

# Investor Presentation Material 3rd Fiscal Period (Fiscal Period Ended May 31, 2021)



Sociability, Sustainability, and Individuality  
for Logistic Aspect

SOSiLA Logistics REIT, Inc.

Securities Code: 2979

July 2021

## ▶ Summary of the 3rd fiscal period ended May 2021 and earnings forecast

- DPU for 3rd fiscal period **increased to JPY 2,520, 2.9% higher** than the forecast.
- Stabilized DPU **increased by 4.8%** (actual for the fiscal period ended Nov. 2020 vs. forecast for the fiscal period ending Nov. 2021) due to the acquisition of new properties and the public offering.
- There is no impact of COVID-19 on the earnings forecast. (as of Jul. 16, 2021)

## ▶ SLR's growth strategy

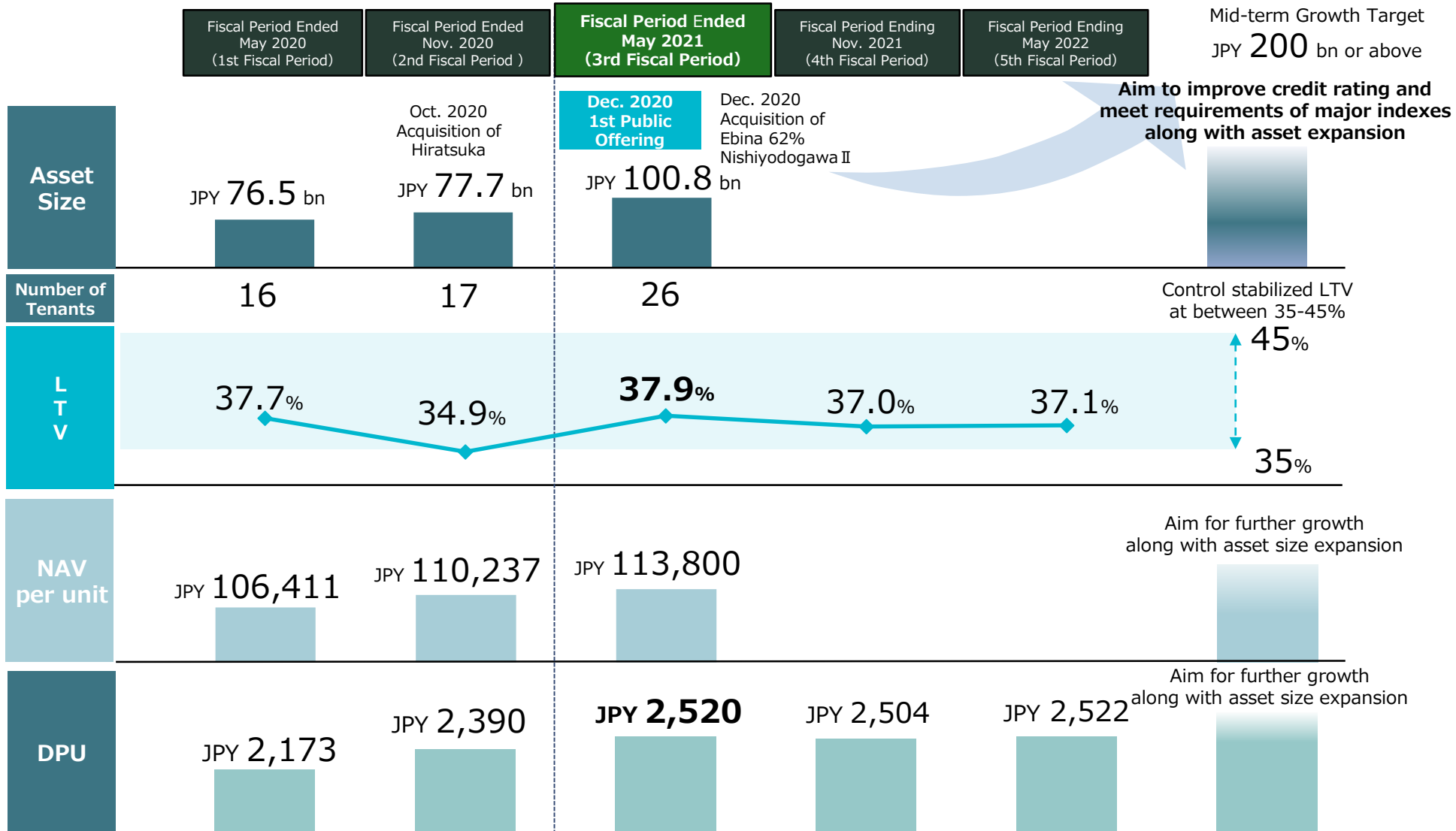
- **Diversify and expand the portfolio** by acquiring properties through the asset manager's own network, in addition to the SOSiLA Series properties
- **Achieve asset size of JPY 200 billion or above** by steadily acquiring properties in the pipeline
- Achieve rent increase of **5.2%** at the time of contract renewal through the integrated efforts of Sumitomo Corp. Group
- File a shelf registration statement for investment corporation bonds and improve the outlook of Issuer Rating (JCR: A+ Stable → **A+ Positive**)

## ▶ ESG initiatives

- Continue to strengthen ESG initiatives through establishment of environmental targets and participation in GRESB, etc.
- Improve governance by introducing an investment unit ownership program, etc.

# Roadmap to Steady Growth

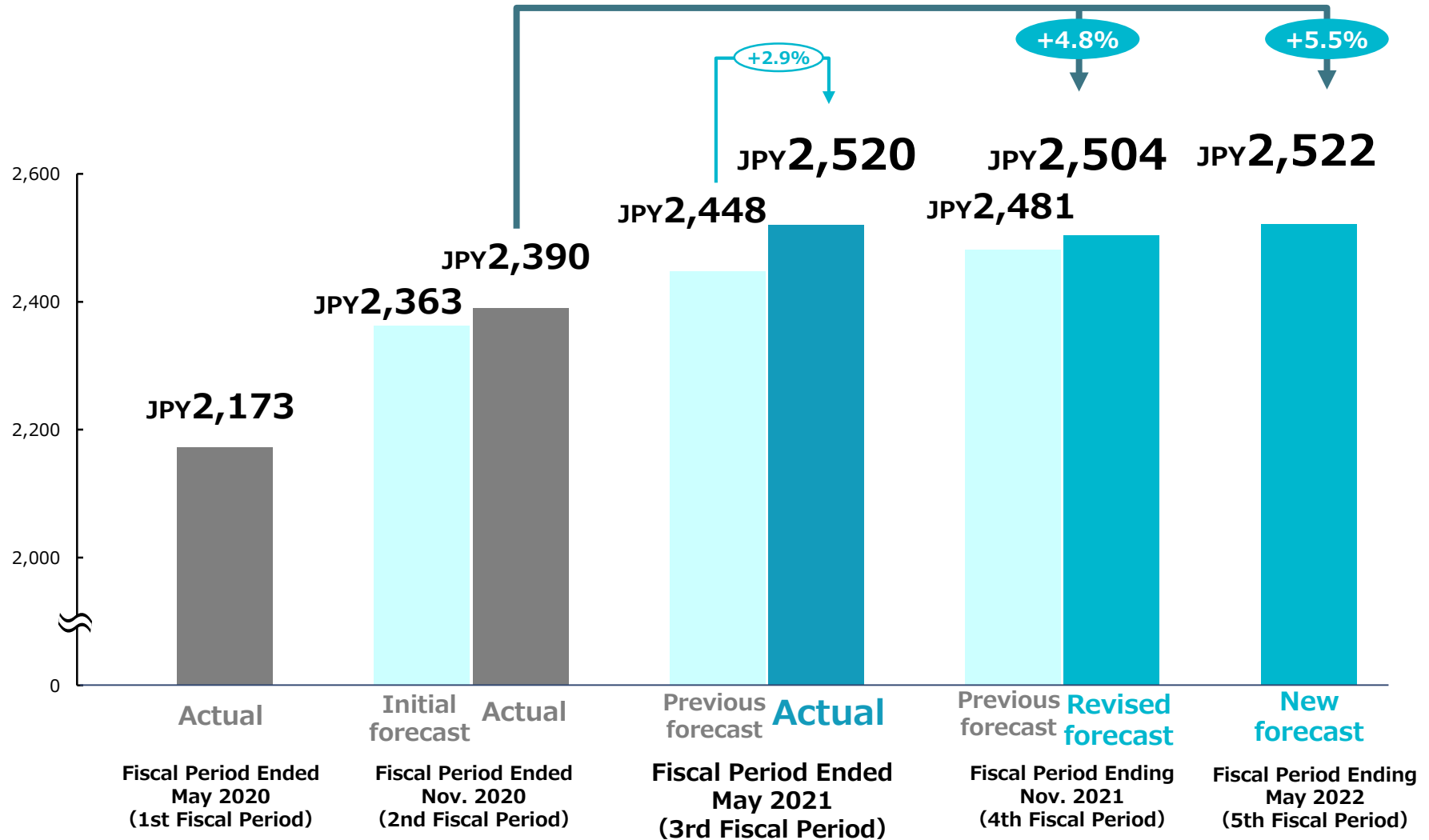
▶ Aim to achieve mid-term asset size target by strategically utilizing LTV to enhance unitholder value



# Steady Distribution Growth

## ▶ Stabilized DPU increased by 4.8%

(actual for the fiscal period ended Nov. 2020 vs. forecast for the fiscal period ending Nov. 2021)



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# 1. Summary of 3rd fiscal period ended May 2021 and earnings forecast

3rd Fiscal Period: Dec. 1, 2020 to May 31, 2021



## Portfolio

### Number of Properties / Total Acquisition Price

10 Properties / JPY 100.8 billion

### Occupancy Rate / Actual NOI Yield

100.0 % / 4.9 %

### Appraisal Value

10 Properties / JPY 108.6 billion

#### Average Building Age (Logistics Properties)

3.4 years

#### Average Lease Term (Logistics Properties)

9.8 years

#### Average Remaining Lease Term (Logistics Properties)

7.0 years

## Debt

**Total Interest-bearing Debt** JPY 40.7 billion

### LTV (Total Asset)

3rd Fiscal Period (ended May 2021)

Actual 37.9 %

**Average Borrowing Term**

6.1 years

**Average Remaining Borrowing Term**

4.9 years

**Average Interest Rate**

0.52 %

**Long-term Issuer Rating (JCR)**

A+ (Positive)

## Equity

**NAV per unit**

JPY 113,800

**P/NAV**

1.27 x

(Investment unit price of JPY 145,000 on May 31, 2021)

