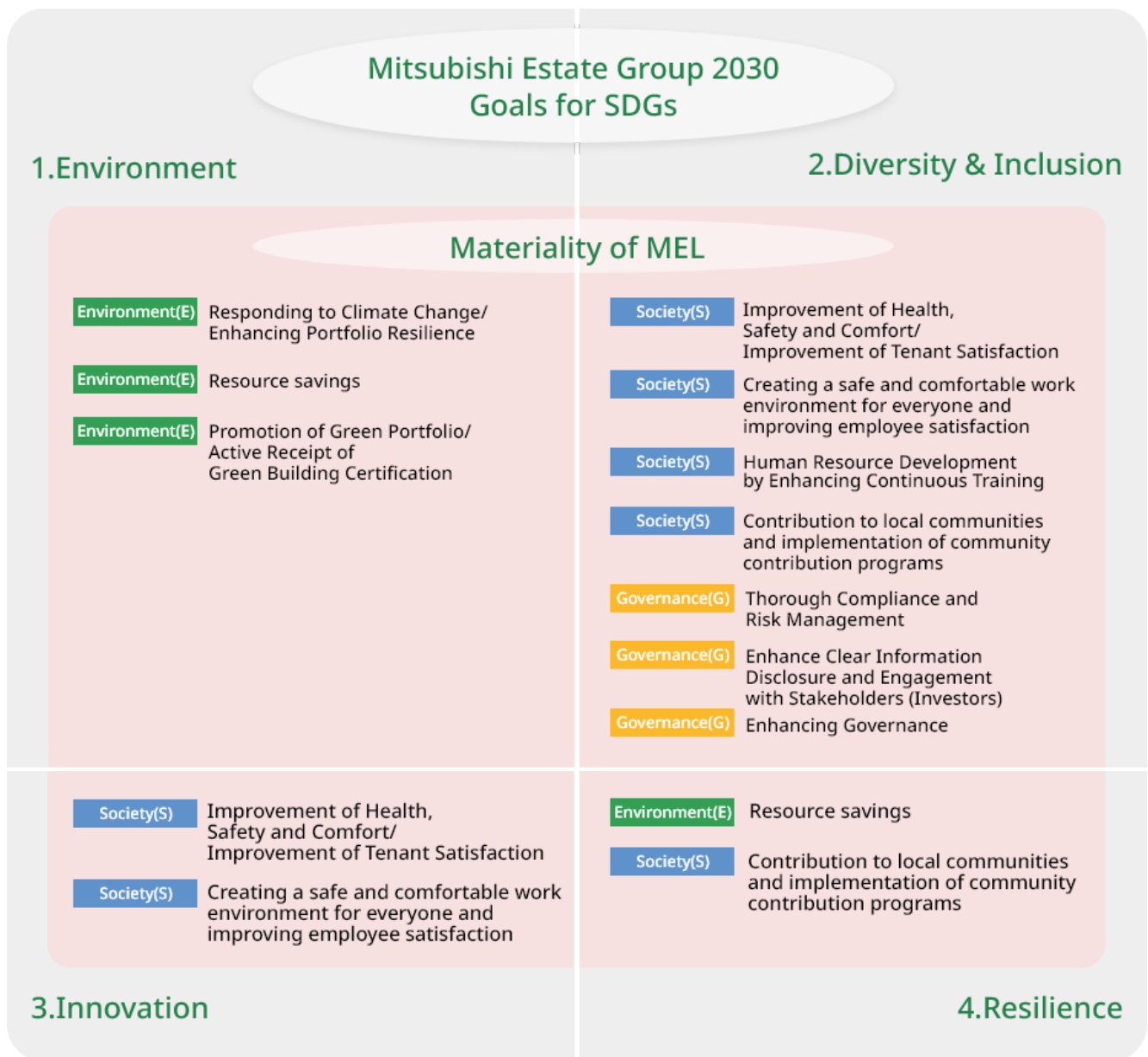


4.Resilience

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



Positioning of the Investment Corporation Materiality



For more details, please refer to: [Materiality](#)

Sustainability Policy

1.Pursue Energy Efficiency and Low Carbon

We proactively pursue energy efficiency and takes steps to reduce greenhouse gas emissions in our portfolio by installing and switching to energy-saving products and utilizing renewable energy.

2.Improve Water Resource Management and Waste Management

We strive to improve the efficiency of water use and to implement 3R waste programs (reduce, reuse, recycle) in order to make effective use of limited resources in our portfolio.

3.Enhance of Tenant Safety, Security and Satisfaction

We implement disaster preparedness and damage prevention measures in our portfolio and strive to increase tenant safety and security. We promote improvement of operation methods based on our tenants' needs, installment of equipment, and improve tenant satisfaction.

4.Empower Our People

We provide various training and skills/career development programs into our development of employees' capabilities to raise environmental awareness. We are also committed to creating a work environment that is comfortable for all members of our diverse pool of talent, thereby making it possible for everyone to reach their full potential.

5.Collaborate with External Stakeholders

We strive to build relationships of goodwill with external stakeholders including tenants, property managers and all others along the supply chain, as well as with local communities and local governing bodies. We focus on collaborating with these parties as we put this policy into practice.

6.Disclose ESG Information and Obtain Environmental Certifications

We endeavor to disclose ESG related information to our investors and various other stakeholders. In addition, we work to obtain environmental certifications as needed in order to strengthen our sustainability efforts.

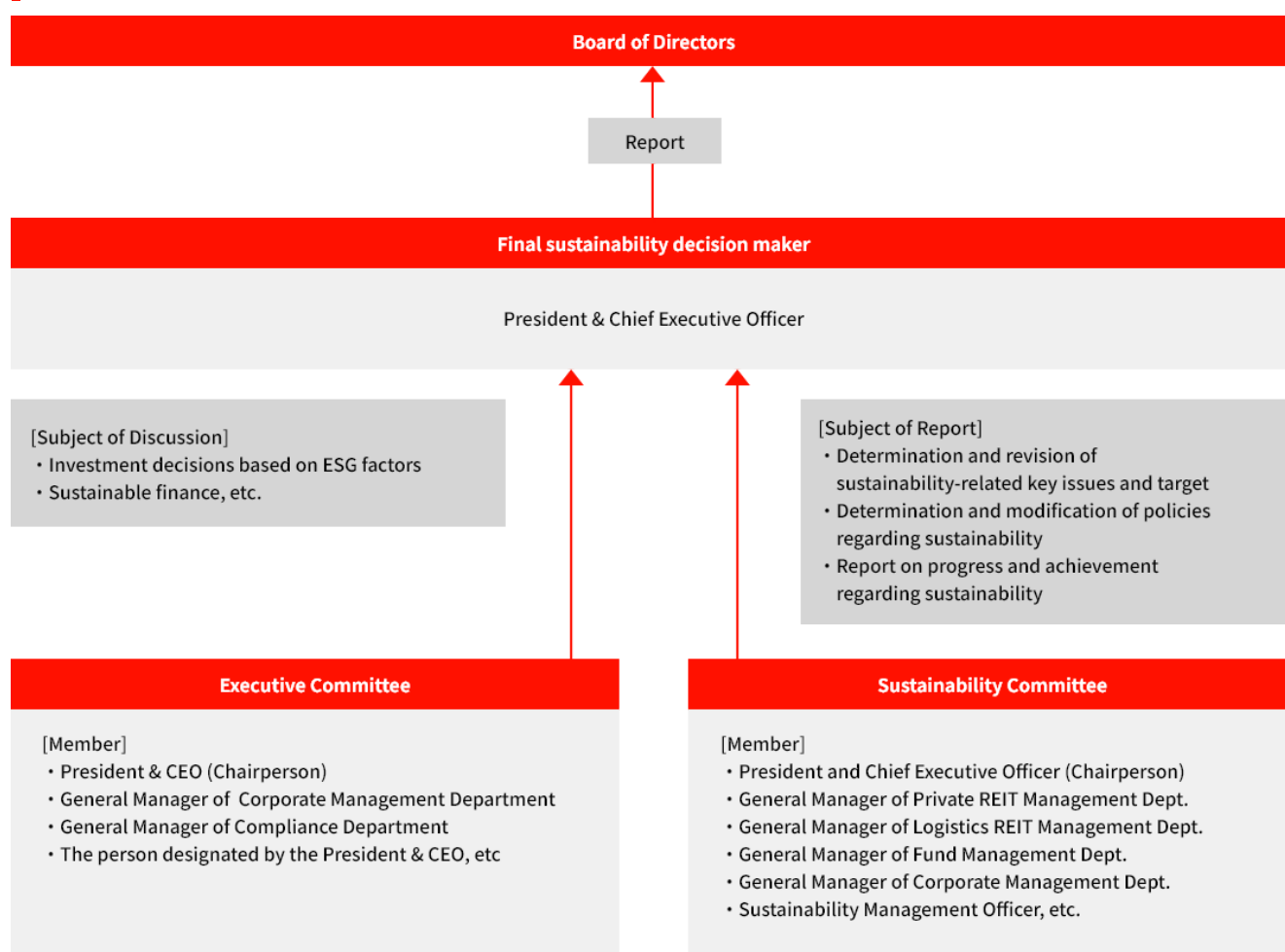
7.Ensure Compliance and Risk Management

In addition to complying laws and regulations, we adhere to social norms including fair transactions, appropriate information management practices, prevention of corruption, prevention of conflicts of interest and respect for human rights and diversity. Over the medium- to long-term, we consider the environmental and social risks related to our portfolio, incorporate these considerations into the real estate management process to minimize risk.

Sustainability Committee

MEL believes that efforts to improve sustainability are indispensable for maximizing unitholder value. The Sustainability Committee discusses on important issues, targets, and measures related to sustainability of MEL and MJIA, reports on the status of implementation, and conducts evaluations and analyses related to these issues, as well as sharing the latest knowledge on sustainability.

Sustainability Promotion Structure



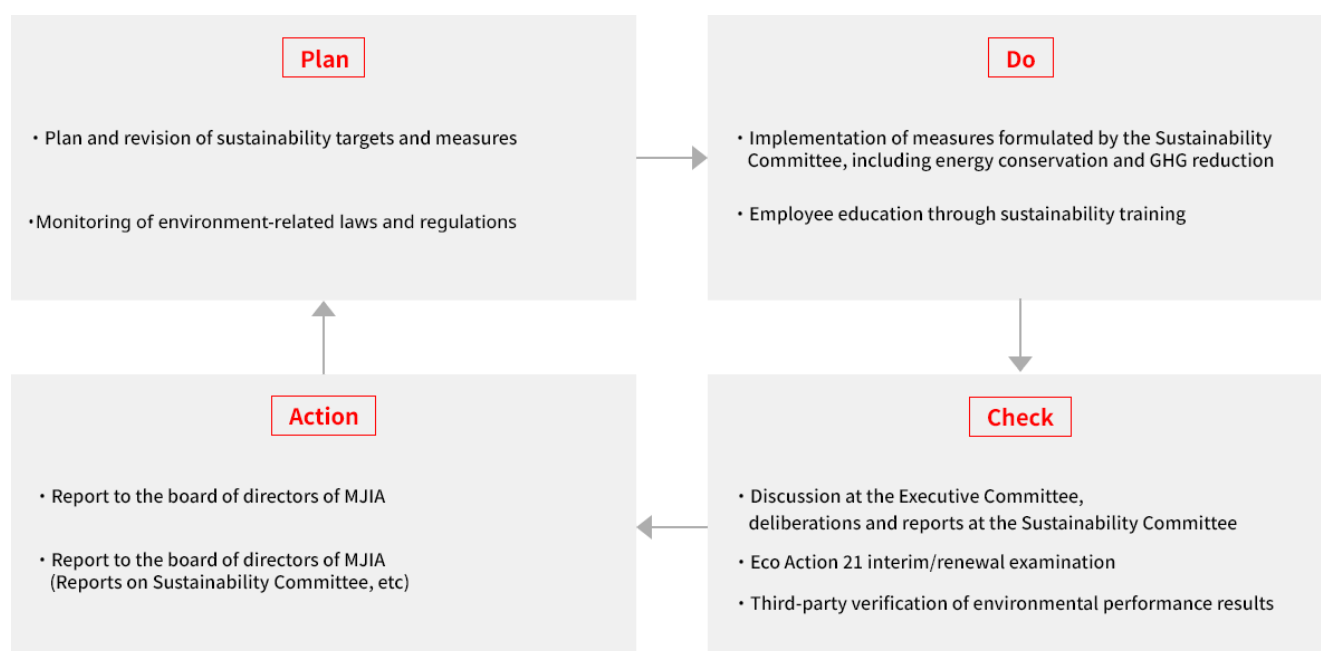
Reporting details, meeting frequency and examination process

The Sustainability Committee generally meets once a quarter to discuss sustainability-related key issues, goals and various measures to achieve these goals. The Committee also evaluates the sustainability performances, share the progress on the goals they have set. The contents of the Sustainability Committee are reported to and supervised by the Board of Directors and MEL's Board of Directors, which are held on a regular basis.

Establishment of Sustainability Management Office

In April 2022, the Sustainability Management Office was newly established within the Corporate Management Department of MJIA to further enhancing its commitment to sustainability. Additionally, MJIA appointed a sustainability officer to strengthen the structure further.

Sustainability Promotion Based on PDCA Cycle



In 2022, MEL received Eco Action 21 certification, the certification and registration system in which third party organizations certify and register businesses that promote environmental management, based on "Eco Action 21 Guidelines" formulated by Japan's Ministry of the Environment as part of its Environmental Management System.

Therefore, MEL's PDCA cycle is implemented in accordance with Eco Action 21.

Establishment of the Sustainability Promotion Manual

MJIA has formulated various "Sustainability Promotion Manuals" that stipulate basic policies and specific procedures for monitoring and reduction of greenhouse gas emissions, energy consumption, water consumption, waste volume, etc., and for collaboration with third parties (sustainable procurement), with the aim of enhancing the feasibility of sustainability promotion.

<Overview of the Sustainability Promotion Manual>

Manual	Contents
<ul style="list-style-type: none"> • Environmental Management System Operation Rules 	<ul style="list-style-type: none"> • Operational Rules for Sustainability Policy and its Detailed Regulations • Establishment, management, and maintenance of EMSs based on PDCA cycle
<ul style="list-style-type: none"> • Greenhouse Gas Emission Reduction Promotion Implementation Manual 	<ul style="list-style-type: none"> • Basic policy for continuously identifying the amounts used, discharged and recycling rates, reducing the amounts used and discharged and improving recycling rates

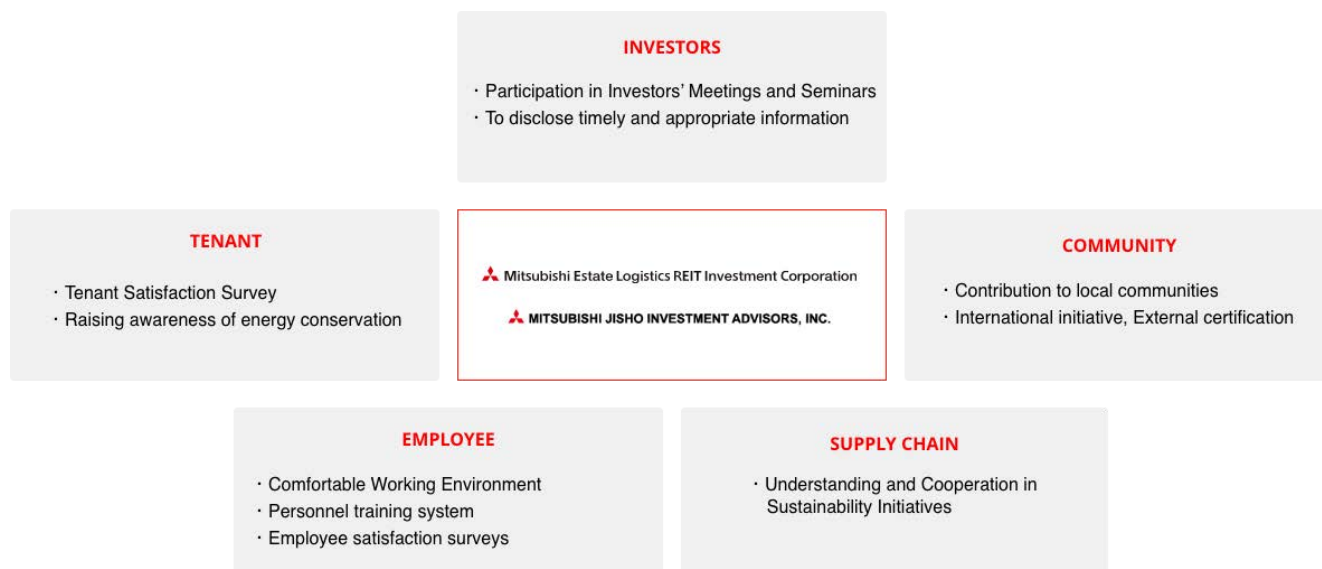
Manual	Contents
<ul style="list-style-type: none"> • Energy Conservation Promotion Implementation Manual • Water Use Efficiency Manual • Waste Management Manual 	<ul style="list-style-type: none"> • Management and analysis of amounts used, discharged and waste recycling
<ul style="list-style-type: none"> • Sustainable procurement implementation manual 	<ul style="list-style-type: none"> • Provisions for consideration of sustainability in the procurement of goods and services related to the asset management business of MEL and specific measures to promote sustainability in cooperation with suppliers including property manager • Application of sustainable procurement to all suppliers. Requirement to have in place policies and systems related to corporate ethics, including anti-fraud and anti-corruption.

Stakeholder Engagement

Basic Policy

The Investment Corporation's business activities are conducted with the support of its many stakeholders. For this reason, we recognize that fulfilling the social responsibilities required of the Investment Corporation is also important in our own sustainable business activities.

The Investment Corporation's main stakeholders are investors, tenants, business partners, communities, and employees. The Investment Corporation will deepen its relationships of trust through constructive dialogue with these stakeholders, and take their expectations and requests seriously and apply them in the business activities of the Investment Corporation and ESG initiatives.



Materiality

Identified Materiality

Environment (E)

7

AFFORDABLE AND
CLEAN ENERGY

13

CLIMATE
ACTION

Responding to Climate Change/Enhancing Portfolio Resilience

KPIs and targets	GHG Emissions (Scope 1 + 2)	Target: 42% reduction by FY 2030 (based on FY 2021)
	Total GHG Emissions For the entire Value Chain	Target: Achieving Net Zero by FY 2050
	GHG emissions intensity	Target: 30% reduction by FY 2030 (based on FY 2017)
Policy	Energy consumption intensity	Target: 15% reduction by FY 2030 (based on FY 2017)
	We aim to reduce greenhouse gas emissions by introducing equipment that contributes to energy efficiency and energy conservation in our portfolio.	
Page	https://mel-reit.co.jp/en/esg/environment/	

6

CLEAN WATER
AND SANITATION

11

SUSTAINABLE CITIES
AND COMMUNITIES

12

RESPONSIBLE
CONSUMPTION
AND PRODUCTION

Resource savings

KPIs and targets	Water consumption intensity	Target: Not increased by FY 2030 (based on FY 2017)
	Waste recycling	Target rate: 70% or more by FY 2030
Policy	We will promote the efficient use of resources (including water) and promote the reduction and recycling of waste.	
	When disposing of waste, we comply with laws and regulations and properly dispose of such waste (including hazardous substances).	
Page	https://mel-reit.co.jp/en/esg/environment/	

7

AFFORDABLE AND
CLEAN ENERGY

13

CLIMATE
ACTION

Promotion of Green Portfolio/Active Receipt of Green Building Certification

KPIs and targets	Green building certification	Target: Increase to 100% by FY 2030
Policy	Obtain various green building certifications and visualize the objectivity and performance of GHG emissions reductions.	
Page	https://mel-reit.co.jp/en/esg/external/greenbuilding.html	



Improvement of Health, Safety and Comfort/Improvement of Tenant Satisfaction

KPIs and targets

Regular implementation of Tenant Satisfaction Surveys



Policy

We aim to improve tenant satisfaction by conducting regular tenant satisfaction surveys, conducting renovation work in response to diversifying social needs, and expanding tenant support services. (environmental and energy-saving measures, health, safety, comfort improvement, etc.)



Page

<https://mel-reit.co.jp/en/esg/social/>


Contribution to local communities and implementation of community contribution programs



KPIs and targets

Regular implementation of community contribution programs

Policy

We will strive to contribute to society by regularly implementing community contribution programs (including participation in local cleaning activities) and contributing as a disaster prevention center for our portfolio.

Page

<https://mel-reit.co.jp/en/esg/social/communities.html>

Creating a safe and comfortable work environment for everyone and improving employee satisfaction

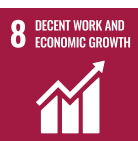


KPIs and targets

Implementation of an employee satisfaction survey

Acquisition rate of paid holidays

Target: 90% or more (calculated by employees on April 1 of each fiscal year)



Policy

Female management ratio

We will respect the basic rights and diversity of our employees and create an environment and system that maintains a good work-life balance.

