

Investor Presentation Material The 2nd Fiscal Period (Fiscal Period ended November 30, 2020)



SOSiLA Ebina



Sociability, Sustainability, and Individuality
for Logistic Aspect

SOSiLA Logistics REIT, Inc.

Securities Code : 2979

January, 2021

► SLR's new acquisition and the first public offering

- ✓ Acquisition of two properties of SOSiLA series including the flagship property
- ✓ Acquisition of "the last mile" property leveraging the asset manager's independent network
- ✓ Enhancement of unitholder value (DPU & NAV per unit)
- ✓ Enhancement of stability and portfolio diversification by achieving asset size of JPY 100 billion

► Summary of the 2nd fiscal period ended November 30, 2020 and earnings forecast

- ✓ DPU forecast for the 2nd fiscal period is increased by **JPY 2,390, 1.1 % higher** than the initial estimate
- ✓ With the new acquisition and public offering, stabilized DPU is **increased by 5.0%**
- ✓ There is no impact of Covid-19 to the current earnings forecast

► SLR's growth strategy

- ✓ Enhancement of long-term and stable portfolio by focusing on SOSiLA series
- ✓ **Achieve asset size of JPY 200 billion** utilizing steady increase in pipeline size
- ✓ Expansion in asset size and strategic utilization of LTV for enhancement of unitholder value

Table of Contents

A modern office interior with a long, dark wooden table and black chairs. A large indoor plant is visible in the background. The room has large windows and a curved ceiling with recessed lighting.

- 1. SLR's new acquisition and the first public offering**
- 2. Summary of the 2nd fiscal period ended November 30, 2020 and earnings forecast**
- 3. SLR's growth strategy**
- 4. Appendix**

1. SLR's new acquisition and the first public offering



Overview of The New Acquisition

Number of Properties Logistics Properties 3	Total Acquisition Price JPY 24.2 billion	Average Appraisal NOI Yield 4.6 %	Average Building Age 2.6 years
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SOSiLA Ebina (quasi-co-ownership interest of 62%) Logistics Property Kanto Area



Location	Gross Floor Area (m ²)	Acquisition price	Appraisal NOI Yield	Building Age
Ebina City, Kanagawa	71,963.60 (44,617.43)	JPY 14.6 bn	4.4 %	0.7 years

SOSiLA Nishiyodogawa II Logistics Property Kansai Area



Location	Gross Floor Area (m ²)	Acquisition price	Appraisal NOI Yield	Building Age
Osaka City, Osaka	47,494.24	JPY 8.4 bn	5.0%	3.6 years

(Tentative) Hiratsuka LastMileCenter Logistics Property Kanto Area



Location	Gross Floor Area (m ²)	Acquisition Price	Appraisal NOI Yield	Building Age
Hiratsuka City, Kanagawa	1,628.08	JPY 1.2 bn	4.8%	17.6years

Portfolio Growth after The New Acquisition

	End of the Fiscal Period ended May 31, 2020 (The 1st Fiscal Period)		The New Acquisition		After The New Acquisition
Number of Properties	7		3		10
Total Acquisition Price	JPY 76.5 billion		JPY 24.2 billion		JPY 100.8 billion
Average Appraisal NOI Yield	4.9%		4.6%		4.8%
Average Building Age	2.9 years		2.6 years		2.9 years
Average Occupancy Rate	100.0%	+	100.0%	=	100.0%
Average Lease Term (Logistics Properties)	9.9 years		9.6 years		9.8 years
Average Remaining Lease Term (Logistics Properties)	7.4 years		8.2 years		7.5 years
Number of Tenants	16		10		26

▶ Summary

SRS Submission Date	November 13, 2020
Pricing Date	November 24, 2020
Payment Date	December 1, 2020
Number of Units Offered (O.A. incl.)	97,335 Units
Issue Price	JPY 118,206
Total Issue Amount	JPY 11.5 billion
Offering Format	Reg. S only (The transaction was documented by a Japanese language prospectus. English one was not prepared.)

▶ Investment Highlights

1. Solid growth in asset size

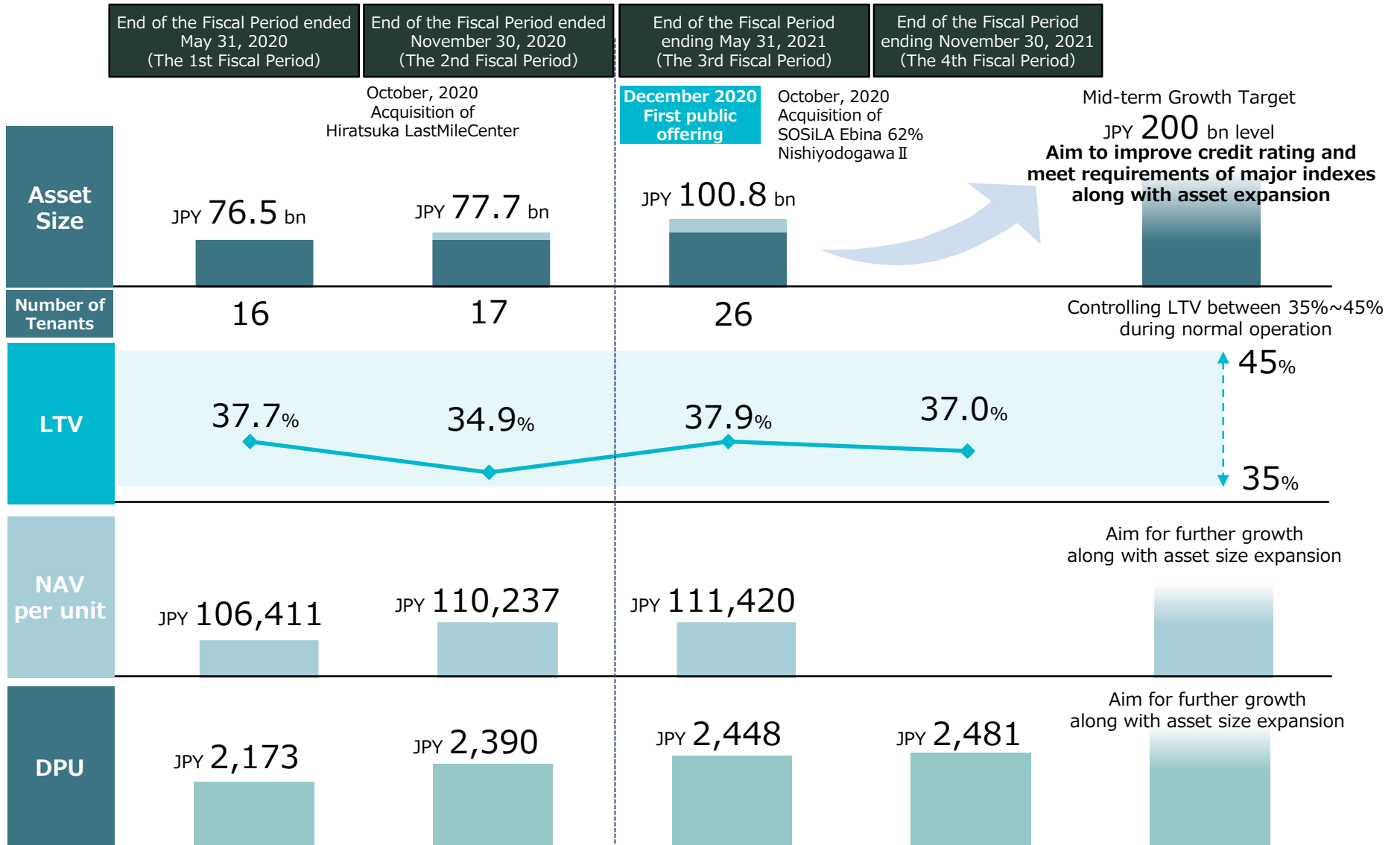
- Continued acquisition of SOSiLA series flagship property, appealing to tenants in terms of location, facility, software
- Acquisition of “the last mile” property leveraging the asset manager’s independent network

2. Enhancement of unitholder value

- Steady growth in DPU and NAV per unit
- Enhancement of stability and portfolio diversification by achieving asset size of JPY 100 billion
- Strategic LTV-control

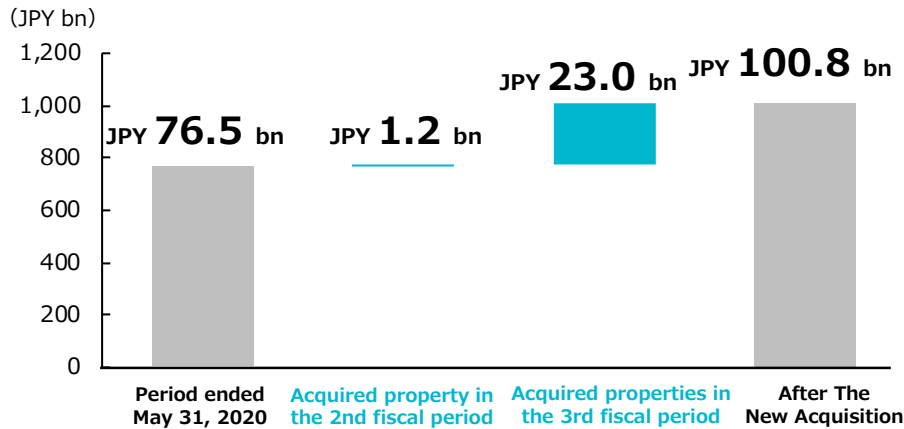
Steady growth with the New Acquisition and Public Offering

▶ Aim to achieve mid-term asset size target by strategically utilizing LTV to enhance unitholder value

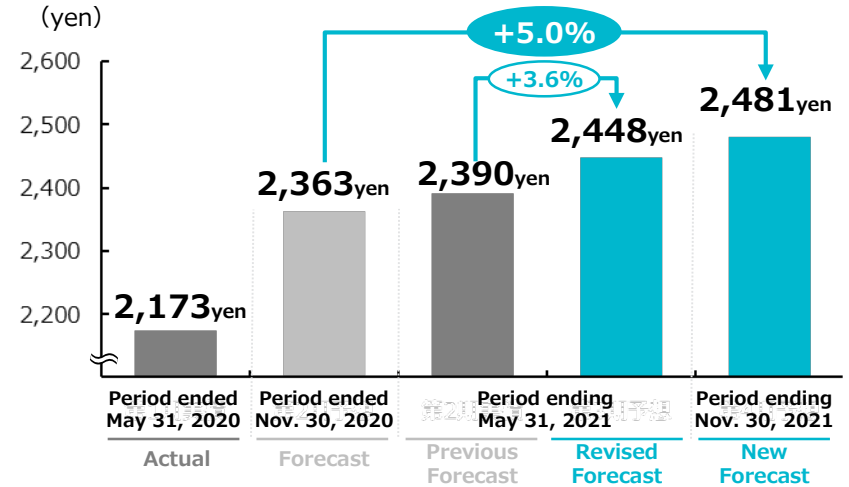


Effects of New Acquisition and Public Offering

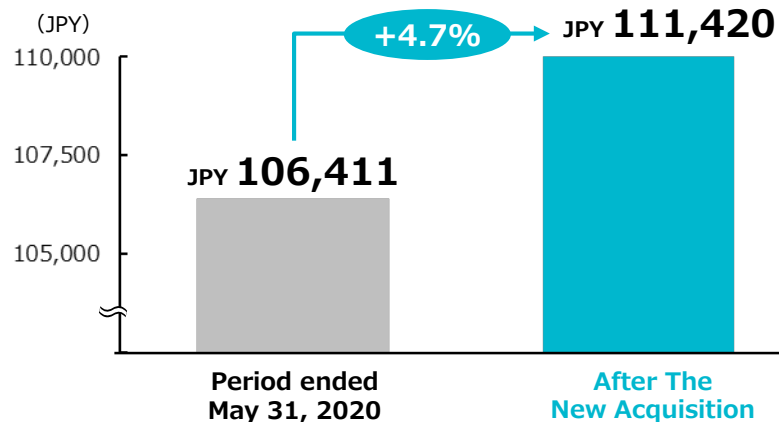
Total Acquisition Price



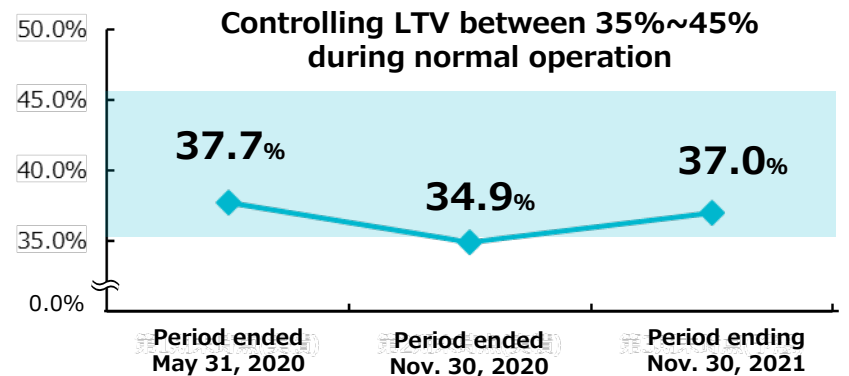
DPU (Surplus Cash Distributions incl.)



NAV per unit



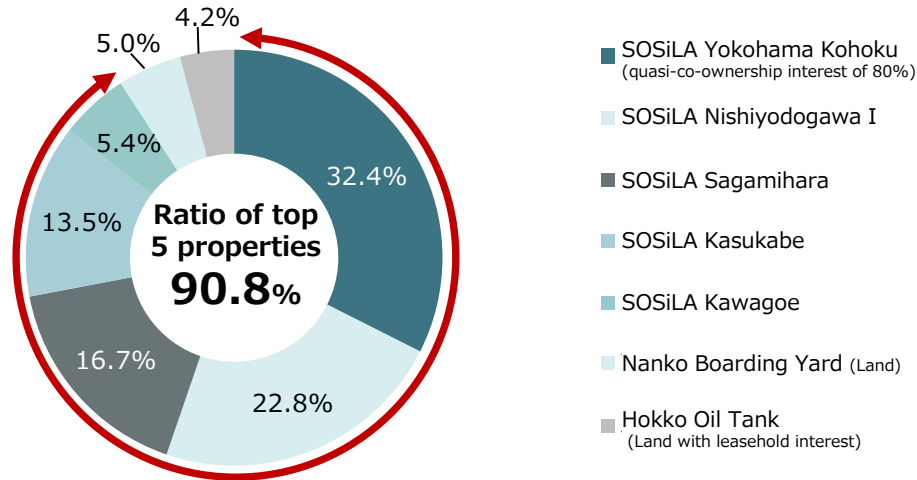
LTV



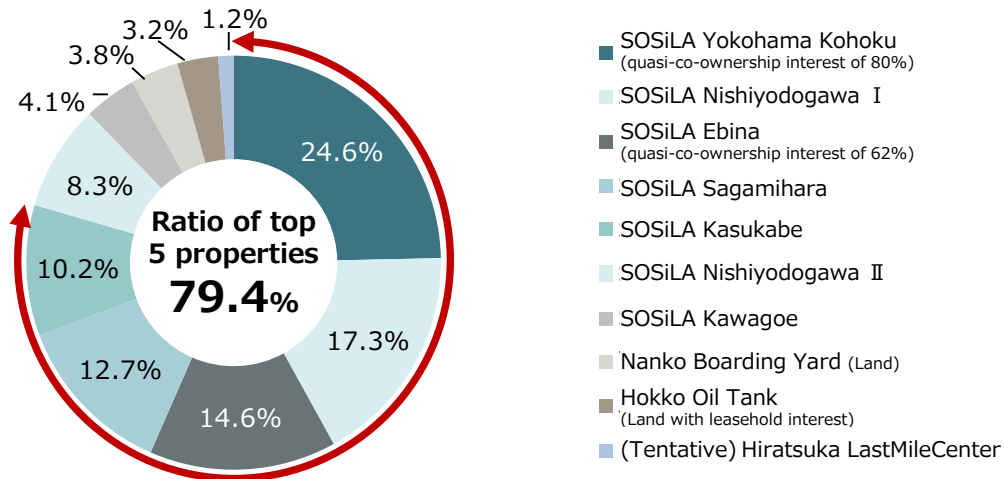
Enhancement of Stability and Portfolio Diversification along with Asset Size Expansion

Change in portfolio property composition
(acquisition price basis)

Before The New Acquisition

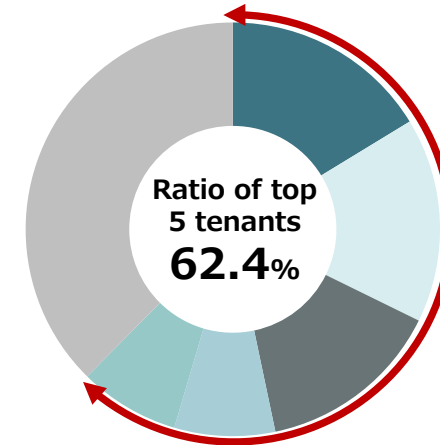


After The New Acquisition

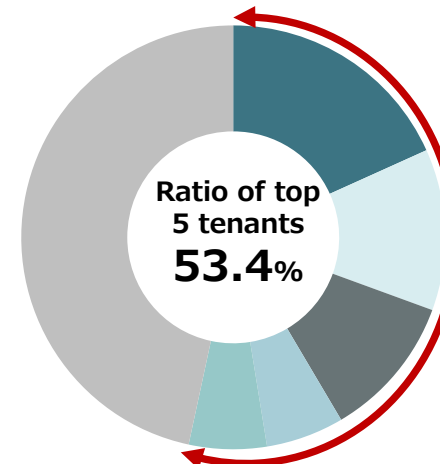


Change in ratio of the top 5 tenants
(annual rent basis)

Before The New Acquisition



After The New Acquisition



2. Summary of the 2nd fiscal period ended November 30, 2020 and earnings forecast

The 2nd Fiscal Period : June 1, 2020 ~ November 30, 2020



Portfolio

Number of Properties / Total Acquisition Price

8 Properties / JPY 77.7 billion

Occupancy Rate / The 2nd F.P. NOI Yield

100.0 % / 4.9 %

Appraisal Value

8 Properties / JPY 83.7 billion

Average Building Age (Logistics Properties)

3.3 years

Average Lease Term (Logistics Properties)

10.0 years

Average Remaining Lease Term (Logistics Properties)

7.4 years

Debt

Total Interest-bearing Debt JPY 29.5 billion

LTV (Total Asset)

The 2nd F.P. (period ended Nov. 30, 2020) Actual 34.9 %

Average Borrowing Term 6.0 years

Average Remaining Borrowing Term 5.0 years

Average Borrowing Cost 0.55 %

Long-term Issuer Rating (JCR) A+ (Stable)

Equity

NAV per unit JPY 110,237

P/NAV 1.13 x

DPU (Surplus Cash Distributions Per Unit included)

The 2nd F.P. (period ended Nov. 30, 2020)

Actual JPY 2,390

The 3rd F.P. (period ending May 31, 2021)

Forecast JPY 2,448

The 4th F.P. (period ending Nov. 30, 2021)

Forecast JPY 2,481

Financial Results of the 2nd Fiscal Period Ended Nov. 30, 2020

(JPY million)	The 2nd F.P. Forecast (Announced on July 17, 2020) (A)	The 2nd F.P. Actual (B)	Difference (B) – (A)
Operating Revenues	2,345	2,354	+ 9
Operating Expenses	1,134	1,139	+ 4
Rental Expenses (Depreciation excl.)	456	456	– 0
Depreciation	363	363	– 0
Selling, General and Administrative Expenses	314	319	+ 5
Operating Profit	1,210	1,215	+ 4
Non-operating Income	–	6	+ 6
Non-operating Expenses	102	100	– 2
Ordinary Profit	1,108	1,121	+ 13
Net Profit	1,107	1,120	+ 13
(For reference) NOI	1,888	1,898	+ 10
(JPY)	(A)	(B)	(B) – (A)
DPU (surplus cash distributions incl.)	2,363	2,390	+ 27
DPU (surplus cash distributions excl.)	2,152	2,179	+ 27
Surplus cash distributions per unit	211	211	–

Main Factors of Variance
<p>✓ Operating Revenues +9 Acquisition of Hiratsuka +8</p>
<p>✓ Operating Expenses +4 Increase in Selling, General and Administrative Expenses +5 Increase in AM Fee +2 Increase in English-language disclosure costs +4</p>
<p>✓ Non-operating income +6 Interest on tax refund +5</p>
<p>✓ Non-operating Expenses – 2 Decrease in interest expenses – 2</p>

Financial Results of the 2nd Fiscal Period Ended Nov. 30, 2020

(Comparison with the 1st Fiscal Period ended May 31, 2020)

(JPY million)	The 1st F.P. Actual (A)	The 2nd F.P. Actual (B)	Difference (B) – (A)
Operating Revenues	2,244	2,354	+ 110
Operating Expenses	937	1,139	+ 201
Rental Expenses (Depreciation excl.)	309	456	+ 147
Depreciation	357	363	+ 5
Selling, General and Administrative Expenses	271	319	+ 48
Operating Profit	1,306	1,215	– 90
Non-operating Income	0	6	+ 6
Non-operating Expenses	294	100	– 193
Ordinary Profit	1,012	1,121	+ 109
Net Profit	1,010	1,120	+ 109
(For reference) NOI	1,935	1,898	– 36
(JPY)	(A)	(B)	(B) – (A)
DPU (surplus cash distributions incl.)	2,173	2,390	+ 217
DPU (surplus cash distributions excl.)	1,965	2,179	+ 214
Surplus cash distributions per unit	208	211	+ 3

Main Factors of Variance
<p>✓ Operating Revenues +110</p> <p>Increase in Rental Revenues +110 Full-year contribution of rental revenues of the existing 7 properties +102 Acquisition of Hiratsuka +8</p>
<p>✓ Operating Expenses +201</p> <p>Increase in Rental Expenses +147 Full-year contribution of rental expenses of the existing 7 properties +145 (Property tax +117, Utility charges +13)</p> <p>Increase in Selling, General and Administrative Expenses +48 Increase in AM Fees +26 Incidence of disclosure and operating costs +23 (ESG related costs, Audit costs, Appraisal costs)</p>
<p>✓ Non-operating Income +6</p> <p>Interest on tax refund +5</p>
<p>✓ Non-operating Expenses -193</p> <p>Absence of organization expenses – 50 Absence of Investment unit issuance cost – 93 Decrease in borrowing related expenses – 52</p>

