# Summary of Financial Results for the Fiscal Period Ended November 30, 2024 (REIT)

January 17, 2025

Issuer of REIT securities: SOSiLA Logistics REIT, Inc. (SLR)
Securities code: 2979
Representative: Tomoaki Sato, Executive Officer
Stock exchange listing: Tokyo Stock Exchange
URL: https://sosila-reit.co.jp/en/

Asset management company: Sumisho Realty Management Co., Ltd.
Representative: Yukinari Shiraishi, President & CEO
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Scheduled date of filing of Securities Report: February 26, 2025
Scheduled date for commencement of distributions payments: February 17, 2025

Supplementary materials for financial results: Yes
Investors & analysts meeting: Yes

(Values are rounded down to the nearest million yen)

1. Financial Results for the Fiscal Period Ended November 30, 2024 (from June 1, 2024 to November 30, 2024)

(1) Operating Results (Percentages indicate change from the previous period)

| | Operating revenues | | Operating profit | | Ordinary profit | | Profit | |
|---|---|---|---|---|---|---|---|---|
| Period ended | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| Nov. 2024 | 4,326 | 1.7 | 2,011 | 0.3 | 1,785 | 0.7 | 1,784 | 0.7 |
| May 2024 | 4,252 | (1.9) | 2,005 | (1.8) | 1,773 | (2.5) | 1,772 | (2.5) |

| | Profit per unit | Return on equity | Ratio of ordinary profit to total assets | Ratio of ordinary profit to operating revenues |
|---|---|---|---|---|
| Period ended | Yen | % | % | % |
| Nov. 2024 | 2,452 | 2.3 | 1.2 | 41.3 |
| May 2024 | 2,436 | 2.2 | 1.2 | 41.7 |

(2) Distributions

| | Distributions per unit (excluding surplus cash distributions) | Total distributions (excluding surplus cash distributions) | Surplus cash distributions per unit | Total surplus cash distributions | Distributions per unit (including surplus cash distributions) | Total distributions (including surplus cash distributions) | Payout ratio | Ratio of distributions to net assets |
|---|---|---|---|---|---|---|---|---|
| Period ended | Yen | Million yen | Yen | Million yen | Yen | Million yen | % | % |
| Nov. 2024 | 2,452 | 1,783 | 333 | 242 | 2,785 | 2,026 | 100.0 | 2.3 |
| May 2024 | 2,436 | 1,772 | 333 | 242 | 2,769 | 2,014 | 100.0 | 2.2 |

(Note 1) Of the surplus cash distributions per unit of 333 yen in the fiscal period ended May 31, 2024, the allowance for temporary difference adjustments was 22 yen and contribution refunds that fell under distributions accompanying a decrease in capital under tax law were 311 yen.
Of the surplus cash distributions per unit of 333 yen in the fiscal period ended November 30, 2024, the allowance for temporary difference adjustments was 22 yen and contribution refunds that fell under distributions accompanying a decrease in capital under tax law were 311 yen.

(Note 2) The ratios of a reduction in unitholders' paid-in capital attributable to surplus cash distributions (contribution refunds that fell under distributions accompanying a decrease in capital under tax law) in the fiscal period ended May 31, 2024, and the fiscal period ended November 30, 2024, were both 0.003. This calculation is pursuant to Article 23, Paragraph 1, Item 5 of the Order for Enforcement of the Corporation Tax Act (Cabinet Order No. 97 of 1965, as amended).

(3) Financial Position

| | Total assets | Net assets | Equity ratio | Net assets per unit |
|---|---|---|---|---|
| Period ended | Million yen | Million yen | % | Yen |
| Nov. 2024 | 146,387 | 79,077 | 54.0 | 108,697 |
| May 2024 | 146,429 | 79,307 | 54.2 | 109,014 |

(4) Cash Flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at the end of the fiscal period |
|---|---|---|---|---|
| Period ended | Million yen | Million yen | Million yen | Million yen |
| Nov. 2024 | 2,757 | 22 | (2,013) | 7,181 |
| May 2024 | 2,229 | (16) | (2,058) | 6,415 |

2. Forecasts for the Fiscal Period Ending May 31, 2025 (from December 1, 2024 to May 31, 2025) and November 30, 2025 (from June 1, 2025 to November 30, 2025)

