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FOR IMMEDIATE RELEASE

Issuer of REIT securities:

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Notice Concerning Acquisition of Domestic Real Estate Trust Beneficiary Interest

Sumisho Realty Management Co., Ltd. (“SRM”), to which SOSiLA Logistics REIT, Inc. (“SLR”) entrusts the management of its assets, announced today that it will acquire one property (“Property to Be Acquired”) in the form of trust beneficiary interest. The details are described below.

1. Overview of the Property to Be Acquired

Use (Note 1)	Property number (Note 2)	Property name	Location	Anticipated acquisition price (million yen) (Note 3)	Existence of intermediaries
Logistics property	L-14	LiCS Tokorozawa	Tokorozawa City, Saitama	1,325	Yes
Total			—	1,325	—

(Note 1) “Use” is a classification in the investment policy of SLR. The same applies hereinafter.

(Note 2) “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 3) “Anticipated acquisition price” is the sales price of the Property to Be Acquired stated in the trust beneficiary interest purchase and sales agreement for the Property to Be Acquired (“Purchase and Sales Agreement”). The sales price does not include consumption tax, local consumption tax or expenses required for the acquisition. The same applies hereinafter.

- (1) Anticipated signing date of the Purchase and Sales Agreement August 2, 2023
- (2) Anticipated acquisition date August 4, 2023
- (3) Previous owner Please refer to “4. Overview of the Previous Owner.”
- (4) Financing for acquisition Borrowings and cash on hand
- (5) Settlement method To be paid in a lump sum upon delivery

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.” In addition, SLR continuously works to acquire logistics properties and industrial properties other than the SOSiLA series by using the original route of SRM for the purpose of diversifying and enhancing its portfolio and has launched the “LiCS” brand for these properties.

The Property to Be Acquired will be the fourth LiCS brand logistics property to be acquired. As of the date of this announcement, the Property to Be Acquired is fully occupied by one end tenant. SLR considers that the execution of a new fixed-rent master lease (meaning master lease agreement under which fixed rents are received regardless of fluctuations in rents, etc. paid by end tenants. The same shall apply hereinafter) with a contract period of 15 years at the time of the acquisition will enable an improvement in long-term management stability.

TEIKEI WORKS TOKYO, INC., which will be the master lease company, actively dispatches personnel and provides solutions to logistics companies under the following policy: working actively to create new business models, contributing to customers and society by providing use value to customers, and enhancing customer value. The master lease company has an advantage in providing staff to logistics companies, where securing labor force is an issue, and also has strong leasing capabilities underpinned by its ability to gather information. SLR will consider cooperating with the master lease company in many different ways.

The Property to Be Acquired is a logistics facility closely related to daily life. A logistics subsidiary, the end tenant, of a certain major food supermarket has been using the facility as a base for distribution of goods to western Tokyo since its completion. SLR considers the facility to be one that matches the concept of the LiCS series, which complements the logistics function of the SOSiLA series.

SLR thus considers that the acquisition of the Property to Be Acquired can diversify and enhance its portfolio. For the features of the Property to Be Acquired, please refer to “3. Overview of the Property to Be Acquired” below.

3. Overview of Properties to Be Acquired

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

“Use,” “Overview of Specific Property,” “Overview of Lease,” “Summary of the Appraisal Report,” and “Features of the Property/Acquisition Highlights” are defined as follows unless otherwise specified. They are stated based on information available as of August 1, 2023.

(a) Overview of Specific Property

- “Anticipated acquisition date” is the anticipated date of acquisition set forth in the Purchase and Sales Agreement. Anticipated acquisition date may be changed upon agreement between SLR and the relevant seller.
- “Anticipated acquisition price” is the sale price of the Property to Be Acquired set forth in the Purchase and Sales Agreement.
- “Trustee” is the party scheduled to become the trustee of the Property to Be Acquired.
- “Entrustment date” is the anticipated date of entrustment.
- “Trust maturity date” is the anticipated trust maturity date.
- “Ownership form” is, in both cases, the type of right to be retained or scheduled to be retained by the trustee.
- The “Location” of “Land” is the location of the building in the registry (if there is more than one building, the location of one of them; if the property is a limited proprietary right of land, the location in the registry of the building on the land with the limited proprietary right; if the property is land with superficies that is not a land leasehold right (meaning land leasehold right prescribed in Article 2, Item I of the Act on Land and Building Leases (Act No. 90 of 1991), as amended. The same shall apply hereunder) or with the right to lease land, the location of the land on the registry). “Land area” of “Land,” and “Gross floor area,” “Construction date,” “Purpose” and “Structure/No. of stories” of “Building” are based on those stated in the registry and may be different from information about the actual land and building. “Gross floor area” of “Building” is the gross floor area of the main building plus that of the annexes. “Construction date,” “Purpose” and “Structure/No. of stories” of “Building” are those of the main building alone.
- “Zoning” of “Land” is a type of zone under Article 8, Paragraph 1, Item 1 of the City Planning Act (Act No. 100 of

1968, as amended) or a type of city planning area under Article 7 of the same Act.

