

November 16, 2021

FOR IMMEDIATE RELEASE

Issuer of REIT Securities

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Notice Concerning Acquisitions and Leasing of Domestic Real Estate Trust Beneficiary Interests

Sumisho Realty Management Co., Ltd. (“SRM”), to which SOSiLA Logistics REIT, Inc. (“SLR”) entrusts the management of its assets, hereby announces today that it made a determination to acquire in the form of trust beneficiary interests and lease the following three domestic properties (“Properties to Be Acquired”).

As Sumitomo Corporation, one of the sellers of the Properties to Be Acquired is an interested party under SRS’s interested party regulations, which are SRM’s internal rules, SRM has followed the decision-making procedures specified by the interested party regulations to acquire the properties from Sumitomo Corporation.

1. Overview of the Properties to Be Acquired

Use	Property Number (Note 1)	Property Name	Location	Anticipated Acquisition Price (million yen) (Note 2)	Existence of Intermediaries
Logistics property	L-07	SOSiLA Ebina (38% quasi-co-ownership interest) (Note 3) (Note 4)	Ebina City, Kanagawa	9,470	No
	L-10	SOSiLA Itabashi	Itabashi City, Tokyo	3,980	No
	L-11	SOSiLA Amagasaki (10% quasi-co-ownership interest) (Note 4)	Amagasaki City, Hyogo	1,500	No
Total			-	14,950	-

(Note 1) “Property Number” is the classification of each Property to Be Acquired, logistics property (L) or industrial property (I), and the number in each classification. The same applies hereinafter.

(Note 2) “Anticipated acquisition price” is the sales price of each Property to Be Acquired set forth in the trust beneficiary interest purchase and sale agreement or trust beneficiary quasi-co-ownership interest purchase and sale agreement for each Property to Be Acquired (collectively “Purchase and Sale Agreement”). The sales price does not include consumption tax, local consumption tax or expenses required for the acquisition. The same applies hereinafter.

(Note 3) SLR had already acquired a 62% quasi-co-ownership interest in the property as of December 4, 2020.

(Note 4) Each of the anticipated acquisition prices of SOSiLA Ebina (38% quasi-co-ownership interest) and SOSiLA Amagasaki (10% quasi-co-ownership interest) is the anticipated acquisition price for the quasi-co-ownership interest (38%) of SOSiLA Ebina and the quasi-co-ownership interest (10%) of SOSiLA Amagasaki, which are the Properties to Be Acquired.

- | | | |
|-----|---|--|
| (1) | Signing Date of the Purchase and Sale Agreement | November 16, 2021 |
| (2) | Anticipated Acquisition Date
(Note 1) (Note 2) | (i) December 6, 2021 (SOSiLA Ebina (38% quasi-co-ownership interest))
(ii) April 1, 2022 (SOSiLA Itabashi and SOSiLA Amagasaki (10% quasi-co-ownership interest)) |
| (3) | Previous Owner | Refer to “4. Overview of Entities from Which Properties Are Acquired” below. |

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This press release does not constitute an offer of securities in the United States of America. 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.

- (4) Financing for Acquisition Proceeds from the issuance of new investment units resolved at a board of directors meeting held on November 16, 2021 (Note 3), borrowings (Note 4) and cash on hand
- (5) Settlement Method The full amount is paid on delivery.
- (Note 1) “Anticipated acquisition date” is the anticipated acquisition date of each Property to Be Acquired set forth in the Purchase and Sale Agreement. It may be changed upon agreement between SLR and the current owner or beneficiary with respect to each Property (collectively “Seller”).
- (Note 2) Of the Properties to Be Acquired, the Purchase and Sale Agreements for SOSiLA Itabashi and SOSiLA Amagasaki (10% quasi-co-ownership interest) fall under forward commitments, etc. as defined in the “Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc.” established by the Financial Services Agency (forward commitments, etc. refer to purchase and sale agreements dated on a day-ahead basis, in which settlement and delivery of the property are to take place more than one month after the conclusion of the agreement, and other similar agreements). These Purchase and Sale Agreements set forth that, in the event that the Seller or the purchaser (hereinafter referred to as the “breaching party”) breaches the relevant Purchase and Sale Agreement and the other party cancels the Purchase and Sale Agreement, the other party may demand that the breaching party pay a penalty equivalent to 20% of the purchase price. However, these Purchase and Sale Agreements set forth that the payment of the purchase price by SLR is on condition that the necessary financing for the payment of the purchase price has been completed through the offering of investment units and/or the borrowing from financial institutions, etc. by SLR. In the event that such conditions are not fulfilled, SLR may cancel the Sale and Purchase Agreements without incurring any penalties, etc. Therefore, even if SLR is unable to fulfill its obligation to pay the purchase price under the Purchase and Sale Agreements due to the failure to complete the issuance of new investment units resolved at a board of directors meeting held on November 16, 2021 or the borrowing of funds, etc., SLR will not bear any penalties, etc., and accordingly, SLR believes that the possibility of a direct and material adverse impact on its finances and distributions, etc. is low.
- (Note 3) For details, please refer to the “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” released today.
- (Note 4) For details, please refer to the “Notice Concerning Debt Financing” released today.

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 Properties to Be Acquired consist of the SOSiLA series of logistics properties developed by Sumitomo Corporation, the SLR’s sponsor, and are to be acquired for the purposes of steadily expanding the scale of SLR’s assets and enhancing its portfolio in accordance with the objective and policy of asset management set forth under the Articles of Incorporation of SLR. For the features of each of the Properties to Be Acquired, please refer to “3. Overview of Properties to Be Acquired” below.

SLR believes that the tenants of the Properties to Be Acquired conform to the criteria of SLR for selection of tenants stated in the “Report on the Management System, Etc. of the Issuer of REIT Securities, etc.” submitted on August 20, 2021.