Forecasts for the 3rd Fiscal Period Ending May 31, 2021

(JPY million)	The 2nd F.P. Actual (A)	The 3rd F.P. Forecast (B)	Difference (B) - (A)
Operating Revenues	2,354	3,064	+ 709
Operating Expenses	1,139	1,509	+ 370
Rental Expenses (Depreciation excl.)	456	611	+ 154
Depreciation	363	518	+ 155
Selling, General and Administrative Expenses	319	380	+ 60
Operating Profit	1,215	1,554	+ 338
Non-operating Income	6	-	- 6
Non-operating Expenses	100	215	+ 115
Ordinary Profit	1,121	1,338	+ 216
Net Profit	1,120	1,337	+ 216
(For reference) NOI	1,898	2,453	+ 554
(JPY)	(A)	(B)	(B) - (A)
DPU (surplus cash distributions incl.)	2,390	2,448	+ 58
DPU (surplus cash distributions excl.)	2,179	2,187	+ 8
Surplus cash distributions per unit	211	261	+ 50

Main Factors of Variance
<p>✓ Operating Revenues +709 Increase in Rental Revenues +709 Full-year contribution of rental revenues of new properties (Hiratsuka, Ebina, Nishiyodogawa II) +722</p>
<p>✓ Operating Expenses +370 Increase in Rental Expenses +154 Full-year contribution of rental revenues of new 3 properties +162</p> <p>Increase in Depreciation +155 Full-year contribution of rental revenues of new 3 properties +154</p> <p>Increase in Selling, General and Administrative Expenses +60 Increase in AM Fees +33 Asset custody fees and administrative service fees +4 Increase in other operating expenses +19 (IR costs, Ordering cost of various report)</p>
<p>✓ Non-operating Income -6 Absence of interest on tax refund -5</p>
<p>✓ Non-operating Expenses +115 Increase in interest expenses +26 Incidence of Investment unit issuance cost +51 Increase in borrowing related expenses +38</p>

Forecasts for the 4th Fiscal Period Ending Nov. 30, 2021

(JPY million)	The 3rd F.P. Forecast (A)	The 4th F.P. Forecast (B)	Difference (B) - (A)
Operating Revenues	3,064	3,088	+ 24
Operating Expenses	1,509	1,608	+ 98
Rental Expenses (Depreciation excl.)	611	662	+ 51
Depreciation	518	518	-
Selling, General and Administrative Expenses	380	427	+ 47
Operating Profit	1,554	1,480	- 74
Non-operating Income	-	-	-
Non-operating Expenses	215	133	- 82
Ordinary Profit	1,338	1,346	+ 8
Net Profit	1,337	1,345	+ 8
(For reference) NOI	2,453	2,426	- 26
(JPY)	(A)	(B)	(B) - (A)
DPU (surplus cash distributions incl.)	2,448	2,481	+ 33
DPU (surplus cash distributions excl.)	2,187	2,200	+ 13
Surplus cash distributions per unit	261	281	+ 20

Main Factors of Variance
<p>✓ Operating Revenues +24</p> <p>Increase in Rental Revenues +24 Full-year contribution of rental revenues of new properties +13 Seasonal increase in utility expenses revenues of the existing properties +11</p>
<p>✓ Operating Expenses +98</p> <p>Increase in Rental Expenses +51 Full-year contribution of property tax of new properties +35 Seasonal increase in utility expenses of the existing properties +14</p> <p>Increase in Selling, General and Administrative Expenses +47 Increase in AM Fees +26 Asset custody fees and administrative service fees +8 Increase in other operating expenses +12 (Audit costs, Appraisal costs, Operating cost of General Meeting of Unitholders)</p>
<p>✓ Non-operating Expenses -82</p> <p>Absence of Investment unit issuance cost -51 Decrease in borrowing related expenses -32</p>

3. SLR's growth strategy



▶ Investing primarily in Logistics Properties located close to Consumption Areas

Target Investment Ratio by Property Type (on acquisition price basis)	
Logistics Properties	Industrial Properties
80% or more	20% or less

Target Investment Ratio by Area (on acquisition price basis)	
Kanto and Kansai Areas	Other Areas
70% or more	30% or less

Investment Ratio by Property Type after the new acquisition (on (anticipated) acquisition price basis)	
Logistics Properties	Industrial Properties
93.0%	7.0%

Investment Ratio by Area after the new acquisition (on (anticipated) acquisition price basis)	
Kanto and Kansai Areas	
100.0%	

▶ Logistics Properties located close to Consumption Areas

Logistics properties with good access to consumption areas, production sites and transportation infrastructure, which is advantageous in securing labor force.

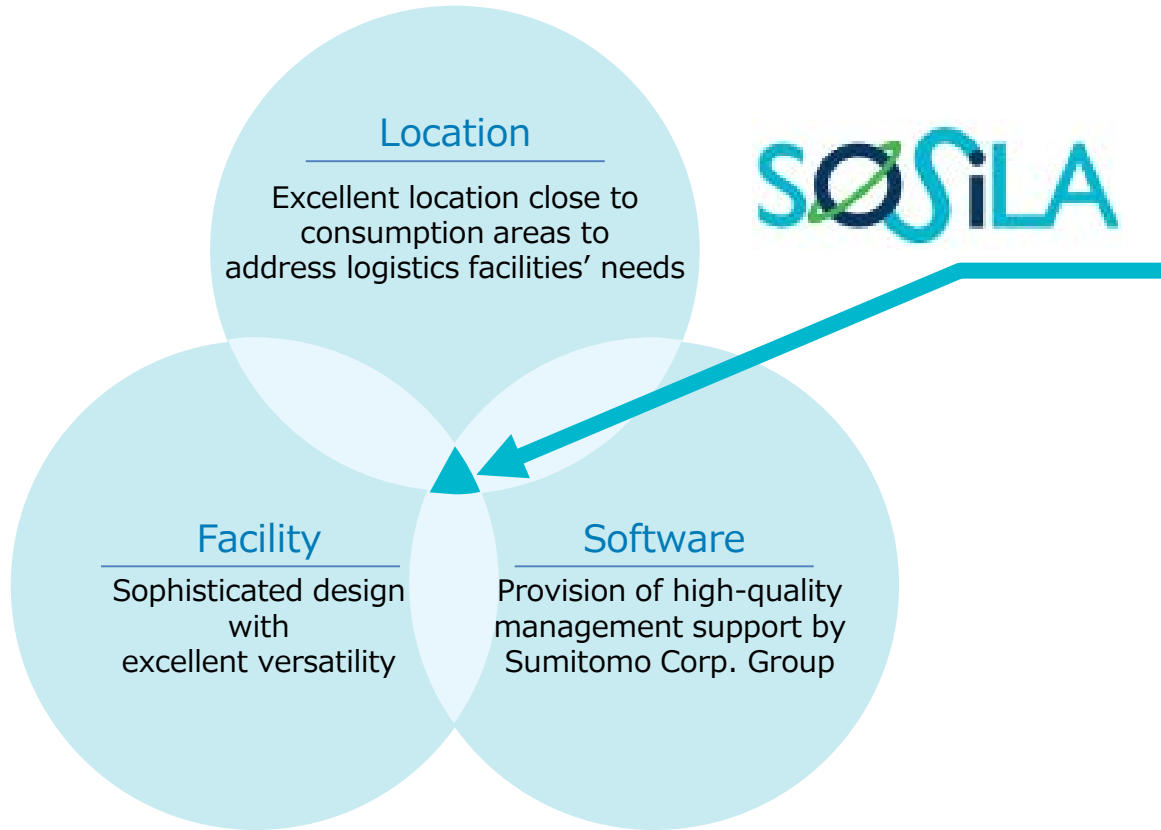
Metropolitan Area Delivery

- ✓ Primarily located within “the last mile” of large consumption areas in the Kanto and Kansai areas
- ✓ Located close to residential areas, which prompt rapid delivery, enhancement of delivery efficiency, and reduction of environmental burden

⇒SLR strives to create employment opportunities around its logistics properties taking advantage of their convenient locations, thereby contribute local communities where such properties locate.

Investment to SOSiLA, Logistics Properties developed by Sumitomo Corp.

► SOSiLA, high-quality Logistics Facilities in terms of location, facility, software



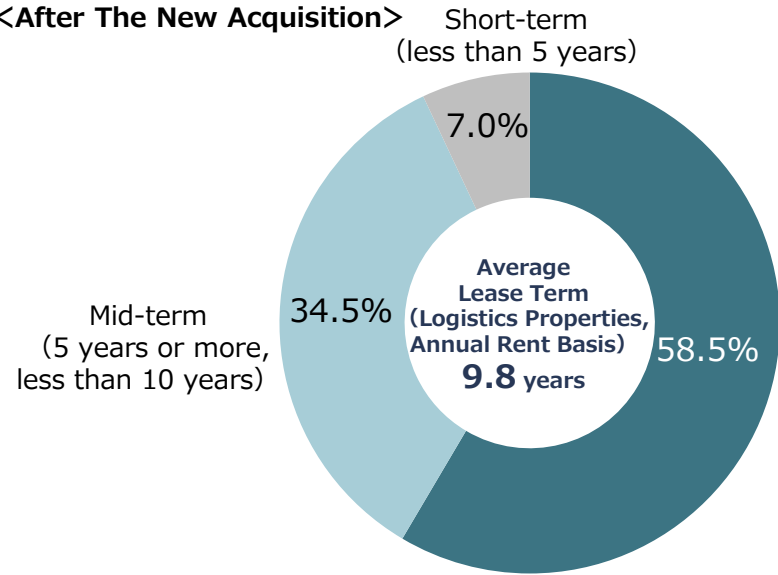
Provision of high-quality logistics facilities utilizing Sumitomo Corp. group's expertise



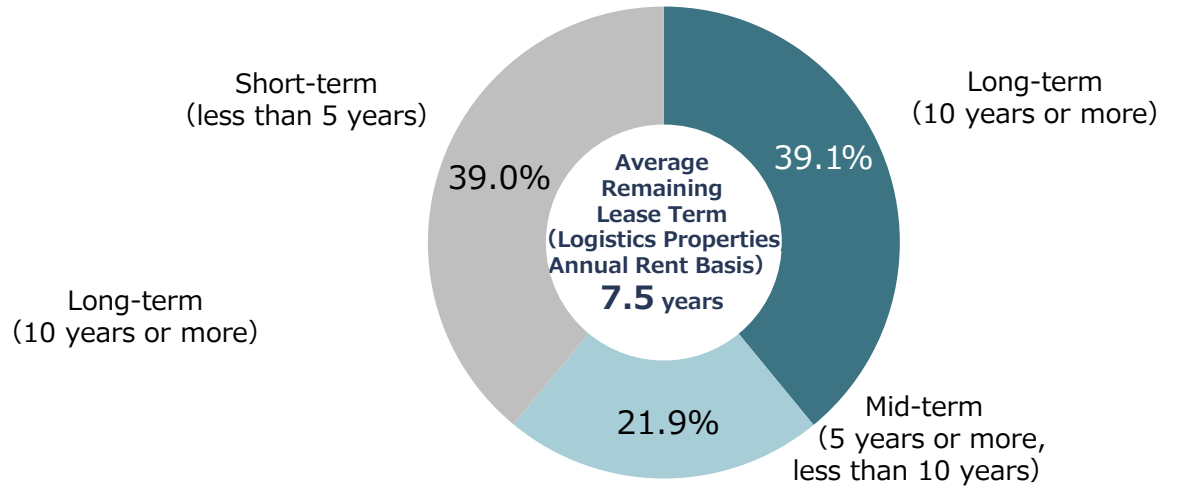
Long-Term and Stable Lease Contract

▶ Stable asset management utilizing the leasing capabilities of sponsor groups

<After The New Acquisition>

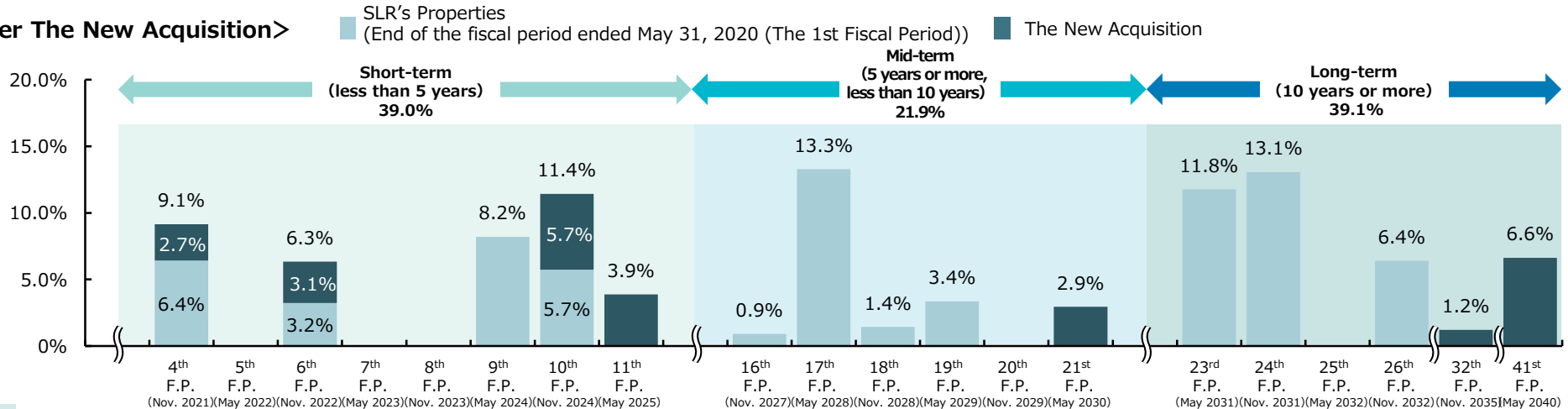


<After The New Acquisition>



▶ Spreading out expiration dates of lease contracts (Logistics Properties, Annual Rent Basis)

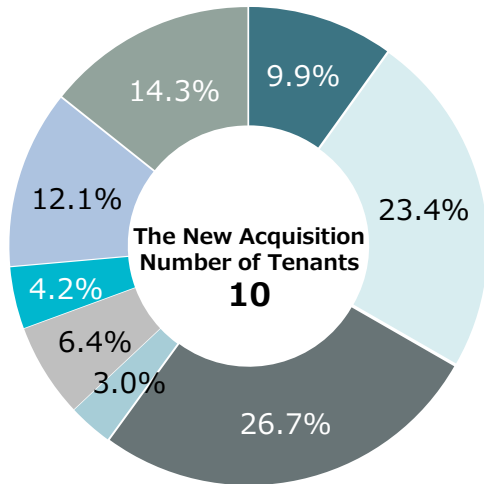
<After The New Acquisition>



Tenant Composition by Inventory Type

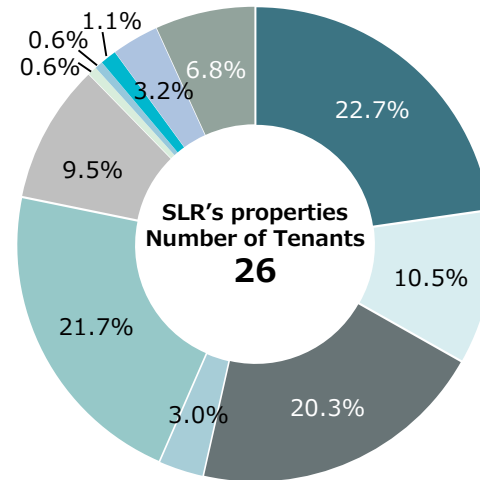
Tenant Composition of The New Acquisition and Portfolio after The New Acquisition (Logistics Properties, leased area basis)

The New Acquisition



- Food
- Beverages
- Daily Goods
- Delivery
- Precision Machinery
- Raw Material
- Furniture
- Others

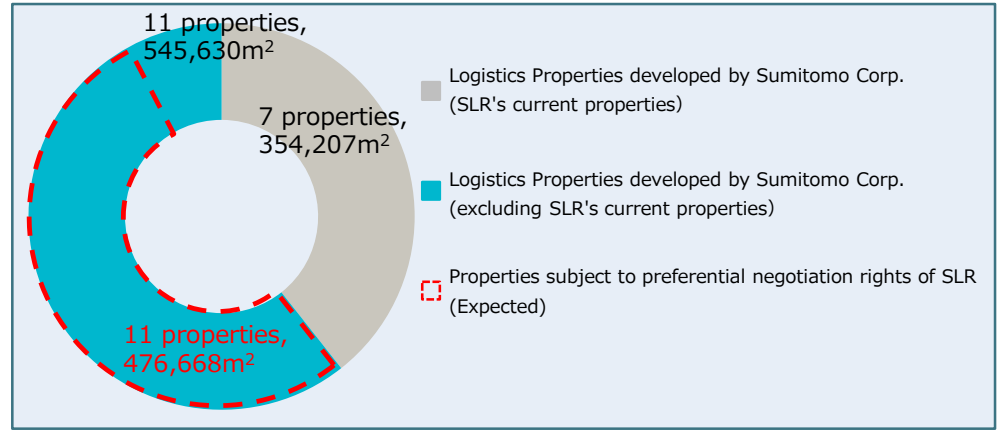
After The New Acquisition



- Food
- Beverages
- Daily Goods
- Delivery
- General Goods
- Precision Machinery
- Precious Metals
- Medical Equipment
- Raw Material
- Furniture
- Others

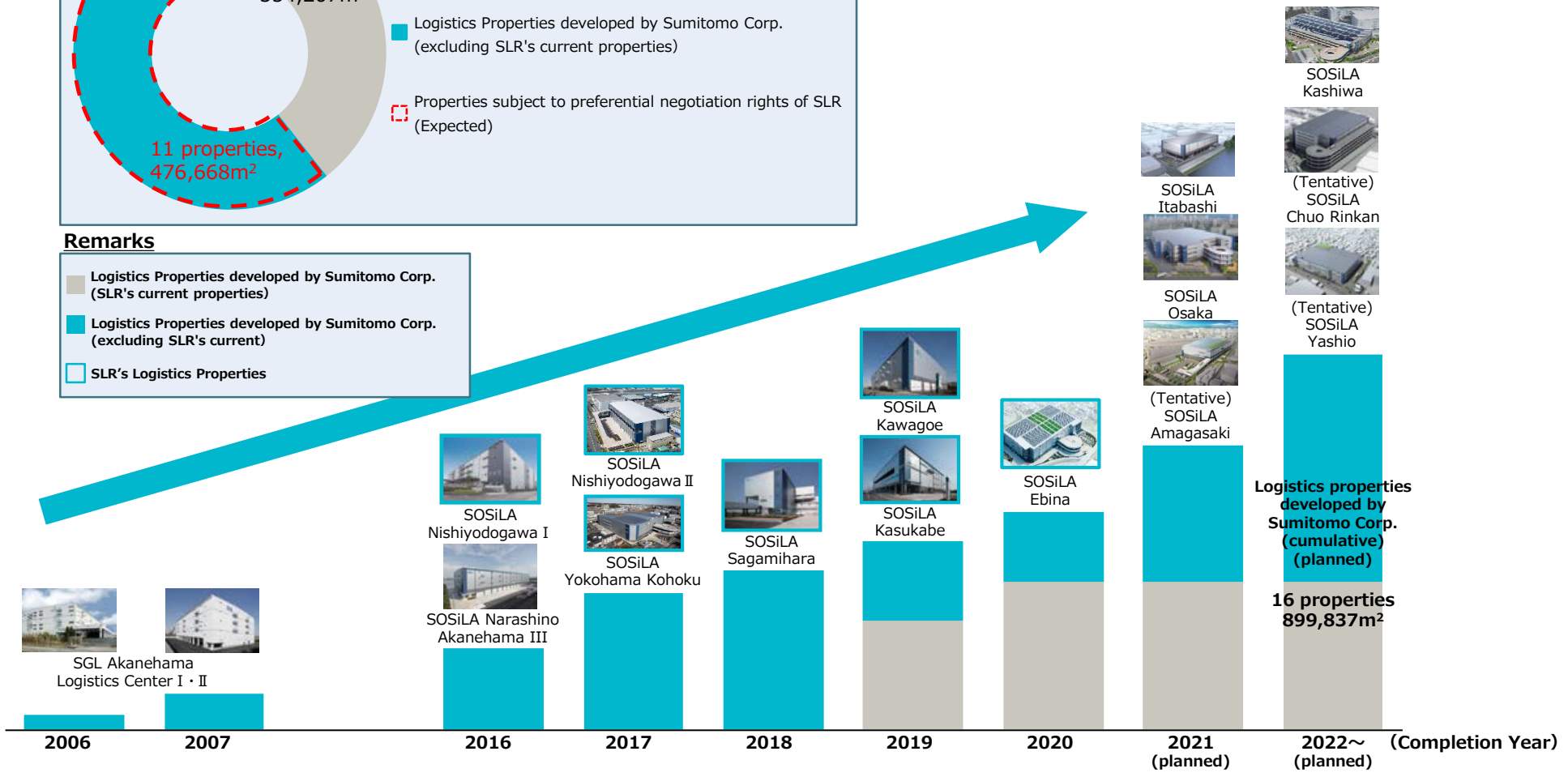
Pipeline Properties developed by Sumitomo Corp. Group ①

▶ Track record and plan of logistics properties development of the sponsor, Sumitomo Corp. (cumulative gross floor area developed/under development)



Remarks

- Logistics Properties developed by Sumitomo Corp. (SLR's current properties)
- Logistics Properties developed by Sumitomo Corp. (excluding SLR's current)
- SLR's Logistics Properties



► Aims to build a stable portfolio by acquiring stable operating properties developed by the sponsor

Logistics properties developed by Sumitomo Corp.
(Excl. SLR's current properties and anticipated acquisitions)

11 properties, 545,630m²

Completed



Name	SOSiLA Yokohama Kohoku
Location	Yokohama City, Kanagawa
Construction Date	September, 2017
Gross Floor Area	83,782m ² (16,756m ²)



