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FOR IMMEDIATE RELEASE

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SLR Announces Revisions to Forecasts for Investment Results in the Fiscal Period Ending May 31, 2021 and Disclosure of Forecasts for Investment Results in the Fiscal Period Ending November 30, 2021

SOSiLA Logistics REIT, Inc. ("SLR") announces revisions to its forecasts for investment results in the fiscal period ending May 31, 2021 (from December 1, 2020 to May 31, 2021), which was announced in "Summary of Financial Results for the Fiscal Period Ended May 31, 2020 (REIT)" dated July 17, 2020.

In addition, SLR announces its forecasts for investment results in the fiscal period ending November 30, 2021 (from June 1, 2021 to November 30, 2021). Details are as follows.

1. Rationale for the Revisions to and the Announcement of the Forecasts for Investment Results

   It is expected that the assumptions for the forecasts for the fiscal period ending May 31, 2021 which was announced in "Summary of Financial Results for the Fiscal Period Ended May 31, 2020 (REIT)" dated July 17, 2020 would change, resulting in a difference of 10% or more in the forecasts of the operating revenues, as a result of the acquisition of the Properties to Be Acquired (as defined in the attached "Assumptions for the Forecasts for Investment Results in the Fiscal Periods Ending May 31, 2021 and November 30, 2021") and the debt financing, which were announced today and the issuance of new investment units and other financings resolved at the meeting of the board of directors held today. Therefore, SLR revises its forecasts for investment results in the fiscal period ending May 31, 2021 and also newly announces its forecasts for investment results in the fiscal period ending November 30, 2021 as follows.

Disclaimer: This press release is an announcement of revisions to the forecasts for investment results at SLR in the fiscal period ending May 31, 2021 and forecasts for investment results at SLR in the fiscal period ending November 30, 2021, and is not an offer to sell or a solicitation of any offer to buy the securities of SLR in the United States or elsewhere. Any investment decision should be made based upon your own judgement.
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2. The Revisions to the Forecasts for Investment Results in the Fiscal Period Ending May 31, 2021 (from December 1, 2020 to May 31, 2021)

	Operating revenues (million yen)	Operating income (million yen)	Ordinary income (million yen)	Profit (million yen)	Distributions per unit (yen) (including surplus cash distributions)	Distributions per unit (yen) (excluding surplus cash distributions)	Surplus cash distributions per unit (yen)
Previous forecast (A)	2,333	1,214	1,108	1,107	2,363	2,152	211
Revised forecast (B)	3,064	1,554	1,338	1,337	2,448	2,187	261
Difference (C) ((B) – (A))	730	339	230	230	85	35	50
Percentage difference (C) / (A)	31.3%	27.9%	20.8%	20.8%	3.6%	1.6%	23.7%

(For reference) Period ending May 31, 2021: Expected number of investment units issued and outstanding at the end of the period: 611,685 units

3. Forecasts for Investment Results in the Fiscal Period Ending November 30, 2021 (from June 1, 2021 to November 30, 2021)

	Operating revenues (million yen)	Operating income (million yen)	Ordinary income (million yen)	Profit (million yen)	Distributions per unit (yen) (including surplus cash distributions)	Distributions per unit (yen) (excluding surplus cash distributions)	Surplus cash distributions per unit (yen)
Period ending November 30, 2021	3,088	1,480	1,346	1,345	2,481	2,200	281

(For reference) Period ending November 30, 2021: Expected number of investment units issued and outstanding at the end of the period: 611,685 units

(Note 1) The above-mentioned forecasts are calculated based on the assumptions described in the attachment "Assumptions for the Forecasts for Investment Results in the Fiscal Periods Ending May 31, 2021 and November 30, 2021." Actual operating revenues, operating income, ordinary income, profit, distributions per unit (excluding surplus cash distributions) and surplus cash distributions per unit may change due to adjustments in the assumptions due to additional acquisitions or sales of properties, etc., changes in rent income as a result of changes in tenants, etc., changes in the property management environment, such as unexpected repairs, changes in interest rates, the number of new investment units to be issued and the offer price of which will be actually determined or the issuance of additional new investment units, among other factors. The forecasts do not guarantee any amounts of distributions or surplus cash distributions.

(Note 2) The forecasts may be revised if a certain level of difference is expected between the forecasts and actual results.

(Note 3) The amounts are rounded down to the nearest million yen or the nearest yen and the percentages are rounded to the first decimal place.