3. Overview of Properties to Be Acquired

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

“Overview of Specific Property,” “Overview of Lease,” “Summary of the Appraisal Report,” and “Features of the Property” are defined as follows unless otherwise specified. They are stated based on information available as of October 20, 2021.

(a) Overview of Specific Property

- “Anticipated acquisition date” is the anticipated date of acquisition of each Property to Be Acquired set forth in the Purchase and Sale Agreement. It may be changed upon agreement between SLR and the Seller.
- “Anticipated acquisition price” is the anticipated sale price of each Property to Be Acquired set forth in the Purchase and Sale Agreement. The sale price does not include consumption tax, local consumption tax or expenses required for the acquisition.
- “Trustee” of “Overview of trust beneficiary interest” is the trustee or the party scheduled to become the trustee of each Property to Be Acquired.
- “Entrustment date” of “Overview of trust beneficiary interest” is the entrustment date prescribed by the trust agreement or the same after the change due to the acquisition of properties by SLR.
- “Trust maturity date” of “Overview of trust beneficiary interest” is the trust maturity date prescribed by the trust agreement or the same after the change due to the acquisition of properties by SLR.
- “Ownership form” of “Land” and “Building” is the type of right retained or scheduled to be retained by the trustee or the party scheduled to become 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

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with the limited proprietary right; if the property is land with superficies or the right to lease land that is not a Land Lease Right (the right specified in Article 2, Item 1 of the Act on Land and Building Leases (Act No. 90 of 1991, as amended)), 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).
- “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 commissioned or is scheduled to be commissioned to fulfill property management responsibilities.
- “Number of tenants” is the number of tenants based on trust property lease agreements (excluding roof lease agreements and parking lot lease agreements) having been concluded as of October 20, 2021. If more than one lease agreement is entered into by the same tenant as to any Property to Be Acquired, the tenant is counted as one.
- As for “Summary of seismic risk assessment report” and “Summary of building condition evaluation report”, upon request of SLR and SRM, Tokio Marine dR Co., Ltd. conducted analysis of seismic risks and prepared seismic risk assessment reports based on such results, and Earth Appraisal Co., Ltd. conducted evaluation of the conditions of the buildings and prepared engineering reports based on such results. These are the outlines of such reports. These reports merely refer to the judgments and opinions of such surveyors at one point of time, and do not guarantee the appropriateness and accuracy of their information. There are no special relationships of interest between Tokio Marine dR Co., Ltd. or Earth Appraisal Co., Ltd. and SLR and/or SRM. As of the date of this document, no earthquake insurance with respect to the properties owned by SLR or the Properties to Be Acquired is expected to be acquired.
- “Date of Survey” in the “Summary of seismic risk assessment report” refers to the month and year of survey stated in the seismic risk assessment reports investigated and prepared by the surveyor.
- “Surveyor” in the “Summary of seismic risk assessment report” refers to the surveyor who conducted analysis of earthquake risks and prepared the seismic risk assessment reports.
- “PML (probable maximum loss)” in the “Summary of seismic risk assessment report” refers to the ratio stated in the seismic risk assessment reports provided by the surveyor.
- “Date of Survey” in the “Summary of building condition evaluation report” refers to the month and year of survey stated in the building condition evaluation reports (engineering reports) investigated and prepared by the surveyor.
- “Surveyor” in the “Summary of building condition evaluation report” refers to the surveyor who conducted evaluation of the building condition and prepared the building condition evaluation reports (engineering reports).
- “Emergency/early repair costs” in the “Summary of building condition evaluation report” refers to expenses stated in the building condition evaluation reports (engineering reports) as repair expenses required urgently or approximately within one year from the date of survey.
- “Medium- to long-term repair and renewal costs” in the “Summary of building condition evaluation report” refers to expenses stated in the building condition evaluation reports (engineering reports) as repair expenses expected to be required within twelve years from the date of survey, with fractions less than the unit disregarded.
- “Extra description” is a description of important matters about rights related to the Property to Be Acquired, its use, and other matters considered important in terms of their effects on the appraisal value, profitability, and liquidity of the Property to Be Acquired as of October 20, 2021.

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(b) Overview of Lease

- “Leasable area” of a property that is not a limited proprietary right of land or land with superficies or the right to lease land that is not a Land Lease Right is the sum of the leased area stated in the building lease agreement for each trust property (excluding the roof lease agreement and the parking lot lease agreement) having been concluded as of October 20, 2021 and the area of vacant space considered rentable based on the building drawings, etc. “Leasable area” of a limited proprietary right of land or land with superficies or the right to lease land that is not a Land Lease Right is the leased area stated in the land lease agreement for each trust property under which leasing agreement having been concluded as of October 20, 2021.
- “Leased area” is the leased area stated in the trust property lease agreement having been concluded as of October 20, 2021.
- “Annual rent” is the annualized rent calculated by multiplying the monthly rent (including a common service fee) stated in the lease agreement for each trust property having been concluded as of October 20, 2021 by 12 (if annual rent is stated in the agreement, the annual rent including a common service fee; if more than one lease agreement had been entered into, the sum of the annual rents). If the amount has a number less than the given unit, it is rounded down. Free rent and a rent holiday (free rent for a certain period of months) as of the same date are not taken into consideration.
- “Security deposit” is the security deposit stated in the trust property lease agreement having been concluded as of October 20, 2021. If the amount has a number less than the given unit, it is rounded down.
- “Occupancy rate” is the ratio of the leased area to the leasable area at each property as of October 20, 2021. The rate is 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 The Tanizawa Sogo Appraisal, Japan Real Estate Institute or CBRE K.K. at the request for appraisal of 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 The Tanizawa Sogo Appraisal, Japan Real Estate Institute or CBRE 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 described based on the market report prepared by K.K. Ichigo Real Estate Service, which conducted a real estate survey commissioned by SLR and SRM statements on the appraisal report and conducted analysis by SRM, etc. The analyses are judgments and opinions of SLR and SRM based on reports at a certain point in time. Their adequacy and accuracy are not guaranteed.

