

Summary of Financial Results for the Fiscal Period Ended August 31, 2021 (REIT)

October 15, 2021

Name of Issuer: Mitsubishi Estate Logistics REIT  
Investment Corporation (“MEL”)  
Stock Exchange Listing: Tokyo Stock Exchange  
Securities Code: 3481  
Website: <https://mel-reit.co.jp/en/>  
Representative: Ken Takanashi, Executive Director

Asset Management Company: Mitsubishi Jisho Investment Advisors, Inc.  
Representative: Haruhiko Araki, President & CEO  
Inquiries: Ken Takanashi, Director, General Manager,  
Logistics REIT Management Department  
Tel. +81-3-3218-0030

Scheduled Date of Filing of Securities Report: Nov. 29, 2021

Scheduled Date of Commencement of Distributions Payments: Nov. 19, 2021

Supplementary Materials for Financial Results: Yes

Investors and Analysts Meeting: Yes

(Values are rounded down to the nearest million yen)

1. Financial Results for the Fiscal Period Ended August 31, 2021 (10th Fiscal Period) (from Mar. 1, 2021 to Aug. 31, 2021)

(1) Operating Results

(Percentages indicate change from the previous period)

Fiscal period ended	Operating revenues		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Aug. 31, 2021	4,953	17.8	2,555	15.9	2,382	14.9	2,381	14.9
Feb. 28, 2021	4,203	25.7	2,204	27.4	2,074	25.3	2,073	25.3

Fiscal period ended	Net income per unit	Return on unitholders' Equity	Ratio of ordinary income to total assets	Ratio of ordinary income to operating revenues
	Yen	%	%	%
Aug. 31, 2021	6,108	2.2	1.4	48.1
Feb. 28, 2021	5,958	2.3	1.5	49.3

Note: MEL issued new investment units of 40,500 units and 1,922 units on Sept. 1, 2021 and Sept. 30, 2021, respectively. For the fiscal period ended Feb. 28, 2021, net income per unit is calculated by dividing net income by the day-weighted average number of investment units outstanding during the period 347,929 units. In addition, MEL issued new investment units of 41,000 units and 1,898 units on Mar. 5, 2021 and Apr. 6, 2021, respectively. For the fiscal period ended Aug. 31, 2021, net income per unit is calculated by dividing net income by the day-weighted average number of investment units outstanding during the period 389,872 units.

(2) Distributions

Fiscal period ended	Distributions per unit (excluding surplus cash distributions)	Total amount of distributions (excluding surplus cash distributions)	Surplus cash distributions per unit	Total amount of surplus cash distributions	Distributions per unit (including surplus cash distributions)	Total amount of distributions (including surplus cash distributions)	Payout ratio	Ratio of distributions to net assets
	Yen	Millions of yen	Yen	Millions of yen	Yen	Millions of yen	%	%
Aug. 31, 2021	6,089	2,381	675	264	6,764	2,645	100.0	2.1
Feb. 28, 2021	5,953	2,073	666	231	6,619	2,304	100.0	2.2

Notes:

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

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

### (3) Financial Position

	Total assets	Net assets	Unitholders' equity to total assets	Net assets per unit
Fiscal period ended	Millions of yen	Millions of yen	%	Yen
Aug. 31, 2021	181,206	116,410	64.2	297,621
Feb. 28, 2021	151,467	99,586	65.7	285,972

### (4) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents
Fiscal period ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Aug. 31, 2021	4,252	(28,171)	26,090	11,643
Feb. 28, 2021	1,827	(28,280)	28,030	9,472

## 2. Forecasts for the Fiscal Periods Ending Feb. 28, 2022 (from Sept. 1, 2021 to Feb. 28, 2022) and Aug. 31, 2022 (from Mar. 1, 2022 to Aug. 31, 2022)

(Percentages indicate change from the previous period)

Fiscal period ending	Operating revenues		Operating income		Ordinary income		Net income		Distributions per unit (including SCD)	Distributions per unit (excluding SCD)	SCD
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen	Yen
Feb. 28, 2022	5,028	1.5	2,628	2.9	2,509	5.3	2,508	5.3	7,099	6,412	687
Aug. 31, 2022	5,059	0.6	2,551	(2.9)	2,430	(3.2)	2,429	(3.2)	6,910	6,210	700

(Reference) Forecasted net income per unit for the fiscal period ending Feb. 28, 2022: 6,412 yen

Forecasted net income per unit for the fiscal period ending Aug. 31, 2022: 6,210 yen

#### \*Other

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

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

##### (2) Total number of investment units issued and outstanding

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

As of Aug. 31, 2021 391,135 units As of Feb. 28, 2021 348,237 units

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

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

Note: Please refer to "Notes Concerning Per Unit Information" on page 25 for the based calculation for the forecasted net income per unit.

#### \*Implementation Status of Statutory Audit

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

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

The forward-looking statements in this material are based on information currently available to us and on certain assumptions that we believe are reasonable. Actual operating performance may differ substantially due to various factors. Furthermore, those statements shall not be deemed a guarantee or any commitment of the amount of future distributions and surplus cash distributions. Please refer to "Forecast Assumptions for the Fiscal Periods Ending Feb. 28, 2022 and Aug. 31, 2022" on page 6 for assumptions regarding forward-looking statements.

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

## Index

1. Results of Operations	
(1) Results of Operations .....	2
(A) Overview of the Current Fiscal Period .....	2
(i) Major Operational Results of MEL .....	2
(ii) Investment Environment and Operational Results of the Current Fiscal Period.....	2
(iii) Overview of Financing .....	3
(iv) Overview of Financial Results and Distributions .....	3
(B) Outlook for the Next Fiscal Period .....	4
(i) Future Management Policies .....	4
(ii) Significant Subsequent Events .....	4
(iii) Earnings Forecast .....	5
(2) Risk Factors .....	8
2. Financial Statements	
(1) Balance Sheet .....	9
(2) Statement of Income and Retained Earnings .....	11
(3) Statement of Changes in Net Assets.....	12
(4) Statement of Cash Distributions.....	13
(5) Statement of Cash Flows .....	14
(6) Notes Concerning Going Concerns Assumption .....	14
(7) Notes Concerning Significant Accounting Policies .....	15
(8) Notes Concerning Financial Statements .....	17
(9) Change in Number of Investment Units Issued and Outstanding .....	24
3. Reference Information	
(1) Composition of MEL's Assets .....	26
(2) Investment Assets .....	26
(A) Major Components of Investment Securities.....	26
(B) Investment Properties .....	26
(C) Other Major Investment Assets.....	26
(i) Overview of Portfolio .....	27
(ii) Overview of Properties.....	29
(iii) Overview of Tenant Agreements .....	31
(iv) Overview of Appraisal Reports .....	33
(v) Information Regarding Major Real Estate Properties .....	35
(vi) Information Regarding Major Tenants.....	35
(vii) Property Distribution .....	36
(viii) Details of Collateral .....	38
(ix) Capital Expenditure for Owned Properties.....	38
(x) Overview of Property Leasing and Status of Operating Income .....	39

## 1. Results of Operations

### (1) Results of Operations

#### (A) Overview of the Current Fiscal Period

##### (i) Major Operational Results of MEL

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

Mitsubishi Estate Co., Ltd. (“MEC”), one of the largest comprehensive developers in Japan, acting as a sponsor. MEL focuses on investing in logistics facilities. MEL’s asset management company, Mitsubishi Jisho Investment Advisors, Inc. (“Asset Management Company” or “MJIA”) has boasting an extensive track record in real estate fund management since its establishment in 2001. Through “HYBRID” (Note 1) utilization of the strengths of both companies, MEL aims for maximization of unitholder value by striving for the building of a high-quality portfolio and steady and stable asset management as a listed real estate investment corporation investing mainly in logistics facilities. Focusing on “location”, “building features” and “stability,” we aim to build a long-term and stable portfolio through selective investments in highly competitive logistics facilities that meet tenant needs.

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

As of the end of the reporting fiscal period (Aug. 31, 2021), MEL acquired five additional properties, Logicross Narashino, Logicross Osaka (40% additional co-beneficiary interest) (Note 2), Logicross Nagoya Kasadera (40% additional co-beneficiary interest) (Note 3), MJ Industrial Park Kobe(Land) and MJ Industrial Park Chiba-Kita(Land) worth aggregate acquisition price of 28,209 million yen, during the reporting fiscal period. As a result, MEL owned 22 properties (aggregate acquisition price: 170,404 million yen), at the end of the reporting fiscal period (Aug. 31, 2021).

Note 1: “HYBRID,” as in the English term “hybrid” meaning a combination of two things, is used in the context of utilization of the strengths of MEC and MJIA to refer to the strengths of both companies being utilized creatively and at times combined depending on the situation and thereby making the most of these in the management of MEL.

Note 2: Logicross Osaka (60% initial co-beneficiary interest) refers to the 60% initial co-beneficiary interest of Logicross Osaka, which was acquired by MEL on Sept. 1, 2020, and Logicross Osaka (40% additional co-beneficiary interest) refers to the 40% additional co-beneficiary interest of Logicross Osaka, which was acquired by MEL on Mar. 9, 2021.

Note 3: Logicross Nagoya Kasadera (60% initial co-beneficiary interest) refers to the 60% initial co-beneficiary interest of Logicross Nagoya Kasadera, which was acquired by MEL on Sept. 1, 2020, and Logicross Nagoya Kasadera (40% additional co-beneficiary interest) refers to the 40% additional co-beneficiary interest of Logicross Nagoya Kasadera, which was acquired by MEL on Mar. 9, 2021.

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

During the reporting fiscal period (ended on Aug. 31, 2021, the declaration and cancellation of the state of emergency was repeated since early spring due to the spread of novel coronavirus, which makes the situation still remains severe. Although the economy is expected to slowly recover as economic activities are resuming with the progress in COVID-19 vaccination, economic uncertainties will most likely to continue, and we need to closely monitor the impacts on the financial and capital markets going forward. The actual GDP (gross domestic product) for the second quarter of 2021 (from Apr. to Jun.) recorded a positive growth for the first time in two quarters with 1.9% increase on an annualized basis backed by the increase in housing demand and corporate capital investment.

Both domestic and foreign investors in the real estate transaction market are still highly motivated to make investments against the backdrop of the global low interest rate environment even under the current COVID-19 pandemic. In addition, as the Federal Reserve is debating when to start tapering its quantitative easing or raise interest rates, we will need to closely monitor the interest rate trends. However, investors continue to look for potential investment opportunities and cap rates of logistics facilities remain low due to stable cash flow.

In the J-REIT market, which continued upward tendency, the Tokyo Stock Exchange REIT Index has outperformed the TOPIX and trended from latter half of 1,800 points to latter half of 2,000 points from March to April, and since June 3, it has been maintaining the 2,100 points level. However, it is necessary to closely monitor the trend of real estate leasing market and the volatility of interest rate environment.

In the logistics facilities market, a rapid increase of e-commerce use has drawn attention and further increase in demand for logistics facilities is expected, driven by the increased online-based consumption and inventories.

Under these circumstances, the demand for logistics facilities continues to be strong and vacancy rates remain low, despite a large volume of new supply. Although the trend of new supply is expected to continue, tenant leasing activities for properties under development are proceeding well, and no significant impact is expected on MEL's portfolio.

As of the end of the reporting fiscal period (Aug. 31, 2021), MEL owned 22 properties (aggregate acquisition price: 170,404 million yen) and the occupancy rate remained high, at 99.8%.

### (iii) Overview of Financing

MEL issued new investment units through its public follow-on offering (41,000 units) and raised 16,006 million yen equity capital, with a payment date of Mar. 5, 2021, to procure funds to acquire assets acquired in the 10th fiscal period. MEL additionally issued units through a third-party allotment (1,898 units) and raised 740 million yen equity capital, with a payment date of Apr. 6, 2021. As a result of these offerings, the balance of MEL's unitholders' capital was 114,028 million yen and the total number of units issued and outstanding was 391,135 as of the end of the reporting fiscal period (Aug. 31, 2021).

During the reporting fiscal period, MEL borrowed short-term loans of 3,500 million yen and long-term loans of 8,500 million yen on Mar. 9, 2021 and long term loans of 1,800 million yen on Mar. 19, 2021 including ESG loan for J-REIT from MUFG Bank, Ltd., and SDGs Green Loan from Sumitomo Mitsui Banking Corporation for the purpose of acquiring five new properties associated with ancillary costs and expenses. Moreover, MEL prepaid aforementioned portion of short-term loan of 800 million yen with the cash on hand including the proceed from third-party allotment on Apr. 9, 2021 and short-term loan of 1,300 million yen with cash on hand including consumption tax refund for the properties acquired during fiscal period ended Feb. 28, 2021 on Jul. 1, 2021.

