Sociability, Sustainability, and Individuality for Logistic Aspect

October 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
(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

SOSiLA Logistics REIT Announces Acquisition of Domestic Real Estate Trust Beneficiary Interest

Sumisho Realty Management Co., Ltd. ("SRM"), to which SOSiLA Logistics REIT, Inc. ("SLR") entrusts the management of its assets, announced today that it will acquire one property ("Property to Be Acquired") in the form of trust beneficiary interest. The details are described below.

1. Overview of the Property to Be Acquired

Use (Note 1)	Property number (Note 2)	Property name	Location	Anticipated acquisition price (million yen) (Note 3)	Existence of intermediaries
Logistics property	L-12	LiCS Mito	Mito City, Ibaraki	1,030	Yes
Total			–	1,030	–

(Note 1) "Use" is a classification in the investment policy of SLR. The same applies hereinafter.
(Note 2) "Property Number" is the classification of the Property to Be Acquired, logistics property (L) or industrial property (I), and the number in each classification. The same applies hereinafter.
(Note 3) "Anticipated acquisition price" is the sales price of the Property to Be Acquired stated in the trust beneficiary interest purchase and sales agreement for the Property to Be Acquired (collectively "Purchase and Sales Agreement"). The sales price does not include consumption tax, local consumption tax or expenses required for the acquisition. The same applies hereinafter.

(1)	Signing date of the Purchase and Sale Agreement	October 20, 2022
(2)	Anticipated acquisition date	November 1, 2022
(3)	Previous owner	Please refer to "4. Overview of Entities from Which Property Is Acquired" below.
(4)	Financing for acquisition	Cash on hand
(5)	Settlement method	The full amount is paid on delivery.

2. Rationale for Acquisition

SLR invests primarily in the SOSiLA series of logistics properties developed by Sumitomo Corporation with the aim of connecting "people" and "society." In addition, SLR continuously works to acquire logistics properties and industrial properties other than the SOSiLA series by using the original route of SRM for the purpose of diversifying and enhancing its portfolio and has launched the "LiCS" brand for these properties.

The Property to Be Acquired will be the third LiCS brand logistics property to be acquired. As of the date of this announcement, the Property to Be Acquired is fully occupied by two end tenants. SLR considers that the execution of a new fixed-rent master lease (meaning master lease agreement under which fixed rents are received regardless of fluctuations in rents, etc. paid by end tenants. The same shall apply hereunder) with a contract period of 15 years at the time of the acquisition will enable an improvement in long-term management stability and enhancement of the diversity and quality of SLR's portfolio. For the features of the Property to Be Acquired, please refer to "3. Overview of the Property to Be Acquired" below.

3. Overview of Properties to Be Acquired

The following is an overview of each new Property to Be Acquired.

"Overview of Specific Property," "Overview of Lease," "Summary of the Appraisal Report," and "Features of the Property/Acquisition Highlights" are defined as follows unless otherwise specified. They are stated based on information available as of October 20, 2022.

(a) Overview of Specific Property

- "Anticipated acquisition date" is the anticipated date of acquisition set forth in the Purchase and Sale Agreement. Anticipated acquisition date may be changed upon agreement between SLR and the relevant seller.
- "Anticipated acquisition price" is the sale price of the Property to Be Acquired set forth in the Purchase and Sale Agreement.
- "Trustee" is the party scheduled to become the trustee of the Property to Be Acquired.
- "Entrustment date" is the anticipated date of entrustment.
- "Trust maturity date" is the anticipated trust maturity date.
- "Ownership form" is, in both cases, the type of right to be retained or scheduled to be retained by the trustee.
- The "Location" of "Land" is the location of the building in the registry (if there is more than one building, the location of one of them; if the property is a limited proprietary right of land, the location in the registry of the building on the land with the limited proprietary right; if the property is land with superficies that is not a land leasehold right (meaning land leasehold right prescribed in Article 2, Item I of the Act on Land and Building Leases (Act No. 90 of 1991), as amended. The same shall apply hereunder) or with the right to lease land, the location of the land on the registry). "Land area" of "Land," and "Gross floor area," "Construction date," "Purpose" and "Structure/No. of stories" of "Building" are based on those stated in the registry and may be different from information about the actual land and building. "Gross floor area" of "Building" is the gross floor area of the main building plus that of the annexes. "Construction date," "Purpose" and "Structure/No. of stories" of "Building" are those of the main building alone.
- "Zoning" of "Land" is a type of zone under Article 8, Paragraph 1, Item 1 of the City Planning Act (Act No. 100 of 1968, as amended) or a type of city planning area under Article 7 of the same Act.
- "BCR" of "Land" is the maximum BCR (specified BCR) for the type of zone specified in the city planning. The specified BCR may be relaxed, raised or reduced due to being a fire-proof building in a fire prevention district, among other reasons, and may be different from the actual BCR.
- "FAR" of "Land" is the maximum FAR (specified FAR). The specified FAR may be relaxed or raised, or reduced due to the width of the road connected to the site, among other reasons, and may be different from the actual FAR.
- "Property manager" is the property management company that is scheduled to be commissioned to fulfill property management responsibilities.
- "Number of tenants" is the number of tenants based on master lease agreements (excluding the lease agreements for the roof and parking lot) having been concluded for the Property to Be Acquired as of October 20, 2022, and the

