Sociability, Sustainability, and Individuality for Logistic Aspect

February 19, 2025

FOR IMMEDIATE RELEASE

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Notice Concerning Debt Financing and Interest Rate Swaps

SOSiLA Logistics REIT, Inc. ("SLR") announces today that it decided on debt financing (the "Borrowings") and interest rate swaps ("Interest Rate Swaps").

1. Details of Borrowings

Category	Lender	Anticipated borrowing amount (million yen)	Interest rate (Note 1)	Scheduled borrowing date (Note 7)	Borrowing method	Repayment date (Note 7)	Repayment method	Collateral
Long-term	Sumitomo Mitsui Banking Corporation	2,010	Base interest rate + 0.303% (Note 2) (Note 3)	February 28, 2025	SLR will conclude individual loan agreements with the lenders stated left on February 26, 2025.	May 31, 2032	Paid in full upon maturity	Unsecured and non-guaranteed
	Mizuho Bank, Ltd.							
	The Iyo Bank, Ltd.							
	The Hachijuni Bank, Ltd.							
	Sumitomo Mitsui Banking Corporation	1,810	Base interest rate + 0.278% (Note 2) (Note 3)			November 28, 2031		
	Sumitomo Mitsui Trust Bank, Limited							
	Mizuho Bank, Ltd.							
	Mitsubishi UFJ Trust and Banking Corporation	800	Base interest rate + 0.353% (Note 4) (Note 5)		SLR will conclude individual loan agreements with the lenders stated left on February 26, 2025, based on a jointly operated designated money trust formed by these lenders (named Green J-REIT Trust). (Note 6)	May 31, 2033		
Total		4,620						

(Note 1) The annualized interest rates are effectively fixed due to the Interest Rate Swaps. For details, please refer to 3. Interest Rate Swaps.

(Note 2) The first interest payment date is May 30, 2025. The subsequent interest payment dates are the last days of May and November, and the repayment date.

(Note 3) The base interest rate is the six-months Japanese yen Tokyo Interbank Offered Rate (TIBOR) for the concerned interest period announced by the JBA TIBOR Administration. Information on the JBA Japanese yen TIBOR is available at the Administration's official website.

https://www.jbatibor.or.jp/english/rate/

(Note 4) The first interest payment date is May 30, 2025. The subsequent interest payment dates are the last days of February, May, August and November, and the repayment date.

(Note 5) The base interest rate is the three-months Japanese yen Tokyo Interbank Offered Rate (TIBOR) for the concerned interest period announced by the JBA TIBOR Administration.

(Note 6) For details about this scheme, please refer to 4. Green J-REIT Trust.

(Note 7) The scheduled borrowing date and the repayment date for borrowings are the dates expected as of today. Those dates may change before the final execution of the Borrowings.

2. Reason for Borrowings

The borrowings will be allocated to the payment of part of the acquisition costs and related expenses for SOSiLA Yashio (10% quasi-co-ownership interest) and LiCS Gunma Ota, which are scheduled to be acquired on February 28, 2025, as announced in the Notice Concerning Acquisitions and Transfer of Domestic Real Estate Trust Beneficiary Interests on December 19, 2024. Additionally, they will be used to repay the borrowings mentioned in the Notice Concerning Prepayment of Borrowing dated February 17, 2025. All borrowings from Mitsubishi UFJ Trust and Banking Corporation will be allocated to acquisition funds for SOSiLA Yashio (10% quasi-co-ownership interest).

3. Interest Rate Swaps

(1) Reason for Interest Rate Swaps

SLR aims to fix the interest rates paid for the borrowing and hedge against the risk of rising interest rates.

(2) Details of Interest Rate Swaps

Counterparty		Not decided (Note)	Not decided (Note)	Not decided (Note)
Notional principal		2,010 million yen	1,810 million yen	800 million yen
Interest rate	Fixed interest rate payable	Not decided	Not decided	Not decided
	Floating interest rate receivable	Base interest rate (JBA 6-month Japanese yen TIBOR) plus 0.303%	Base interest rate (JBA 6-month Japanese yen TIBOR) plus 0.278%	Base interest rate (JBA 3-month Japanese yen TIBOR) plus 0.353%
Commencement date		February 28, 2025		
Termination date		May 31, 2032	November 28, 2031	May 31, 2033
Payment date		The first interest payment date is May 31, 2025. The subsequent interest payment dates are the last days of May and November, and the final repayment date.		The first interest payment date is May 30, 2025. The subsequent interest payment dates are the last days of February, May, August and November, and the final repayment date.

(Note) The counterparties and fixed interest rates paid will be determined on February 26, 2025. The counterparty and interest rate will be announced once determined.

4. Green J-REIT Trust

The Green J-REIT Trust is a performance-based dividend, jointly operated designated money trust administered by Mitsubishi UFJ Trust and Banking Corporation. The trust is characterized as a high rated, short-term investment product that invests in long-term loan claims against J-REITs. Additionally, the use of funds is restricted to the acquisition and development of green buildings. It has received a Green 1 rating, the highest level, from Japan Credit Rating Agency, Ltd. (JCR)'s Green Finance Framework Evaluation (Note).

SLR will secure financing from the Green J-REIT Trust as a green loan based on its green finance framework. The funds that will be raised will be used to acquire a 10% quasi-co-ownership interest in SOSiLA Yashio, an eligible green asset that has received external environment certifications.

(Note) JCR Green Finance Framework Evaluation is JCR's evaluation of borrowers' policies for borrowing based on the Green Loan Principles, international guidelines established by the Loan Market Association (LMA) and the Asia Pacific Loan Market Association (APLMA). The evaluation of borrowers under the Green Finance Framework is based on Green Evaluation and Management, Operation and Transparency Evaluation. In Green Evaluation, JCR assesses whether the classification of the borrower's project in its green loan policy qualifies as a green project by examining how the raised funds will be used. In Management, Operation and Transparency Evaluation, JCR evaluates the borrower's management and operational systems, as well as its transparency. The details of SLR's evaluation in JCR Green Finance Framework Evaluation are posted on JCR's website below.
https://www.jcr.co.jp/en/greenfinance/

5. Status of borrowings etc. after the Borrowings

(Unit: million yen)

	Before the Borrowings	After the Borrowings	Changes
Short-term borrowings	0	0	-
Long-term borrowings	57,420	60,720	+3,300
Total of borrowings	57,420	60,720	+3,300
Investment corporation bonds	4,600	4,600	-
Total of borrowings and investment corporation bonds	62,020	65,320	+3,300

5. Other Matters

Risks associated with the Borrowings are as stated in 3. Investment Risks, 2. Information Supplementary to Reference Documents, II Reference Information, in the Securities Registration Statement submitted on August 28, 2024.

* SOSiLA website: https://sosila-reit.co.jp/en/