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Property Number	L-07	Property Name	SOSiLA Ebina (38% quasi-co-ownership interest)	Use	Logistics property	
Overview of Specific Property						
Type of specific property			Beneficiary interest of real estate in trust (38% quasi-co-ownership interest)	Overview of trust beneficiary interest	Trustee	Sumitomo Mitsui Trust Bank, Limited
Anticipated acquisition date			December 6, 2021		Entrustment date	December 21, 2017
Anticipated acquisition price			9,470 million yen (Note 1)		Trust maturity date	December 31, 2031
Land	Ownership form		Proprietary	Building	Ownership form	Proprietary
	Location		5-5005-2, Nakashinden, Ebina City, Kanagawa		Gross floor area	71,963.60m ² (27,346.16m ²) (Note 2)
	Land area		33,816.68m ² (Note 3)		Construction date	February 17, 2020
	Zoning		Industrial zone		Purpose	Warehouse
	BCR		60% (Note 4)		Structure/ No. of stories	Reinforced concrete, steel building with alloy-plated steel sheet plate, four-story building
	FAR		200%			
Property manager			Sumisho Building Management Co., Ltd.	Summary of building condition evaluation report	Date of survey	July 2021
Number of tenants			5		Surveyor	Earth-Appraisal Co., Ltd.
Summary of seismic risk assessment report	Date of survey		October 2021		Emergency/ early repair costs (thousands of yen)	-
	Surveyor		Tokio Marine dR Co., Ltd.		Medium- to long-term repair and renewal costs (thousands of yen)	61,832 (Note 5)
	PML ratio (Probable maximum loss)		8.1%			
Extra description: - Not applicable						

(Note 1) The anticipated acquisition price is the anticipated acquisition price for 38% quasi-co-ownership interest of the property to be acquired (SOSiLA Ebina).

(Note 2) The gross floor area of SOSiLA Ebina (38% quasi-co-ownership interest) in parentheses is the gross floor area for a quasi-co-ownership interest of 38% of the property, rounded down to the second decimal place.

(Note 3) Although SLR will acquire 38% of quasi-co-ownership interest of the real estate trust beneficiary interest, the land area stated is that for the entire property.

(Note 4) The specified BCR for the Property is 60%, but BCR is 70% because it is located on a corner lot.

(Note 5) The medium- to long-term repair and renewal costs of SOSiLA Ebina (38% quasi-co-ownership interest) are the expenses for 38% quasi-co-ownership interest of the property, rounded down to the nearest thousand yen.

Overview of Lease	
Leasable area	25,779.15m ² (Note)
Leased area	25,779.15m ² (Note)
Annual rent	450 million yen (Note)
Security deposit	211 million yen (Note)
Occupancy rate	100.0%

(Note) The leasable area and the leased area are those for the 38% quasi-co-ownership interest, which are rounded down to the second decimal place. The annual rent and the security deposit are those for the 38% quasi-co-ownership interest, which are rounded down to the nearest million yen.

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Summary of the Appraisal Report		
Property name	SOSiLA Ebina (38% quasi-co-ownership interest)	
Appraisal value	9,580 million yen (Note)	
Appraiser	The Tanizawa Sogo Appraisal	
Date of appraisal	September 30, 2021	
Item	Appraisal (thousand yen)	Overview
Income approach value	9,580,000	Assessed based on the value by the DCF method and verified using the direct capitalization method.
Direct capitalization method	9,930,000	
(1) Operating revenues	481,032	
a. Total potential revenue	488,966	Assessed and recorded the rent that are regarded stable over the medium- and long-term.
b. Loss such as vacancy	7,933	
(2) Operating expenses	89,142	
a. Maintenance costs	-	Included in PM fees.
b. Utilities costs	13,611	
c. Repair costs	3,522	Assessed based on values stated in the engineering report and similar cases.
d. Property management fees	24,356	Assessed based on the property management agreement.
e. Tenant solicitation expenses	139	Recorded based on the assumed turnover period of the lessee.
f. Property taxes	45,115	Assessment and actual amount based on the data for taxation for fiscal 2021
g. Non-life insurance premiums	1,435	Assessed based on the estimated data, etc.
h. Other expenses	962	Assessed based on the results of the balance of payments.
(3) Net operating income	391,890	(1) – (2)
(4) Interest on deposit	2,181	Assessed by multiplying the amount of security deposit, which was assessed based on the current lease conditions, etc., by the investment yield (estimated at 1.0%, taking into account the interest rate level of both investment and procurement).
(5) Capital expenditure	7,045	Assessed based on values stated in the engineering report and similar cases.
Net income	387,026	(3) + (4) – (5)
Capitalization rate	3.9%	Assessed by comparing with multiple transaction yields and other factors within the surrounding areas or similar areas etc. within the same supply-and-demand region.
Discounted cash flow method	9,430,000	
Discount rate	Non-cancellable period 3.9% Cancellable period 4.0%	Assessed by the individual risks of the subject property.
Terminal capitalization rate	4.1%	Assessed by adding uncertainties of future forecasts etc. to the capitalization rate.
Total estimated price	9,200,000	
Proportion of land	58.6%	
Proportion of building	41.4%	
Other items that the appraiser paid attention to in its appraisal	-	

(Note) The appraisal value of SOSiLA Ebina (38% quasi-co-ownership interest) is the value for the quasi-co-ownership interest (38%) in the property.