### DPU (Surplus Cash Distributions Per Unit included)

**3rd Fiscal Period (ended May 2021)**

Actual JPY 2,520

**4th Fiscal Period (ending Nov. 2021)**

Forecast JPY 2,504

**5th Fiscal Period (ending May 2022)**

Forecast JPY 2,522

# Financial Results of 3rd Fiscal Period Ended May 2021

| (JPY million)  | 3rd Fiscal Period<br>Forecast<br>(Announced on<br>Jan. 19, 2021) (A) | 3rd Fiscal Period<br>Actual<br>(B) | Difference<br>(B) – (A) |
|--|--|------------------------------------|-------------------------|
| <b>Operating Revenue</b>   | 3,064  | 3,061                              | -2                      |
| <b>Operating Expenses</b>  | 1,509  | 1,477                              | -32                     |
| Expenses relating to leasing<br>business<br>(excl. Depreciation) | 611  | 584                                | -26                     |
| Depreciation   | 518  | 518                                | -0                      |
| Selling, general and<br>administrative expenses                  | 380  | 374                                | -5                      |
| <b>Operating Profit</b>  | 1,554  | 1,583                              | +29                     |
| <b>Non-operating Income</b>                                      | –  | 1                                  | +1                      |
| <b>Non-operating Expenses</b>                                    | 215  | 202                                | -13                     |
| <b>Ordinary Profit</b>   | 1,338  | 1,382                              | +44                     |
| <b>Profit</b>  | 1,337  | 1,381                              | +44                     |
| <b>(For reference) NOI</b>                                       | 2,453  | 2,477                              | +24                     |
| (JPY)  | (A)  | (B)                                | (B) – (A)               |
| <b>DPU (incl. surplus cash<br/>distributions)</b>                | 2,448  | 2,520                              | +72                     |
| <b>DPU (excl. surplus cash<br/>distributions)</b>                | 2,187  | 2,259                              | +72                     |
| <b>Surplus cash<br/>distributions per unit</b>                   | 261  | 261                                | –                       |

| Main Factors of Variance  |            |
|---|------------|
| ✓ <b>Operating Revenue</b>  | <b>-2</b>  |
| Increase in rent revenue  | +4         |
| Decrease in utilities charges   | -7         |
| ✓ <b>Operating Expenses</b>   | <b>-32</b> |
| <b>Decrease in expenses for property leasing<br/>business</b>   | <b>-26</b> |
| Decrease in utilities   | -12        |
| Decrease in repair and maintenance  | -12        |
| <b>Decrease in SG&amp;A expenses</b>  | <b>-5</b>  |
| Increase in asset management fees   | +6         |
| Decrease in asset custody fees and<br>administrative service fees                                     | -4         |
| Decrease in other commission expenses<br>(Decrease in IR expenses and taxes and public<br>dues, etc.) | -7         |
| ✓ <b>Non-operating income</b>   | <b>-13</b> |
| Decrease in interest expenses   | -4         |
| Decrease in borrowing related expenses  | -6         |
| Decrease in investment unit issuance costs  | -3         |



# Financial Results of 3rd Fiscal Period Ended May 2021 (Comparison with 2nd Fiscal Period Ended Nov. 2020)

| (JPY million)  | 2nd Fiscal Period Actual (A) | 3rd Fiscal Period Actual (B) | Difference (B) - (A) |
|--|------------------------------|------------------------------|----------------------|
| Operating Revenue  | 2,354                        | 3,061                        | +706                 |
| Operating Expenses   | 1,139                        | 1,477                        | +338                 |
| Expenses relating to leasing business (excl. Depreciation) | 456                          | 584                          | +128                 |
| Depreciation   | 363                          | 518                          | +155                 |
| Selling, general and administrative expenses               | 319                          | 374                          | +55                  |
| Operating Profit   | 1,215                        | 1,583                        | +368                 |
| Non-operating Income                                       | 6                            | 1                            | -4                   |
| Non-operating Expenses                                     | 100                          | 202                          | +102                 |
| Ordinary Profit  | 1,121                        | 1,382                        | +261                 |
| Profit   | 1,120                        | 1,381                        | +261                 |
| (For reference) NOI  | 1,898                        | 2,477                        | +578                 |

| (JPY)                                  | (A)   | (B)   | (B) - (A) |
|--|-------|-------|-----------|
| DPU (incl. surplus cash distributions) | 2,390 | 2,520 | +130      |
| DPU (excl. surplus cash distributions) | 2,179 | 2,259 | +80       |
| Surplus cash distributions per unit    | 211   | 261   | +50       |

| Main Factors of Variance   |             |
|--|-------------|
| ✓ <b>Operating Revenue</b>   | <b>+706</b> |
| Increase in revenue from property leasing business   | +706        |
| Contribution of three new properties (Hiratsuka, Ebina and Nishiiyodogawa II)                                    | +726        |
| ✓ <b>Operating Expenses</b>  | <b>+338</b> |
| Increase in expenses for property leasing business   | +128        |
| Contribution of three new properties   | +144        |
| Increase in depreciation   | +155        |
| Contribution of three new properties   | +155        |
| Increase in SG&A expenses  | +55         |
| Increase in asset management fees associated with an increase in profit  | +39         |
| Increase in other commission expenses (Increase in reporting costs associated with increase in properties, etc.) | +14         |
| ✓ <b>Non-operating Income</b>  | <b>-4</b>   |
| Absence of interest on refund of consumption taxes   | -5          |
| ✓ <b>Non-operating Expenses</b>  | <b>+102</b> |
| Increase in interest expenses associated with new borrowings   | +22         |
| Investment unit issuance costs associated with capital increase  | +47         |
| Increase in borrowing related expenses associated with new borrowings  | +32         |

# Forecast for 4th Fiscal Period Ending Nov. 2021

| (JPY million)  | 3rd Fiscal Period Actual (A) | 4th Fiscal Period Forecast (B) | Difference (B) - (A) |
|--|------------------------------|--------------------------------|----------------------|
| Operating Revenue  | 3,061                        | 3,089                          | +28                  |
| Operating Expenses   | 1,477                        | 1,587                          | +109                 |
| Expenses relating to leasing business (excl. Depreciation) | 584                          | 668                            | +84                  |
| Depreciation   | 518                          | 519                            | +1                   |
| Selling, general and administrative expenses               | 374                          | 398                            | +23                  |
| Operating Profit   | 1,583                        | 1,502                          | -81                  |
| Non-operating Income                                       | 1                            | -                              | -1                   |
| Non-operating Expenses                                     | 202                          | 129                            | -72                  |
| Ordinary Profit  | 1,382                        | 1,372                          | -9                   |
| Profit   | 1,381                        | 1,371                          | -9                   |
| (For reference) NOI  | 2,477                        | 2,421                          | -55                  |
| (JPY)  | (A)                          | (B)                            | (B) - (A)            |
| DPU (incl. surplus cash distributions)                     | 2,520                        | 2,504                          | -16                  |
| DPU (excl. surplus cash distributions)                     | 2,259                        | 2,243                          | -16                  |
| Surplus cash distributions per unit                        | 261                          | 261                            | -                    |

| Main Factors of Variance   |             |
|--|-------------|
| ✓ <b>Operating Revenue</b>   | <b>+28</b>  |
| Full-period contribution of new properties   | +7          |
| Seasonal increase in utilities charges   | +21         |
| ✓ <b>Operating Expenses</b>  | <b>+109</b> |
| <b>Increase in expenses for property leasing business</b>  | <b>+84</b>  |
| Increase in management fees  | +11         |
| Seasonal increase in utilities   | +27         |
| Full-period contribution of property tax of new properties   | +33         |
| Increase in repair and maintenance expenses  | +15         |
| <b>Increase in SG&amp;A expenses</b>   | <b>+23</b>  |
| Increase in asset management fees associated with an increase in assets  | +21         |
| Increase in administrative service fees associated with the General Meeting of Unitholders                         | +8          |
| Increase in other commission expenses (Absence of costs for the medium- to long-term repair and maintenance plans) | -5          |
| ✓ <b>Non-operating Expenses</b>  | <b>-72</b>  |
| Absence of investment unit issuance costs associated with capital increase   | -47         |
| Absence of borrowing related expenses associated with new borrowings   | -26         |

# Forecast for 5th Fiscal Period Ending May 2022

| (JPY million)  | 4th Fiscal Period Forecast (A) | 5th Fiscal Period Forecast (B) | Difference (B) – (A) |
|--|--------------------------------|--------------------------------|----------------------|
| Operating Revenue  | 3,089                          | 3,072                          | -17                  |
| Operating Expenses   | 1,587                          | 1,562                          | -25                  |
| Expenses relating to leasing business (excl. Depreciation) | 668                            | 646                            | -22                  |
| Depreciation   | 519                            | 519                            | –                    |
| Selling, general and administrative expenses               | 398                            | 395                            | -3                   |
| Operating Profit   | 1,502                          | 1,510                          | +8                   |
| Non-operating Income                                       | –                              | –                              | –                    |
| Non-operating Expenses                                     | 129                            | 127                            | -2                   |
| Ordinary Profit  | 1,372                          | 1,383                          | +10                  |
| Profit   | 1,371                          | 1,382                          | +10                  |
| (For reference) NOI  | 2,421                          | 2,426                          | +5                   |

| (JPY)                                  | (A)   | (B)   | (B) – (A) |
|--|-------|-------|-----------|
| DPU (incl. surplus cash distributions) | 2,504 | 2,522 | +18       |
| DPU (excl. surplus cash distributions) | 2,243 | 2,261 | +18       |
| Surplus cash distributions per unit    | 261   | 261   | –         |

| Main Factors of Variance                                  |            |
|---|------------|
| ✓ <b>Operating Revenue</b>                                | <b>-17</b> |
| Seasonal decrease in utilities charges                    | -17        |
| ✓ <b>Operating Expenses</b>                               | <b>-25</b> |
| <b>Decrease in expenses for property leasing business</b> | <b>-22</b> |
| Seasonal increase in utilities                            | -16        |
| Decrease in repair and maintenance                        | -4         |
| <b>Increase in SG&amp;A expenses</b>                      | <b>-3</b>  |
| Decrease in administrative service fees                   | -2         |
| ✓ <b>Non-operating Expenses</b>                           | <b>-2</b>  |
| Decrease in interest expenses                             | -2         |

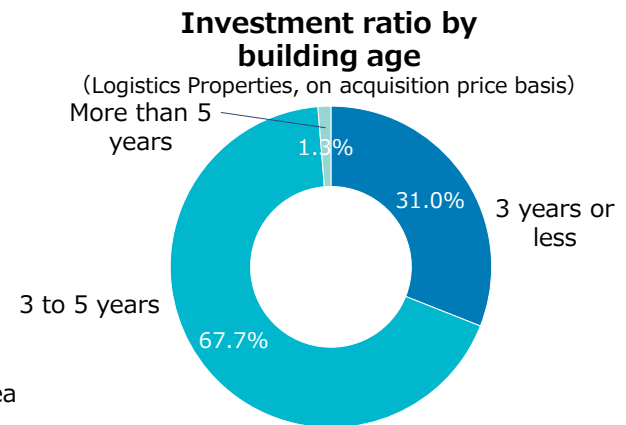
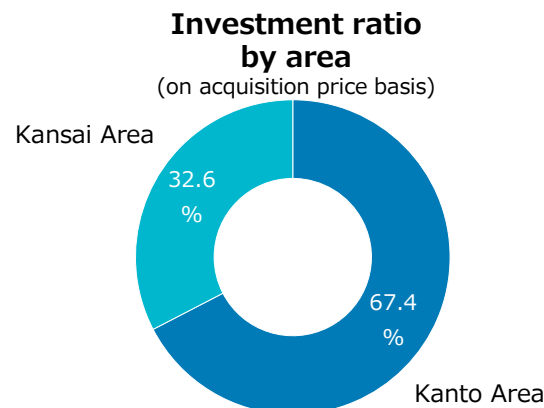
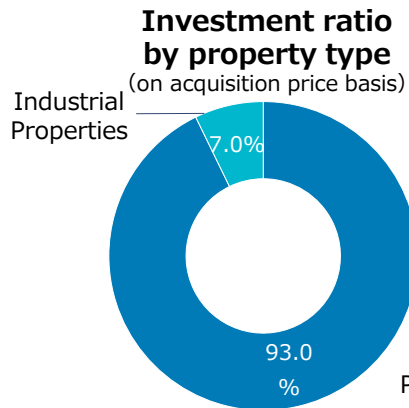
## 2. SLR's growth strategy



## ▶ Invest primarily in logistics properties located close to consumption areas

| Target Investment Ratio by Property Type (on acquisition price basis) |                              |
|---|------------------------------|
| <b>Logistics Properties</b>   | <b>Industrial Properties</b> |
| 80% or more   | 20% or less                  |

| Target Investment Ratio by Area (on acquisition price basis) |                    |
|--|--------------------|
| <b>Kanto and Kansai Areas</b>                                | <b>Other Areas</b> |
| 70% or more  | 30% or less        |



## ▶ 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

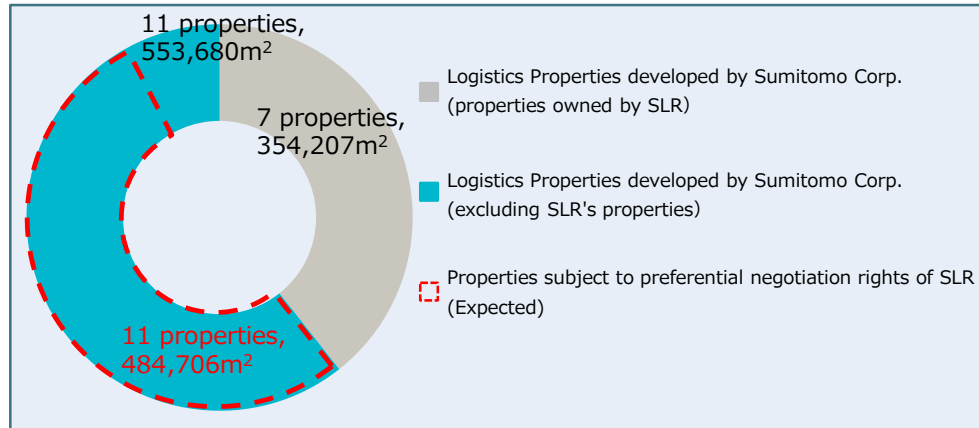
- ✓ Primarily located within the “last mile” of large consumption areas in the Kanto and Kansai areas
  - ✓ Located close to residential areas, which prompts rapid delivery, enhancement of delivery efficiency, and reduction of environmental burden
- ⇒ SLR strives to create employment opportunities around its logistics properties by taking advantage of their convenient locations, in doing so contributing to the local communities where the properties are located.