Additionally, MEL prepaid short-term loans of 200 million yen and 1,800 million yen on Apr. 15, 2021 with the proceeds from investment corporation bonds (Green Bonds) issuance .

As of the end of the reporting fiscal period (Aug. 31, 2021), the balance of MEL's interest-bearing debt was 59,274 million yen and MEL's loan-to-value ratio (the ratio of aggregate balance of interest-bearing debt to MEL's total assets, hereinafter "LTV") was 32.7%.

MEL's credit rating as of the end of the reporting fiscal period (Aug. 31, 2021) was as follows:

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

### (iv) Overview of Financial Results and Distributions

As a result of these investment activities and financings, MEL generated operating revenues of 4,953 million yen, operating income of 2,555 million yen, ordinary income of 2,382 million yen, net income of 2,381 million yen and distributions per unit of 6,764 yen for the reporting fiscal period.

MEL's distributions for the reporting fiscal period were 6,089 yen per unit, which included MEL's profit distributions in deductible expenses in accordance with the Section 1 of Article 67-15 of the Act on Special Taxation Measures Law (a customary practice of J-REITs). The distribution amount was determined to distribute all unappropriated retained earnings for the reporting period, excluding fractions less than one yen. MEL declared the distribution amount of 2,381,621,015 yen which was the amount equivalent to the maximum integral multiples of number of investment units issued and outstanding (391,135 investment units) as of the reporting fiscal period.

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

Accordingly, MEL made Regular Surplus Cash Distributions of 264,016,125 yen, equivalent to 30% of MEL's depreciation expense for the reporting fiscal period and the total amount of SCD per unit for the reporting fiscal period was 675 yen.

#### Notes:

1. However, MEL may decide not to make any surplus cash distributions for a fiscal period based on a consideration of factors such as economic or real estate market conditions and MEL's, financial condition or the amount of anticipated profitability, which includes capital gains arising from property dispositions. In addition, MEL does not plan to pay surplus cash distributions from the perspective of continuing stable financial management, in case such payment would

cause the Appraisal LTV (Note 2), as defined below, to exceed 60%.

2. Appraisal LTV (%) = A / B (%)

A = Total interest bearing liabilities on the balance sheet for the fiscal period related to the operating period in question (excluding tax loan) + Reversal from security deposit reserves (excluding cases where security deposits are refunded according to leasing agreements with tenants)

B = Total assets on the balance sheet for the fiscal period related to the operating period in question – Book value after depreciation of real estate held in the fiscal period in question + Total appraisal value of real estate held in the fiscal period in question – Total cash distributions to be paid in the next operating period – Total surplus cash distributions to be paid in the next operating period

(B) Outlook for the Next Fiscal Period

(i) Future Management Policies

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

a. External Growth Strategy

MEL takes advantage of the following two unique features in a hybrid manner: pipeline support from MEC based on the sponsor support agreement and MJIA’s property sourcing capacity based on its capability to assess investment projects. MEL aims to achieve stable external growth by leveraging strengths of both MEC and MJIA according to market circumstances (hybrid external growth).

b. Internal Growth Strategy

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

c. Financial Strategy

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

(ii) Significant Subsequent Events

Not applicable

(iii) Earnings Forecast

Forecasts for the fiscal period ending February 28, 2022 (from Sept. 1, 2021 to Feb. 28, 2022) are follows.

	Operating revenues	Operating income	Ordinary income	Net income	Distributions per unit (including SCD)	Distributions per unit (excluding SCD)	SCD
Fiscal period ending Feb 28, 2022	Millions of yen 5,028	Millions of yen 2,628	Millions of yen 2,509	Millions of yen 2,508	Yen 7,099	Yen 6,412	Yen 687

(Reference)

Fiscal period ending Feb. 28, 2022: Expected number of investment units outstanding at the end of the period: 391,135 units;  
Expected net income per unit: 6,412 yen

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

	Operating revenues	Operating income	Ordinary income	Net income	Distributions per unit (including SCD)	Distributions per unit (excluding SCD)	SCD
Fiscal period ending Aug. 31, 2022	Millions of yen 5,059	Millions of yen 2,551	Millions of yen 2,430	Millions of yen 2,429	Yen 6,910	Yen 6,210	Yen 700

(Reference)

Fiscal period ending Aug. 31, 2022: Expected number of investment units outstanding at the end of the period: 391,135 units;  
Expected net income per unit: 6,210 yen

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

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

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

Items	Assumption																																	
Accounting Period	<ul style="list-style-type: none"> <li>➤ Fiscal period ending Feb. 28, 2022 (11th fiscal period): From Sept. 1, 2021 to Feb. 28, 2022 (181 days)</li> <li>➤ Fiscal period ending Aug. 31, 2022 (12th fiscal period): From Mar. 1, 2022 to Aug. 31, 2022 (184 days)</li> </ul>																																	
Assets Under Management	<ul style="list-style-type: none"> <li>➤ It is assumed there will be no material change (including acquisition of new properties and dispositions of existing properties) in the operational status of the 22 properties MEL owned as of Oct. 15, 2021, up until Aug. 31, 2022.</li> <li>➤ The actual results may change due to the acquisition of new properties or the disposition of existing properties, etc.</li> </ul>																																	
Operating Revenues	<ul style="list-style-type: none"> <li>➤ Operating rental revenues take into account factors such as market trends and the competitiveness, etc. of each property based on information held by the Asset Management Company for the Properties Owned as of the End of 10th Fiscal Period.</li> <li>➤ It is assumed tenants will pay rents without delinquency or withholding.</li> <li>➤ The forecasts of operating revenues are made on the assumption that there will be no profit or loss from sale of real estate.</li> </ul>																																	
Operating Expenses	<ul style="list-style-type: none"> <li>➤ Main items regarding operating expenses are as follows: <table border="1" style="margin-left: 20px; width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th align="center" colspan="2">(Millions of yen)</th> </tr> <tr> <th></th> <th align="center">Fiscal Period Ending Feb. 28, 2022</th> <th align="center">Fiscal Period Ending Aug. 31, 2022</th> </tr> </thead> <tbody> <tr> <td>Total Operating Rental Expenses</td> <td align="right">1,761</td> <td align="right">1,877</td> </tr> <tr> <td>Facility Management Fee</td> <td align="right">198</td> <td align="right">218</td> </tr> <tr> <td>Utilities Cost</td> <td align="right">132</td> <td align="right">123</td> </tr> <tr> <td>Repair and Maintenance Expenses</td> <td align="right">89</td> <td align="right">114</td> </tr> <tr> <td>Property Taxes</td> <td align="right">407</td> <td align="right">474</td> </tr> <tr> <td>Depreciation</td> <td align="right">896</td> <td align="right">912</td> </tr> <tr> <td>Total General and Administrative Expenses</td> <td align="right">637</td> <td align="right">630</td> </tr> <tr> <td>Asset Management Fee</td> <td align="right">471</td> <td align="right">453</td> </tr> <tr> <td>Sponsor Support Fee</td> <td align="right">84</td> <td align="right">85</td> </tr> </tbody> </table> </li> <li>➤ Of operating rental expenses, which is the main operating expense, expenses except depreciation are calculated by taking into account various factors based on historical data.</li> <li>➤ Property taxes and city planning taxes are generally included in the purchase price of properties on a pro-rata basis of the calendar year and will begin to be expensed from the following calendar year. Accordingly, property taxes and city planning taxes for the Properties Acquired in 10th Fiscal Period will be expensed starting from the fiscal period ending Aug. 31, 2022.</li> <li>➤ For building repair expenses, the amount assumed to be necessary for each property is based on the repair and maintenance plans of the Asset Management Company. However, repair expenses may differ substantially from the anticipated amount due to unexpected factors. For building repair expenses, the amount assumed to be necessary for each property is based on the repair and maintenance plans of the Asset Management Company. However, repair expenses may differ substantially from the anticipated amount due to unexpected factors.</li> </ul>		(Millions of yen)			Fiscal Period Ending Feb. 28, 2022	Fiscal Period Ending Aug. 31, 2022	Total Operating Rental Expenses	1,761	1,877	Facility Management Fee	198	218	Utilities Cost	132	123	Repair and Maintenance Expenses	89	114	Property Taxes	407	474	Depreciation	896	912	Total General and Administrative Expenses	637	630	Asset Management Fee	471	453	Sponsor Support Fee	84	85
	(Millions of yen)																																	
	Fiscal Period Ending Feb. 28, 2022	Fiscal Period Ending Aug. 31, 2022																																
Total Operating Rental Expenses	1,761	1,877																																
Facility Management Fee	198	218																																
Utilities Cost	132	123																																
Repair and Maintenance Expenses	89	114																																
Property Taxes	407	474																																
Depreciation	896	912																																
Total General and Administrative Expenses	637	630																																
Asset Management Fee	471	453																																
Sponsor Support Fee	84	85																																
Non-operating Expenses	<ul style="list-style-type: none"> <li>➤ For the fiscal period ending Feb. 28, 2022, it is assumed that 122 million yen will be incurred as non-operating expenses, which includes 119 million yen for interest expenses and other debt-related costs.</li> <li>➤ For the fiscal period ending Aug. 31, 2022, it is assumed that 122 million yen will be incurred as non-operating expenses, which includes 119 million yen for interest expenses and other debt-related costs.</li> </ul>																																	
Interest-bearing Debt	<ul style="list-style-type: none"> <li>➤ The balance of MEL's interest-bearing debt on an accounting basis as of today is 59,274 million yen.</li> <li>➤ It is assumed that, MEL will repay the short-term debt of 900 million yen obtained on Mar. 9, 2021 using cash on hand including the proceeds of tax refund during the fiscal period ending Feb. 28, 2022.</li> <li>➤ The total expected amount of interest-bearing debt at the end of the fiscal periods ending Feb. 28, 2022 and Aug. 31, 2022 is estimated to be 58,374 million yen and 58,374 million yen, respectively.</li> <li>➤ LTV at the end of the fiscal periods ending Feb. 28, 2022 and Aug. 31, 2022 is estimated to be 32.3% and 32.4%, respectively. For LTV calculation, please refer to the following formula. The ratios are</li> </ul>																																	



	<p>rounded to the nearest tenth:  <math>LTV (\%) = \text{interest-bearing debt} / \text{total assets} \times 100 (\%)</math></p>
Investment Units	<ul style="list-style-type: none"> <li>➤ It is assumed that the number of investment units currently issued and outstanding will not change up until Aug. 31, 2022. Currently, there are 391,135 units issued and outstanding.</li> <li>➤ Distributions per unit (excluding surplus cash distributions) and surplus cash distributions per unit for the fiscal periods ending Feb. 28, 2022 and Aug. 31, 2022 are calculated based on 391,135 investment units, which is the total number of investment units expected to be issued and outstanding at the end of the fiscal periods ending Feb. 28, 2022 and Aug. 31, 2022.</li> </ul>
Distributions Per Unit (excluding surplus cash distributions)	<ul style="list-style-type: none"> <li>➤ Distributions per unit (excluding surplus cash distributions) are calculated based on the premise of the distribution policy in the Articles of Incorporation of MEL.</li> <li>➤ Distributions per unit (excluding surplus cash distributions) may change due to various factors including any additional acquisitions or dispositions of properties, changes in rent revenues attributable to tenant moves, changes in the property management environment including unexpected repair etc.</li> </ul>
Surplus Cash Distributions Per Unit	<ul style="list-style-type: none"> <li>➤ Surplus cash distributions per unit are calculated based on the assumption that the cash distributions will be distributed in accordance with the fund distribution policy of the Articles of Incorporation of MEL. It is assumed that the surplus cash distributions (on an ongoing basis and one-time basis) in the fiscal period ending Feb. 28, 2022 will be 268 million yen. For the fiscal period ending Aug. 31, 2022, it is assumed that the total amount of surplus cash distributions, ongoing surplus cash distributions and surplus cash distributions on a one-time basis will be 273 million yen. There is no distribution from temporarily differences adjustment allowance.</li> <li>➤ The amount of depreciation expenses may change depending on the amount of total assets under management, ancillary costs, capital expenditure, the allocation method of purchase prices for each asset and depreciable life, etc. Surplus cash distributions, which will be based on the amount of depreciation expenses, may change accordingly.</li> <li>➤ There may be cases where MEL implements distribution of cash in surplus of the distributable amount to investors on the basis of financial statements related to cash distribution approved under the Act on Investment Trusts and Investment Corporations (Act No. 198 of June 4, 1951, as amended) if the board of directors of MEL deems such distribution to be appropriate (1) in light of the economic environment, real estate market, lease market or other trends; (2) when the amount of income fails to meet the amount equivalent to 90% of distributable income; (3) when the distribution amount fails to meet the requirements for the Special Provisions for Taxation on Investment Corporations; or (4) in other ways to maximize the interest of investors. When MEL implements distribution of cash in surplus of the distributable amount, it limits the amount to the total of the amount of income for the operating period in question and the amount stipulated under laws and ordinances (inclusive of the rules of the Investment Trusts Association, Japan).</li> <li>➤ For the time being, MEL intends to target a level of surplus cash distributions on an ongoing basis at an amount equivalent to approximately 30% of the depreciation expense for the relevant fiscal period. Furthermore, to maintain the stability of MEL's distributions per unit in the event that an amount of distributions per unit temporarily decreases due to a series of financing actions such as the issuance of new investment units (including investment unit third-party allotment) or large scale repair and maintenance, which may result in a temporary dilution of investment units or incurrence of large expenses, MEL may make distributions as one-time surplus cash distributions. However, MEL may decide not to make any surplus cash distributions for a fiscal period based on a consideration of factors such as economic or real estate market conditions and MEL's, financial condition or the amount of anticipated profitability, which includes capital gains arising from property dispositions.</li> <li>➤ In addition, in the event that MEL needs to allocate its cash to emergency capital expenditures for unexpected damages on MEL's assets, etc., surplus cash distributions per unit may be reduced. MEL does not plan to pay surplus cash distributions from the perspective of continuing stable financial management, in case such payment would cause the Appraisal LTV (Note), as defined below, to exceed 60%.  (Note) Appraisal LTV (%) = A / B (%)  A = Total interest bearing liabilities on the balance sheet for the fiscal period related to the operating period in question (excluding tax loan) + Reversal from security deposit reserves (excluding cases where security deposits are refunded according to leasing agreements with tenants)  B = Total assets on the balance sheet for the fiscal period related to the operating period in question – Book value after depreciation of real estate held in the fiscal period in question + Total appraisal value of real estate held in the fiscal period in question – Total cash distributions to be paid in the</li> </ul>

