November 22, 2024

FOR IMMEDIATE RELEASE

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Notice Concerning Acquisition of Domestic Assets (Silent Partnership Equity 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 asset ("Asset to Be Acquired") in the form of equity interest in the silent partnership. The details are described below.

1. Overview of the Asset to Be Acquired

Type of specific asset	Asset name	Name of underlying real estate	Anticipated acquisition price	Existence of intermediaries
Equity interest in the silent partnership	SOSiLA Private Fund 2 G.K. Equity interest in the silent partnership (Note)	SOSiLA Kashiwa (the "Property")	1,500 million yen	No

(1)	Date of agreement	November 22, 2024
(2)	Anticipated acquisition date	December 19, 2024
(3)	Seller (Investee)	SOSiLA Private Fund 2 G.K. (hereinafter may be referred to as the "Operator")
(4)	Financing for acquisition	Cash on hand
(5)	Settlement method	To be paid in a lump sum at time of acquisition

(Note) The Asset to Be Acquired is a silent partnership equity interest based on a silent partnership agreement (the "Agreement"), under which SOSiLA Private Fund 2 G.K., which plans to acquire a beneficial interest in a trust (the "Beneficial Interests in Trust"), whose trust property is the Property, is the operator.

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."

The Asset to Be Acquired is a silent partnership equity interest whose underlying real estate is SOSiLA Kashiwa. SLR will make its first indirect investment in the SOSiLA series of properties and invest jointly with SC Realty Private REIT, Inc. ("SCRP"), which is a private REIT that SRM contracts to manage its assets, Sumitomo Corporation, and other investors in the silent partnership as described in section 3 (1) "Overview of silent partnership" below.

As described in section 3 (2) "Features of the Property" below, the Property is a cutting-edge, advanced logistics facility located close to Kashiwa Interchange which is expected to operate stably in the medium to long term.

As described in section 3 (1) "Overview of the preferential negotiation rights" below, SLR has obtained preferential negotiation rights (Note 1) for the Property jointly with SCRP and has secured an opportunity to acquire the Property after reducing the purchase price to a certain level during the five-year Agreement period.

During the term of the Agreement, the relatively high return indicated in section 3 (1) "Expected dividend yield" below can be received while maintaining the amount invested at a level lower than in the case of a direct investment.

As described in section 3 (1) "Overview of Agreement between Investors" below, SLR plans to sign an agreement with one of the other investors of the silent partnership, which will allow SLR to propose that the unitholder transfer its equity interest in the silent partnership based on the agreement between the investors. (Note 2)

SLR thus considers that the acquisition of the Asset to Be Acquired can diversify and enhance its portfolio.

(Note 1) The preferential negotiation rights are granted to SLR by the Operator for the quasi-co-ownership interest of the Beneficial Interests in Trust (or the co-ownership interest of the Property), which does not assure the sale of the quasi-co-ownership interest of the Beneficial Interests in Trust and does not provide either the Operator or SLR with any right or obligation related to the sale of the quasi-co-ownership interest of the Beneficial Interests in Trust. The same applies hereinafter. Details of the preferential negotiation rights are found in section 3 (1) "Overview of the preferential negotiation rights" below.

(Note 2) However, accepting the equity interest in the silent partnership requires SLR to obtain the approval of the silent partnership investors. In addition, the silent partnership investors may also make a similar request to SLR.

3. Overview of Properties to Be Acquired

(1) Overview of the silent partnership to be invested in

Name of operator	SOSiLA Private Fund 2 G.K.
Total amount of the silent partnership investment	9,250 million yen (Note) (Note) The amount indicated is the planned amount as of November 22, 2024. Among the other silent partnership investors, the amount to be invested by Sumitomo Corporation may change by the scheduled date of investment of December 19, 2024. Accordingly, the total amount invested through the silent partnership and the investment ratio of each silent partnership investor may change due to a change in the actual amount invested. The same applies hereinafter.
Expected dividend yield	Dividend yield (Note 1): 7.0 % Profit dividend yield (Note 2): 4.1 %. (Note 1) The dividend yield is calculated by dividing the amount resulted from multiplying an assumed dividend amount calculated by subtracting the assumed amount of various expenses such as the Operator's operating and administrative expenses and interest on borrowing (on the assumption of the interest-rate conditions as of November 8, 2024, which may deviate significantly from the interest on the borrowing to be implemented by the Operator on December 20, 2024) from the net operating income for the first year determined by the discounted cash flow (DCF) method stated in the real estate appraisal report for the Beneficial Interests in Trust prepared by JLL Morii Valuation & Advisory K.K., in which the date of appraisal is September 30, 2024, by 16.2 % corresponding to the ownership ratio of the equity interest in the silent partnership to be invested by SLR by the expected acquisition price (expected investment amount) of the equity interest in the silent partnership to be invested by SLR. (Note 2) The profit dividend yield is calculated by dividing the amount resulted from multiplying the assumed amount of profit dividend derived by subtracting the Operator's annualized expected depreciation for the first year from the assumed dividend amount in (Note 1) by 16.2%