(Percentages indicate change from the previous period)

| | Operating revenues | | Operating profit | | Ordinary profit | | Profit | | Distributions per unit (excluding surplus cash distributions) | Surplus cash distributions per unit | Distributions per unit (including surplus cash distributions) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Period ending | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen | Yen | Yen |
| May 2025 | 4,732 | 9.4 | 2,181 | 8.5 | 1,907 | 6.9 | 1,906 | 6.9 | 2,621 | 350 | 2,971 |
| Nov. 2025 | 4,791 | 1.2 | 2,228 | 2.2 | 1,959 | 2.7 | 1,958 | 2.7 | 2,692 | 346 | 3,038 |

(Reference) Forecasted profit per unit for the fiscal period ending May 31, 2025: 2,621 yen
Forecasted profit per unit for the fiscal period ending November 30, 2025: 2,692 yen

* Other

(1) Changes in Accounting Policies, Accounting Estimates or Restatements

(a) Changes in accounting policies due to revisions to accounting standards and other regulations: None
(b) Changes in accounting policies due to other reasons: None
(c) Changes in accounting estimates: None
(d) Restatements: None

(2) Number of Investment Units Issued and Outstanding

(a) Number of investment units issued and outstanding at the end of the fiscal period including treasury units:

| | | | |
|---|---|---|---|
| As of Nov. 30, 2024 | 727,500 units | As of May 31, 2024 | 727,500 units |

(b) Number of treasury units at end of period:

| | | | |
|---|---|---|---|
| As of Nov. 30, 2024 | 0 units | As of May 31, 2024 | 0 units |

* Summary of financial results is not inside the scope of audit procedure by certified public accountants or audit corporations.

* Special note

The forward-looking statements in this material are based on information currently available to SOSiLA Logistics REIT, Inc. (“SLR”) and on certain assumptions that SLR believes are reasonable. Actual operating performance may differ substantially due to various factors. Furthermore, those statements shall not be deemed a guarantee or any commitment of the amount of future distributions and surplus cash distributions. For information on the assumptions for the earnings forecasts and notes for use of the earnings forecasts, refer to the Assumptions for the Forecasts for Investment Results for the Fiscal Periods Ending May 31, 2025 (from December 1, 2024 to May 31, 2025) and November 30, 2025 (from June 1, 2025 to November 30, 2025) on page 3.

Assumptions for the Forecasts for Investment Results for the Fiscal Periods Ending May 31, 2025 (from December 1, 2024 to May 31, 2025) and November 30, 2025 (from June 1, 2025 to November 30, 2025)