- “BCR” of “Land” is the maximum BCR (specified BCR) for the type of zone specified in the city planning. The specified BCR may be relaxed, raised or reduced due to being a fire-proof building in a fire prevention district, among other reasons, and may be different from the actual BCR.
- “FAR” of “Land” is the maximum FAR (specified FAR). The specified FAR may be relaxed or raised, or reduced due to the width of the road connected to the site, among other reasons, and may be different from the actual FAR.
- “Property manager” is the property management company that is scheduled to be commissioned to fulfill property management responsibilities.
- “Number of tenants” is the number of tenants based on master lease agreements (excluding the lease agreements for the roof and parking lot) to be concluded for the Property to Be Acquired on the anticipated acquisition date and the number of tenants based on lease agreements between the master lease company and the end tenants are written in parentheses.
- “Extra description” are matters that are deemed to be material with respect to relationships of the rights, usage, etc. of the Property to be Acquired as of August 1, 2023 and other matters that are deemed to be material in consideration mainly of the potential impact on the appraised value of the Property to Be Acquired, and the profitability or disposability thereof.

(b) Overview of Lease

- “Leasable area” is the sum of the leased area stated in the master lease agreement for the Property to Be Acquired to be concluded on the anticipated acquisition date and the area of vacant space considered rentable based on the building drawings, etc. The same applies hereinafter.
- “Leased area” is the leased area stated in master lease agreements to be concluded for the Property to Be Acquired on the anticipated acquisition date.
- “Annual rent” is the annualized rent calculated by multiplying the monthly rent (including a common service fee) stated in master lease agreements on the anticipated acquisition date by 12 (if annual rent is stated in the agreement, the annual rent including a common service fee). If the amount has a number less than the given unit, it is rounded down.
- “Security deposit” is the security deposit stated in master lease agreements for the Property to Be Acquired to be concluded on the anticipated acquisition date. If the amount has a number less than the given unit, it is rounded down.
- “Occupancy rate” is the ratio of total leased area to leasable area of the Property to Be Acquired on the anticipated acquisition date rounded to the first decimal place. Occupancy rate based on a lease agreement between master lease company and end tenant is shown in parentheses.

(c) Summary of the Appraisal Report

- “Summary of the Appraisal Report” is a summary of the real estate appraisal report prepared by JLL Morii Valuation & Advisory K.K. at the request for appraisal from 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 JLL Morii Valuation & Advisory K.K. The figures in this section are rounded down if the amount has a number less than the given unit. The percentages are rounded to the first decimal place.

(d) Features/Location of the Property

- “Features/Location of the Property” are judgments and opinions of SLR and SRM. Their adequacy and accuracy are not guaranteed.

Property number	L-14	Property name	LiCS Tokorozawa	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		August 4, 2023			Entrustment date	August 4, 2023
Anticipated acquisition price		1,325 million yen			Trust period Expiration date	August 31, 2033
Land	Ownership form	Proprietary		Building	Ownership form	Proprietary
	Location	198-1 Kijigakubo, Kamegane, Tokorozawa, Saitama			Gross floor area	7,815.13 m ²
	Land area	9,421.73 m ²			Construction date	January 30, 2007
	Zoning	Urbanization control area			Purpose	Warehouse, office
	BCR	60%			Structure/ No. of stories	Alloy plated steel sheet roof steel structure with two stories
	FAR	100%				
Property manager		Shinnihon kanzai • Corporation		Number of tenants		1 (1)
Extra description: - Although the Property is located in an urbanization control area, development permission is not required under the City Planning Act because the building is a facility used for special group cargo motor trucking. Therefore, if the building is to be rezoned to a use other than as a facility for special group cargo motor trucking, permission under the City Planning Act will be required.						

Overview of Lease	
Name of major tenant	TEIKEI WORKS TOKYO, INC.
Lease arrangement term	15.0 years
Leasable area	7,815.13 m ²
Leased area	7,815.13 m ²
Annual rent	Not disclosed (Note)
Security deposit	Not disclosed (Note)
Occupancy rate	100.0%(100.0%)