<table>
<tr><td></td><td>corresponding to the ownership ratio of the equity interest in the silent partnership to be invested by SLR by the expected acquisition price (expected investment amount) of the silent partnership equity interest to be invested by SLR.
(Note 3) The dividend yield and profit dividend yield stated are figures assumed as of November 22, 2024, which are not guaranteed to be the same as the actual figures.</td></tr>
<tr><td>Effective period of the silent partnership agreement</td><td>Until December 19, 2029
If the Operator and SLR agree to extend the Agreement, the term of this silent partnership agreement may be extended only if all other silent partnership agreements are extended at the same time and only for the same term as all other silent partnership agreements. Furthermore, if the Operator has debts to the lender, the term of the Agreement will be automatically extended to the day following the day on which all of such debts are repaid.</td></tr>
<tr><td>Overview of silent partnership</td><td>
<table>
<tr><td colspan="4">SOSiLA Private Fund 2 G.K.</td></tr>
<tr><td rowspan="3">(Assets)

Beneficial Interests in Trust, etc.:
30,828 million yen
(Note 1)
(Note 2)</td><td colspan="3">(Liabilities)
Senior loans: 14,500 million yen
Consumption tax loans: 1,278 million yen
Junior loans: 2,900 million yen
Mezzanine loans: 2,900 million yen</td></tr>
<tr><td colspan="3">(Net assets)
Silent partnership investment: 9,250 million yen</td></tr>
<tr><td>SLR
16.2 %</td><td>SCRP
16.2 %</td><td>Sumitomo Corporation
2.9 %</td><td>Others
(Note 3)
64.6 %</td></tr>
</table>
(Note 1) The Operator plans to acquire the Beneficial Interests in Trust on December 20, 2024.
(Note 2) The Beneficial Interests in Trust, etc. includes sundry expenses in the acquisition of the underlying assets and expenses for organizing the silent partnership. The appraisal value of the Property determined by JLL Morii Valuation & Advisory K.K. is 29,000 million yen.
(Note 3) This information is not disclosed due to the other silent partnership investors not consenting to this. The other anonymous investors are two financial institutions in Japan.

Calculation period: Six-month periods from April 1st to September 30th of each year and from October 1st to March 31st of the following year. The initial calculation period will be between the date of initial investment (December 19, 2024 (tentative)) and March 31, 2025, and the last day of the final calculation period will be the date on which the Agreement ends.

Distribution of profit and loss: The Operator will distribute a profit earned or charge a loss incurred during each accounting period to the investors in the silent partnership in the amount determined by multiplying the percentage of their capital contribution to the business, which earns profit through such activities as the acquisition, management, operation, and disposal of the Beneficial Interests in Trust.</td></tr>
<tr><td>Overview of the preferential negotiation rights</td><td>1. The Operator grants the right of first negotiation to SLR (or a third party designated by SLR) and the right of second negotiation to SCRP (or a third party designated by SCRP) for 50% of the quasi-co-ownership interest in the Beneficial</td></tr>
</table>

	Interests in Trust (or 50% of the co-ownership interest in the Property). 2. The Operator grants the right of first negotiation to SCRP (or a third party designated by SCRP) and the right of second negotiation to SLR (or a third party designated by SLR) for 50% of the quasi-co-ownership interest in the Beneficial Interests in Trust (or 50% of the co-ownership interest in the Property), excluding the above. In this case, SRM's rotation rules in which SLR has the first priority, SCRP has the second priority, and private funds, etc. have the third priority will not apply in the consideration of and decision on the acquisition of logistics and industrial properties.
Overview of agreement among investors	SLR and other silent partnership investors ("Party" or "Parties") may transfer all or part of their equity interests in the silent partnership contributed to the Operator under the silent partnership agreement signed with the Operator (the "Silent Partnership Agreement") by December 19, 2029, in the amount calculated based on a method agreed on in advance. In this case, a Party will request or offer a purchase or sale of its investment to the other Parties. If another Party has approved the purchase or sale, the Party will purchase or sell its investment in the standard amount calculated based on the method agreed on in advance on the date of transfer, which will be before December 19, 2029.

(2) Overview of the Property

The overview of the Property is as follows.

The information provided in the “Overview of the Property,” “Overview of Lease,” “Summary of the Appraisal Report,” and “Features of the Property” sections are stated as the following unless otherwise specified and are based on the information available as of November 22, 2024.