Page

<https://mel-reit.co.jp/en/esg/social/balance.html>

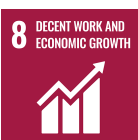
Human Resource Development by Enhancing Continuous Training



KPIs and targets

Training hours per employee

Number of qualified employees



Policy

We regard employees as important management resources "human assets" for a company, and conduct various types of training to improve a wide range of expertise and skills, as the growth of employees is essential to our growth as a company.

Page

<https://mel-reit.co.jp/en/esg/social/developing.html>

Governance (G)				
	Thorough Compliance and Risk Management			
	KPIs and targets	Meetings of the Compliance Risk Management Committee	Target: Held as needed	
		Frequency of compliance and risk management training sessions	Target: 4 times par year	
		Compliance and Risk Management Training Participation Rate	Target: 100%	
		Safety confirmation training	Target: twice a year	
		Internal audit		
	Policy	We aim to thoroughly comply with laws and regulations by fostering each employee's awareness of compliance and risk management and enhancing his/her knowledge. We will conduct appropriate internal audits to ensure effective internal controls. We will prevent unfair and impartial transactions with stakeholders based on internal regulations and deliberations by the Compliance and Risk Management Committee.		
	Page	https://mel-reit.co.jp/en/esg/governance/compliance.html		
		Enhancing Governance		
		KPIs and targets	Frequency of the Board of Directors of MEL	
Attendance rate for the Board of Directors of MEL				
Policy		We aim to build a governance system by ensuring the third-party nature and diversity of the Directors of MEL.		
Page		https://mel-reit.co.jp/en/esg/governance/		
 	Enhance Clear Information Disclosure and Engagement with Stakeholders (Investors)			
	KPIs and targets	GRESB、MSCI、PRI		
		Number of IR meeting		
	Policy	We aim to build an strong relationship of trust by disclosing information in a timely, appropriate, and proactive manner, including sustainability information, and regularly holding engagement with stakeholders (investors) through business activities that utilize IR and other means.		
	Page	https://mel-reit.co.jp/en/esg/external/environmental.html		

Materiality Identification Process

Step 1 Identification of Issue Items

With reference to the evaluation items of the main evaluation organizations (GRESB, etc.) and disclosure frameworks (GRIs, etc.) related to sustainability of the Investment Corporation, issues were identified over a wide area based on the expectations of stakeholders and the status of other companies in the same industry.



Step 2 Focusing and Prioritizing

Formulate materiality (draft) by organizing and integrating issues as appropriate and prioritizing them in light of social trends and expectations demanded by internal and external stakeholders and the impact on the business and performance of the Investment Corporation.



STEP 3 Meetings, Validation and Approval by Management

The materiality (draft) is discussed external specialized institution and management, including President & Chief Executive officer of MIJA, and approved by the Sustainability Committee of MIJA identify materiality.

International Initiatives and Participation

Signing of PRI

The Principles for Responsible Investment ("PRI") comprises an international network of investor signatories that works to realize the Six Principles established for the finance industry in 2006 under the leadership of the then United Nations Secretary-General, Kofi Annan. This network is promoted through the United Nations Environment Programme ("UNEP") and the United Nations Global Compact ("UNGC").

PRI encourages the incorporation of Environment, Social and Governance issues into investment decision-making processes, with the aim to help companies enhance long-term investment performance and better fulfill their fiduciary duty. As of March 2019, approximately 2,300 institutions, representing more than US\$86 trillion in assets under management, have signed on to PRI.

MJIA agreed with the basic approach of PRI and became a signatory in March 2020.

<The Six Principles>

Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.

Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.

Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.

Principle 5: We will work together to enhance our effectiveness in implementing the Principles.

Principle 6: We will each report on our activities and progress towards implementing the Principles.

Signatory of:



Supporting the TCFD Recommendations

TCFD (Task Force on Climate-Related Financial Disclosures) was established by the Financial Stability Board (FSB) to consider how to disclose climate-related information and respond to financial institutions.

In its final report in June 2017, TCFD published recommendations to identify and recommend public disclosures about the financial consequences of climate change for companies and other entities.

In December 2021, MJIA announced its support for the recommendation of the TCFD and joined TCFD Consortium, a group of domestic companies that support TCFD recommendation.

The Investment Corporation also recognizes that the risks and opportunities related to climate change have an impact on its business, and will respond to these risks and further promote the disclosure of information.



Please refer to "Climate Change Initiatives  for details.


Obtaining of SBTi Approval

SBT is GHG emission reduction targets based on scientific evidence certified by “Science Based Targets initiative (SBTi)”, which is an international initiative jointly run by CDP, United Nations Global Compact (UNGC), World Resources Institute (WRI) and World Wide Fund for Nature (WWF). In SBT, GHG emission levels set by Paris Agreement (which aims to curb global temperature rise to well-below 2°C above pre-industrial levels and pursuing effort to limit warming to 1.5°C) is required.

As a strategy based on the TCFD recommendations, MEL has formulated roadmap for reducing GHG emissions. While clearly stating its goal of net-zero GHG emissions by FY2050 in this roadmap, MEL established new KPI as set forth below to achieve science-based emission reductions and this KPI has been certified for SBT (Near-Term Targets) in March 2023.

Scope of coverage	Base year	Target year	GHG emission reduction targets
Scope1+2	FY 2021	FY 2030	42% reduction



For more details, please refer to: [Environmental Performance](#) 

Participation in UNGC

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

First proposed in 1999 by the then United Nations Secretary-General Kofi Annan, participants currently number more than 13,000 organizations and companies based in 160 countries (as of July 2018). It engages in activities based on ten universally-accepted principles in the four areas of human rights, labor, environment, and anti-corruption.

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



Participation in JCI

The Japan Climate Initiative (JCI) is a network committed to strengthening communication and exchange of strategies and solutions among non-state actors such as Japanese domestic companies, local governments, and NGOs that are actively working to address climate change.

The JCI pledges to voluntarily accelerate energy efficiency and use of renewable energy toward the realization of the decarbonized society envisioned by the Paris Agreement, and to strengthen efforts to contribute to the realization of net-zero carbon emissions by 2050.

MJIA joined the JCI in September 2022 in support of this proactive approach to the realization of a decarbonized society.



Environmental Assessment and Certifications

GRESB Real Estate Assessment

GRESB assesses the sustainability performance of real assets across the globe. The assessment was established in 2009 primarily by major European pension funds which took the lead in Principles for Responsible Investment (PRI). The GRESB Real Estate Assessment is distinguished by its comprehensive evaluation of initiatives for sustainability of property companies, REITs and real estate funds. MEL has been awarded the prestigious “5 Stars” for the fourth consecutive year and “Green Star” for the fifth consecutive year by the 2023 GRESB.

October 3, 2023 [Notice concerning GRESB Real Estate Assessment Results](#) 



GRESB Public Disclosure

MEL also received the highest “A Level” for the GRESB Public Disclosure for the fourth consecutive year, which assess the width of our ESG disclosure.



MSCI ESG Ratings (A)

MEL has received A in its MSCI ESG rating.

MSCI
ESG RATINGS



CCC	B	BB	BBB	A	AA	AAA
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EcoAction 21

The EcoAction 21 Certification/Registration Program is the certification and registration system by a third party for business operators promoting environmental management based on "EcoAction 21 Guidelines" formulated by Japan's Ministry of the Environment as part of its Environmental Management System.



<Scope of Certification and Registration>

Investment and management of real estate, etc.
and Real Estate Trust Beneficiary Interest

MUFG ESG Rating Certificate for J-REIT supported by JCR

Mitsubishi UFJ Research and Consulting Co., Ltd. promotes strategic efforts on ESG (Environment, Society, Governance) to improve corporate value in response to the growing demand from external stakeholders regarding active disclosure of ESG related information. Under the support of Japan Credit Rating Agency, one of Japan's leading rating companies and expert in credit risk analysis, the certificate was produced and is dedicated to J-REIT that evaluates efforts against ESG. MEL undertook the "ESG Loan for J-REIT" from MUFG Bank, Ltd.

MEL received the ESG rating as the first J-REIT company in November 2018, and the highest rank of "S" from reacquisition following the renewal of the rating in September 2021.

For detailed information, please refer to Mitsubishi UFJ Research and Consulting Co., Ltd.:

(Japanese only)

<https://www.murc.jp/sp/1810/j-reit/index.html> 



Funding to Promote SDGs from Sumitomo Mitsui Banking Corporation

The Funding to Promote SDGs to be procured from Sumitomo Mitsui Banking Corporation, which is the first J-REIT deal, will be executed on the basis of an evaluation of a company's current efforts in relation to the SDGs based on the proprietary evaluation criteria developed by Sumitomo Mitsui Banking Corporation and The Japan Research Institute, Limited.

We have received a report containing analytical advice from The Japan Research Institute, Limited., and will utilize for future SDGs initiatives. MEL was highly evaluated (as of September 2020) regarding contributions to local communities through promoting energy conservation and the use of renewable energy at owned properties, and improve quality in logistic facilities and maintain logistics networks through collaboration with tenants and stakeholders.



Green Building Certifications

《Target (KPI) 》

Green Building Certificated portfolio up to 100% by FY2030.

Total of Green Building Certification

As of September 29, 2023

	Number of Properties (Note)		Total Floor Area (㎡)	Ratio (%)
CASBEE	S	16	1,295,517	-
	A	3	59,360	
	Total	19	1,354,877	88.3
BELS	★★★★★	16	934,685	-
	(ZEB)	<1>		
	(ZEB Ready)	<5>		
	★★★★	2	213,132	
	★★	1	145,809	
	Total	19	1,293,626	84.3
Total		22	1,404,316	91.5

(Note) When one property has obtained multiple environmental certifications and evaluations, it is counted as one property.

CASBEE

CASBEE(Comprehensive Assessment System for Built Environmental Efficiency) is a method for evaluating and rating the environmental performance of buildings and the built environment. This system comprehensively assesses the environmental performance of buildings, including consideration for landscapes, in addition to the environmental impact reduction aspects of energy and resource conservation and recyclability. Evaluation results are displayed in five levels (rank S to rank C).

For more information about CASBEE

<http://www.ibec.or.jp/CASBEE/certification/certification.html>



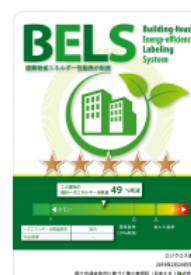
BELS

The Ministry of Land, Infrastructure, Transport and Tourism has established the Evaluation Guidelines for Indicating Energy Conservation Performance of Non-Housing Buildings (2013) in order to further improve the energy conservation performance of non-residential buildings and to contribute to the provision of appropriate information in the real estate market, etc. Based on these guidelines, BELS evaluates and labels the energy conservation performance of non-residential buildings and uses an evaluation method that conforms to the revised Energy Conservation Standards (fully enforced on April 1, 2014).

Independent of new and existing buildings, third-party organizations evaluate energy conservation performance on the basis of various measures, and the assessment is displayed in five stars (★★★★★ to ★).

For more information about BELS

<https://www.hyoukakyokai.or.jp/bels/info.html>



Assessment Results

Property Name	CASBEE	BELS
Logicross Fukuoka Hisayama	S Rank for Real Estate	
Logicross Atsugi	S Rank for Real Estate	★★★★★
Logicross Kobe Sanda	A Rank for Real Estate	★★★★★
Logicross Osaka	S Rank for Real Estate	★★★★★
Logicross Nagoya Kasadera	S Rank for Real Estate	★★★★★
Logicross Narashino	S Rank for Real Estate	★★★★★
Logicross Atsugi II	S Rank for Real Estate	★★★★★ (ZEB Ready)
Logicross Yokohama Kohoku	A Rank for Real Estate	

Property Name	CASBEE	BELS
LOGIPORT Sagamihara	S Rank for Real Estate	★★★★★
LOGIPORT Hashimoto	S Rank for Real Estate	★★
LOGIPORT Osaka Taisho	S Rank for Real Estate	★★★★★ (ZEB Ready)
LOGIPORT Kawasaki Bay	S Rank for Real Estate	★★★★★ (ZEB)
LOGiSTA・Logicross Ibaraki Saito (A)	S Rank for Real Estate	★★★★★
LOGiSTA・Logicross Ibaraki Saito (B)	S Rank for Real Estate	★★★★★ (ZEB Ready)
MJ Logipark Kazo 1		★★★★★
MJ Logipark Osaka 1	S Rank for Real Estate	★★★★★ (ZEB Ready)
MJ Logipark Fukuoka 1	S Rank for Real Estate	★★★★★ (ZEB Ready)
MJ Logipark Kasugai 1	S Rank for Real Estate	
MJ Logipark Inzai 1		★★★★★
MJ Logipark Takatsuki 1		★★★★★
MJ Logipark Funabashi 2	S Rank for Real Estate	★★★★★
MJ Logipark Kakogawa 1	A Rank for New Construction	★★★★★
<Number of properties>	19	19
<Total Floor Area (㎡)>	1,354,877	1,293,626
<Ratio (%)>	88.3	84.3

Environmental Performance

Basic Policy

The Mitsubishi Estate Group has established an environmental management system and strives to protect the environment by promoting environmental initiatives and reducing environmental impact, while also complying with environmental laws and regulations. The Mitsubishi Estate Group also proposes cutting-edge environmental initiatives to ensure that its business activities play a leading role in the development of sustainable communities.

MEL strives to invest in environmentally friendly logistics facilities, and will continue to focus on maximizing the energy efficiency of our properties and is committed to minimizing environmental impact through various sustainable features and initiatives.

In addition, our sponsor, Mitsubishi Estate Inc., announced “Sustainable Development Goals 2030” in January 2020. We will continue to take on initiatives to realize a sustainable society as a Mitsubishi Estate group.

Environmental Performance Data

15% reduction by FY2030 (FY2017 standard)

Energy Consumption	Total energy consumption (MWh)	Breakdown (MWh)		Data coverage (GFA basis) (Note 1)	Energy consumption intensity (kWh/m2) (Note 2)	Percentage Change (intensity)
		Gas/fuel consumption	Electricity consumption			
FY2017	27,920	1,625	26,294	100%	50.20	-
FY2018	30,601	1,629	28,972	100%	54.95	9.5%
FY2019	33,314	1,793	31,521	100%	46.78	▲6.8%
FY2020	39,146	2,504	36,642	100%	45.30	▲9.7%
FY2021	42,172	2,613	39,559	100%	38.49	▲23.3%
FY2022	52,716	2,790	49,926	100%	37.95	▲24.4%

30% reduction by FY2030 (FY2017 standard)

GHG emissions	GHG emissions (t-CO2) (Note 3)	Breakdown (t-CO2)			Data coverage (Floor area basis) (Note 1)	GHG emission intensity (t-CO2/m2) (Note 2)	Percentage Change (intensity)
		Scope1	Scope2 (Location-based method)	Scope3 (Category#13)			
FY2017	13,754	0.0	9,319.7	4,434.3	100%	0.025	-
FY2018	14,662	0.0	9,608.0	5,053.8	100%	0.026	6.5%

GHG emissions	GHG emissions (t-CO2) (Note 3)	Breakdown (t-CO2)			Data coverage (Floor area basis) (Note 1)	GHG emission intensity (t-CO2/m2) (Note 2)	Percentage Change (intensity)
		Scope1	Scope2 (Location-based method)	Scope3 (Category#13)			
FY2019	14,885	0.1	5,763.3	9,121.3	100%	0.021	▲15.3%
FY2020	16,755	0.3	6,811.4	9,943.6	100%	0.019	▲21.3%
FY2021	20,619	0.4	7,011.0	10,586.9	100%	0.016	▲34.7%
FY2022	22,219	0.3	2,849.0	19,369.5	100%	0.016	▲35.2%

※ We are only accounting for Scope 2 emissions for which MEL has management authority from FY2022.

42% reduction of GHG emissions (Scope 1 + 2) by FY2030 (FY2021 standard) ※SBT certified

	Scope1 (t-CO2)	Scope2 (Market-based method) (t-CO2) (Note)	Scope1+2 (t-CO2)	Percentage Change
FY2021	0.4	938.8	939.2	-
FY2022	0.3	860.2	860.5	▲8.4%

(Note) Scope 2 (Market-based method) is calculated considering co-ownership.

Do not increase by FY2030 (FY2017 standard)

Water Consumption	Water supply usage (m3)	Data coverage (GFA basis)(Note 1)	Water consumption intensity (m3/m2) (Note 2)	Percentage Change
FY2017	63,255	100%	0.114	-
FY2018	70,833	100%	0.127	11.9%
FY2019	73,839	100%	0.103	▲9.8%
FY2020	80,550	100%	0.092	▲18.9%
FY2021	84,855	100%	0.082	▲27.6%
FY2022	110,410	100%	0.078	▲31.4%

70% or more by FY2030

Waste Management	Waste discharge weight (t)	Data coverage (Floor area basis) (Note 1)	Data coverage (GFA basis) (Note 1)
FY2017	1,202	82.5%	54.9%
FY2018	1,624	87.9%	73.3%
FY2019	1,700	93.6%	66.6%

Waste Management	Waste discharge weight (t)	Data coverage (Floor area basis) (Note 1)	Data coverage (GFA basis) (Note 1)
FY2020	1,867	86.7%	63.4%
FY2021	3,939	90.6%	62.3%
FY2022	4,802	79.1%	70.2%

(Note 1) Numerator: Total floor area (m2) of properties for which data for the current year are identified. Denominator: Total portfolio floor area for the current fiscal year

(Note 2) The basic unit is a value calculated by considering the utilization rate, with the numerator for each consumption, etc., and the total portfolio floor area for each fiscal year as the denominator.

(Note 3) Emissions from the tenant-management portion are accounted for in Scope3 based on the owners/tenants' control authority. In addition, Scope of the same property may differ from year to year depending on the status of acquiring the data.

Solar Power Generation	Annual power generation (Kwh) (Note)
FY2018	7,017,147
FY2019	6,710,582
FY2020	11,432,928
FY2021	14,311,834
FY2022	12,005,844

(Note) Renewable energy generated by the portfolio properties is sold externally with some exceptions. The figures for co-ownership properties are based on 100%. The amount of solar power generation is based on the properties for which the requisite data and periods are available.

Some data that is the basis of the above table "Environment-related data" is subject to limited guarantee by a third-party organization (Japan Environmental Certification Organization). Please refer to the following third party warranty report for details.

※Greenhouse Gas Emissions Independent Verification Report [\[PDF\]](#)

※Environmental Performance Data Independent Verification Report [\[PDF\]](#)

Climate Change Initiatives

Policy on Climate Change

MJIA recognizes that climate change is an important (material) issue that brings about drastic changes to natural environment and social structure and has a significant impact on our operations as well as business overall. In order to respond to these issues, in October 2021, MJIA established “the Policy on Climate Change Initiatives” as a policy for addressing risks and opportunities related to climate change and initiatives related to business and strategy resilience to climate-related issues.

Awareness of Climate Change

The Paris Agreement, adopted in 2015, is an international treaty aimed at keeping global average temperatures below 2°C (effort goal 1.5°C) before the Industrial Revolution and reducing greenhouse gas emissions (hereinafter referred to as “GHG emissions”) to zero by the latter half of the 21st century. There are 197 member countries worldwide. Efforts and regulations to reduce GHG emissions are already being strengthened in many countries, regions and industries to achieve this target, and the possibility of further tightening GHG emission regulations is being discussed.

Also, according to IPCC Report (Note), climate change (global warming) has actually progressed since the latter half of the 20th century, and this has already begun to lead to frequent heat waves and increased natural disasters such as extreme heavy rains. MEL recognizes that addressing climate change is the most important issue in materiality and regards it as a material issue that closely affects its business.

(Note) IPCC 1.5 Special Report...Report published in 2018 by the United Nations Intergovernmental Panel on Climate Change (IPCC)

Support for TCFD Recommendations

TCFD (Task Force on Climate-Related Financial Disclosures) was established by the Financial Stability Board (FSB) to consider how to disclose climate-related information and respond to financial institutions.

In its final report in June 2017, TCFD published recommendations to identify and recommend public disclosures about the financial consequences of climate change for companies and other entities.

In December 2021, MJIA announced its support for the TCFD recommendations and joined the TCFD Consortium, an organization of domestic companies that support TCFD recommendation.

MEL also recognizes that the risks and opportunities related to climate change have an impact on its business, and will respond to these risks and further promote the disclosure of information.

The TCFD published its final report in June 2017, and recommend that companies and others disclose the following items related to climate change-related risks and opportunities.

(Disclosure Items Recommended by TCFD)

Disclosure Item	Disclosure Details
Governance	Organizational governance relating to climate-related risks and opportunities

Disclosure Item	Disclosure Details
Strategy	Actual and potential impacts from climate-related risks and opportunities on the organization's businesses, strategies, and financial planning
Risk management	The organization's climate-related risk identification, assessment, and management processes
Metrics and Targets	Metrics and targets used to assess and manage climate-related risks and opportunities



Governance

MJIA's Sustainability Committee discusses and decides on climate-related strategies, identification of risks and opportunities, setting of indicators and targets, and measures to them, and reports to the Board of Directors. Please refer to the "[Organization Chart for Promoting Sustainability](#)" page for the system for promoting sustainability (including responses to climate change; the same hereafter) at MJIA.