Name	SOSiLA Ebina
Location	Ebina City, Kanagawa
Construction Date	February, 2020
Gross Floor Area	71,964m ² (27,346m ²)



Name	SGL Akanehama Logistics Center I
Location	Narashino City, Chiba
Construction Date	May, 2006
Gross Floor Area	34,649m ²



Name	SGL Akanehama Logistics Center II
Location	Narashino City, Chiba
Construction Date	March, 2007
Gross Floor Area	51,246m ²



Name	SOSiLA Narashino Akanehama III
Location	Narashino City, Chiba
Construction Date	September, 2016
Gross Floor Area	38,604m ²

Among 11 properties,
Expected Properties subject to preferential negotiation rights

11 properties, 476,668m²

Under Development/Planned



Name	SOSiLA Itabashi
Location	Itabashi-ku, Tokyo
Construction Date	February, 2021 (planned)
Gross Floor Area	15,284m ² (planned)



Name	SOSiLA Osaka
Location	Osaka City, Osaka
Construction Date	May, 2021 (planned)
Gross Floor Area	99,951m ² (30,990m ²) (planned)



Name	(Tentative) SOSiLA Yashio
Location	Yashio City, Saitama
Construction Date	January, 2022 (planned)
Gross Floor Area	32,023m ² (planned)



Name	(Tentative) SOSiLA Amagasaki
Location	Amagasaki City, Hyogo
Construction Date	July, 2021 (planned)
Gross Floor Area	45,264m ² (planned)



Name	(Tentative) SOSiLA Chuo Rinkan
Location	Yamato City, Kanagawa
Construction Date	August, 2022 (planned)
Gross Floor Area	109,091m ² (planned)



Name	SOSiLA Kashiwa
Location	Kashiwa City, Chiba
Construction Date	May, 2023 (planned)
Gross Floor Area	75,415m ² (planned)

The Exploitation of asset manager's Independent Network

► Besides the SOSiLA series, asset manager acquired property by leveraging its independent network

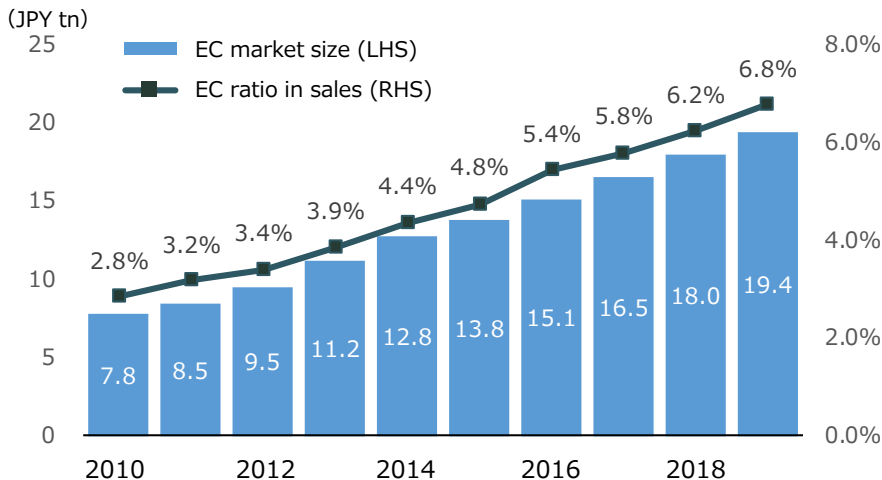


(Tentative) Hiratsuka LastMileCenter

Considering to continue property acquisition through independent network

- Leveraging independent network to acquire “the last mile” delivery point which is becoming increasingly important as EC progresses.
- Continue to work on **external acquisition**

Change in BtoC / EC market size and ratio



Realizing stabilization through re-contracting

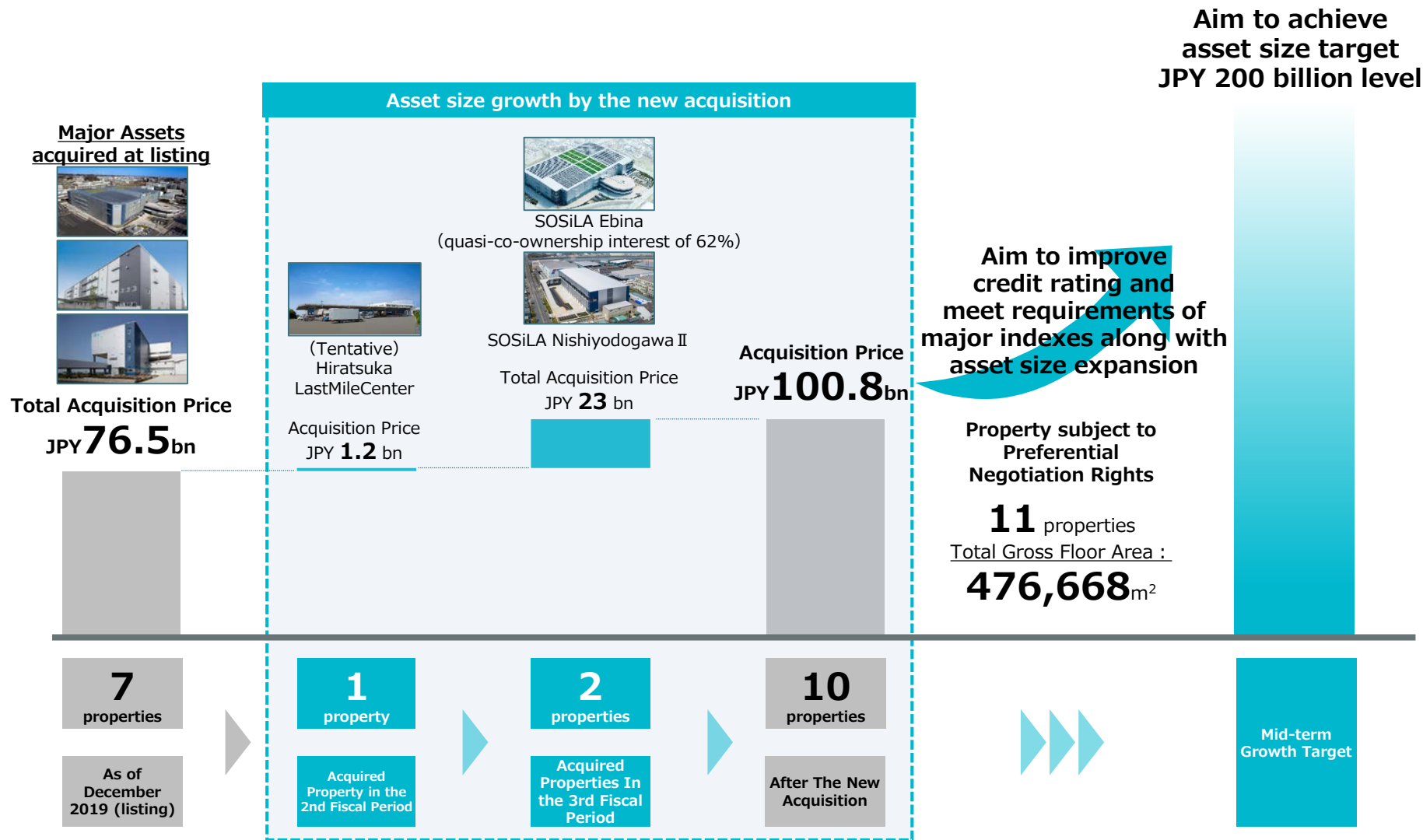
- Realized stabilization by re-contracting with existing tenants of externally acquired property

Remaining Lease Term

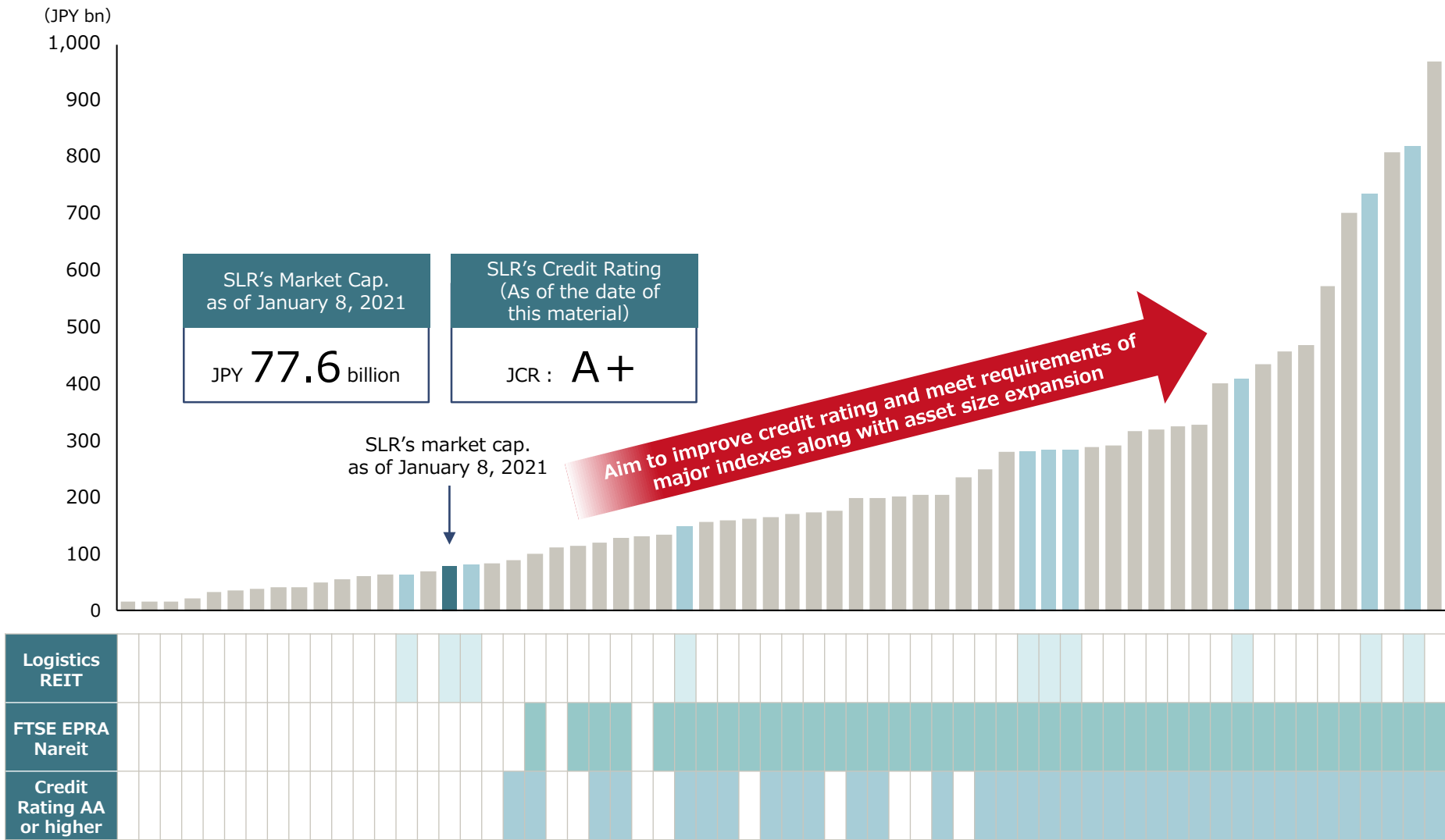
Approx. 2.3 years → Approx. 15 years

Steady Progress towards Achieving Mid-term Growth Target

▶ Aim to expand asset size steadily to achieve the target



Market Cap. and Credit Rating of Listed J-REIT & Status of inclusion in Major Indexes (as of January 8, 2021)



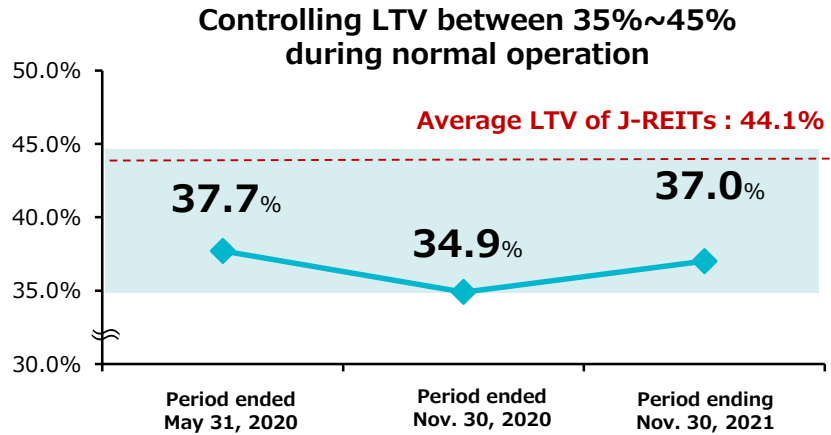
SLR's Market Cap.
 as of January 8, 2021
JPY 77.6 billion

SLR's Credit Rating
 (As of the date of
 this material)
JCR : A+

Aim to improve credit rating and meet requirements of major indexes along with asset size expansion

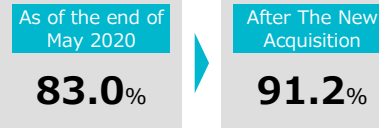
► Strategically utilizing LTV while maintaining financial stability

LTV



Change of key financial indicator

Long-term Debt Ratio



Fixed Interest Ratio



Average Borrowing Term



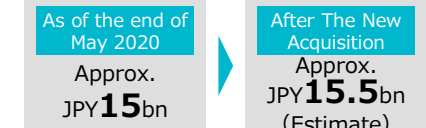
Average Remaining Borrowing Term



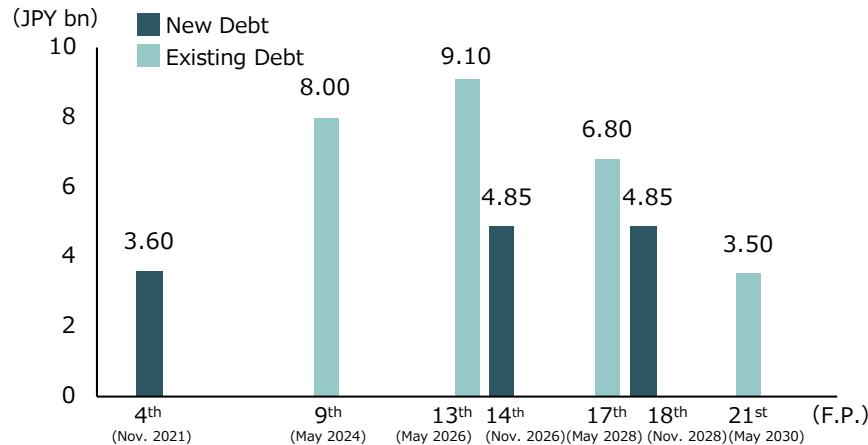
Average Borrowing Cost



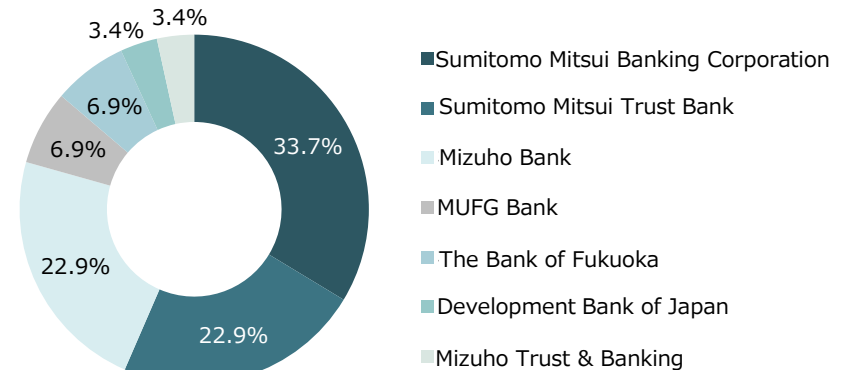
Debt Capacity (up to LTV 45%)



Diversification of loan repayment period (After The New Acquisition)

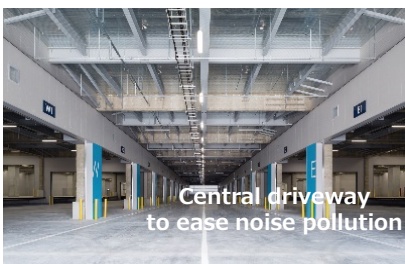


Lender Formation (As of December 10, 2020, loan amount basis)



ESG Initiatives (SLR) ①

▶ SOSiLA, designed with ESG consideration



✓ External Certification

“CASBEE”・“BELS”



Property Name (CASBEE A Rank/ BELS★★★★★)
SOSiLA Yokohama Kohoku
SOSiLA Sagamihara
SOSiLA Kasukabe
SOSiLA Kawagoe
SOSiLA Nishiyodogawa I

▶ E (Environment)

- ✓ The 1st J-REIT to formulate green finance framework since IPO

Green Finance Framework	
Rating Agency	Japan Credit Rating Agency, Ltd. (JCR)
Overall Evaluation	Green 1 (F) (Highest Rating)
Greenness Evaluation (Use of Proceeds)	g1 (F)
Management, Operation, Transparency Evaluation	m1 (F)
Percentage of Green Eligible Assets in Portfolio	<p>91.9%</p>

Green Loan	
Rating Agency	Japan Credit Rating Agency, Ltd. (JCR)
Overall Evaluation	Green 1 (Highest Rating)
Greenness Evaluation (Use of Proceeds)	g1
Management, Operation, Transparency Evaluation	m1

▶ S (Social)

- ✓ Measures for preventing COVID-19 infection, such as
 - a. Adoption of remote work
 - b. Utilization of online and telephone conferences

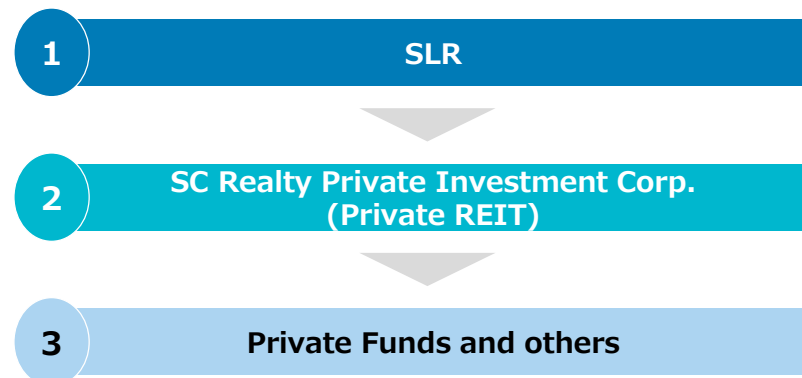
- ✓ Initiatives for SRM employees
 - a. Support for efforts to receive qualification and enhancement of training programs
 - b. Introduction of flexible working hours
 - c. Establishment of rooms to get refreshed for employees to improve operation efficiency
 - d. Implementation of employee satisfaction survey
 - e. Considering the introduction of an employee investment unit ownership program

▶ G (Governance)

- ✓ Introduction of Management Fee Structure Linked to Interests of Unitholders

AM Fee I	AUM × 0.2% (maximum)
AM Fee II	NOI × 5.0% (maximum)
AM Fee III	Profit before tax (before AM Fee) × EPU (Profit before tax (before AM Fee) Per Investment Unit) × 0.002% (maximum)

- ✓ Rotation Rules (Logistics Properties & Industrial Properties)



The image shows a large, modern industrial building at dusk. The building's facade is primarily white with blue accents. At the top of the building, the logo 'SOSiLA' is illuminated in a bright blue and green color. The building has multiple levels and large windows. In the foreground, there is a paved area and some landscaping. The sky is a deep blue, indicating twilight.

4. Appendix

Sumitomo Corp.'s Real Estate Business
SOSiLA, Logistics Property developed by Sumitomo Corp.
Real Estate Market of Logistics Properties
Consumer Market/Issues for Tenants in Logistics Industry
Portfolio Summary
Portfolio Overview
Property Details
Overview of Year-end Appraisal Value
Income Statement and Balance Sheet
Overview of interest-bearing debts
Status of Unitholders in the 2nd fiscal period ended November 30, 2020
Growth of SRM's AUM Balance
SRM's AUM Composition
SRM's ESG Policy
SRM's Structure for implementing ESG Initiatives
Overview of Sumitomo Corp. Group

Sumitomo Corp.'s Real Estate Business ①

Completion of Harumi Island Triton Square, consisting of four office buildings, commercial facilities, a concert hall and condominiums, etc., in the Type 1 Urban Redevelopment Project



Opening of Decks Tokyo Beach, the 1st large-scale commercial facility in Odaiba



Completion of Maison Nishinomiya, the 1st private condominium built by Sumitomo Corp. in the Kansai area

The Design and Supervision Department separated and is incorporated as Nikken Sekkei Komu Co., Ltd. (currently Nikken Sekkei, Ltd.)

Renamed as Nippon Engineering Co., Ltd. and entered the trading business

1945

1950

1952

Renamed Sumitomo Corp.

1962

Completion of Main building of Sumitomo Bldg.



1964

1996



Completion of Queen's Square Yokohama

1997

2001

2006

Begin of operation of SRM (2007)



Opening of Terrace Mall Shonan

Completion of SGL Akanehama Logistics Centers I · II

Unify of brand name of condominiums to "Classy House"

2009

2007

Establishment of SC Realty Private REIT
 Commencement of logistics property development business
 Launch of the 1st logistics property fund

2014

2015

Determined "SOSiLA" as the brand name for logistics properties

2016

Completion of SOSiLA Narashino Akanehama III



Completion of SOSiLA Nishiyodogawa I



2017

Completion of SOSiLA Sagamihara



Completion of SOSiLA Yokohama Kohoku



Completion of SOSiLA Nishiyodogawa II

Commencement of warehouse rental business in Indonesia
 Commencement of operation of Sumitmas Warehouse



Opening of GINZA SIX



SOSiLA
 Sociability, Sustainability, and Individuality
 for Logistic Aspect
 Listing of SOSiLA Logistics REIT, Inc.