	next operating period – Total surplus cash distributions to be paid in the next operating period
Others	<ul style="list-style-type: none"> <li>➤ It is assumed that no any revision that will have an impact on the forecast information above will be made with regard to the laws and regulations, tax system, accounting standards, listing rules of the Tokyo Stock Exchange and rules of the Investment Trusts Association, Japan, etc.</li> <li>➤ It is assumed that no unexpected material change will arise in overall economic trends and real estate market conditions, etc.</li> </ul>

(2) Risk Factors

No significant changes have occurred to the risk factors since the most recent Securities Report (filed on May 28, 2021); therefore, their descriptions are not stated here.

## 2. Financial Statements

### (1) Balance Sheet

	Thousands of yen			
	As of			
	February 28, 2021		August 31, 2021	
<b>ASSETS</b>				
Current assets:				
Cash and deposits		3,787,095		4,669,730
Cash and deposits in trust		5,685,115		6,973,856
Operating accounts receivable		28,579		43,411
Prepaid expenses		21,350		21,978
Consumption taxes receivable		1,209,689		594,077
Total current assets		10,731,829		12,303,054
Fixed assets:				
Property and equipment				
Buildings in trust	*1	60,814,082	*1	69,323,806
Less: accumulated depreciation		(3,727,731)		(4,572,054)
Buildings in trust, net		57,086,350		64,751,752
Structures in trust	*1	2,132,358	*1	2,413,488
Less: accumulated depreciation		(103,076)		(126,726)
Structures in trust, net		2,029,281		2,286,761
Machinery and equipment in trust		197,114		202,323
Less: accumulated depreciation		(12,939)		(24,328)
Machinery and equipment in trust, net		184,175		177,994
Tools, furniture and fixtures in trust		16,694		28,674
Less: accumulated depreciation		(2,652)		(4,392)
Tools, furniture and fixtures in trust, net		14,042		24,281
Land in trust		81,361,574		101,608,148
Total property and equipment		140,675,424		168,848,938
Intangible assets				
Software		2,985		2,035
Other intangible assets		641		591
Total intangible assets		3,626		2,626
Investments and other assets				
Deferred tax assets		15		11
Long-term prepaid expenses		42,714		41,711
Security deposit		10,000		10,000
Total investments and other assets		52,730		51,722
Total fixed assets		140,731,780		168,903,287
Deferred assets:				
Organization expenses		4,032		-
Total deferred assets		4,032		-
<b>Total assets</b>		<b>151,467,642</b>		<b>181,206,341</b>

	Thousands of yen	
	As	
	February 28, 2021	August 31, 2021
<b>LIABILITIES</b>		
Operating accounts payable	257,699	306,660
Short-term loans payable	2,000,000	1,400,000
Long-term loans payable due within one year	2,211,000	2,211,000
Accounts payable	21,350	11,159
Distributions payable	6,862	4,808
Accrued expenses	488,817	566,362
Income taxes payable	916	826
Advances received	715,556	877,391
Deposits received	96	63,771
Others	-	96
Total current liabilities	5,702,299	5,442,075
Non-current liabilities		
Investment corporation bonds	-	2,000,000
Long-term loans payable	43,363,000	53,663,000
Tenant leasehold and security deposits in trust	2,816,129	3,691,040
Total non-current liabilities	46,179,129	59,354,040
Total liabilities	51,881,429	64,796,116
<b>NET ASSETS</b>		
Unitholders' equity		
Unitholders' capital		
Unitholders' capital, gross	98,444,036	115,191,501
Deduction from unitholders' capital	(931,072)	(1,162,998)
Unitholders' capital, net	97,512,964	114,028,503
Surplus		
Retained earnings	2,073,248	2,381,722
Total surplus	2,073,248	2,381,722
Total unitholders' equity	99,586,213	116,410,225
Total net assets	*2 99,586,213	*2 116,410,225
<b>Total liabilities and net assets</b>	151,467,642	181,206,341

## (2) Statement of Income and Retained Earnings

	Thousands of yen			
	For the fiscal period ended			
	For the fiscal period from Sept. 1, 2020 to Feb. 28, 2021		For the fiscal period from Mar. 1, 2021 to Aug. 31, 2021	
Operating revenues:				
Operating rental revenues	*1	4,002,266	*1	4,720,745
Other rental revenues	*1	201,145	*1	232,341
Total operating revenues		4,203,412		4,953,086
Operating expenses:				
Expenses related to property rental business	*1	1,497,479	*1	1,801,259
Asset management fee		352,247		398,037
Asset custody fee		1,390		1,558
Administrative service fee		19,156		21,662
Directors' compensation		2,400		2,400
Commission paid		94,815		101,640
Other operating expenses		31,182		70,591
Total operating expenses		1,998,671		2,397,151
Operating income		2,204,740		2,555,935
Non-operating income:				
Interest income		44		55
Interest on refund		-		829
Refund of Property taxes		726		604
Reversal of distributions payable		-		2,284
Total non-operating income		770		3,773
Non-operating expenses:				
Interest expenses on investment corporation bonds		-		5,343
Interest expenses		87,433		112,251
Borrowing related expenses		3,290		3,959
Amortization of organization expenses		6,047		4,032
Investment unit issuance expenses		34,682		35,343
Investment corporation bond issuance expenses		-		16,411
Total non-operating expenses		131,455		177,341
Ordinary income		2,074,055		2,382,367
Income before income taxes		2,074,055		2,382,367
Income taxes-current		923		834
Income taxes-deferred		(3)		4
Total income taxes		919		839
Net income		2,073,136		2,381,528
Retained earnings brought forward		112		193
Unappropriated retained earnings		2,073,248		2,381,722

## (3) Statement of Changes in Net Assets

The Previous Period (from Sept. 1, 2020 to Feb. 28, 2021)

	Thousands of yen						
	Unitholders' equity						Total net assets
	Unitholders' capital			Surplus		Total unitholders' equity	
	Unitholders' capital, gross	Deduction of unitholders' capital	Unitholders' capital, net	Unappropriated retained earnings	Total surplus		
Balance as of Sept. 1, 2020	80,744,051	(750,029)	79,994,021	1,654,877	1,654,877	81,648,898	
Change during the period							
Issuance of new investments	17,699,985	-	17,699,985	-	-	17,699,985	17,699,985
Distributions in excess of retained earnings	-	(181,042)	(181,042)	-	-	(181,042)	(181,042)
Surplus cash distributions	-	-	-	(1,654,764)	(1,654,764)	(1,654,764)	(1,654,764)
Net income	-	-	-	2,073,136	2,073,136	2,073,136	2,073,136
Total change during the period	17,699,985	(181,042)	17,518,943	418,371	418,371	17,937,314	17,937,314
Balance as of Feb. 28, 2021	*1 98,444,036	(931,072)	97,512,964	2,073,248	2,073,248	99,586,213	99,586,213

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

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

(4) Statement of Cash Distributions

	Yen	
	For the fiscal period from Sept. 1, 2020 to Feb. 28, 2021	For the fiscal period from Mar. 1, 2021 to Aug. 31, 2021
I. Unappropriated retained earnings	2,073,248,856	2,381,722,226
II. Distributions in excess of retained earnings		
Deduction from unitholders' capital	231,925,842	264,016,125
III. Distributions	2,304,980,703	2,645,637,140
(Distributions per unit)	(6,619)	(6,764)
Of which, distributions of retained earnings	2,073,054,861	2,381,621,015
(Of which, distributions in retained earnings per unit)	(5,953)	(6,089)
Of which, distributions in excess of retained earnings	231,925,842	264,016,125
(Of which, distributions in excess of retained earnings per unit)	(666)	(675)
IV. Retained earnings carried forward	193,995	101,211

Calculation method of distribution amount	Pursuant to the "Policy on the Distribution of Funds" as defined in Article 35, Paragraph 1 of the Articles of Incorporation, the amount of distributions shall be the amount which does not exceed the amount of profits but exceeds 90% of the distributable profit as defined in Article 67-15 of the Special Taxation Measures Act. Based on the policy, MEL declared distribution amount of 2,073,054,861 yen. This amount was equivalent to the maximum integral multiples of number of investment units issued and outstanding (348,237 units) as of the end of fiscal period. Based on the distribution policy as defined in Article 35, Paragraph 2 of the Articles of Incorporation, MEL shall make Surplus Cash Distributions (SCD), defined as distributions in excess of retained earnings, as a return of unitholders' capital, each fiscal period on a continuous basis. Accordingly, MEL declared SCD of 231,925,842 yen as a return of unitholders' capital, which was the amount equivalent to approximately 30% of depreciation expense.	Pursuant to the "Policy on the Distribution of Funds" as defined in Article 35, Paragraph 1 of the Articles of Incorporation, the amount of distributions shall be the amount which does not exceed the amount of profits but exceeds 90% of the distributable profit as defined in Article 67-15 of the Special Taxation Measures Act. Based on the policy, MEL declared distribution amount of 2,381,621,015 yen. This amount was equivalent to the maximum integral multiples of number of investment units issued and outstanding (391,135 units) as of the end of fiscal period. Based on the distribution policy as defined in Article 35, Paragraph 2 of the Articles of Incorporation, MEL shall make Surplus Cash Distributions (SCD), defined as distributions in excess of retained earnings, as a return of unitholders' capital, each fiscal period on a continuous basis. Accordingly, MEL declared SCD of 264,016,125 yen as a return of unitholders' capital, which was the amount equivalent to approximately 30% of depreciation expense.
---	---	---