Strategy

1.Scenario analysis

MEL conducted multiple scenario analyses to identify the risks and opportunities posed by climate change risks to MEL and to examine their impact on its business.

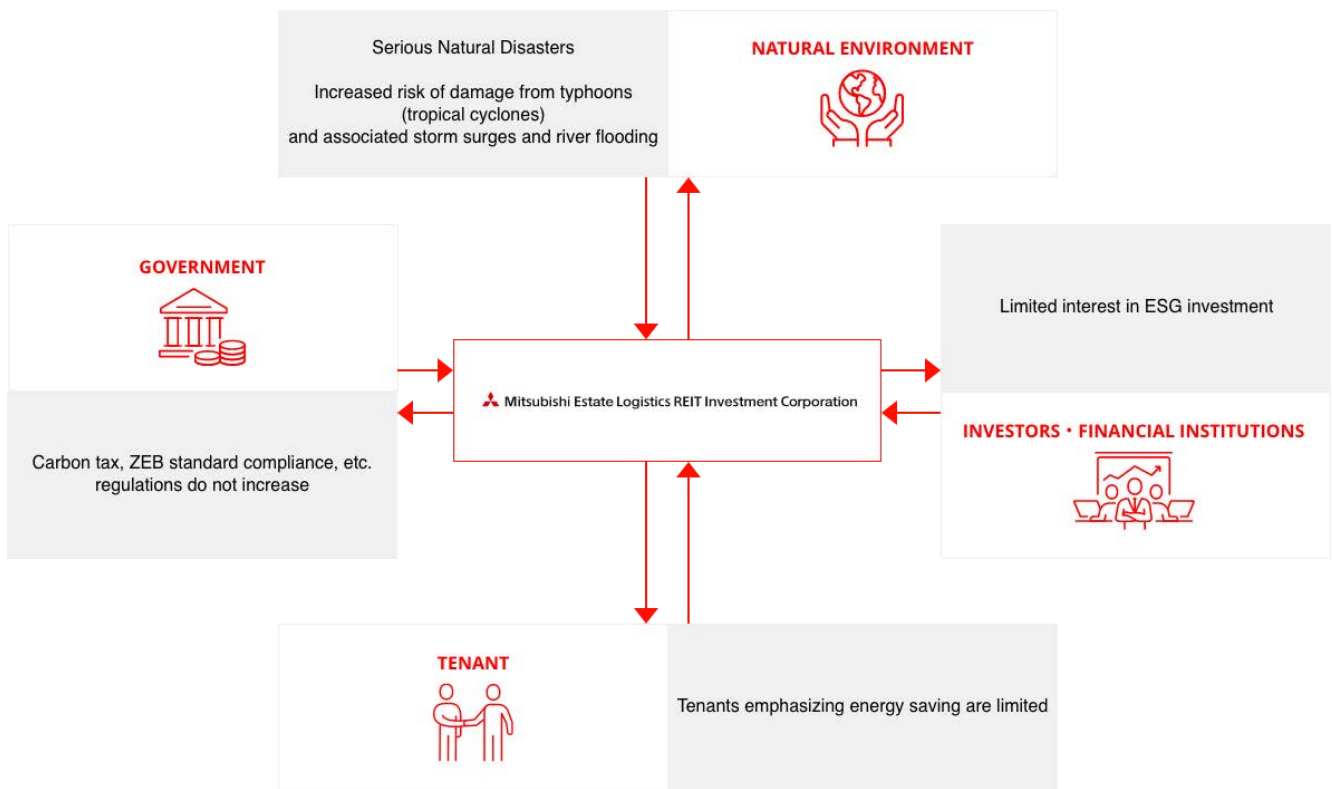
<Assumptions for Scenario Analysis>

MEL conducted scenario analysis using future climate projections published by international organizations as the main source of information. The table below shows the main sources of information referred to by MEL. Climate change risks can also be broadly categorized into "transition risk" and "physical risk," and the relationship between them is considered not to be completely independent but interdependent or trade-off.

Climate Change Risks		Main Information Sources Referenced
Transition risk	Risks arising from new regulations, tax systems, technologies, etc. to realize a decarbonized society	IEA (International Energy Agency) World Energy Outlook 2020
Physical risk	Risks rising by climate change itself, such as changes in weather	IPCC (Intergovernmental Panel on Climate Change) Fifth Assessment Report (AR5)

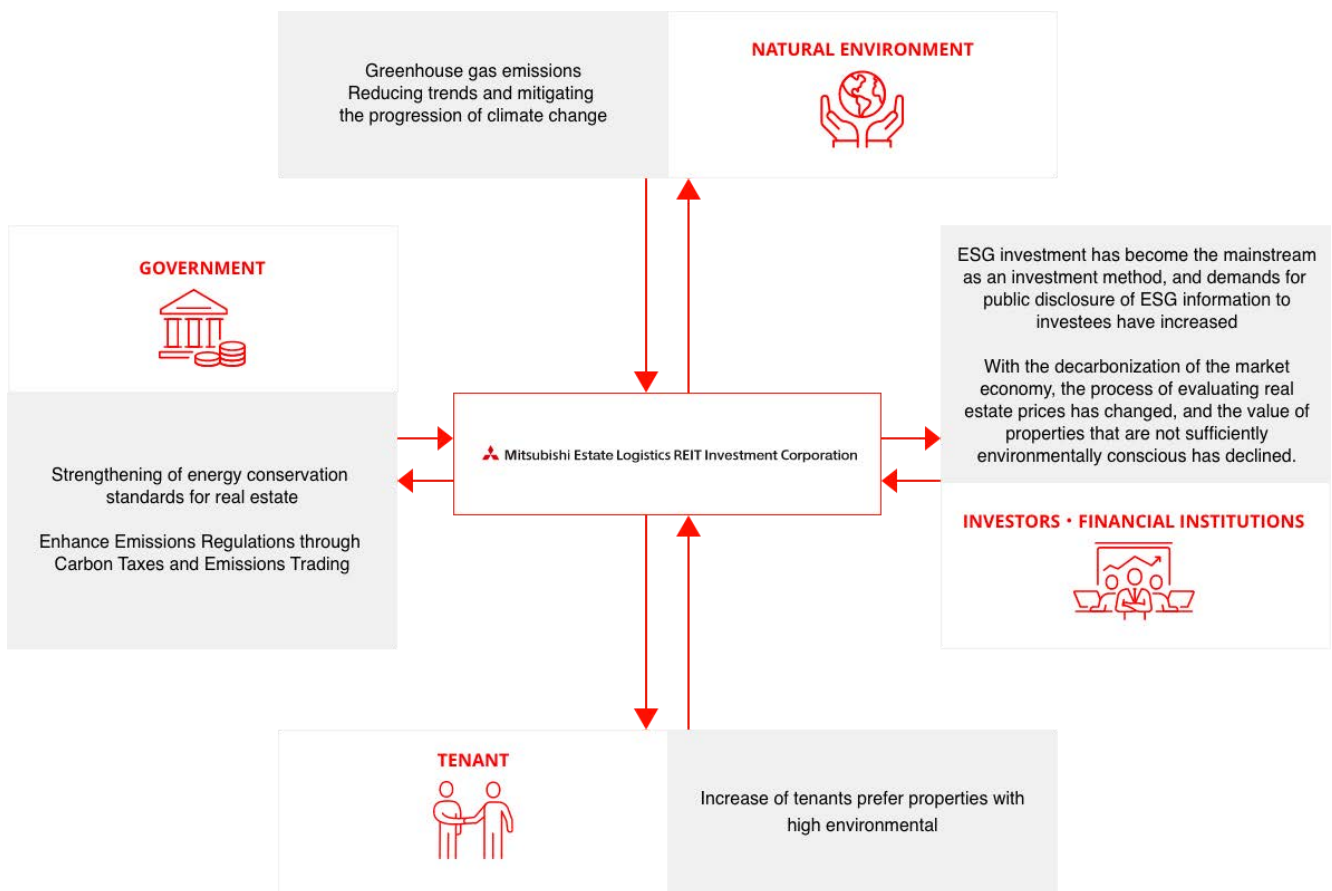
【4°C Scenario】

The 4°C Scenario assumes that natural disasters will become severe and physical risks will be extremely high due to the lack of progress in global decarbonization efforts, although the risk of transition will be relatively small due to the lack of progress in strengthening legal regulations.



【1.5°C Scenario】

1.5°C Scenario is based on the assumption that emissions of greenhouse gases will tend to be reduced by implementing strict regulations and taxation systems to realize a decarbonizing society. Physical risks are low, and transition risks are high.



2. Identification of Climate Change Risks and Opportunities and Verification of Financial Impacts

Category		Relations	Type	Financial impacts	Scope of Financial Impact Amount			
					1.5°C		4°C	
					Medium term	Long term	Medium term	Long term
Transition risk	Policies and Laws	Enhance Taxation through the Introduction of a Carbon Taxes	Risk	Increased tax burden on portfolio GHG emissions	Large	Large	Small	Small
		Enhance energy-saving standards in real estate	Risk	Increased burden of portfolio renovation costs	Large	Large	Small	Small
		Strict obligation to report emissions	Risk	Increased business expenses to reporting	Small	Small	Small	Small
	Technology	Evolution and dissemination of re-energy and energy-saving technologies	Risk	Increased cost of introducing new technology	Large	Large	Small	Small
		Cost reduction through energy conservation and renewable energy	Opportunity	Reduction of utility costs sourced externally	Small	Small	Small	Small
	Markets	Deterioration of procurement conditions for market participants not responding to climate change	Risk	Increase in funding costs, difficulty in financing and decrease in investment unit price	Large	Large	Small	Small
		Increasing demand of green buildings from tenants	Risk	Decrease in rent income due to difficulty in developing new tenants and reduced retention	Large	Large	Small	Small

Category		Relations	Type	Financial impacts	Scope of Financial Impact Amount			
					1.5°C		4°C	
					Medium term	Long term	Medium term	Long term
Transition risk	Markets	Develop new tenants by expanding the provision of green building	Opportunity	Income increase and occupancy rate improvement by developing tenants	Large	Large	Small	Small
		Develop and enlightenment of new investors	Opportunity	Utilization of green bonds. Increasing volume and lowering funding costs by responding to ESG-focused investors	Large	Large	Small	Small
	Reputation	Devaluing a brand due to underdeveloped green building	Risk	Decrease in rent premiums due to brand strength Rising cost of funds	Large	Large	Small	Small
Physical risk	Acute	Increased typhoons, torrential rains and floods	Risk	Increase in repair costs and insurance premiums Decline in portfolio occupancy	Small	Small	Large	Large
		Building a portfolio with high resilience performance	Opportunity	Reduction of repair costs and insurance premiums Improve portfolio utilization rate	Small	Large	Large	Large

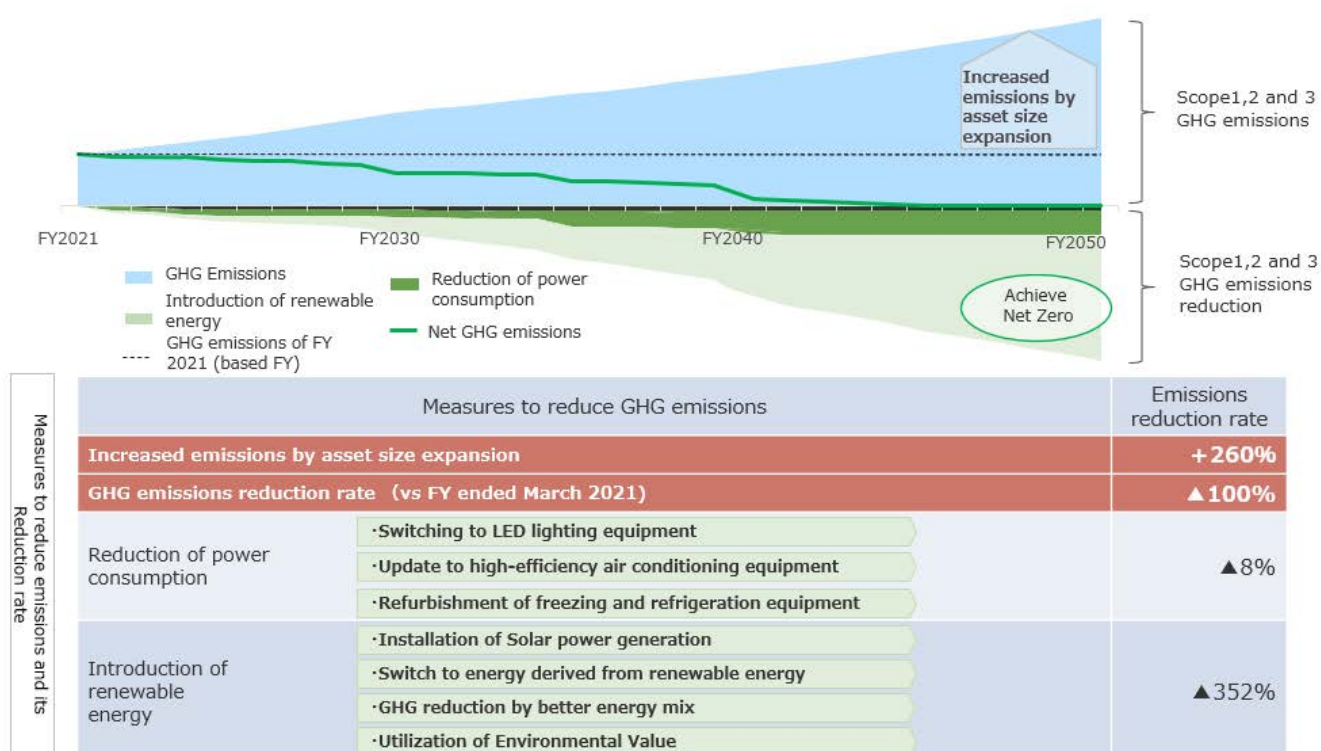
Category		Relations	Type	Financial impacts	Scope of Financial Impact Amount			
					1.5°C		4°C	
					Medium term	Long term	Medium term	Long term
Physical risk	Chronic	Inundation of properties with low altitude due to sea level rise	Risk	Decreased utilization of portfolios that requiring major renovations	Small	Small	Small	Large
		Increased demand for air conditioning due to extreme weather conditions	Risk	New installation of air conditioning equipment and increase in operating time and repair costs	Small	Small	Large	Large

(Note) Medium term: As of 2030, Long term: As of 2050.

Transition Plan (Roadmap for Reducing GHG Emissions :Scope1,2 and 3)

MEL has formulated roadmap for reducing GHG emissions and established new KPIs.

Going forward, MEL have set a goal of "achieving net zero GHG emissions for the entire value chain by FY2050," and will steadily implement each measure to achieve this goal.



Investment Corporation's Measures to Climate Change Risks

MEL is promoting a variety of measures and specific actions to address the "transition risks" and "physical risks" of climate change, including green projects to reduce GHG emissions and improve energy efficiency, and the acquisition of green building certification. Specific initiatives are as follows.

<Planned purchase of non-fossil certificates>

MEL has advocated the use of environmental value as part of reduction measures through the promotion of renewable energy, and since FY2021, MEL has been purchasing non-fossil certificates for a part of its portfolio in order to introduce renewable energy. We will systematically purchase non-fossil certificates and reduce GHG emissions.

<Contribution to the environment in the real estate under management>

<https://mel-reit.co.jp/en/esg/environment/contributions.html>

<Collaboration with tenants and stakeholders on the environmental front>

<https://mel-reit.co.jp/en/esg/environment/collaboration.html>

Risk Management

The risk management system for sustainability at MJIA is as follows.

At the time of investment decision: When making a new investment in assets under management, the management meeting makes an investment decision based on various surveys on climate change risk in the due diligence process. Specifically, regarding the possibility of flooding of the target property, we are investigating and confirming the inundation level, inundation history, and implementation history of hydraulic engineering work, etc. using various hazard maps. We also check the existence of environmental and energy-saving equipment, including the acquisition of environmental certification, and the status of BCP compliance.

During operation: The Sustainability Committee manages and monitors overall sustainability-related risks, including climate change risks. Specifically, we monitor the environmental performance of our properties and manage the progress of various targets (see "Indicators and Targets" below for details), and consider necessary measures based on these.

Metrics and Targets

MEL recognizes that resolving environmental issues such as climate change is an important management issue in MEL's sustainable business and its business strategy for realizing it. Based on this understanding, MEL is building a low-environmental impact portfolio by investing in low-environmental impact properties and making energy use more efficient and reducing GHG emissions through the implementation of environmental and energy-saving measures in owned properties.

Promotion of Green Property in possession

Target (KPI)

- Raise the ratio of property acquired Green Building Certification to **100%** by 2030.

Improvement of environmental performance

Targets (KPIs)

- Reduce our portfolio GHG emissions (Scope 1, 2) by **42%** by FY2030. (based on FY2021)
- Achieve net zero GHG emissions for the entire value chain by FY2050
- Reduce GHG emissions intensity by **30%** by FY 2030. (based on FY 2017)
- Reduce the energy consumption intensity by **15%** by 2030. (based on FY 2017)

Environmentally Performance Data

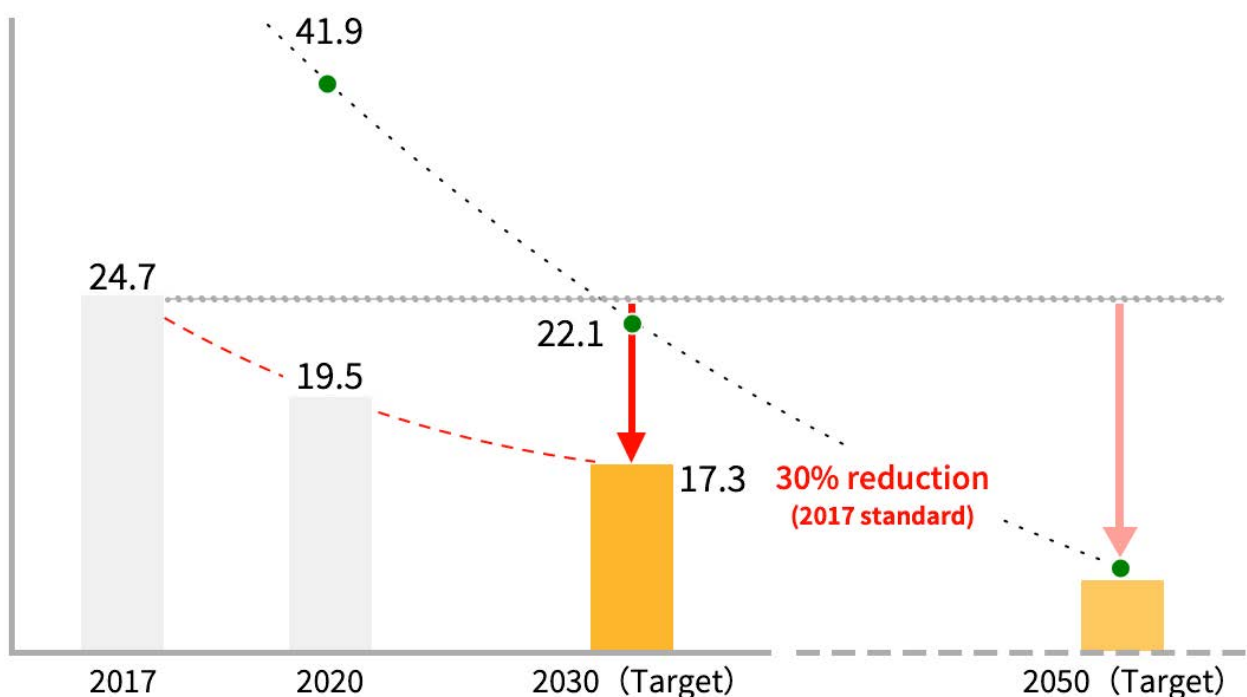
<https://mel-reit.co.jp/en/esg/environment/>

In setting targets for GHG emissions intensity, CRREM(Carbon Risk Real Estate Monitor, a tool for analyzing transitional risks, was used.

The Carbon Risk Real Estate Monitor (CRREM), with the support of the European Union (EU), targets commercial real estate and is a pathway for GHG emissions up to 2050 that meets the 2°C and 1.5°C targets of the Paris Agreement. Decarbonization route) is calculated and published. MEL sets GHG reduction targets by measuring the GHG emission intensity of the portfolio using the CRREM 1.5°C decarbonization route as a benchmark.

GHG emissions intensity
(kg-CO₂/m²)

CRREM1.5°C Pathway (Japan-Logistics)



Water Resources and Waste Reduction, etc

Preserving Water Resources

We are working on reducing water consumption by installing water meters that support automatic meter readings, water-saving toilets and Flushing sound simulators, and by installing smart irrigation facilities.



Rain sensor irrigation device



Water-saving toilet

Promoting Waste Reduction

We are continuously monitoring the amount of waste discharged and working with our tenants to reduce waste with the aim of ensuring proper separation of waste and improvement of the recycling rate. Reuse of OA floor panels used in office buildings in the Marunouchi area was also implemented.