| Item | Assumption |
|---|---|
| Accounting period | - Period ending May 31, 2025: December 1, 2024 to May 31, 2025 (182 days)<br>- Period ending November 30, 2025: June 1, 2025 to November 30, 2025 (183 days) |
| Portfolio | - It is assumed that, from the real estate trust beneficiary interests (for a total of 17 properties) and the silent partnership equity interest (for 1 property) that were held by SLR as of January 17, 2025 ("Existing Properties"), the following transactions will be conducted. LiCS Gunma Ota and the 10% quasi-co-ownership interest in SOSiLA Yashio shall be hereinafter collectively referred to as the "Properties to Be Acquired".<br>Acquisition of LiCS Gunma Ota on February 28, 2025<br>Additional acquisition of 10% quasi-co-ownership interest in SOSiLA Yashio on February 28, 2025<br>Transfer of the remaining 50% quasi-co-ownership interest in LiCS Narita on June 30, 2025<br>- It is assumed that, except for the above, there will be no 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, 2025.<br>- 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 primarily based on lease agreements provided by current beneficiaries and others, trends in tenants and the market in the past, and lease agreements effective as of January 17, 2025, and in consideration of expected occupancy rates based on forecasts for rents and changes in tenants after acquisition and forecasts for changes in rents.<br>- Rent revenues of LiCS Gunma Ota are calculated based on the lease agreement provided by current beneficiaries, etc.<br>- It is assumed that tenants will pay rents without delinquency or withholding.<br>- It is assumed that gains on the sale of properties of 435 million yen and 459 million yen will be posted in the fiscal periods ending May 31, 2025, and November 30, 2025, respectively, due to the transfer of LiCS Narita. |
| Operating expenses | - In operating rental expenses, major operating expenses, expenses other than depreciation are calculated from variable factors based on past results.<br>- Rent revenues (excluding gains on the sale of properties) minus operating rental expenses (including depreciation), are expected to be 2,299 million yen in the fiscal period ending May 31, 2025 and 2,312 million yen in the fiscal period ending November 30, 2025.<br>- Property taxes and city planning taxes are expected to be 395 million yen in the fiscal period ending May 31, 2025 and 395 million yen in the fiscal period ending November 30, 2025. - 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 included the amount equivalent of this settlement in the acquisition cost. As a result, property taxes and city planning taxes with respect to LiCS Gunma Ota and SOSiLA Yashio (10% quasi-co-ownership interest) to be acquired on February 28, 2025, which will be recorded as expenses from the fiscal period ending May 31, 2026, are expected to be 9 million yen (for six months). Property taxes, city planning taxes and other charges levied on the Properties to Be Acquired, which will be capitalized in acquisition costs, are expected to total 7 million yen for the two properties.<br>- Building repair expenses, which are calculated based on the medium- to long-term repair and maintenance plans of Sumisho Realty Management Co., Ltd. ("the Asset Manager"), are anticipated to be 300 million yen in the fiscal period ending May 31, 2025 and 297 million yen in the fiscal period ending November 30, 2025. The amounts mentioned above include expenses required for replacement of LED lighting at SOSiLA Nishiyodogawa I. Expenses of 160 million yen and 245 million yen will be recorded in the fiscal period ending May 31, 2025, and the fiscal period ending November 30, 2025, respectively. 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.<br>- Depreciation expenses, including ancillary costs, are calculated using the straight-line method. They are expected to be 771 million yen for the fiscal period ending May 31, 2025 and 758 million yen for the fiscal period ending November 30, 2025. |
| Non-operating expenses | - Interest expenses and other borrowing related expenses are expected to be 273 million yen in the fiscal period ending May 31, 2025 and 268 million yen in the fiscal period ending November 30, 2025. |
| Interest-bearing debt | - Total interest-bearing debt is assumed to be 65,320 million yen as of May 31, 2025 and 65,320 million yen as of November 30, 2025.<br>- It is assumed that SLR will pay off variable interest borrowing of 1,320 million yen early, and will newly borrow 4,260 million yen on February 28, 2025 to fund acquisition of LiCS Gunma Ota. However, SLR has yet to make a decision on such early repayment and new borrowing, and such early repayment and new borrowing may not take place or the amount of borrowing may change.<br>- LTV is expected to be approximately 43.6% on May 31, 2025 and 43.7% on November 30, 2025.<br>- LTV is calculated using the formula below and rounded to the first decimal place.<br>LTV = Total interest-bearing debt / Total assets × 100 |

| Item | Assumption |
|---|---|
| Investment units | - The number of investment units issued and outstanding in the fiscal period ending May 31, 2025, and in the fiscal period ending November 30, 2025, is assumed to be 727,500, the number of investment units issued and outstanding as of January 17, 2025.<br>- It is assumed that there will be no change in the number of investment units issued and outstanding until November 30, 2025. |
| 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.<br>- 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. |
| 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 the Asset Manager.<br>- Total surplus cash distributions are calculated as the sum of 30% of the expected depreciation (excluding the amortization of leasehold rights in trust, etc.), temporary surplus cash distributions intended to level out distributions per unit (including surplus cash distributions), and the allowance for temporary difference adjustments. Total surplus cash distributions are expected to be 254 million yen in the fiscal period ending May 31, 2025 and 251 million yen in the fiscal period ending November 30, 2025.<br>- It is assumed that there is no concrete fear as of January 17, 2025 that the external economic environment, the real estate market and the financial position of SLR will deteriorate significantly.<br>- 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.<br>- SLR may not distribute more cash than the distributed amount if it believes that distributing that much cash is inappropriate, considering the economic environment, trends in the real estate market and rental market, portfolio and the financial position.<br>- In addition to regular surplus cash distributions, SLR may pay temporary 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.<br>- Maximum surplus cash distributions (regular surplus cash distributions, temporary 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. |
| Others | - 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.<br>- It is assumed that no unexpected material change will arise in overall economic trends and real estate market conditions. |

(2) Investment Risk

Disclosure is omitted, as there have been no material changes from the details described in the “Investment Risk” section of the Securities Registration Statement (filed on August 28, 2024).