2020

Completion of SOSiLA Ebina

2019

Completion of SOSiLA Kasukabe
 Completion of SOSiLA Kawagoe

2018

Completion of SOSiLA Sagamihara

Office Building



- Developing office buildings mainly in the Kanda area, enhancing value of the surrounding area
- Launching develop-and-sell projects
- Land area owned and managed:
Approx. 1.4 million m²
(65 buildings)
(As of March 31, 2020)

Residence



- Selling condominiums mainly to the upper-middle class
- Taking part in joint development and urban redevelopment projects
- Total units sold:
Approx. 79 thousand units
(As of March 31, 2020)

Retail property



- Developing and revitalizing properties for retail properties
- Operates, manages and provides consulting service for retail properties
- Land area owned and managed:
Approx. 1.69 million m²
(61 properties)
(As of March 31, 2020)

Logistics property



- Developing logistics properties
- Completion of projects
Total floor area (completed) :
Approx. 0.53 million m²
(10 properties)
(As of March 31, 2020)
- Established Logistics Properties Business Dept. in October 2019

The asset size and AUM of the Sumitomo Corp. Group reached
JPY 1.2 trillion

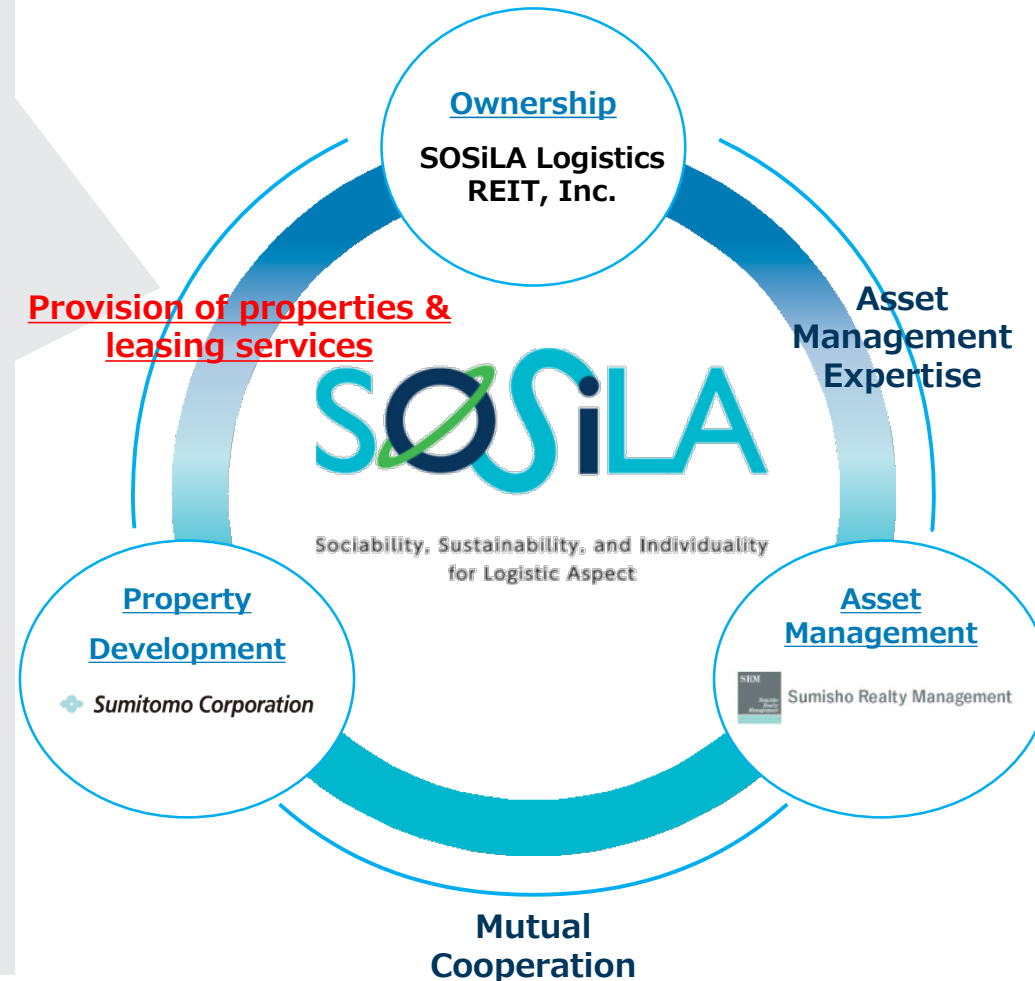
▶ Sumitomo Corp. Group's Policies on Logistics Properties Operation

Sponsor Support Agreement

- ✓ **Grant of Preferential Negotiation Rights for the properties owned by the sponsor**
- ✓ Preferential provision of information on sales of existing logistics properties owned by the third parties
- ✓ Provision of warehousing functions for future property acquisitions
- ✓ Right to request Sumitomo Corp. to acquire SLR's properties for redevelopment
- ✓ Right to request Sumitomo Corp. to enter into fixed-rent master lease agreement

Logistics Management Service Agreement

- ✓ Entrustment of leasing service and tenant management operation related to SLR's properties to Sumitomo Corp., who is capable of leasing with a wide range of customer network





Sociability, Sustainability, and Individuality for Logistic Aspect

Sociability

~Connecting with Society~

Responding to the changing needs for distribution

Responding to distribution processing and shorter delivery times and providing space available for automated logistics machinery

Sustainability

~Eco-friendliness and Sustainable Growth~

Achieving both eco-friendliness and economic growth

Reducing CO₂ emission and pursuing growth strategies from ESG perspective

Individuality

~Consideration for People and the Working Environment~

Promoting work style reform in logistics industry

Improving working facilities, taking the working environment for female workers into consideration, and building a symbiotic relationship with local communities

Efficiency ~making logistics more efficient~

- 5.5m height of ceiling
- Expanding warehouse space and delivery capacity to increase work efficiency
- Sufficient number of berths and parking considering characteristics of locations

Ecology ~considerations for the environment~

- Adopting highly-insulated sandwich panels
- Adopting LED lighting
- Implementing water-saving sanitary appliances
- Rated by Comprehensive Assessment System for Built Environment Efficiency (CASBEE)

Safety ~safety and BCP~

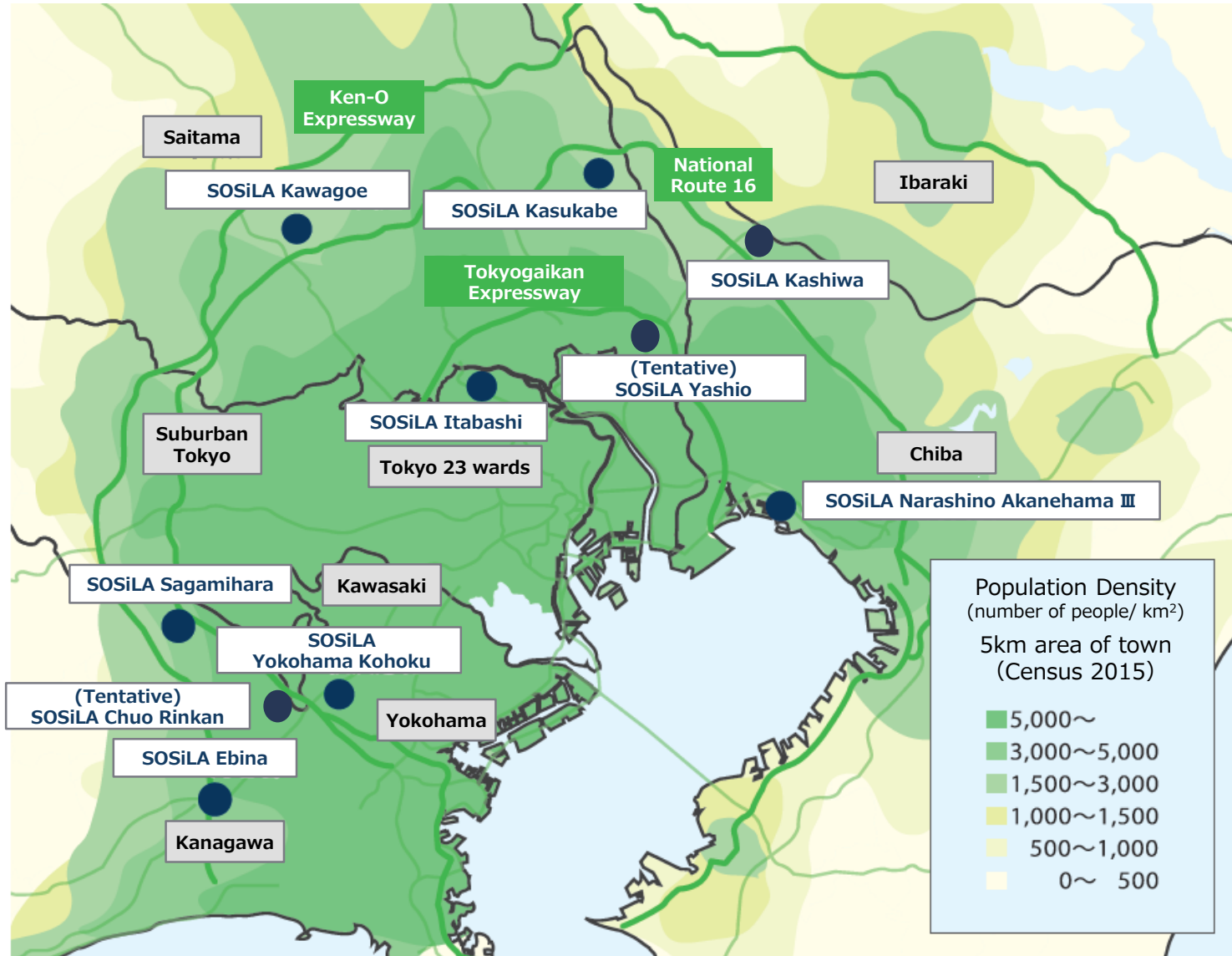
- Adopting seismically isolated structure
- Structured to withstand strong wind and torrential rain
- Counter measures against tsunami, high-tide, liquefaction
- BCP including backup power secured in case of power outage

Amenity ~comfortable working environment~

- Cafe lounges
- Establishing non-smoking area by setting up separated smoking rooms
- Consideration for accessibility

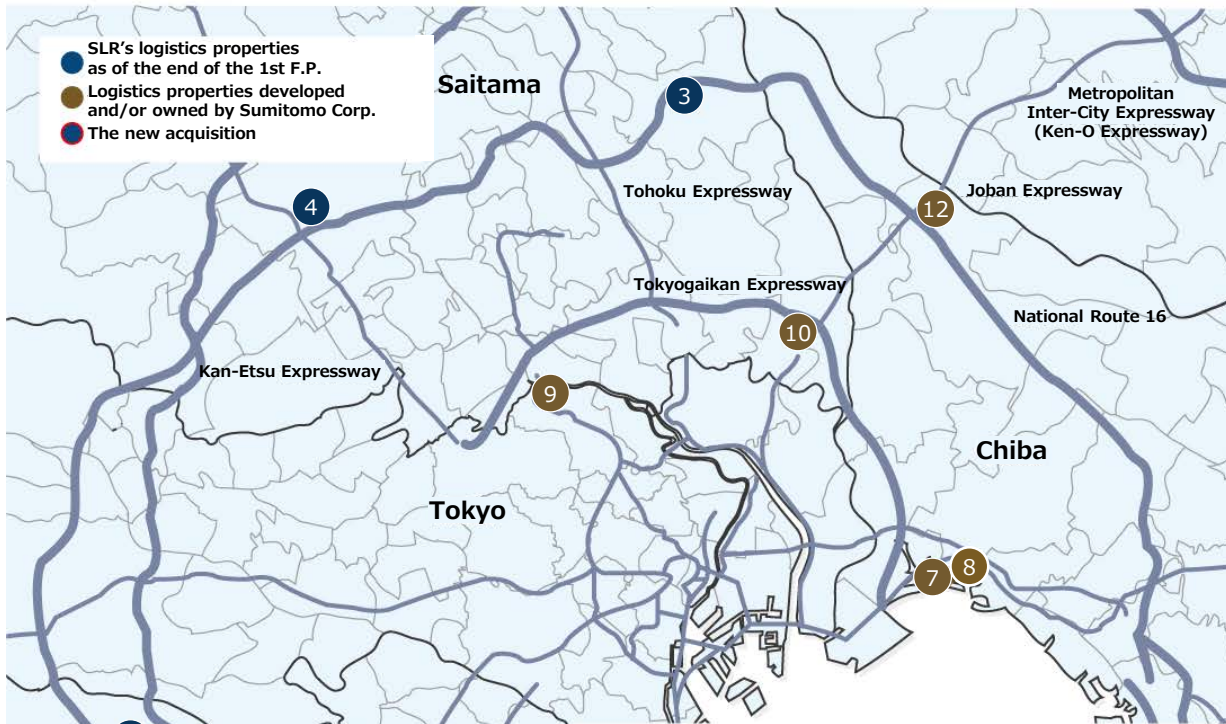
SOSiLA, Logistics Property developed by Sumitomo Corp. ②

- The SOSiLA series adopt “location” strategy that can cover urban areas of high population density and is closely located to consumption area.
- Among the locations where logistics facilities can be built, the SOSiLA series is located near urban area, which is competitive in terms of both reducing transportation costs and securing labor force, and can accommodate frequent delivery

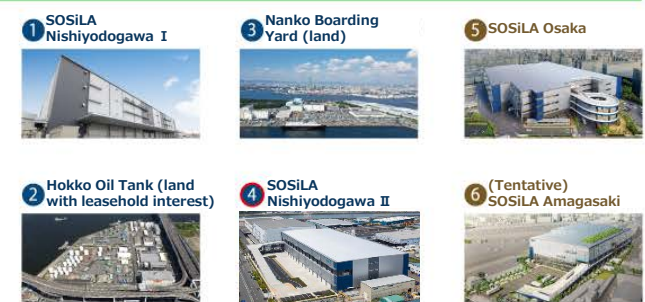
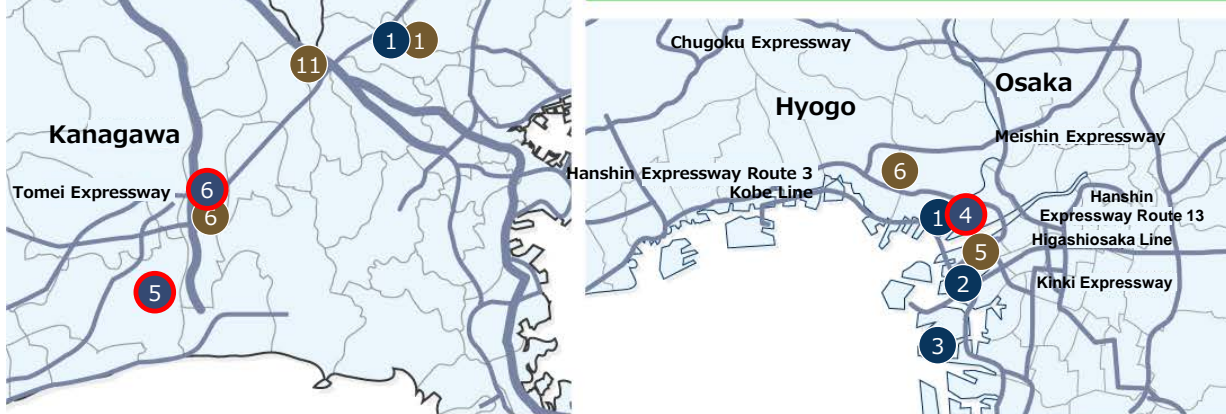


Location of SOSiLA Series and SLR's logistics properties

Kanto Area

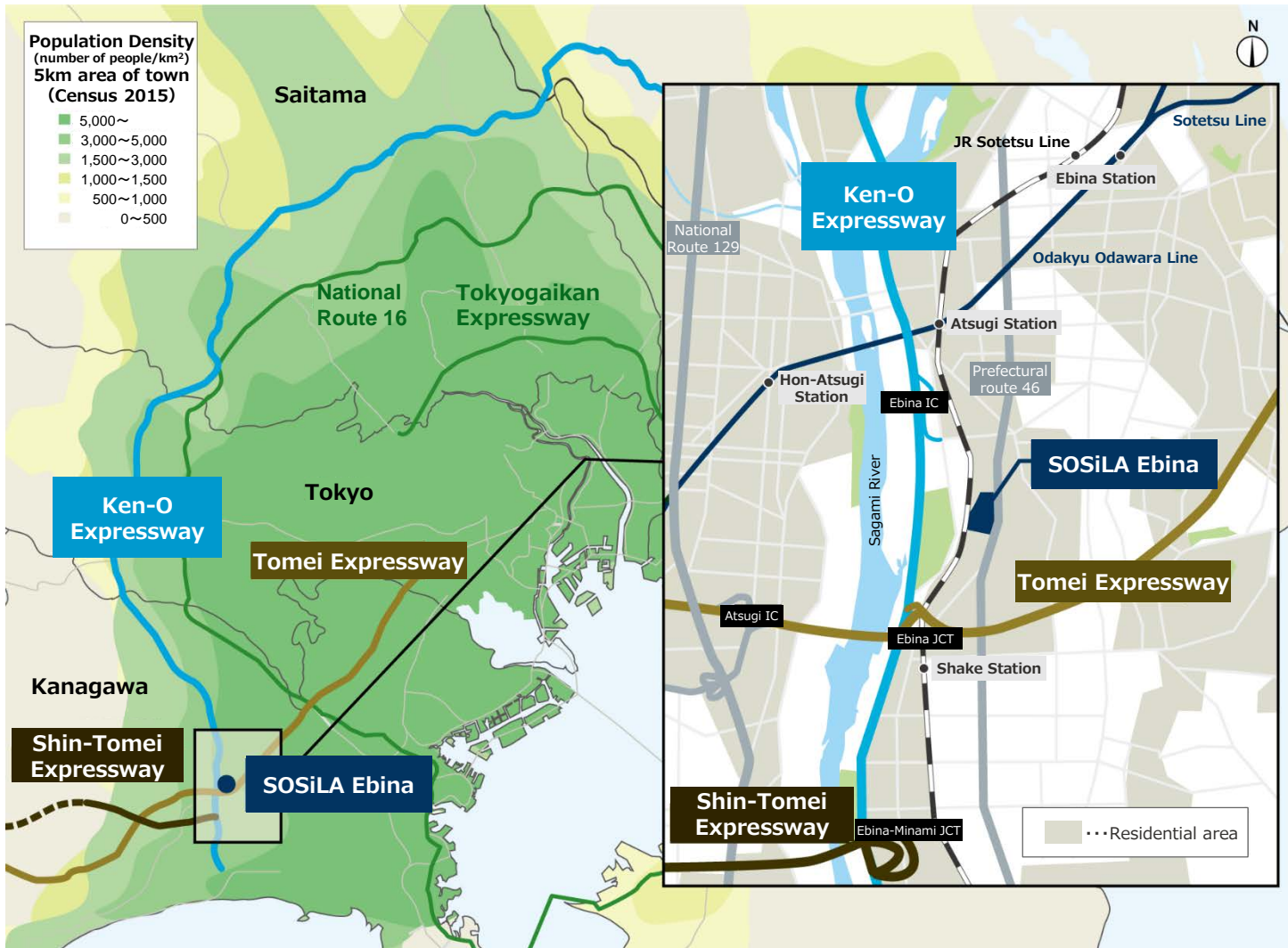


Kansai Area

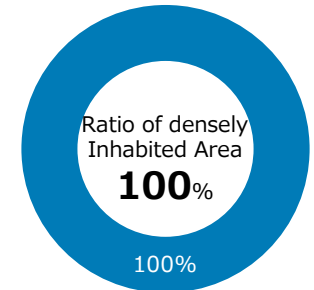


Example of Location of SOSiLA Series: SOSiLA Ebina

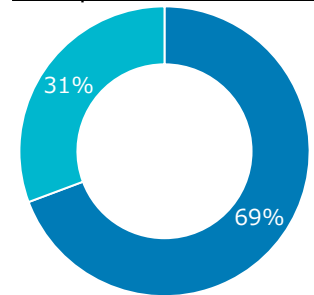
▶ Located close to junction of the east-west aorta and surrounded by a residential area



Location of SLR's Logistics Properties ((Anticipated) Acquisition Price Basis)



Location of other J-REITs' Logistics Properties (Acquisition Price Basis)



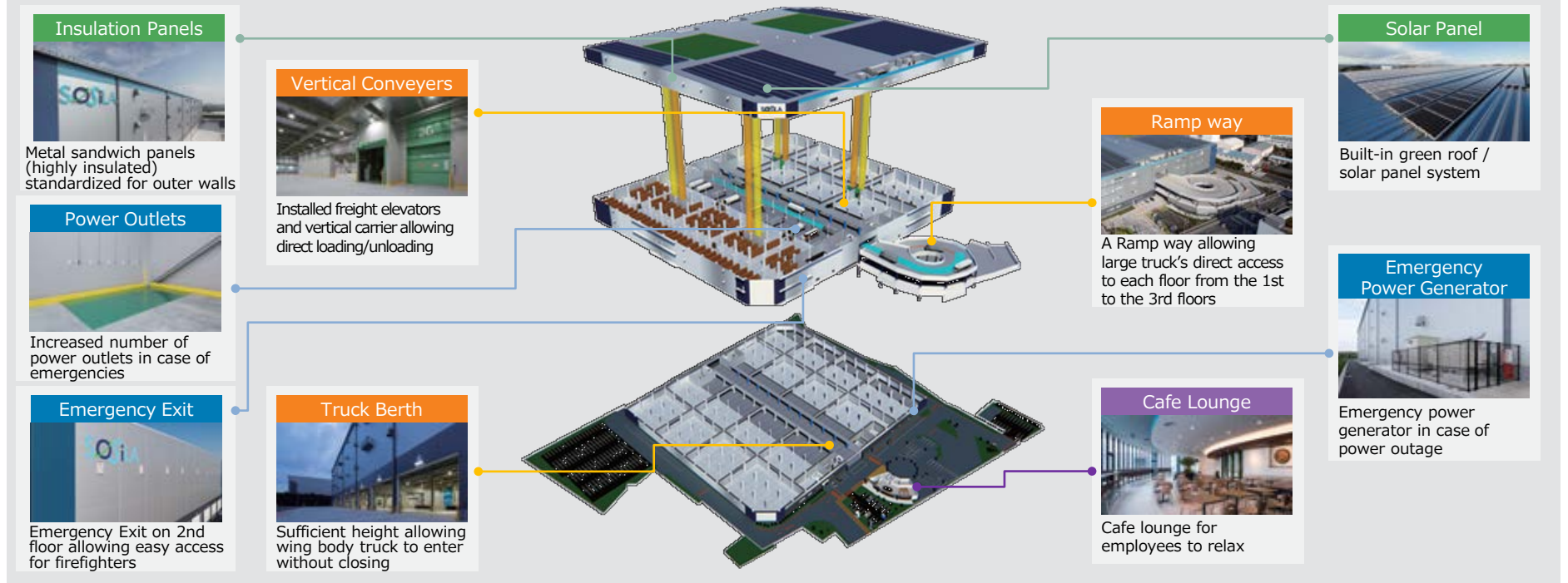
Population Density of 3,000 people/km² or more (Located Municipality) (Densely inhabited area)

