



SECOND PARTY OPINION

MITSUBISHI ESTATE LOGISTICS REIT INVESTMENT CORPORATION GREEN EQUITY FRAMEWORK

Prepared by: DNV Business Assurance Japan K.K.

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Disclaimer

Our assessment relies on the premise that the data and information provided by Issuer to us as part of our review procedures have been provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. Because of the selected nature (sampling) and other inherent limitations of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2011 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct ¹during the assessment and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of statements or data included in the Framework except for this Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assessment process.

¹ DNV Code of Conduct is available from DNV website (www.dnv.com)

Executive Summary

Listed on the Tokyo Stock Exchange on September 14, 2017, Mitsubishi Estate Logistics REIT Investment Corporation (hereinafter, MEL or Investment Corporation) focuses investment on logistics facilities with Mitsubishi Estate Co., Ltd. (hereinafter, MEC), one of the largest comprehensive developers in Japan, as a sponsor.

MEL is committed to endeavoring to enhance consideration towards the environment, social contributions and corporate governance to improve the sustainability of society. MEL recognizes that this is an important social responsibility for a listed enterprise to assume, and also believes that it is essential for maximizing its unitholder value.




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

As part of its efforts to achieve these business objectives, MEL has formulated a Green Equity Framework (hereinafter, Framework) for its Green Equity Offering, as a measure to enhance social sustainability and to further expand the financing methods, by referring to the following principles and guidelines widely recognized in the green finance market.

- Green Bond Principles (ICMA/2021, hereinafter, GBP)
- Green Bond Guidelines (Ministry of the Environment of Japan/2020, hereinafter, GBGLs)

DNV Business Assurance Japan K.K. (hereinafter, DNV), as an external reviewer, has assessed the Framework eligibility by referring to the four elements of the GBP and GBGLs which are widely recognized in the green finance market. MEL intends to select one or more nominated projects, mainly consisting of the Green Building shown in the Table-1 below, and allocate the funds raised through the Green Equity Offering.

Table-1 Nominated projects for MEL Green Equity Offering

| Green Project | | Project (Eligibility Criteria) Overview | Contribution to SDGs |
|---------------|-------------------|---|---|
| 01 | Green Building | 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 | 11. Sustainable Cities and Communities  |
| 02 | Renewable Energy | Renewable energy generation facilities associated with buildings (limited to solar power generation facilities on the premises) | 7. Affordable and Clean Energy  |
| 03 | Energy-Efficiency | Equipment designed to reduce environmental impacts (limited to equipment that achieves 30% or higher energy efficiency before introduction) | 13. Climate Action  |

(Executive Summary continued)

The following is a summary of DNV's assessment results with reference to the four elements indicated in the GBP and GBGLs.

GBP-1. Use of Proceeds:

MEL intends to allocate the entire amount of proceeds from the Green Equity Offering to new or existing investments or expenditures for one or more of the following eligible projects: Green building, Renewable energy and Energy efficiency. Specifically, MEL intends to allocate the proceeds mainly to green buildings that have obtained (or will obtain) the Green Building Environmental Certification. In addition, the proceeds can be allocated to solar power generation facilities and energy-efficiency equipment and facilities for reducing of environmental load of the eligible green buildings. These are representative projects providing clear environmental improvement effects, as defined by the GBP, etc.

GBP-2. Process for Project Evaluation and Selection:

The projects to which the proceeds from the Green Equity Offering of MEL will be allocated are evaluated and selected by the responsibility of the Logistics REIT Management Department of the Asset Management Company to confirm that they meet the eligibility criteria. Thereafter, after approval by the Management Committee of the Asset Management Company and the President & CEO, the Board of Directors of the Investment Corporation resolves the issuance of investment units and the issuance price and are issued, in the same manner as ordinary equity financing. A post-issuance report will be submitted to the Sustainability Committee of the Asset Management Company, which are held once a quarter.