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Features of the Property

(Location)

The property is located within 5km from interchanges, at approximately 1km from “Ebina” IC of the Ken-O Expressway, and approximately 4km from “Atsugi” IC of the Tomei Expressway, a junction between Tomei Expressway which is the main artery of the East and the West of Japan, and Ken-O Expressway which is vital to delivery business in the Greater Tokyo Area, and this area is about to see the opening of the unsealed section of the New Tomei Expressway. While easing of traffic congestion is promoted by the opening of the Shin-Tomei Expressway, the location is the west gateway to the Kanto Area, and has convenient access to the central Tokyo.

In addition, the property is located within a land readjustment project area in the middle of a residential district of Ebina City which is gaining population along with the development of area surrounding the “Ebina” Station of JR Sagami-line/Odakyu-Odawara line/Sagami railway main line, which is also a rare area. Accessible to “Ebina” Station using a route bus (7 minutes), a walking distance of approximately 1.7km from “Atsugi” Station of JR Sagami-line/Odakyu-Odawara line, the station nearby, and approximately 1.3km from the “Shake” Station of JR Sagami-line, within 2km from the nearest station, it is an advantageous location for securing labor force.

(Features of Property)

The property is the logistics property of the SOSiLA series, 4-story building of the total floor area of over 70,000m², with a ramp way that allows trucks to pull in directly to the 1st through 3rd floors. In addition, the center carriageway type double-sided berths enables highly-frequent delivery and 24-hour operations, with the ceiling beam height clearance of 5.5m for each floor, securing the floor load of 1.5t/m² (1.8t/m² for 3rd and 4th floors), and available for increasing vertical conveyers and cargo elevators.

Equipped with an open and modern entrance hall comparable to office buildings, it also provides a café lounge, “SOSiLA Crew Lounge”, at the top floor of the building, providing workers with a recreation area, and a view of Mt. Fuji can be seen from a spacious glass wall window up to the ceiling. In addition, an emergency power generator has been installed.

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Property Number	L-10	Property Name	SOSiLA Itabashi	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			April 1, 2022		Entrustment date	April 1, 2022
Anticipated acquisition price			3,980 million yen		Trust maturity date	April 30, 2032
Land	Ownership form		General fixed-term leasehold	Building	Ownership form	Proprietary
	Location		3-28-2, Hasune, Itabashi City, Tokyo		Gross floor area	13,994.83m ²
	Land area		7,123.84m ²		Construction date	February 17, 2021
	Zoning		Industrial area		Purpose	Warehouse
	BCR		60% (Note)		Structure/ No. of stories	Reinforced concrete, steel building with alloy-plated steel sheet plate, four-story building
	FAR		200%			
Property manager			Sumisho Building Management Co., Ltd.	Summary of building condition evaluation report	Date of survey	July 2021
Number of tenants			1		Surveyor	Earth-Appraisal Co., Ltd.
Summary of seismic risk assessment report	Date of survey		October 2021		Emergency/ early repair costs (thousands of yen)	-
	Surveyor		Tokio Marine dR Co., Ltd.		Medium- to long-term repair and renewal costs (thousands of yen)	34,597
	PML ratio (Probable maximum loss)		5.9%			
Extra description: <ul style="list-style-type: none">The seller has entered into an agreement on establishment of general fixed-term leasehold with respect to the land with the owner thereof, Sumitomo Metal Mining Co., Ltd., and the trustee is scheduled to succeed to the status as lessee thereof.						

Overview of Lease	
Leasable area	14,135.03m ²
Leased area	14,135.03m ²
Annual rent	Not disclosed (Note)
Security deposit	Not disclosed (Note)
Occupancy rate	100.0%

(Note) Not disclosed because the lessee's consent to disclose has not been obtained.

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Summary of the Appraisal Report		
Property name	SOSiLA Itabashi	
Appraisal value	4,030 million yen	
Appraiser	Japan Real Estate Institute	
Date of appraisal	September 30, 2021	
Item	Appraisal (thousand yen)	Overview
Income approach value	4,030,000	Assessed based on the value by the DCF method and verified using the direct capitalization method.
Direct capitalization method	4,060,000	
(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	179,456	(1) – (2)
(4) Interest on deposit	1,334	Assessed by multiplying the amount of security deposit, which was assessed based on the current lease conditions, etc., by the investment yield (estimated at 1.0%, taking into account the interest rate level of both investment and procurement).
(5) Capital expenditure	2,119	Assessed based on the annual average amount of repair and renewal costs in the engineering report and cost level of similar properties.
Net income	178,671	(3) + (4) – (5)
Capitalization rate	4.4%	Assessed by considering the location conditions, building conditions, contract conditions, etc. of the subject real estate as well as the standard capitalization rate, and also considering future uncertainties and transaction rate related to similar assets.
Discounted cash flow method	4,000,000	
Discount rate	3.5%	Assessed by comprehensively taking into account the individuality of the target asset etc., with reference to the investment yield of similar properties.
Terminal capitalization rate	4.9%	Assessed by comprehensively considering future trends in investment yield, real estate prices, rent trends, etc., by reference to investment yield of similar properties.
Total estimated price	3,760,000	
Proportion of land	25.3%	
Proportion of building	74.7%	
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

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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 is located in an industrial zone about 1.8km from “Nakadai” IC on Metropolitan Expressway Route 5 and is also close to National Route 17 and Loop Route 8. It is used as a wide-area delivery base for distribution to city centers, to the areas outside the 23 wards of Tokyo and Saitama, and can also be used for last-mile delivery including frequent and small package delivery.

It is 10-minute walk from “Hasune” and “Nishidai” stations on the Toei Mita Line and 16-minute walk from “UkimaFunado” station on the JR Saikyo Line, making it easy to secure labor force.

Compared to other neighboring J-REIT logistics properties located in the 23 wards of Tokyo, the property is competitive because it is close to the nearest station and IC and is a relatively young as it was completed in 2021.

(Features of Property)

Itabashi City, Tokyo has a population of more than 500,000 people, and the Takashimadaira housing complex is located along the nearby Toei Mita Line. The population and the number of households in Itabashi City are growing steadily, expecting to continuously expand the needs for last-mile delivery.