Population Density of less than 3,000 people/km² (Located Municipality)

Hardware in SOSiLA Series

Basic Features of SOSiLA Series Gross Floor Area : 10,000 m² or more
Features : Column spacing of 10 m or more Roof Height of 5.5 m or more Floor Load of 1.5 t/m² or more

Safety safety and BCP **Ecology** considerations for environment **Efficiency** making logistics more efficient **Amenity** comfortable working environment



LED Lighting



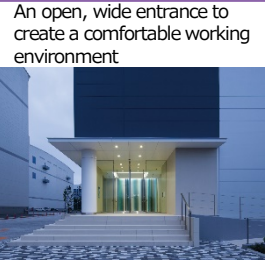
CASBEE Rating



Emergency Restroom



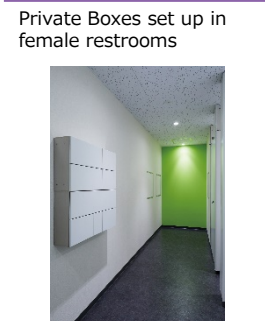
Open space



Consideration for Accessibility



Private Boxes

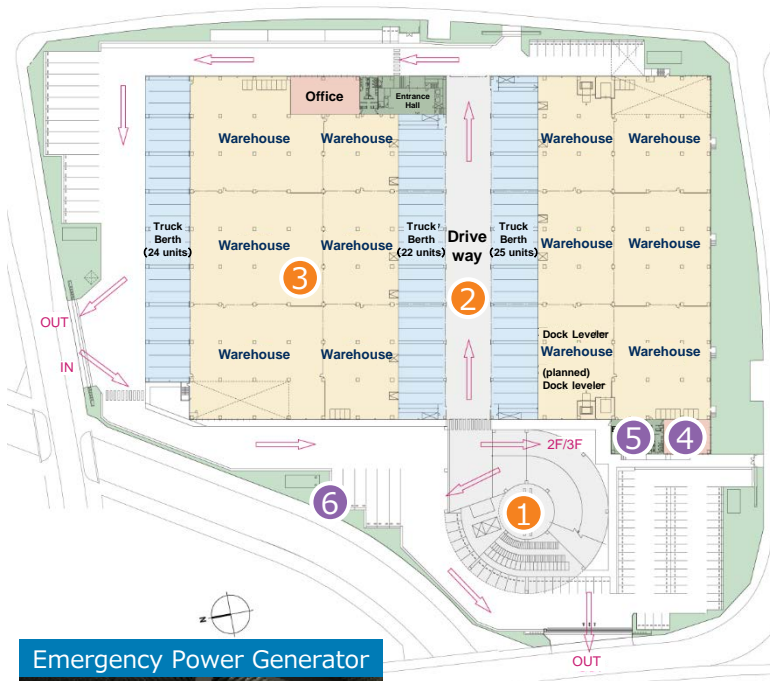


Example of Hardware in SOSiLA Series: SOSiLA Ebina

► **Specification with high versatility that are designed with consideration for working environment**

High level of standard specification to meet wide range of tenants' needs

SOSiLA Ebina 1st Floor Plan



Emergency Power Generator



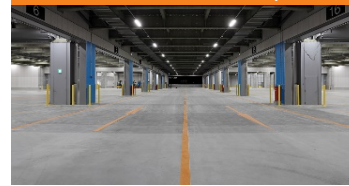
Emergency power generator in case of power outage

1 Ramp way



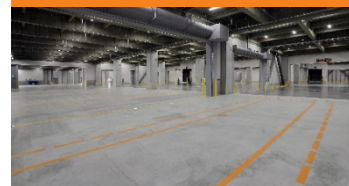
A Ramp way allowing truck's direct access to each floor from the 1st to the 3rd floors

2 Central Driveway



Single-central-rampway-type is adopted in consideration of surrounding environment, and floor load of 1.8t / m² is ensured on the 3rd and 4th floor

3 16m-depth of Berth (3rd floor)



14.5m-depth for the berth on the 1st and 2nd floors, 16m-depth on the 3rd floor, for efficient loading and unloading of goods. Besides, the distance between pillars (11.5m) allows three vehicle's entries at the same time

4 Cafe Lounge



A resting space to enjoy the view of Mt. Fuji

5 Open Entrance



An open, wide entrance to create a comfortable working environment

6 Park



A park as a place for employees and local residents to relax

ESG Initiatives

Solar Panel



Green Roof



Rooftop greening and solar panels

CASBEE Rating - New Construction A Rank



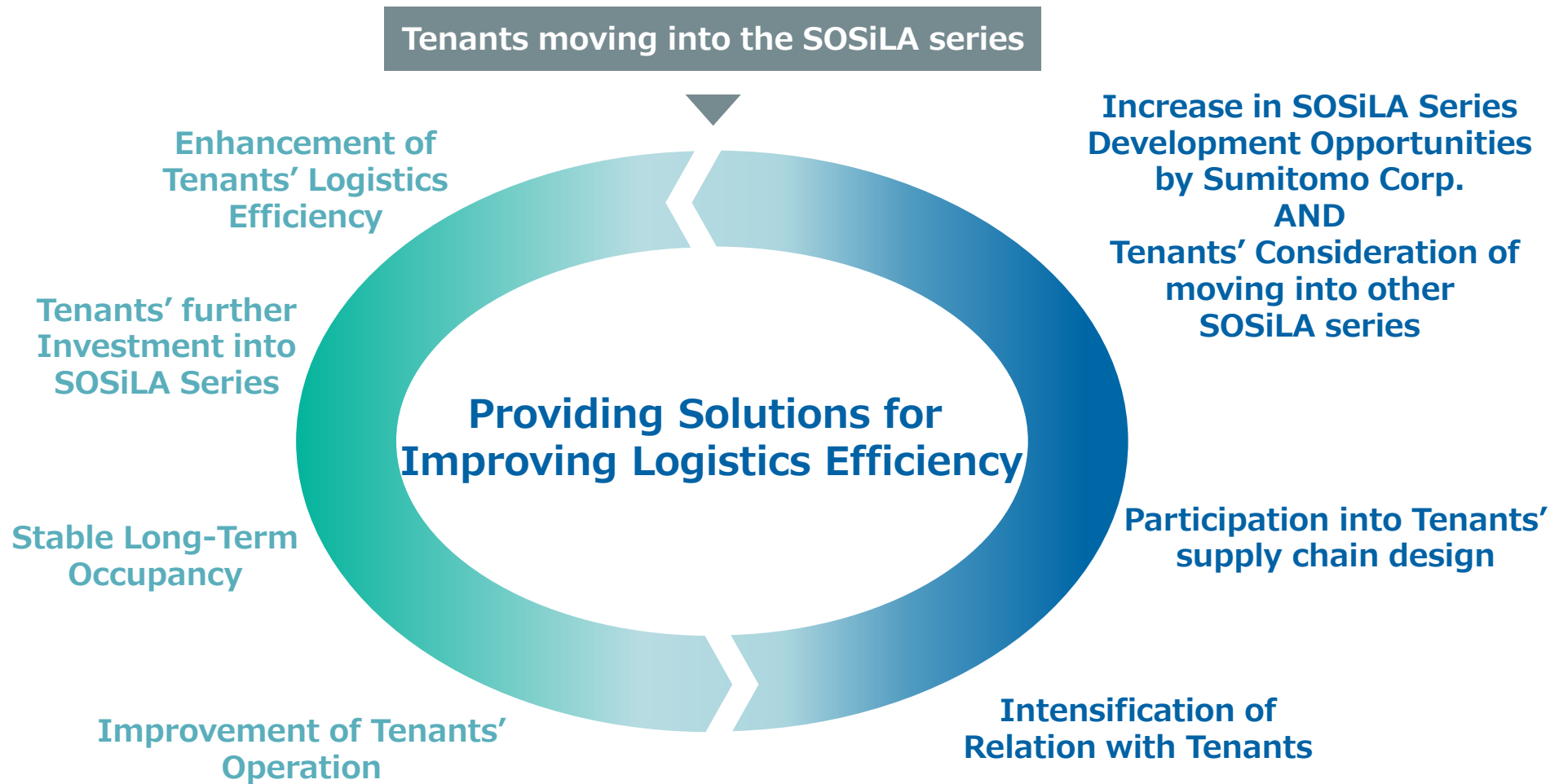
Qualification of environmental performance of buildings

LED Lighting

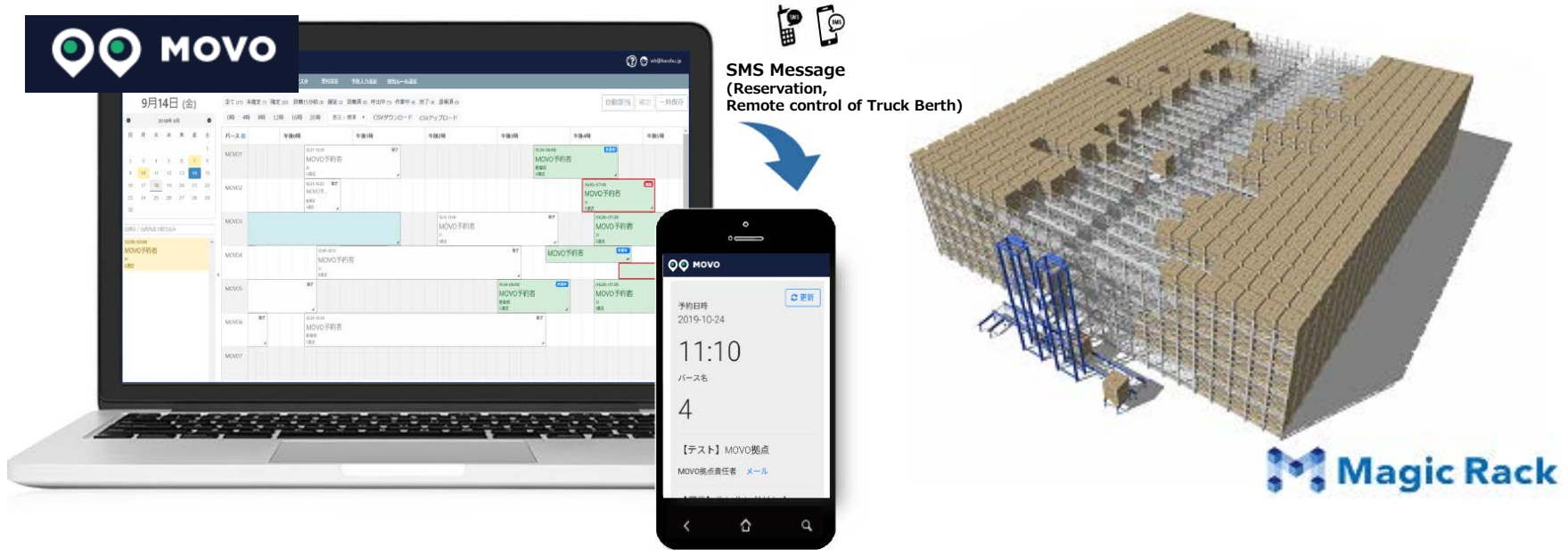


Realization of energy-saving by adoption of LED Lighting

► Providing Solutions for Improving Logistics Efficiency by Sponsor Groups



▶ Implementation of Logistics Efficiency Solutions that contribute to contracting of long-term stable lease



- ✓ **Truck Reservation System “MOVO Berth”**
(SOSiLA Ebina offers certain functions without charge)
- ✓ Tenants are able to obtain real-time information regarding delivery status, supplier, and destination
- ✓ Truck berth reservation function to resolve waiting time issues and improve efficiency
- ✓ Reduce the frequency of human-contact caused by drivers going to reception
- ✓ **High-density Automatic Storage System “Magic Rack”**
(with implementation to adapt to changes in structure, compartments, etc.)
- ✓ Aisle for forklifts is not needed. Achieved improving storage efficiency compared to conventional pallet racks
- ✓ Reduced working time with product automatic assortment

▶ Implementation of Logistics Efficiency Solutions that contribute to contracting of long-term stable lease



- ✓ **Logistics Support Robot “CarriRo”**
 developed by ZMP Inc.
 (invested by Sumitomo Corp., our sponsor)
- ✓ Successfully introduced at Sumitomo Corp.
 group’s logistics properties, and our tenants
 of SOSiLA Yokohama Kohoku

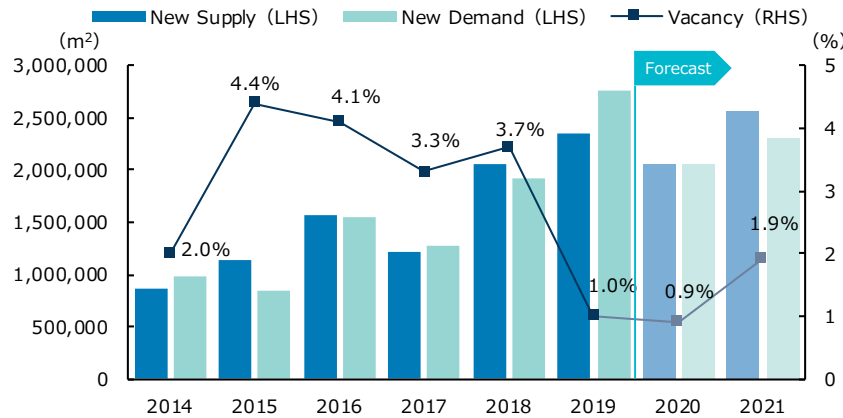
- ✓ **Warehouse Visualization Solution “SmartLPS”**
 developed by LOCIX. Inc.
 (invested by Sumitomo Corporation of Americas)
- ✓ Proposed implementation to logistics properties
 owned by the Sumitomo Corp. Group and the
 SOSiLA Series tenants

Real Estate Market of Logistics Properties ①

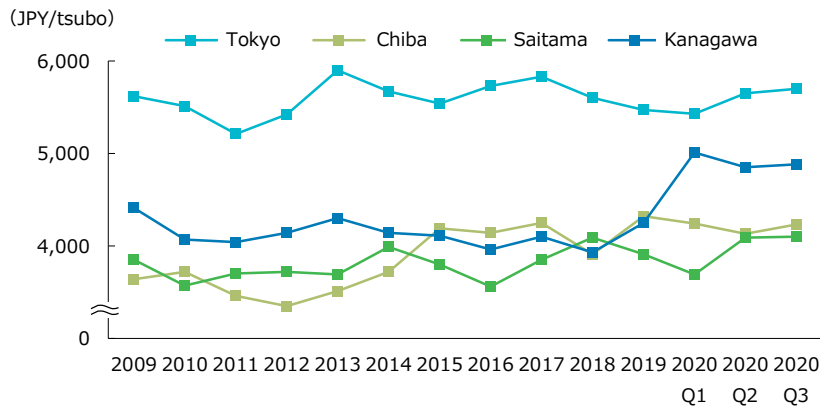
- ▶ Greater Tokyo Area : Although the supply in 2021 is expected to exceed that of in 2019 and hit a record-high, the vacancy rate is expected to be 2% or less due to strong demand.
- ▶ Kinki Area : Although the supply is expected to hit a record-high in 2021, strong demand will continue and the overall vacancy rate will remain stable at a low level.

Greater Tokyo Area Market

<Supply-Demand Balance mid-term forecast (mid-large property) >

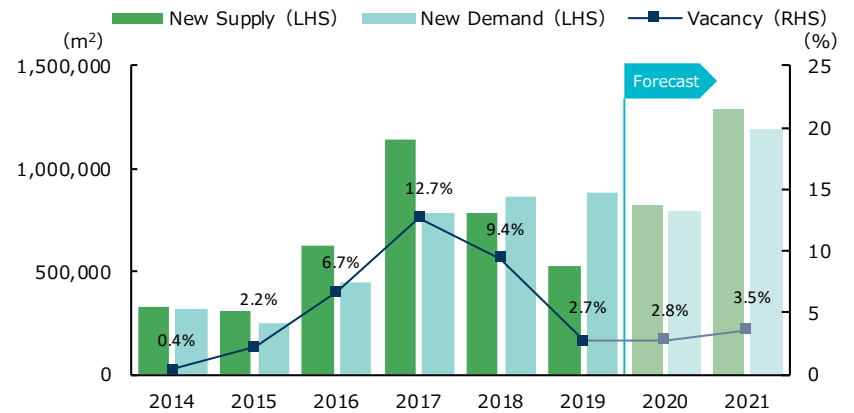


<Rent Trend (Large multi-tenant property) >

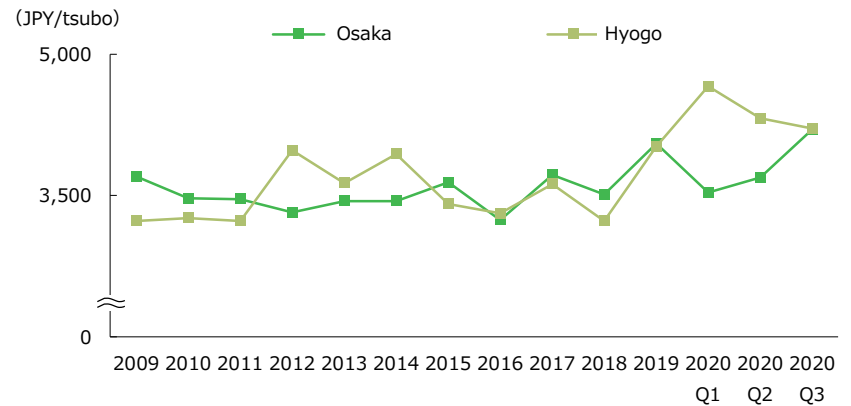


Kinki Area Market

<Supply-Demand Balance mid-term forecast (mid-large property) >



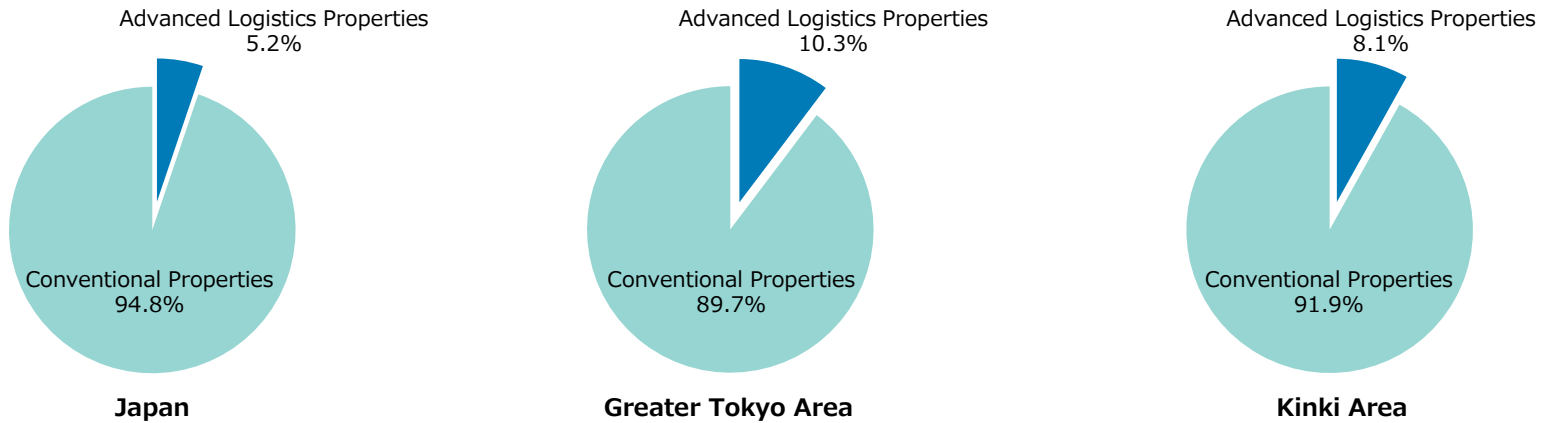
<Rent Trend (Large multi-tenant property) >



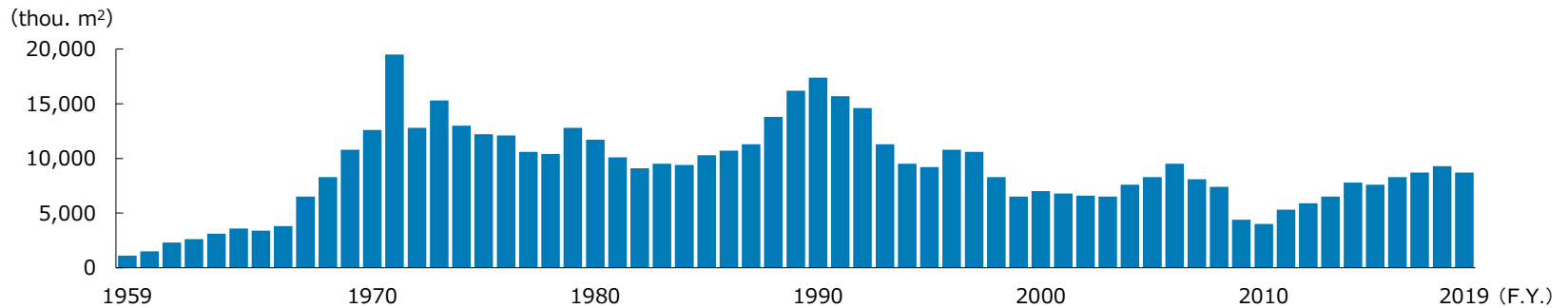
Real Estate Market of Logistics Properties ②

- ▶ The advanced logistics properties comprise only 5.2% of the entire logistics properties in Japan.
- ▶ Although the floor area of logistics properties' construction tends to increase in recent years, it is still at low level compared to the past.