GBP-3. Management of Proceeds:

The proceeds from the Green Equity Offering will be managed in accordance with the internal cash management procedures of MEL. The proceeds from the Green Equity Offering are managed in cash or cash equivalents until the fully allocated to the eligible green projects.

GBP-4. Reporting:

MEL will disclose the reports which include status of the proceeds allocated and the impact reporting in its website until the proceeds are fully allocated after raising funds through the Green Equity Offering.

Based on the documents and information provided by MEL, DNV has confirmed that Framework and Green Equity Offering meet the requirements of the Green Equity Framework Evaluation Protocol at the time of providing this evaluation. Accordingly, DNV expresses its opinion that Framework and Green Equity Offering comprehensively complies to the definition and objectives of GBP and GBGLs being referred, which "enables capital raising and investments in new or existing projects to realize environmental benefits".

I Introduction

i. Overview of the Issuer

Listed on the Tokyo Stock Exchange on September 14, 2017, Mitsubishi Estate Logistics REIT Investment Corporation (hereinafter, MEL or Investment Corporation) focuses investment on logistics facilities with Mitsubishi Estate Co., Ltd. (hereinafter, MEC), one of the largest comprehensive developers in Japan, as a sponsor. Along with fully leveraging the strengths of MEC’s extensive sponsor pipeline founded in its strong logistics facilities development capabilities and tenant relations stemming from its long-standing track-record of good corporate customer relations, MEL also leverages the real estate fund capabilities of MJIA, the asset management company of MEL. Through this “HYBRID” leveraging the strengths of both companies, MEL aims to realize stable and steady growth to strive for maximization of unitholder value.

ii. ESG Initiatives of the Issuer

MEL is committed to endeavoring to enhance consideration towards the environment, social contributions and corporate governance to improve the sustainability of society. MEL recognizes that this is an important social responsibility for a listed enterprise to assume, and also believes that it is essential for maximizing our unitholder value. To put MEL commitment into practice, MEL together with its asset management company, MJIA, shares the sustainability objectives, and continues to embed sustainability into its business.

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.**



Reference: Mitsubishi Estate Logistics REIT Investment Corporation website (Basic Policy and Management Structure of ESG)

<https://mel-reit.co.jp/en/esg/sustainability/basic.html>

Sustainability Policy of MEL

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.

iii. Environmental Initiatives of the Issuer

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.

Table-2 Major ESG-related KPIs and Targets of MEL

| | |
|-------------------------------------|---|
| CO ₂ emissions intensity | 30% reduction by FY2030 (based on FY2017) |
| Energy consumption intensity | 15% reduction by FY2030 (based on FY2017) |
| Water consumption intensity | Not increased by FY2030 (based on FY2017) |
| Waste recycling | 70% or more by FY2030 |

MEL disclose the following information on its website as environmental performance data related to investment properties: Total energy consumption, Energy consumption breakdown (gas and fuel/electricity), Data coverage (GFA basis) related to total energy consumption estimation, Energy consumption intensity, CO₂ emissions (Scope 1, 2, 3), Data coverage (GFA basis) related to CO₂ emission estimation, CO₂ emission intensity, Water consumption, Water consumption intensity, Data coverage (GFA basis) related to water consumption estimation, Waste discharge weight, Recycling rate, Data coverage (GFA basis) related to waste discharge weight estimation and Solar Power Annual power generation etc.

Reference: MEL website (Environmental Initiatives)

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

In addition, MEL and the Asset Management Company believe that the understanding and cooperation of tenants are also important, and 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 promote sustainability-related initiatives in cooperation with tenants.

iv. Issuers' efforts toward contribution to SDGs

MEL, as a member of the Mitsubishi Estate Group, has formulated and address its Sustainability Policy as a framework for action toward the realization of sustainability under the four key themes of "Environment", "Diversity & Inclusion", "Innovation", and "Resilience".