Given the limited supply of logistics properties in the northern part of the 23 wards of Tokyo, the property is considered highly rare and is expected to continue stable operation. In addition, this property is a box-type which is a general-purpose property. Additionally, the LED lights have been installed with respect to energy saving.

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Property Number	L-11	Property Name	SOSiLA Amagasaki (10% quasi-co-ownership interest)	Use	Logistics property
Overview of Specific Property					
Type of specific property		Beneficiary interest of real estate in trust (10% quasi-co-ownership interest)		Overview of trust beneficiary interest	Trustee Sumitomo Mitsui Trust Bank, Limited
Anticipated acquisition date		April 1, 2022		Entrustment date	April 1, 2022
Anticipated acquisition price		1,500 million yen (Note 1)		Trust maturity date	April 30, 2032
Land	Ownership form		Proprietary	Building	Ownership form Proprietary
	Location		4-65-2, Shioe, Amagasaki City, Hyogo Prefecture		Gross floor area 41,065.44m ² (4,106.54m ²) (Note 2)
	Land area		19,743.09m ² (Note 3)		Construction date (completion date) June 25, 2021
	Zoning		Industrial zone		Purpose Warehouse, offices
	BCR		60%		Structure/ No. of stories
	FAR		200%		Steel-framed structure with alloy-plated steel sheet plate, five-story building
	Property manager		Sumisho Building Management Co., Ltd.		Date of survey July 2021
Number of tenants		1		Surveyor	Earth-Appraisal Co., Ltd.
Summary of seismic risk assessment report	Date of survey		October 2021	Summary of building condition evaluation report	Emergency/early repair costs (thousands of yen) -
	Surveyor		Tokio Marine dR Co., Ltd.		Medium- to long-term repair and renewal costs (thousands of yen) 8,726 (Note 4)
	PML ratio (Probable maximum loss)		5.3%		

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Extra description:

- SLR and Sumitomo Corporation plan to hold 10% and 90%, respectively, of real estate trust beneficiary quasi-co-ownership interests in the property upon acquisition. SLR, Sumitomo Corporation and Sumitomo Mitsui Trust Bank, Limited, the trustee, are scheduled to conclude an agreement between holders of real estate trust beneficiary quasi-co-ownership interests. The following will be set out in the agreement between holders of real estate trust beneficiary quasi-co-ownership interests:
 - (i) Agreement of all holders of quasi-co-ownership interests shall be required for decision making about certain important matters related to the property, such as disposal of the trust property, creation of a security interest and conclusion of a lease agreement, etc.
 - (ii) If a quasi-co-ownership interest holder disposes of the quasi-co-ownership interest, it shall negotiate the transfer and discuss the transfer price with the other quasi-co-ownership interest holder in preference to a third party. If the quasi-co-ownership interest holder agrees with a third party on the transfer of its quasi-co-ownership interest after the preferential negotiations, it shall notify the other quasi-co-ownership interest holder of the estimated transfer price and other conditions, and the other quasi-co-ownership may take over the quasi-co-ownership interest at the estimated transfer price.
 - (iii) If a quasi-co-ownership interest holder does not fulfill its obligations under the agreement between holders of real estate trust beneficiary quasi-co-ownership interests or under the trust agreement for the property, the other quasi-co-ownership interest holder may request the quasi-co-ownership interest holder that does not fulfill its obligations to transfer all or part of quasi-co-ownership interest that it holds.
- Land contamination (exceeding the designated standard values for arsenic and fluorine) has been detected on the land and the land has been designated as a notification area for trait change as stipulated in Article 11, Paragraph 1 of the Land Contamination Countermeasures Law. SLR commissioned Earth-Appraisal Co., Ltd. to conduct a survey on the risk of soil contamination. The comment of Earth-Appraisal is as follows: Since there is no use of well water in the current use of the target land, and the target land is covered with buildings, asphalt, concrete, tiles, plants, etc., it is unlikely that it will hinder the current land use or cause any health damage to the human body.

(Note 1) The anticipated acquisition price of SOSiLA Amagasaki (10% quasi-co-ownership interest), one of the Properties to Be Acquired, is the anticipated acquisition price for a quasi-co-ownership interest of 10% of the property.

(Note 2) The gross floor area of SOSiLA Amagasaki (10% quasi-co-ownership interest) in parentheses is the gross floor area for a quasi-co-ownership interest of 10% of the property, rounded down to the second decimal place.

(Note 3) Although SLR will acquire 10% of quasi-co-ownership interest of the real estate trust beneficiary interest, the land area stated is that for the entire Property.

(Note 4) The medium- to long-term repair and renewal costs of SOSiLA Amagasaki (10% quasi-co-ownership interest) are the expenses for a quasi-co-ownership interest of 10% of the property, rounded down to the nearest thousand yen.

Overview of Lease	
Leasable area	4,300.80m ² (Note 1)
Leased area	4,300.80m ² (Note 1)
Annual rent	Not disclosed (Note 2)
Security deposit	Not disclosed (Note 2)
Occupancy rate	100.0%

(Note 1) The leasable area and the leased area are those for the 10% quasi-co-ownership interest, which are rounded down to the second decimal place.

(Note 2) Not disclosed because the lessee's consent to disclose has not been obtained.