## ▶ Utilization of the asset manager's own network

- ⇒ Acquire properties from third parties that complement the portfolio, in addition to the SOSiLA Series properties developed by Sumitomo Corp.

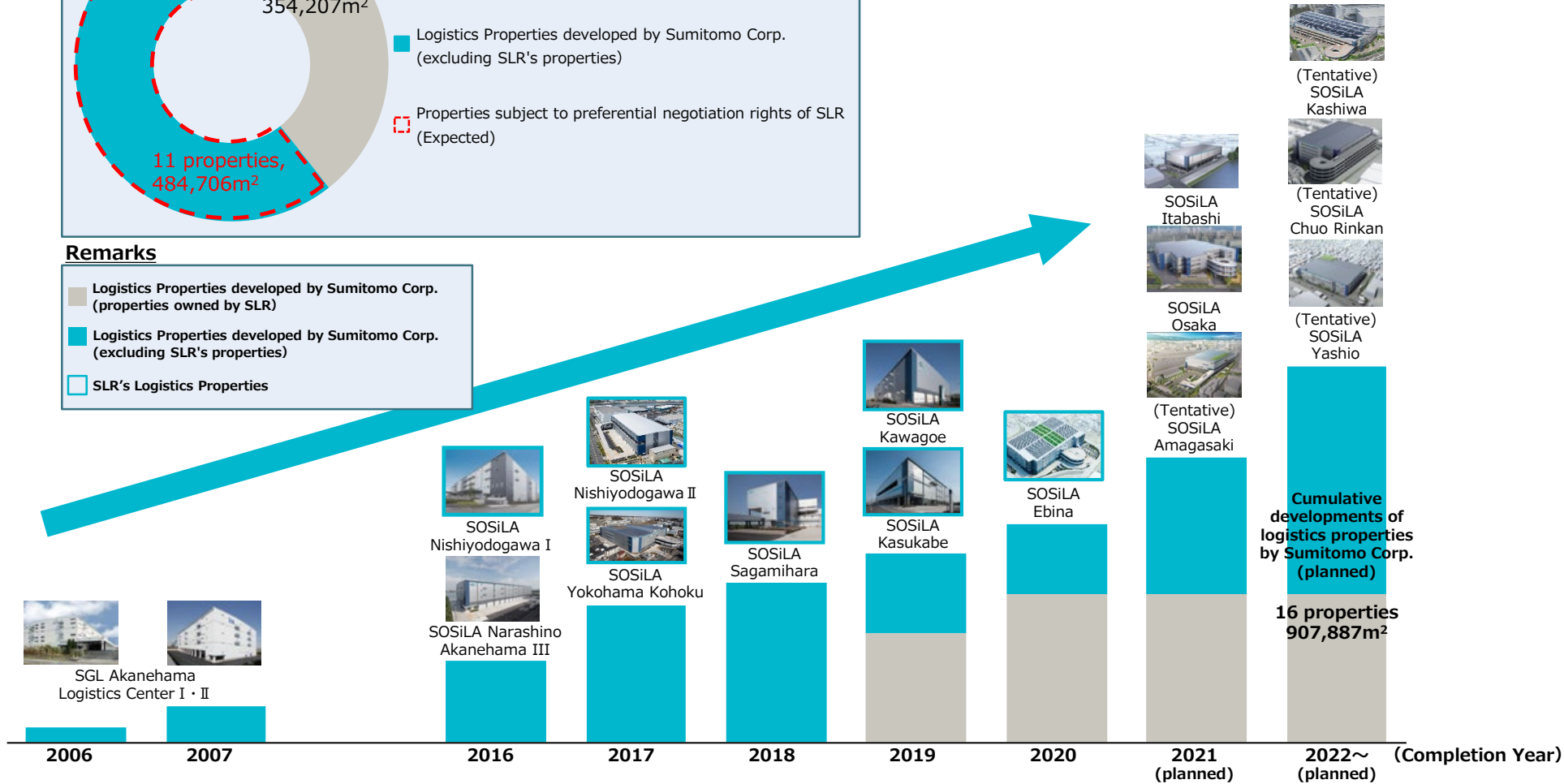
# Pipeline Properties Developed by Sumitomo Corp. ①

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



### Remarks

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



## ▶ Aim to build a solid 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, 553,680m<sup>2</sup>

Among 11 properties,  
Expected Properties subject to preferential negotiation rights

11 properties, 484,706m<sup>2</sup>

### Completed



|                   |  |
|-------------------|--|
| Name              | SOSiLA Yokohama Kohoku                       |
| Location          | Yokohama City, Kanagawa                      |
| Construction Date | Sep. 2017                                    |
| Gross Floor Area  | 83,782m <sup>2</sup> (16,756m <sup>2</sup> ) |



|                   |  |
|-------------------|--|
| Name              | SOSiLA Ebina                                 |
| Location          | Ebina City, Kanagawa                         |
| Construction Date | Feb. 2020                                    |
| Gross Floor Area  | 71,964m <sup>2</sup> (27,346m <sup>2</sup> ) |



|                   |                      |
|-------------------|----------------------|
| Name              | SOSiLA Itabashi      |
| Location          | Itabashi-ku, Tokyo   |
| Construction Date | Mar. 2021            |
| Gross Floor Area  | 15,264m <sup>2</sup> |



|                   |  |
|-------------------|--|
| Name              | SOSiLA Osaka                                 |
| Location          | Osaka City, Osaka                            |
| Construction Date | May 2021                                     |
| Gross Floor Area  | 99,945m <sup>2</sup> (30,970m <sup>2</sup> ) |



|                   |                                  |
|-------------------|----------------------------------|
| Name              | SGL Akanehama Logistics Center I |
| Location          | Narashino City, Chiba            |
| Construction Date | May 2006                         |
| Gross Floor Area  | 34,649m <sup>2</sup>             |



|                   |                                   |
|-------------------|-----------------------------------|
| Name              | SGL Akanehama Logistics Center II |
| Location          | Narashino City, Chiba             |
| Construction Date | Mar. 2007                         |
| Gross Floor Area  | 51,246m <sup>2</sup>              |



|                   |                                |
|-------------------|--------------------------------|
| Name              | SOSiLA Narashino Akanehama III |
| Location          | Narashino City, Chiba          |
| Construction Date | Sep. 2016                      |
| Gross Floor Area  | 38,604m <sup>2</sup>           |

### Under Development / Planned



|                   |                                |
|-------------------|--------------------------------|
| Name              | (Tentative) SOSiLA Amagasaki   |
| Location          | Amagasaki City, Hyogo          |
| Construction Date | Jul. 2021 (planned)            |
| Gross Floor Area  | 45,264m <sup>2</sup> (planned) |



|                   |                                |
|-------------------|--------------------------------|
| Name              | (Tentative) SOSiLA Yashio      |
| Location          | Yashio City, Saitama           |
| Construction Date | Jan. 2022 (planned)            |
| Gross Floor Area  | 34,715m <sup>2</sup> (planned) |



|                   |                                 |
|-------------------|---------------------------------|
| Name              | (Tentative) SOSiLA Chuo Rinkan  |
| Location          | Yamato City, Kanagawa           |
| Construction Date | Aug. 2022 (planned)             |
| Gross Floor Area  | 114,476m <sup>2</sup> (planned) |



|                   |                                |
|-------------------|--------------------------------|
| Name              | (Tentative) SOSiLA Kashiwa     |
| Location          | Kashiwa City, Chiba            |
| Construction Date | May 2023 (planned)             |
| Gross Floor Area  | 75,415m <sup>2</sup> (planned) |

## New Brand “LiCS”

- ▶ **Strengthen the portfolio by acquiring properties through the asset manager’s own network.**

# LiCS

Logistics & Industrial,  
Contributing to Sustainable Society

LiCS Hiratsuka LastMileCenter



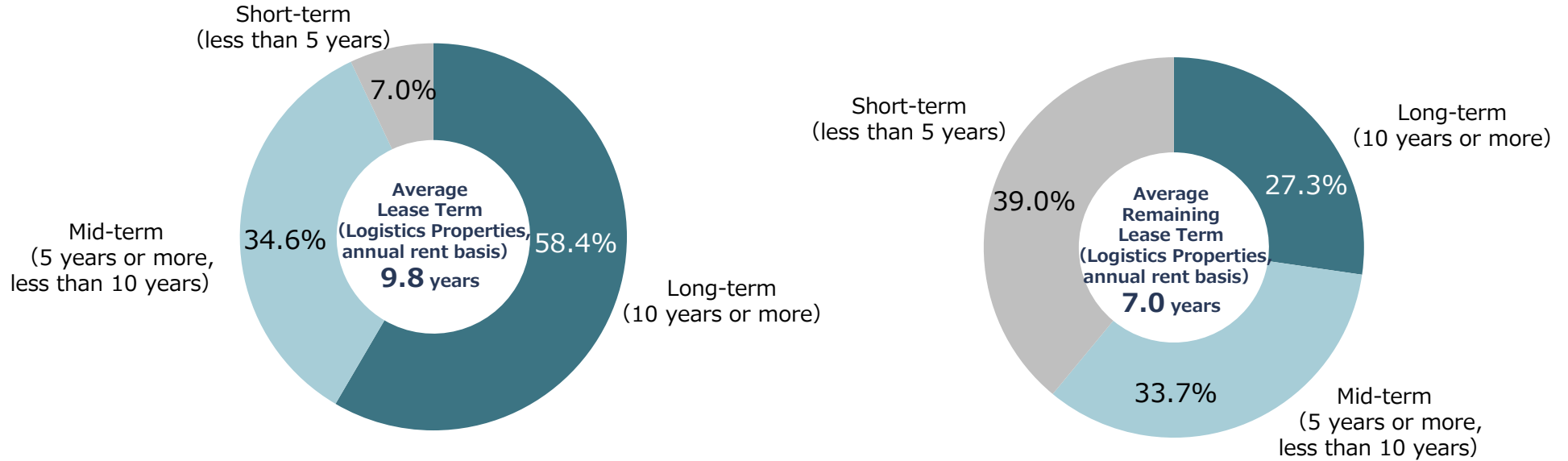
## New brand: LiCS

- The targets are logistics and industrial properties acquired from outside sources.
- SLR has created the LiCS brand to succeed the business spirit of the SOSiLA Series focusing on three concepts, connection with society, eco-friendliness and sustainable growth and consideration for people and the working environment.
- The purpose is to diversify and enhance the portfolio by acquiring properties that complement the SOSiLA Series.
- LiCS Hiratsuka LastMileCenter is the first property of the LiCS Series.
- **SLR will strengthen its efforts to acquire properties from third parties utilizing the asset manager’s own network.**