The Green Equity Offering is an initiative that contributes directly and indirectly to the following SDGs in particular, among the four key themes of the Mitsubishi Estate Group.

"11. Sustainable Cities and Communities"

"7. Affordable and Clean Energy"

"13. Climate Action"

Table-3 Contribution of MEL to the achievement of SDGs

| ESG Initiatives of MEL | | Contributing to the SDGs | | |
|---------------------------|--|--------------------------|--|---|
| Environmental initiatives | Promotion of Green Portfolio (Green Building) | Goal 11 | Sustainable Cities and Communities Make cities and human settlements inclusive, safe, resilient and sustainable |  |
| | Utilization of Renewable Energy (Renewable Energy) | Goal 7 | Affordable and Clean Energy Ensure access to affordable, reliable, sustainable and modern energy for all |  |
| | Energy Saving Initiatives (Energy efficiency) | Goal 13 | Climate Action Take urgent action to combat climate change and its impacts |  |

* The relevance to SDGs is based on the reference to "Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals" published by the International Capital Market Association, or ICMA, which defines the Green Bond Principles ("GBP," announced by ICMA in 2018). It is a complementary explanation of the Green Equity Offering and is not directly defining its use of proceeds.

II Scope and Objectives

DNV conducts a pre-issuance eligibility assessment of the "MEL Green Equity Framework" and the "Green Equity Offering". The objective of the pre-issuance assessment of DNV is to conduct an assessment to confirm that MEL "Green Equity Framework" and "Green Equity Offering" meet key requirements of the criteria, such as GBP and GBGLs, which will be described later, and to provide a second party opinion on the eligibility.

DNV, as an independent external reviewer, has identified no real or perceived conflict of interest associated with the delivery of this second-party opinion for MEL.

In this paper, no assurance is provided regarding the financial performance of the Green Equity Offering, the value of any investment, or the long-term environmental benefits of the transaction.

Applicable standards or guidelines

| No. | Standards or guidelines | Issuer | Applied level |
|-----|--|--|---------------------|
| 1. | Green Bond Principles 2021 GBP | International Capital Markets Association (ICMA) | Refer* ¹ |
| 2 | Green Bond Guidelines 2020 GBGLs | Ministry of the Environment of Japan | Refer* ¹ |
| 3 | Climate Bond Standard Version 3.0 (Sector Technical Standards) | Climate Bond Initiative, 2019 | Refer* ² |

*¹: Refer; Based on the DNV assessment protocol, DNV has evaluated the eligibility by referring to the main requirements of the four core elements defined by the globally recognized GBP and others. At this time, DNV considered the Green Equity Offering-specific fund management and reporting.

*²: Refer; DNV has evaluated the eligibility of the nominated project using the referenceable criteria of the sector technical criteria of Climate Bond Standards which are globally recognized as green finance market.

III Responsibilities of MEL and DNV

MEL has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform MEL and other interested stakeholders in the finance as to whether the established criteria have been met, based on the information provided to us. In our work, we have relied on the information and the facts presented to us by MEL.

DNV is not responsible for any aspect of the projects or assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by MEL and used as a basis for this assessment were not correct or complete.

IV Basis of DNV's Opinion

To provide as much flexibility as possible to MEL, DNV has created specific Green Equity Framework Assessment Protocol (the "Protocol"), taking into account requirements of various standards such as GBP. The Protocol applies or refers four core elements such as GBP.

The Protocol includes a set of suitable criteria that can be used to underpin its opinion. The holistic principle behind the criteria is that the Green Equity Offering should "enable capital-raising and investments for new and existing projects to realize environmental benefits."

