November 14, 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 Revisions to Forecasts of Investment Results for the Fiscal Period Ending May 31, 2023 and Disclosure of Forecasts of Investment Results for the Fiscal Period Ending November 30, 2023

SOSiLA Logistics REIT, Inc. ("SLR") hereby announces revisions to its forecasts of investment results for the fiscal period ending May 31, 2023 (from December 1, 2022 to May 31, 2023), which were previously announced in the "Summary of Financial Results for the Fiscal Period Ended May 31, 2022 (REIT)" dated July 19, 2022.

In addition, SLR announces its forecasts of investment results for the fiscal period ending November 30, 2023 (from June 1, 2023 to November 30, 2023). Details are as follows.

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

We expect the assumptions for the forecasts of the fiscal period ending May 31, 2023 which were previously announced in the "Summary of Financial Results for the Fiscal Period Ended May 31, 2022 (REIT)" dated July 19, 2022 to 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 of Investment Results for the Fiscal Periods Ending May 31, 2023 and November 30, 2023") and the debt financing, which were announced today and the issuance of new investment units resolved at the meeting of the board of directors of SLR held today. Therefore, SLR has revised its forecasts of investment results for the fiscal period ending May 31, 2023 and also newly announces its forecasts of investment results for the fiscal period ending November 30, 2023 as follows.

Disclaimer: This press release is an announcement of revisions to the forecasts of investment results at SLR for the fiscal period ending May 31, 2023 and forecasts of investment results at SLR for the fiscal period ending November 30, 2023, 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. This press release does not constitute an offer of securities in the United States. The investment units have not been, and will not be, registered under the United States Securities Act of 1933 (the "Securities Act"). The investment units may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The investment units referred to above will not be offered, publicly or otherwise, in the United States.

2. Revisions to the Forecasts of Investment Results for the Fiscal Period Ending May 31, 2023 (from December 1, 2022 to May 31, 2023)

	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)	3,697	1,746	1,577	1,576	2,628	2,313	315
Revised forecast (B)	4,196	1,922	1,669	1,668	2,628	2,293	335
Difference (C) ((B) – (A))	499	176	91	91	-	-20	20
Percentage difference (C) / (A)	13.5%	10.1%	5.8%	5.8%	-	-0.9%	6.3%

(For reference) Period ending May 31, 2023: Expected number of investment units issued and outstanding at the end of the period: 727,500 units

3. Forecasts of Investment Results for the Fiscal Period Ending November 30, 2023 (from June 1, 2023 to November 30, 2023)

	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, 2023	4,340	1,957	1,739	1,738	2,760	2,390	370

(For reference) Period ending November 30, 2023: Expected number of investment units issued and outstanding at the end of the period: 727,500 units

(Note 1) The above-mentioned forecasts are calculated based on the assumptions described in the attached "Assumptions for the Forecasts of Investment Results for the Fiscal Periods Ending May 31, 2023 and November 30, 2023". 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 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/

Disclaimer: This press release is an announcement of revisions to the forecasts of investment results at SLR for the fiscal period ending May 31, 2023 and forecasts of investment results at SLR for the fiscal period ending November 30, 2023, 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.
This press release does not constitute an offer of securities in the United States. The investment units have not been, and will not be, registered under the United States Securities Act of 1933 (the "Securities Act"). The investment units may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The investment units referred to above will not be offered, publicly or otherwise, in the United States.

Sociability, Sustainability, and Individuality for Logistic Aspect

Attachment:

Assumptions for the Forecasts of Investment Results for the Fiscal Periods Ending May 31, 2023 and November 30, 2023