## 2. Financial Statements

(1) Balance Sheet

(Thousands of yen)

| | As of May 31, 2024 | As of Nov. 30, 2024 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 3,139,947 | 3,674,125 |
| Cash and deposits in trust | 3,275,723 | 3,507,827 |
| Operating accounts receivable | 369,610 | 348,171 |
| Prepaid expenses | 99,545 | 78,639 |
| Other | 875 | 1,105 |
| Total current assets | 6,885,702 | 7,609,869 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings in trust | 66,333,804 | 66,370,570 |
| Accumulated depreciation | (4,629,957) | (5,296,068) |
| Buildings in trust, net | 61,703,846 | 61,074,501 |
| Structures in trust | 3,109,527 | 3,109,527 |
| Accumulated depreciation | (549,664) | (625,897) |
| Structures in trust, net | 2,559,863 | 2,483,630 |
| Machinery and equipment in trust | 437,600 | 437,600 |
| Accumulated depreciation | (74,558) | (88,558) |
| Machinery and equipment in trust, net | 363,041 | 349,041 |
| Tools, furniture and fixtures in trust | 4,016 | 4,016 |
| Accumulated depreciation | (389) | (790) |
| Tools, furniture and fixtures in trust, net | 3,626 | 3,225 |
| Land in trust | 72,904,500 | 72,904,500 |
| Total property, plant and equipment | 137,534,879 | 136,814,900 |
| Intangible assets | | |
| Land leasehold interests in trust | 1,761,470 | 1,746,637 |
| Software | 1,123 | 184 |
| Total intangible assets | 1,762,593 | 1,746,821 |
| Investments and other assets | | |
| Long-term prepaid expenses | 156,022 | 128,825 |
| Deferred tax assets | 29 | 34 |
| Guarantee deposits | 10,000 | 10,000 |
| Leasehold and guarantee deposits in trust | 52,265 | 52,265 |
| Other | 1,505 | 2,652 |
| Total investments and other assets | 219,822 | 193,778 |
| Total non-current assets | 139,517,295 | 138,755,501 |
| Deferred assets | | |
| Investment corporation bond issuance costs | 26,162 | 22,588 |
| Total deferred assets | 26,162 | 22,588 |
| Total assets | 146,429,160 | 146,387,960 |

(Thousands of yen)

| | As of May 31, 2024 | As of Nov. 30, 2024 |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Operating accounts payable | 87,199 | 224,683 |
| Short-term borrowings | 1,320,000 | – |
| Accounts payable | 7,330 | 10,146 |
| Accrued expenses | 536,203 | 537,247 |
| Income taxes payable | 1,212 | 1,210 |
| Accrued consumption taxes | 127,487 | 107,895 |
| Advances received | 744,756 | 744,782 |
| Other | 4,558 | 8,384 |
| Total current liabilities | 2,828,749 | 1,634,350 |
| Non-current liabilities | | |
| Investment corporation bonds | 4,600,000 | 4,600,000 |
| Long-term borrowings | 56,100,000 | 57,420,000 |
| Leasehold and security deposits received in trust | 3,458,398 | 3,521,304 |
| Asset retirement obligations | 134,302 | 135,008 |
| Total non-current liabilities | 64,292,700 | 65,676,312 |
| Total liabilities | 67,121,450 | 67,310,663 |
| Net Assets | | |
| Unitholders' equity | | |
| Unitholders' capital | 78,953,179 | 78,953,179 |
| Deduction from unitholders' capital | | |
| Allowance for temporary difference adjustments | (70,145) | (86,150) |
| Other deduction from unitholders' capital | (1,347,568) | (1,573,820) |
| Total deduction from unitholders' capital | (1,417,713) | (1,659,970) |
| Unitholders' capital, net | 77,535,465 | 77,293,208 |
| Surplus | | |
| Unappropriated retained earnings (undisposed loss) | 1,772,244 | 1,784,088 |
| Total surplus | 1,772,244 | 1,784,088 |
| Total unitholders' equity | 79,307,710 | 79,077,296 |
| Total net assets | 79,307,710 | 79,077,296 |
| Total liabilities and net assets | 146,429,160 | 146,387,960 |