Recycling enlightenment poster



Reuse the OA floor panels
of the Marunouchi office buildings

Contributions to the Environment through Our Portfolio

Renewable Energy Use

Mitsubishi Estate Group is committed to develop environmentally friendly facilities which are key components of its ESG initiatives. As part of its renewable energy program, Mitsubishi Estate plans to install solar panels systems on the rooftops of facilities. In addition, MEL is considering to install solar panels for the properties that has no yet been installed.



Logicross Fukuoka Hisayama



MJ Logipark Sendai 1



Logicross Atsugi



MJ Logipark Tsuchiura 1

Energy Saving Initiatives

MEL conducts "sampling energy saving diagnosis" by BM companies and specialized companies as appropriate to understand the current state of energy saving and to use it in formulating future policies.



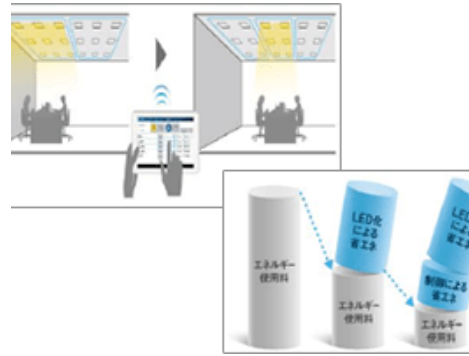
Insulated sandwich panels for exterior wall



Installment of motion detected sensor



Installation of LED lightings



Installation of advanced LED with tablet-controlled and time-controlled dimming systems



Installation of LED lightings with motion detected sensor



Update air-conditioning system

ESG evaluation at the time of property acquisition

Before acquiring a property, MEL evaluates the property by reviewing whether or not green building certification has been obtained in addition to the basic inspections on physical, legal, economic, and other aspects. Furthermore, we conduct onsite inspections of the subject land, as well as third-party engineering reports, soil contamination risk reports, and other environment-related surveys, and make decisions after considering environmental factors such as soil contamination and toxic substances.

Creation of greenery through green spaces, etc.

MEL is promoting measures such as installing public green spaces from the viewpoint of environmental consideration and biodiversity conservation.

Green spaces are public open spaces that mainly have a natural environment and are used for environmental conservation, pollution mitigation, disaster prevention, landscape improvement, and use as green roads.



Public green space
(MJ Logipark Atsugi 1)

Environmental Collaboration Efforts with Tenant • Stakeholders

MEL and MJIA, endeavors to contribute to a sustainable environment by improving the environmental performance of the properties under management. However, we believe that the understanding and cooperation of tenants are also important. We aim to collaborate for a sustainable environmental society in order to promote awareness-raising activities for tenants. MEL has introduced Green Lease contract that allows both building owners and tenants to share merits, and actively promoted sustainability-related initiatives in cooperation with tenants.

Aggressive Introduction of Green Lease

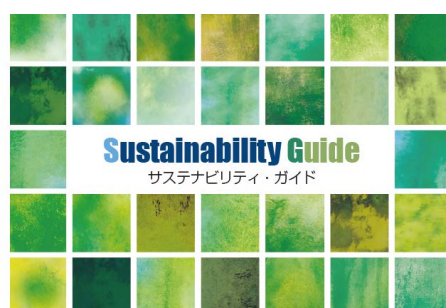
MEL has concluded Green Lease contract between the owner and the tenant and been installing LED lighting in the tenant's exclusive area at the expense of MEL. Under the Green Lease contract, tenants can reduce electricity charges and maintenance costs (tube replacement costs), and MEL receives Green Lease fee as a portion of the cost-savings. Furthermore, to promote energy-saving measures in cooperation with tenants, MEL has introduced Green Lease clauses (environmentally conscious clauses) to the fixed-term building lease contract templates for all properties.

Awareness-Raising Activities for Tenants

In order to take the lead in energy-saving activities, we have prepared building regulation manuals describing the environmental cooperation clause such as waste sorting, recycling recommendations, air conditioning operation standards, idling stopping. In addition, we are implementing awareness-raising activities by distributing posters to common areas on each floor.

Sustainability guides for our Tenants

MJIA prepared and distributed the Tenant Sustainability Guide in 2021 with the aim of promoting sustainability-related initiatives together with tenants.



三菱地所投資顧問株式会社

Cooperation with Property Management Company and Selection Criteria • Evaluation Measures

MEL has established a criteria for the selection of property management companies to which property management is entrusted, and in principle, evaluates all property management companies once a year.

MEL and MJIA are engaging with property management companies to share our vision, policies of sustainability and when making contract with a new tenant, property managers explain these ideas to tenants to achieve their cooperation.

Education to Employees on Sustainability

MJIA provides sustainability training annually by external specialist to improve awareness and knowledge on sustainability for its employees.

Green Finance

Sustainability-Linked Loan

As an initiative to procure funds utilizing ESG assessments, MEL has been procuring funds through Sustainability Linked Loans ("SLL"). Based on the SLL agreement, MEL will be evaluated in every assessment period based on KPI and SPTs (Sustainability Performance Targets) including the targets below that MEL stipulates toward FY 2030, and also will be granted lower loan spread as an incentive according to the achievement status. For SPTs related to each loan, please refer to the "Remarks" of the Sustainability-Linked Loan.

【KPIs】

- GHG emissions
- Green Property ratio
- Energy consumption
- GRESB Real Estate Assessment

For more details, please refer to: [Environmental Performance Data](#)
[Environmental Assessment and Certifications](#)

Sustainability-Linked Loan

Lender	Borrowing Amount	Procurement Date	Repayment Date	Remarks
The Norinchukin Bank	2,000 million yen	Mar. 1, 2022	Mar. 1, 2032	<p>Third-Party Opinion from Japan Credit Rating Agency, Ltd. (JCR) (available only in Japanese)</p> <p>Conclusion of Sustainability Linked Loan Agreement</p> <p>Notice Concerning Debt Financing (including "Green Loan" and "Sustainability-Linked Loan")</p>
The Norinchukin Bank	2,000 million yen	Oct. 25, 2022	Oct. 25, 2031	<p>Conclusion of Sustainability Linked Loan Agreement</p> <p>Notice Concerning Debt Financing</p>
Shinsei Bank	2,000 million yen	Dec. 1, 2022	Dec. 1, 2031	<p>Notice Concerning Debt Financing</p>
Sumitomo Mitsui Banking Corporation	3,000 million yen	Sep. 4, 2023	Sep. 4, 2031	<p>Notice Concerning Debt Financing ("Sustainability-Linked Loan")</p> <p>Sumitomo Mitsui Banking Corporation announces "Sustainability Linked Loan" to MEL (available only in Japanese)</p>

Lender	Borrowing Amount	Procurement Date	Repayment Date	Remarks
The Norinchukin Bank	500 million yen	Sep. 29, 2023	Sep. 29, 2031	Notice Concerning Debt Financing
Nippon Life Insurance Company	1,000 million yen		Sep. 29, 2033	

Green Finance Framework

Use of Proceeds of Green Finance

Net proceeds from the green bonds or green loans will be used to fund the acquisition of specified assets that will meet the eligibility criteria in below (Green Eligible Assets) or refinance borrowings required for acquiring the Green Eligible Assets.

Eligible Criteria

Eligible Criteria are assets or projects that satisfy either of the following requirements.

- **a.The assets for which MEL has obtained or plans to obtain the following third-party certification**
 - ① 5-star, 4-star or 3-star DBJ Green Building Certification
 - ② S rank, A rank or B+ rank in Certification for CASBEE for Real Estate
 - ③ 5-star, 4-star or 3-star BELS Evaluation
- **b.Renewable energy generation facilities associated with buildings (limited to solar power generation facilities on the premises)**
- **c.Equipment designed to reduce environmental impacts (limited to equipment that achieves 30% or higher energy efficiency before introduction)**

Management of Proceeds

If there are unappropriated funds at the time of issuing green bonds or green loans, MEL will disclose an appropriation plan on its website. In addition, if the property for which the proceeds will be used will no longer be a subject of the use of proceeds due to its sale, MEL will disclose this in its press release and its website.

Upper limit of green finance procurement is calculated by total acquisition price of Eligible Green Projects multiple by total asset LTV.

Reporting

MEL will publish the allocation status of the proceeds from green financing on its website once every year. If there are unappropriated funds at the time of issuing green bonds or green loans, MEL will disclose an appropriation plan on its website. In addition, if the property for which the proceeds will be used will no longer be a subject of the use of proceeds due to its sale, MEL will disclose that the unused funds that arise temporarily will be managed by the portfolio management, the balance in its green financing and the maximum amount of green eligible liabilities in its press release.

Further, as long as there remains any outstanding balance in its green financing, MEL will disclose the following benchmarks on its website once every year.

- **Status of Green Building**

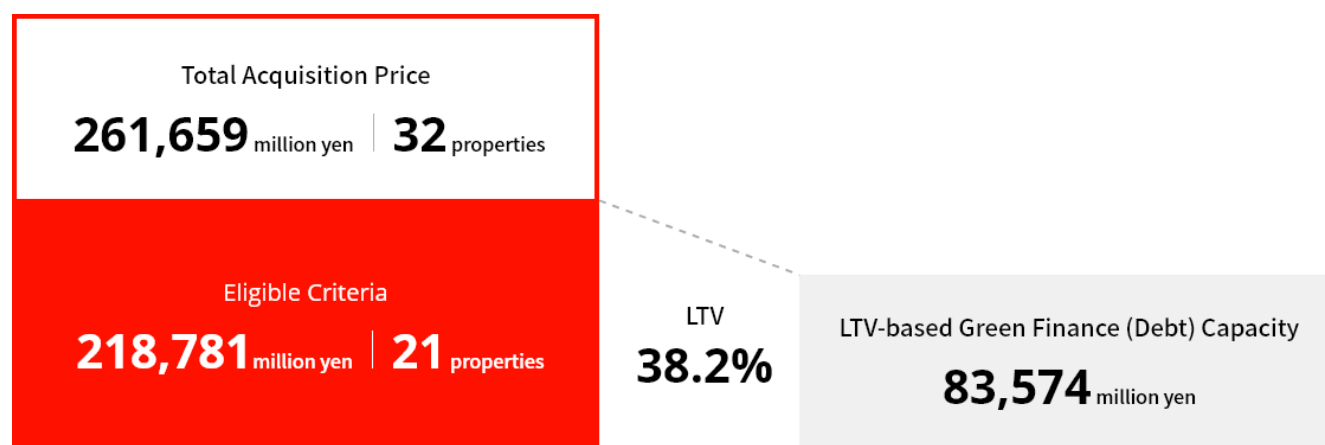
For detailed information : [Green Building Certifications](#)

- **Impact Reporting**

- Water supply usage
- Total energy consumption (Electricity consumption and Gas fuel consumption)
- GHG emissions
- Waste management
- Annual power generation of solar panels
- Details of equipment introduced as equipment aimed at reducing environmental load and energy saving effect

For detailed information : [Environmental Performance Data](#)

Amount of Procured Funds and Allocation (As of August 31, 2023)



(Note) LTV-based Green Finance (Debt) Capacity = Total Acquisition Price of Green Eligible Assets × The Total Asset LTV

	No. of Properties	Amount
Total Properties	32	261,659 million yen
Eligible Criteria (Note)	21	218,781 million yen
CASBEE	18	207,656 million yen
BELS	18	191,520 million yen

(Note) When one property has obtained multiple environmental certifications and evaluations, it is counted as one property.

	Funds	Procurement Date	Repayment Date/ Redemption Date	Allocation	Use of Initial Funds
Green Loan (Sumitomo Mitsui Banking Corporation)	1,350 million yen	Mar. 9, 2021	Mar. 9, 2025	allocated	Acquisition of Logicross Osaka(additional acquisition of 40%) and Logicross Naogya Kasadera(additional acquisition of 40%)

		Funds	Procurement Date	Repayment Date/ Redemption Date	Allocation	Use of Initial Funds
	Green Loan (Mizuho Bank)	720 million yen	Sep. 14, 2021	Sep. 14, 2028	allocated	Aquisition of Logicross Fukuoka Hisayama, LOGIPORT Sagamihara (49% co-ownership interest), LOGIPORT Hashimoto (45% co-ownership interest), and MJ Logipark Kazo 1
	Green Bond	2,000 million yen	Apr. 14, 2021	Apr. 14, 2036	allocated	Acquisition of LOGIPORT Osaka Taisho(20% co-ownership interest), Logicross Osaka(additional acquisition of 40%) and Logicross Naogya Kasadera(additional acquisition of 40%)
	Green Loan (Mizuho Bank)	1,000 million yen	Mar. 1, 2022	Mar. 1, 2031	allocated	Acquisition of Logicross Atsugi II and LOGIPORT Kawasaki Bay (45% co-ownership interest)
	Green Loan (Shinkin Central Bank)	2,000 million yen		Mar. 1, 2032	allocated	
	Green Loan (Shinsei Bank)	1,000 million yen			allocated	
	Green Loan (The Yamaguchi Bank)	1,000 million yen			allocated	
	Green Loan (Sumitomo Mitsui Banking Corporation)	1,000 million yen	Oct. 25, 2022	Oct. 31, 2026	allocated	Acquisition of LOGiSTA・Logicross Ibaraki Saito (A) (45% co-ownership interest) and LOGiSTA・Logicross Ibaraki Saito (B) (45% co-ownership interest)
	Green Loan (Daishi Hokuetsu Bank)	1,000 million yen		Oct. 31, 2027	allocated	
	Green Loan (The Chiba Bank)	2,000 million yen			allocated	
	Green Loan (Mizuho Bank)	1,000 million yen		Oct. 31, 2031	allocated	

		Funds	Procurement Date	Repayment Date/ Redemption Date	Allocation	Use of Initial Funds
	Green Loan (Sumitomo Mitsui Banking Corporation)	2,880 million yen	Dec. 14, 2022	Oct. 25, 2026	allocated	Acquisition of Logicross Fukuoka Hisayama, LOGIPORT Sagamihara (49% co-ownership interest), LOGIPORT Hashimoto (45% co-ownership interest), MJ Logipark Fukuoka 1, MJ Logipark Kazo 1, Logicross Atsugi and Logicross Kobe Sanda
	Green Loan (The Yamaguchi Bank, Ltd.)	1,500 million yen	Mar. 14, 2023	Sep. 1, 2032	allocated	Acquisition of Logicross Yokohama Kohoku, Logicross Ibaraki Saito (A) (45% co-ownership interest), LOGiSTA・Logicross Ibaraki Saito (B)(45% co-ownership interest), MJ Logipark Inzai 1, MJ Logipark Takatsuki 1
	Green Bond	2,500 million yen	Jul. 25, 2023	Jul. 25, 2033	allocated	Acquisition of Logicross Fukuoka Hisayama, LOGIPORT Sagamihara (49% co-ownership interest), LOGIPORT Hashimoto (45% co-ownership interest), MJ Logipark Kazo 1, MJ Logipark Fukuoka 1, LOGIPORT Kawasaki Bay (45% co-ownership interest), Logicross Atsugi II
	Green Loan (Mizuho Bank)	1,330 million yen	Sep. 14, 2023	Sep. 14, 2030	allocated	Acquisition of Logicross Fukuoka Hisayama, LOGIPORT Sagamihara (49% co-ownership interest), LOGIPORT Hashimoto (45% co-ownership interest), MJ Logipark Kazo 1, MJ Logipark Osaka 1, MJ Logipark Fukuoka 1
	Green Loan (The Gunma Bank)	300 million yen	Sep. 29, 2023	Sep. 29, 2028	allocated	Acquisition of MJ Logipark Kakogawa 1
	Green Loan (Daishi Hokuetsu Bank)	300 million yen			allocated	
	Green Loan (Shinkin Central Bank)	500 million yen		Sep. 29, 2032	allocated	

	Funds	Procurement Date	Repayment Date/ Redemption Date	Allocation	Use of Initial Funds
Total Green Finance (Debt)	23,380 million yen				
LTV-based Green Finance (Debt) Capacity (As of August 31, 2023)	83,574 million yen				

Evaluation by Third-Party Entities

MEL has obtained a Green 1(F) (highest for JCR Green Bond Evaluation) rating in preliminary evaluation for the competence of its Green Finance Framework from Japan Credit Rating Agency, Ltd. (JCR). Please refer to JCR's website.

For detailed information : [JCR Green Finance Framework Assessment](#) 

Green Equity Framework

Use of Proceeds of Green Equity

Net proceeds from Green Equity Offering will be used to fund the acquisition of specified assets that will meet the eligibility criteria in below (Green Eligible Assets) or refinance borrowings required for acquiring the Green Eligible Assets.

Eligibility Criteria

Eligible Criteria are assets or projects that satisfy one of the following requirements.

- **a.Properties that obtained or renewed, or to be acquired in the future with one of the certifications from a third-party certifier listed in (1) to (3) below.**
 - (1) DBJ Green Building Certification: 5, 4 or 3 stars
 - (2) CASBEE Certification: S, A or B+
 - (3) BELS Evaluation: 5, 4 or 3 stars
- **b.Renewable energy generation facilities associated with buildings (limited to solar power generation facilities on the premises)**
- **c.Equipment designed to reduce environmental impacts (limited to equipment that achieves 30% or higher energy efficiency before introduction)**

Management of Proceeds

Net proceeds from the Green Equity Offering will be used to the acquisition of new or existing properties or to refinance immediately after the execution of that. The proceeds from the Green Equity Offering are managed in cash or cash equivalents until the fully allocated to the eligible green projects.

Reporting

MEL will disclose the allocation plans with respect to the appropriation of proceeds from the Green Equity Offering, if any, that is not yet allocated at the time of issuance of the investment units. In addition, regarding the status of allocation of proceeds and the following impact reporting, the amount to be appropriated and the detail of subjected property to be appropriated shall be disclosed promptly. Disclosure of the allocation status shall be completed upon the allocation of the proceeds are completed.

<Status of Green Building>

- Number, Type, and Rank of environmental certifications of the assets

For detailed information : [Green Building Certifications](#)

<Environmental Benefit>

*Disclose on a portfolio basis considering confidential information of MEL.

- Water usage
- Total energy consumption (electricity consumption and gas/fuel consumption)
- GHG emissions
- Waste discharge weight
- Solar power electricity generation
- Details of equipment and facilities installed to reduce environmental impacts and energy efficiency(saving) benefits.

For detailed information : [Environmental Performance Data](#)

Amount of Procured Funds and Allocation

	Funds	Payment Date	Date of Allocation	Allocation	Use of Initial Funds
5th Follow-on Offering	22,042 million yen	Mar. 1, 2022	Mar. 1, 2022	allocated	Acquisition of Logicross Atsugi II and LOGIPORT Kawasaki Bay (45% co-ownership interest)

Evaluation by Third-Party Entities

MEL formulated “Green Equity Framework” with reference to the four elements indicated by the Green Bond Principles stipulated by the International Capital Market Association (ICMA) and the Green Bond Guidelines by the Ministry of the Environment. MEL has obtained a second-party opinion for the eligibility of the “Green Equity Framework” from DNV GL, a third-party ESG evaluation agency.

For detailed information : [DNV SECOND-PARTY OPINION](#) 

<Disclaimer>

Our Green Equity Framework and DNV’s second opinion related thereto are available here, consistent with our past disclosure practice with respect to our financings. These documents do not constitute an offer or sale of our securities in Japan, the United States or any other jurisdiction. Neither we nor Mitsubishi Jisho Investment Advisors, Inc., our asset manager, are experts in green equity assessment, nor do we have the ability to assess or independently verify the assessment provided to us by DNV. The information contained in the Green Equity Framework or DNV’s second opinion should not be relied upon in making an investment decision with respect to any of our securities.

Initiatives to Tenant

Improve Tenant Satisfaction

MEL has identified “improve tenant satisfaction” as a material topic. We strive to create an environment that our tenants can use comfortably and with peace of mind.



Restaurants and Lounge



Convenience store



Shower room



Shuttle bus

Tenant Satisfaction Survey

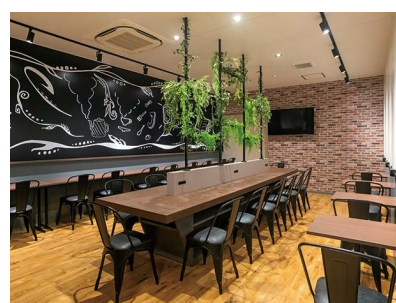
MEL regularly conducts tenant satisfaction surveys in "face-to-face (interview)" and "questionnaire" formats, and reflects the results in facility operations, services, renovation work, etc., in an effort to improve tenant satisfaction. Most recently, in order to obtain more detailed and objective opinions, we commissioned a third-party research company to conduct a tenant satisfaction survey in the form of a questionnaire in 2021.

(Example)

In 2019, prior to the renovation of the lounge at MJ Logipark Fukuoka 1, hearings were held with tenant employees. Based on the results, we installed free Wi-Fi, rechargeable outlets, large TVs, microwave ovens, and adopted layouts that facilitate individual use. In addition, we held competition for the wall design in cooperation with local universities and technical colleges, and decided on a design proposal.