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Summary of the Appraisal Report		
Property name	SOSiLA Amagasaki (10% quasi-co-ownership)	
Appraisal value	1,520 million yen (Note 1)	
Appraiser	CBRE K.K.	
Date of appraisal	September 30, 2021	
Item	Appraisal (thousand yen)	Overview
Income approach value	1,520,000	Assessed based on the value by the DCF method and verified using the direct capitalization method.
Direct capitalization method	1,520,000	
(1) Operating revenues	Not disclosed (Note 2)	
a. Total potential revenue	Not disclosed (Note 2)	
b. Loss such as vacancy	Not disclosed (Note 2)	
(2) Operating expenses	Not disclosed (Note 2)	
a. Maintenance costs	Not disclosed (Note 2)	
b. Utilities costs	Not disclosed (Note 2)	
c. Repair costs	Not disclosed (Note 2)	
d. Property management fees	Not disclosed (Note 2)	
e. Tenant solicitation expenses	Not disclosed (Note 2)	
f. Property taxes	Not disclosed (Note 2)	
g. Non-life insurance premiums	Not disclosed (Note 2)	
h. Other expenses	Not disclosed (Note 2)	
(3) Net operating income	61,837	(1) – (2)
(4) Interest on deposit	348	Assessed by multiplying the deposit received by the investment yield (estimated at 1.0%).
(5) Capital expenditure	1,371	Assessed based on the annual average amount of repair and renewal costs in the engineering report and cost level of similar properties.
Net income	60,814	(3) + (4) – (5)
Capitalization rate	4.0%	Assessed by comparing and examining transaction cases of similar properties and individuality of the target property.
Discounted cash flow method	1,520,000	
Discount rate	3.7%	Assessed by comparing and examining transaction cases of similar properties and individuality of the target property.
Terminal capitalization rate	4.1%	Assessed by considering future forecast risk of the target property in capitalization rate.
Total estimated price	1,310,000	
Proportion of land	42.8%	
Proportion of building	57.2%	
Other items that the appraiser paid attention to in its appraisal	-	

(Note 1) The appraisal value of SOSiLA Amagasaki (10% quasi-co-ownership interest) is the value for the quasi-co-ownership interest (10%) in the property.

(Note 2) 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.

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Features of the Property

(Location)

The property is located about 1.6km from “Amagasaki” IC on the Meishin Expressway, and about 4km from “Kashima” IC on the Hanshin Expressway No. 11 Ikeda Line, both of which are within 5km of the IC. It is located between Osaka and Kobe, which are large-scale areas of high consumption. In addition to being suitable for last-mile delivery within a 10km radius from JR “Osaka” Station to urban areas, the logistics facilities are close to areas of high consumption and offer wide-area delivery via IC. It has good access to Hanshin Port and Osaka International Airport, and is a highly advantageous location as a logistics base not only by land but also by sea and air.

The nearest station, JR “Amagasaki” Station, is a terminal station for three lines, Kobe, Takarazuka, and Tozai lines, and serves as a junction connecting major cities, such as Osaka, Kobe, Takarazuka, and Kyoto. In addition to being located within walking distance from the nearest station, Amagasaki has become the most densely populated city in Hyogo due to the implementation of redevelopment projects and other factors, which makes it advantageous in securing employment.

(Features of Property)

The property is a custom-made exclusive facility as an urban logistics base “NEX Amagasaki” for the tenant, Nippon Express Co., Ltd., and has a high tenant retention rate. Basic versatility, such as an effective ceiling height under beams of 5.5m and a floor load of 1.5t/m², is ensured, and it will be adaptable to multi-tenants.

The property is a four-story warehouse, with direct access to the second floor by ramps, truck berths on the first and second floors, 26 berths (elevated floor, 21 dock levelers, and five lifters) on the first floor, and 28 berths (low floor) on the second floor. In addition, a terminal for large air cargo is installed on the first floor, which enables direct collection and delivery from storage locations without the need to arrange delivery to a warehouse.

4. Overview of Entities from Which Properties Are Acquired

SOSiLA Itabashi and SOSiLA Amagasaki (10% quasi-co-ownership interest)

(1)	Name	Sumitomo Corporation
(2)	Location	2-3-2, Otemachi, Chiyoda-ku, Tokyo
(3)	Title and name of representative	Representative Director, President and CEO, Masayuki Hyodo
(4)	Business	Wholesaling
(5)	Capital	219,781 million yen (as of March 31, 2021)
(6)	Established	December 24, 1919
(7)	Net assets	1,053,351 million yen (as of March 31, 2021)
(8)	Total assets	4,174,571 million yen (as of March 31, 2021)
(9)	Major shareholders and shareholding	The Master Trust Bank of Japan, Ltd. (trust account) (9.86%), BNYM AS AGT/CLTS NON TREATY JASDEC (5.36%), Custody Bank of Japan, Ltd. (trust account) (4.90%), Sumitomo Life Insurance Company (2.47%) (as of March 31, 2021)
(10)	Relationships with SLR and SRM	
	Capital relationship	The Company holds 4.00% of the issued investment units of SLR as of today. The Company holds 100% of the issued shares of SRM as of today.
	Personnel relationship	The Executive Director of SLR has been dispatched from the Company to SRM. He is concurrently the Executive Director of SLR. Six officers of SRM are officers dispatched from the Company as of today.
	Business relationship	The Company has concluded a trademark license agreement and a logistics management agreement with SLR. The Company has concluded a sponsor support agreement with SRM.
	Related party or not	The Company is a related party of SRM.

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SOSiLA Ebina (38% quasi-co-ownership interest)

(1)	Name	Fuyo General Lease Co., Ltd.
(2)	Location	5-1-1, Kojimachi, Chiyoda-ku, Tokyo
(3)	Title and name of representative	President and Representative Director, Yasunori Tsujita
(4)	Business	<ul style="list-style-type: none"> Leasing and installment sales of information-related equipment, business equipment, industrial machinery, machine tools, commercial store equipment, medical equipment, ships, aircraft, vehicles, transportation equipment, construction and civil engineering machinery, etc. Money lending and various other financial services Real estate leasing Consulting services and other services
(5)	Capital	10,532 million yen (as of March 31, 2021)
(6)	Established	May 1, 1969
(7)	Net assets	344,796 million yen (as of March 31, 2021)
(8)	Total assets	2,979,285 million yen (as of March 31, 2021)
(9)	Major shareholders and shareholding	Hulic Co., Ltd. (14.02%), Meiji Yasuda Life Insurance Company (8.94%), Mizuho Trust & Banking Co., Ltd./Employee Pension Trust/Marubeni Units/Retrustee/Custody Bank of Japan, Ltd. (5.03%) (as of March 31, 2021)
(10)	Relationships with SLR and SRM	
	Capital relationship	The Company does not have any capital relationship that should be stated here with SLR or SRM.
	Personnel relationship	The Company does not have any personnel relationship that should be stated here with SLR or SRM.
	Business relationship	The Company does not have any business relationship that should be stated here with SLR or SRM.
	Related party or not	The Company is not a related party of SLR or SRM.