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

## (5) Statement of Cash Flows

	Thousands of yen	
	For the period ended	
	For the fiscal period from Sept. 1, 2010 to Feb. 28, 2021	For the fiscal period from Mar. 1, 2021 to Aug. 31, 2021
Cash flows from operating activities:		
Income before income taxes	2,074,055	2,382,367
Depreciation	774,496	882,103
Investment unit issuance expenses	34,682	35,343
Investment corporation bond issuance expenses	-	16,411
Interest income	(44)	(55)
Interest expenses on investment corporation bonds	-	5,343
Interest expenses	87,433	112,251
Reversal of distributions payable	-	(2,284)
Decrease (Increase) in operating accounts receivable	(1,120)	(14,832)
Decrease (Increase) in consumption taxes receivable	(1,209,689)	615,612
Decrease (Increase) in prepaid expenses	(6,542)	(628)
Decrease (Increase) in long-term prepaid expenses	(9,636)	1,003
Increase (Decrease) in operating accounts payable	85,211	41,049
Increase (Decrease) in accounts payable	13,028	(10,191)
Increase (Decrease) in accrued expenses	65,951	67,176
Increase (Decrease) in consumption taxes payable	(204,777)	-
Increase (Decrease) in advances received	187,511	161,834
Others	21,990	67,802
Subtotal	1,912,552	4,360,307
Interest received	44	55
Interest paid	(84,432)	(107,225)
Income taxes paid	(843)	(924)
Net cash provided by (used in) operating activities	1,827,319	4,252,212
Cash flows from investing activities:		
Purchases of property and equipment in trust	(28,900,804)	(29,046,707)
Proceeds from tenant leasehold and security deposits in trust	676,278	895,083
Repayments from tenant leasehold and security deposits in trust	(55,560)	(20,172)
Net cash provided by investing activities	(28,280,087)	(28,171,796)
Cash flows from financing activities:		
Proceeds from short-term loans payable	2,800,000	3,500,000
Repayments of short-term loans payable	(1,750,000)	(4,100,000)
Proceeds from long-term loans payable	11,150,000	10,300,000
Proceeds from issuance of investment corporation bonds	-	1,983,588
Proceeds from issuance of new investment units	17,665,302	16,712,121
Payment of distributions of retained earnings	(1,654,114)	(2,072,871)
Payment of distributions in excess of retained earnings	(180,847)	(231,878)
Net cash provided by (used in) financing activities	28,030,340	26,090,959
Net increase (decrease) in cash and cash equivalents	1,577,572	2,171,375
Cash and cash equivalents at the beginning of period	7,894,638	9,472,211
Cash and cash equivalents at the end of period	*1 9,472,211	*1 11,643,587

## (6) Notes Concerning Going Concerns Assumption

Not applicable



(7) Notes Concerning Significant Accounting Policies

<p>1. Method of depreciation of non-current assets</p>	<p>(1) Property and equipment Property and equipment are stated at cost. Depreciation of property and equipment, including property and equipment in trust, is calculated by the straight-line method over the estimated useful lives as follows:</p> <table border="0"> <tr> <td>Buildings</td> <td>2-63 years</td> </tr> <tr> <td>Structures</td> <td>10-58 years</td> </tr> <tr> <td>Machinery and equipment</td> <td>8-12 years</td> </tr> <tr> <td>Tools, furniture and fixtures</td> <td>3-15 years</td> </tr> </table> <p>(2) Intangible assets Intangible assets are stated at cost. Amortization of intangible assets, including intangible assets in trust, is calculated by the straight-line method over the estimated useful lives.</p> <p>(3) Long-term prepaid expenses Long-term prepaid expenses are amortized by the straight-line method.</p>	Buildings	2-63 years	Structures	10-58 years	Machinery and equipment	8-12 years	Tools, furniture and fixtures	3-15 years
Buildings	2-63 years								
Structures	10-58 years								
Machinery and equipment	8-12 years								
Tools, furniture and fixtures	3-15 years								
<p>2. Accounting method of deferred charges</p>	<p>(1) Organization expenses All organization expenses are amortized over five years using straight-line method.</p> <p>(2) Investment unit issuance expenses All investment unit issuance expenses are recorded as expense at the time of expenditure.</p> <p>(3) Investment corporation bond issuance expenses All investment corporation bond issuance expenses are recorded as expense at the time of expenditure</p>								
<p>3. Revenue and expense recognition</p>	<p>Accounting treatment of property taxes and other taxes With respect to property taxes, city planning taxes and depreciable asset taxes, of the tax amount assessed and determined, the amount corresponding to the relevant fiscal period is accounted for as rental expenses. Of the amounts paid for the acquisitions of real estate properties or beneficiary right in trust of real estate, the amount equivalent to property taxes is capitalized as part of the acquisition cost of the relevant property instead of being charged as an expense.</p>								
<p>4. Cash and cash equivalents as stated in the Statement of Cash Flows</p>	<p>Cash and cash equivalents consist of cash on hand and cash in trust, floating deposits, deposits in trust and short-term investments that are very liquid and realizable with a maturity of three months or less when purchased and that are subject to insignificant risks of changes in value.</p>								
<p>5. Other basic matters for preparing financial statements</p>	<p>(1) Accounting treatment of trust beneficiary interests of real estate As to trust beneficiary interests of real estate, all accounts of assets and liabilities within assets in trust, as well as all income generated and expenses incurred from assets in trust, are recorded in the relevant balance sheets and income statement accounts. Of which, the following significant trust assets are shown separately on the balance sheet.</p> <ul style="list-style-type: none"> <li>(a) Cash and deposits in trust</li> <li>(b) Buildings in trust, structures in trust, machinery and equipment in trust, tools in trust, furniture and fixtures and land in trust</li> <li>(c) Tenant leasehold and security deposits in trust</li> </ul> <p>(2) Accounting treatment of consumption taxes Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.</p>								

(Accounting standards issued but not yet effective)

- “Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan (ASBJ) Statement No. 29 issued on Mar. 31, 2020)
- “Implementation Guidance on Accounting Standard for Revenue Recognition” (ASBJ Guidance No. 30 issued on Mar. 26, 2020)
- “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19 issued on Mar. 31, 2020)

#### (1) Overview

The International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) in the United States have jointly developed comprehensive accounting standards for revenue recognition and issued “Revenue from Contracts with Customers” (IFRS 15 (IASB) and Topic 606 (FASB)) in May 2014. Given the situation where IFRS 15 will be applied from fiscal years beginning on or after January 1, 2018 and that Topic 606 will be applied from fiscal years beginning after December 15, 2017, the ASBJ has developed comprehensive accounting standards for revenue recognition and issued them together with the implementation guidance. The basic policy of the ASBJ when it developed the accounting standards for revenue recognition was to specify the accounting standards, incorporating the basic principles of IFRS 15 as a starting point, from the perspective of comparability between financial statements, which is one of the benefits of maintaining compatibility with IFRS 15. The basic policy also stipulates that if there is an item to which consideration should be given, such as practices that have been conducted thus far in Japan, alternative treatments will be added to the extent to which comparability is not impaired.

#### (2) Scheduled date of application

The accounting standards will be applied from the beginning of the fiscal period ending February 28, 2022.

#### (3) Impact of applying the accounting standards

The impact of applying “Accounting Standard for Revenue Recognition” and its guidance on the financial statements is currently under evaluation.

- “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30 issued on Jul. 4, 2019)
- “Accounting Standard for Financial Instruments” (ASBJ Statement No.10 issued on Jul. 4, 2019)
- “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31 issued on Jun. 17, 2019)
- “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19 issued on Mar. 31, 2020)

#### (1) Overview

The IASB and the FASB have established detailed guidance regarding fair value measurement (IFRS 13 “Fair Value Measurement” (IASB) and Topic 820 “Fair Value Measurement” (FASB)). The ASBJ repeatedly considered the guidance regarding fair value of financial instruments and disclosure in order to improve the comparability with such international accounting standards, and issued “Accounting Standard for Fair Value Measurement” and “Implementation Guidance on Accounting Standard for Fair Value Measurement.”

#### (2) Scheduled date of application

The accounting standards will be applied from the beginning of the fiscal period ending February 28, 2022.

#### (3) Impact of applying the accounting standards

The impact of applying the “Accounting Standard for Fair Value Measurement” and its guidance on the financial statements is currently under evaluation.

## (8) Notes Concerning Financial Statements

### (Notes Concerning Balance Sheet)

#### \*1 Reduction entry of tangible fixed assets

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

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

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

### (Notes Concerning Statement of Income and Retained Earnings)

#### \*1 Operating income from property leasing is as follows:

	Thousands of yen	
	For the fiscal period from Sept. 1, 2020 to Feb. 28, 2021	For the fiscal period from Mar. 1, 2021 to Aug. 31, 2021
A. Property-related revenues		
Operating rental revenues		
Rental revenues	3,825,893	4,533,464
Common area charges	176,373	187,280
Total	4,002,266	4,720,745
Other rental revenues		
Received utilities cost	124,108	144,882
Others	77,037	87,458
Total	201,145	232,341
Total property-related revenues	4,203,412	4,953,086
B. Property-related expenses		
Rental expenses		
Facility management fee	185,972	208,222
Property and other taxes	313,276	407,913
Insurance	6,412	7,306
Repair and maintenance	75,570	142,071
Utilities cost	115,299	131,715
Depreciation	773,496	881,103
Custodian fee	3,140	3,676
Others	24,312	19,251
Total rental expenses	1,497,479	1,801,259
C. Operating income from property leasing (A-B)	2,705,932	3,151,826

### (Notes Concerning Statement of Unitholders' Equity)

	For the fiscal period from	For the fiscal period from
	Sept. 1, 2020 to	Mar. 1, 2021 to
	Feb. 28, 2021	Aug. 31, 2021
Number of investment units authorized	10,000,000 units	10,000,000 units
Number of investment units issued and outstanding	348,237 units	391,135 units

(Notes Concerning Statement of Cash Flow)

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

	Thousands of yen	
	For the fiscal period from Sept. 1, 2020 to Feb. 28, 2021	For the fiscal period from Mar. 1, 2021 to Aug. 31, 2021
Cash and deposits	3,787,095	4,669,730
Cash and deposits in trust	5,685,115	6,973,856
Cash and cash equivalents	9,472,211	11,643,587

(Notes Concerning to Lease Contracts)

Operating lease transactions (as lessor)

Unearned rental revenue

	Thousands of yen	
	For the fiscal period from Sept. 1, 2020 to Feb. 28, 2021	For the fiscal period from Mar. 1, 2021 to Aug. 31, 2021
Due within one year	8,139,356	8,732,265
Due after one year	39,466,864	58,945,497
Total	47,606,221	67,677,762

(Notes Concerning Financial Instruments)

1. Overview

(1) Policy for Financial Instruments

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

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

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

MEL generally invests surplus funds in bank deposits, considering the safety and liquidity of the investment and also reflecting the market environment and cash positions of MEL itself. MEL enters into derivative transactions solely for the purposes of reducing risks of rising interest rates related to financings and other types of risks. MEL does not use derivative transactions for speculative purposes. Not applicable for the reporting period.

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

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

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

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

The fair value of financial instruments is based on their quoted market price, if available. When there is no

quoted market price available, fair value is based on a price that is reasonably estimated. Since various assumptions and factors are reflected in estimating the fair value, different assumptions and factors could result in a different value.

## 2. Estimated Fair Value of Financial Instruments

The book value, fair value and differences between the values as of Feb. 28, 2021 are as follows: Financial instruments for which the fair value is extremely difficult to estimate are excluded from the following table (see Note 2 below).

	Thousands of yen		
	Book value	Fair value (Note 1)	Difference
(1) Cash and deposits	3,787,095	3,787,095	-
(2) Cash and deposits in trust	5,685,115	5,685,115	-
Total assets	9,472,211	9,472,211	-
(3) Short-term loans payable	2,000,000	2,000,000	-
(4) Long-term loans payable due within one year	2,211,000	2,212,967	1,967
(6) Long-term loans payable	43,363,000	43,473,011	110,011
Total liabilities	47,574,000	47,685,978	111,978

The book value, fair value and differences between the values as of Aug. 31, 2021 are as follows: Financial instruments for which the fair value is extremely difficult to estimate are excluded from the following table (see Note 2 below).

	Thousands of yen		
	Book value	Fair value (Note 1)	Difference
(1) Cash and deposits	4,669,730	4,669,730	-
(2) Cash and deposits in trust	6,973,856	6,973,856	-
Total assets	11,643,587	11,643,587	-
(3) Short-term loans payable	1,400,000	1,400,000	-
(4) Long-term loans payable due within one year	2,211,000	2,211,276	276
(5) Investment corporation bonds	2,000,000	2,035,749	35,749
(6) Long-term loans payable	53,663,000	54,043,474	380,474
Total liabilities	59,274,000	59,690,500	416,500

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

(1) Cash and deposits, (2) Cash and deposits in trust and (3) Short-term loans payable

Due to the short maturities, the book value of these instruments is deemed a reasonable approximation of the fair value, and therefore, the book value is used as the fair value.

(4) Long-term loans payable due within one year, (5) Investment corporation bonds and (6) Long-term loans payable

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

(Note 2) Financial instruments for which the fair value is extremely difficult to estimate

	Thousands of yen	
	As of	
	Feb. 28, 2021	Aug. 31, 2021
Tenant leasehold and security deposits in trust *	2,816,129	3,691,040

\* Because tenant leasehold and security deposits and tenant leasehold and security deposits in trust have no observable and available market price and it is impracticable to reasonably estimate their future cash flows, their fair value is not assessed herein.