Before Renovation



After Renovation

(Example)

In 2019, MJ Logipark Kasugai 1 conducted a satisfaction survey (face-to-face interview) targeting tenant companies. Based on the results, we implemented the installation of handdriers in toilets.



(Example)

We reviewed our electricity suppliers for multiple properties, reduced electricity cost for tenants, and improved tenant satisfaction.

(Example)

In 2021, based on the results of the survey, Logicross Nagoya Kasadera installed a thermo-camera and AED.



Furthermore, digital signage (for advertising) and AI cameras (a system to check smoking room usage) were installed in five smoking rooms in 2022.



(Example)

In 2022, based on the results of the survey, MJ Logipark Fukuoka 1 carried out the release of hawks by falconers in response to bird damage.



Initiatives for the Safety of Tenants

MEL has been proactively implementing measures for the safety of tenants. In addition, emergency reporting system has been implemented in all properties owned by MEL.



Conduct fire drills



24-hour security



Installation of a disaster-relief vending machine



Automated external defibrillators (AEDs)



Installation of disaster prevention cabinet



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

BCP Initiatives



Installment of private power generators



Seismic isolators

Investor Relations Initiatives

MEL launched its ESG website in January 2022 and has been actively disclosing ESG information by continuously publishing Sustainability Reports. Furthermore, the opinions and requests obtained through the IR meetings are reported to the Sustainability Committee of MJIA and the Board of Directors of MEL.

Completed IR Activities (including online meetings and telephone/web conferences)
(April 2022-March 2023)

Results briefings for domestic institutional investors and analysts	2 times
IR meetings for domestic institutional investors and analysts	184 times
IR meetings for overseas institutional investors (physical)	2 times (North America • Singapore)
IR meetings for overseas institutional investors (telephone/web conferences)	50 times
Results briefings for individual investors	0 times

Contributions to Local Communities

Social Responsibility

The Mitsubishi Estate Group has adopted as its fundamental mission the goal of creating a truly meaningful society by building attractive, environmentally sound communities where people can live, work and relax with contentment. By putting this mission into practice, MEL aim to coexist with local communities by engaging in initiatives that contribute to the health, security, and safety of local communities.

Urban Revitalization (Building Versatility • Expansion of Local Employment)

MEL owns highly versatile facilities, with space that can be converted to meet the needs of diverse tenants. These enable to operate the property stably over the long term, contributing to the promotion of local employment and regional revitalization.

Specifically, these are equipped not only with warehouse section as their main use, but also with office section. As a result, tenants can use it not only as a warehouse, but also as an office for multiple purposes.

Coexistence with Local Communities

MEL has been participating in a range of activities to contribute to local communities and local society. We also foster mutual communication with various stakeholders, including local authorities, local residents, and visitors of our facilities, through such activities.



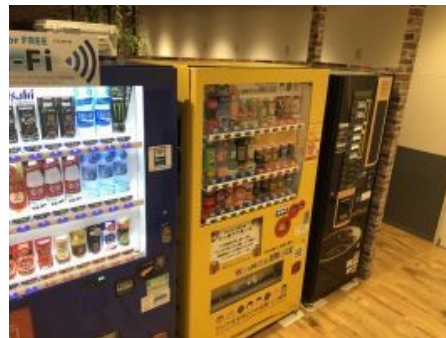
Cleanup volunteer activity after
Atsugi Ayu Firework Festival
(MJ Logipark Atsugi 1)



Cleanup and flower bed maintenance
volunteer activity (Logicross Atsugi)



Distribution of food and drinks to
tenant employees to reduce food waste
(MJ Logipark Fukuoka 1)



Installed charity vending machine
(MJ Logipark Fukuoka 1)



Free salt candy service for tenants
(for all properties held as of 2022)

Cooperation with Local Disaster Prevention

Register for Disaster Cooperation Building
(LOGIPORT Sagamihara, LOGIPORT Hashimoto)



Designation as a Tsunami Evacuation Facility Conclusion of disaster prevention agreements in case of assumed flood damage, etc.

(Logicross Nagoya Kasadera)



Provided as a designated emergency evacuation site in the case of a tsunami disaster or flood
(LOGIPORT Osaka Taisho)



Community Contribution Activities by MJIA

MJIA also conducts various community and social contribution activities and established supporting programs.

①Participation in cleanup activities at office locations

MJIA participates in the "Chiyoda Ward Cleanup Activities" organized by Chiyoda Ward.



Cleaning activities on the Chiyoda Ward General
Cleanup Day
(Marunouchi, Chiyoda-ku)

②Programs to Support Employee Volunteer Activities

MJIA is working to create an environment that makes it easy for employees to volunteer activities, such as by establishing Volunteer Support Programs available to employees.

Volunteer leave	MJIA allows their employees to use accumulated leave (special paid leave) when they perform volunteer activities related to disasters to which the Disaster Relief Act applies.
Volunteer insurance	MJIA provides insurance that compensates for accidents during volunteering (also for family members)
Activity fee subsidy	MJIA partially subsidizes volunteer participation and travel expenses (also for family members)
Subsidy program for volunteer's travel expenses to disaster-affected areas	MJIA partially subsidizes travel expenses for volunteering related to disasters covered under the Disaster Relief Act (also for family members)

③Relief Supplies to the Developing Countries

As a substitute for notebooks, we donated unused calendars to elementary schools in developing countries through support organizations to support children in the future.

We also collect used stamps and provide support to developing countries through the Japan International Volunteer Support Center.

<https://www.ngo-jvc.net/support/goods.html> 

④Donate Masks to Chiyoda Ward Health Center

Under the current circumstances of the shortage of masks at medical institutions, we donated the 1,900 unused surge masks we have stored to the Chiyoda Ward Health Center.

⑤Participation in local contribution activities at group companies

- Ecosystem conservation project in the moat of the Imperial Palace

MJIA participates in "Hori Project" ("Hori PJ") conducted by Mitsubishi Estate to improve the waterside environment and restore and preserve rare water plants originating from the moat in the outer garden of the Imperial Palace.

"Hori PJ" aims to regenerate the ecosystem by building a network of biodiversity connected around the moat, and also to make the city even more attractive.

[Mitsubishi Estate site \(Preserving Biodiversity\)](#) 



Ecosystem conservation project
in the moat of the Imperial Palace

Human Resource Development

Human Resource Development

MJIA believes that the growth of its all employees, including part-time and contract, is necessary for sustainable growth. Therefore, MJIA actively hires not only personnel with a certain level of experience and skills, but also those in their 20s to early 30s who are relatively inexperienced, and promotes comprehensive human resource development through training by multiple levels.

Training hours per employee : 25.1

※Fiscal 2022

Training Programs by Theme

MJIA conduct multiple compliance and risk management training sessions throughout the year for all employees.

Training Program by Job Level

MJIA has a training program for all full-time employees, which can be selected by job level, to develop human resources.

Manager Training

Mitsubishi Estate Group implements management training for not only managers but also future managerial candidates to help them acquire the management skills they need in the future.

Classification	Training Name	Implementation Methods	Remarks
Level-specific Training	New manager training	Mitsubishi Estate Group	—
	Ongoing manager training	Mitsubishi Estate Group	—
Compliance / Risk Management Training	Financial Instruments and Exchange Act Seminar	Invite external teacher	Nishimura & Asahi
	Harassment prevention	In-house	—
	Insider trading prevention	In-house	—
	Revised Act on the Protection of Personal Information	In-house	—
	Seminar on the Whistleblower Protection Act	In-house	—

Classification	Training Name	Implementation Methods	Remarks
Compliance / Risk Management Training	Cyber Security	In-house	—
	Information Asset Management Training	In-house	—
	Internal Control System Training for Financial Instruments Dealers	Invite external teacher	Deloitte Touche Tohmatsu LLC
	Fraud and scandal prevention training	In-house	—
	Market and risk training (real estate investment, rental market, economic environment analysis)	online	—
English Training	Business English training	Online	Bizmates
Others	Sustainability Training	In-house / Invite external teacher	CSR Design Green Investment Advisory Co.,Ltd.
	Business skill training	Held externally	Learning Agency
	PowerPoint skills training	Online	OTSUKA CORPORATION
	The training on Daily Action Guidelines for Implementing MJIA Values	In-house	—

Training cost per employee: 93,397 yen

※The training on "Daily Action Guidelines for Implementing MJIA Values" mentions "Respect for Diversity" in it.

Acceptance of External Human Resources (Utilizing Specialist Skills)

MJIA continually host junior employees (with fewer than ten years' experience) seconded from our sponsor who regularly recruits new graduates. By creating a well-balanced, diverse workforce consisting of both young and experienced professionals, we ensure that our specialized knowledge and skills in real estate asset management are shared and passed on within the company, thereby enhancing the sustainability of the organization as a whole. The staff members including new graduates seconded from our sponsor are eligible for highly specialized training opportunities provided by each person original employer (sponsor) under its position-based, systematic human resources development programs. As some of these programs are also available to our employees; we encourage all of them to take advantage of such educational opportunities.

For more details on our sponsor's training programs, please refer to the following website:

<Mitsubishi Estate>

<https://mec.disclosure.site/e/sustainability/activities/social/human-resource/>

Furthermore, MJIA accepts outstanding human resources with experience and expertise in real estate investment and real estate management from the Group companies. We also accept attorneys and real estate appraisers with high expertise in various legal systems and real estate valuation. We aim to maximize our operational performance by fully utilizing such external human resources.

Acceptance of External Human Resources for FY 2022

- Attorney (2 person)
- Real estate appraisers (1 person)
- MEC Human Resources, Inc. (1 person)
- Mitsubishi Jisho IT Solutions Co., Ltd. (1 person)
- Mitsubishi Estate Co., Ltd. (13 person)

Targets

Number of compliance and risk management training sessions: 4 per year

Employee attendance at compliance and risk management training: 100%

Employee Development & Training

Support Career Enrichment, Qualifications and Licenses

We subsidize, for all full-time employees, the costs required to obtain and maintain professional qualifications that assist employees in improving their real estate asset management practices. Examples of such qualifications include the Association for Real Estate Securitization (ARES) Certified Master, Certified Building Administrator, Real Estate Transaction Specialist, Certified Real Estate Consultant and Real Estate Appraiser.

Number of Employees with Qualifications

Certificate Name	Number of Employee	Certificate Name	Number of Employee
Real Estate Appraiser	10	Real Estate Transaction Specialist	52
Certified Building Administrator	17	Association for Real Estate Securitization Certified Master	75
Certified Real Estate Consultant	2		

※As of April 1, 2023

※Including seconded employees

Promotion of Diversity & Inclusion

Secure Diverse Human Resources

Mitsubishi Estate Group believes that human resources are a very important management asset and recognizes that employee growth is essential to the Group's continued growth. We believe that securing talented personnel is an essential element in achieving high-level management of real estate funds, and we are recruiting a wide range of talented personnel by employing skills as well as potential. In addition, in order to maximize the capabilities of each employee, we have created opportunities to communicate with each employee regarding job satisfaction and confirm career plans so that they can be appropriately assigned.

Female management ratio : 16.7%

※As of April 1, 2023

Employee turnover ratio : 5.9%

※FY2022

Personnel data

Employee Data

	Full-time employee				Part-time employee	Seconded		Temporary employee
	Generalist		Staff			Management		
	Management							
Male	71	71	17	0	2	17	8	0
Female	34	22	3	12	15	2	1	4
Total	105	93	20	12	17	19	9	4

※As of April 1, 2023

Employee Who Newly Joined and Left the Company • Employee Turnover Ratio

	Employee who newly joined the company	Employee who left the company	Employee turnover ratio
FY2022	30	7	5.9%
FY2021	16	7	7.2%
FY2020	12	5	6.0%

※Exclude transfers of seconded employees

| Appropriate Evaluation

MJIA has introduced a "Management by Objective (MBO)" for all employees in order to encourage individuals skills • career development. In the beginning of the year, employees set a specific goal through interviews with the personnel evaluator. Interviews are then conducted to provide employees' their feedbacks on progress and evaluation during the period, and at the end of the period.

Employee Health and Well-being ~Creating Productive and Employee-friendly Workplace~

Improve Work Environment for Productivity

Introduction of Activity-based Working

We have established diverse offices in places where we work, such as group addresses, co-workspace, centralized booths and high desks. We are working to improve productivity by freely choosing the environment based on the work of each time.



An open space that secures ceiling height



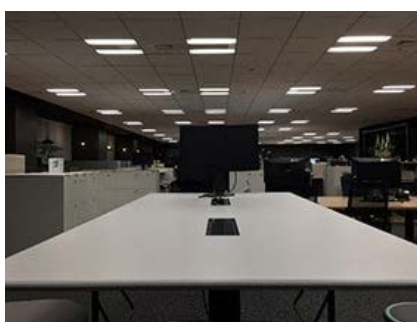
Utilization of natural light (sunlight)



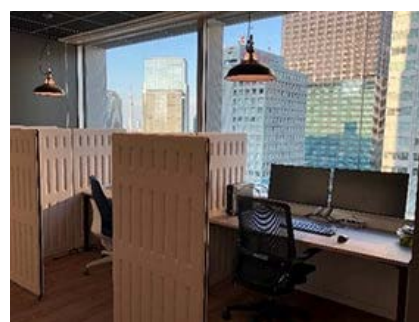
High chairs and desks for employees' health-being



Co-workspace



Co-workspace



Centralized booths



Ensure security with entrance management system



Provide information to employees through electronic bulletin board

Utilization of ICT

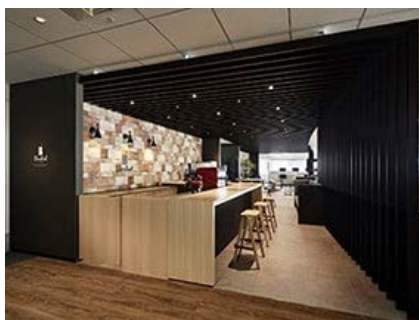
We are working to make paperless and operational efficiency by actively using ICTs, such as mobile PCs, rental of iPhone, and enhancement of WiFi environment.



Initiatives to Promote Internal Communication

Improvement of Community Space in the Office

A coffee shop where barista offers specialized coffee, is set up to induce informal communication with other employees in the same office.



Hold Social Gatherings to Promote Internal Exchanges and Subsidize costs

We subsidize part of the cost of holding social gatherings and other events at the department level to support the development within the team. In addition, in order to promote inter-departmental exchanges, we are implementing a variety of initiatives, including social gathering (an in-house community space holding a social gathering where people can comfortably come by after work) and an internal event support system.

Initiatives to Promote Communication between Employee and the Company

With the aim of understanding employees' thoughts on their career plans and their level of satisfaction with the company, MJIA works hard to encourage active communication between employees and their managers or the Personnel Department, through various forms, on both a regular and ad hoc basis.

Employee Condition Pulse Survey

Once a month, all employees ascertained of the conditions related to work, human relationships, health and conduct timely interviews and reflect them in personnel measures.

Employee Satisfaction Survey

Once a year, the Asset Management Company conducts a compliance survey of all employees regarding its corporate culture, communication status, and employee satisfaction. The results of the survey are fed back to the President & CEO of the Asset Management Company and are reflected in improvement activities.

Human Resources Department Interviews with Employees

Once a year, the Human Resources Department holds an interview with all employees regarding their career plans and motivation towards work.

In addition to the goals established through the interviews, also set out is the goal of “creating a vibrant workplace,” which is defined as to “embrace the diverse values of the members around and work to create a vibrant workplace,” and efforts are encouraged and evaluated in the personal appraisal.

Initiatives for Employee Health-being

To enable employees to work physically and mentally, we are taking the following measures, in addition to health examinations, stress checks, and appointment of industrial physicians based on laws and regulations, based on the idea that by giving consideration to the health of employees, we can expect greater results in management.

Absentee rate : 0.19%

Injury rate : 1.48%

Lost days rate : 0.00%

※Fiscal FY2022

Annual Health Checkup

All employees are to receive annual physical health checkup by doctor on company cost.

Conduct Stress Check

Once a year, we conduct stress checks to encourage awareness of individual stress and prevent the occurrence of mental problems.

Appointment of Industrial Physicians

MJIA have appointed an industrial physician to receive guidance and advice on employee health-being.

Consultation Desk

As a necessary measure for mental health, we have set up a desk outside the company, and employees can consult widely about various concerns, and not only their business concerns.

Installation of Massage Chairs

We have installed 3 massage chairs in the company and employees can use them for refreshment at any time.

Join the Mitsubishi Estate Health Insurance Association

MJIA has joined the Mitsubishi Estate Health Insurance Association which will cover the subsidy for comprehensive medical examination fee and vaccination costs such as Influenza.

Work-life Balance

~Create a comfortable workplace where employee will want to work for a long period of time~

Initiatives for Diverse Work Styles

We endeavor to provide comfortable work environment by offering various systems to respond to changes in each employees' lifestyles and life stages and create an employee-friendly environment and maximize their productivity.

Percentage of employees taking paid leave : 73.8%(Target : 90% or greater)

※Fiscal 2022

Percentage of employees returning to work after taking childcare leave : 80%

※Fiscal 2022

Flextime Working System

MJIA has adopted flexible attendance hours. All employees are allowed to choose the time they start working from 6:00 to 11:00 and end by 15:00 to 20:00 to work according to their convenience.

As a general rule, various internal meetings are held at core time from 11:00 to 15:00.

Annual Paid Leave

We grant 10 to 20 days of annual paid leave according to the number of years of service. In addition, we have established a half-day paid holiday system and an hourly paid holiday system to enable all employees to take paid holidays as necessary, and we are working to increase the ratio of employees taking these holidays.

	Number of paid days off	Number of days	Paid leave rate
FY2022	15.3	11.3	73.8%
FY2021	17.0	11.4	67.0%
FY2020	16.1	8.8	54.6%

※The average number is shown for full-time, contract, and part-time employees

※From fiscal 2021, calculated based on registered employees as of April 1

Various Leave Systems

We have implemented maturity leave, childcare leave and short-time work, nursing care leave of absence for children and nursing care leave of absence of family and short-time work to support the balance between life and work for all employees.

		Employees taking leave for childcare and nursing care	Employees working reduced hours for childcare and nursing care	Percentage of employees returning to work
FY2022	Male	3	0	80.0%
	Female	4	9	
FY2021	Male	2	0	100%
	Female	4	7	
FY2020	Male	2	0	100%
	Female	4	7	

Enhancement of Leisure

MJIA has introduced various range of programs designed to foster an environment where all employees can work with more security and fulfillment as their lifestyles and life stages evolve.

Granting Paid Leave

All employees are given two days of free vacation as a summer vacation.

Introduced Special Incentive Leave

We provide long paid leave according to the years of service for opportunity for refreshment and self-development.

Benefit Programs

MJIA have introduced a cafeteria plan where all employees can choose from a variety of benefit programs.

Asset-building supports for all employees

The following systems have been introduced to support the asset building of all employees and to enhance organizational motivation over the medium to long term.

Retirement Plan for full-time employees

Employee Stock Ownership for Mitsubishi Estate

Defined Contribution Pension

Asset Formation Savings

Cumulative investment for Employees

Human Rights

Human Rights Initiatives

As a member of society, the Mitsubishi Estate Group is keenly aware of the importance of respect for human rights. To fulfill our responsibility to respect the basic human rights of all stakeholders, not only those involved in Group businesses, we set up the Mitsubishi Estate Group Human Rights Policy on April 1, 2018. Respect for human rights is part of the Mitsubishi Estate Group Guidelines for Conduct, which all employees are expected to follow on a daily basis. These Guidelines stress the importance of respect for human rights and diversity, which means that employees show concern for human rights and the environment in the course of their business activities. The Human Rights Policy is intended to ensure that we, as a good corporation, understand that internationally mandated human rights are a bare minimum that we must go beyond, that we reaffirm the importance of supporting, protecting and respecting human rights and that we work to respect the fundamental human rights of every single person involved in the Group's businesses.

Mitsubishi Estate Group Code of Corporate Conduct (excerpt)

Respecting Human Rights and Employee Diversity

We respect human rights and believe that diversity maximizes value.

1. We respect human rights at all times.
2. We reject discrimination and harassment in any form.
3. We strive to establish a creative and competitive organization that safeguards and respects the beliefs of the individual as reflected in the diverse communities in which we work and live.
4. We foster an open corporate culture in which all employees are encouraged to speak freely.

Mitsubishi Estate Group Human Rights Policy (excerpt)

We uphold and respect international standards related to human rights. These include the International Bill of Human Rights, which sets out the fundamental human rights possessed by all the people of the world, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, which contains requirements concerning fundamental rights in the workplace.

We help ensure that respect for human rights is actively practiced in all business activities, and that such activities do not infringe on the human rights of other people. If such activities nevertheless result in a violation of the human rights of others, efforts shall be made to minimize the negative impact.

We carry out human rights due diligence in order to minimize any negative impact caused by human rights violations occurring as a result of the Group's business activities. We maintain a framework for human rights due diligence and make improvements to the framework on an ongoing basis or if problems arise in order to improve its efficacy.