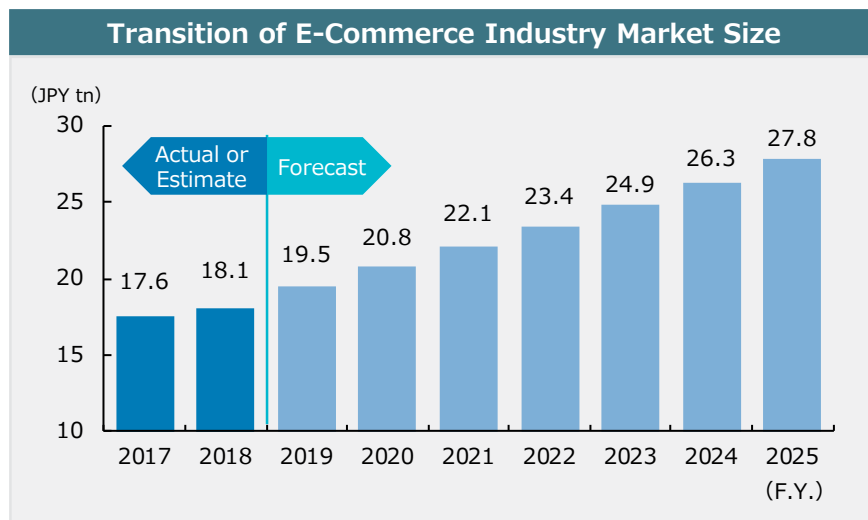
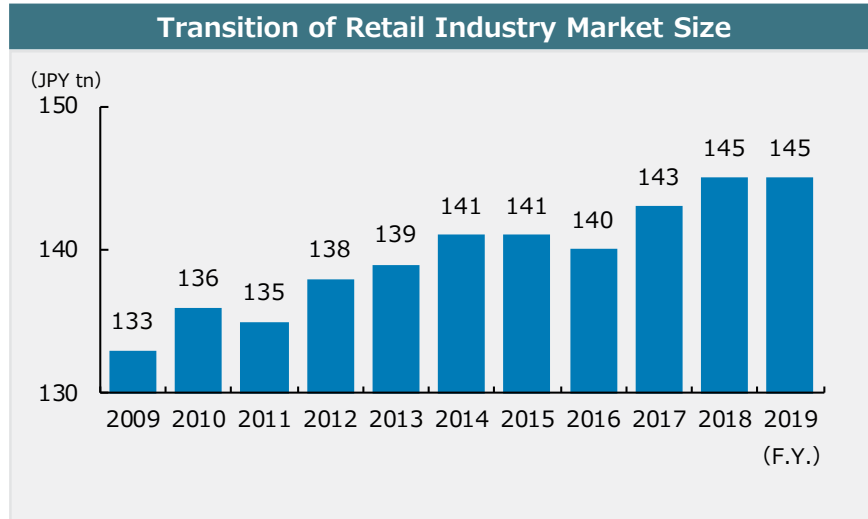
✓ Scarcity of Advanced Logistics Properties (as of November 2019, area basis)



✓ Historical Long-term Trend of Logistics Properties' Construction



► The Expanding Consumer Market

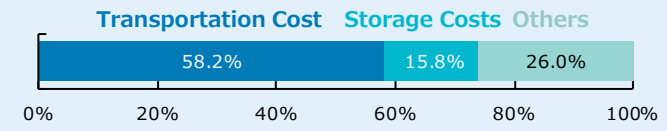


► Increasing Demand for Logistics Properties and Prominent Issues

Issues that tenants in Logistics Industry are facing

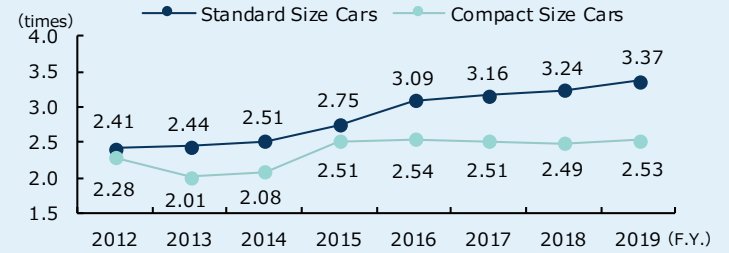
1 The high proportion of transportation cost (largest cost)

Logistics cost structure of all industries by Logistics feature (F.Y.2019)



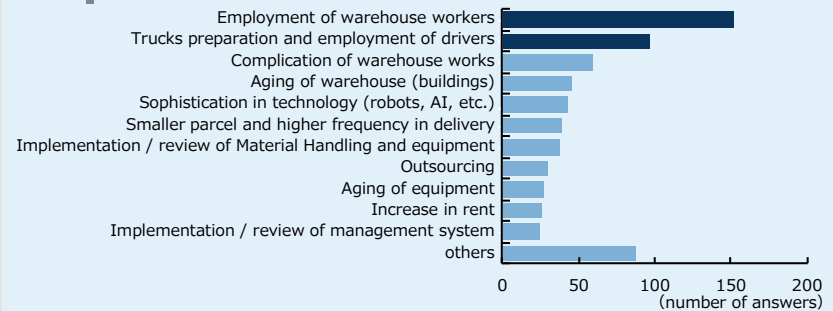
2 The increase in frequency of delivery due to demand for courier service

Number of times of delivery per commercial vehicle (incl. truck) in one day



3 Securing workforce for warehouse operations and transportation

Questionnaire concerning logistic strategies (F.Y. 2019)

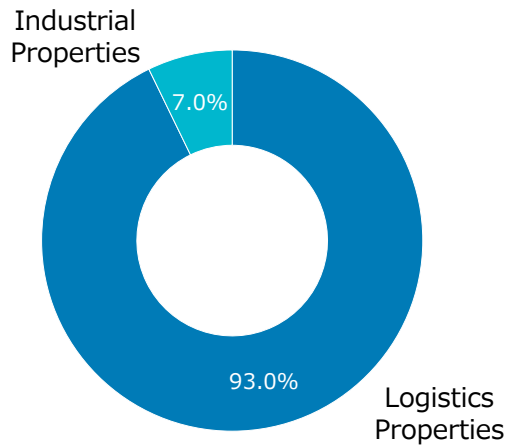


Portfolio Summary

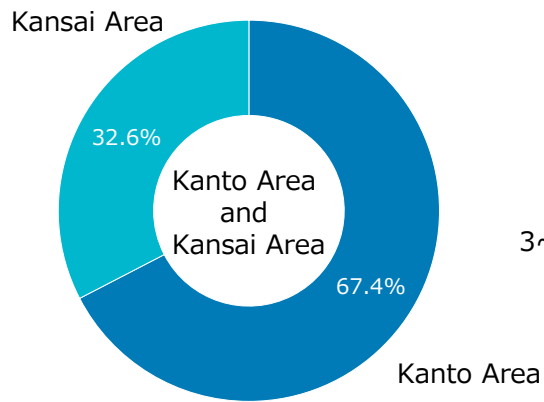
Property Type	Property Number	Property Name	Acquisition Price (JPY mn)	Appraisal Value (JPY mn)	Appraisal NOI yield (%)	Gross Floor Area (m ²)	Building Age (year)	Occupancy Rate (%)	Number of Tenants
Logistics Properties	L-01	SOSiLA Yokohama Kohoku (quasi-co-ownership interest of 80%)	24,840	27,280	4.5	83,782.32 (67,025.85)	3.2	100.0	6
	L-02	SOSiLA Sagamihara	12,820	14,100	4.8	53,412.93	2.5	100.0	1
	L-03	SOSiLA Kasukabe	10,300	10,700	5.0	48,420.86	1.7	100.0	3
	L-04	SOSiLA Kawagoe	4,124	4,750	5.5	21,818.73	1.8	100.0	2
	L-05	SOSiLA Nishiyodogawa I	17,470	18,600	5.1	71,416.86	4.4	100.0	2
	L-06	(Tentative) Hiratsuka LastMileCenter	1,200	1,230	4.8	1,628.08	17.6	100.0	1
	L-07	SOSiLA Ebina (quasi-co-ownership interest of 62%)	14,694	14,900	4.4	71,963.60 (44,617.43)	0.7	100.0	5
	L-08	SOSiLA Nishiyodogawa II	8,404	8,470	5.0	47,494.24	3.6	100.0	4
Industrial Properties	I-01	Hokko Oil Tank (Land with leasehold interest)	3,210	3,290	5.1	76,255.99	-	100.0	1
	I-02	Nanko Boarding Yard (Land)	3,800	3,840	5.1	56,237.09	-	100.0	1
Total (Average)			100,862	107,160	4.8	399,937.62 (355,834.98)	2.9	100.0	26

The New Acquisition

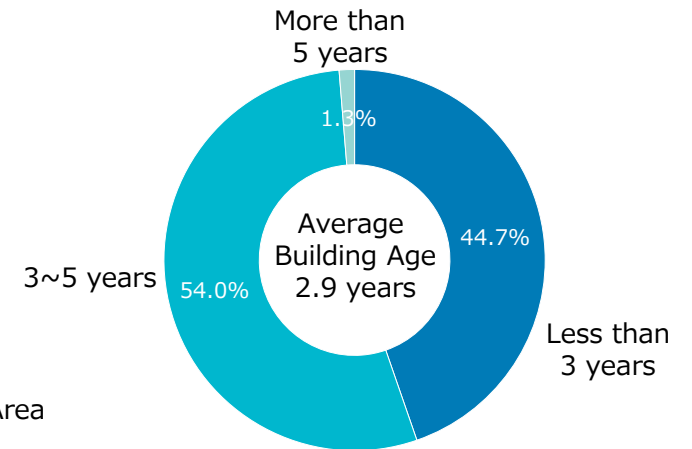
Investment Ratio by Property Type
 (on acquisition price basis)



Investment Ratio by Area
 (on acquisition price basis)



Investment Ratio by Building Age
 (Logistics Properties, on acquisition price basis)



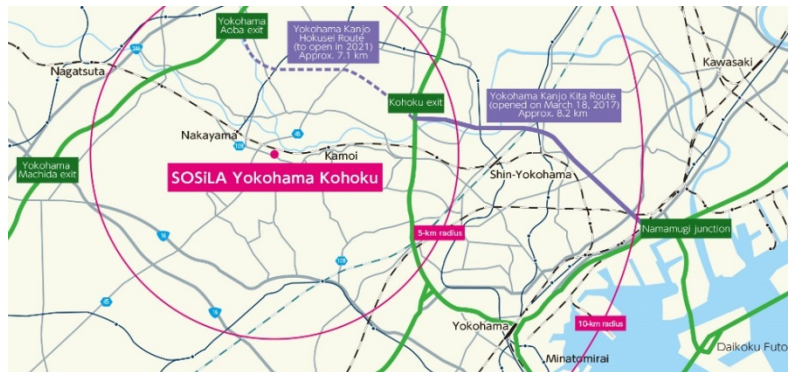
Property L-01 (SOSiLA Yokohama Kohoku (quasi co ownership interest of 80%))

Logistics Property	Kanto Area	Tomei Expressway	Daisan Keihin Road	Yokohama North Route	Within 2km from station	Within 5km from IC
Ramp way	2-side Berth	Cafe Lounge	LED	Emergency Power Generator	CASBEE A Rating	BELS ★★★★★



Location

- The property is located within 20km of central Tokyo, at approximately 4.9km from “Yokohama-Aoba” IC of the Tomei Expressway, and can access to National Route 246, which runs parallel to the Tomei Expressway, in about the same distance, “Kohoku” IC on Daisan Keihin Road which also leads to the metropolitan area, “Shin-Yokohama” IC on Yokohama North Route. Furthermore, it is close to National Route 16, which circles the Tokyo metropolitan area, and can respond to high-frequent delivery to the neighborhood and city center, as well as wide-area delivery to the metropolitan area.
- In recent years, securing labor force has been an issue for tenants’ shippers and 3PL shippers. As this property is located within walking distance from Nakayama Station of JR Yokohama Line and Yokohama Municipal Subway Green Line, it makes it advantageous in securing employment.



Features of Property

- A 4-story building of SOSiLA series. Ramp way access is available from the 1st to the 3rd floors.
- In addition to the truck berths facing the central driveway on the 1st through 3rd floors, truck berths are also installed on the east side section, which is a 2-side berth, making it usable as a transit-type distribution center as well. Besides, 3rd/4th floors is a maisonette type which can accommodate tenants’ various storage needs.



Location	Yokohama City, Kanagawa
Construction Date	September 21, 2017
Acquisition Price	JPY 24,840 million
Appraisal Value	JPY 27,280 million
Appraisal NOI Yield	4.5%
Gross Floor Area	83,782.32m ² (67,025.85m ²)
Land Area	39,041.22m ²
Structure	Reinforced Concrete, RC aluminum-zinc alloy coated steel roofing/4-story
Constructor	Maeda Corporation
Number of Tenants	6
Major Tenant	AEON Global SCM Co., Ltd.

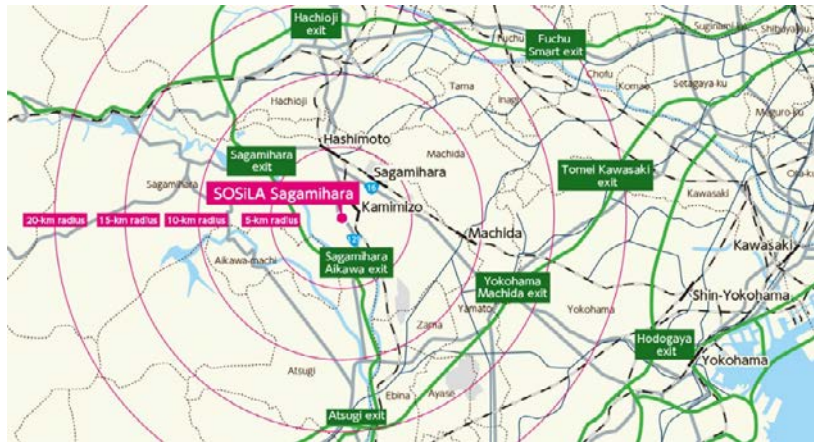
Property L-02 (SOSiLA Sagamihara)

Logistics Property	Kanto Area	Ken-O Expressway	Within 5km from IC	Route 16
Cafe Lounge	LED	Emergency Power Generator	CASBEE A Rating	BELS ★★★★★



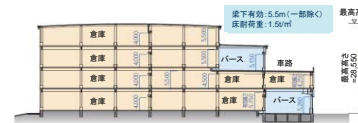
Location

■ The property is located within 40km of central Tokyo and about 3.3km from “Sagamihara Aikawa” IC on the Ken-o Expressway via National Route 129. The Ken-o Expressway connects to the Tomei Expressway and the Chuo Expressway, which in turn connect central Tokyo and the Chukyo and Kinki areas. This location allows not only transportation to central Tokyo but also nationwide transportation using highways connecting Tokyo, Nagoya and Osaka.



Features of Property

■ A 4-story logistics facility of SOSiLA series. It has a slope that provides direct access to the 3rd floor. Truck berths are located on the north side of the 1st and 3rd floors. The 1st/2nd floors and the 3rd/4th floors can be used as transit logistics center or storage logistics center using its maisonette structures.



Location	Sagamihara City, Kanagawa
Construction Date	May 11, 2018
Acquisition Price	JPY 12,820 million
Appraisal Value	JPY 14,100 million
Appraisal NOI Yield	4.8%
Gross Floor Area	53,412.93m ²
Land Area	28,576.44m ²
Structure	RC aluminum-zinc alloy coated steel roofing/4-story
Constructor	Okumura Corporation
Number of Tenants	1
Major Tenant	Sun City Building



Location

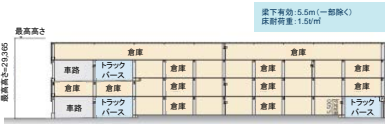
■ The property is located within 40km of central Tokyo and has good access to National Route 4, which connects central Tokyo and the Tohoku area via Tochigi Prefecture, and National Route 16, which circles the Tokyo metropolitan area. The Property can thus be used for delivery to neighboring areas and wider areas as well as being a gateway to the Tokyo metropolitan area for manufacturers with production sites in the northern Kanto area. Buses run frequently from “Kasukabe” and “Minami Sakurai” stations on the Tobu Railway to nearby AEON MALL Kasukabe, which enables tenants to secure labor force from a wide area.



Features of Property

■ A 4-story logistics facility of the SOSiLA series. It has a slope that provides direct access to the 3rd floor. Truck berths are located on the east and the west side of the 1st floor, and on the west side of the 3rd floor. The 1st/2nd floors and the 3rd/4th floors can be used as transit logistics center or storage logistics center using its maisonette structures.

Location	Kasube City, Saitama
Construction Date	March 8, 2019
Acquisition Price	JPY 10,300 million
Appraisal Value	JPY 10,700 million
Appraisal NOI Yield	5.0%
Gross Floor Area	48,420.86m ²
Land Area	24,394.93m ²
Structure	Reinforced Concrete, RC aluminum-zinc alloy coated steel roofing/ 4-story
Constructor	Maeda Corporation
Number of Tenants	3
Major Tenant	Yamato Logistics Co., Ltd.



Property L-04 (SOSiLA Kawagoe)

Logistics Property	Kanto Area	Ken-O Expressway	Kanetsu Expressway	Route 16
Box-Type	Cafe Lounge	LED	Emergency Power Generator	CASBEE A Rating
				BELS ★★★★★



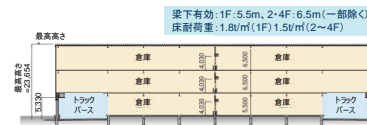
Location

■ The property is located within 35km of central Tokyo. It is about 8.8km from the “Kawagoe” IC on the Kanetsu Expressway, which connects central Tokyo and Niigata, and about 6.7km from the “Kawajima” IC on the Ken-o Expressway via National Route 254. Its location enables rapid delivery to central Tokyo as well as the greater Tokyo area, including the northern Kanto area, and the Koshinetsu area. Buses operated by the industrial complex’s cooperative association run from “Kawagoe” Station on the Tobu Tojo Line and the JR “Kawagoe” Line and “Hon-Kawagoe” Station on the Seibu Shinjuku Line. Therefore there is no problem in securing labor force.



Features of Property

■ A 4-story logistics facility (the warehouse is a 3-story building) of the SOSiLA series. Truck berths are located on the north and the south side of the 1st floor. The 1st/2nd floors and the 1st/4th floors can be used as transit logistics center or storage logistics center using its maisonette structures.



Location	Kawagoe City, Saitama
Construction Date	January 18, 2019
Acquisition Price	JPY 4,124 million
Appraisal Value	JPY 4,750 million
Appraisal NOI Yield	5.5%
Gross Floor Area	21,818.73m ²
Land Area	11,924.85m ²
Structure	Reinforced Concrete, RC aluminum-zinc alloy coated steel roofing/ 4-story
Constructor	Nishimatsu Construction Co., Ltd.
Number of Tenants	2
Major Tenant	Hamakyorex Co., Ltd.



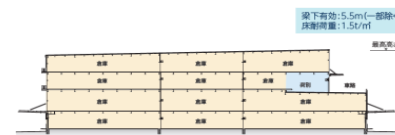
Location

■ The property is located in Nishiyodogawa-ku, Osaka, which is within 10 km of central Osaka. It is about 0.6km from “Nakashima” IC on the Hanshin Expressway Route 5 Bayshore Line and about 6.6km from “Amagasaki” IC on the Meishin Expressway. The property can therefore respond to high-frequent delivery to the Hanshin area as well as transportation to a wider area from Chukyo to Chugoku.



Features of Property

■ A 4-story logistics facility of the SOSiLA series. It has a slope that provides direct access to the 3rd floor. Truck berths are located on the both sides of the 1st floor and on the northwest side on the 3rd floor. The 1st/2nd floors and the 3rd/4th floors can be used as transit logistics center or storage logistics center using its maisonette structures.



Location	Osaka City, Osaka
Construction Date	June 30, 2016
Acquisition Price	JPY 17,470 million
Appraisal Value	JPY 18,600 million
Appraisal NOI Yield	5.1%
Gross Floor Area	71,416.86m ²
Land Area	38,024.00m ²
Structure	Steel-framed, alloy plated steel, shingle roofing/4-story
Constructor	Daiwa House Industry Co., Ltd. Hazama Ando Corporation
Number of Tenants	2
Major Tenant	Konoike Transport Co., Ltd.

Logistics Property	Kanto Area	Ken-O Expressway	Odawara-Atsugi Road	Within 5km from IC
		Frequent & small package delivery	2-side Berth	Refrigeration & Freezing equipment

► Acquisition of “the last mile” property leveraging the asset manager’s independent network



Features of Property / Location

- Located in the central part of Kanagawa prefecture, within about 60km from central Tokyo. Located at Hiratsuka City, which is one of the core developing cities in Kanagawa, and where industrial facilities, such as factories, and retail facilities, such as shopping malls, are concentrated around National Highway 129. Approximately 3.6km from Isehara IC on the Odawara-Atsugi Road, and is accessible to the Ken-O Expressway.
- Hiratsuka City has a population of about 250,000 and 113,000 households. The property is nearby a densely populated residential area. In addition, there are multiple large-scale retail facilities around the property, which makes it highly convenient for handling packages and 24-hour operation. Facing a wide road, enjoying a good location of “the last mile” for frequent delivery of small packages.
- The facility has been used as a delivery point by the tenant for a long time since its completion. A stable operation can be expected, and is equipped with 2-side berth, refrigeration and freezing equipment.