(Note 3) Redemption schedule for monetary claims after Feb. 28, 2021

	Thousands of yen					
	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Cash and deposits	3,787,095	-	-	-	-	-
Cash and deposits in trust	5,685,115	-	-	-	-	-
Total	9,472,211	-	-	-	-	-

Redemption schedule for monetary claims after Aug. 31, 2021

	Thousands of yen					
	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Cash and deposits	4,669,730	-	-	-	-	-
Cash and deposits in trust	6,973,856	-	-	-	-	-
Total	11,643,587	-	-	-	-	-

(Note 4) Repayment schedule of debt after Feb. 28, 2021

	Thousands of yen					
	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Short-term loans payable	2,000,000	-	-	-	-	-
Long-term loans payable due within one year	2,211,000	-	-	-	-	-
Long-term loans payable	-	3,310,000	6,540,000	4,550,000	4,970,000	23,993,000
Total	4,211,000	3,310,000	6,540,000	4,550,000	4,970,000	23,993,000

Repayment schedule for debt after Aug. 31, 2021

	Thousands of yen					
	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Short-term loans payable	1,400,000	-	-	-	-	-
Long-term loans payable due within one year	2,211,000	-	-	-	-	-
Investment corporation bonds	-	-	-	-	-	2,000,000
Long-term loans payable	-	3,310,000	6,540,000	5,900,000	4,970,000	32,943,000
Total	3,611,000	3,310,000	6,540,000	5,900,000	4,970,000	34,943,000

(Notes Concerning Investment Securities)

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

Not applicable

(Notes Concerning Derivative Transactions)

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

Not applicable

(Notes Concerning Retirement Payment)

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

Not applicable

(Notes Concerning Deferred Tax Accounting)

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

	Thousands of yen	
	As of	
	Feb. 28, 2021	Aug. 31, 2021
Enterprise tax payable	15	11
Subtotal deferred tax assets	15	11
Total deferred tax assets	15	11
Net deferred tax assets	15	11

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

	For the fiscal period ended	
	Feb. 28, 2021	Aug. 31, 2021
Statutory tax rate	31.46%	31.46%
Adjustments:		
Deductible cash distributions	(31.44%)	(31.45%)
Other	0.03%	0.03%
Actual effective income tax rate	0.04%	0.04%

(Notes Concerning Equity Earnings of Affiliate Companies)

For the periods from Sept. 1, 2020, to Feb. 28, 2021, and from Mar. 1, 2021, to Aug. 31, 2021

Not applicable

(Notes Concerning Related Party Transaction)

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

For the periods from Sept. 1, 2020, to Feb. 28, 2021, and from Mar. 1, 2021, to Aug. 31, 2021

Not applicable

2. Transactions and Account Balances with Affiliates

For the periods from Sept. 1, 2020, to Feb. 28, 2021, and from Mar. 1, 2021, to Aug. 31, 2021

Not applicable

3. Transactions and Account Balances with Companies under Common Control

For the periods from Sept. 1, 2020, to Feb. 28, 2021, and from Mar. 1, 2021, to Aug. 31, 2021

Not applicable

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

For the periods from Sept. 1, 2020, to Feb. 28, 2021, and from Mar. 1, 2021, to Aug. 31, 2021

Not applicable

(Notes Concerning Asset Retirement Obligations)

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

Not applicable

(Notes Concerning Rental Properties)

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

	Thousands of yen	
	For the fiscal period from Sept. 1, 2020 to Feb. 28, 2021	For the fiscal period from Mar. 1, 2021 to Aug. 31, 2021
Book value (Note 1)		
Balance at the beginning of the period	112,466,230	140,675,424
Changes during the period (Note 2)	28,209,193	28,173,514
Balance at the end of the period	140,675,424	168,848,938
Fair value at the end of the period (Note 3)	155,900,000	189,300,000

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

(Note 2) The increase for the fiscal period ended Feb. 28, 2021 was primarily a result of acquiring new properties for a total of 28,865,490 thousand yen. The decrease was primarily a result of the recognition of depreciation, which amounted to 773,496 thousand yen. The increase for the fiscal period ended Aug. 31, 2021 was primarily a result of acquiring new properties for a total of 28,886,168 thousand yen. The decrease was primarily a result of the recognition of depreciation, which amounted to 881,103 thousand yen.

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

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

(Notes Concerning Segment and Related Information)

1. Segment Information

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

2. Related Information

For the period from Mar. 1, 2020, to Aug. 31, 2020

(1) Information by Products and Services

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

(2) Information by Geographic Region

(a) Operating Revenues

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

(b) Property and Equipment

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

(3) Information by Each Major Customer

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

For the period from Sept. 1, 2020, to Feb. 28, 2021

(1) Information by Products and Services

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

(2) Information by Geographic Region

(a) Operating Revenues

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



(b) Property and Equipment

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

(3) Information by Each Major Customer

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

(Notes Concerning Per Unit Information)

	Yen	
	For the fiscal period from Sept. 1, 2020 to Feb. 28, 2021	For the fiscal period from Mar. 1, 2021 to Aug. 31, 2021
Net assets per unit	285,972	297,621
Net income per unit	5,958	6,108

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

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

	For the fiscal period from Sept. 1, 2020 to Feb. 28, 2021	For the fiscal period from Mar. 1, 2021 to Aug. 31, 2021
Net income (Thousands of yen)	2,073,136	2,381,528
Amount not attributable to common unitholders (Thousands of yen)	-	-
Net income attributable to common unitholders (Thousands of yen)	2,073,136	2,381,528
Average number of investment units during the period (Unit)	347,929	389,872

(Notes Concerning Significant Subsequent Events)

Not applicable

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

Changes in the number of investment units issued and outstanding and unitholders' capital for the most recent five years until Aug. 31, 2021 are as follows:

Date	Type of Issue	Unitholders' Capital (Thousands of yen)(Note 1)		Number of Investment Units Issued and Outstanding (Units)		Note
		Increase / Decrease	Total	Increase / Decrease	Total	
Sept. 28, 2016	Private offering	1,800,000	2,000,000	18,000	20,000	(Note 2)
June 15, 2017	Reverse split of investment units	-	2,000,000	(12,000)	8,000	(Note 3)
Sept. 13, 2017	Public offering	49,678,200	51,678,200	198,000	206,000	(Note 4)
Oct. 10, 2017	Capital increase through third-party allotment	2,007,200	53,685,400	8,000	214,000	(Note 5)
May 21, 2018	Surplus cash distribution (return on capital)	(120,910)	53,564,490	-	214,000	(Note 6)
Sept. 10, 2018	Public offering	7,216,429	60,780,919	30,300	244,300	(Note 7)
Oct. 11, 2018	Capital increase through third-party allotment	360,821	61,141,741	1,515	245,815	(Note 8)
Nov. 19, 2018	Surplus cash distribution (return on capital)	(129,898)	61,011,843	-	245,815	(Note 9)
May 21, 2019	Surplus cash distribution (return on capital)	(179,199)	60,832,644	-	245,815	(Note 10)
Oct. 7, 2019	Public offering	18,556,033	79,388,677	57,150	302,965	(Note 11)
Nov. 7, 2019	Capital increase through third-party allotment	925,366	80,314,044	2,850	305,815	(Note 12)
Nov. 18, 2019	Surplus cash distribution (return on capital)	(146,014)	80,168,030	-	305,815	(Note 13)
May 20, 2020	Surplus cash distribution (return on capital)	(174,008)	79,994,021	-	305,815	(Note 14)
Sept. 1, 2020	Public offering	16,898,058	96,892,079	40,500	346,315	(Note 15)
Sept. 30, 2020	Capital increase through third-party allotment	801,927	97,694,006	1,922	348,237	(Note 16)
Nov. 20, 2020	Surplus Cash Distributions (return on capital)	(181,042)	97,512,964	-	348,237	(Note 17)
Mar. 5, 2021	Public offering	16,006,482	113,519,446	41,000	389,237	(Note 18)
Apr. 6, 2021	Capital increase through third-party allotment	740,982	114,260,429	1,898	391,135	(Note 19)
May 20, 2021	Surplus Cash Distributions (return on capital)	(231,925)	114,028,503	—	391,135	(Note 20)

Notes:

1. "Unitholders' capital" is the amount after deducting the "Deduction from unitholders' capital."
2. Investment units were issued at an issue price of 100,000 yen per unit.
3. A 0.4-for-1 reverse split of investment units was conducted, with June 15, 2017 as the effective date.
4. New investment units were issued through public offering at an issue price of 260,000 yen (paid-in amount of 250,900 yen) per unit.
5. New investment units were issued through third-party allotment at a paid-in amount of 250,900 yen per unit.
6. Cash distributions for the fiscal period ended Feb. 2018 in the amount of 565 yen per unit as return of capital. It was

- decided on Apr. 13, 2018 and started payment on May 21, 2018.
7. New investment units were issued through public offering at an issue price of 246,772 yen (paid-in amount of 238,166 yen) per unit.
  8. New investment units were issued through third-party allotment at a paid-in amount of 238,166 yen per unit.
  9. Cash distributions for the fiscal period ended Aug. 2018 in the amount of 607 yen per unit as return of capital. It was decided on Oct. 15, 2018 and started payment on Nov. 19, 2018.
  10. Cash distributions for the fiscal period ended Feb. 2019 in the amount of 729 yen per unit as return of capital. It was decided on Apr. 15, 2019 and started payment on May 21, 2019.
  11. New investment units were issued through public offering at an issue price of 335,887 yen (paid-in amount of 324,690 yen) per unit.
  12. New investment units were issued through third-party allotment at a paid-in amount of 324,690 yen per unit.
  13. Cash distributions for the fiscal period ended Aug. 2019 in the amount of 594 yen per unit as return of capital. It was decided on Oct. 17, 2019 and started payment on Nov. 18, 2019.
  14. Cash distributions for the fiscal period ended Feb. 2020 in the amount of 569 yen per unit as return of capital. It was decided on Apr. 17, 2020 and started payment on May 20, 2020.
  15. New investment units were issued through public offering at an issue price of 431,701 yen (paid-in amount of 417,236 yen) per unit.
  16. New investment units were issued through third-party allotment at a paid-in amount of 417,236 yen per unit.
  17. Cash distributions for the fiscal period ended Aug. 2020 in the amount of 592 yen per unit as return of capital. It was decided on Oct. 15, 2020 and started payment on Nov. 20, 2020.
  18. New investment units were issued through public offering at an issue price of 403,650 yen (paid-in amount of 309,402 yen) per unit.
  19. New investment units were issued through third-party allotment at a paid-in amount of 309,402 yen per unit.
  20. Cash distributions for the fiscal period ended Mar. 2021 in the amount of 666 yen per unit as return of capital. It was decided on Apr. 15, 2021 and started payment on May. 20, 2021.

### 3. Reference Information

#### (1) Composition of MEL's Assets

Type of assets	Category	Region	10th fiscal period (As of Aug. 31, 2021)	
			Retained amount (Millions of yen) (Note 1)	Ratio of total assets (%)
Beneficiary right in trust	Logistics facilities	Tokyo metropolitan area (Note 2)	76,664	42.3
		Osaka metropolitan area (Note 3)	32,613	18.0
		Nagoya metropolitan area (Note 4)	28,122	15.5
		Others	18,664	10.3
	Others	12,783	7.1	
	Total		168,848	93.2
	Deposit and other assets		12,357	6.8
	Total assets (Note 5)		181,206	100.0

	10th fiscal period (As of Aug. 31, 2021)	
	Amount (Millions of yen)	Ratio of total asset (%)
Total liabilities (Note 5)(Note 6)	64,796	35.8
Total net assets (Note 5)	116,410	64.2
Total assets (Note 5)	181,206	100.0

#### Notes:

- The retained amount is the amount allocated in the balance sheet (the book value after depreciation) at the end of the reporting fiscal period (as of Aug. 31, 2021.)
- Tokyo metropolitan area refers to Tokyo, Kanagawa, Chiba, Saitama and Ibaraki prefectures.
- Osaka metropolitan area refers to Osaka, Hyogo, Kyoto, Nara and Shiga prefectures.
- Nagoya metropolitan area refers to Aichi, Mie and Gifu prefectures.
- Total liabilities, total net assets and total assets is the amount allocated in the balance sheet at the end of the reporting fiscal period (as of Aug. 31, 2021).
- Total liabilities include the tenant leasehold and security deposits.

#### (2) Investment Assets

(A) Major Components of Investment Securities  
Not applicable

(B) Investment Properties  
Not applicable

#### (C) Other Major Investment Assets

The real estate trust beneficiary interests held by MEL as of the end of Aug. 31, 2021 are as follows.