Furthermore, in the event that the activities of a business partner or any other individual or organization affiliated with the Mitsubishi Estate Group directly have a negative impact on the human rights of others, even if we were not directly involved in fostering such a negative impact, we shall endeavor to make improvements together with stakeholders to ensure respect for human rights and eliminate all violations.

Based on our human rights policy, MJIA understands and respects human rights that are internationally proclaimed based on our human rights policies as a minimum, and supports and respects their protection, are committed to respecting the human rights of all parties involved, including those derived from our businesses. In order to become aware of discrimination and to foster awareness of human rights, we conduct training on human rights, focusing on the prevention of harassment, which is also a human rights issue in the workplace.

Human Rights Training

MJIA carries out harassment training program once a year.

Send employees to Human rights enlightenment training courses (External training program : Tokyo Human Right Awareness Liaison Group)

| Whistleblowing

The Asset Management Company has established a consultation service for violations of laws and regulations, violations of internal rules, harassment, and other matters that are contrary to broad ethical and social standards of decency for employees (including directors, full-time employees, contract employees, part-time employees, temporary employees, and retired employees (Hereinafter referred to as "employees, etc." in this section) and all persons engaged in the business of the Asset Management Company and all of employees, etc. can declare or submit anonymously.

The President &CEO has the ultimate responsibility for the operation of the whistle-blowing system, and regularly disseminate the significance and importance of the system to employees, etc., and thoroughly inform them of the purpose.

The privacy of whistleblowers and consultants is strictly protected, and appropriate action is taken after confirming and investigating the facts of the matter. If necessary, the Mitsubishi Estate Group Helpline may also be used.

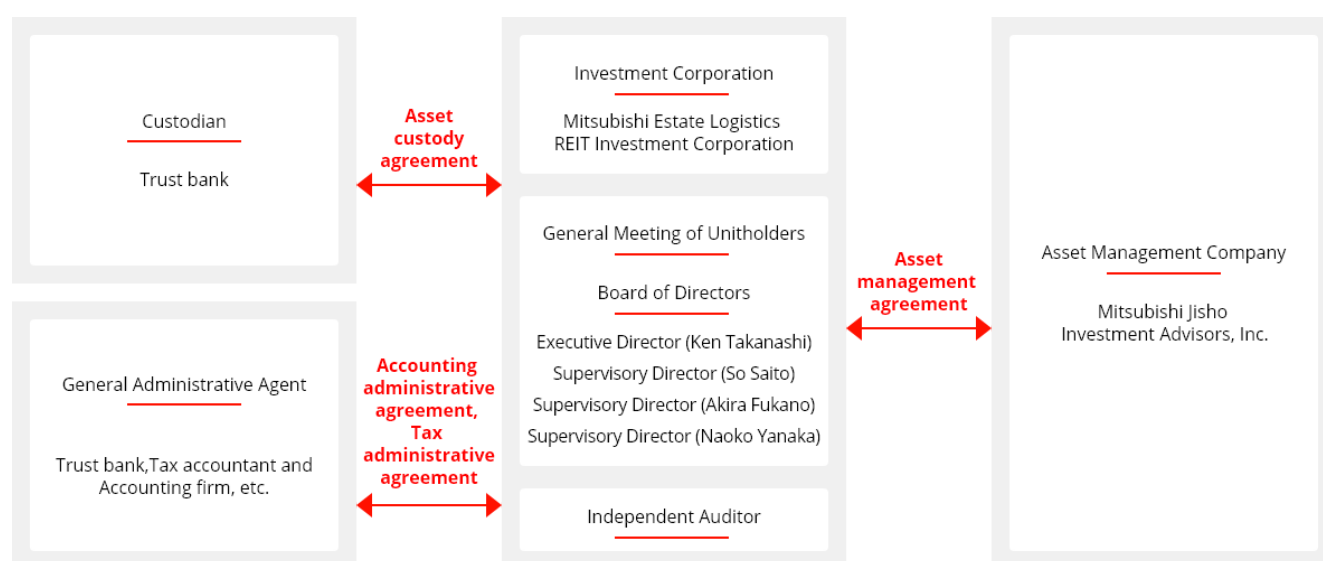
If the results of the investigation reveal any misconduct, etc., the General Manager of the Compliance Department shall immediately report it to the President & CEO, who, in the name of the President & CEO, shall immediately order the department or employee, etc. that is committing the misconduct to cease the misconduct and promptly take corrective and recurrence-prevention measures.

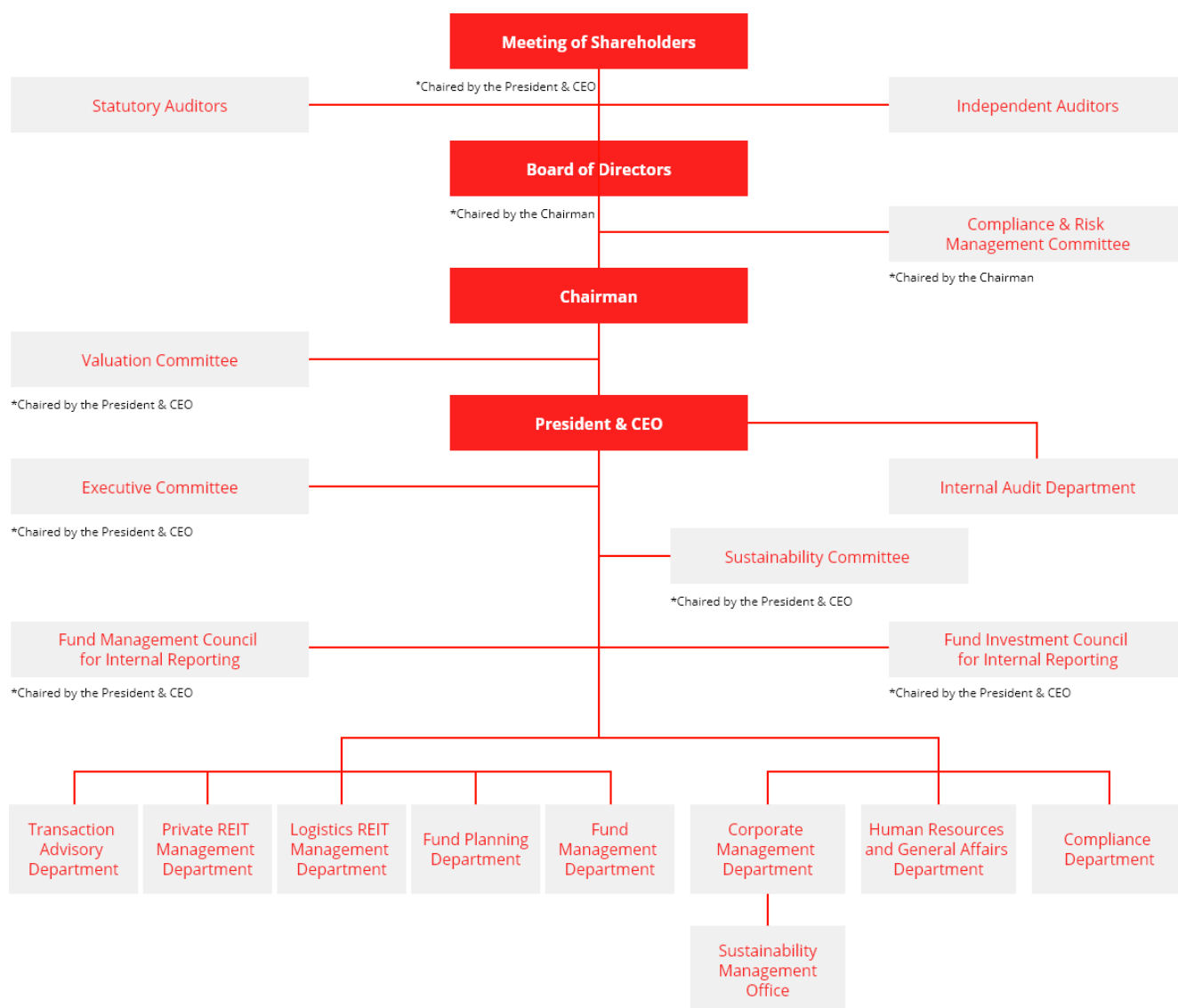
In addition, whistleblowers are legally protected by the Whistleblower Protection Act, which prohibits any disadvantageous treatment or harassment of whistleblowers on the basis of their reporting, and we take appropriate measures to prevent the deterioration of the working environment for whistleblowers and others, thereby striving to protect whistleblowers and create an environment for the proper functioning of the internal reporting system.

Governance Initiatives

Governance Initiatives

MEL is composed of a board of directors consisting of one executive director and three supervisory directors and an independent auditor, in addition to the general meeting of unitholders composed of its unitholders. MEL is prohibited from employing employees in accordance with the Investment Trust Law. Therefore, there are no employees, and asset management is entrusted to MJIA. Under the following management structure, MJIA engages in asset management operations, such as the acquisition or transfer of real estate and the leasing of real estate.





Executive officers and supervisory officers

Number of people : 4 people (1 executive officer, 3 supervisory officers)

Female ratio : 25%

Board of Directors meeting attendance rate (16/16 times) : 100% (Note 1)

※As of August 31, 2023

(Note 1) Attendance status at board of directors meetings held during the 13th period (ending February 2023) and 14th period (ending August 2023) is stated in number and percentage.

Naoko Yanaka will be (4 times / 4 times) because Naoko Yanaka took office on May 23, 2023.

Status and remuneration of officers of the Investment Corporation

The remuneration for executive officers shall be up to 800,000 yen per month, and the remuneration for supervisory officers shall be up to 300,000 yen per month, the amount determined by the board of directors.

The standards for payment of remuneration for executive officers and supervisory officers are determined by the company's regulations.

Title and Name	Qualifications	Remuneration for Director (Note 1) (Fiscal period ended August 31 2022 & February 28, 2023)
Executive Director Ken Takanashi (Male)	—	—
Supervisory Director So Saito (Male)	Lawyer	2.4 million yen
Supervisory Director Akira Fukano (Male)	Certified Public Accountant Tax Accountant	2.4 million yen
Supervisory Director Naoko Yanaka (Female)	Lawyer	Non-remuneration (Note 2)

(Note1) Executive Director does not receive any remuneration from MEL. The amount of remuneration paid to supervisory directors is the amount paid for the most recent one-year period.

(Note2) There was no actual payment of remuneration for Naoko Yanaka, supervisory Director in fiscal year 2022, as she was elected on May 23, 2023, by resolution at the MEL's general meeting of unitholders held on the same date.

Accounting Auditor

In addition to auditing the financial statements of MEL, if the Accounting Auditor finds the conduct of business by the executive director(s) to be improper or discovers any material violation of law or the Articles, the Auditor shall report to a supervisory directors and take other actions set forth by law.

Accounting auditor

Accounting auditor	Continuing accounting period
Ernst & Young ShinNihon LLC	From July 2016 until present

Accounting Auditor's Remuneration

	Fiscal period ended February 28, 2023 (thousands of yen)
Compensation based on audit attestation services	32,650

Note) Remuneration for the accounting auditor includes fees for preparation of the comfort letter for the public offering and fees for the English language audit.

Regular Audits of Ethical Standards

MJIA has established the Internal Audit Department as independent department based on the "Internal Audit Regulations" with the General Manager as the person in charge.

Once a year, the Internal Audit Department of MJIA conducts an internal audit, including an on-site inspection, with the cooperation of an external audit firm. Based on the internal audit plan approved by the President & CEO and the Board of Directors, internal audits covers all operations on a wide range of items, including the status of compliance and risk management practices and corporate ethics. If any problems are identified, the department in charge gets recommendations and instructions for improvement, and the results are reported to the President & CEO and the Board of Directors.

Corporate Governance

Management Structure

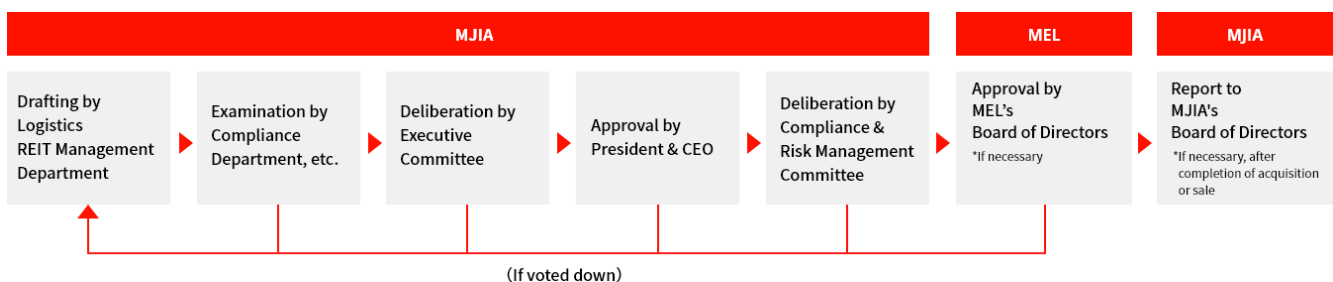
Management Structure with Emphasis on Maximizing Unitholder Value

MEL will seek to ensure to align interest between MEL's unitholders and Mitsubishi Estate Group, and maximize unitholder value as well as to establish and enhance a highly transparent management system.

In the event of transaction which falls under the category of transactions with interested parties, MJIA executes such transactions through a transparent decision-making process. In addition, transactions which exceeds a certain standard with interested parties must be deliberated and approved by the Compliance and Risk Management Committee. However, for transaction below a certain level, the approval of the General Manager of the Compliance Department is required. Through such deliberations, we will be able to carefully examine from many points of view and comprehensively judge whether or not to make a transaction. The Compliance and Risk Management Committee, which is composed of outside attorney, enhances the checks and balances against conflicts of interest transactions from the standpoint of experts. In deliberations on the acquisition and sale of properties by MEL, the Management Committee is composed of real estate appraisers who do not have a special interest in the Mitsubishi Estate Group, and is expected to participate in the deliberations and resolutions of MJIA from a wide range of perspectives based on expertise and experience as experts in real estate appraisal, and to exert a check-and-balance function against the decisions of MJIA.

Decision-Making Flow in the Case of Asset Acquisition or Sale Falling Under Related-Party Transactions

Acquisition or sale of assets at MEL undergoes a transparent decision-making process.



(Note) An example of the decision-making flow in cases that fall under the category of transactions with interested persons, etc. requiring approval of the board of directors of the investment corporation pursuant to Article 201-2 of the Act on Investment Trusts and Investment Corporations.

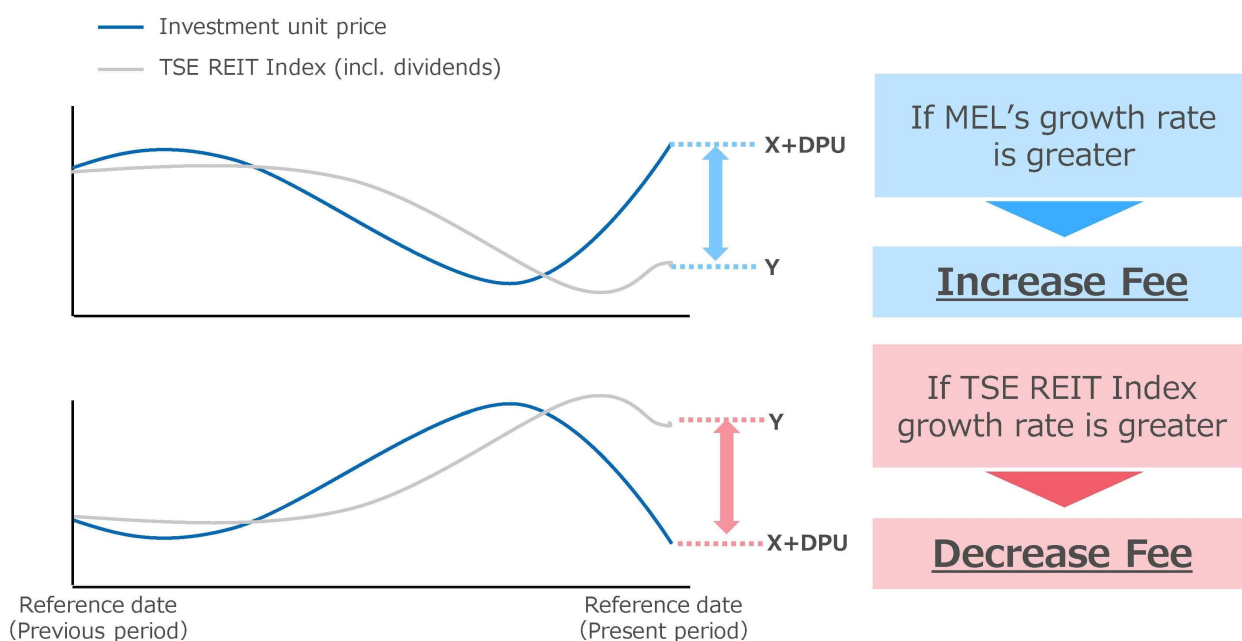
Asset Management Structure

Asset management fee structure aligned with the unitholders' interests

To strengthen the alignment between Asset Management Company and unitholder interest, MEL introduced an asset management fee reflecting the relative performance between MEL's investment unit price and the TSE REIT Index.

Asset management fee I (AUM-linked)	Total assets as of the end of previous period x 0.2% (upper limit)
Asset management fee II (Real estate profit-linked)	Adjusted NOI × 5.0% (upper limit)
Asset management fee III (Unitholder interest-linked)	Adjusted net income before tax × net income before tax per unit × 0.001% (upper limit)
Asset management fee III (Unitholder interest-linked)	Performance against TSE REIT Index ((a) – (b)) × market capitalization (for fiscal period of each term) × 0.1% (upper limit) (a) : Fluctuations in MEL's investment unit price (incl. dividends) (b) : Fluctuations in the TSE REIT Index (incl. dividends)
Acquisition fee	Acquisition price × 1.0% (upper limit)
Disposition fee	Disposition price × 1.0% (upper limit)
Merger fee	Appraisal value of assets to be succeeded × 1.0% (upper limit)

First J-REIT to Introduce Asset Management Fee Fully Linked to Investment Unit Performance



Same-boat Investment by Mitsubishi Estate

Mitsubishi Estate, our sponsor holds our investment units with the aim of aligning the interests between unitholders and the sponsor. Numbers of units (ratio) held by the sponsor as of Mar. 23, 2022 : 18,350 units (4.1%)

Cumulative Investment System

In March 2021, MEC and MJIA introduced an investment unit cumulative investment plan for all full-time employees.

Compliance

Promotion System for Compliance

MJIA have achieved compliance through the following system.

Body	Main Duty
Board of Directors	<ul style="list-style-type: none"> Establish and modify the Asset Manager's compliance program and compliance manual.
Compliance and Risk Management Committee	<ul style="list-style-type: none"> Promote Compliance and Risk Management, and discuss and approve these monitoring issues. As a general rule, this committee should be held once a month, but It should be held as necessary.
President & Chief Executive Officer	President & CEO is responsible for establishing and implementing a compliance system as the ultimate responsibility for compliance. President & CEO is responsible for working sincerely and taking the lead in promoting compliance awareness among officers and employees.
General Manager of Compliance Department(Compliance Officer)	<p>The General Manager of the Compliance Department is responsible for planning, drafting, coordinating and promotion of the Asset Management Company's compliance and risk management initiatives.</p> <ul style="list-style-type: none"> If it is determined that problem has occurred or is deemed likely to occur from the viewpoint of compliance, the Company shall promptly report it to the President & CEO, who shall obtain approval for a policy for dealing with compliance violations and measures to prevent recurrence, and report the matter to the Compliance and Risk Management Committee. As an independent organ of separate from other internal organs of MJIA, General Manager of Compliance Department independently verifies the details of transactions or decisions related to the Asset Management Business of Investment Corporation.
Compliance Department	<ul style="list-style-type: none"> Under the supervision of the General Manager of Compliance Department, the Compliance Department coordinates the planning, planning, coordination, and promotion of compliance activities, and verifies the compliance status of each department. The Compliance Department checks the progress of the compliance program to the Compliance Manager of each department on a quarterly basis, and reports the results to the Board of Managers after deliberation through the approval by the Compliance and Risk Management Committee.

Initiatives for Compliance

Appropriate motivational framework for employees

To promote individual abilities and career development, MJIA have introduced Management by Objective System (MBO) for all employees. Compliance is included in the evaluation items in this evaluation.

MJIA regularly conduct compliance and risk management training to raise awareness of compliance among officers and employees.

Total no. of compliance and risk management training sessions	FY2018	FY2019	FY2020	FY2021
compliance and risk training sessions	9	11	7	9

※FY2018: April 2018- March 2019

FY2019: April 2019- March 2020

FY2020: April 2020- March 2021

FY2021: April 2021- March 2022

In order to improve the specialized skills of officers and employees, MJIA support officers and employees in obtaining and maintaining various qualifications (real estate securitization association certified masters, real estate dealers, etc.), as well as in providing outside training to acquire a wide range of knowledge. Relevant information and the number of qualified personnel are available on the website.