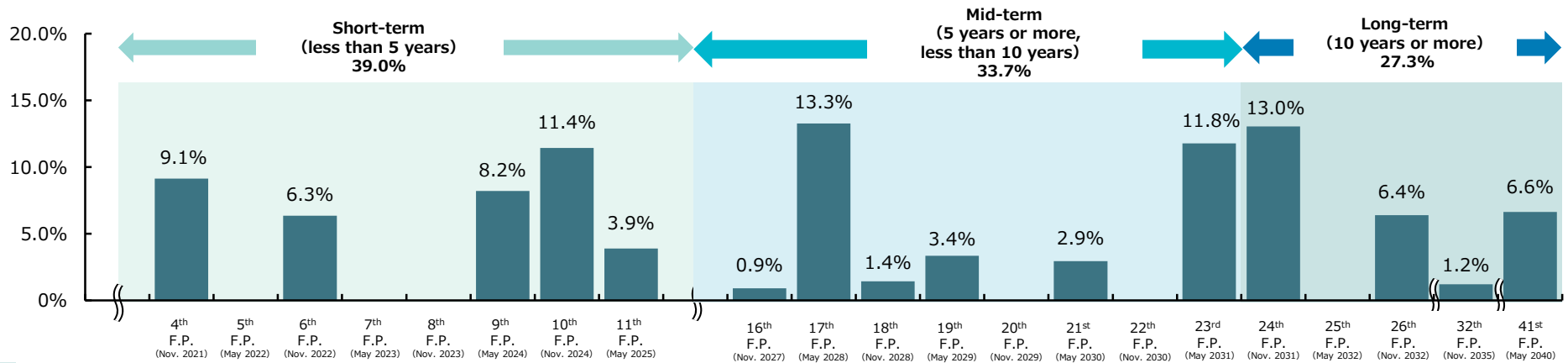


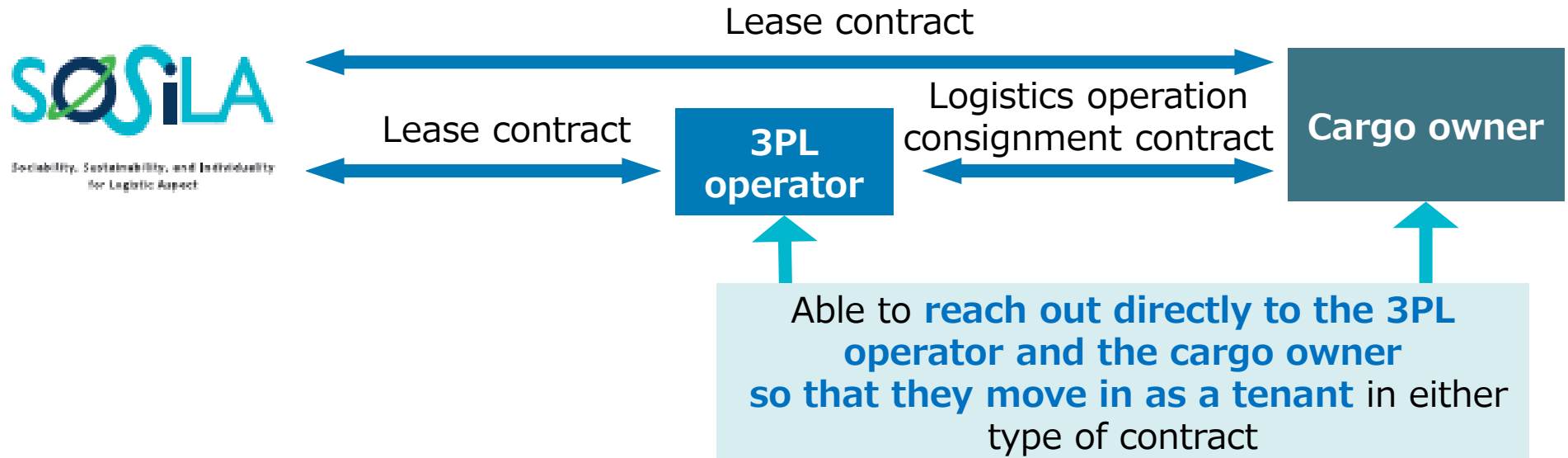
# Long-Term and Stable Lease Contracts

## ▶ Stable asset management utilizing the leasing capabilities of sponsor group



## ▶ Spreading out expiration dates of lease contracts (Logistics Properties, annual rent basis)





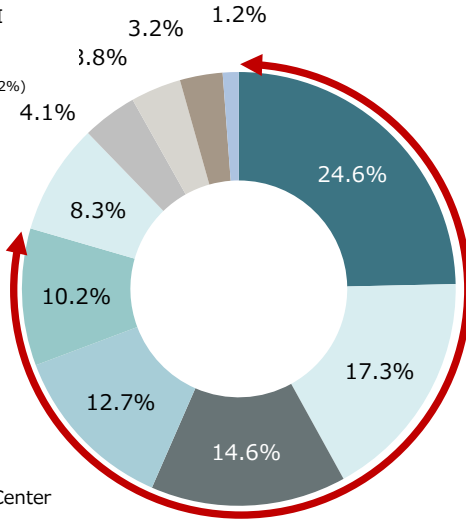
**Make maximum use of the Sumitomo Corp. Group's broad customer network**

**Achieved rent increase of 5.2% through lease renewals with tenants at SOSiLA Nishiyodogawa I and SOSiLA Nishiyodogawa II**

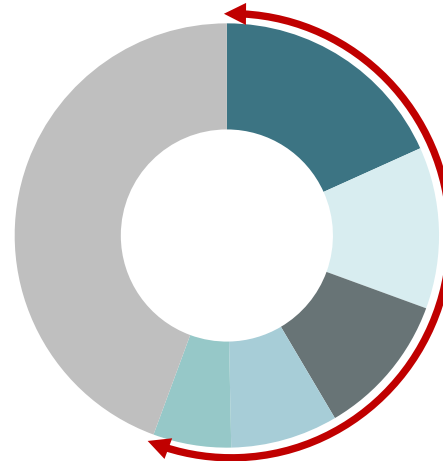
# Enhancement of Stability and Portfolio Diversification along with Asset Size Expansion

### Portfolio property composition (acquisition price basis)

- SOSiLA Yokohama Kohoku (quasi-co-ownership interest of 80%)
- SOSiLA Nishiyodogawa I
- SOSiLA Ebina (quasi-co-ownership interest of 62%)
- SOSiLA Sagamihara
- SOSiLA Kasukabe
- SOSiLA Nishiyodogawa II
- SOSiLA Kawagoe
- Nanko Boarding Yard (Land)
- Hokko Oil Tank (Land with leasehold interest)
- LiCS Hiratsuka LastMileCenter

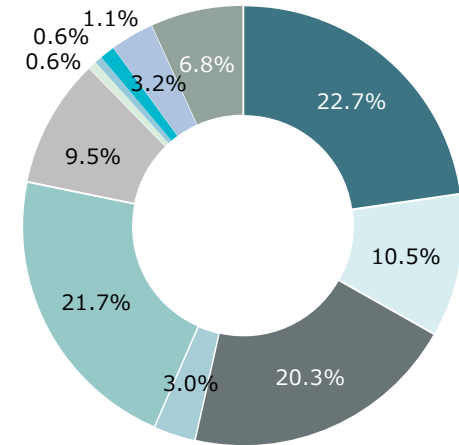


### Ratio of top 5 tenants (annual rent basis)



### Tenant composition (Logistics Properties leased area basis)

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



(End of 2nd Fiscal Period)  
Ratio of top 5 properties  
**90.8%**



(End of 3rd Fiscal Period)  
Ratio of top 5 properties  
**79.4%**

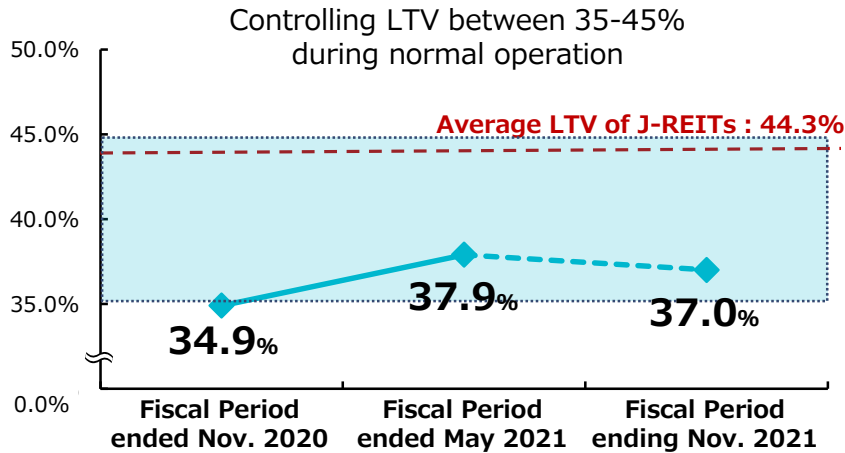
(End of 2nd Fiscal Period)  
Ratio of top 5 tenants  
**62.4%**



(End of 3rd Fiscal Period)  
Ratio of top 5 tenants  
**55.6%**

## Strategically utilizing LTV while maintaining financial stability

### LTV



### Changes in key financial indicators

#### Long-term Debt Ratio



#### Fixed Interest Ratio



#### Average Borrowing Term



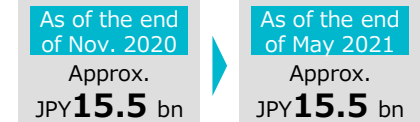
#### Average Remaining Borrowing Term



#### Average Borrowing Cost

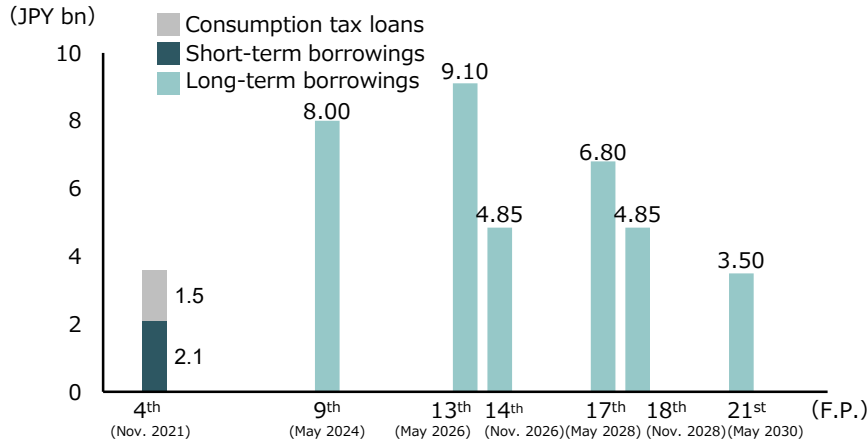


#### Debt Capacity (up to LTV 45%)

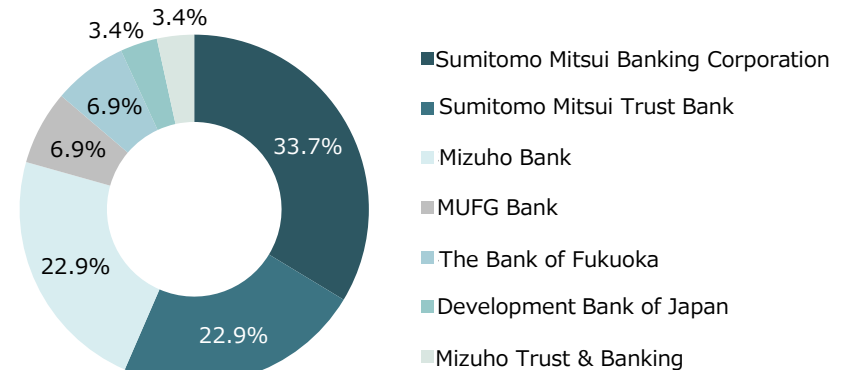


\* After consumption tax loans

### Diversification of loan repayment period (as of the end of May 2021)



### Lender formation (as of the end of May 2021, loan amount basis)



# Improvement of Rating Outlook and Shelf Registration of Investment Corporation Bonds

## ▶ Improvement of rating outlook to “A+ Positive”

- Rating outlook changed from “A+ Stable” to “A+ Positive” on Feb. 18, 2021 after the annual review.