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

Summary of the Appraisal Report		
Property name	LiCS Tokorozawa	
Appraisal value	1,330 million yen	
Appraiser	JLL Morii Valuation & Advisory K.K.	
Date of appraisal	May 31, 2023	
Item	Appraisal (thousand yen)	Overview
Income approach value	1,330,000	Assessed by correlating income approach value by the direct capitalization method with income approach value by the DCF method.
Direct capitalization method	1,350,000	
(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	61,133	(1) - (2)
(4) Interest on deposit	366	
(5) Capital expenditure	4,596	
Net income	56,903	(3) + (4) - (5)
Capitalization rate	4.2%	Appraised by considering the income and capital fluctuation risk, in addition to the discount rate.
Discounted cash flow method	1,310,000	
Discount rate	4.0%	Appraised by comprehensively taking into account overall transaction market trends, etc. after considering risk factors of location and individual characteristics of the subject real estate as well as standard cap rate.
Terminal capitalization rate	4.4%	Appraised by considering uncertainty of fluctuation projections for future net income, future deterioration of the building, and risk of sale, in addition to the cap rate.
Total estimated price	1,430,000	
Proportion of land	73.5%	
Proportion of building	26.5%	
Other items that the appraiser paid attention to in its appraisal	-	

(Note) Because the relevant information includes information for which the lessee's consent to disclose has not been obtained and information for which the relevant information can be calculated, disclosure of such information may cause disadvantages such as difficulty in maintaining the lease relationship due to damage to the relationship of trust with the lessee, etc., and ultimately may damage the interests of investors. Therefore, the information is not disclosed, except for items that are judged to be no hindrance due to disclosure.

Features of the Property

Features and Location of the Property

The Property to Be Acquired is in Tokorozawa, which has the fourth largest population in Saitama prefecture. The property is located approximately 4km from the Miyoshi Smart Interchange of Kan-Etsu Expressway, approximately 7km from Tokorozawa Interchange, and approximately 2.4km from Shin-Tokorozawa station on the Seibu Shinjuku Line. The location has a good access to roads and railways and is good for securing labor force.

The facility is a two-story distribution center and warehouse (room temperature). On the premises there is a truck berth that is sufficiently spacious. The end tenant has brought freezing facilities and refrigeration facilities to the property and keeps goods in three temperature ranges. The property has been used for many years since its completion as a delivery base having different functions, including delivery, storage and distribution processing, for a major food supermarket, and stable operation is expected.

4. Overview of the Previous Owner

The previous owner is an operating company in Japan but is not disclosed because consent is not obtained from the previous owner about the disclosure of its name, etc. The company does not have any capital, personnel, or business relationships that should be stated here with SLR or SRM. No stakeholders or affiliates of SLR or SRM have any noteworthy capital, personnel, or business relationships with any stakeholders or affiliates of the company. The company and its stakeholders and affiliates are not related parties of SLR or SRM.

5. Descriptions of Acquirers of Properties

The Property has not been acquired from special related parties of SLR or SRM.

6. Overview of Intermediary

The intermediary is not disclosed because consent is not obtained from the domestic corporation that is the intermediary about the disclosure of its name, etc.

The company does not have any capital, personnel, or business relationships that should be stated here with SLR or SRM. No stakeholders or affiliates of SLR or SRM have any noteworthy capital, personnel, or business relationships with any stakeholders or affiliates of the company. The company and its stakeholders and affiliates are not related parties of SLR or SRM.

7. Outlook

The impact of the acquisition on the investment results of SLR for the fiscal period ending November 30, 2023 (the 8th period; from June 1, 2023 to November 30, 2023) and the fiscal period ending May 31, 2024 (the 9th period; from December 1, 2023 to May 31, 2024) is minor, and the forecasts for investment results remain unchanged.

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

Attachments:

Reference Material 1: Portfolio list after the acquisition of the Property to Be Acquired

Reference Material 2: Appearance of the Property to Be Acquired and Map of Surrounding Area

Reference Material 1: Portfolio list after the acquisition of the Property to Be Acquired