(i) Overview of Portfolio

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

Category	Property name	Location	Acquisition price (Millions of yen) (Note 1)	Investment ratio (%) (Note 2)	Book value (Millions of yen)	Appraisal value (Millions of yen) (Note 3)	Acquisition date (Note 4)
Logistics Facilities	Logicross Fukuoka Hisayama	Hisayama, Kasuya, Fukuoka	5,770	3.4	5,508	7,480	Sept. 14, 2017
	Logicross Atsugi	Atsugi, Kanagawa	8,440	5.0	8,347	9,420	Sept. 3, 2018
	Logicross Kobe Sanda	Kobe, Hyogo	3,900	2.3	3,860	4,310	Sept. 3, 2018
	Logicross Osaka (Note 5)	Osaka, Osaka	①5,874 ②3,868 Total:9,743	5.7	9,806	10,100	①Sept. 1, 2020 ②Mar. 9, 2021
	Logicross Nagoya Kasadera (Note 5)	Nagoya, Aichi	①8,705 ②5,719 Total:14,424	8.5	14,546	16,500	①Sept. 1, 2020 ②Mar. 9, 2021
	Logicross Narashino	Narashino, Chiba	11,851	7.0	11,972	12,400	Mar. 9, 2021
	LOGIPOINT Sagamihara (Note 6)	Sagamihara, Kanagawa	21,364	12.5	20,752	24,000	Sept. 14, 2017
	LOGIPOINT Hashimoto (Note 7)	Sagamihara, Kanagawa	18,200	10.7	17,730	21,060	Sept. 14, 2017
	LOGIPOINT Osaka Taisho (Note 8)	Osaka, Osaka	①5,682 ②4,802 Total:10,484	6.2	10,473	11,850	①Oct. 9, 2019 ②Sept. 1, 2020
	MJ Logipark Funabashi 1	Funabashi, Chiba	5,400	3.2	5,336	6,590	Sept. 29, 2016
	MJ Logipark Atsugi 1	Atsugi, Kanagawa	6,653	3.9	6,473	7,190	Sept. 14, 2017
	MJ Logipark Kazo 1	Kazo, Saitama	1,272	0.7	1,231	1,490	Sept. 14, 2017
	MJ Logipark Osaka 1	Osaka, Osaka	6,090	3.6	5,921	7,130	Sept. 14, 2017
	MJ Logipark Fukuoka 1	Umi, Kasuya, Fukuoka	6,130	3.6	5,793	6,610	Sept. 14, 2017
	MJ Logipark Tsuchiura 1	Tsuchiura, Ibaraki	3,133	1.8	3,121	3,420	Sept. 2, 2019
	MJ Logipark Nishinomiya 1	Nishinomiya, Hyogo	2,483	1.5	2,550	2,680	Oct. 9, 2019
	MJ Logipark Kasugai 1	Kasugai, Aichi	13,670	8.0	13,575	14,400	Oct. 9, 2019
	MJ Logipark Kazo 2	Kazo, Saitama	1,637	1.0	1,698	1,720	Sept. 1 2020
MJ Logipark Sendai 1	Tagajo, Miyagi	7,388	4.3	7,362	7,510	Sept. 1 2020	
Others	MJ Industrial Park Sakai (Land)	Sakai, Osaka	5,600	3.3	5,666	5,780	Oct. 9, 2019
	MJ Industrial Park Kobe (Land)	Kobe, Hyogo	4,970	2.9	5,202	5,690	Mar. 9, 2021
	MJ Industrial Park Chiba- Kita (Land)	Chiba, Chiba	1,800	1.1	1,914	1,970	Mar. 19, 2021
Total			170,404	100.0	168,848	189,300	-

Notes:

1. "Acquisition price" represents the purchase price of each property or beneficiary right in trust as set forth on the relevant purchase agreement and does not include expenses such as consumption taxes, and is rounded down to nearest million yen.
2. "Investment ratio" is calculated by dividing the acquisition price for each property by the total acquisition price and is rounded to second decimal place. Thus, the sum of the figures in total may not add up to the figure in the total column.
3. "Appraisal value" represents the appraisal value as set forth on the relevant study reports by real estate appraisers as of Aug. 31, 2021. Please refer to the below mentioned" (iv) Overview of Appraisal Reports".
4. "Acquisition date" represents the acquisition date in the relevant sale and purchase agreement.
5. "Total Acquisition price" and "Appraisal value" of Logicross Osaka and Logicross Nagoya Kasadera is shown with the values corresponding to the co-beneficiary interest ratios (100%). "Acquisition price" and "Acquisition date" are shown with the number on the top refers to the 60 % co-beneficiary interest acquired on Sept. 1, 2020, and the bottom refers to the 40% co-beneficiary interest acquired on Mar. 9, 2021.

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

## (ii) Overview of Properties

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

Category	Property name	Land area (m <sup>2</sup> )(Note 1)	Total floor area (m <sup>2</sup> ) (Note 1)	Total leasable area (m <sup>2</sup> ) (Note 2)	Total leased area (m <sup>2</sup> ) (Note 3)	Year built (Note 4)
Logistics Facilities	Logicross Fukuoka Hisayama	18,136.89	36,082.08	34,878.55	34,878.55	Oct. 2014
	Logicross Atsugi	14,782.03	29,895.80	29,895.80	29,895.80	Mar. 2017
	Logicross Kobe Sanda	20,000.93	12,879.33	12,844.35	12,844.35	Jun. 2017
	Logicross Osaka	18,176.07	36,619.48	35,616.58	35,616.58	Sept. 2018
	Logicross Nagoya Kasadera	33,224.00	72,376.03	62,289.08	62,289.08	Jan. 2019
	Logicross Narashino	19,386.40	36,437.92	39,132.05	39,132.05	Mar. 2018
	LOGIPOINT Sagamihara (Note 5)	94,197.27	200,252.53 (98,123.73)	88,609.64	88,316.94	Aug. 2013
	LOGIPOINT Hashimoto (Note 6)	67,746.26	145,809.59 (65,614.31)	58,487.96	58,487.96	Jan. 2015
	LOGIPOINT Osaka Taisho (Note 7)	55,929.57	117,045.04 (43,891.89)	40,081.57	38,492.07	Feb. 2018
	MJ Logipark Funabashi 1	7,481.00	18,262.08	18,232.07	18,232.07	Nov. 1989
	MJ Logipark Atsugi 1	19,780.93	27,836.15	28,002.44	28,002.44	Jul. 2013
	MJ Logipark Kazo 1	7,621.09	7,602.06	7,678.10	7,678.10	Mar. 2006
	MJ Logipark Osaka 1	13,028.81	39,157.61	39,082.95	39,082.95	Sept. 2007
	MJ Logipark Fukuoka 1	20,297.84	39,797.96	38,143.21	38,143.21	Sept. 2007
	MJ Logipark Tsuchiura 1	22,914.37	15,485.00	15,485.00	15,485.00	Oct. 2014
	MJ Logipark Nishinomiya 1	23,008.83	13,903.42	13,777.07	13,777.07	Mar. 1991
	MJ Logipark Kasugai 1	38,972.99	58,236.48	57,866.98	57,866.98	Jan. 2017
	MJ Logipark Kazo 2	11,454.21	7,349.18	7,349.18	7,349.18	Dec. 1998
	MJ Logipark Sendai 1	19,877.94	36,854.27	39,098.87	39,098.87	Mar. 2009
Others	MJ Industrial Park Sakai (Land)	87,476.71	-	87,476.71	87,476.71	-
	MJ Industrial Park Kobe (Land)	40,050.71	-	31,743.99	31,743.99	-
	MJ Industrial Park Chiba-Kita (Land)	14,986.64	-	14,986.64	14,986.64	-
Total		668,531.49	951,882.01 (696,404.78)	800,758.79	798,876.59	-

## Notes:

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

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

2. "Total leasable area" equals to the gross leasable space in each property or property in trust as of Aug. 31, 2021, based on lease agreements and floor plans included in lease agreements, plus available space based on floor plans, rounded down to the nearest hundredth. It does not include the leased area indicated in the lease agreements concerning shops, vending machines, photovoltaic power generation facilities and parking lots.
3. "Total leased area" equals to the gross floor area of leased space in each property or property in trust as of Aug. 31, 2021, based on the lease agreements and floor plans included in the lease agreements. It does not include the leased area indicated in the lease agreements concerning shops, vending machines, photovoltaic power generation facilities and parking lots.
4. "Year built" is the date of construction of the building in the register. If there is more than one main building, the oldest date shown in the register.
5. "Total leasable area" and "Total leased area" of LOGIPORT Sagamihara is shown with the values corresponding to the co-beneficiary interest ratios (49%).
6. "Total leasable area" and "Total leased area" of LOGIPORT Hashimoto is shown with the values corresponding to the co-beneficiary interest ratios (45%).
7. "Total leasable area" and "Total leased area" of LOGIPORT Osaka Taisho is shown with the values corresponding to the co-beneficiary interest ratios (37.5%).



(iii) Overview of Tenant Agreements

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

Category	Property name	Total leasable area (㎡) (Note 1)	Total leased area (㎡) (Note 2)	Occupancy (%) (Note 3)	Number of tenants (Note 4)	Name of major tenant (Note 5)	Annual rent (Millions of yen) (Note 6)	Security deposit (Millions of yen) (Note 7)	Average lease term / Average remaining lease term (Years) (Note 8, 9)
Logistics Facilities	Logicross Fukuoka Hisayama	34,878.55	34,878.55	100.0	2	AXions GROUP	Not disclosed (Note 10)	Not disclosed (Note 10)	5.0 (4.5)
	Logicross Atsugi	29,895.80	29,895.80	100.0	1	MITAKA SOKO Co., Ltd.	Not disclosed (Note 10)	Not disclosed (Note 10)	10.0 (5.6)
	Logicross Kobe Sanda	12,844.35	12,844.35	100.0	1	Fresh Creator Co., Ltd.	Not disclosed (Note 10)	Not disclosed (Note 10)	30.0 (25.8)
	Logicross Osaka	35,616.58	35,616.58	100.0	2	e-LogiT co Ltd	Not disclosed (Note 10)	Not disclosed (Note 10)	Not disclosed (Note 10)
	Logicross Nagoya Kasadera	62,289.08	62,289.08	100.0	10	YAGAMI Co., LTD	939	400	6.7 (4.3)
	Logicross Narashino	39,132.05	39,132.05	100.0	1	Nihon Realest., Ltd.	Not disclosed (Note 10)	Not disclosed (Note 10)	Not disclosed (Note 10)
	LOGIPOINT Sagamihara (Note 11)	88,609.64	88,316.94	99.7	18	S・V・D Co., Ltd.	1,282	299	7.2 (2.4)
	LOGIPOINT Hashimoto (Note 12)	58,487.96	58,487.96	100.0	15	KDDI Corporation	969	238	6.1 (3.2)
	LOGIPOINT Osaka Taisho (Note 13)	40,081.57	38,492.07	96.0	10	SBS Toshiba Logistics Corporation	559	134	5.7 (2.8)
	MJ Logipark Funabashi 1	18,232.07	18,232.07	100.0	1	Fuji Echo Co., Ltd.	Not disclosed (Note 10)	Not disclosed (Note 10)	Not disclosed (Note 10)
	MJ Logipark Atsugi 1	28,002.44	28,002.44	100.0	1	Sun Toshi Tatemono K.K.	Not disclosed (Note 10)	Not disclosed (Note 10)	Not disclosed (Note 10)
	MJ Logipark Kazo 1	7,678.10	7,678.10	100.0	1	Kanda Holdings Co., Ltd.	Not disclosed (Note 10)	Not disclosed (Note 10)	Not disclosed (Note 10)
	MJ Logipark Osaka 1	39,082.95	39,082.95	100.0	1	Sankyu Inc.	Not disclosed (Note 10)	Not disclosed (Note 10)	Not disclosed (Note 10)
	MJ Logipark Fukuoka 1	38,143.21	38,143.21	100.0	4	Fukuoka Logistics Systems Corp.	398	179	2.9 (0.8)
	MJ Logipark Tsuchiura 1	15,485.00	15,485.00	100.0	1	EntreX Incorporated	Not disclosed (Note 10)	Not disclosed (Note 10)	20.0 (16.9)
	MJ Logipark Nishinomiya 1	13,777.07	13,777.07	100.0	1	F - LINE CO., Ltd	Not disclosed (Note 10)	Not disclosed (Note 10)	10.0 (7.6)
	MJ Logipark Kasugai 1	57,866.98	57,866.98	100.0	2	Kimura-Unity Co., Ltd.	Not disclosed (Note 10)	Not disclosed (Note 10)	5.1 (2.2)
	MJ Logipark Kazo 2	7,349.18	7,349.18	100.0	1	MS JAPAN Co.,Ltd.	Not disclosed (Note 10)	Not disclosed (Note 10)	10.0 (8.3)
MJ Logipark Sendai 1	39,098.87	39,098.87	100.0	3	Toho Transportation and Warehouse Co., Ltd.	424	188	3.5 (1.0)	