(2) Statement of Income

(Thousands of yen)

| | For the period from December 1, 2023 to May 31, 2024 | For the period from June 1, 2024 to November 30, 2024 |
|---|---|---|
| Operating revenues | | |
| Rent revenues | 4,074,408 | 4,096,634 |
| Other rent revenues | 177,850 | 229,827 |
| Total operating revenues | 4,252,259 | 4,326,461 |
| Operating expenses | | |
| Rental expenses | 1,682,063 | 1,768,811 |
| Asset management fees | 415,607 | 416,097 |
| Asset custody and administrative service fees | 22,553 | 26,756 |
| Remuneration for directors | 3,000 | 3,000 |
| Other operating expenses | 123,851 | 100,440 |
| Total operating expenses | 2,247,076 | 2,315,105 |
| Operating profit | 2,005,182 | 2,011,356 |
| Non-operating income | | |
| Interest income | 28 | 672 |
| Gain on forfeiture of unclaimed distributions | 359 | 347 |
| Total non-operating income | 387 | 1,019 |
| Non-operating expenses | | |
| Interest expenses | 172,552 | 178,541 |
| Interest expenses on investment corporation bonds | 12,217 | 12,217 |
| Amortization of investment corporation bond issuance costs | 3,574 | 3,574 |
| Borrowing related expenses | 43,817 | 32,701 |
| Total non-operating expenses | 232,163 | 227,034 |
| Ordinary profit | 1,773,406 | 1,785,341 |
| Profit before income taxes | 1,773,406 | 1,785,341 |
| Income taxes - current | 1,216 | 1,312 |
| Income taxes - deferred | (5) | (5) |
| Total income taxes | 1,211 | 1,307 |
| Profit | 1,772,195 | 1,784,034 |
| Retained earnings brought forward | 48 | 54 |
| Unappropriated retained earnings (undisposed loss) | 1,772,244 | 1,784,088 |

(3) Statement of Unitholders' Equity

For the period from December 1, 2023 to May 31, 2024

(Thousands of yen)

| | Unitholders' equity | | | | |
|---|---|---|---|---|---|
| | Unitholders' capital | | | | |
| | Unitholders' capital | Deduction from unitholders' capital | | | Unitholders' capital, net |
| | | Allowance for temporary difference adjustments | Other deduction from unitholders' capital | Total deduction from unitholders' capital | |
| Balance at the beginning of period | 78,953,179 | (54,140) | (1,122,043) | (1,176,183) | 77,776,995 |
| Change during period | | | | | |
| Surplus cash distributions due to an allowance for temporary difference adjustments | | (16,005) | | (16,005) | (16,005) |
| Other surplus cash distributions | | | (225,525) | (225,525) | (225,525) |
| Dividends of surplus | | | | | |
| Profit | | | | | |
| Total changes during period | – | (16,005) | (225,525) | (241,530) | (241,530) |
| Balance at the end of period | 78,953,179 | (70,145) | (1,347,568) | (1,417,713) | 77,535,465 |

(Thousands of yen)

| | Unitholders' equity | | | Total net assets |
|---|---|---|---|---|
| | Surplus | | Total unitholders' equity | |
| | Unappropriated retained earnings (undisposed loss) | Total surplus | | |
| Balance at the beginning of period | 1,817,343 | 1,817,343 | 79,594,339 | 79,594,339 |
| Change during period | | | | |
| Surplus cash distributions due to an allowance for temporary difference adjustments | | | (16,005) | (16,005) |
| Other surplus cash distributions | | | (225,525) | (225,525) |
| Dividends of surplus | (1,817,295) | (1,817,295) | (1,817,295) | (1,817,295) |
| Profit | 1,772,195 | 1,772,195 | 1,772,195 | 1,772,195 |
| Total changes during period | (45,099) | (45,099) | (286,629) | (286,629) |
| Balance at the end of period | 1,772,244 | 1,772,244 | 79,307,710 | 79,307,710 |