As per the Protocol, the evaluation criteria, with which the Framework is under review, are grouped into the following four elements:

- **Principle One: Use of Proceeds.** The criteria for the use of proceeds are set by the requirement that the issuer that established the Green Equity Framework must use the proceeds from the Green Equity Offering which is implemented under an eligible framework. The eligible projects should produce clear environmental benefits.
- **Principle Two: Process for Project Evaluation and Selection.** The criteria for project evaluation and selection should outline the process that the issuer that established the Green Equity Framework follows in determining the eligibility of an investment that uses the proceeds from the Green Equity Offering and outline any impact objectives it will consider.
- **Principle Three: Management of Proceeds.** The criteria for Management of Proceeds are guided by the requirements that proceeds from Green Equity Offering should be tracked within the issuing organization based on management methods specific to various types of finance, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled must be made.
- **Principle Four: Reporting.** The criteria for Reporting are guided by the recommendation that the issuer publish sustainability reports or equivalents to equity investors regarding the status of proceed allocations and, where feasible, adequate quantitative and/or qualitative performance indicators should be used.

V Work undertaken

Our work constituted a high level of review of the available information, based on the understanding that this information was provided to us by the Issuer in good faith. We have not performed an audit or other tests to examine to check the veracity of the information provided to us. The work undertaken to form our opinion included the followings:

Green Equity Framework

- Creation of the Issuer-specific DNV's Assessment Protocol which is attempted to be applied to the Green Equity Framework with respect to the above and in Schedule-2 that contribute to this assessment;
- Assessment of evidential documents provided by the Issuer regarding the issuance of applicable equity, and supplemental assessment with comprehensive desktop surveys to the Issuer. These checks are conducted, referring to the current assessment best practices and standard methodologies.
- Interview with key personnel of the Issuer, and review of the relevant documentation.
- Reporting of findings against each element of the eligibility criteria.

VI Assessment results and DNV opinion

DNV's findings and opinions referred GBP and GBGLs are as follows (1)~(4).

(1) Use of Proceeds

DNV has confirmed that MEL plans to use all of the proceeds* from the Green Equity Offering for new or existing investments or capital contributions in one or more of the following eligible green projects that meet the following eligible project categories as indicated in the GBP, etc.

* The amount of total issue proceeds to be determined on the issue price determination date, which shall be determined based on the issue price of the Green Equity Offering, net of the costs related to the Green Equity Offering.

Please refer to the Table-4 and the schedule-1 for an overview of the nominated projects for Green Equity Offering.

Table-4 MEL Green Equity Offering nominated Projects

| No. | Green Projects | Project Summary |
|-----|-------------------|---|
| 01 | Green Building | 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 |
| 02 | Renewable Energy | Renewable energy generation facilities associated with buildings (limited to solar power generation facilities on the premises) |
| 03 | Energy-Efficiency | Equipment designed to reduce environmental impacts (limited to equipment that achieves 30% or higher of energy-efficiency before introduction.) |

(2) Process for Project Evaluation and Selection

Through the review, DNV confirmed that the nominated projects for MEL's Eligible Green Projects listed in Schedule-1 are consistent with the issuer's ESG initiatives and environmental initiatives, and that the projects will be evaluated and selected based on the established Eligible Criteria. Specifically, the projects for which will be funded from the proceeds are reviewed for compliance with the Eligibility Criteria by the responsibility of the Logistics REIT Management Department of the asset management company, evaluated and selected, and a post-issuance report will be submitted to the Sustainability Committee of the Asset Management Company, which are held once a quarter.

(3) Management of Proceeds

DNV has confirmed how MEL will manage the funds raised from the Green Equity Offering until fully allocated. DNV also confirmed that MEL is supposed to allocate the entire amount of the proceeds promptly to obtain new or existing properties or the refinancing of such funds after the Green Equity Offering.

After the proceeds from the Green Equity Offering are deposited into the account of MEL, and they will be managed in accordance with the account management procedures of Logistics REIT Management Department. The appropriateness of the management of proceeds is confirmed by internal audits conducted on a regular basis. In addition, the overall accounting is subject to external audits by an auditing firm.