Comment regarding financial aspect

(4) As for the total asset-based LTV, the Corporation expects that it should be controlled at a reasonable level of around 35% and 45% under the normal operating environment. As of the end of the fiscal period ended November 2020, it was 34.9%, which was controlled within the range the Corporation expects. The Corporation’s lender formation mainly consist of mega banks in Japan. The Corporation procures fund mainly for long-term with fixed interest rate and without securing the entire amount by collateral or guarantee, and repayment dates are also diversified; therefore, there are no particular concerns over its financing.

Excerpt from News Release on Feb. 18, 2021 of Japan Credit Rating Agency, Ltd.

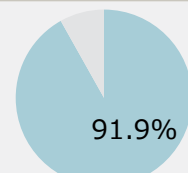
- ✓ The next annual review will be conducted around Feb. 2022.

## ▶ Shelf registration of investment corporation bonds

- Filed shelf registration, to enable flexible issuance of investment corporation bonds

- ✓ Consider the issuance of bonds at the right time, bearing in mind the financial environment, rating, the timing of refinancing and the utilization of the green finance framework

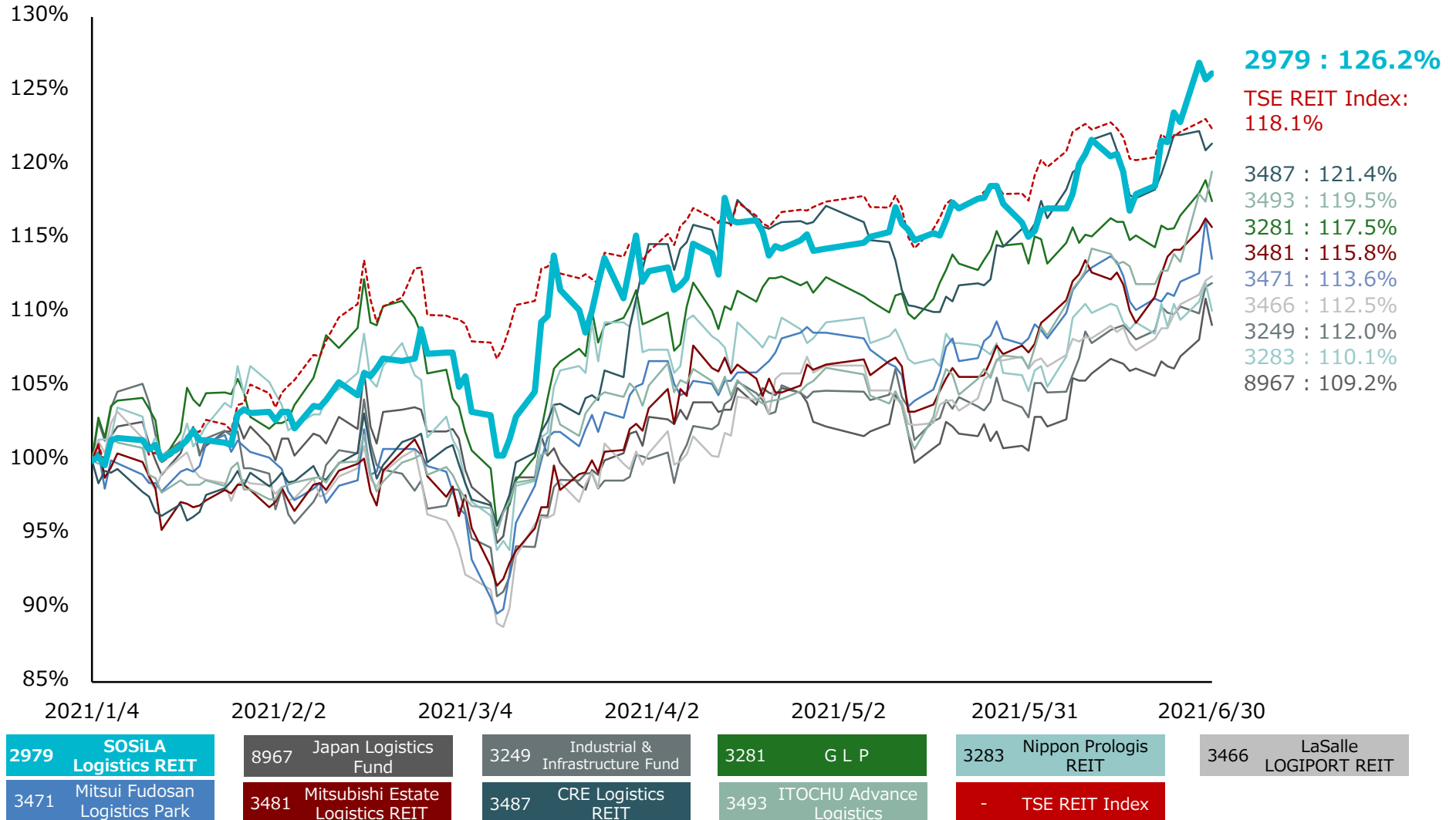
| Overview of shelf registration statement |   |
|--|---|
| Maximum amount of issue                  | JPY 50,000 million  |
| Subject to shelf registration            | Investment corporation bonds  |
| Filing date                              | Jun. 15, 2021   |
| Planned period of issuance               | 2 years (from Jun. 23, 2021 to Jun. 22, 2023)   |
| Use of proceeds                          | Funds for acquiring specified assets, repaying borrowings, redeeming investment corporation bonds, refunding security deposits and guarantee money, paying expenses for renovation, repair work, etc. and working capital, etc. |

| Green finance framework                        |  |
|--|--|
| Rating agency                                  | Japan Credit Rating Agency, Ltd. (JCR)   |
| Overall evaluation                             | Green 1 (F) (Highest evaluation)   |
| Greenness evaluation (use of proceeds)         | g1 (F)   |
| Management, operation, transparency evaluation | m1 (F)   |
| Ratio of green eligible assets in portfolio    |  <p>91.9%</p> |

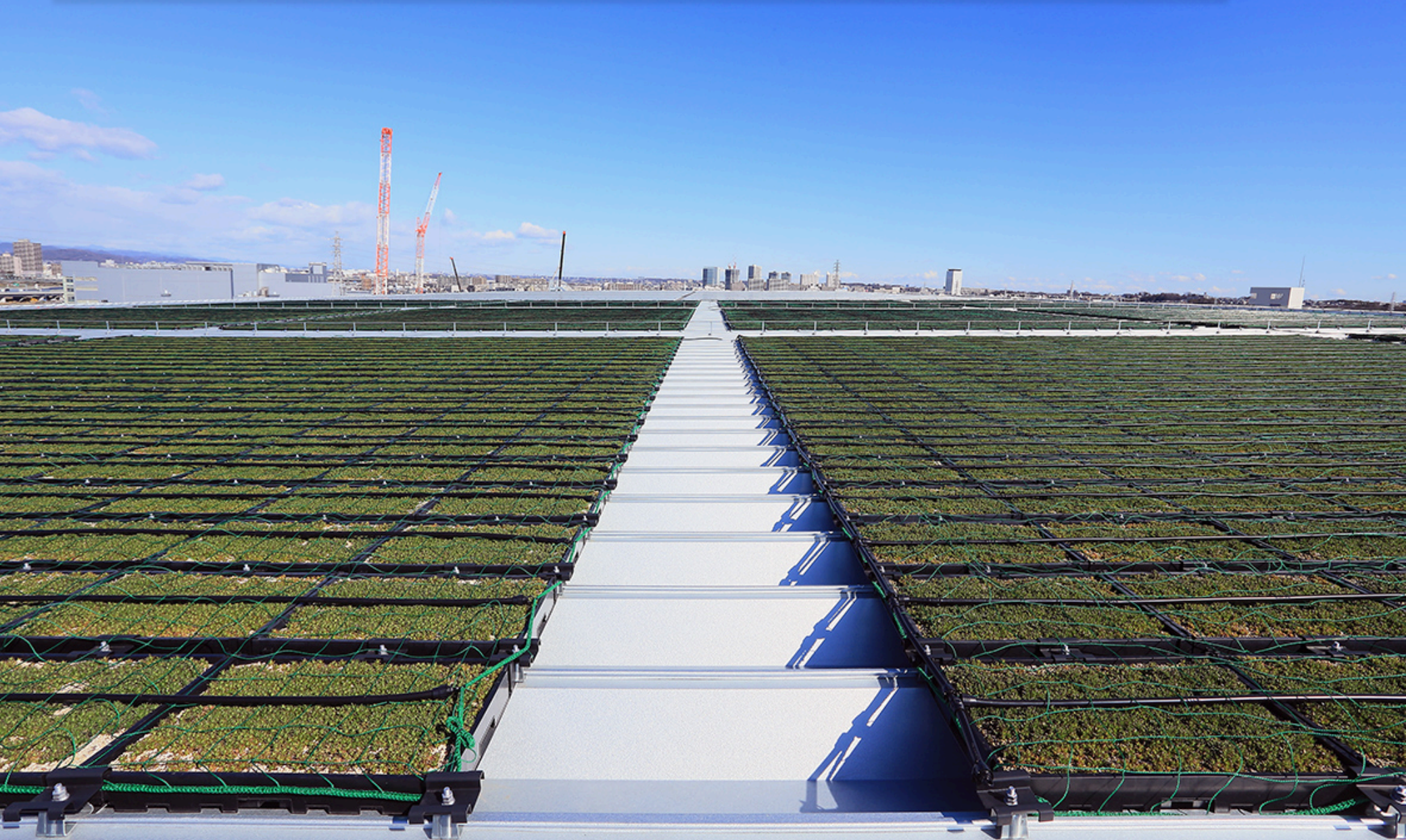


# Changes in the Investment Unit Prices of Logistics REITs (from Jan. to Jul. 2021)

▶ After the public offering in Dec. 2020, the investment unit price of SLR remained firm.



# 3. ESG Initiatives





## E (Environment) initiatives

### ▶ External certification

| Properties with Certification for CASBEE for Real Estate Rank A   | Properties with BELS★★★★  |
|---|---|
| SOSiLA Yokohama Kohoku<br>SOSiLA Sagamihara<br>SOSiLA Kasukabe<br>SOSiLA Kawagoe<br>SOSiLA Nishiyodogawa I<br>SOSiLA Nishiyodogawa II | SOSiLA Yokohama Kohoku<br>SOSiLA Sagamihara<br>SOSiLA Kasukabe<br>SOSiLA Kawagoe<br>SOSiLA Nishiyodogawa I<br>SOSiLA Ebina<br>SOSiLA Nishiyodogawa II |



### ▶ Setting of environmental targets

**Aim to achieve the following goals by the end of March 2025**

- Reduction Target for Energy Consumption
  - SLR aims to reduce energy consumption by an annual average rate of 1% on a per-unit basis
- Reduction Target for Greenhouse Gas Emissions
  - SLR aims to reduce CO2 emissions by an annual average rate of 1% on a per-unit basis
- Achievement of Environmental Certifications
  - SLR aims to increase the rate of certified properties to 70% or more on a gross floor basis



### ▶ Initiatives at properties owned

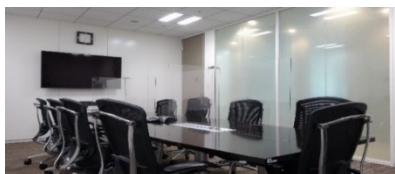


### ▶ Purchase of renewable energy certificates

Purchase of 5,943 kWh of biomass-generated electricity

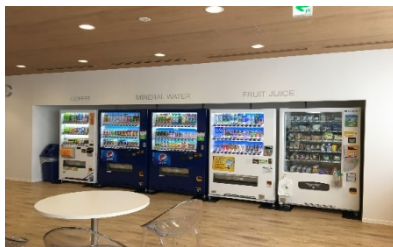
## S (Social) initiatives

### ▶ Asset manager initiatives



- Full enforcement of measures addressing COVID-19
- Flexible working hour and remote working systems
- Establishment a refresh room
- Implementation of an employee awareness survey
- Support for employee's acquisition of qualifications, training, etc.