5. Transactions with Interested Persons

Of the entities from which the Properties to Be Acquired will be acquired, Sumitomo Corporation is subject to interested party regulations of SRM and SRM followed the procedures specified under the interested party regulations, including required deliberations and resolutions, before it concluded the Purchase and Sales Agreements for SOSiLA Itabashi and SOSiLA Amagasaki (10% quasi-co-ownership interest).

6. Descriptions of Acquirers of Properties

The table below describes acquisitions of properties from entities having a special stake. The table includes (i) company name, (ii) relationship with the entity having a special stake, and (iii) background and reason for the acquisition.

Property Name (Location)	Previous Owner and Beneficiary	Owner and Beneficiary before Previous Owner and Beneficiary	Owner and Beneficiary before Owner and Beneficiary in the Left Column
	(i), (ii), (iii) Acquisition (transfer) price Timing of acquisition (transfer)	(i), (ii), (iii) Acquisition (transfer) price Timing of acquisition (transfer)	(i), (ii), (iii) Acquisition (transfer) price Timing of acquisition (transfer)
SOSiLA Itabashi (Itabashi City, Tokyo)	(i) Sumitomo Corporation	-	-
	(ii) Parent company of SRM	-	-
	(iii) Acquired for development Omitted because it was developed by the previous owner. February 2021 (newly built)	-	-
SOSiLA Amagasaki (10% quasi-co- ownership interest of)	(i) Sumitomo Corporation (ii) Parent company of SRM (iii) (Land) Acquired based on the preferential negotiation rights held by the previous owner	An entity that did not have a special stake	-

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Property Name (Location)	Previous Owner and Beneficiary	Owner and Beneficiary before Previous Owner and Beneficiary	Owner and Beneficiary before Owner and Beneficiary in the Left Column
(Amagasaki City, Hyogo)	under the project agreement between the owner before previous owner and the previous owner (Building) Newly built		
	(Land) 6,098 million yen (Note) (Building) 6,273 million yen (Note)	-	-
	(Land) April 2022 (Building) June 2021 (newly built)	-	-

(Note) Although SLR will acquire 10% of quasi co-ownership interests of SOSiLA Amagasaki (10% quasi-co-ownership interest) from the previous owner, the acquisition price by the previous owner shown in the table above is that for 100% of the ownership for both land and building.

7. Overview of Intermediary

Not applicable

8. Outlook

For the forecast of the results at SLR, refer to the “Notice Concerning Revisions to Forecasts of Investment Results for the Fiscal Period Ending May 31, 2022 and Disclosure of Forecasts of Investment Results for the Fiscal Period Ending November 30, 2022,” which was released today.

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

Attachments:

Reference Material 1: Portfolio List after acquisition of Properties to Be Acquired

Reference Material 2: Appearance of Properties to Be Acquired and Maps of Surrounding Areas

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Reference Material 1: Portfolio List after acquisition of Properties to Be Acquired

Use (Note 1)	Property Number (Note 2)	Property Name	Location	(Anticipated) Acquisition Date (Note 3)	(Anticipated) Acquisition Price (million yen) (Note 4)	Ratio of Investment (%) (Note 5)	Appraisal Value (million yen) (Note 6)	Appraisal NOI Yield (%) (Note 7)
Logistics property	L-01	SOSiLA Yokohama Kohoku (80% quasi-co-ownership interest) (Note 8)	Yokohama City, Kanagawa (Kanto area)	December 10, 2019	24,840	20.5	27,360	4.6
	L-02	SOSiLA Sagamiara	Sagamiara City, Kanagawa (Kanto area)	December 10, 2019	12,820	10.6	14,100	4.9
	L-03	SOSiLA Kasukabe	Kasukabe City, Saitama (Kanto area)	December 10, 2019	10,300	8.5	11,000	5.0
	L-04	SOSiLA Kawagoe	Kawagoe City, Saitama (Kanto area)	December 10, 2019	4,124	3.4	4,870	5.6
	L-05	SOSiLA Nishiyodogawa I	Osaka City, Osaka (Kansai area)	December 10, 2019	17,470	14.4	19,300	5.3
	L-06	LiCS Hiratsuka LastMileCenter	Hiratsuka City, Kanagawa (Kanto area)	October 16, 2020	1,200	1.0	1,230	4.8
	L-07	SOSiLA Ebina (Note 9)	Ebina City, Kanagawa (Kanto area)	December 4, 2020	24,164	20.0	25,200	4.3
	L-08	SOSiLA Nishiyodogawa II	Osaka City, Osaka (Kansai area)	December 4, 2020	8,404	6.9	8,710	5.1
	L-09	LiCS Narita	Shibayama Town, Sambu County, Chiba (Kanto area)	October 20, 2021	5,250	4.3	5,420	4.8 (5.2)
	L-10	SOSiLA Itabashi	Itabashi City, Tokyo (Kanto area)	April 1, 2022	3,980	3.3	4,030	4.5
	L-11	SOSiLA Amagasaki (10% quasi-co-ownership interest) (Note 8)	Amagasaki City, Hyogo (Kansai area)	April 1, 2022	1,500	1.2	1,520	4.1
Industrial property	I-01	Hokko Oil Tank (land with leasehold interest) (Note 10)	Osaka City, Osaka (Kansai area)	December 10, 2019	3,210	2.7	3,290	5.2