Until the decision of the allocation of the proceeds from the Green Equity Offering, the proceeds will be in the form of cash or cash equivalents.

As aforementioned, no assurance is provided by DNV regarding the financial performance of the investment units to be issued through the Green Equity Offering, the value of any investments, or their long-term environmental benefits.

<Note: Raising funds through Green Equity Offering>

The net proceeds are defined as proceeds excluding the expenses related to the Green Equity Offering from the amount of total issue proceeds which is to be determined on the date of determination of the issue price, etc. of the Green Equity Offering. The management of the allocated and unallocated proceeds are implemented based on the procedure explained in (3).

(4) Reporting

DNV has confirmed that MEL will report on the allocation status of the proceeds from Green Equity Offering at least once a year, or until the allocation is completed. MEL will disclose the report in its website. In addition, MEL has been disclosing the status of Green Building of its portfolio and the following environmental benefits (impact reporting) on its website, and plans to continue disclosing such information.

< Status of Green Building >

- Number, type, and rank of environmental certifications of the assets

<Environmental Benefit > *Disclose on a portfolio basis considering confidential information of the Investment Corporation.

- Water usage
- Total energy consumption (electricity consumption and gas/fuel consumption)
- CO₂ emissions
- Waste discharge weight
- Solar power electricity generation
- Details of equipment and facilities installed to reduce environmental impacts and energy efficiency(saving) benefits.

VII Results of Assessment

Based on the documents and information provided by MEL, DNV has confirmed that Framework and Green Equity Offering meet the requirements of the Green Equity Framework Evaluation Protocol at the time of providing this evaluation. Accordingly, DNV expresses its opinion that Framework and Green Equity Offering comprehensively complies to the definition and objectives of GBP and GBGLs being referred, which “enables capital raising and investments in new or existing projects to realize environmental benefits”.

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7th Feb. 2022



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About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight. With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

Disclaimer

Responsibilities of the Management of the Issuer and the Second-Party Opinion Providers, DNV: The management of Issuer has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform the Issuer management and other interested stakeholders in the Bond as to whether the established criteria have been met, based on the information provided to us. In our work we have relied on the information and the facts presented to us by the Issuer. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by the Issuer's management and used as a basis for this assessment were not correct or complete

Schedule-1 Mitsubishi Estate Logistics REIT Investment Corporation Green Equity Offering Nominated Projects

| No. | MEL Green Project | Category (Environmental benefits) | Project Outlines |
|-----|--------------------------|---|---|
| 01 | Green Building | Logistics facilities that have acquired Green Building environmental certification (Reduction of energy, water, waste, etc.) | 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 |
| 02 | Renewable Energy | Solar power generation (Reduction of CO ₂) | Renewable energy generation facilities associated with buildings (limited to solar power generation facilities on the premises) |
| 03 | Energy Efficiency | Improving energy efficiency (Reduction of CO ₂) | Equipment designed to reduce environmental impacts (limited to equipment that achieves 30% or higher energy-efficiency before introduction.) |

Allocation and impact reporting of the proceeds from the Green Equity Offering will be scheduled to be disclosed promptly after the completion of the allocation



Schedule-2 Green Equity Framework Eligibility Assessment Protocol

The following checklists (1) to (4) are DNV evaluation protocol prepared for the Framework eligibility assessment of MEL based on the 4 core components of GBP and GBGLs, which were used as reference standards for the evaluation. The "Relevant Document Check" in the assessment process includes internal documents of MEL. which are provided by MEL to DNV as evidence for evaluating eligibility.

The Framework and related legal documents shown in the table will be disclosed to the investors. Here "Green Finance" equate with "Green Equity Offering".