(a) Overview of the Property

- “Trustee” is the party scheduled to become the trustee of the Property.
- "Entrustment date" is the entrustment date prescribed by the trust agreement for the land and the scheduled date of the establishment of the trust for the building.
- “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 lease contracts signed for the Property as of November 22, 2024 (excluding lease contracts for roofs and parking lots).
- “Extra description” are matters that are deemed to be material with respect to relationships of the rights, usage, etc. of the Property as of November 22, 2024, and other matters that are deemed to be material in consideration mainly of the potential impact on the appraised value of the Property, and the profitability or disposability thereof.

(b) Overview of Lease

- "Leasable area" is the sum of the leased area stated in the building lease contracts signed for the Property as of November 22, 2024 (excluding lease contracts for roofs and parking lots) 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 the building lease contracts signed for the Property as of November 22, 2024.
- “Annual rent” is the annualized rent calculated by multiplying the monthly rent (including a common service fee) stated in the building lease contract signed as of November 22, 2024, by 12 (if the annual rent is specified, the annual rent including a common service fee), which is rounded down if the amount has a number less than the given unit.
- “Security deposit” is the amount of the security deposit stated in the building lease contract for the Property signed as of November 22, 2024, which is rounded down if it has a number less than the given unit.

“Occupancy rate” is the ratio of total leased area to leasable area of the Property as of November 22, 2024, rounded to the first decimal place.

(c) Summary of the Appraisal Report

- "Summary of the Appraisal Report" is a summary of the real estate appraisal report prepared by SOSiLA Private Fund 2 G.K. which outsourced the appraisal to JLL Morii Valuation & Advisory K.K. 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 of the Property

- "Features of the Property" are based on market reports prepared by SRM by outsourcing the research on real estate market to CBRE, Inc. and analysis performed by SRM. This analysis, etc. represents the judgments and opinions of SRM based on the researchers’ reports at a certain point in time. SRM does not guarantee the adequacy and accuracy of its content.

Overview of the Property					
Property name		SOSiLA Kashiwa	Overview of trust beneficiary interest	Trustee	Sumitomo Mitsui Trust Bank, Limited
Use		Logistics property		Entrustment date	(Land) March 30, 2020 (Buildings: additional trust) December 20, 2024
Type of specific property		Beneficiary interest of real estate in trust		Trust maturity date	End of December 2034
Land	Ownership form	Proprietary	Building	Ownership form	Proprietary
	Location	12-6 Shintoyofuta, Kashiwa, Chiba		Gross floor area	72,659.03 m^2
	Land area	35,023.70 m^2		Construction date	May 26, 2023
	Zoning	Exclusive industrial zone		Purpose	Warehouse
	BCR	60% (Note 1)		Structure/ No. of stories	Reinforced concrete, RC aluminum-zinc alloy coated steel roofing/4-story
	FAR	200%			
Property manager		Sumisho Building Management Co., Ltd.	Number of tenants		1
Extra description: - Soil contamination (lead exceeding the designated level) has been confirmed in a part of the land of the Property, which is designated as an area that requires notification for a change in characteristics specified in paragraph (1), Article 11, of the Soil Contamination Countermeasures Act. The Operator hired Tokio Marine dR Co., Ltd. to investigate the risk of soil contamination and received the investigator's opinion that the risk of health hazard was considered low due to the fact that the surface layer of the investigated land was generally covered by pavement and the underground water was not used for drinking.					

Overview of Lease	
Name of major tenant	LOGISTEED East Japan, Ltd.
Lease arrangement term	Not disclosed (Note 2)
Leasable area	71,955.43 m^2
Leased area	71,955.43 m^2
Annual rent	Not disclosed (Note 2)
Security deposit	Not disclosed (Note 2)
Occupancy rate	100.0%

(Note 1) The building coverage ratio of the Property is originally 60%, but has been eased to 70% as a result of applying the loosened regulations to the corner lot.

(Note 2) These items are not disclosed because consent of the tenant is not obtained.