<http://www.mecinest.com/en/sustainability/employee.html> 

Employee Hotlines & Grievance Reporting (Confidential)

MJIA has established a consultation service for grievances, violations of laws and regulations, violations of internal rules, harassment, and other matters that are contrary to broad ethical and social standards of decency for employees (including directors, full-time employees, contract employees, part-time employees, temporary employees, and retired employees (Hereinafter referred to as "employees, etc." in this section) and all persons engaged in the business of MJIA and all of employees, etc. can declare or submit anonymously.

The President & CEO has the ultimate responsibility for the operation of the whistle-blowing system, and regularly disseminate the significance and importance of the system to employees, etc., and thoroughly inform them of the purpose. The privacy of whistleblowers and consultants is strictly protected, and appropriate action is taken after confirming and investigating the facts of the matter. If necessary, the Mitsubishi Estate Group Helpline may also be used.

If the results of the investigation reveal any misconduct, etc., the General Manager of the Compliance Department shall immediately report it to the President & CEO, who, in the name of the President & CEO, shall immediately order the department or employee, etc. that is committing the misconduct to cease the misconduct and promptly take corrective and recurrence-prevention measures.

In addition, whistleblowers are legally protected by the Whistleblower Protection Act, which prohibits any disadvantageous treatment or harassment of whistleblowers on the basis of their reporting, and we take appropriate measures to prevent the deterioration of the working environment for whistleblowers and others, thereby striving to protect whistleblowers and create an environment for the proper functioning of the internal reporting system.

Bribery and Anti-Corruption Policy

The Compliance Department provides consultation to employees on a daily basis, and the Compliance Risk Management Committee monitors the status of the anti-bribery system annually, in addition to preventing misconduct through the establishment and operation of an internal whistle-blowing system. The Compliance and Risk Management Committee also reports the status of monitoring to the Board of Directors.

In addition, the Internal Audit Department confirms during on-site inspections that these monitoring and supervision systems are being properly operated in accordance with company rules and regulations.

In 2017, an assessment of the overall anti-bribery system of the Mitsubishi Estate Group was conducted by an external organization. By addressing the issues identified in this assessment, we are working to further enhance our anti-bribery system.

Risk Management

Risk Management Structure

MJIA has established "Risk Management Regulations" in order to ensure the soundness of management by establishing basic matters concerning risk management and appropriately managing and operating risks. The Board of Directors oversees the development of risk management systems. The general manager of the Compliance Department supervises the risk management of the entire asset management company, and the general manager of each department takes charge of risk management in each department. MEL conducts an internal audit of MJIA once a year to verify and evaluate the appropriateness and effectiveness of the risk management system, and reports the results to MEL's Board of Directors.

ESG Disclosure Policy and Reporting Framework

Sustainability Report (including GRI and SASB Standards)

MEL publishes an annual Sustainability Report to introduce its ESG activities. The latest and back issues of the Sustainability Report can be downloaded from belows.

Sustainability Report 2023



Sustainability Report 2022



Sustainability Report 2021



Information Disclosure Policy

This web site has been created to help stakeholders understand the status of initiatives of MEL and MJIA of the Investment Corporation, regarding sustainability. We strive to fulfill stakeholder expectations with information disclosure based on international ESG frameworks as well as requests from investors and external rating agencies organizations.

Reporting Coverage, Period and Updating Timing

Reporting Coverage : The entire portfolio of the Investment Corporation shall be the coverage of the report and shall be reported annually in principle.

Reporting period: Update period: FY2022 (April 1, 2022 to March 31, 2023) is the reporting period, but some contents outside of this fiscal year are also included.

Update timing : Every June in principle

ESG inquiries

For inquiries about ESG, please contact the following:

Mitsubishi Estate Investment Advisers Co., Ltd. (Asset Management Company)

Telephone 03-3218-0030

Entry Hours 9:30 a.m. to 6:00 p.m. (excluding Saturdays, Sundays, national holidays, and New Year holidays)

GRI STANDARDS Content Index

Statement of use	Mitsubishi Estate Logistics REIT Investment Corporation has reported in accordance with the GRI Standards for the period 1/April/2022 to 31/March/2023
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	URL REASON OF OMISSION / EXPLANATION
General disclosures			
GRI 2: General Disclosures 2021	2-1	Organizational details	• About Us Overview/History/Directors
	2-2	Entities included in the organization's sustainability reporting	• About Us Overview/History/Directors ESG Disclosure Policy and Reporting Framework
	2-3	Reporting period, frequency and contact point	• ESG Disclosure Policy and Reporting Framework ESG Disclosure Policy and Reporting Framework
	2-4	Restatements of information	• Environmental Initiatives(E) Environmental Performance The previous year's data for the reporting year has been revised from the previously disclosed data as we examined the data accuracy.
	2-5	External assurance	• Environmental Initiatives(E) Environmental Performance Environmental performance data is given assurance by a third party
	2-6	Activities, value chain and other business relationships	• Portfolio • IR Library Portfolio List Semi-Annual Report
	2-7	Employees	• Efforts for Society and Employees(S) Promotion of Diversity & Inclusion MEL has no employees and outsources all asset management operations to the asset management company(MJIA), so we disclose the employees of the asset management company here
	2-8	Workers who are not employees	• Efforts for Society and Employees(S) Promotion of Diversity & Inclusion
	2-9	Governance structure and composition	• Governance Initiatives(G) • Sustainability policy/promotion system • About Us Governance Initiatives Corporate Governance Sustainability Committee
	2-10	Nomination and selection of the highest governance body	• About Us There is no translation for articles of incorporation of MEL
	2-11	Chair of the highest governance body	• About Us There is no translation for articles of incorporation of MEL

GRI STANDARD / OTHER SOURCE	DISCLOSURE		LOCATION	URL
				REASON OF OMISSION / EXPLANATION
	2-12	Role of the highest governance body in overseeing the management of impacts	<ul style="list-style-type: none"> • Sustainability policy/promotion system • Materiality • Governance Initiatives(G) 	Stakeholder Engagement Initiatives for Sustainability Sustainability Policy Sustainability Committee Materiality Risk Management
	2-13	Delegation of responsibility for managing impacts	<ul style="list-style-type: none"> • Sustainability policy/promotion system 	Initiatives for Sustainability Sustainability Committee
	2-14	Role of the highest governance body in sustainability reporting	<ul style="list-style-type: none"> • Sustainability policy/promotion system 	Sustainability Committee
	2-15	Conflicts of interest	<ul style="list-style-type: none"> • Governance Initiatives(G) 	Corporate Governance
	2-16	Communication of critical concerns	<ul style="list-style-type: none"> • Sustainability policy/promotion system • Governance Initiatives(G) 	Sustainability Committee Corporate Governance No critical concerns reported during the reporting period
	2-17	Collective knowledge of the highest governance body	<ul style="list-style-type: none"> • Sustainability policy/promotion system 	Sustainability Committee
	2-18	Evaluation of the performance of the highest governance body	<ul style="list-style-type: none"> • Governance Initiatives(G) 	Risk Management
	2-19	Remuneration policies	<ul style="list-style-type: none"> • Governance Initiatives(G) • IR Library 	Governance Initiatives Semi-Annual Report
	2-20	Process to determine remuneration	<ul style="list-style-type: none"> • Governance Initiatives(G) • IR Library 	Governance Initiatives Semi-Annual Report
	2-21	Annual total compensation ratio	-	Information unavailable: As MEL has no employees, it is impossible to calculate the ratio of annual total compensation. It is not available such information of MJIA at this time.
	2-22	Statement on sustainable development strategy	<ul style="list-style-type: none"> • Sustainability policy/promotion system 	Top Message
	2-23	Policy commitments	<ul style="list-style-type: none"> • Governance Initiatives(G) 	Risk Management Compliance Corporate Governance
	2-24	Embedding policy commitments	<ul style="list-style-type: none"> • Sustainability policy/promotion system 	Sustainability Committee
	2-25	Processes to remediate negative impacts	<ul style="list-style-type: none"> • Governance Initiatives(G) 	Compliance
	2-26	Mechanisms for seeking advice and raising concerns	<ul style="list-style-type: none"> • Governance Initiatives(G) 	Compliance Employee Hotlines & Grievance Reporting (Confidential)
	2-27	Compliance with laws and regulations	-	No incidents reported during the reporting period
	2-28	Membership associations	• MJIA HP>Company Information	Company Overview (MJIA HP)
	2-29	Approach to stakeholder engagement	<ul style="list-style-type: none"> • Sustainability policy/promotion system • Efforts for Society and Employees(S) 	Stakeholder Engagement Investor Relations Initiatives
	2-30	Collective bargaining agreements	-	It is not applicable because MJIA does not have any employees. All employees except managerial positions of MJIA are covered under a collective bargaining agreement.

GRI STANDARD / OTHER SOURCE	DISCLOSURE		LOCATION	URL
				REASON OF OMISSION / EXPLANATION
Material topics				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	• Materiality	Materiality
	3-2	List of material topics	• Materiality	Materiality
Energy				
GRI 3: Material Topics 2021	3-3	Management of material topics	• Environmental Initiatives(E)	Materiality Sustainability Committee Initiatives for Sustainability Compliance Promotion System for Compliance Risk Management Structure
GRI 302: Energy 2016	302-1	Energy consumption within the organization	• Environmental Initiatives(E)	Environmental Performance
	302-2	Energy consumption outside of the organization	• Environmental Initiatives(E)	Environmental Performance
	302-3	Energy intensity	• Environmental Initiatives(E)	Environmental Performance Includes all types of energy (electricity, fuel or district heating and cooling) used in the logistics properties of MEL
	302-4	Reduction of energy consumption	• Environmental Initiatives(E)	Environmental Performance
	302-5	Reductions in energy requirements of products and services	• Environmental Initiatives(E)	Contributions to the Environment through Our Portfolio
Water and effluents				
GRI 3: Material Topics 2021	3-3	Management of material topics	• Sustainability policy/promotion system • Materiality • Governance Initiatives(G)	Materiality Sustainability Committee Initiatives for Sustainability Compliance Promotion System for Compliance Risk Management Structure
GRI 303: Water and Effluents 2018	303-2	Management of water discharge-related impacts	-	Not applicable: The wastewater discharged from all of our properties does not exceed the general wastewater standards set by the government and the local government.
	303-3	Water withdrawal	• Environmental Initiatives(E)	Environmental Performance
	303-5	Water consumption	• Environmental Initiatives(E)	Environmental Performance
Emissions				
GRI 3: Material Topics 2021	3-3	Management of material topics	• Sustainability policy/promotion system • Materiality • Governance Initiatives(G)	Materiality Sustainability Committee Initiatives for Sustainability Compliance Promotion System for Compliance Risk Management Structure

GRI STANDARD / OTHER SOURCE	DISCLOSURE		LOCATION	URL
				REASON OF OMISSION / EXPLANATION
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	• Environmental Initiatives(E)	Environmental Performance Climate Change Initiatives The calculations include only CO2
	305-2	Energy indirect (Scope 2) GHG emissions	• Environmental Initiatives(E)	Environmental Performance Climate Change Initiatives The calculations include only CO2
	305-3	Other indirect (Scope 3) GHG emissions	• Environmental Initiatives(E)	Environmental Performance Climate Change Initiatives The calculations include only CO2
	305-4	GHG emissions intensity	• Environmental Initiatives(E)	Environmental Performance The calculations include only CO2
	305-5	Reduction of GHG emissions	• Environmental Initiatives(E)	Environmental Performance
Waste				
GRI 3: Material Topics 2021	3-3	Management of material topics	<ul style="list-style-type: none"> • Sustainability policy/promotion system • Materiality • Governance Initiatives(G) 	Materiality Sustainability Committee Initiatives for Sustainability Compliance Promotion System for Compliance Risk Management Structure
GRI 306: Waste 2020	306-2	Management of significant waste-related impacts	• Environmental Initiatives(E)	Water Resources and Waste Reduction, etc Contributions to the Environment through Our Portfolio
	306-3	Waste generated	• Environmental Initiatives(E)	Environmental Performance
	306-5	Waste directed to disposal	• Environmental Initiatives(E)	Environmental Performance
Employment				
GRI 3: Material Topics 2021	3-3	Management of material topics	<ul style="list-style-type: none"> • Sustainability policy/promotion system • Materiality • Governance Initiatives(G) 	Materiality Sustainability Committee Initiatives for Sustainability Compliance Promotion System for Compliance Risk Management Structure
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	• Efforts for Society and Employees(S)	Promotion of Diversity & Inclusion
	401-3	Parental leave	• Efforts for Society and Employees(S)	Work-life Balance ~Create a comfortable workplace where employee will want to work for a long period of time~
Occupational health and safety				
GRI 3: Material Topics 2021	3-3	Management of material topics	<ul style="list-style-type: none"> • Sustainability policy/promotion system • Materiality • Governance Initiatives(G) 	Materiality Sustainability Committee Initiatives for Sustainability Compliance Promotion System for Compliance Risk Management Structure

GRI STANDARD / OTHER SOURCE	DISCLOSURE		LOCATION	URL
				REASON OF OMISSION / EXPLANATION
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	• Efforts for Society and Employees(S)	Employee Health and Well-being ~Creating Productive and Employee- friendly Workplace~
	403-3	Occupational health services	• Efforts for Society and Employees(S)	Employee Health and Well-being ~Creating Productive and Employee- friendly Workplace~
	403-6	Promotion of worker health	• Efforts for Society and Employees(S)	Employee Health and Well-being ~Creating Productive and Employee- friendly Workplace~
	403-8	Workers covered by an occupational health and safety management system	• Efforts for Society and Employees(S)	Promotion of Diversity & Inclusion
	403-9	Work-related injuries	• Efforts for Society and Employees(S)	Employee Health and Well-being ~Creating Productive and Employee- friendly Workplace~
	403-10	Work-related ill health	-	No incidents reported during the reporting period
Training and education				
GRI 3: Material Topics 2021	3-3	Management of material topics	• Sustainability policy/promotion system • Materiality • Governance Initiatives(G)	Materiality Sustainability Committee Initiatives for Sustainability Compliance Promotion System for Compliance Risk Management Structure
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	• Efforts for Society and Employees(S)	Human Resource Development
	404-2	Programs for upgrading employee skills and transition assistance programs	• Efforts for Society and Employees(S)	Human Resource Development
	404-3	Percentage of employees receiving regular performance and career development reviews	• Efforts for Society and Employees(S)	Promotion of Diversity & Inclusion Conduct Management by Objectives (MBO) system for all employees
Diversity and equal opportunity				
GRI 3: Material Topics 2021	3-3	Management of material topics	• Sustainability policy/promotion system • Materiality • Governance Initiatives(G)	Materiality Sustainability Committee Initiatives for Sustainability Compliance Promotion System for Compliance Risk Management Structure
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	• Efforts for Society and Employees(S)	Promotion of Diversity & Inclusion
	405-2	Ratio of basic salary and remuneration of women to men	• Efforts for Society and Employees(S)	There is no gender difference

GRI STANDARD / OTHER SOURCE	DISCLOSURE		LOCATION	URL REASON OF OMISSION / EXPLANATION
Local communities				
GRI 3: Material Topics 2021	3-3	Management of material topics	<ul style="list-style-type: none">• Sustainability policy/promotion system• Materiality• Governance Initiatives(G)	Materiality Sustainability Committee Initiatives for Sustainability Compliance Promotion System for Compliance Risk Management Structure
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	<ul style="list-style-type: none">• Efforts for Society and Employees(S)	Contributions to Local Communities
Supplier social assessment				
GRI 3: Material Topics 2021	3-3	Management of material topics	<ul style="list-style-type: none">• Sustainability policy/promotion system• Materiality• Governance Initiatives(G)	Materiality Sustainability Committee Initiatives for Sustainability Compliance Promotion System for Compliance Risk Management Structure
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	<ul style="list-style-type: none">• Sustainability policy/promotion system	Establishment of the Sustainability Promotion Manual
	414-2	Negative social impacts in the supply chain and actions taken	-	No incidents reported during the reporting period
Customer privacy				
GRI 3: Material Topics 2021	3-3	Management of material topics	<ul style="list-style-type: none">• Sustainability policy/promotion system• Materiality• Governance Initiatives(G)	Materiality Sustainability Committee Initiatives for Sustainability Compliance Promotion System for Compliance Risk Management Structure
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	No incidents reported during the reporting period

SASB Standards

SASB Framework

Activity Metrics

SASB Disclosure Code	ACCOUNTING METRIC	Fiscal 2020	Fiscal 2021	Fiscal 2022	Unit
IF-RE-000.A	Number of assets	19	21	28	assets
IF-RE-000.B	Leasable floor area	666,551	818,895	966,546	m ²
IF-RE-000.C	Percentage of indirectly managed assets	21.9	19.1	38.9	%
IF-RE-000.D	Average occupancy rate	99.8	99.8	100.0	%

Topic: Energy Management

SASB Disclosure Code	ACCOUNTING METRIC	Fiscal 2020	Fiscal 2021	Fiscal 2022	Unit
IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector	100.0	100.0	100.0	Percentage (%) of total floor area
	(Option) Portion of total portfolio gross floor area with partial energy consumption data	—	—	100.0	Percentage (%) of total floor area
IF-RE-130a.2	Total energy consumed by portfolio area with data coverage, by property subsector	39,146	42,172	132,317	MWh
	Percentage grid electricity	93.6	93.8	90.3	%
	percentage renewable	0.0	0.0	5.5	%
IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area, by property subsector	-0.3	0.45	-2.7	%
	data coverage	66.3	59.7	65.2	Percentage (%) of total floor area

SASB Disclosure Code	ACCOUNTING METRIC	Fiscal 2020	Fiscal 2021	Fiscal 2022	Unit
IF-RE-130a.4	Percentage of eligible portfolio that has an energy rating	69.2	80.2	80.1	Percentage (%) of total floor area
	Percentage of eligible portfolio that is certified to ENERGY STAR, by property subsector	0.0	0.0	—	Percentage (%) of total floor area
	Note: Properties in Japan are not covered by the ENERGY STAR Certification program, hence there are no certified properties.				
	(Option) Percentage of eligible portfolio that has green building certifications	72.2	84.2	85.5	Percentage (%) of total floor area
IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy (Please refer to the “Environmental Initiatives(E)” section of this report for more information)				
	<p>The Mitsubishi Estate Group aim to construct the management system for environment as well as promote the advanced initiatives to contribute to achieving a sustainable society through the protection of environment by complying with environmental laws and regulations, giving consideration to the environment and reducing the burden on the environment.</p> <p>Mitsubishi Estate Logistics REIT Investment Corporation (MEL) will aim to invest in energy-efficient facilities, and will continue to work on environmental and energy-saving measures for our properties and improve the efficiency of energy use.</p> <p>Moreover, Mitsubishi Estate Co., Ltd. , the sponsor of MEL, has been working to contribute to achieving a sustainable society through the formation of the Mitsubishi Estate Group's Sustainable Development Goals 2030 with regarding ESG as a significant management issue.</p>				

Topic: Water Management

SASB Disclosure Code	ACCOUNTING METRIC	Fiscal 2020	Fiscal 2021	Fiscal 2022	Unit
IF-RE-140a.1	Water withdrawal data coverage as a percentage of total floor area	100.0	100.0	100.0	Percentage (%) of total floor area
	Water withdrawal data coverage as a percentage of floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	0.0	0.0	—	Percentage (%) of total floor area
	Note: At this time, there are no properties located in regions with high or extremely high baseline water stress.				

SASB Disclosure Code	ACCOUNTING METRIC	Fiscal 2020	Fiscal 2021	Fiscal 2022	Unit
IF-RE-140a.2	Total water withdrawn by portfolio area with data coverage	80,550	84,854	82,117	m ³
	Percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	0.0	0.0	—	%
	Note: None of the properties are located in regions with High or Extremely High Baseline Water Stress in Aqueduct				
IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area, by property subsector	-4.5	-2.34	-2.4	%
	data coverage	66.3	59.7	44.8	Percentage (%) of total floor area
IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks				

Topic: Management of Tenant Sustainability Impact

SASB Disclosure Code	ACCOUNTING METRIC	Fiscal 2020	Fiscal 2021	Fiscal 2022	Unit
IF-RE-410a.1 (Option)	Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements, by property subsector	(To be disclosed)	(To be disclosed)	(To be disclosed)	Percentage (%) of total floor area
	Associated leased floor area	(To be disclosed)	(To be disclosed)	(To be disclosed)	m ²
	Percentage of total leasable floor area for buildings leased under a green lease agreement	100.0	100.0	100.0	Percentage (%) of total floor area
	Of which, floor area percentage for buildings leased under a green lease agreement that contains a cost recovery clause	100.0	100.0	100.0	Percentage (%) of total floor area

SASB Disclosure Code	ACCOUNTING METRIC	Fiscal 2020	Fiscal 2021	Fiscal 2022	Unit
IF-RE-410a.2	Percentage of tenants that are separately metered or submetered for grid electricity consumption	74.8	65.1	44.1	Percentage (%) of total floor area
	Percentage of tenants that are separately metered or submetered for water withdrawals, by property subsector	66.1	72.4	53.3	Percentage (%) of total floor area
IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants				
	MEL and MJIA, the asset management company of MEL, are working to contribute to achieving a sustainable environment by improving the environmental performance of our portfolio. Additionally, we recognize that it is also important to have the understanding and cooperation of tenants who use our properties on a daily basis. MEL and MJIA aim to collaborate for a sustainable environmental society in order to promote awareness- raising activities for tenants, the introduction of green lease contract which enables both building owners and tenants to share the benefits and sustainability-related initiatives with our tenants.				
	In order to have tenants' cooperation in energy-saving activities smoothly, the environmental consideration clauses such as waste separation, recycling recommendations, air-conditioning operation standards and idling stop are set in the property usage rules. We also have educational activities on tenants such as putting posters on the common areas of each floor.				
	MEL has concluded a green lease agreement between the owner and the tenant, and is carrying out work to convert the tenant-exclusive interior lighting to LED at the expense of MEL. Under the green lease contract, tenants can reduce electricity usage charges and maintenance costs (tube replacement costs), and the Investment Corporation receives a certain percentage of the reduction as a green lease fee. Furthermore, in order to promote energy-saving measures in cooperation with tenants, the Investment Corporation has newly added green lease clauses (environmentally conscious clauses) to the fixed-term building lease contract templates for all properties.				