Item	Assumption
Accounting period	➢ Period ending May 31, 2023: December 1, 2022 to May 31, 2023 (182 days) ➢ Period ending November 30, 2023: June 1, 2023 to November 30, 2023 (183 days)
Assets under management	➢ It is assumed that SLR will hold 16 properties as a result of acquisition of real estate trust beneficiary interests of 45% quasi-co-ownership interest, among 90% remaining quasi-co-ownership interest in "SOSiLA Amagasaki", scheduled to be acquired on December 2, 2022 and the remaining 45% quasi-co-ownership interest scheduled to be acquired on April 3, 2023, and real estate trust beneficiary quasi-co-ownership interest in "SOSiLA Yashio" (30% quasi-co-ownership interest) scheduled to be acquired on December 2, 2022, respectively, all of which will be performed after issuing new investment units resolved at the meeting of the board of directors of SLR held today ("SOSiLA Amagasaki" (90% quasi-co-ownership interest) and "SOSiLA Yashio" (30% quasi-co-ownership interest) shall be hereinafter collectively referred to as the "Properties to Be Acquired"), in addition to the real estate trust beneficiary interests in properties owned by SLR as of today (15 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, 2023. ➢ 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 of changes in tenants and rent levels, and forecasts of 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 of changes in tenants and rent level after acquisitions, and forecasts of 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	➢ With respect to 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 2,421 million yen in the fiscal period ending May 31, 2023 and 2,523 million yen in the fiscal period ending November 30, 2023. ➢ In general, if real estate is sold, property taxes and city planning taxes for the first fiscal year of acquisition 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. However, SLR includes the amount equivalent to such settled amount in the acquisition cost. Accordingly, property taxes and city planning taxes with respect to LiCS Fuji Maintenance Center acquired on September 1, 2022, LiCS Mito acquired on November 1, 2022, as well as SOSiLA Amagasaki (45% quasi-co-ownership interest) and SOSiLA Yashio (30% quasi-co-ownership interest) to be acquired on December 2, 2022 will be recorded as expenses from the fiscal period ending May 31, 2023. Property taxes and city planning taxes with respect to these properties are expected to be 17 million yen for the fiscal period ending May 31, 2023, and 34 million yen for the fiscal period ending November 30, 2023. In addition, property taxes and city planning taxes with respect to SOSiLA Amagasaki (45% quasi-co-ownership interest) to be acquired on April 3, 2023, which will be recorded as expenses from the fiscal period ending May 31, 2024, are expected to be approximately 17 million yen (for six months). With respect to the Properties to Be Acquired, the total amount of property taxes and city planning taxes in the acquisition cost is expected to be 30 million yen for the 2 properties. ➢ 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 94 million yen for the fiscal period ending May 31, 2023, and 31 million yen for the fiscal period

Disclaimer: This press release is an announcement of revisions to the forecasts of investment results at SLR for the fiscal period ending May 31, 2023 and forecasts of investment results at SLR for the fiscal period ending November 30, 2023, 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. This press release does not constitute an offer of securities in the United States. The investment units have not been, and will not be, registered under the United States Securities Act of 1933 (the "Securities Act"). The investment units may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The investment units referred to above will not be offered, publicly or otherwise, in the United States.

