June 20, 2022

FOR IMMEDIATE RELEASE

Issuer of REIT Securities
1-17-10, Kyobashi, Chuo-ku, Tokyo
SOSiLA Logistics REIT, Inc.
Representative Nobuhiko Matsumoto,
Executive Director
(Securities Code: 2979)
Asset Management Company
Sumisho Realty Management Co., Ltd.
Representative Hideki Yano, President & CEO
Inquiries Tomoaki Sato,
General Manager, REIT Management Department
TEL: +81-3-4346-0579

# Notice Concerning Submission of Revised Shelf Registration Statement for Issuance of Green Bonds

SOSiLA Logistics REIT, Inc. ("SLR") hereby announces that it has submitted a revised shelf registration statement for the issuance of green bonds (unsecured investment corporation bonds).

1. Content of the revised shelf registration statement for issuance of the Green Bonds
SLR today submitted a revised shelf registration statement of investment corporation bonds to the Director-General of the Kanto Local Finance Bureau in connection with the issuance of the Green Bonds.
Based on the green finance framework (described in 3. below), SLR plans to apply all of the proceeds from the Green Bonds to fund the acquisition of Eligibility Criteria (described in 3. (1) below) or renovations, or to fund the repayment of borrowings or redemption of investment corporation bonds for the abovementioned purposes.

2. Purpose and background of the issuance of the Green Bonds
SLR and Sumisho Realty Management Co., Ltd. ("SRM"), the asset management company of SLR, believe that incorporating environmental, social and governance (ESG) factors into the investment decision making and investment management processes is essential for the maximization of unitholder value in the medium to long term.
SLR is the first J-REIT that has formulated a green finance framework since IPO. It aims to promote ESG-oriented asset management through green finance.
SLR and SRM is filing this revised shelf registration statement with aims to strengthen the funding platform by expanding the ESG investor base, along with promoting ESG initiatives, by procuring funds through green bonds.

3. Outline of the green finance framework
To promote green finance, including the issuance of the Green Bonds, SLR has formulated a green finance framework in line with the "Green Bond Principles (2018)" (Note 1), the "Green Loan Principles" (Note 2) and the "Green Bond Guidelines (2017)" (Note 3).
For eligibility of the green finance framework, SLR has been assigned "Green 1 (F)", the highest evaluation grade in the JCR Green Finance Framework Evaluation (Note 4) by Japan Credit Rating Agency, Ltd. (hereinafter referred to as "JCR").

(Note1) "Green Bond Principles (2018)" refers to the guidelines for green bond issuance formulated by the Green Bond Principles Executive Committee, a non-government organization for which the International Capital Market Association (ICMA) serves as secretariat, and are hereinafter referred to as the "Green Bond Principles."

(Note2) "Green Loan Principles" refers to the guidelines for loans made available exclusively for use on green projects formulated by the Loan Market Association (LMA) and the Asia Pacific Loan Market Association (APLMA), and are hereinafter referred to as the "Green Loan Principles."

(Note3) "Green Bond Guidelines (2017)" refers to the guidelines formulated and published in March 2017 by the Ministry of the Environment of Japan. The Guidelines, in accordance with the Green Bond Principles, seek to provide market participants with illustrative examples of specific approaches and interpretations tailored to the Japanese market to aid with decision-making regarding green bonds, thereby promoting green bond issuances and investments in Japan. The Guidelines are hereinafter referred to as the "Green Bond Guidelines."

(Note4) "JCR Green Finance Framework Evaluation" is a third-party evaluation on the policy for the issuance of green bonds or the borrowing of

green loans (green finance policy) of an issuer or a borrower based on the Green Bond Principles. In this evaluation, JCR conducts a “greenness evaluation" to assess whether the projects stated in the green finance policy of the issuer or the borrower fall under green projects, "management, operation and transparency evaluation" to assess the management and operation structure and transparency of the issuer or the borrower. Then, as the overall evaluation results of these assessments, the "JCR Green Finance Framework Evaluation" is determined. To differentiate the JCR Green Finance Framework Evaluation from the evaluation of individual bonds and borrowings, the JCR Green Finance Framework Evaluation is indicated by adding (F) to the tail end of the evaluation symbol.
The JCR Green Finance Framework Evaluation of SLR is posted on JCR’s website. https://www.jcr.co.jp/en/greenfinance/sustainability/

(1) Use of proceeds

Proceeds procured through Green Finance are used for the acquisition of existing or new assets (including scheduled acquisition) of Eligible Green Assets that satisfy any of the following eligible criteria, used for the renovation of Eligible Green Assets, or repayment and redemption of loans (including Green Loan) and Investment Corporation Bonds (including Green Bonds) required for these.