(1) Use of Proceeds

| Ref. | Criteria | Requirement | Work undertaken | DNV Findings |
|------|---------------------------|---|--|---|
| 1a | Type of finance | <p>The green finance must fall in one of the following categories, as defined by GBP.</p> <ul style="list-style-type: none"> •(Standard) Green Finance •Green Revenue Finance •Green project finance •Other | <p>Confirmed documents:</p> <ul style="list-style-type: none"> - MEL Green Equity Framework <p>Discussions with MEL</p> | <p>Through the evaluation, DNV has confirmed that MEL Green Equity Offering falls into the following categories.</p> <p>(Standard) Green Finance (Green Equity)</p> |
| 1b | Project categories | <p>The cornerstone of a Green Finance is the utilization of the proceeds of the finance which should be appropriately described in the legal documentation for the security.</p> | <p>Confirmed documents:</p> <ul style="list-style-type: none"> - MEL Green Equity Framework <p>Discussions with MEL</p> | <p>DNV has confirmed that MEL Eligible Green Projects identified in the framework fall into the following representative eligible categories as classified by GBP, etc.</p> <p>"Green Building" "Renewable Energy" "Energy Efficiency"</p> <p>Specifically, the following are candidates for MEL green projects: Project 01: "Green Building (Acquisition of the Logistics facilities that obtained or renewed, or to be obtained in the future with one of the environmental certifications of Green Building) Project No. 02: "Renewable Energy"</p> |



| Ref. | Criteria | Requirement | Work undertaken | DNV Findings |
|------|--|---|--|--|
| | | | | (Renewable energy generation facilities associated with buildings) Project No.03: "Energy Efficiency (Equipment designed to reduce environmental impacts) |
| 1c | Environmental and Social benefits | All designated Green Project categories should provide clear greenly sustainable benefits, which, where feasible, will be quantified or assessed by the issuer. | Confirmed documents: <ul style="list-style-type: none"> - MEL Green Equity Framework - Basis for Selection of Eligible Green Projects in the Green Equity Framework (internal document) Discussions with MEL | DNV has confirmed that the execution of MEL eligible green projects has benefits in terms of CO ₂ , water and waste reduction. Although it is difficult to quantitatively evaluate the direct environmental benefits in operation of green buildings, which are candidates for major appropriation projects, they can be evaluated as projects with clear environmental benefits by achieving and obtaining certification for each green building certification standard (level) as evaluated and defined by MEL. |
| 1d | Refinance share | In the event that a proportion of the proceeds may be used for refinancing, it is recommended that issuers provide an estimate of the share of financing vs. re-financing, and where appropriate, also clarify which investments or project portfolios may be refinanced. | Confirmed documents: <ul style="list-style-type: none"> - MEL Green Equity Framework Discussions with MEL | DNV confirmed that if funds raised through Green Equity Offering (net proceeds excluding expenses) are used for refinancing in the future, it will be disclosed by MEL in the report of proceeds allocation status on its website. The disclosure in the report will include the nominated projects and the amount or percentage of refinancing as practically possible. |



(2) Process for Project Evaluation and Selection

| Ref. | Criteria | Requirement | Work undertaken | DNV Findings |
|------|--|---|--|--|
| 2a | Investment decision process | <p>The issuer of a Green Finance should outline the decision-making process it follows to determine the eligibility of projects using Green Finance proceeds. This includes, without limitation:</p> <ul style="list-style-type: none"> • A process to determine how the projects fit within the eligible Green Projects categories identified in the Green Finance Principles; • The criteria making the projects eligible for using the Green Finance proceeds; and • The environmental green objectives | <p>Confirmed documents:</p> <ul style="list-style-type: none"> - MEL Green Equity Framework - Basis for Selection of Eligible Green Projects in the Green Equity Framework (internal document) - MEL Green Equity Offering Execution Plan (internal document) <p>Discussions with MEL</p> | <p>DNV confirmed that MEL plans to select MEL Eligible Green Projects based on the Framework and Green Equity Offering Execution Plan (internal document).</p> <ul style="list-style-type: none"> - The Logistics REIT Management Department of MJIA, the asset management company of MEL that evaluates and selects properties, and that reports the results to the Sustainability Committee after the fact. - DNV confirmed that the green buildings have obtained the environmental certifications that have been evaluated as green projects eligible for green finance by the Basis for Selection of Eligible Green Projects in the Green Equity Framework (internal document). |
| 2b | Issuer's environmental governance framework | <p>In addition to criteria and certifications, the information published by issuers regarding the green finance process is also considered the quality of performance of the issuer's framework and environmental sustainability.</p> | <p>Confirmed documents:</p> <ul style="list-style-type: none"> - MEL Green Equity Framework - MEL website <p>Discussions with MEL</p> | <p>DNV confirmed that the Green Equity Offering is in line with MEL's "Sustainability Initiatives" and "Environmental Initiatives" through the assessment of documents and interviews. These initiatives are also linked to the SDGs, and taken into account the sustainability of MEL business activities in relation to the environment and other factors.</p> |