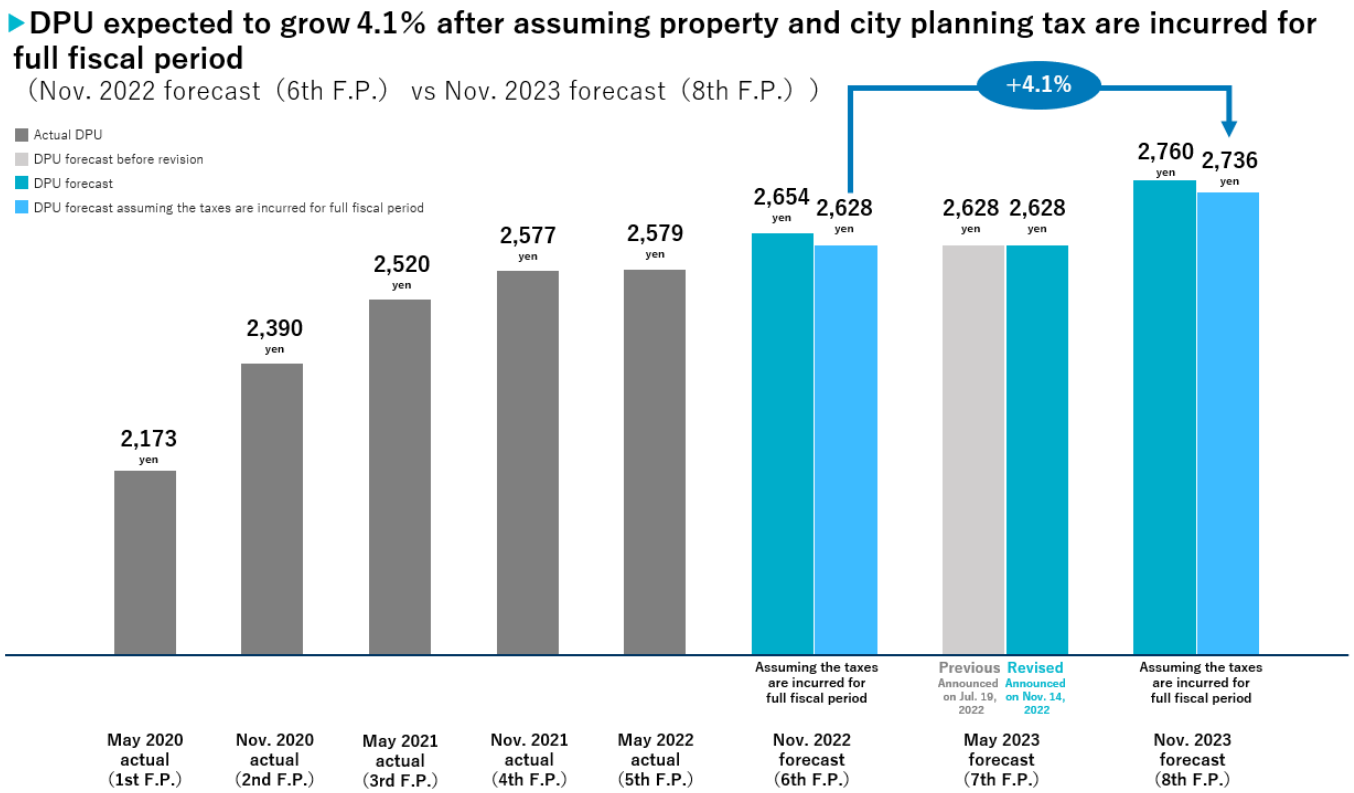
	ending November 30, 2023. Repair expenses in each accounting period may differ substantially from the expected amounts because repair expenses may be incurred suddenly due to damage to buildings and other unforeseeable factors, the expected amounts vary significantly from year to year in general, and 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 742 million yen for the fiscal period ending May 31, 2023 and 767 million yen for the fiscal period ending November 30, 2023.
Non-operating expenses	➢ For the fiscal period ending May 31, 2023, non-operating expenses are expected to stand at 253 million yen. Of this amount, interest expenses and other debt-related costs are anticipated to be 217 million yen and expenses related to the issuance of new investment units are assumed to come to 35 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 for the fiscal period ending May 31, 2023. ➢ For the fiscal period ending November 30, 2023, interest expenses and other debt-related costs are expected to be 217 million yen.
Interest-bearing debt	➢ Total interest-bearing debt is assumed to be 61,670 million yen as of May 31, 2023 and 61,080 million yen as of November 30, 2023. ➢ It is assumed that SLR will newly borrow 14,970 million yen in total in November 2022, December 2022 and April 2023 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 "Notice Concerning Debt Financing" released today. ➢ LTV is expected to be approximately 42.3% as of May 31, 2023 and approximately 42.1% as of November 30, 2023. 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 43,700 new investment units planned to be issued through public offering and a maximum of 2,185 new investment units planned to be issued through the third-party allotment under the resolutions passed at the meeting of the board of directors of SLR held today, totaling 45,885 investment units, will be issued and added to 681,615 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, 2023. ➢ Distributions per unit (excluding surplus cash distributions) and surplus cash distributions per unit for the fiscal period ending May 31, 2023 and for the fiscal period ending November 30, 2023 are calculated using the expected number of investment units issued and outstanding as of May 31, 2023 and November 30, 2023 (727,500 investment units), including 45,885 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 will be 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.

Disclaimer: This press release is an announcement of revisions to the forecasts of investment results at SLR for the fiscal period ending May 31, 2023 and forecasts of investment results at SLR for the fiscal period ending November 30, 2023, 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.
This press release does not constitute an offer of securities in the United States. The investment units have not been, and will not be, registered under the United States Securities Act of 1933 (the "Securities Act"). The investment units may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The investment units referred to above will not be offered, publicly or otherwise, in the United States.