＜Eligibility Criteria＞

●Eligibility Criteria (Green Building)

Any of the following items that have been or will be certified

- B+ rank, A rank, or S rank in CASBEE (Note 5) certification
- Three-star, four-star, or five-star DBJ Green Building certification (Note 6)
- Three-star, four-star, or five-star BELS certification (Note 7)
- Silver, Gold or Platinum in LEED certification (Note 8)

●Eligibility Criteria (Renovation of existing building)

Renovation of the owned assets which meet the following;

i. To aim for improving environmental benefits such as reducing CO2 emission, energy consumption or water consumption (10％ or more decrease in its volume)

ii. To improve the certification level by one rank, acquisition or reacquisition of the certifications

●Eligibility Criteria (Energy Saving Equipment)

Costs related to renewal of air-conditioning equipment, conversion of lighting fixtures to LEDs, and introduction of power storage systems (expected energy savings of 10% compared with conventional systems)

●Eligibility Criteria (Renewable Energy)

Acquisition or installation of renewable energy power generation facilities (installed on the premises or on the rooftop of the property)

(Note5) “CASBEE (Comprehensive Assessment System for Built Environment Efficiency)” is a method to evaluate and rate the environmental performance of buildings (C rank to S rank). It is a system that comprehensively evaluates the environmental performance of buildings, including consideration for the landscape, in addition to the aspects of reducing environmental load such as energy saving, resource saving, and recycling performance.

(Note6) “DBJ Green Building Certification” is for real estate that is environmentally and socially friendly (Green Building), using a comprehensive scoring model originally developed by Development Bank of Japan (DBJ). DBJ performs assessments based on a graded scale of 1 to 5 stars.

(Note7) “BELS (Building-Housing Energy-efficiency Labeling System)” is a public evaluation system established by the Ministry of Land, Infrastructure, Transport and Tourism. It is a system that evaluates energy-saving performance on a graded scale (1 to 5 stars) based on the primary energy consumption of a building.

(Note8) “LEED (Leadership in Energy and Environment Design)” is an environmental performance rating system for buildings and urban environments developed and operated by the US Green Building Council (USGBC), and the certification level is based on the total number of points earned in each category and is rated in the order of Certified, Silver, Gold, and Platinum.

(2) Project evaluation and selection process

In SRM, listed REIT business department, which propose acquisition of the buildings or implementation of the renovation, or REIT management department, which is responsible for financing operation of the investment corporation, shall propose an eligible project for the green finance. Departments which promote ESG efforts verify and review the alignment with the criteria. Then Listed investment committee with the members of president and CEO as a chair, General Manager of listed REIT department and General Manager of REIT Management department shall discuss and determine the investment. The decision made by the committee will be reported to the Board of Directors and the ESG Promotion Committee.

(3) Management of proceeds

a. How to link the proceeds and assets

SLR shall allocate the proceeds to the eligible assets without delay.

The upper limit of green finance (Green eligible liabilities) shall be the total amount of the sum of the acquisition prices of qualified green assets and expenses for renovations. The amount financed through green finance shall not exceed total qualified green liabilities.

Any unallocated amount of proceeds from green financing will be accounted for as cash or cash equivalents and managed until they are allocated towards other projects that meet the qualification criteria.

b. Management of proceeds

The proceeds shall be tracked by the REIT Management Department to fully allocate to green eligible assets by using electric file. Until the green loan is repaid or the green bond is redeemed, it shall check the balance of allocated and unallocated amount or that all the funds has been allocated or not once a year.

Any unallocated amount of funds from green financing will be held in cash or cash equivalents and managed until they are allocated towards other projects that meet the qualification criteria.

c. Internal and external audit regarding tracking the proceeds

Regarding the allocation status, the REIT Management Department shall report to the Department Head and submit the report to an auditor, if necessary. Fund allocation shall be audited by the internal audit office of the asset management company to check whether the operation and management system is in line with the internal rules.

d. Management of unallocated funds

In case the funds are not fully allocated promptly or temporarily not allocated, it will manage the unallocated amounts as cash or cash equivalents until it is allocated to green eligible projects.

(4) Reporting

a. Status report of fund allocation

SLR will disclose the following status on its website as of the end of November of each year for as long as the green finance is outstanding.

- Outstanding balance of green finance
- Eligible green debt
- Total amount of allocated funds
- Balance of unallocated funds

b. Impact reporting

SLR will disclose the following indicators on its website as of the end of November of each year for as long as the green finance is outstanding.

<Impact reporting KPIs>

● Green building

- Name of properties
- Details of third-party certification (type of certificate, rank/grade)
- Energy consumption (*)
- $CO_2$ emissions (*)

・Water consumption (*)

(*) Scope of disclosed data is limited to the extent of SLR's energy control authority.

● Renewable energy equipment

・Amount of power generated

・Amount of $CO_2$ emissions reduced

● Energy-saving equipment

・Amount of saved energy or reduced $CO_2$ emissions

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