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Use (Note 1)	Property Number (Note 2)	Property Name	Location	(Anticipated) Acquisition Date (Note 3)	(Anticipated) Acquisition Price (million yen) (Note 4)	Ratio of Investme nt (%) (Note 5)	Appraisal Value (million yen) (Note 6)	Appraisal NOI Yield (%) (Note 7)
	I-02	Nanko Boarding Yard (land) (Note 10)	Osaka City, Osaka (Kansai area)	December 10, 2019	3,800	3.1	3,860	5.0
Total (average)			-	-	121,062	100.0	129,890	4.8 (4.8)

- (Note 1) Classifications in the “Use” column are classifications of the properties owned by SLR or the Properties to Be Acquired specified in the investment policy of SLR. The same applies hereinafter.
- (Note 2) “Property Number” is the classification of the properties owned by SLR or the Properties to Be Acquired, logistics property (L) or industrial property (I), and the number in each classification. The same applies hereinafter.
- (Note 3) “(Anticipated) Acquisition date” is the (anticipated) acquisition date set forth in the Purchase and Sale Agreement for each property owned by SLR or each Property to Be Acquired. Anticipated acquisition date may be changed upon agreement between SLR and the Seller.
- (Note 4) “(Anticipated) Acquisition Price” is the (anticipated) sale price of each property owned by SLR or each Property to Be Acquired set forth in the Purchase and Sale Agreement. The sale price does not include consumption tax, local consumption tax or expenses required for the acquisition.
- (Note 5) “Ratio of investment” is the ratio of the (anticipated) acquisition price of each property owned by SLR 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 6) “Appraisal value” is the appraisal value on May 31, 2021 (or June 30, 2021 as to the property already acquired in the 4th fiscal period) as to the properties owned by SLR or September 30, 2021, as to the Properties to Be Acquired, as stated in the real estate appraisal report (as to SOSiLA Ebina, the value for the entire building as noted in the real estate appraisal report related to the quasi-co-ownership as the Anticipated Acquisition with September 30, 2021 as the valuation date). Japan Real Estate Institute, The Tanizawa Sogo Appraisal Co., Ltd., Daiwa Real Estate Appraisal Co., Ltd., JLL Morii Valuation & Advisory K.K. and CBRE K.K. are commissioned to calculate appraisal values.
- (Note 7) “Appraisal NOI yield” is the ratio of the appraisal NOI (net operating income calculated by the direct capitalization method stated in the real estate appraisal reports as of May 31, 2021 (or June 30, 2021, as to the property already acquired in the 4th fiscal period) as to the properties owned by SLR or September 30, 2021 as to the Properties to Be Acquired for logistics real estate and net operating income in the first year calculated by the DCF method stated in the real estate appraisal reports (as to SOSiLA Ebina, using only the real estate appraisal report as of September 30, 2021 for the entire building) as of May 31, 2021 for industrial real estate) 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 (80% quasi-co-ownership interest) and SOSiLA Amagasaki (10% quasi-co-ownership interest) 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. For the property already acquired in the 4th fiscal period, the appraisal NOI yield calculated using the net operating income for the first year in the DCF method stated in the real estate appraisal report with a price date of June 30, 2021, is shown in parentheses, instead of the net operating income in the direct capitalization method. In the Total (average) row, the weighted average based on the (anticipated) acquisition prices is stated. In addition, the figure in parentheses in the Total (average) row indicates the average of the appraisal NOI yield (the weighted average based on the (anticipated) acquisition price) of each of the properties owned by SLR or the Properties to Be Acquired by using the appraisal NOI yield of the property already acquired in the 4th fiscal period which is calculated using the net operating income for the first year in the DCF method instead of the net operating income under the direct capitalization method.
- (Note 8) The (anticipated) acquisition prices for SOSiLA Yokohama Kohoku (80% quasi-co-ownership interest), one of the properties owned by SLR, and for SOSiLA Amagasaki (10% quasi-co-ownership interest), one of the Properties to Be Acquired, are the (anticipated) acquisition prices of the quasi-co-ownership interest (80% and 10%, respectively) of such properties. The appraisal value for such properties are the value proportionate to the percentages of such quasi-co-ownership interest (80% and 10%, respectively) of such properties.
- (Note 9) With respect to SOSiLA Ebina, SLR plans to acquire an additional real estate trust beneficiary 38% quasi-co-ownership interest in the property on December 6, 2021, and after the completion of the additional acquisition, the SLR will own all of the trust beneficiary interests in the property, including the 62% quasi-co-ownership interest already acquired. For this reason, the (anticipated) acquisition price, investment ratio, appraisal value and appraisal NOI yield for SOSiLA Ebina are the figures (the figures described in the real estate appraisal report as of September 30, 2021 (as to appraisal value, the value for the entire building as noted in the report)) for the entire property including the additional acquisition. In addition, the acquisition date of SOSiLA Ebina is the date of acquisition of 62% quasi-co-ownership interest initially acquired.
- (Note 10) “Land with leasehold interest” at the end of the property name means that the property is land with a Land Lease Right. The “land” at the end of the property name means that the property is land with superficies or the right to lease land that is not a Land Lease Right.

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Reference Material 2: Appearance of Properties to Be Acquired and Maps of Surrounding Areas

<SOSiLA Ebina (38% quasi-co-ownership interest)>

Exterior Appearance



Map of the Surrounding Area



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<SOSiLA Itabashi>

Exterior Appearance



Map of the Surrounding Area



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<SOSiLA Amagasaki (10% quasi-co-ownership interest)>

Exterior Appearance



Map of the Surrounding Area



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