For the period from June 1, 2024 to November 30, 2024

(Thousands of yen)

| | Unitholders' equity | | | | |
|---|---|---|---|---|---|
| | Unitholders' capital | | | | |
| | Unitholders' capital | Deduction from unitholders' capital | | | Unitholders' capital, net |
| | | Allowance for temporary difference adjustments | Other deduction from unitholders' capital | Total deduction from unitholders' capital | |
| Balance at the beginning of period | 78,953,179 | (70,145) | (1,347,568) | (1,417,713) | 77,535,465 |
| Change during period | | | | | |
| Surplus cash distributions due to an allowance for temporary difference adjustments | | (16,005) | | (16,005) | (16,005) |
| Other surplus cash distributions | | | (226,252) | (226,252) | (226,252) |
| Dividends of surplus | | | | | |
| Profit | | | | | |
| Total changes during period | – | (16,005) | (226,252) | (242,257) | (242,257) |
| Balance at the end of period | 78,953,179 | (86,150) | (1,573,820) | (1,659,970) | 77,293,208 |

(Thousands of yen)

| | Unitholders' equity | | | Total net assets |
|---|---|---|---|---|
| | Surplus | | Total unitholders' equity | |
| | Unappropriated retained earnings (undisposed loss) | Total surplus | | |
| Balance at the beginning of period | 1,772,244 | 1,772,244 | 79,307,710 | 79,307,710 |
| Change during period | | | | |
| Surplus cash distributions due to an allowance for temporary difference adjustments | | | (16,005) | (16,005) |
| Other surplus cash distributions | | | (226,252) | (226,252) |
| Dividends of surplus | (1,772,190) | (1,772,190) | (1,772,190) | (1,772,190) |
| Profit | 1,784,034 | 1,784,034 | 1,784,034 | 1,784,034 |
| Total changes during period | 11,844 | 11,844 | (230,413) | (230,413) |
| Balance at the end of period | 1,784,088 | 1,784,088 | 79,077,296 | 79,077,296 |

(4) Statement of Cash Distribution

| | For the period from December 1, 2023 to May 31, 2024 | For the period from June 1, 2024 to November 30, 2024 |
|---|---|---|
| I. Unappropriated retained earnings (undisposed loss) | 1,772,244,269 yen | 1,784,088,655 yen |
| II. Surplus cash distributions | 242,257,500 yen | 242,257,500 yen |
| Of which, an allowance for temporary difference adjustments | 16,005,000 yen | 16,005,000 yen |
| Of which, other deduction from unitholders' capital | 226,252,500 yen | 226,252,500 yen |
| III. Distributions | 2,014,447,500 yen | 2,026,087,500 yen |
| (Distributions per unit) | (2,769 yen) | (2,785 yen) |
| Of which, distributions of retained earnings | 1,772,190,000 yen | 1,783,830,000 yen |
| (Of which, distributions of retained earnings per unit) | (2,436 yen) | (2,452 yen) |
| Of which, an allowance for temporary difference adjustments | 16,005,000 yen | 16,005,000 yen |
| (Of which, surplus cash distributions per unit (those pertaining to an allowance for temporary differences adjustments)) | (22 yen) | (22 yen) |
| Of which, other surplus cash distributions | 226,252,500 yen | 226,252,500 yen |
| (Of which, surplus cash distributions per unit (those pertaining to other surplus cash distributions)) | (311 yen) | (311 yen) |
| IV. Retained earnings carried forward | 54,269 yen | 258,655 yen |