(3) Management of Proceeds

| Ref. | Criteria | Requirement | Work undertaken | DNV Findings |
|------|-----------------------------|---|---|--|
| 3a | Tracking procedure-1 | The net proceeds of Green Finance should be credited to a sub-account, moved to a sub-portfolio or otherwise traced by the issuer in an appropriate manner and attested to by a formal internal process that will be linked to the issuer's lending and investment operations for Green Projects. | Confirmed documents: - MEL Green Equity Framework Discussions with MEL | MEL plans to manage the proceeds from the Green Equity Offering in the general account and to allocate the entire amount to MEL eligible green projects in a timely manner as specified in the Framework. DNV confirmed that MEL has the appropriate financing process to manage the proceeds and that the status of allocation of the proceeds can be tracked. |
| 3b | Tracking procedure-2 | So long as the Green Finance are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible green investments or loan disbursements made during that period. | Confirmed documents: - MEL Green Equity Framework - MEL website Discussions with MEL | DNV confirmed that the allocation status (allocation amount and balance) of the proceeds will be managed and coordinated in accordance with MEL proceeds management procedures. In the event that the proceeds through the Green Equity Offering are allocated, MEL will disclose the allocated amount and properties promptly after the completion of the allocation. DNV confirmed that this information is planned to be reported on the website of MEL. |
| 3c | Temporary holdings | Pending such investments or disbursements to eligible Green Projects, the issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds. | Confirmed documents: - MEL Green Equity Framework Discussions with MEL | DNV confirmed that if unallocated proceeds are found, they will be managed as cash and cash equivalents and will be available for timely allocation to MEL eligible green projects. The above outline will be used to explain to investors how it operates by the Framework. |

(4) Reporting

| Ref. | Criteria | Requirement | Work undertaken | DNV Findings |
|------|-----------------------------|--|---|---|
| 4a | Periodical reporting | <p>In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, issuers should provide at least annually a list of projects to which Green Finance proceeds have been allocated including</p> <ul style="list-style-type: none"> - confidentiality and/or competitive considerations, where possible - a brief description of the projects and the amounts disbursed, as well as the expected environmentally sustainable impact. | <p>Confirmed documents:</p> <ul style="list-style-type: none"> - MEL Green Equity Framework - MEL website <p>Discussions with MEL</p> | <p>DNV has confirmed that MEL will report on specific items required by green finance (e.g., project progress, allocation status, environmental improvement effects) on its website at least once a year, or when the allocation is completed.</p> <p>The following updated information will be provided in the reporting to the extent practicable.</p> <ul style="list-style-type: none"> - Total amount of allocated amount - Number of eligible projects - Balance of unallocated amount (if any) - Level of certification achieved by assets in the Eligible Green Project portfolio. - Environmental information on assets in the Eligible Green Project Portfolio (water consumption, total energy consumption, CO₂ emissions, waste emissions, annual solar power generation, details of equipment installed to reduce environmental impacts, and energy efficiency effects). |