Category	Property name	Total leasable area (㎡) (Note 1)	Total leased area (㎡) (Note 2)	Occupancy (%) (Note 3)	Number of tenants (Note 4)	Name of major tenant (Note 5)	Annual rent (Millions of yen) (Note 6)	Security deposit (Millions of yen) (Note 7)	Average lease term / Average remaining lease term (Years) (Note 8, 9)
Others	MJ Industrial Park Sakai (Land)	87,476.71	87,476.71	100.0	1	IHI Infrastructure Systems Co., Ltd	Not disclosed (Note 10)	Not disclosed (Note 10)	Not disclosed (Note 10)
	MJ Industrial Park Kobe (Land)	31,743.99	31,743.99	100.0	1	ORIX Auto Corporation	Not disclosed (Note 10)	Not disclosed (Note 10)	Not disclosed (Note 10)
	MJ Industrial Park Chiba-Kita (Land)	14,986.64	14,986.64	100.0	1	Kinugawa Rubber Industrial Co., Ltd.	Not disclosed (Note 10)	Not disclosed (Note 10)	Not disclosed (Note 10)
Total (Average)		800,758.79	798,876.59	99.8	79	—	9,653	3,636	10.5 (7.0)

Notes:

1. "Total leasable area" equals to the gross leasable space in each property or property in trust as of Aug. 31, 2021, based on lease agreements and floor plans included in lease agreements, plus available space based on floor plans, rounded down to the nearest hundredth. It does not include the leased area indicated in the lease agreements concerning shops, vending machines, photovoltaic power generation facilities and parking lots.
2. "Total leased area" equals to the gross floor area of leased space in each property or property in trust as of Aug. 31, 2021, based on the lease agreements and floor plans included in the lease agreements. It does not include the leased area indicated in the lease agreements concerning shops, vending machines, photovoltaic power generation facilities and parking lots.
3. "Occupancy" is as of Aug. 31, 2021, calculated by dividing total leased area for each property by the total leasable area. The total occupancy rate is calculated by dividing the aggregate total leased area for the relevant properties by the aggregate total leasable area for the relevant properties. Figures are rounded to the nearest tenth.
4. "Number of tenants" is based on the lease agreements with tenants for each property or property in trust as of Aug. 31, 2021. However, if one lessee enters into a multiple number of lease agreements for the same property, the total number of tenants will be calculated on the assumption that such lessee is one party.
5. "Name of major tenant" is the name of the tenant with the largest leased floor area in the relevant lease agreement for each property or property in trust as of Aug. 31, 2021
6. "Annual rent" represents the annualized amount of rent (the sum of annualized amounts of rent if a multiple number of lease agreements have been executed), which is 12 times monthly rent (including common area expenses), rounded down to the nearest million yen, indicated in the relevant lease agreement for each property or property in trust as of Aug. 31, 2021. However, if there are different provisions for monthly rent (including common area expenses) depending on the time period in each lease agreement for each property or property in trust as of Aug. 31, 2021, the annualized amount of rent will be calculated based on the monthly rent (including common area expenses) for Aug. 2021 shown in said lease agreement. The rent-free periods and annual rent holiday periods (meaning that the payment of rents for specific months is exempted) as of Aug. 31, 2021 shall not be included.
7. "Security deposit" represent the sum of the outstanding amounts of leasehold/security deposits (the sum of the outstanding amounts of leasehold/security deposit if a multiple number of lease agreements have been executed), rounded down to the nearest million yen, indicated in the subject lease agreement as of Aug. 31, 2021. However, if there are different provisions for the sum of outstanding leasehold/security deposit depending on the time period in each lease agreement for each property or property in trust, the amount of tenant leasehold/security deposit for Aug. 2021 shown in said lease agreement is indicated.
8. "Average lease term" is calculated as the weighted average lease term indicated in the relevant lease agreements for each property or property in trust as of Aug. 31, 2021, by the rent and figures are rounded to the first decimal place.
9. "Average remaining lease term" is calculated as the weighted average remaining lease term indicated in the relevant lease agreements for each property or property in trust as of Aug. 31, 2021, by the rent and figures are rounded to the first decimal place.
10. Not disclosed as the tenant's consent has not been obtained.
11. "Total leasable area", "Total leased area", "Annual rent" and "Security deposits" of LOGIPORT Sagami-hara is shown with the values corresponding to the co-beneficiary interest ratios (49%).
12. "Total leasable area", "Total leased area", "Annual rent" and "Security deposits" of LOGIPORT Hashimoto is shown with the values corresponding to the co-beneficiary interest ratios (45%).
13. "Total leasable area", "Total leased area", "Annual rent" and "Security deposits" of LOGIPORT Osaka Taisho is shown with the values corresponding to the co-beneficiary interest ratios (37.5%).

## (iv) Overview of Appraisal Reports (as of Aug. 31, 2021)

Category	Property name	Appraiser	Appraisal value date	Appraisal value (Millions of yen)	Integrated value based on cost method (Millions of yen)	Return price					Appraisal NOI (Millions of yen) (Note 1)	Appraisal NOI Yield (%) (Note 2)
						Direct capitalization method		DCF method				
						Value based on direct capitalization method (Millions of yen)	Direct capitalization rate (%)	Value based on DCF method (Millions of yen)	Discount rate (%)	Terminal capitalization rate (%)		
Logistics Facilities	Logicross Fukuoka Hisayama	Tanizawa Sogo Appraisal Co., Ltd.	Aug. 31, 2021	7,480	6,980	7,510	4.6	7,470	4.5, 4.7 (Note 3)	4.8	350	6.1
	Logicross Atsugi	Tanizawa Sogo Appraisal Co., Ltd.	Aug. 31, 2021	9,420	9,300	9,540	4.0	9,370	4.0, 4.1 (Note 4)	4.2	382	4.5
	Logicross Kobe Sanda	Tanizawa Sogo Appraisal Co., Ltd.	Aug. 31, 2021	4,310	3,990	4,350	4.5	4,290	4.4, 4.5 (Note 5)	4.7	197	5.1
	Logicross Osaka	Japan Real Estate Institute	Aug. 31, 2021	10,100	9,710	10,200	4.1	9,900	3.9	4.3	421	4.3
	Logicross Nagoya Kasadera	Japan Real Estate Institute	Aug. 31, 2021	16,500	16,000	16,700	4.3	16,300	4.1	4.5	719	5.0
	Logcross Narashino	Japan Real Estate Institute	Aug. 31, 2021	12,400	12,400	12,500	4.0	12,200	3.8	4.2	504	4.3
	LOGIPORT Sagamihara (Note 6)	DAIWA REAL ESTATE APPRAISAL Corporation	Aug. 31, 2021	24,000	16,800	23,900	4.1	24,000	3.9	4.3	998	4.7
	LOGIPORT Hashimoto (Note 7)	Japan Real Estate Institute	Aug. 31, 2021	21,060	20,655	21,375	4.0	20,700	3.8	4.2	856	4.7
	LOGIPORT Osaka Taisho (Note 8)	Japan Real Estate Institute	Aug. 31, 2021	11,850	10,837	12,037	4.0	11,625	3.8	4.2	486	4.6
	MJ Logipark Funabashi 1	Japan Real Estate Institute	Aug. 31, 2021	6,590	3,360	6,610	4.9	6,570	4.1	5.3	352	6.5
	MJ Logipark Atsugi 1	Japan Real Estate Institute	Aug. 31, 2021	7,190	7,470	7,290	4.1	7,080	3.9	4.3	302	4.5
	MJ Logipark Kazo 1	Japan Real Estate Institute	Aug. 31, 2021	1,490	1,300	1,510	4.7	1,470	4.5	4.9	72	5.7
	MJ Logipark Osaka 1	Tanizawa Sogo Appraisal Co., Ltd.	Aug. 31, 2021	7,130	5,800	7,180	4.2	7,110	4.1, 4.3 (Note9)	4.4	312	5.1
	MJ Logipark Fukuoka 1	Japan Real Estate Institute	Aug. 31, 2021	6,610	4,600	6,680	4.7	6,530	4.5	4.9	328	5.4
	MJ Logipark Tsuchiura 1	Japan Real Estate Institute	Aug. 31, 2021	3,420	2,880	3,460	4.8	3,380	4.6	5.0	165	5.3
	MJ Logipark Nishinomiya 1	Tanizawa Sogo Appraisal Co., Ltd.	Aug. 31, 2021	2,680	2,850	2,770	4.7	2,640	4.4, 4.7 (Note 10)	4.9	141	5.7
MJ Logipark Kasugai 1	Tanizawa Sogo Appraisal Co., Ltd.	Aug. 31, 2021	14,400	12,600	14,800	4.4	14,200	4.4, 4.5 (Note 11)	4.6	660	4.8	
MJ Logipark Kazo 2	Tanizawa Sogo Appraisal Co., Ltd.	Aug. 31, 2021	1,720	1,610	1,810	4.3	1,680	4.4	4.5	82	5.0	

Category	Property name	Appraiser	Appraisal value date	Appraisal value (Millions of yen)	Integrated value based on cost method (Millions of yen)	Return price					Appraisal NOI (Millions of yen) (Note 1)	Appraisal NOI Yield (%) (Note 2)
						Direct capitalization method		DCF method				
						Value based on direct capitalization method (Millions of yen)	Direct capitalization rate (%)	Value based on DCF method (Millions of yen)	Discount rate (%)	Terminal capitalization rate (%)		
Logistics Facilities	MJ Logipark Sendai 1	Japan Real Estate Institute	Aug. 31, 2021	7,510	5,210	7,600	4.8	7,410	4.4	4.8	382	5.2
Others	MJ Industrial Park Sakai (Land)	Japan Real Estate Institute	Aug. 31, 2021	5,780	-	5,840	3.7	5,710	3.5	3.8	214	3.8
	MJ Industrial Park Kobe (Land)	Tanizawa Sogo Appraisal Co., Ltd.	Aug. 31, 2021	5,690	-	5,750	4.0	5,690	3.9, 4.0 (Note12)	4.0	254	5.1
	MJ Industrial Park Chiba-Kita (Land)	Tanizawa Sogo Appraisal Co., Ltd.	Aug. 31, 2021	1,970	-	2,020	4.3	1,970	4.2, 4.3 (Note13)	4.4	79	4.4
Total				189,300	154,352	191,432	-	187,295	-	-	8,268	4.9

Notes:

1. "Appraisal NOI" is the net operating income by the direct capitalization method stated in the appraisal report, rounded down to the nearest million yen.
2. "Appraisal NOI Yield" is the ratio of appraisal NOI using the direct capitalization method to the acquisition price of each property in each real estate appraisal report, rounded to the first decimal place.
3. "Discount rate" for Logicross Fukuoka Hisayama is assessed from first to fifth year as 4.5% and sixth year and thereafter as 4.7%.
4. "Discount rate" for Logicross Atsugi is assessed first to sixth year as 4.0% and seventh and thereafter as 4.1%.
5. "Discount rate" for Logicross Kobe Sanda is assessed first to sixth year as 4.4% and seventh to 11th as 4.5%.
6. "Appraisal value", "Integrated value based on cost method", "Value based on direct capitalization method" and "Value based on DCF method" of LOGIPORT Sagamihara is shown with the values corresponding to the co-beneficiary interest ratios (49%).
7. "Appraisal value", "Integrated value based on cost method", "Value based on direct capitalization method" and "Value based on DCF method" of LOGIPORT Hashimoto is shown with the values corresponding to the co-beneficiary interest ratios (45%).
8. "Appraisal value", "Integrated value based on cost method", "Value based on direct capitalization method" and "Value based on DCF method" of LOGIPORT Osaka Taisho is shown with the values corresponding to the co-beneficiary interest ratios (37.5%).
9. "Discount rate" for MJ Logipark Osaka 1 is assessed first year as 4.1% and second to 11th year as 4.3%.
10. "Discount rate" for MJ Logipark Nishinomiya 1 is assessed first to eighth year as 4.4% and ninth and thereafter as 4.7%.
11. "Discount rate" for MJ Logipark Kasugai 1 is assessed first to second year as 4.4% and third and thereafter as 4.5%.
12. "Discount rate" for MJ Industrial Park Kobe (Land) is assessed first to ninth year as 3.9% and 10th and thereafter as 4.0%.
13. "Discount rate" for MJ Industrial Park Chiba-Kita (Land) is assessed first to fourth year as 4.2% and fifth and thereafter as 4.3%.