### ▶ Improvement of tenant satisfaction



- Installation of a crew lounge and vending machines
- Open entrance
- Implementation of a tenant satisfaction survey
- BCP measures, such as the installation of emergency generators

### ▶ Contribution to local communities



- Provision of a relaxation space for the local community (Pocket park, SOSiLA Ebina)
- Proactive cooperation in local disaster preparedness
- Central driveway with consideration for noise impacting nearby residents, etc.

Contribute to the realization of an enriched society by succeeding the business spirit focusing on three concepts: a connection with society (Sociability), eco-friendliness and sustainable growth (Sustainability), and consideration for people and the working environment (Individuality)

## G (Governance) initiatives

### ▶ 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) |

### ▶ Introduction of an employee investment unit ownership program

#### Putting the asset manager on the same boat with REIT unitholders

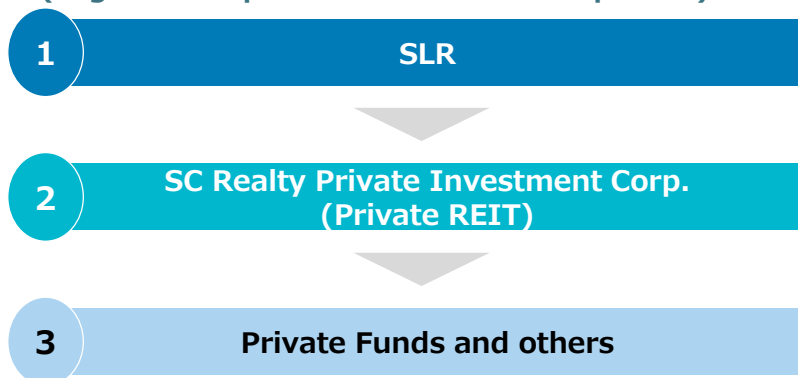
- Align the interests of SLR unitholders with the employees of the asset manager

### ▶ Decision-making flow



### ▶ Rotation rules

(Logistics Properties & Industrial Properties)



# 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  
Revenue and Expenditures of Individual Properties  
Profit and Loss Statement and Balance Sheet  
Overview of Interest-bearing Debt  
Status of Unitholders  
Changes in SRM's Balance of Assets under Management and  
Composition of Assets under Management  
SRM's ESG Policy  
SRM's Structure for Implementing ESG Initiatives  
Overview of Sumitomo Corp. Group



## 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. 1.6 million m<sup>2</sup>  
(83 buildings)  
(as of Mar. 31, 2021)

## Residence



- Selling condominiums mainly to the upper-middle class
- Taking part in joint development and urban redevelopment projects
- Total units sold:  
Approx. 59 thousand units  
(as of Mar. 31, 2021)

## Retail property



- Developing and revitalizing properties for retail properties
- Operates, manages and provides consulting service for retail properties
- Land area owned and managed:  
Approx. 1.80 million m<sup>2</sup>  
(61 properties)  
(as of Mar. 31, 2021)

## Logistics property



- Developing logistics properties
- Completion of projects  
Total floor area (completed):  
Approx. 0.54million m<sup>2</sup>  
(11 properties)  
(as of Mar. 31, 2021)
- Established Logistics Properties Business Dept. in Oct. 2019

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

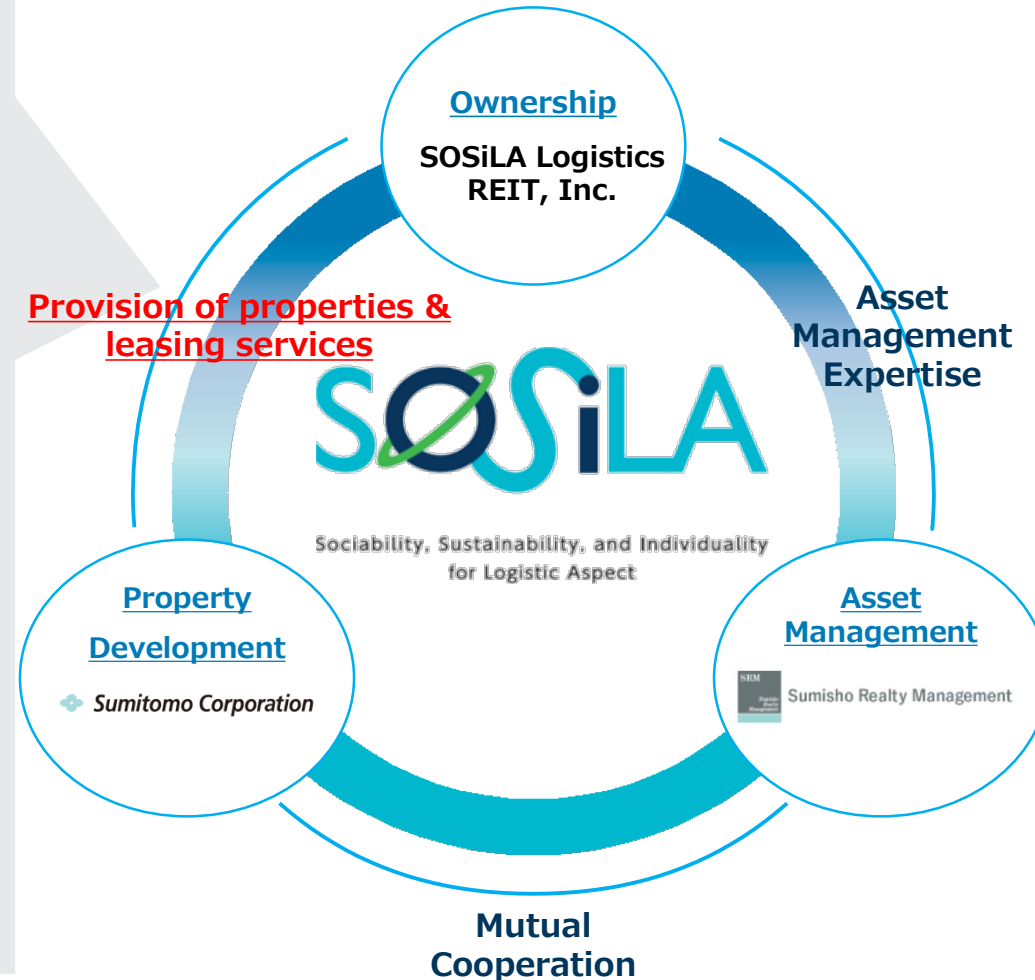
## ▶ Sumitomo Corp. Group's policies on logistics properties operation

### 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

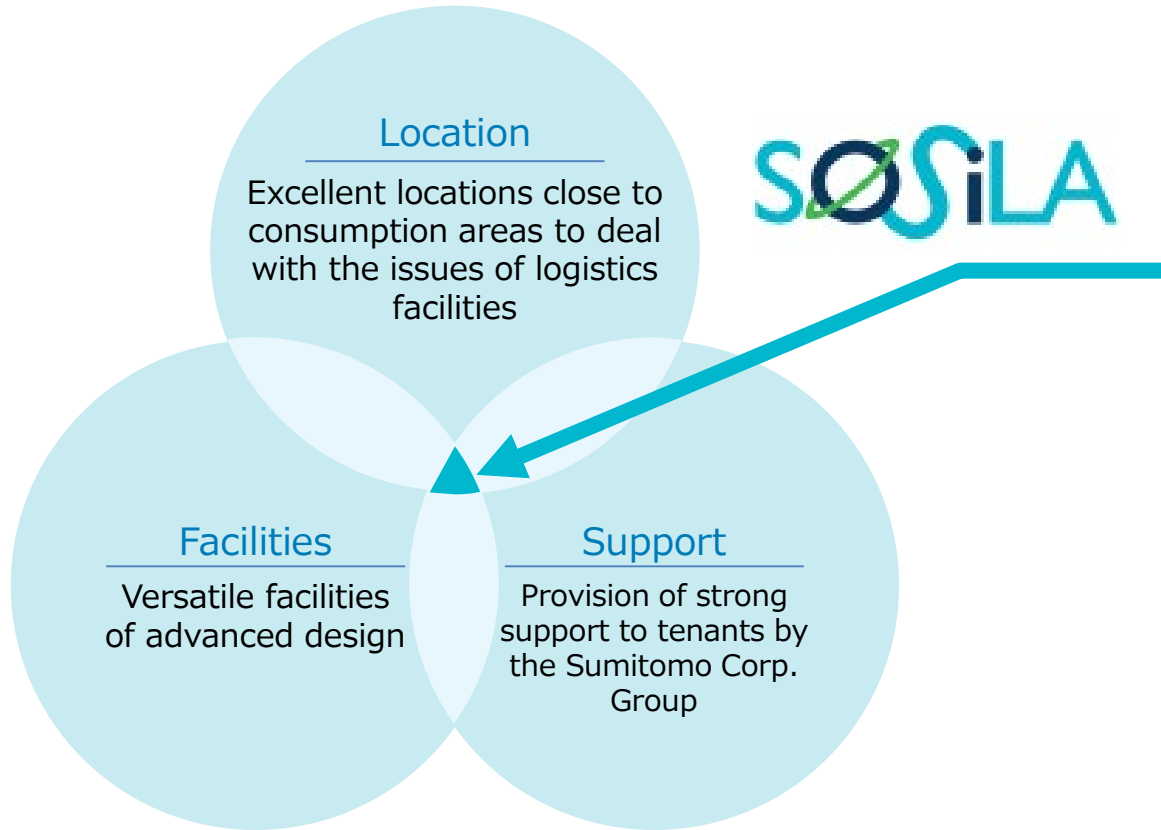
### Logistics Management Service Agreement

- ▶ 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



# Invest in the SOSiLA Series Developed by Sumitomo Corp.

## ► SOSiLA, high quality logistics facilities in terms of Locations, Facilities and Support



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





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 CO<sub>2</sub> 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