Use	Property number	Property name	Location	(Anticipated) acquisition date	(Anticipated) acquisition price (million yen)	Ratio of investment (%) (Note 1)	Appraisal value (million yen) (Note 2)	Appraisal NOI yield (%) (Note 3)
Logistics property	L-01	SOSiLA YokohamaKohoku (quasi-co-ownership interest of 80%) (Note 4)	Yokohama City, Kanagawa (Kanto Area)	December 10, 2019	24,840	17.4	30,160	4.6
	L-02	SOSiLA Sagamihara	Sagamihara City, Kanagawa (Kanto Area)	December 10, 2019	12,820	9.0	15,900	4.8
	L-03	SOSiLA Kasukabe	Kasukabe City, Saitama (Kanto Area)	December 10, 2019	10,300	7.2	11,800	4.9
	L-04	SOSiLA Kawagoe	Kawagoe City, Saitama (Kanto Area)	December 10, 2019	4,124	2.9	5,320	5.6
	L-05	SOSiLA Nishiyodogawa I	Osaka City, Osaka (Kansai Area)	December 10, 2019	17,470	12.3	20,900	5.3
	L-06	LiCS Hiratsuka LastMileCenter	Hiratsuka City, Kanagawa (Kanto Area)	October 16, 2020	1,200	0.8	1,340	4.8
	L-07	SOSiLA Ebina (Note 5)	Ebina City, Kanagawa (Kanto Area)	December 4, 2020	24,164	17.0	27,200	4.2
	L-08	SOSiLA Nishiyodogawa II	Osaka City, Osaka (Kansai Area)	December 4, 2020	8,404	5.9	9,460	5.1
	L-09	LiCS Narita	Shibayama Town, Sambu County, Chiba (Kanto Area)	October 20, 2021	5,250	3.7	5,420	4.7
	L-10	SOSiLA Itabashi	Itabashi City, Tokyo (Kanto Area)	April 1, 2022	3,980	2.8	4,290	4.5
	L-11	SOSiLA Amagasaki (Note 6)	Amagasaki City, Hyogo (Kansai Area)	April 1, 2022	15,160	10.6	16,500	4.1
	L-12	LiCS Mito	Mito City, Ibaraki (Kanto Area)	November 1, 2022	1,030	0.7	1,040	5.4
	L-13	SOSiLA Yashio (quasi-co-ownership interest of 30%) (Note 4)	Yashio City, Saitama (Kanto Area)	December 2, 2022	4,311	3.0	4,800	4.1
	L-14	LiCS Tokorozawa	Tokorozawa City, Saitama (Kanto Area)	August 4, 2023	1,325	0.9	1,330	4.6
Industrial property	I-01	Hokko Oil Tank (land with leasehold interest) (Note 7)	Osaka City, Osaka (Kansai Area)	December 10, 2019	3,210	2.3	3,490	5.2
	I-02	Nanko Boarding Yard (land) (Note 7)	Osaka City, Osaka (Kansai Area)	December 10, 2019	3,800	2.7	4,010	5.0
	I-03	LiCS Fuji Maintenance Center	Fuji City, Shizuoka (Other Areas)	September 1, 2022	1,150	0.8	1,180	5.1
Total (average)			-	-	142,538	100.0	164,140	4.7

(Note 1) "Ratio of investment" is the ratio of the (anticipated) acquisition price of each property already acquired 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 2) “Appraisal value” is the appraisal value as stated in each real estate appraisal report with May 31, 2023 as the valuation date. Determination of the appraisal value of the Property to Be Acquired was entrusted to JLL Morii Valuation & Advisory K.K.
- (Note 3) “Appraisal NOI yield” is the ratio of the appraisal NOI of each property acquired and each Property to Be Acquired (net operating income calculated by the direct capitalization method stated in the real estate appraisal report for LiCS Fuji Maintenance Center and logistics properties, and net operating income in the first year calculated by the DCF method stated in the real estate appraisal report for Hokko Oil Tank (land with leasehold interest) and Nanko Boarding Yard (land)) 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 (quasi-co-ownership interest of 80%) and SOSiLA Yashio (quasi-co-ownership interest of 30%) is the ratio for the quasi-co-ownership interest ratio (80% and 30%, respectively) of the property. The ratio is rounded to the first decimal place. In the Total (average) row, the weighted average based on the (anticipated) acquisition prices is stated.
- (Note 4) For the acquisition price and appraisal value for SOSiLA Yokohama Kohoku (quasi-co-ownership interest of 80%) and SOSiLA Yashio (quasi-co-ownership interest of 30%), the figures corresponding to the percentages of the quasi-co-ownership interest (80% and 30%, respectively) of these properties are used.
- (Note 5) With respect to SOSiLA Ebina, SLR acquired 62% quasi-co-ownership interest in the property on December 4, 2020 and an additional 38% quasi-co-ownership interest in the property on December 6, 2021. The acquisition date of SOSiLA Ebina is the date of acquisition of 62% quasi-co-ownership interest initially acquired. The acquisition price is the sum total of each acquisition price.
- (Note 6) With respect to SOSiLA Amagasaki, SLR acquired 10% quasi-co-ownership interest in the property on April 1, 2022, an additional 45% quasi-co-ownership interest in the property on December 2, 2022, and an additional 45% quasi-co-ownership interest in the property on April 3, 2023. The acquisition date of SOSiLA Amagasaki is the date of acquisition of 10% quasi-co-ownership interest initially acquired. The acquisition price is the sum total of each acquisition price.
- (Note 7) “Land with leasehold interest” at the end of the property name means that the property is land with a land leasehold right. The “land” at the end of the property name means that the property is land with superficies that is not a land leasehold right, or land with the right to lease land.
- (Note 8) No collateral has been pledged for the properties to be acquired or the properties that have already been acquired.

Reference Material 2: Appearance of the Property to Be Acquired and Map of Surrounding Area

Exterior Appearance



Map of the Surrounding Area