* For more information about SLR, please visit: https://sosila-reit.co.jp/en/

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Sociability, Sustainability, and Individuality for Logistic Aspect

Attachment:

Assumptions for the Forecasts for Investment Results in the Fiscal Periods Ending May 31, 2021 and November 30, 2021

Item	Assumption
Accounting period	➢ Period ending May 31, 2021: December 1, 2020 to May 31, 2021 (182 days) ➢ Period ending November 30, 2021: June 1, 2021 to November 30, 2021 (183 days)
Assets under management	➢ It is assumed that SLR will hold 10 properties as a result of acquisition of real estate trust beneficiary interests in "SOSiLA Ebina" (quasi-co-ownership interest of 62%) and real estate trust beneficiary interests in "SOSiLA Nishiyodogawa II" scheduled to be acquired after issuing new investment units resolved at the meeting of the board of directors of SLR held today (individually, "Property to Be Acquired", or collectively, the "Properties to Be Acquired") on December 4, 2020 in addition to the real estate trust beneficiary interests in properties owned by SLR as of today (8 properties in total) ("Existing Properties"), and that there will be no other changes in assets under management (acquisition of new properties or disposal of owned properties, etc.) until the end of the fiscal period ending November 30, 2021. ➢ In fact, there may be changes in the assets under management, including acquisition of new properties other than the Properties to Be Acquired or the disposal of owned properties, etc.
Operating revenues	➢ Rent revenues from the Existing Properties are calculated based on the lease agreements effective as of today, trends in tenants and the market in the past, and in consideration of expected occupancy rates based on forecasts for changes in tenants and rent level, and forecasts for changes in rents. ➢ Rent revenues from the Properties to Be Acquired are calculated primarily based on lease agreements provided by the existing beneficiaries, trends in tenants and the market in the past, and the lease agreements effective as of today, and in consideration of expected occupancy rates based on forecasts for changes in tenants and rent level after acquisitions, and forecasts for changes in rent. ➢ It is assumed that tenants will pay rents without delinquency or withholding. ➢ It is assumed that there will be no gains or losses on the sale of properties.
Operating expenses	➢ In operating rental expenses, which are major operating expenses, expenses other than depreciation are calculated based on past results as for the Existing Properties, and based on the information provided by the existing beneficiaries as for the Properties to Be Acquired. ➢ Rent revenues minus operating rental expenses (including depreciation), namely operating rental profits (excluding gains on the sale of properties), are expected to be 1,934 million yen in the fiscal period ending May 31, 2021 and 1,907 million yen in the fiscal period ending November 30, 2021. ➢ In general, if real estate is sold, property taxes and city planning taxes are prorated between the existing beneficiary and the purchaser so that the purchaser shall pay taxes in accordance with the period when the real estate is held and will be settled at the time of acquisition. At SLR, an amount equivalent to settlement money is included in the acquisition cost, and no property taxes or city planning taxes are posted as expenses for FY2020. Property taxes and city planning taxes for (tentative) Hiratsuka LastMileCenter acquired on October 16, 2020 and the Properties to Be Acquired for FY2021 (collectively, the "Newly Acquired Properties") will be recorded as expenses from the fiscal period ending May 31, 2021. Property taxes and city planning taxes with respect to the Newly Acquired Properties are expected to be 35 million yen in the fiscal period ending May 31, 2021, and 70 million yen in the fiscal period ending November 30, 2021. Property taxes and city planning taxes for the Newly Acquired Properties in FY2020, which are included in the acquisition cost, are expected to be 6 million yen. ➢ Building repair expenses, which are calculated based on the medium- to long-term repair and maintenance plans of Sumisho Realty Management Co., Ltd. ("SRM"), are anticipated to be 23 million yen in the fiscal period ending May 31, 2021, and 23 million yen in the fiscal period ending November 30, 2021. Repair expenses in each accounting period may differ substantially from the expected amounts because repair expenses may be incurred suddenly due to damage to buildings and other unforeseeable factors, the expected amounts vary significantly from year to year in general, and repair expenses are not incurred regularly, among other factors. ➢ Depreciation expenses, including ancillary costs, are calculated using the straight-line method. They are expected to be 518 million yen in the fiscal period ending May 31, 2021 and 518 million yen in the fiscal period ending November 30, 2021.