number of tenants based on lease agreements between the master lease company and the end tenants are written in parentheses.
- "Extra description" are matters that are deemed to be material with respect to relationships of the rights, usage, etc. of the Property to Be Acquired as of October 20, 2022 and other matters that are deemed to be material in consideration mainly of the potential impact on the appraised value of the Property to Be Acquired, and the profitability or disposability thereof.

(b) Overview of Lease
- "Leasable area" is the sum of the leased area stated in the master lease agreement for the Property to Be Acquired having been concluded as of October 20, 2022 and the area of vacant space considered rentable based on the building drawings, etc. The same applies hereinafter.
- "Leased area" is the leased area stated in master lease agreements having been concluded for the Property to Be Acquired as of October 20, 2022.
- "Annual rent" is the annualized rent calculated by multiplying the monthly rent (including a common service fee) stated in master lease agreements as of October 20, 2022 by 12 (if annual rent is stated in the agreement, the annual rent including a common service fee). If the amount has a number less than the given unit, it is rounded down.
- "Security deposit" is the security deposit stated in master lease agreements for the Property to Be Acquired having been concluded as of October 20, 2022. If the amount has a number less than the given unit, it is rounded down.
- "Occupancy rate" is the ratio of total leased area to leasable area of the Property to Be Acquired as of October 20, 2022, rounded to the first decimal place. Occupancy rate based on a lease agreement between master lease company and end tenant is shown in parentheses.

(c) Summary of the Appraisal Report
- "Summary of the Appraisal Report" is a summary of the real estate appraisal report prepared by JLL Morii Valuation & Advisory K.K. at the request for appraisal from SLR and SRM. The real estate appraisal report consists of the judgments and opinions of the appraiser at a certain point of time. The adequacy and accuracy of the report and feasibility of a transaction at the appraisal value are not guaranteed. Neither SLR nor SRM has any special stake in JLL Morii Valuation & Advisory K.K. The figures in this section are rounded down if the amount has a number less than the given unit. The percentages are rounded to the first decimal place.

(d) Features/Location of the Property
- "Features/Location of the Property" are judgments and opinions of SLR and SRM. Their adequacy and accuracy are not guaranteed.

Property Number	L-12	Property Name	LiCS Mito	Use	Logistics property	
Overview of Specific Property						
Type of specific property			Beneficiary interest of real estate in trust	Overview of trust beneficiary interest	Trustee	Sumitomo Mitsui Trust Bank, Limited
Anticipated acquisition date			November 1, 2022		Entrustment date	November 1, 2022
Anticipated acquisition price			1,030 million yen		Trust maturity date	October 31, 2032
Land	Ownership form		Proprietary	Building	Ownership form	Proprietary
	Location		292-21 Aza Fujiyama, Abokkecho, Mito City, Ibaraki		Gross floor area	9,843.13 m^2
	Land area		13,289.81 m^2		Construction date	April 24, 1990
	Zoning		Urbanization control area		Purpose	Warehouse
	BCR		60%		Structure/ No. of stories	Steel-framed with galvanized steel sheet roof, two-story building
	FAR		200%			
Property manager			Shinnihon kanzai Co., Ltd.	Number of tenants		1 (2)
Extra description: - Not applicable						

Overview of Lease	
Name of major tenant	Keiyo Distribution Warehouse, inc.
Lease arrangement term	15.0 years
Leasable area	10,909.92 m^2
Leased area	10,909.92 m^2
Annual rent	Not disclosed (Note)
Security deposit	Not disclosed (Note)
Occupancy rate	100.0% (100.0%)

(Note) These items are not disclosed because consent of the tenant is not obtained.