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Summary of the Appraisal Report			
Property name	SOSiLA Kashiwa		
Appraisal value	29,000 million yen		
Appraiser	JLL Morii Valuation & Advisory K.K.		
Date of appraisal	September 30, 2024		
Item		Appraisal (thousand yen)	Overview
Income approach value		29,000,000	Assessed by correlating income approach value by the direct capitalization method with income approach value by the DCF method.
Direct capitalization method		29,700,000	
(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		1,020,597	(1) - (2)
(4) Interest on deposit		2,922	
(5) Capital expenditure		13,231	
Net income		1,010,288	(3) + (4) - (5)
Capitalization rate		3.4%	Appraised by considering the income and capital fluctuation risk, in addition to the discount rate.
Discounted cash flow method		28,300,000	
Discount rate		3.2%	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		3.6%	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		25,600,000	
Proportion of land		55.9%	
Proportion of building		44.1%	
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 of the Property
(Location) The Property faces National Route 16, a major belt highway in the Tokyo metropolitan area, and has good access to National Route 6 leading to Tokyo, which makes the location highly convenient. By using these major roads, areas within Chiba and in all other directions such as Saitama and Tokyo can be considered for delivery routes. The Property is also located near the Kashiwa Interchange on the Joban Expressway and can function as a wide-area control center for the entire Tokyo metropolitan area through the passage from the Joban Expressway to the Tokyo Gaikan Expressway and the Shuto Expressway via the Misato Junction. The Property is located within the Toyofuta industrial park, which is surrounded by industrial compounds which include large logistics facilities and factories. It is in an area exclusively for industrial use, allowing 24-hour operation. In view of securing a workforce, the proximity to housing areas along the Tsukuba Express line, JR lines, and the Tobu Urban Park Line running through the Kashiwa urban area offers advantageous employment conditions. (Features of Property) The Property is a four-story ramp way-type logistics facility with a total floor area (Building Standards Act) of 24,711 tsubo. The basic specifications include each floor having a ceiling height of 5.5 meters, floor loading of 1.5 tons per square meter, and 11.5 meters by 10.3 meters of space between pillars. This makes the facility highly versatile and usable for logistics facility operations and suitable for a wide range of tenant businesses. The facility is designed to enable high delivery efficiency through the placement of a total of 102 truck berths on the first through third floors (the fourth floor is a maisonette). Regarding transportation capacity, the warehouse is equipped with two cargo elevators and four vertical conveyors for the third and fourth floors, ensuring adequate vertical transportation capacity in the warehouse. The parking lot has spaces for 277 standard-sized cars and six waiting trucks to facilitate workers commuting by car.

(3) Overview of the Operator in the silent partnership

(1)	Name	SOSiLA Private Fund 2 G.K.
(2)	Location	Within AOJ Tax Accountant Corporation, 2-12-6 Kyobashi, Chuo-ku, Tokyo
(3)	Representative	Representative partner: SOSiLA Private Fund 2 (general incorporated association) Operating officer: Takahito Idesawa
(4)	Business description	- Acquisition, holding and disposal of real estate - Leasing and management of real estate - Acquisition, holding and disposal of real estate trust beneficial interest - Other businesses incidental or related to the businesses indicated above
(5)	Capital	100,000 yen
(6)	Date of establishment	September 25, 2024
(7)	The company's relationship with SLR and SRM	
	Capital relationship	- SLR plans to make a silent partnership contribution of 16.2 % of the total amount invested in the silent partnership to the company. - SCRP, which SRM entrusts the management of its assets to, plans to make a silent partnership contribution of 16.2 % of the total amount invested in the silent partnership. - Sumitomo Corporation, the parent company of SRM, plans to make a silent partnership contribution of 2.9 % of the total amount invested in the silent partnership.

Personnel relationship	- There is no personnel relationship that should be stated between the company and SLR or SRM.
Business relationship	- There is no business relationship that should be stated between the company and SLR. - SRM is contracted to provide the company with investment advisory services.
Applicability to related party	- The company does not qualify as a related party of SLR or SRM.

4. Transactions with Interested Parties

The Operator, which is the seller (the recipient of the investment) of the Asset to Be Acquired, is not an interested party or other close affiliate as defined in paragraph (1), Article 201, of the Act on Investment Trusts and Investment Corporations. However, the Operator is an interested party under SRM's internal regulations regarding interested party transactions due to the investment advisory services received by SRM from the Operator. The seller of the Beneficial Interests in Trust for the Operator is Sumitomo Corporation, which is an interested party or other close affiliate as defined in paragraph (1), Article 201, of the Act on Investment Trusts and Investment Corporations. Therefore, SRM has signed the Agreement after completing the necessary deliberations, resolutions, and other procedures as specified by the regulations regarding interested party transactions.

5. Overview of Intermediary

There are no intermediaries involved in the transactions for this acquisition.

6. Outlook

This acquisition has no impact on the investment results of SLR for the fiscal period ending November 30, 2024 (the 10th period; from June 1, 2024, to November 30, 2024) and its impact on the investment results of SLR for the fiscal period ending May 31, 2025 (the 11th period; from December 1, 2024, to May 31, 2025) is minor, and the forecasts for investment results remain unchanged.

* For more information about SOSiLA Logistics REIT, Inc., please visit: https://sosila-reit.co.jp/en/

Attachments:

Reference Material: Appearance of the Property and Map of Surrounding Area

Reference Material: Appearance of the Property and Map of Surrounding Area

Exterior Appearance



Map of the Surrounding Area