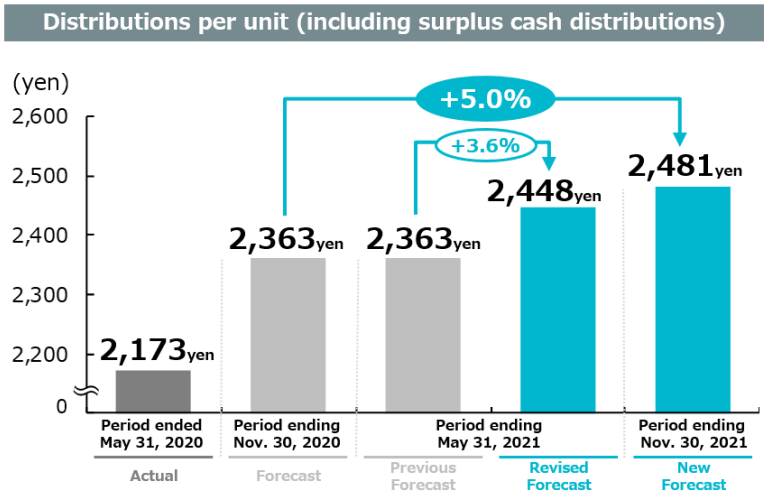
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Non-operating expenses	➢ In the fiscal period ending May 31, 2021, non-operating expenses are expected to stand at 215 million yen. Interest expenses and other debt-related costs are anticipated to be 164 million yen. Expenses related to the issuance of new investment units are assumed to come to 51 million yen. Of those expenses, those that can be posted as a lump sum for accounting and tax purposes are assumed to be posted as a lump sum in the fiscal period ending May 31, 2021. ➢ In the fiscal period ending November 30, 2021, interest expenses and other debt-related costs are expected to be 133 million yen.
Interest-bearing debt	➢ Total interest-bearing debt is assumed to be 40,700 million yen at the end of the fiscal period ending May 31, 2021 and 39,200 million yen at the end of the fiscal period ending November 30, 2021. ➢ It is assumed that SLR will newly borrow 13,300 million yen in total in December 2020 from Qualified Institutional Investors as defined under Subparagraph 1, Paragraph 3, Article 2 of the Financial Instruments and Exchange Act for the purpose of the acquisition of the Properties to Be Acquired and the repayment of the existing borrowings. However, the actual amount of such borrowing may be changed prior to the time of borrowing, taking into consideration the amount of proceeds, etc. from the issuance of new investment units as resolved at the meeting of the board of directors of SLR held today. Any other details with respect to such new borrowing, please refer to "SLR Announces Debt Financing" released today. ➢ LTV is expected to be approximately 37.7% at the end of the fiscal period ending May 31, 2021 and approximately 36.9% at the end of the fiscal period ending November 30, 2021. LTV is calculated using the formula below and rounded to the first decimal place. LTV = Total interest-bearing debt / Total assets × 100 ➢ LTV may change due to the issuance of new investment units through the third-party allotment, which is described below in the "Investment units" section.
Investment units	➢ It is assumed that all of 92,700 new investment units planned to be issued through public offering and a maximum of 4,635 new investment units planned to be issued through the third-party allotment under the resolutions passed at the meeting of the board of directors held today, totaling 97,335 investment units, will be issued and added to 514,350 investment units issued and outstanding as of today. ➢ It is assumed that there will be no change in the number of investment units issued and outstanding, except for the new investment units planned to be issued through public offering and the third-party allotment above, until November 30, 2021. ➢ Distributions per unit (excluding surplus cash distributions) and surplus cash distributions per unit in the fiscal period ending May 31, 2021 and in the fiscal period ending November 30, 2021 are calculated using the expected number of investment units issued and outstanding at the end of the fiscal period ending May 31, 2021 and the fiscal period ending November 30, 2021 (611,685 investment units), including 97,335 investment units, which is the maximum number of new investment units planned to be issued as mentioned above.
Distributions per unit (excluding surplus cash distributions)	➢ Distributions per unit (excluding surplus cash distributions) are calculated based on the assumption that cash is distributed in accordance with the cash distribution policy set out in the Articles of Incorporation of SLR. ➢ Distributions per unit (excluding surplus cash distributions) may change as a result of changes in rent income due to changes in assets under management and tenants, and unexpected repairs, among other factors.

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Surplus cash distributions per unit	➢ Surplus cash distributions per unit are calculated in accordance with the Articles of Incorporation of SLR and the policy set out in the asset management guidelines, which are the internal rules of SRM. ➢ Total surplus cash distributions for the fiscal period ending May 31, 2021 is calculated as the total of the amount equivalent to 30% of the expected depreciation and allowance for temporary difference adjustment for the relevant calculation period, and is expected to be 159 million yen. ➢ Total surplus cash distributions for the fiscal period ending November 30, 2021 is calculated as the sum of the amount equivalent to 30% of the expected depreciation and the total of one-time surplus cash distributions, in aims of leveling distributions per unit (including surplus cash distributions), and allowance for temporary difference adjustment, which is expected to be 171 million yen. ➢ It is assumed that there is no concrete fear as of today that the external economic environment, the real estate market and the financial position of SLR will deteriorate significantly. ➢ SLR aims to pay surplus cash distributions equivalent to 30% of the depreciation. In principle, SLR will regularly pay surplus cash distributions each fiscal period. ➢ SLR may not distribute more cash than the distributable amount if it believes that distributing that much cash is inappropriate, considering the economic environment, trends in the real estate market and rental market, assets owned and the financial position. ➢ In addition to regular surplus cash distributions, SLR may pay one-time surplus cash distributions to maintain the stability of distributions per unit if distributions per unit are expected to fall temporarily to a certain degree due to financing including the issuance of new investment units, among other factors. ➢ Maximum surplus cash distributions, both regular and one-time distributions, shall be 60% of the accumulated depreciation at the end of the fiscal period minus accumulated depreciation at the end of the immediately preceding fiscal period.
Other	➢ It is assumed that no revision that will impact the forecasts above will be made to laws and regulations, the tax system, accounting standards, the listing rules of the Tokyo Stock Exchange, Inc. and the rules of the Investment Trusts Association, Japan, etc. ➢ It is assumed that no unexpected material change will arise in overall economic trends and real estate market conditions.

<Reference> The results and the forecasts of distributions per unit (including surplus cash distributions) of SLR



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