Location	Santa, Higashitoyoda, Hiratsuka City, Kanagawa
Construction Date	April 30, 2003
Acquisition Date	October 16, 2020
Acquisition Price	JPY 1,200 million
Appraisal Value	JPY 1,230 million
Appraisal NOI Yield	4.8%
Gross Floor Area	1,628.08㎡
Land Area	8,000.04㎡
Structure	Steel-framed, alloy plated steel, shingle roofing/ 2-story
Constructor	Takumi Corporation
Number of Tenants	1
Major Tenant	Konoike Transport Co., Ltd.

▶ **Continued acquisition of SOSiLA series flagship property, appealing to tenants in terms of location, facility, software**

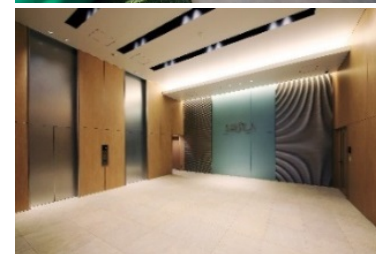


Location

- 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. 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.
- 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 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, 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 properties of the SOSiLA series, 4-story building of the total floor area of over 70,000m², with ramp way that allows trucks to pull in directly to the 1st through 3rd floors. Berths with a central truck lane on both sides facilitate 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, 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.



Location	5 Nakashinden, Ebina City, Kanagawa
Construction Date	February 17, 2020
Acquisition Date	December 4, 2020
Acquisition Price	JPY 14,694 million
Appraisal Value	JPY 14,900 million
Appraisal NOI Yield	4.4%
Gross Floor Area	71,963.60m ² (44,617.43m ²)
Land Area	33,817.00m ²
Structure	Reinforced Concrete, RC aluminum-zinc alloy coated steel roofing/4-story
Constructor	Kumagai Gumi Co., Ltd.
Number of Tenants	5
Major Tenant	Konoike Transport Co., Ltd.

Logistics Property	Kansai Area	Hanshin Expressway Wangan Line	Hanshin Expressway Kobe Line	Within 5km from IC
Slope-Type	LED	Emergency Power Generator	CASBEE A Rating	

► High versatility multi-type logistics property located close to Osaka consumption area

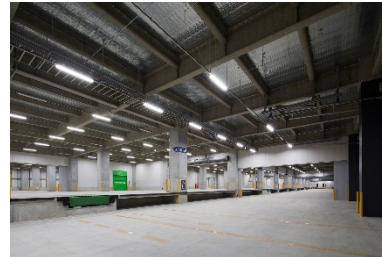


Location

- The Property is located in Nishiyodogawa-ku, Osaka City, which is within 10km from central Osaka. It is located within 5km from interchanges, about 0.3km from the Nakashima exit on the Hanshin Expressway Route 5 Wangan Line connecting Osaka and Kobe, 3.5km from the Owada exit on the Hanshin Expressway Route 3 Kobe Line and about 6.1km from the Amagasaki IC on the Meishin Expressway connecting the Kinki area, the Chukyo area and the Greater Tokyo area. The Property can therefore respond to high-frequency delivery to the Hanshin area as well as transportation to a wider area from the Chukyo area to the Chugoku area, which gives competitive strength in terms of location.
- The area around the property is a restricted industrial zone, making it possible to operate around the clock. On the other hand, Nishiyodogawa-ku, Osaka City has a certain population density around it, and a bus route runs via “Dekijima” Station, the nearest station, on the Hanshin Namba line, JR “Mitejima” Station, JR “Tsukamoto” Station, and “Juso” Station, where the Hankyu Kobe line, Takarazuka line and Kyoto line diverge, to JR “Osaka” Station, the main station in Osaka. This makes for a favorable environment in light of securing labor force.

Features of Property

- This property is a 4-story, adopted slope-style structure and one of the SOSiLA series logistics properties with a slope, which provides direct access to the 3rd floor. Truck berths are installed on the south west sides of the 1st and 3rd floors, and the property is available for various needs such as division between the 1st/2nd floors and the 3rd/4th floors in a maisonette type, or between the northwest side and the southeast side.
- With the ceiling beam height clearance of 5.5m and the floor load of 1.5t/ m2 for each floor, especially with the ceiling height exceeding 6m on the 2nd and 4th floors, the property is available for various needs including the construction of automatic racks. The column spacing is 11.4m by 10.0m from the 1st through 3rd floors, and pillar-free space of the maximum 45.6m by 23.5m is secured on the 4th floor, which are very excellent specifications for efficient layouts of racks, etc. LED lights and an emergency power generating machine are also equipped.



Location	2 Nakashima, Nishiyodogawa-ku, Osaka City
Construction Date	April 11, 2017
Acquisition Date	December 4, 2020
Acquisition Price	JPY 8,404 million
Appraisal Value	JPY 8,470 million
Appraisal NOI Yield	5.0%
Gross Floor Area	47,494.24㎡
Land Area	23,635.00㎡
Structure	Reinforced Concrete, RC aluminum-zinc alloy coated steel roofing/4-story
Constructor	Obayashi Corporation
Number of Tenants	4
Major Tenant	Senshukai Co., Ltd.



Location

- The property is located in the Osaka bay area. It is very close to expressway exits and has very good access to the center of the Kansai area and the entire Kansai area. The property has a dedicated quay and can be used for marine transportation as well as land transportation. The land can be used for many different purposes as an industrial site.
- Sumitomo Corporation was founded as a real estate business operator in the Osaka bay area in 1919, and the Osaka north port area is closely related to Sumitomo Corporation Group's 100-year history in the real estate business.
- The area has been used as a stock and delivery base for petrochemical products, particularly chemical tanks, for more than half a century.
- Large-scale logistics facilities and factories concentrated in the area form an industrial complex, and 24-hour operation is possible.
- In terms of securing labor force, in general, vehicles are necessary to get to the area. This area, however, has good transportation access as it is 2.0km from the nearest station, "Sakurajima" Station on the JR Sakurajima Line, and within 10km from the central Osaka.



Location	Osaka City, Osaka
Acquisition Price	JPY 3,210 million
Appraisal Value	JPY 3,290 million
Appraisal NOI Yield	5.2%
Land Area	76,255.99m ²

Location

- The property is located in the Osaka bay area. It is very close to expressway exits and has very good access to the center of the Kansai area and the entire Kansai area. The property has a dedicated quay and can be used for marine transportation as well as land transportation. The land can be used for many different purposes as an industrial site.
- Used as a comprehensive service hub, providing services such as loading of ships, sea transportation, temporary storage, arrangement of land transportation.
- Large-scale logistics facilities are concentrated in the area, which allows for frequent deliveries and 24-hour operation.
- In terms of securing labor force, the nearest station is the "Nanko Higashi" station of the Osaka Metro Nanko Port Town line, which is located approx. 2.6km away from the Nanko Pier. In general, vehicles are necessary to reach the pier. This area, however, is located within 20km from central Osaka, which is a densely populated area. There is bus service available within walking distance nearby.



Location	Osaka City, Osaka
Acquisition Price	JPY 3,800 million
Appraisal Value	JPY 3,840 million
Appraisal NOI Yield	5.1%
Land Area	56,237.09m ²

Appraisal Value of the 2nd Fiscal Period ended Nov. 30, 2020

Property Name	Acquisition Date	Acquisition Price (JPY mn)	Book Value (JPY mn)	Appraisal Agency	End of the 1st F.P.		End of the 2nd F.P.		Increase / Decrease		Unrealized Profit / Loss (JPY mn)
					Appraisal Value (JPY mn)	Appraisal NOI Yield (%)	Appraisal Value (JPY mn)	Appraisal NOI Yield (%)	Appraisal Value (JPY mn)	Appraisal NOI Yield (%)	
SOSiLA Yokohama Kohoku (quasi-co-ownership interest of 80%)	December 10, 2019	24,840	24,919	Japan Real Estate Institute	26,560	4.2	27,280	4.1	720	△0.1	2,360
SOSiLA Sagamihara	December 10, 2019	12,820	12,822	Tanizawa Sogo Appraisal Co., Ltd.	13,800	4.4	14,100	4.3	300	△0.1	1,277
SOSiLA Kasukabe	December 10, 2019	10,300	10,315	Daiwa Real Estate Appraisal Co., Ltd.	10,500	4.8	10,700	4.7	200	△0.1	384
SOSiLA Kawagoe	December 10, 2019	4,124	4,118	Japan Real Estate Institute	4,640	4.8	4,750	4.7	110	△0.1	631
SOSiLA Nishiyodogawa I	December 10, 2019	17,470	17,466	Tanizawa Sogo Appraisal Co., Ltd.	18,200	4.9	18,600	4.8	400	△0.1	1,133
(Tentative) Hiratsuka LastMileCenter	October 16, 2020	1,200	1,245	JLL Morii Valuation & Advisory K.K.	–	–	1,230	4.5	–	–	△15
Hokko Oil Tank (Land with leasehold interest)	December 10, 2019	3,210	3,258	JLL Morii Valuation & Advisory K.K.	3,290	–	3,290	–	–	–	31
Nanko Boarding Yard (Land)	December 10, 2019	3,800	3,851	Japan Real Estate Institute	3,840	–	3,840	–	–	–	△11
Total		77,764	77,999		80,830	–	83,790	–	1,730	–	5,790

Unrealized Profit / Loss per unit JPY 11,258 / NAV per unit JPY 110,237

▶ Profit and Loss Statement

Item	Actual (JPY ,000)
Operating revenues	2,354,862
Rental revenues	2,238,488
Other rental revenues	116,373
Operating expenses	1,139,163
Rental expenses	819,256
Asset management fees	237,095
Asset custody fees, and administrative service fees	11,775
Directors' remuneration	3,000
Other operating expenses	68,035
Operating Profit	1,215,698
Non-operating income	6,024
Non-operating expenses	100,097
Interest expenses	83,321
Borrowing-related expenses	16,776
Ordinary Profit	1,121,625
Profit before income taxes	1,121,625
Total income taxes	874
Net Profit	1,120,751
Unappropriated Retained Earnings for the period (undisposed loss)	1,120,893

▶ Balance Sheet

Item	Actual (JPY ,000)
Current assets	6,357,528
Cash and deposits	3,912,198
Cash and deposits in trust	2,201,607
Other current assets	266,568
Non-current assets	78,140,783
Property, plant and equipment	77,999,431
Intangible assets	7,696
Investments and other assets	133,655
Total Assets	84,498,312
Current liabilities	3,167,675
Operating accounts payable	133,657
Short-term loans	2,100,000
Accounts payable	9,557
Accrued consumption taxes	146,495
Advances received	412,673
Other current liabilities	365,292
Non-current liabilities	29,191,095
Long-term loans	27,400,000
Leasehold and security deposits in trust	1,791,095
Total Liabilities	32,358,770
Total unitholders' equity	52,139,541
Unitholders' capital, net	51,018,648
Unappropriated retained earnings	1,120,893
Total Net Assets	52,139,541
Total Liabilities and Net Assets	84,498,312

Interest-bearing Debt

Class.	Lender	Balance (JPY mn)	Interest Rate	Borrowing Date	Maturity Date	Remarks
Short-term	Sumitomo Mitsui Banking Corporation	900	Base Interest Rate + 0.15%	December 10, 2020	November 30, 2021	Unsecured Non-guaranteed
	Sumitomo Mitsui Trust Bank	600				
	Mizuho Bank	600				
	Sumitomo Mitsui Banking Corporation	1,500	Base Interest Rate + 0.15%	December 4, 2020	November 30, 2021	
Subtotal		3,600	-	-	-	-
Long-term	Sumitomo Mitsui Banking Corporation	2,800	0.39370%	December 10, 2019	December 11, 2023	Unsecured Non-guaranteed
	Sumitomo Mitsui Trust Bank	2,400				
	Mizuho Bank	1,800				
	The Bank of Fukuoka	1,000				
	Sumitomo Mitsui Banking Corporation	2,600	0.53388%			
	Sumitomo Mitsui Trust Bank	2,500				
	Mizuho Bank	1,800				
	MUFG Bank	700				
	The Bank of Fukuoka	1,000				
	Development Bank of Japan	500				
	Sumitomo Mitsui Banking Corporation	1,800	0.69162%			
	Sumitomo Mitsui Trust Bank	1,000				
	Mizuho Bank	1,700				
	MUFG Bank	1,300				
	Development Bank of Japan	500				
	Mizuho Trust & Banking	500				
	Sumitomo Mitsui Banking Corporation	1,200	0.86056%			
	Sumitomo Mitsui Trust Bank	600				
	Mizuho Bank	1,200				
Mizuho Trust & Banking	500					

Interest-bearing Debt②

Class.	Lender	Balance (JPY mn)	Interest Rate	Borrowing Date	Maturity Date	Remarks
Long-term	Sumitomo Mitsui Banking Corporation	1,450	0.41755%	December 4, 2020	November 30, 2026	Unsecured Non-guaranteed
	Sumitomo Mitsui Trust Bank	1,100				
	Mizuho Bank	1,100				
	MUFG Bank	400				
	Development Bank of Japan	200				
	Mizuho Trust & Banking	200				
	The Bank of Fukuoka	400				
	Sumitomo Mitsui Banking Corporation	1,450	0.55763%			
	Sumitomo Mitsui Trust Bank	1,100				
	Mizuho Bank	1,100				
	MUFG Bank	400				
	Development Bank of Japan	200				
	Mizuho Trust & Banking	200				
	The Bank of Fukuoka	400				
Subtotal	37,100	-	-	-	-	
Total	40,700	-	-	-	-	

Unitholder Composition of the end of 2nd Fiscal Period

► Breakdown by unitholder

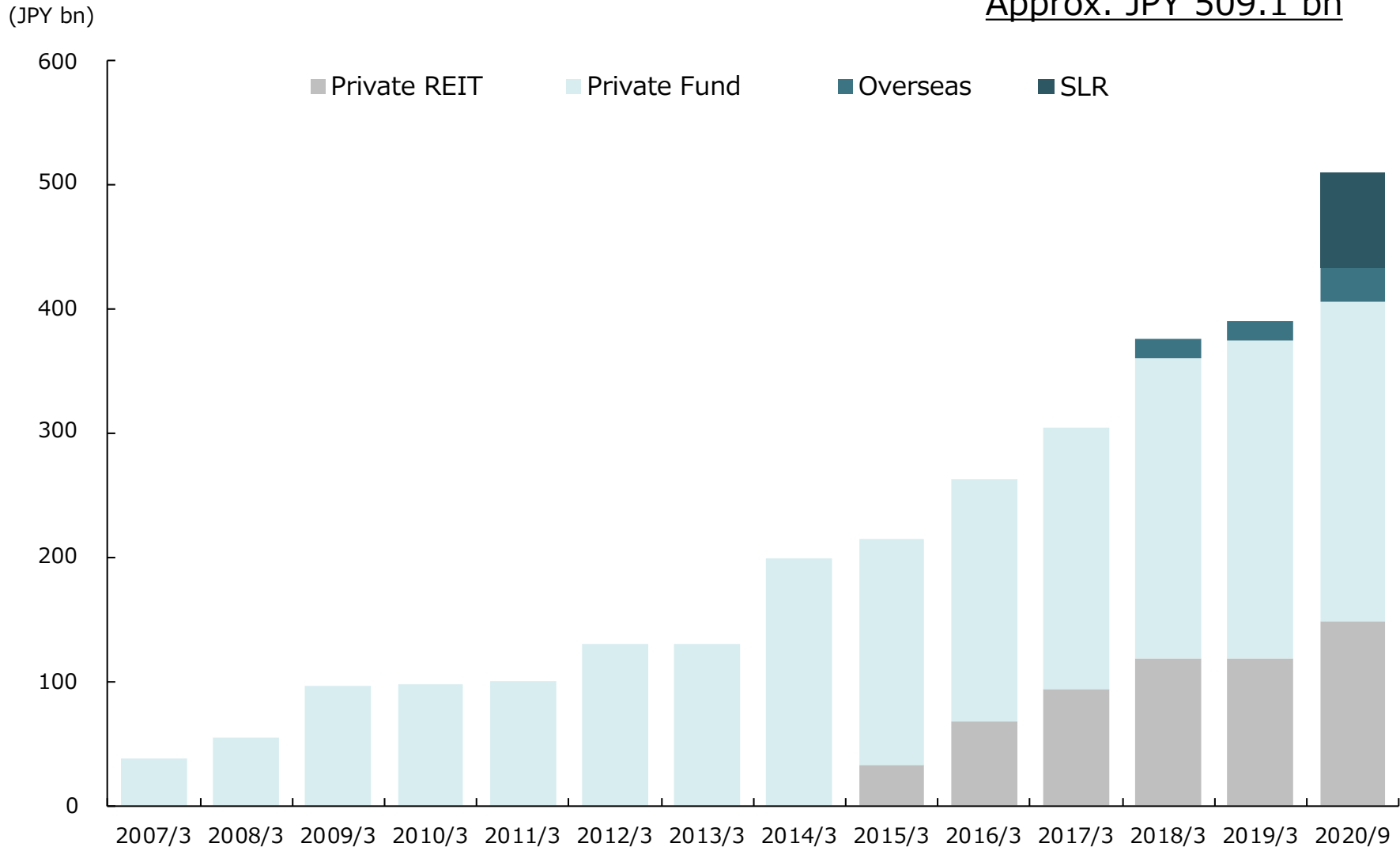
	Period ended Nov. 30, 2020			
	Number of Unitholders	Ratio (%)	Number of Units	Ratio (%)
Domestic Individuals and Others	11,236	95.52	84,973	16.52
Financial Institution	112	0.95	273,144	53.10
Other Domestic Entities	264	2.24	49,383	9.60
Foreign Entities and Individuals	124	1.05	93,089	18.09
Securities Companies	26	0.22	13,761	2.67
Total	11,762	100.00	514,350	100.00

► Major Unitholder

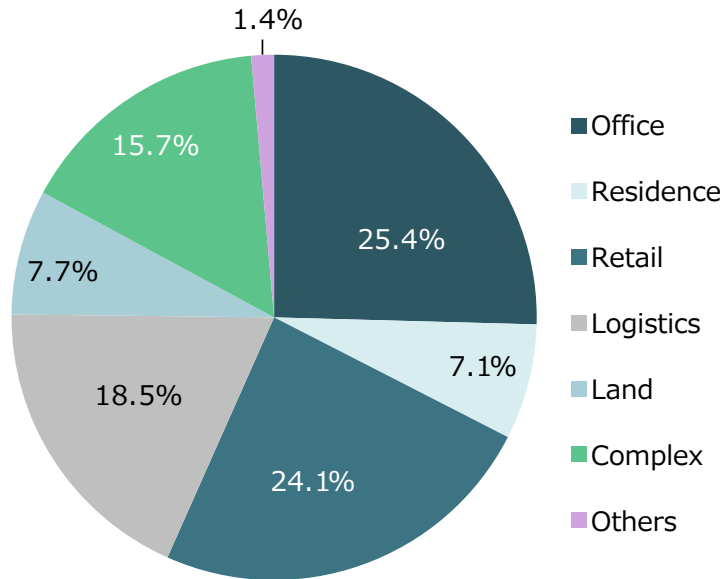
Name	Units Owned	Ratio (%)
Japan Trustee Services Bank, Ltd. (Trust Acct.)	61,074	11.87
The Master Trust Bank of Japan, Ltd. (Trust Acct.)	59,602	11.58
Sumitomo Corporation	24,500	4.76
The Nomura Trust and Banking Company, Ltd. (Trust Acct.)	15,411	2.99
PERSHING SECURITIES LTD CLIENT SAFE CUSTODY ASSET ACCOUNT	11,880	2.30
Custody Bank of Japan, Ltd. (Securities Investment Trust Acct.)	11,342	2.20
NOMURA BANK (LUXEMBOURG) S. A.	9,940	1.93
NORTHERN TRUST CO. (AVFC) RE COLONIAL FIRST STATE INVESTMENTS LIMITED	8,232	1.60
Mitsubishi UFJ Trust and Banking Corporation	8,152	1.58
Custody Bank of Japan, Ltd. (Money Trust Tax Account)	7,436	1.44
Total	217,569	42.29

Growth of SRM's AUM Balance

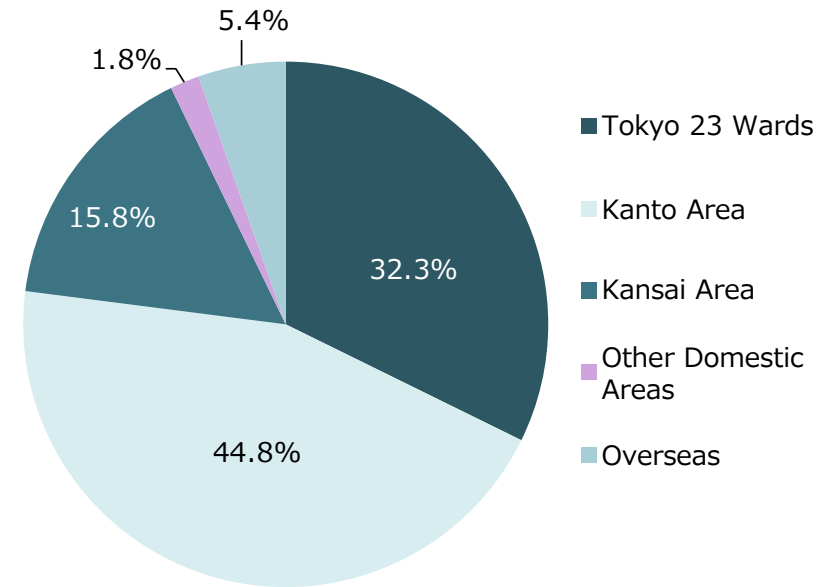
As of the end of Sep. 2020
Approx. JPY 509.1 bn



▶ Ratio by Property Type (acquisition price basis)



▶ Ratio by Area (acquisition price basis)



1. Climate Change Measures

SRM shall contribute to creating a carbon-neutral society through efforts on efficient use of energy and reduction of energy consumption and greenhouse gas emissions at real estate under management. Furthermore, recognizing the importance of renewable energies, SRM shall consider possible utilization of such.

2. Efforts on Reducing Environmental Burden

Recognizing environmental burden at real estate under management, including water consumption and waste discharge, SRM shall continuously make efforts to reduce such.