Topic: Climate Change Adaptation

SASB Disclosure Code	ACCOUNTING METRIC	Fiscal 2020	Fiscal 2021	Fiscal 2022	Unit
IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector	15,027	15,027	65,329	m ²
	Note: Area of properties located in the 1000-year flood zone(maximum predicted area of flooding) as a general level classification in Japan, by property subsector.				
IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks				
	(Please refer to the “Climate Change Initiatives” section of this report for more information)				

SFDR Sustainability-Related Disclosures

SUSTAINABILITY-RELATED DISCLOSURE

Product Name: Mitsubishi Estate Logistics REIT Investment Corporation

Legal Entity Identifier: 353800YYSGZU31ICQK38

Mitsubishi Estate Logistics REIT Investment Corporation (“MEL”) promotes environmental or social characteristics, but does not have as its objective a sustainable investment within the meaning of Article 9(1) of Regulation (EU) 2019/2088 (“SFDR”). MEL does not have any employees in accordance with the prohibition on having employees under the Act on Investment Trusts and Investment Corporations of Japan, and MEL relies on Mitsubishi Jisho Investment Advisors, Inc. (the “Asset Management Company”) to manage and operate the properties in the portfolio. MEL and the Asset Management Company are hereinafter referred to collectively as “we,” “us” or “our”. References to fiscal year (“FY”) are to the 12 months began or beginning April 1 of the year, unless noted otherwise.

Summary

No sustainable investment objective	The financial products offered by us promote environmental or social characteristics, but do not have as its objective sustainable investment.
Environmental or social characteristics of the financial product	<p>We promote environmental or social characteristics through our sustainability initiatives.</p> <p>As a member of the Mitsubishi Estate Group (the “Group”), we have integrated the Group's sustainability goals and initiatives into our business practices, including the Mitsubishi Group Sustainability Vision 2050 (the “Vision 2050”) and 2030 Long-Term Management Plan (the “2030 Plan”).</p>
Investment strategy	<p>The Asset Management Company has established its Sustainability Policy which sets out the key sustainability factors to consider in our investment and asset management decisions.</p> <p>The Asset Management Company’s decision-making process involves assessment of material ESG-related risks and opportunities. We also take into account whether the property has obtained environmental certifications and/or the likelihood that they will be able to obtain them in the future.</p> <p>In addition, we have developed a green finance framework for our debt financing (the “Green Finance Framework”) and a green equity framework for our equity financing (the “Green Equity Framework,” together with the Green Finance Framework, the “Frameworks”). Net proceeds from financing under the Frameworks may only be used to fund the acquisition of assets that meet certain green criteria or to refinance borrowings required for acquiring such assets.</p>

Proportion of investments	MEL offers financial products which promote environmental or social characteristics but does not have sustainable investments as its objective. We call our properties that meet certain sustainability criteria “Green Buildings.” As of February 28, 2023, 88.8% of the properties in the portfolio were Green Buildings, and 11.2% were not based on gross floor area. We aim to increase the percentage of Green Buildings in our portfolio to 100% (excluding properties where we own only the underlying land) by FY 2030.
Monitoring of environmental or social characteristics	In order to monitor and track our properties’ performance on E/S characteristics, we rely on the following indicators: (i) certifications issued by third-party organizations, such as the Comprehensive Assessment System for Built Environment Efficiency (“CASBEE”) certification, the Building Energy-efficiency Labeling System (“BELS”) certification or the Development Bank of Japan’s (“DBJ”) Green Building certification and other relevant certifications, (ii) the results of the energy consumption, solar power generation, greenhouse gas (“GHG”) emission levels, water consumption and recycling rates that we track. Our data on energy consumption, GHG emissions, water use and waste volume is verified by a third-party organization, Japan Audit and Certification Organization for Environment and Quality (“JACO”).
Methodologies	<p>Our Sustainability Committee generally meets once a quarter to discuss sustainability-related key issues, goals and measures to achieve those goals and to evaluate our sustainability performances.</p> <p>Certain matters discussed by the Sustainability Committee are then reported to and are discussed by the Board of Directors.</p>
Data sources and processing	<p>The Asset Management Company uses the following data sources:</p> <p>Environmental certifications. The Asset Management Company obtains relevant data provided by established third-party organizations that issue environmental certifications for real estate properties. Obtaining the environmental certifications issued by such established third-party organizations helps ensure our data quality. The Asset Management Company calculates and tracks the properties that hold such environmental certifications.</p> <p>The Asset Management Company collects relevant data from the property managers regarding energy consumption, solar power generation and GHG emission levels in our portfolio as well as water consumption and the recycling rate in our properties. To ensure data quality, the Asset Management Company obtains an assurance report regarding energy consumption, GHG emissions, water use and waste emissions from an independent third-party organization each year.</p> <p>In preparing responses to the survey of the Global Real Estate Sustainability Benchmark (“GRESB”) assessment, a consulting firm reviews the ESG-related data and supporting materials used for the responses. The consulting firm also assists the Asset Management Company in evaluating any room for future improvement.</p>
Limitations to methodologies and data	The main limitations to methodologies and data stem from the necessity to rely on tenants and property managers for data at the property level which presents challenges to verify the accuracy of such data.

Except for the data on energy consumption, GHG emissions, water use and waste volume, there is no quality assurance or verification by third-party organizations for such property-level data.

Limitations to the methodologies and data are not expected to affect the attainment of the environmental or social characteristics promoted by MEL in any material way.

Due diligence	<p>Prior to our investment in a property, the Asset Management Company conducts due diligence review, including an environmental assessment and an evaluation of risks related to building safety, soil contamination and flooding. We make decisions on the basis of this due diligence review, and we may reject a potential investment based on environmental factors.</p> <p>In addition, the Asset Management Company has established the Green Finance Framework and the Green Equity Framework to implement sustainability practices. Under these Frameworks, the net proceeds may only be used to fund the investment in assets that meet certain sustainability criteria or to refinance borrowings required for investing in such assets.</p>
Engagement policies	<p>We do not generally consider investing in properties (i) that do not meet the thresholds for soil contamination and other environmental contamination in accordance with the Soil Contamination Countermeasure Act (Act No. 53 of 2002) of Japan, as amended (the “Soil Contamination Act”) and other environmental laws and ordinances, (ii) that do not meet the eligibility criteria under our Frameworks and (iii) that are involved in the extraction, storage, transport or manufacture of fossil fuels.</p>
Designated reference benchmark	<p>MEL has no benchmark index designated as a reference benchmark to meet the E/S characteristics promoted by MEL.</p>

No sustainable investment objective

The financial products offered by MEL promote environmental or social characteristics, but do not have as its objective sustainable investment.

Environmental or social characteristics of the financial product

As a member of the Group, which has established the Vision 2050 summarizing their awareness of environmental and social issues to be resolved by 2050, and the 2030 Plan setting objectives and plans to resolve the issues, based on the Vision 2050, MEL integrates the environmental and social characteristics of these objectives and goals into our business practices, with special emphasis on the four focus areas, i) environment, ii) diversity and inclusion, iii) innovation and iv) resilience, emphasized in the 2030 Plan.

In February 2019, the Asset Management Company created and adopted a Sustainability Policy which sets out the sustainability factors for us to take into our account in our investment evaluation and execution process, including enhancement of energy efficiency and reduction of GHG emissions, improvement in water use efficiency and waste management, preparation for disasters and enhancement of tenant safety, creation of great work environment for diverse group of talents, collaboration with external stakeholders, transparency of our ESG practices and keeping current and complying with the high standards of ethics.

The highlights of our environmental or social characteristics are as follows.

- *Environmental initiatives – climate change response.* We implement energy-saving measures and take steps to reduce GHG emissions in our portfolio. Towards these ends, we have installed LED lighting and rooftop solar panels in our properties along with implementation of renewable energy. Furthermore, we display posters that raise awareness on energy-saving measures in common areas of our properties.
- *Environmental initiatives – water and waste management.* We seek to reduce water consumption by installing devices and appliances such as water meters, water-efficient toilets and smart irrigation systems. Moreover, we strive to reduce waste in cooperation with tenants by promoting the “3R” (reduce, reuse and recycle) waste programs.
- *Social initiatives – tenants.* We endeavor to improve tenant health, safety and comfort by undertaking renovation work in response to varying needs, and by expanding tenant support services to help serve such needs. We have built restaurants and convenience stores on our premises and installed amenities such as shower rooms and multipurpose restrooms. Our properties are also equipped with disaster-relief vending machines, secure reserves containing food and beverage in case of emergency, and automated external defibrillators.
- *Social initiatives – local communities.* We build and maintain good relations with local residents, governments and other community members by providing and ensuring a pleasant and safe environment. We support local communities in the event of disasters by providing our properties as municipality-designated disaster evacuation sites. We also participate in community service activities such as community clean-up events with local residents.
- *Social initiatives – diversity and employee welfare.* We are committed to respecting the fundamental rights and diversity of our employees, and we endeavor to establish an environment that supports a healthy work-life balance. To help achieve these goals, we have introduced flexible working hours, a defined contribution pension plan and various leave programs that are tailored to varying needs and circumstances.
- *Social initiatives – human resources development.* The Asset Management Company develops human resources with extensive expertise and know-how by offering various training programs, on topics such as compliance, human rights, risk management and sustainability. We also encourage employees to pursue professional qualifications that assist them in honing their skills as real estate asset management professionals, and we subsidize the costs needed to obtain and maintain such qualifications.

Investment strategy

MEL invests directly or indirectly through trust beneficiary interests in real estate. Therefore, due diligence (including the assessment of good governance practices) in relation to investee companies is not applicable. The investment and due diligence policies as described below are in relation to real estate and real estate related assets.

The Asset Management Company’s investment decision-making process involves assessment of material ESG-related risks and opportunities to ensure that our sustainable investment strategy is properly implemented. ESG-related risks that are assessed during this process include risks pertaining to earthquakes, flooding, soil contamination and hazardous substances. With each acquisition opportunity, we review ESG-related due diligence findings.

We also take into account whether the property has obtained environmental certifications and/or the likelihood that they will be able to obtain them in the future. In particular, we have set a target of achieving a portfolio with a 100% “Green Buildings” ratio by FY2030 and takes it into our investment decision considerations. We have defined a Green Building as a property that has received a CASBEE certification, a BELS certification or a DBJ Green Building certification. As of August 31, 2022, 87.6% of our properties were Green Buildings based on gross floor area. As of February 28, 2023, 88.8% of our properties were Green Buildings based on gross floor area. In the fiscal period ended February 28, 2023, as a part of our ongoing environmental initiatives, we continued improving environmental performance of our properties and obtaining environmental certificates at our properties by enhancing energy efficiency and utilizing renewable energy.

As we holistically consider various factors in our investment decisions, we may acquire properties that are not Green Buildings in some cases. However, with respect to logistics properties, we have confirmed through due diligence process that such properties are still ESG-conscious as we regularly acquire properties from the Mitsubishi Estate Group which emphasizes ESG considerations in its investment strategy. When we acquire a logistics property that is not a Green Building, we implement appropriate measures to reduce the environmental impact following acquisition.

In addition, we have developed the Green Finance Framework for loans and bonds offerings and the Green Equity Framework for equity offerings. Under these Frameworks, the net proceeds may only be used to fund the acquisition of assets that meet certain sustainability criteria or to refinance borrowings required for acquiring such assets

Proportion of investments

MEL offers financial products which promote environmental or social characteristics but does not have sustainable investments as its objective. As of February 28, 2023, 88.8% of the properties in the portfolio were Green Buildings (defined above), and 11.2% were not based on gross floor area. We aim to increase the percentage of Green Buildings in our portfolio to 100% (excluding properties where we own only the underlying land) by FY 2030.

Monitoring of environmental or social characteristics

In order to monitor and track our properties' performance on E/S characteristics, we rely on certifications issued by third-party organizations, such as the DBJ Green Building certification, the CASBEE certification, the BELS certification, and other relevant certification.

In addition, we have set in place the following monitoring mechanisms.

- We track energy consumption, solar power generation and GHG emission levels in our portfolio.
- We track water consumption and the recycling rate in our properties.
- Our data on energy consumption, GHG emissions, water use and waste volume is verified by a third-party organization, JACO.

Methodologies

We have established our Sustainability Committee, composed of the President and Chief Executive Officer, the General Manager of the Corporate Management Department, also appointed as the Sustainability Management Officer, and the General Managers of each Department of the Asset Management Company.

Our Sustainability Committee generally meets once a quarter to discuss sustainability-related key issues, goals and various measures to achieve those goals and to share the progress on these goals and measures. The Committee also evaluates the sustainability performances and share the progress on the goals they have set.

Certain matters discussed by the Sustainability Committee are then reported to, and if necessary, discussed by the Board of Directors. The minutes of the meetings are prepared and kept at the Sustainability Management Office.

Data sources and processing

The Asset Management Company uses the following data sources:

- *Environmental certifications.* The Asset Management Company obtains the relevant data provided by the established third-party organizations that issue environmental certifications for the properties in our portfolio. Obtaining the environmental certifications issued by the established third-party organizations helps ensure the data quality. The Asset Management Company calculates and tracks the properties which hold environmental certifications.
- *Environmental initiatives.* At the property level, the Asset Management Division of the Logistics REIT Management Department of the Asset Management Company collects the relevant data from the property managers regarding energy consumption, solar power generation and GHG emission levels in our portfolio as well as water consumption and the recycling rate in our properties. To ensure data quality, the Asset Management Company obtains an assurance report regarding energy consumption, GHG emissions, water use and waste emissions from an independent third-party organization each year.
- *Installation of LED lightings and solar panels.* At the property level, the Asset Management Company obtains relevant data from the property managers and solar panel management companies.
- *External sustainability evaluation.* Before MEL submits the responses to the survey of the GRESB assessment, a consulting firm reviews the ESG-related data and supporting materials used for the responses. The consulting firm also assists the Asset Management Company in evaluating any room for future improvement. Engaging an established consulting firm helps to ensure the data quality. Also, the Asset Management Company obtains the assurance report regarding energy consumption, GHG emissions, water use and waste volume, which are used for data in GRESB assessment, from an independent third-party organization.

Limitations to methodologies and data

The main limitations to methodologies and data stem from the necessity to rely on tenants and property managers for data at the property level. Like many other real estate investment corporations and asset managers, we rely on data provided by the tenants, and it presents challenges to verify the accuracy of such data. In addition, data at the property level provided by the tenants and property managers is generally updated on an annual basis. Accordingly, property-specific data will therefore not always be fully up to date.

Data at the property level is compiled internally at the Asset Management Company level, and except for the data on energy consumption, GHG emissions, water use and waste volume, there is no quality assurance or verification by third-party organizations for such property-level data.

Limitations to the methodologies and data are not expected to affect the attainment of the environmental or social characteristics promoted by MEL in any material way.

Due diligence

Prior to our investment in a property, the Asset Management Company conducts due diligence review, including an environmental assessment and an evaluation of risks related to building safety, soil contamination and flooding. We make decisions on the basis of this due diligence review, and we may reject a potential investment based on environmental factors.

In addition, the Asset Management Company has established a debt-based Green Finance Framework and an equity-based Green Equity Framework. When investing in properties using proceeds from green financing conducted under the Green Finance Framework or the Green Equity Frameworks, we do not consider properties that do not meet the certain green-buildings certification linked eligibility and sustainability criteria specified in these Frameworks.

Engagement policies

We do not generally consider investing in properties (i) that do not meet the thresholds for soil contamination and other environmental contamination in accordance with the Soil Contamination Act and other environmental laws and ordinances, (ii) that do not meet the eligibility criteria under our Frameworks and (iii) that are involved in the extraction, storage, transport or manufacture of fossil fuels.

Designated reference benchmark

MEL has no benchmark index designated as a reference benchmark to meet the environmental or social characteristics promoted by MEL.

REMUNERATION AND SUSTAINABILITY RISKS (SFDR ARTICLE 5 DISCLOSURE)

The Asset Management Company has a remuneration policy in place which aims to support its strategy, values and long-term interest, including its interest in sustainability. The Asset Management Company's remuneration policy is consistent with the integration of sustainability risks as follows.

Remuneration system based on skill development. The Asset Management Company's salary increase system is based on employees' development of their professional skills. In order to raise employees' motivation to improve their work performance and develop their professional skills, the Asset Management Company also has a performance-based bonus system in place that is based on a management by objectives model, as well as an objective performance evaluation and promotion system.

Evaluation of employees based on ESG criteria. All employees are evaluated once a year on their ESG awareness, including compliance and risk management awareness, and the results of this evaluation are taken into consideration when determining salary increases.

Retirement Allowance Program. The Asset Management Company offers a defined contribution pension plan as well as a retirement plan, with an aim to create a comfortable workplace where employees will want to work for a long period of time. Bonuses are calculated based on sales and performance, and are determined by the Asset Management Company's internal rules. Bonuses take into account issues including job content, performance, and attendance. Such evaluations take into consideration the employee's contributions and conduct with respect to sustainability efforts and compliance requirements.

INTEGRATION OF SUSTAINABILITY RISKS IN THE INVESTMENT DECISIONS, AND THE IMPACT OF SUCH RISKS ON THE RETURNS OF MEL (SFDR ARTICLE 6 DISCLOSURE)

We have established a Sustainability Committee to lead our sustainability initiatives. The Sustainability Committee is composed of the President & CEO (Chairman), the General Manager of the Corporate Management Department, the General Managers of each Department of the Asset Management Company, Sustainability Management Officer and other designated persons. The Sustainability Committee deliberates key issues, goals, and measures related to sustainability. Based on the discussion, the Sustainability Committee approves which ESG initiatives and targets, including, but not limited to, energy-saving and water-saving measures, reduction targets of energy and water consumption and GHG emissions, waste recycling measures and targets, green building certifications, on-site support services and facilities for our tenants, tenant and employee satisfaction surveys, and human resources development, to prioritize for implementation, and the President & CEO has final decision-making authority on which ESG initiatives and targets to implement.

Additionally, the Sustainability Management Officer periodically convenes a working group that analyzes climate-related risks pertaining to the Asset Management Company and its designated funds. These risks are divided into “transition risks”, which are risks arising from new regulations, taxation systems, technologies and other developments that decarbonization efforts may result in, and “physical risks”, which are risks arising from climate change, such as long-term changes in climate patterns and severe weather events such as typhoons and floods. The Sustainability Management Officer reports the findings resulting from these analyses to the Sustainability Committee, which help deliberate for environmental initiatives that are then made by the Sustainability Committee.

In order to achieve sustainability in our asset management while maximizing unitholder value, we consider ESG factors in our investment and asset management processes. As described above, we have instituted a number of initiatives, at both the portfolio level and the property level, to promote E/S characteristics. Such initiatives include initiative to fight climate change, initiatives to improve water and waste management and initiatives to improve employee and tenant satisfaction.

Furthermore, we invest only in properties that have been subjected to the Asset Management Company’s comprehensive due diligence review, including an environmental assessment and an evaluation of risks related to building safety, soil contamination and flooding. We make decisions on the basis of this due diligence review, and we may reject a potential investment based on environmental factors. Additionally, the Asset Management Company has established a debt-based Green Finance Framework and an equity-based Green Equity Framework. When investing in properties using proceeds from green financing under the Green Finance Framework or the Green Equity Framework, we do not consider properties that do not meet the criteria under our Green Finance Framework or our Green Equity Framework described above.

Due to the growing interest in ESG factors among our investors and society at large, we believe that a downgrade in our ESG ratings or any failure to acquire Green Buildings at a sufficient pace could materially adversely impact our business activities and decrease our unit price. We also recognize the impact on the cash flow of a property if its environmental performance is inadequate, because it becomes less competitive, as a result of which the rent we can charge and its occupancy rate may decline. We therefore take ESG factors into serious consideration when investing in new properties and managing our portfolio and believe that our ongoing ESG initiatives will contribute to our sustainable growth and increased unitholders’ value, while mitigating ESG-related risks.

STATEMENT ON PRINCIPAL ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS

Jul. 28, 2023 [PAI Statement](#) [PDF](#) (250KB)