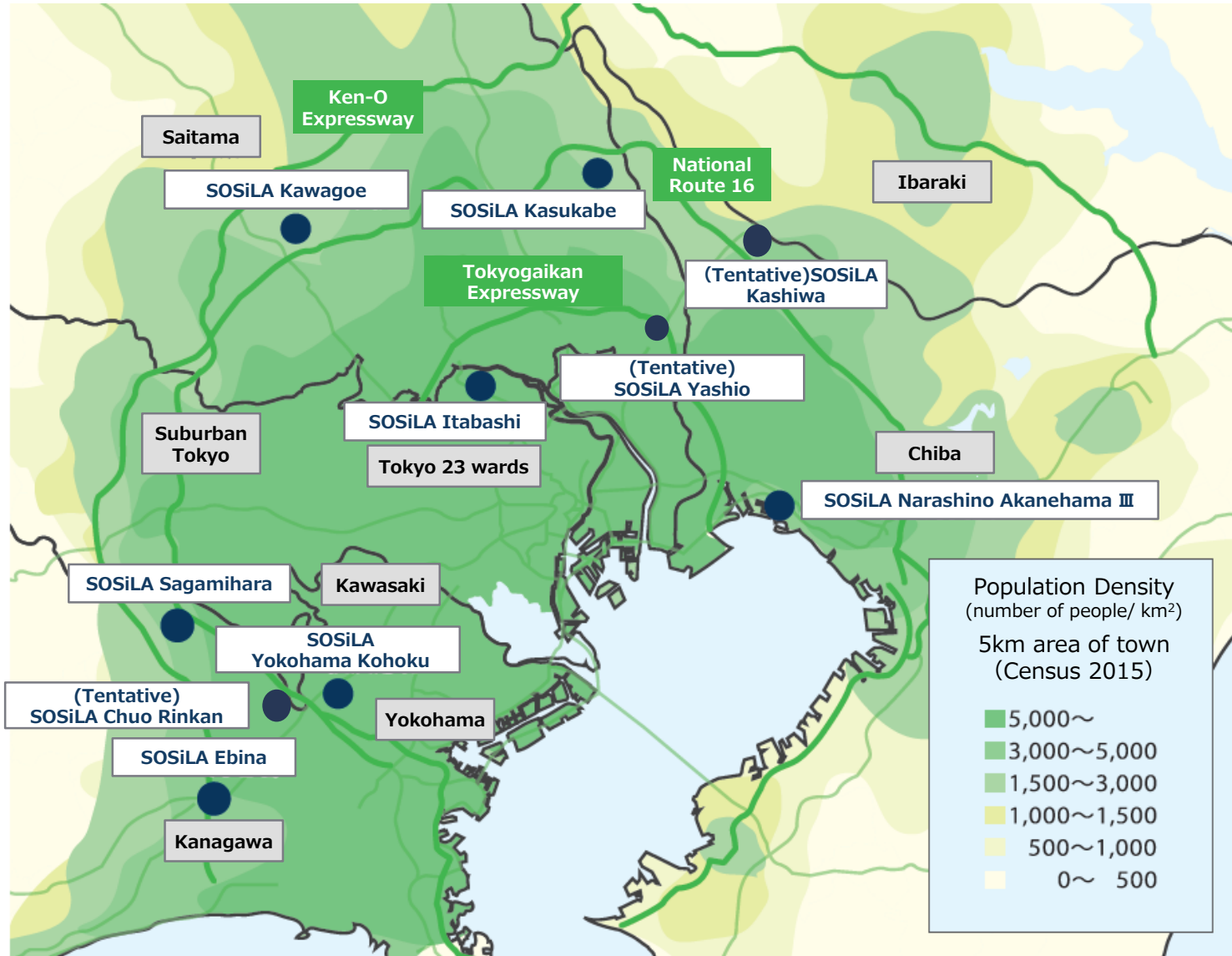
## Amenity ~comfortable working environment~

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

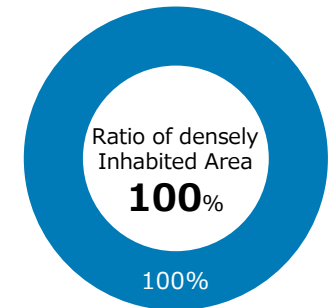


# SOSiLA, Logistics Property Developed by Sumitomo Corp. ②

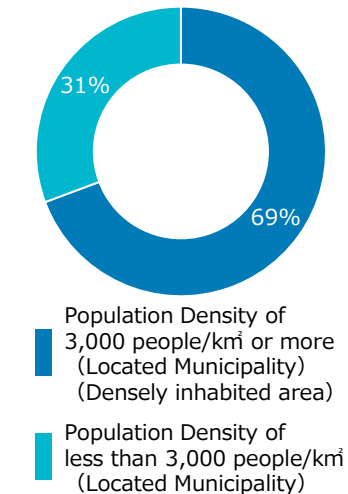
- The SOSiLA Series adopt “location” strategy that can cover urban areas of high population density and is closely located to consumption area.
- Among the locations where logistics facilities can be built, the SOSiLA Series is located near urban area, which is competitive in terms of both reducing transportation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



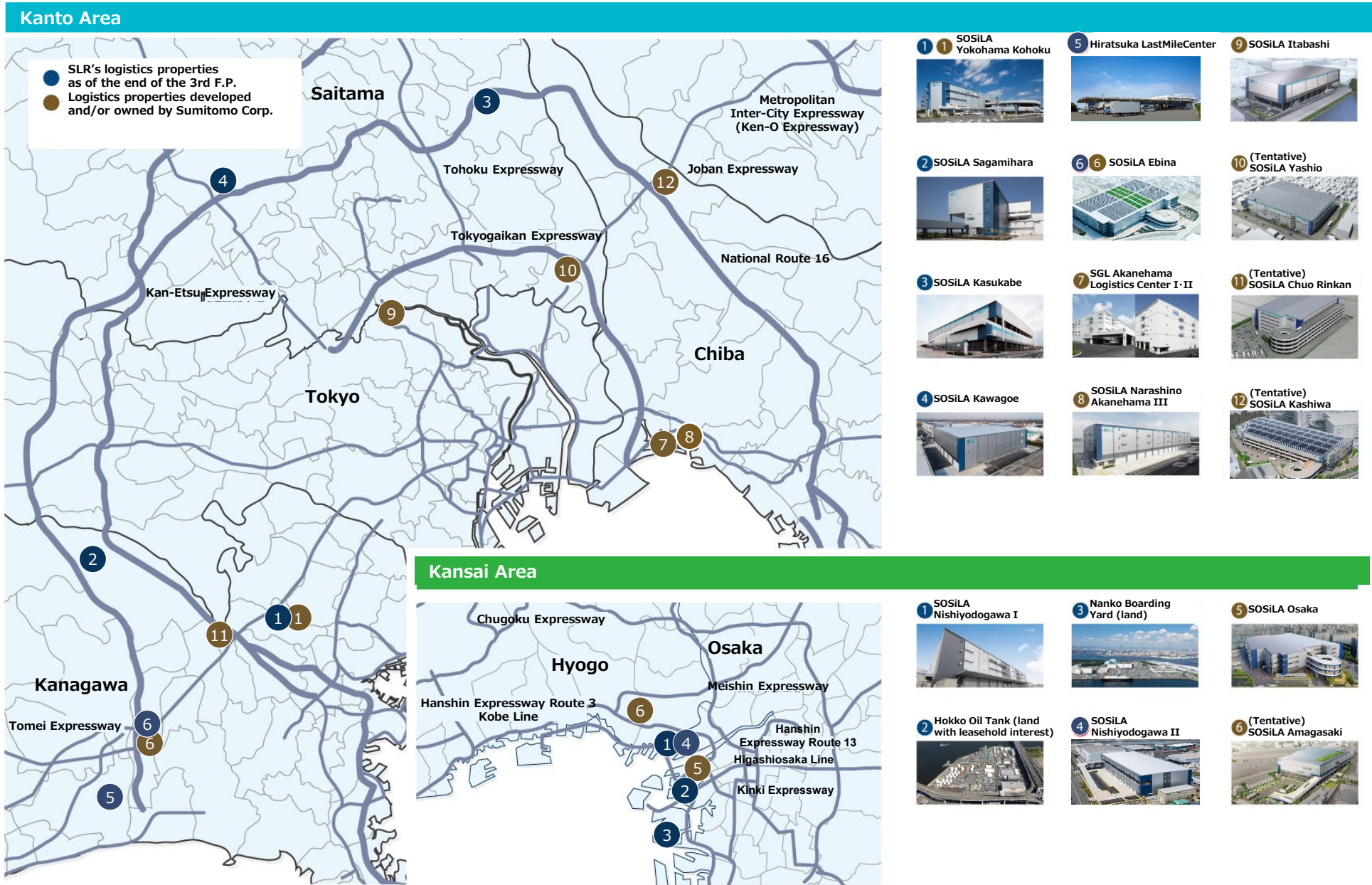
Location of SLR's Logistics Properties (acquisition price basis)



Location of other J-REITs' Logistics Properties (acquisition price basis)



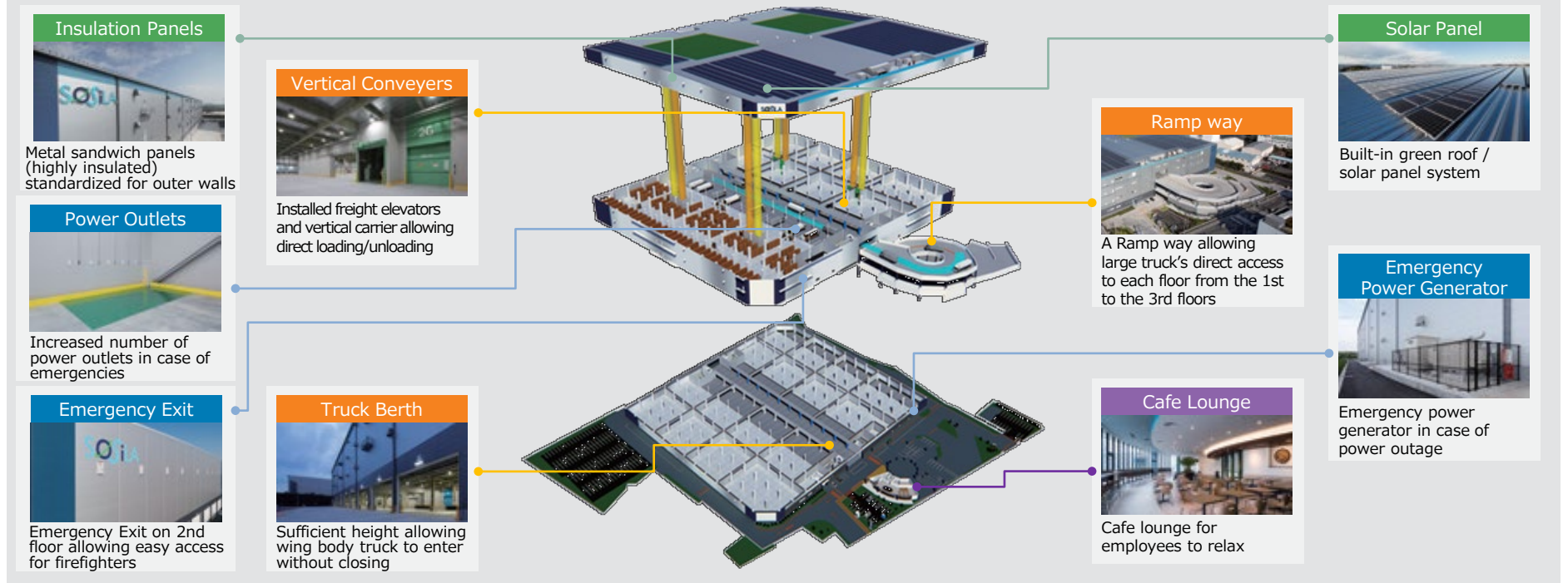
# Location of the SOSiLA Series and SLR's Logistics Properties



# Hardware in the SOSiLA Series

**Basic Features of the SOSiLA Series** Gross Floor Area : 10,000 m<sup>2</sup> or more  
**Features :** Column spacing of 10 m or more    Roof Height of 5.5 m or more    Floor Load of 1.5 t/m<sup>2</sup> or more