| | For the period<br>from December 1, 2023 to May 31, 2024 | For the period<br>from June 1, 2024 to November 30, 2024 |
|---|---|---|
| Calculation method of distribution amount | Under the distribution policy established in Article 36, Paragraph 1 of the Articles of Incorporation of SLR, the distribution amount shall exceed 90% of the amount equivalent to the profit available for distributions provided for in Article 67-15 of the Act on Special Measures Concerning Taxation.<br>Based on the policy, SLR declared the distribution amount of 1,772,190,000 yen which was the amount equivalent to the maximum integral multiples of number of investment units issued and outstanding (727,500 investment units) as of the reporting fiscal period.<br>Under the policy on the distribution of money established in Article 36, Paragraph 2 of the Articles of Incorporation of SLR, SLR will make distributions in excess of profit (contribution refunds that fall under distributions accompanying a decrease in capital under tax law) every period. SLR will also distribute an allowance for temporary difference adjustments, taking into account expenses related to asset retirement obligations and the impact of the difference in excess income pertaining to the amortization of leasehold interests in land of general fixed-term land leasehold rights, etc. between the accounting and tax treatments on distributions.<br>Under this policy, as surplus cash distributions, SLR has decided to distribute 242,257,500 yen, which is the sum of 226,252,500 yen (contribution refunds that fall under distributions accompanying a decrease in capital under tax law), which amounts to approximately 30% of depreciation (excluding the amortization of leasehold interests in land in trust, etc.), and 16,005,000 yen (an allowance for temporary difference adjustments), which is approximately equivalent to the difference in excess income between the accounting and tax treatments on distributions. | Under the distribution policy established in Article 36, Paragraph 1 of the Articles of Incorporation of SLR, the distribution amount shall exceed 90% of the amount equivalent to the profit available for distributions provided for in Article 67-15 of the Act on Special Measures Concerning Taxation.<br>Based on the policy, SLR declared the distribution amount of 1,783,830,000 yen which was the amount equivalent to the maximum integral multiples of number of investment units issued and outstanding (727,500 investment units) as of the reporting fiscal period.<br>Under the policy on the distribution of money established in Article 36, Paragraph 2 of the Articles of Incorporation of SLR, SLR will make distributions in excess of profit (contribution refunds that fall under distributions accompanying a decrease in capital under tax law) every period. SLR will also distribute an allowance for temporary difference adjustments, taking into account expenses related to asset retirement obligations and the impact of the difference in excess income pertaining to the amortization of leasehold interests in land of general fixed-term land leasehold rights, etc. between the accounting and tax treatments on distributions.<br>Under this policy, as surplus cash distributions, SLR has decided to distribute 242,257,500 yen, which is the sum of 226,252,500 yen (contribution refunds that fall under distributions accompanying a decrease in capital under tax law), which amounts to approximately 30% of depreciation (excluding the amortization of leasehold interests in land in trust, etc.), and 16,005,000 yen (an allowance for temporary difference adjustments), which is approximately equivalent to the difference in excess income between the accounting and tax treatments on distributions. |

(5) Statement of Cash Flows

(Thousands of yen)

| | For the period from December 1, 2023 to May 31, 2024 | For the period from June 1, 2024 to November 30, 2024 |
|---|---|---|
| Cash flows from operating activities | | |
| Profit before income taxes | 1,773,406 | 1,785,341 |
| Depreciation | 771,877 | 773,222 |
| Amortization of investment corporation bond issuance costs | 3,574 | 3,574 |
| Interest income | (28) | (672) |
| Interest expenses | 184,770 | 190,759 |
| Decrease (increase) in operating accounts receivable | (38,575) | 21,438 |
| Increase (decrease) in accrued consumption taxes | (141,617) | (19,592) |
| Decrease (increase) in prepaid expenses | (27,066) | 20,905 |
| Increase (decrease) in operating accounts payable | (117,483) | 140,896 |
| Increase (decrease) in accounts payable - other | (2,443) | 2,815 |
| Increase (decrease) in accrued expenses | (6,493) | 1,308 |
| Increase (decrease) in advances received | 18,950 | 25 |
| Decrease (increase) in long-term prepaid expenses | 4,055 | 27,196 |
| Others | (2,651) | 1,814 |
| Subtotal | 2,420,276 | 2,949,034 |
| Interest received | 28 | 672 |
| Interest paid | (189,657) | (191,024) |
| Income taxes paid | (1,105) | (1,315) |
| Net cash provided by (used in) operating activities | 2,229,541 | 2,757,367 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment in trust | (18,489) | (40,178) |
| Proceeds from leasehold and security deposits received in trust | 2,510 | 62,921 |
| Refund of leasehold and guarantee deposits received in trust | (255) | (15) |
| Net cash provided by (used in) investing activities | (16,234) | 22,727 |
| Cash flows from financing activities | | |
| Repayments of short-term borrowings | – | (1,320,000) |
| Proceeds from long-term borrowings | 8,000,000 | 1,320,000 |
| Repayments of long-term borrowings | (8,000,000) | – |
| Distributions paid | (2,058,501) | (2,013,813) |
| Net cash provided by (used in) financing activities | (2,058,501) | (2,013,813) |
| Net increase (decrease) in cash and cash equivalents | 154,805 | 766,282 |
| Cash and cash equivalents at the beginning of period | 6,260,865 | 6,415,670 |
| Cash and cash equivalents at the end of period | 6,415,670 | 7,181,952 |