(v) Information Regarding Major Real Estate Properties

The following summarizes the properties where “annual rent” represents 10% or more of the total portfolio annual rent as of Aug. 31, 2021.

Property name	Annual rent (Millions of yen) (Note 1)	Percentage of rent (%) (Note 2)
LOGIPORT Sagamihara (Note 3)	1,282	13.3
LOGIPORT Hashimoto (Note 4)	969	10.0

Notes:

1. “Annual rent” represents the annualized amount of rent (the sum of annualized amounts of rent if a multiple number of lease agreements have been executed), which is 12 times monthly rent (including common area expenses), rounded down to the nearest million yen, indicated in the relevant lease agreement for each property or property in trust as of Aug. 31, 2021. However, if there are different provisions for monthly rent (including common area expenses) depending on the time period in each lease agreement for each property or property in trust as of Aug. 31, 2021, the annualized amount of rent will be calculated based on the monthly rent (including common area expenses) for Aug. 2021 shown in said lease agreement. The rent-free periods and annual rent holiday periods (meaning that the payment of rents for specific months is exempted) as of Aug. 31, 2021 shall not be included.
2. “Percentage of rent” is the ratio of that property’s total annual rent to the total portfolio annual rent, rounded to the nearest tenth.
3. “Annual rent” of LOGIPORT Sagamihara is shown with the values corresponding to the co-beneficiary interest ratios (49%).
4. “Annual rent” of LOGIPORT Hashimoto is shown with the values corresponding to the co-beneficiary interest ratios (45%).

(vi) Information Regarding Major Tenants

The following summarizes the major tenant where “leased area” represents 10% or more of the total portfolio leased area as of Aug. 31, 2021.

Tenant Name	Type of industry (Note 1)	Property name	Annual rent (Millions of yen)	Percentage of rent (%)	Leased area (m <sup>2</sup> ) (Note 2)	Percentage of area (%) (Note 3)	Lease expiration date
IHI Infrastructure Systems Co., Ltd	Manufacturing of metal products for construction (excluding steel frame)	MJ Industrial Park Sakai (Land)	Not disclosed (Note 4)	Not disclosed (Note 4)	87,476.71	10.9	Not disclosed (Note 4)

Notes:

1. “Type of industry” refers to the report from the TOKYO SHOKO RESEARCH, LTD.
2. “Total leased area” equals to the gross floor area of leased space in each property or property in trust as of Aug. 31, 2021, based on the lease agreements and floor plans included in the lease agreements. It does not include the leased area indicated in the lease agreements concerning shops, vending machines, photovoltaic power generation facilities and parking lots.
3. “Percentage of area” refers to the floor area leased to end tenant as a proportion of total leased area. Figures are rounded to the nearest tenth.
4. Not disclosed as the tenant’s consent has not been obtained.

(vii) Property Distribution

a. Distribution by category

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

Notes:

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

b. Distribution by region

<Based on total floor area (Note 1)>

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

<Based on acquisition price>

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

Notes:

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

c. Distribution by property age (Note 1)

Property age (Note 2)	Number of properties	Total floor area (m <sup>2</sup> )	Ratio (%)	Acquisition price (Millions of yen)	Investment ratio (%)
Less than 5 years	7	363,490.08	38.2	72,512	45.9
5 years or more and less than 10 years	5	425,465.35	44.7	55,120	34.9
10 years or more	7	162,926.58	17.1	30,400	19.2
Total	19	951,882.01	100.0	158,033	100.0

Notes:

1. MJ Industrial Park Sakai (Land), MJ Industrial Park Kobe (Land) and MJ Industrial Park Chiba-Kita (Land) are not included in the calculation.
2. "Property age" is calculated based on the date recorded in the register up to Aug. 31, 2021.

d. Distribution by total floor area (Note)

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

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

e. Distribution by lease term

Lease term (Note 1)	Annual rent (Millions of yen) (Note 2)(Note 3)	Ratio (%)
10 years or more	4,354	45.1
7 years or more and less than 10 years	361	3.7
5 years or more and less than 7 years	3,211	33.3
Less than 5 years	1,725	17.9
Total	9,653	100.0

Notes:

- “Lease term” is calculated as the weighted average lease term indicated in the relevant lease agreements for each property or property in trust as of Aug. 31, 2021, by the rent and figures are rounded to the first decimal place. It does not include the leased area indicated in the lease agreements concerning shops, vending machines, photovoltaic power generation facilities and parking lots.
- “Annual rent” represents the annualized amount of rent (the sum of annualized amounts of rent if a multiple number of lease agreements have been executed), which is 12 times monthly rent (including common area expenses), rounded down to the nearest million yen, indicated in the relevant lease agreement for each property or property in trust as of Aug. 31, 2021. However, if there are different provisions for monthly rent (including common area expenses) depending on the time period in each lease agreement for each property or property in trust as of Aug. 31, 2021, the annualized amount of rent will be calculated based on the monthly rent (including common area expenses) for Feb. 2021 shown in said lease agreement. The rent-free periods and annual rent holiday periods (meaning that the payment of rents for specific months is exempted) as of Aug. 31, 2021 shall not be included. Same applies below (vii) Property Distribution.
- LOGIPORT Sagamihara, LOGIPORT Hashimoto and LOGIPORT Osaka Taisho is shown with the values corresponding to the co-beneficiary interest ratios (49%, 45% and 37.5% respectively). Same applies below (vii) Property Distribution.

f. Distribution by remaining lease term

Remaining lease term (Note)	Annual rent (Millions of yen)	Ratio (%)
7 years or more	2,125	22.0
5 years or more and less than 7 years	591	6.1
3 years or more and less than 5 years	2,187	22.7
1 year or more and less than 3 years	3,388	35.1
Less than 1 year	1,359	14.1
Total	9,653	100.0

Note: “Remaining lease term” is calculated as the weighted average remaining lease term indicated in the relevant lease agreements for each property or property in trust as of Aug. 31, 2021, by the rent and figures are rounded to the first decimal place. It does not include the leased area indicated in the lease agreements concerning shops, vending machines, photovoltaic power generation facilities and parking lots.

## (viii) Details of Collateral

Not applicable

## (ix) Capital Expenditure for Owned Properties

## a. Future plans for capital expenditure

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

Property name (Location)	Purpose	Planned period	Estimated construction cost (Millions of yen) (Note)		
			Total amount	Paid during the reporting period	Total amount already paid
MJ Logipark Kazo 1 (Kazo, Saitama)	Repair work of elevator	From Nov. 2021 to Feb. 2022	12	-	-

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

## b. Capital expenditure incurred for the reporting fiscal period

MEL conducted construction work worth 310 million yen in the reporting fiscal period which is a sum of capital expenditures of 168 million yen and repair and maintenance expenses of 142 million yen.

Property name (Location)	Purpose	Planned period	Construction cost (Millions of yen) (Note)
MJ Logipark Funabashi 1 (Funabashi, Chiba)	Repair work of office building	From Mar. 2021 to Aug. 2021	59

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

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

(Thousands of yen)

	Sixth fiscal period	Seventh fiscal period	Eighth fiscal period	Ninth fiscal period	10th fiscal period
	Mar. 1, 2019 to Aug. 31, 2019	Sept. 1, 2019 to Feb. 29, 2020	Mar. 1, 2020 to Aug. 31, 2020	Sept. 1, 2020 to Feb. 28, 2021	Mar. 1, 2021 to Aug. 31, 2021
Reserved balance at the beginning of the period	238,887	297,841	376,229	448,139	554,768
Reserved amount during the period	58,954	78,388	71,910	106,629	104,527
Reversal of reserved amount during the period	-	-	-	-	-
Reserved balance at the end of the period	297,841	376,229	448,139	554,768	659,295



(x) Overview of Property Leasing and Status of Operating Income  
10th fiscal period from Mar. 1, 2021, to Aug. 31, 2021

(Units: Thousands of yen)

Property name	Logicross Fukuoka Hisayama	Logicross Atsugi	Logicross Kobe Sanda	Logicross Osaka	Logicross Nagoya Kasadera
Operating days	184 days	184 days	184 days	184 days	184 days
(A) Property related revenues					493,647
Property revenues					461,613
Other property related revenues					32,033
(B) Property related expenses					179,284
Facility management fee					40,456
Property taxes	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	34,955
Non-life insurance premium					743
Repair and maintenance expenses					3,021
Utilities cost					21,140
Custodian fee					149
Other expenses					2,298
(C) Depreciation	43,807	34,771	16,214	53,006	76,517
(D) Property related income (=A-B)	120,379	155,887	83,948	149,766	314,362
(E) NOI (=C+D)	164,186	190,659	100,162	202,773	390,880

Property name	Logicross Narashino	LOGIPORT Sagamihara	LOGIPORT Hashimoto	LOGIPORT Osaka Taisho	MJ Logipark Funabashi 1
Operating days	176 days	184 days	184 days	184 days	184 days
(A) Property related revenues		692,479	522,003	282,593	
Property revenues		641,271	485,134	267,357	
Other property related revenues		51,208	36,868	15,235	
(B) Property related expenses		271,206	190,857	108,387	
Facility management fee		41,964	27,988	12,564	
Property taxes	Not disclosed (Note)	56,954	43,297	33,260	Not disclosed (Note)
Non-life insurance premium		996	726	517	
Repair and maintenance expenses		11,487	5,398	1,905	
Utilities cost		31,575	21,509	10,728	
Custodian fee		61	56	37	
Other expenses		10,527	823	320	
(C) Depreciation	51,786	117,638	91,056	49,052	41,746
(D) Property related income (=A-B)	218,946	421,273	331,145	174,205	123,150
(E) NOI (=C+D)	270,733	538,912	422,202	223,258	164,896

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

(Units: Thousands of yen)

Property name	MJ Logipark Atsugi 1	MJ Logipark Kazo 1	MJ Logipark Osaka 1	MJ Logipark Fukuoka 1	MJ Logipark Tsuchiura 1
Operating days	184 days	184 days	184 days	184 days	184 days
(A) Property related revenues				212,612	
Property revenues				198,895	
Other property related revenues				13,716	
(B) Property related expenses				117,512	
Facility management fee				9,040	
Property taxes	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	13,800	Not disclosed (Note)
Non-life insurance premium				402	
Repair and maintenance expenses				24,121	
Utilities cost				9,047	
Custodian fee				240	
Other expenses				324	
(C) Depreciation	33,160	10,423	39,106	60,534	12,894
(D) Property related income (=A-B)	118,771	26,355	105,575	95,099	70,177
(E) NOI (=C+D)	151,932	36,779	144,681	155,634	83,071

Property name	MJ Logipark Nishinomiya 1	MJ Logipark Kasugai 1	MJ Logipark Kazo 2	MJ Logipark Sendai1	MJ Industrial Park Sakai (Land)
Operating days	184 days	184 days	184 days	184 days	184 days
(A) Property related revenues				241,340	
Property revenues				212,369	
Other property related revenues				28,971	
(B) Property related expenses				157,953	
Facility management fee				15,159	
Property taxes	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	20,738	Not disclosed (Note)
Non-life insurance premium				412	
Repair and maintenance expenses				48,888	
Utilities cost				11,924	
Custodian fee				290	
Other expenses				652	
(C) Depreciation	12,096	69,798	7,603	59,887	-
(D) Property related income (=A-B)	47,879	215,804	27,935	83,386	107,328
(E) NOI (=C+D)	59,975	285,603	35,538	143,274	107,328

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

(Units: Thousands of yen)

Property name	MJ Industrial Park Kobe (Land)	MJ Industrial Park Chiba-Kita (Land)	Total
Operating days	176 days	166 days	
(A) Property related revenues			4,953,086
Property revenues			4,720,745
Other property related revenues			232,341
(B) Property related expenses			1,801,259
Facility management fee			208,222
Property taxes	Not disclosed (Note)	Not disclosed (Note)	407,913
Non-life insurance premium			7,306
Repair and maintenance expenses			142,071
Utilities cost			131,715
Custodian fee			3,676
Other expenses			19,251
(C) Depreciation	-	-	881,103
(D) Property related income (=A-B)	121,722	38,723	3,151,826
(E) NOI (=C+D)	121,722	38,723	4,032,930

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