Summary of the Appraisal Report			
Property name		LiCS Mito	
Appraisal value		1,030 million yen	
Appraiser		JLL Morii Valuation & Advisory K.K.	
Date of appraisal		September 30, 2022	
Item		Appraisal (thousand yen)	Overview
Income approach value		1,030,000	Assessed by correlating income approach value by the DCF method with income approach value by the direct capitalization method.
Direct capitalization method		1,040,000	
(1) Operating revenues		Not disclosed (Note)	
a. Total potential revenue		Not disclosed (Note)	
b. Loss such as vacancy		Not disclosed (Note)	
(2) Operating expenses		Not disclosed (Note)	
a. Maintenance costs		Not disclosed (Note)	
b. Utilities costs		Not disclosed (Note)	
c. Repair costs		Not disclosed (Note)	
d. Property management fees		Not disclosed (Note)	
e. Tenant solicitation expenses		Not disclosed (Note)	
f. Property taxes		Not disclosed (Note)	
g. Non-life insurance premiums		Not disclosed (Note)	
h. Other expenses		Not disclosed (Note)	
(3) Net operating income		55,598	(1) - (2)
(4) Interest on deposit		169	
(5) Capital expenditure		7,751	
Net income		48,016	(3) + (4) - (5)
Capitalization rate		4.6%	Appraised by considering the income and capital fluctuation risk, in addition to the discount rate.
Discounted cash flow method		1,010,000	
Discount rate		4.4%	Appraised by comprehensively taking into account overall transaction market trends, etc. after considering risk factors of location and individual characteristics of the subject real estate as well as standard cap rate.
Terminal capitalization rate		4.8%	Appraised by considering uncertainty of fluctuation projections for future net income, future deterioration of the building, and risk of sale, in addition to the cap rate.
Total estimated price		556,000	
Proportion of land		56.0%	
Proportion of building		44.0%	
Other items that the appraiser paid attention to in its appraisal		–	

(Note) Because the relevant information includes information for which the lessee's consent to disclose has not been obtained and information for which the relevant information can be calculated, disclosure of such information may cause disadvantages such as difficulty in maintaining the lease relationship due to damage to the relationship of trust with the lessee, etc., and ultimately may damage the interests of investors. Therefore, the information is not disclosed, except for items that are judged to be no hindrance due to disclosure.

Features/Location of the Property
Features/Location of the Property Located approximately 4km from the Mito Interchange of Joban Expressway, the Property to Be Acquired is situated within the Mito West Distribution Center, which is positioned by Mito City as an industrial base and where distribution facilities for major logistics companies and wholesale companies are concentrated. The Property is located in an industrial park and is an ideal site for logistics because there is no concern over complaints from neighboring residents and 24-hour operations are possible. Two entrances and exits are located on a spacious site, with high floors and low-rise specifications for efficient operations, as well as ample parking for employees.

4. Overview of Entities from Which Property Is Acquired

The previous owner is an operating company in Japan but is not disclosed because consent is not obtained from the previous owner about the disclosure of its name, etc. The company does not have any capital, personnel, or business relationships that should be stated here with SLR or SRM. No stakeholders or affiliates of SLR or SRM have any noteworthy capital, personnel, or business relationships with any stakeholders or affiliates of the company. The company and its stakeholders and affiliates are not related parties of SLR or SRM.

5. Descriptions of Acquirers of Properties

The Property to Be Acquired has not been acquired from special related parties of SLR or SRM.

6. Overview of Intermediary

The intermediary is not disclosed because consent is not obtained from the domestic corporation that is the intermediary about the disclosure of its name, etc.

The company does not have any capital, personnel, or business relationships that should be stated here with SLR or SRM. No stakeholders or affiliates of SLR or SRM have any noteworthy capital, personnel, or business relationships with any stakeholders or affiliates of the company.

The company and its stakeholders and affiliates are not related parties of SLR or SRM.

7. Outlook

The impact of the acquisition of Property to Be Acquired on the investment results of SLR for the fiscal period ending November 30, 2022 (the 6th period; from June 1, 2022 to November 30, 2022) and the fiscal period ending May 31, 2023 (the 7th period; from December 1, 2022 to May 31, 2023) is minor, and the forecasts for investment results remain unchanged.

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

Attachments:

Reference Material 1: Portfolio list after the acquisition of the Property to Be Acquired

Reference Material 2: Appearance of the Property to Be Acquired and Map of Surrounding Area

Sociability, Sustainability, and Individuality for Logistic Aspect

Reference Material 1: Portfolio list after the acquisition of the Property to Be Acquired