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, 2023 are calculated as the total of 30% of the expected depreciation (excluding amortization of leasehold rights in trust, etc.) and allowance for temporary surplus cash distributions for the purpose of levelling distributions per unit (including surplus cash distributions) and temporary difference adjustment for the relevant calculation period, and are expected to be 335 million yen. ➢ Total surplus cash distributions for the fiscal period ending November 30, 2023 are calculated as the sum of 30% of the expected depreciation (excluding amortization of leasehold rights in trust, etc.), one-time surplus cash distributions, intended to level out distributions per unit (including surplus cash distributions), and allowance for temporary difference adjustment, which is expected to be 370 million yen. ➢ It is assumed that there is no risk 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 in amounts equal to 30% of the depreciation (excluding amortization of leasehold rights in trust, etc.). In general, 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. In addition, in the event of any tax discrepancy (including, but not limited to, tax discrepancies resulting from asset retirement obligations (including interest expenses), amortization of fixed-term leaseholds, etc.), distributions of the allowance for temporary difference adjustments or any other treatment shall be made with the aim of avoiding the generation of taxable income, taking into account the impact of such tax discrepancy on distributions. ➢ Maximum surplus cash distributions (regular surplus cash distributions, one-time surplus cash distributions and distributions of the allowance for temporary difference adjustments), 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.

Disclaimer: This press release is an announcement of revisions to the forecasts of investment results at SLR for the fiscal period ending May 31, 2023 and forecasts of investment results at SLR for the fiscal period ending November 30, 2023, 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.
This press release does not constitute an offer of securities in the United States. The investment units have not been, and will not be, registered under the United States Securities Act of 1933 (the "Securities Act"). The investment units may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The investment units referred to above will not be offered, publicly or otherwise, in the United States.

<Reference> Results and the Forecasts of Distributions Per Unit (Including Surplus Cash Distributions) of SLR



- As for the forecast for the fiscal period ending November 30, 2022 (6th Fiscal Period), the figures "after assuming property and city planning tax are incurred for full fiscal period" are the reference figures calculated by the adjustments assuming that the property taxes and city planning taxes related to "SOSiLA Itabashi" and "SOSiLA Amagasaki (10% quasi-co-ownership interest)", which were acquired on April 1, 2022, would be incurred from the beginning of the fiscal period ending November 30, 2022 (6th Fiscal Period), and that approximately 18 million yen of such taxes would be expensed in the fiscal period ending November 30, 2022 (6th Fiscal Period), based on the forecasts for investment results for the fiscal period ending November 30, 2022 (6th Fiscal Period) stated in the "Summary of Financial Results for the Fiscal Period Ended May 31, 2022 (REIT)" dated July 19, 2022, and assuming that other expenses (including asset management fees) would be the same amount as assumed in the forecast for the fiscal period ending November 30, 2022 (6th Fiscal Period) stated in the said Summary of Financial Results.

- As for the forecast for the fiscal period ending November 30, 2023 (8th Fiscal Period), the figures "after assuming property and city planning tax are incurred for full fiscal period" are the reference figures calculated by the adjustments assuming that the property taxes and city planning taxes related to "SOSiLA Amagasaki (45% quasi-co-ownership interest)", which is scheduled to be acquired on April 3, 2023, would be incurred from the beginning of the fiscal period ending November 30, 2023 (8th Fiscal Period), and that approximately 17 million yen of such taxes would be expensed in the fiscal period ending November 30, 2023 (8th Fiscal Period), based on the forecasts for investment results for the fiscal period ending November 30, 2023 (8th Fiscal Period) stated in the Attachment ("Assumptions for the Forecasts of Investment Results for the Fiscal Periods Ending May 31, 2023 and November 30, 2023"), and assuming that other expenses (including asset management fees) would be of the same amount as assumed in the forecast for the fiscal period ending November 30, 2023 (8th Fiscal Period) stated in the said Attachment.

Disclaimer: This press release is an announcement of revisions to the forecasts of investment results at SLR for the fiscal period ending May 31, 2023 and forecasts of investment results at SLR for the fiscal period ending November 30, 2023, 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.
This press release does not constitute an offer of securities in the United States. The investment units have not been, and will not be, registered under the United States Securities Act of 1933 (the "Securities Act"). The investment units may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The investment units referred to above will not be offered, publicly or otherwise, in the United States.