3. Consideration for Natural Environment

With sufficient consideration for protection of natural ecosystem and other natural environment as well as for maintenance/conservation of biodiversity, SRM shall promote greener buildings and communities.

4. Efforts on Improving Health and Comfort

SRM shall strive to improve real estate value by raising tenant satisfaction through assessment of needs and appropriate implementation of measures for enhancing health/comfort of tenants and local communities.

5. Efforts on Enhancing Resilience

SRM shall strive to improve real estate value by retaining and gaining good tenants through enhancement of resilience of real estate under management against climate change and disasters. In addition, SRM aims for real estate management that can respond flexibly to changes in social structure such as urbanization and work sharing.

6. Collaboration with Stakeholders

SRM shall establish a good relationship with tenants, property management companies, local communities and other stakeholders involved in real estate under management and collaborate to promote ESG.

7. Efforts for SRM's Employees

SRM shall strive to develop employees' skills by providing specialized training, support for acquisition of qualifications and such based on its human resources strategy. In addition, SRM shall work to create a favorable working environment to allow diverse employees to work comfortably in good health.

8. Compliance and Strengthening of Governance

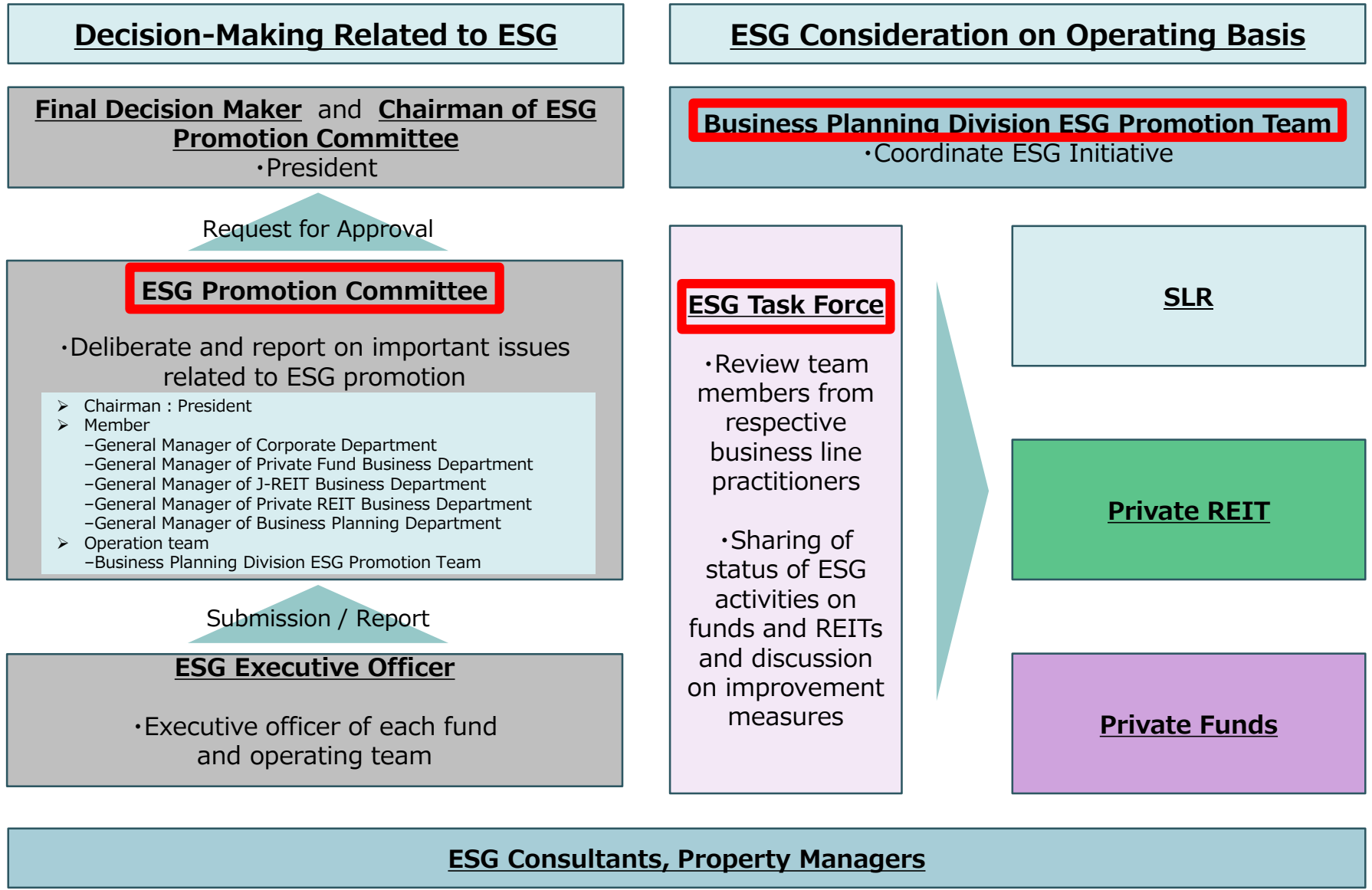
In order to protect investors and ensure SRM's proper operations, SRM shall not only abide by laws and regulations, but also strive to prevent corruption, prevent conflicts of interest, manage information properly, and value human rights and diversity.

9. Disclosure of ESG Information and Utilization of Outside Evaluation

SRM shall make efforts to implement appropriate and transparent disclosure of ESG-related information for its stakeholders, and consider utilization of outside evaluation and third-party certification.

SRM's Structure for implementing ESG Initiatives

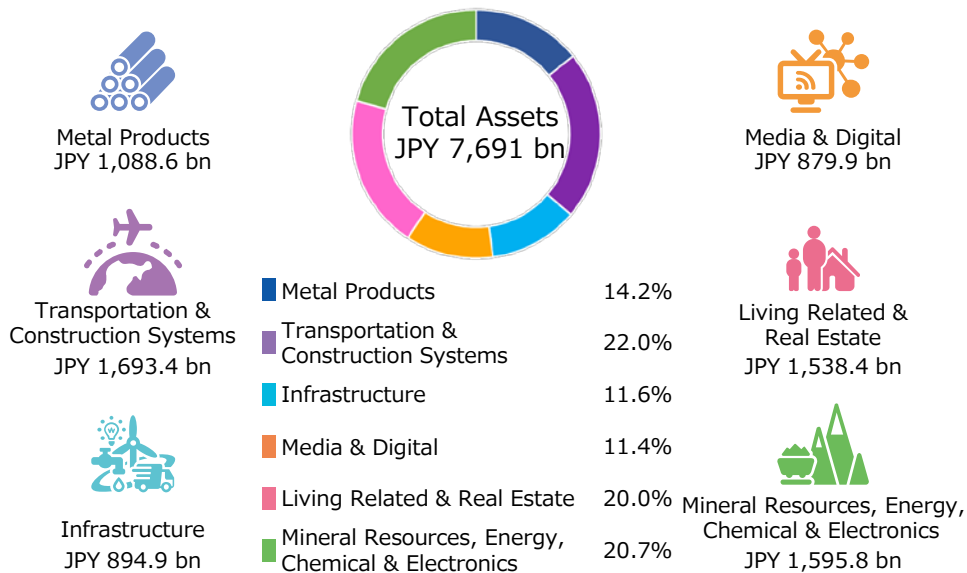
 ...New organization as of April 1, 2020



► Overview and Consolidated Business Performance

Revenue Approx. JPY 5,299.8 bn	Net Profit (Attributable to owners of the parent) Approx. JPY 171.4 bn	Total Assets Approx. JPY 8,128.5 bn	Corporate Evaluation Fortune Global 500 for 25 consecutive years
Offices Across 66 countries 136 locations	Employees 72,642 members	Consolidated subsidiaries and equity-method affiliates 957	

► Six Lines of Business developed by sponsor



► Founded in 1919, 100-year History



- ✓ December 1919, founded as The Osaka North Harbour Company Limited (Real estate management business, including the land reclamation of the Osaka North Harbour Area and its surrounding areas)
- ✓ November 1945, renamed as Nippon Engineering Co., Ltd. and entered trading-business
- ✓ June 1952, renamed as Sumitomo Corp.

- * Unless otherwise noted, amounts of money and other figures are rounded down to the designated units, and percentages are rounded to the designated units. Accordingly, the total amount or percentage per item may not match the total of those amounts or percentages shown.
- * Unless otherwise noted, the following is premised.

(P2)

“Flagship property”

Of the SOSiLA series, SLR positions a property which satisfies in a high level all conditions such as “excellent location close to consumption areas perceiving issues of logistics facilities”, “sophisticated design with excellent versatility” and “provision of high-quality management support by Sumitomo Corp. Group”; and is especially close to large scale consumption areas having a gross floor area of 50,000m² or more and equipped with a ramp way (a drive way spiraling from the ground up to upper floors; the same shall apply hereinafter), or having a gross floor area of 75,000m² or more, as a “flagship property”. Of SLR’s owned properties and the anticipated acquisition, SOSiLA Yokohama Kohoku and SOSiLA Ebina are positioned as flagship properties; the same shall apply hereinafter.

“Asset Size” The total (anticipated) acquisition prices (please refer to the notes for P5); the same shall apply hereinafter.

“the last mile” property

The final delivery base that handles the delivery of the final section (“last one mile”) from the final delivery base of the logistics company/shipper to the destination of the customer; the same shall apply hereinafter.

“LTV” means the ratio of total interest-bearing debt (the total of borrowings, issued and outstanding investment corporation bonds and short-term investment corporation bonds) to total assets on the balance sheet of SLR; the same shall apply hereinafter.

(P5)

The figures are those as of December 4, 2020.

(P6)

The figures are those as of December 4, 2020.

(P8)

“Mid-term Growth Target”

The “mid-term growth target” of the asset size is only the target as of the date of preparation of this document, which does not warrant or promise the realization or timing of achievement thereof; the same shall apply hereinafter.

The figures of “DPU” of the forecast for the 3rd fiscal period ended May 31, 2021 and the 4th fiscal period ended November 30, 2021 are those in the “SLR Announces Revisions to Forecasts for Investment Results in the Fiscal Period Ending May 31, 2021 and Disclosure of Forecasts for Investment Results in the Fiscal Period Ending November 30, 2021” announced on November 13, 2020. The same shall apply hereinafter.

“DPU” of the forecast for the 2nd fiscal period ended November 30, 2020 is the forecasted DPU in the “Summary of Financial Results for the Fiscal Period Ended May 31, 2020” announced on July 17, 2020.

(P10)

“Change in portfolio property composition (acquisition price basis)”

The ratio of the (anticipated) acquisition price of each owned asset or anticipated acquisition to the total (anticipated) acquisition prices of assets owned by SLR before and after acquisition of the new acquisition, rounded to the first decimal place.

“Change in ratio of the top 5 tenants (Annual rent basis)”

The percentage of the annual rents of the top 5 tenants to the total annual rents of the assets owned by SLR before and after acquisition of the new acquisition, rounded to the first decimal place. Since the consent of the tenants for disclosure of annual rents has not been obtained, and such annual rents may be speculated by disclosing the names and percentages of the tenants, the names and percentages of the tenants are not disclosed.

(P12)

“Occupancy Rate”

The ratio of the total leased area to the total leasable area as of November 30, 2020.

“The 2nd F.P. NOI Yield”

((NOI of the 2nd fiscal period) ÷ Days of operation (183 days) × 365 days) ÷ total acquisition price.

“Appraisal Value”

The appraisal value stated in the respective real estate appraisal reports with the date of valuation being November 30, 2020. In addition, for the appraisal value of SOSiLA Yokohama Kohoku, the value equivalent to the percentage of quasi-co-ownership interest (80%) is indicated.

“Average Building Age (Logistics Properties)”

Of the assets owned, the weighted average number of years from the completion date indicated on respective registers of the owned properties until November 30, 2020 based on the respective acquisition prices, rounded to the first decimal place.

“Average Lease Term (Logistics Properties)”

The weighted average lease term of the lease terms set forth in the lease contracts for the respective owned properties (logistics property) and anticipated acquisition (logistics properties) which are in force as of November 30, 2020 based on annual rents, rounded down to the first decimal place

“Average Remaining Lease Term (Logistics Properties)”

The weighted average lease term of the terms until the expiration of lease set forth in the lease contracts for the respective assets (logistics properties) owned as of May 31, 2020 which are in force as of November 30, 2020 based on annual rents, rounded down to the first decimal place

(P18)

“Logistics Properties located close to Consumption Areas”

This refers logistic real estate with good access to consumption areas, production sites and transportation infrastructure, which is advantageous for securing a workforce. In addition, the “Metropolitan Area Delivery Logistics Properties” located close to consumption areas refers the logistic real estate located within the last one mile to a large consumption area, mainly in the Kanto and Kansai areas, located near a residential area, which SLR believes will enable immediate delivery, improved delivery efficiency and reduced environmental impact.

“Kanto area”

This refers to Tokyo, Kanagawa, Chiba, Saitama, Ibaraki, Tochigi, and Gunma.

“Kansai area”

This refers to Osaka, Hyogo, Kyoto, Nara, Wakayama, Shiga, and Mie.

(P20)

The figures are as of December 4, 2020.

(P22)

“Track record and plan of logistics properties development of the sponsor, Sumitomo Corp. (cumulative gross floor area developed/under development)”

Number and cumulative total floor area (rounded to the nearest integer) of the logistics properties having been developed by Sumitomo Corp. for the period from January 1, 2000 to November 30, 2020, and the logistics properties scheduled to be developed as of November 30, 2020 (including owned properties and anticipated acquisition; the “Logistics Properties developed by Sumitomo Corp.”). SLR owns the quasi-co-ownership interest of 80% as to SOSiLA Yokohama Kohoku and plans to acquire quasi-co-ownership interest of 62% as to SOSiLA Ebina, and therefore, future preferential negotiation rights will be granted to the remaining quasi-co-ownership interest (20% and 38%, respectively). However, in calculating the cumulative number of properties having been (scheduled to be) developed, each of these properties is counted as one property.

As of January 19, 2021, SLR does not plan to acquire any “Logistics Properties developed by Sumitomo Corp.”, except for the owned properties and anticipated acquisition, and there is no guarantee that SLR will be able to acquire any of them in the future.

Of the “Logistics Properties developed by Sumitomo Corp.”, for SOSiLA Osaka, a certain part of the area is not subject to future preferential negotiation rights.

Graphics of SOSiLA Itabashi, SOSiLA Osaka, SOSiLA Kashiwa, (tentative) SOSiLA Yashio, (tentative) SOSiLA Amagasaki and (tentative) SOSiLA Chuo-Rinkan are the renderings based on the design drawings, and may be different from the actually completed buildings; the same shall apply hereinafter.

(P23)

As of January 19, 2021, SLR does not plan to acquire any of the properties listed on this page, and there is no guarantee that SLR will be able to acquire any of them in the future.

“Gross Floor Area” of the “Logistics Properties developed by Sumitomo Corp.”

For the properties that have been completed as of November 30, 2020, the total floor area is based on the total floor area recorded in the registry, and for the properties that have not been completed, it is based on the total floor area stated in the design drawings. With respect to SOSiLA Yokohama Kohoku and SOSiLA Ebina, it indicates the gross floor area of the entire property, and the figures corresponding to the quasi-co-ownership interest to which the preferential negotiation rights will be granted in the future (20% and 38%, respectively) are noted in the below brackets. Also, for SOSiLA Osaka, the area of the portion thereof to which the preferential negotiation rights will be granted in the future is noted in the below bracket. The gross floor space of each of the “Logistics Properties developed by Sumitomo Corp.” is rounded to the nearest integer.

(P24)

“Change in BtoC / EC market size and ratio”

Prepared by SRM based on the “Results of F.Y.2019 International Economy Investigation Project of Forming Unified Domestic and Foreign Economic Growth Strategies (E-Commerce Market Survey)” by the Ministry of Economy, Trade and Industry. Each figure is rounded to the first decimal place.

“Remaining Lease Term”

The figures are those as of November 30, 2020.

(P26)

The rating is the credit rating for SLR obtained from Japan Credit Rating Agency, Ltd., and is not a rating for the Investment Units. There are no credit ratings for the Investment Units that have been provided or made available for inspection by any credit rating agency, or that will be provided or made available for inspection by any credit rating agency at SLR’s request.

“FTSE EPRA Nareit”

This indicates the investment corporations which are incorporated into FTSE EPRA Nareit Global Real Estate Index Series as of January 8, 2021.

“FTSE EPRA Nareit Global Real Estate Index Series” is an index for real property investment developed through cooperation of European Public Real Estate Association (EPRA) and National Association of Real Estate Investment Trust (Nareit) with FTSE.

“Credit Rating AA or higher”

This indicates the investment corporations that have obtained AA rating or higher (including AA-) given by either Japan Credit Rating Agency, Ltd. (JCR) or Rating and Investment Information, Inc. (R&I) as of January 8, 2021.

“Market Cap. of SLR and Listed J-REIT”

They are calculated based on each J-REIT’s unit price and total number of outstanding investment units as of January 8, 2021, rounded to the nearest unit.

“FTSE EPRA Nareit” and “Credit Rating AA or higher” indicate the status of incorporation into the index or credit ratings of each J-REIT as of January 8, 2021. It is not expected that SLR would be incorporated into any index into which SLR has not yet been incorporated or its credit ratings would be improved, and SLR does not guarantee its incorporation into any of such index nor the improvement of the ratings in the future.

(P27)

“Average LTV of J-REITs”

For 62 J-REITs, this is the average of the total LTV of the total assets, which is calculated by dividing the total interest-bearing debt by total assets, both of which are stated in the annual securities report or the summary of financial results having been disclosed as of October 16, 2020.

“After The New Acquisition”

As of December 10, 2020

(P37)

The graphs of this page are prepared by SRM based on the National Census of 2015, and the data of Tokyu Land Corporation’s J-REIT System (“TOREIT”).

“Location of other J-REITs’ Logistics Properties”

Of the composition of the “TSE REIT Logistics Focus Index” published by TSE, the ratio of the total acquisition prices of properties categorized as “warehouse” by Tokyu Land Corporation’s J-REIT System among the properties owned by REITs specialized in logistics facilities other than SLR as of September 9, 2020, to the total acquisition prices of properties located in densely habited areas and areas other than densely habited areas.

(P38)

With respect to the “Main Characteristics of SOSiLA Series”, all SOSiLA series which SLR owns or intends to acquire do not necessarily have such functions and characteristics.

(P43)

“Greater Tokyo Area”

This means Tokyo, Chiba, Saitama, and Kanagawa.

“Kinki Area”

This means Osaka and Hyogo.

The figures for 2020 and thereafter are forecasts as of November 2020, calculated based on the information independently obtained by CBRE K.K. on the assumptions that CBRE K.K. deems to be reasonable and they are not actual figures, and there is no guarantee or promise that they will be realized. Therefore, the figures may differ from actual results.

“Mid-large property”

Logistics facilities for lease with a total floor area of 5,000m² or more that are deemed by CBRE K.K. to be owned by a real estate investment corporation or a property development company and the like, based on a survey by CBRE K.K. Please note that this does not include logistics facilities for lease that are deemed to be owned by logistics companies, and the survey itself did not cover all logistics facilities with a total floor area of 5,000m² or more.

“Large multi-tenant property”

This means the facility with a total floor area of 10,000 tsubo or more and, in principle, are planned and designed to be used by multiple tenants at the time of development.

“Rent” for “Rent Trend (Large multi-tenant facility)”

The data were gathered as to the properties with offered areas of more than 1,000 tsubo.

The information source is CBRE K.K. as to all of the “Supply-Demand Balance mid-term forecast (mid-large facility)” and “Rent Trend (Large multi-tenant facility)” for Greater Tokyo Area Market and Kinki Area Market.

(P44)

“Advanced Logistics Properties”

Logistics properties for lease with a functional design with a total floor area of 10,000m² or more, a floor loading capacity of 1.5 tons/m² or more, a ceiling height of 5.5 meters or more, and a pillar span of 10 meters or more, in principle, developed by a real estate investment corporation or a property development company, the same shall apply hereinafter.

“Conventional Properties”

All warehouses, including those owned by user, except for advanced logistics properties.

The information source for the “Scarcity of Advanced Logistics Properties (as of November 2020, area basis)” and the “Historical Long-term Trend of Logistics Properties’ Construction” is the “Logistics Properties Market Periodic Research Services (for Fiscal Year ended May 31, 2020)” by CBRE K.K.

(P45)

“Transition of Retail Industry Market Size”

This has been prepared by SRM based on the “Annual Dynamic Statistics of Commerce” published by the Ministry of Economy, Trade and Industry. Please note that due to the adoption of the expression “non-store retailer” in July 2015, there are gaps between the figures before and after July 2015. Each figure is rounded to the nearest unit.

BtoC/EC markets for “Transition of E-Commerce Industry Market Size”

“Transition of E-Commerce Industry Market Size” has been prepared by SRM based on the “IT Navigator (2020 Edition)” released by Nomura Research Institute, Ltd.

“Logistics cost structure of all industries by Logistics feature (F.Y.2019)”

It has been prepared by SRM based on the “Logistics Cost Survey Report for 2019 (Digest Version)” released by Japan Institute of Logistics Systems.

“Number of times of delivery per commercial vehicle (incl. truck) in one day”

This has been prepared by SRM based on the “Survey of Motor Vehicle Transportation Statistics” released by the Ministry of Land, Infrastructure, Transport and Tourism. “Commercial vehicle” means motor vehicles owned by trucking companies, bus companies, car-hire/taxi operators and light vehicle transporters, etc., which are used to transport cargo or passengers at the request of others.

“Questionnaire concerning logistics strategies”

This has been prepared by SRM based on the “Surveys on Tenant Attitudes for Utilization of Logistic Facilities (2019)” released by CBRE K.K.

(P46)

The figures described in this page is as of December 4, 2020.

(P57)

“Unrealized Profit / Loss per unit”

Unrealized gain based on the appraisal value divided by the total units outstanding (514,350 units)

(P59)

The figures are those as of December 4, 2020.

(P61)

“Unitholder Composition of the end of 2nd Fiscal Period”

The ratio of the number of unitholders and units owned are rounded down to the second decimal place

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