Use	Property Number	Property Name	Location	(Anticipated) Acquisition Date	(Anticipated) Acquisition Price (million yen)	Ratio of Investment (%) (Note 1)	Appraisal Value (million yen) (Note 2)	Appraisal NOI Yield (%) (Note 3)
Logistics property	L-01	SOSiLA Yokohama Kohoku (quasi-co-ownership interest of 80%) (Note 4)	Yokohama City, Kanagawa (Kanto Area)	December 10, 2019	24,840	20.2	28,800	4.6
	L-02	SOSiLA Sagamihara	Sagamihara City, Kanagawa (Kanto Area)	December 10, 2019	12,820	10.4	15,200	4.9
	L-03	SOSiLA Kasukabe	Kasukabe City, Saitama (Kanto Area)	December 10, 2019	10,300	8.4	11,600	5.0
	L-04	SOSiLA Kawagoe	Kawagoe City, Saitama (Kanto Area)	December 10, 2019	4,124	3.3	5,080	5.6
	L-05	SOSiLA Nishiyodogawa I	Osaka City, Osaka (Kansai Area)	December 10, 2019	17,470	14.2	20,500	5.3
	L-06	LiCS Hiratsuka LastMileCenter	Hiratsuka City, Kanagawa (Kanto Area)	October 16, 2020	1,200	1.0	1,280	4.8
	L-07	SOSiLA Ebina (Note 5)	Ebina City, Kanagawa (Kanto Area)	December 4, 2020	24,164	19.6	25,700	4.3
	L-08	SOSiLA Nishiyodogawa II	Osaka City, Osaka (Kansai Area)	December 4, 2020	8,404	6.8	9,070	5.1
	L-09	LiCS Narita	Shibayamamachi, Sanbugun, Chiba (Kanto Area)	October 20, 2021	5,250	4.3	5,390	4.8
	L-10	SOSiLA Itabashi	Itabashi-ku, Tokyo (Kanto Area)	April 1, 2022	3,980	3.2	4,180	4.6
	L-11	SOSiLA Amagasaki (quasi-co-ownership interest of 10%) (Note 4)	Amagasaki City, Hyogo (Kansai Area)	April 1, 2022	1,500	1.2	1,560	4.1
	L-12	LiCS Mito	Mito City, Ibaraki (Kanto Area)	November 1, 2022	1,030	0.8	1,030	5.4
Industrial property	I-01	Hokko Oil Tank (land with leasehold interest) (Note 6)	Osaka City, Osaka (Kansai Area)	December 10, 2019	3,210	2.6	3,410	5.2
	I-02	Nanko Boarding Yard (Land) (Note 6)	Osaka City, Osaka (Kansai Area)	December 10, 2019	3,800	3.1	3,930	5.0
	I-03	LiCS Fuji Maintenance Center	Fuji City, Shizuoka (Other Areas)	September 1, 2022	1,150	0.9	1,180	5.1
Total (average)			–	–	123,242	100.0	137,910	4.8

(Note 1) "Ratio of Investment" is the ratio of the (anticipated) acquisition price of each property already acquired or each Property to Be Acquired to the total (anticipated) acquisition price. The ratio is rounded to the first decimal price. The sum of the ratios of investment of individual properties may be different from the figure in the Total row.

(Note 2) "Appraisal value" is the appraisal value as of May 31, 2022 for the properties acquired by SLR and as of September 30, 2022 for the Property to Be

Acquired, as stated in each real estate appraisal report. Determination of the appraisal value of the Property to Be Acquired was entrusted to JLL Morii Valuation & Advisory K.K.

(Note 3) "Appraisal NOI yield" is the ratio of the appraisal NOI of each property acquired and each Property to Be Acquired (net operating income calculated by the direct capitalization method stated in the real estate appraisal report for LiCS Fuji Maintenance Center and logistics properties, and net operating income in the first year calculated by the DCF method stated in the real estate appraisal report for Hokko Oil Tank (limited proprietary right of land) and Nanko Boarding Yard (land) to the (anticipated) acquisition price for each property. The appraisal NOI yield is rounded to the first decimal place. The appraisal NOI yield for each of SOSiLA Yokohama Kohoku (quasi-co-ownership interest of 80%) and SOSiLA Amagasaki (quasi-co-ownership interest of 10%) is the ratio for the quasi-co-ownership interest ratio (80% and 10%, respectively) of the property. The ratio is rounded to the first decimal place. In the Total (average) row, the weighted average based on the (anticipated) acquisition prices is stated.

(Note 4) For the acquisition price and appraisal value for SOSiLA Yokohama Kohoku (quasi-co-ownership interest of 80%) and SOSiLA Amagasaki (quasi-co-ownership interest of 10%), the figures corresponding to the percentages of the quasi-co-ownership interest (80% and 10%, respectively) of these properties are used.

(Note 5) With respect to SOSiLA Ebina, SLR acquired 62% quasi-co-ownership interest in the property on December 4, 2020 and an additional 38% quasi-co-ownership interest in the property on December 6, 2021. The acquisition date of SOSiLA Ebina is the date of acquisition of 62% quasi-co-ownership interest initially acquired. The acquisition price is the sum total of each acquisition price.

(Note 6) "Land with leasehold interest" at the end of the property name means that the property is land with a land leasehold right. The "land" at the end of the property name means that the property is land with superficies that is not a land leasehold right, or land with the right to lease land.

(Note 7) No collateral has been pledged for the properties to be acquired or the properties that have already been acquired.

Reference Material 2: Appearance of the Property to Be Acquired and Map of Surrounding Area

Exterior Appearance





Map of the Surrounding Area