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



**LED Lighting**

Realization of energy-saving by adopting LED Lighting

**CASBEE Rating**

Qualification of environmental performance of buildings

**Emergency Restroom**

Manhole toilets in case of water supply suspension

**Open space**

An open, wide entrance to create a comfortable working environment

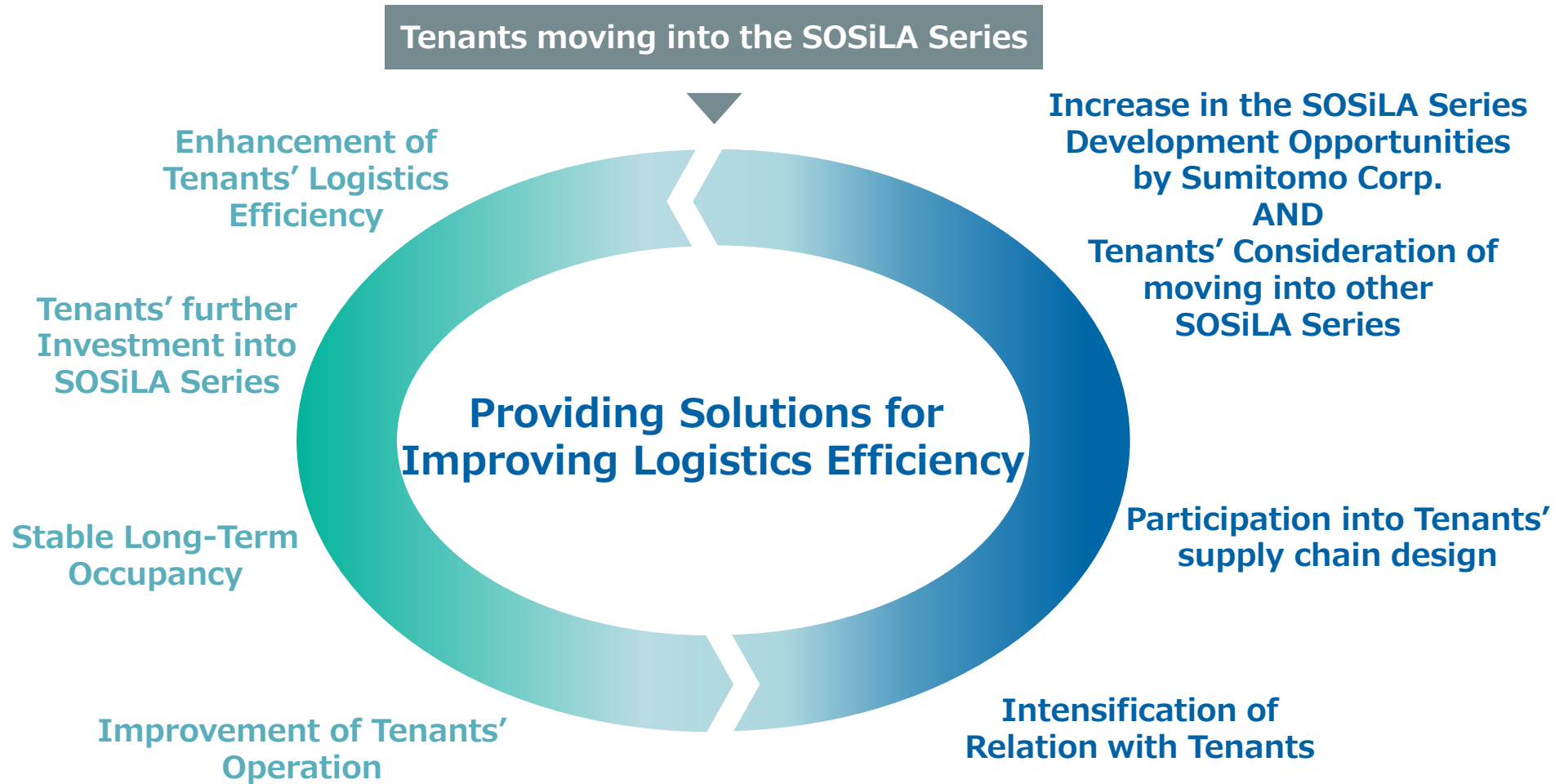
**Consideration for Accessibility**

Slopes made for multipurpose toilet and entrance

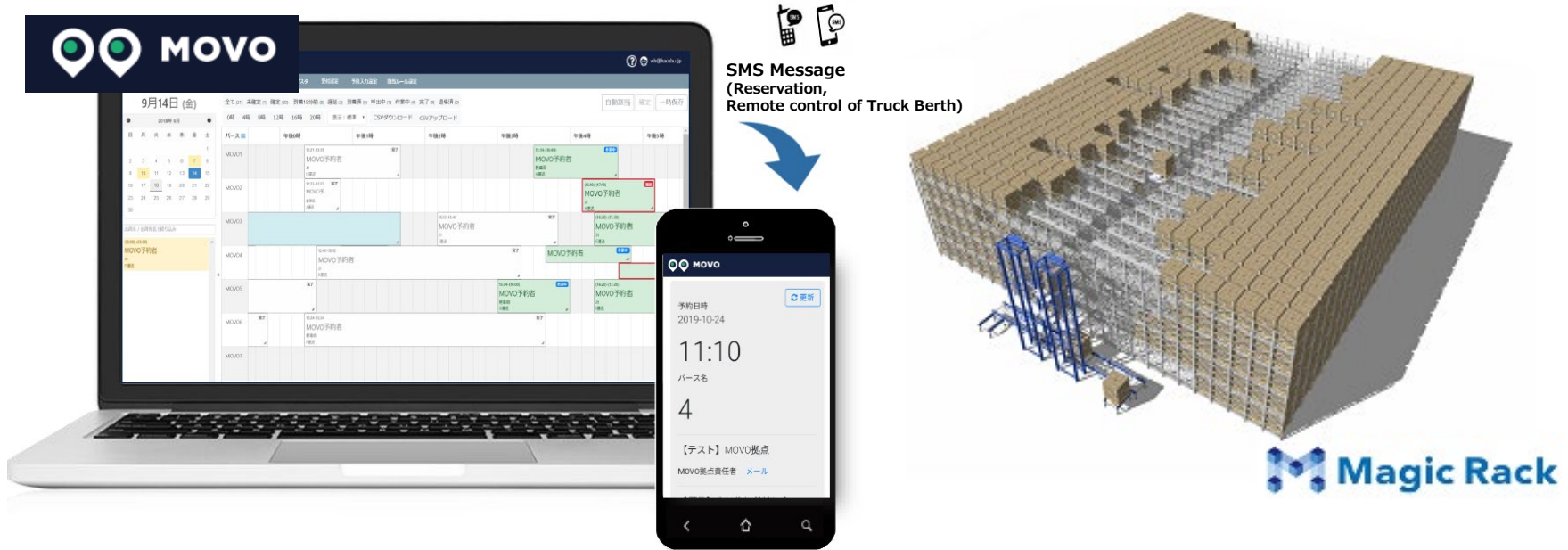
**Private Boxes**

Private Boxes set up in female restrooms

► Providing solutions for improving logistics efficiency by the sponsor group



## ▶ 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"

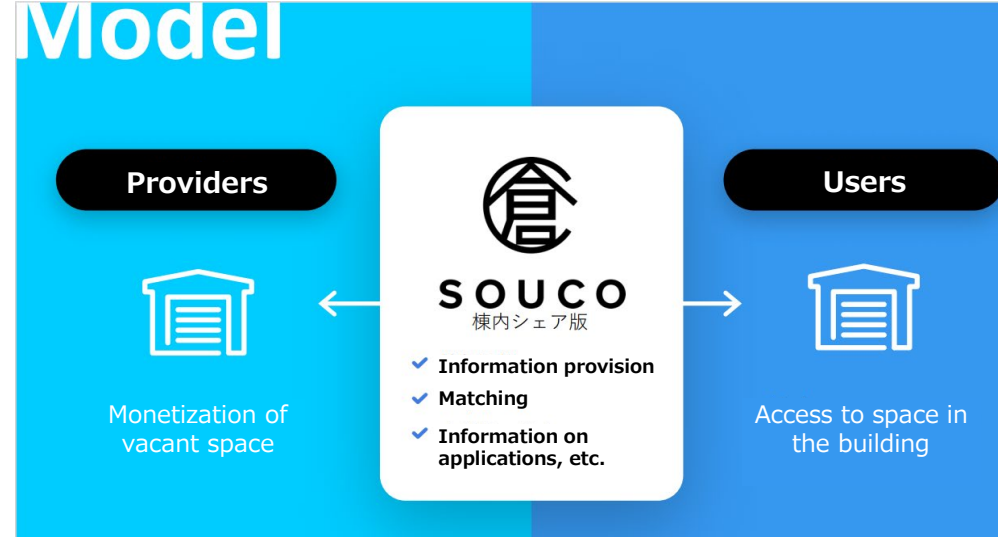
- ▶ (with implementation to adapt to changes in structure, compartments, etc.)
- ▶ Aisle for forklifts is not needed. Achieved improving storage efficiency compared to conventional pallet racks
- ▶ Reduced working time with product automatic assortment

# Example of Software in the SOSiLA Series②

- ▶ Introduction of solutions to improve logistics efficiency that contribute to the signing of stable, long-term lease contracts



- ▶ **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



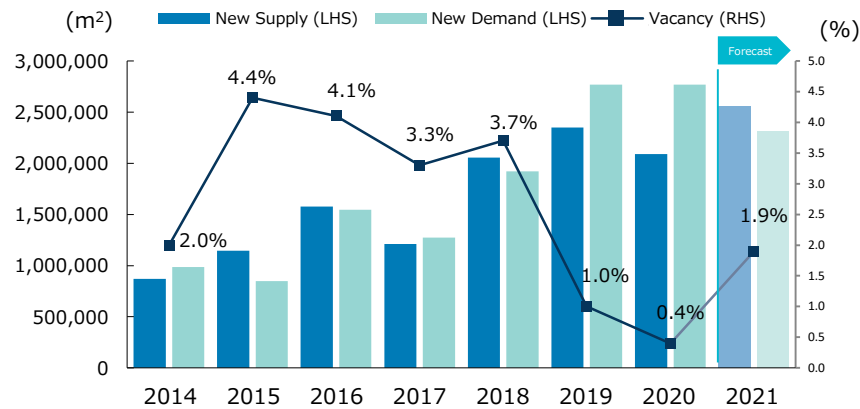
- ▶ **SOUCO, an intra-building shared service,** from SOUCO Inc.
- ▶ A mechanism for sharing and effectively using non-utilized leased floor space created by seasonal fluctuations, etc. among tenants
- ▶ Contribute to the stable operation of facilities
- ▶ Introduced at SOSiLA Ebina

# Real Estate Market of Logistics Properties①

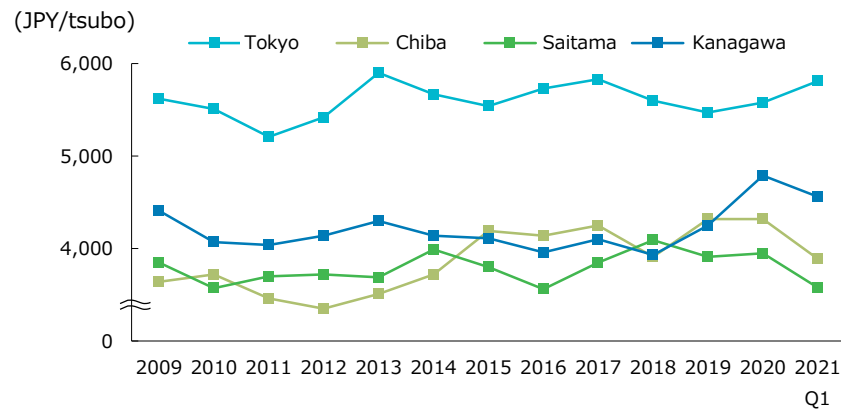
- ▶ Greater Tokyo Area: Demand has continued to be firm since 2017, and the vacancy rate rose to 1.0% in Q1 of 2021 as brisk demand in the previous year came to a pause but still remains low.
- ▶ Kinki Area: The vacancy rate is expected to be stable at a low level due to continued firm demand. The vacancy rate in Q1 of 2021 was 1.3% due to progress in the digestion of vacancies in existing properties.

## Greater Tokyo Area Market

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

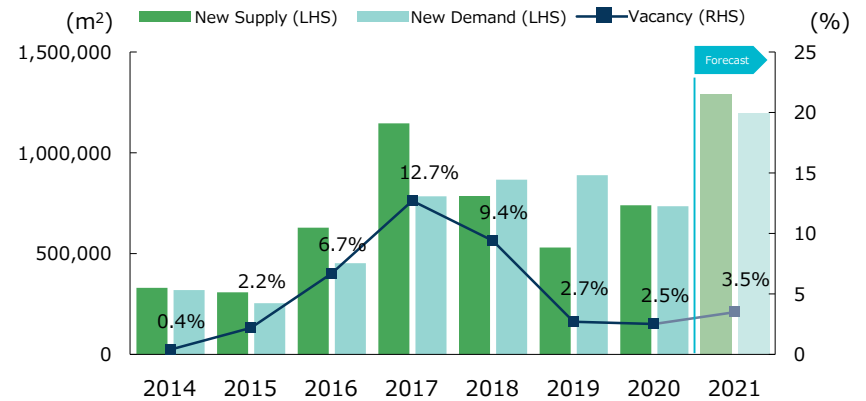


<Rent Trend (Large multi-tenant property) >

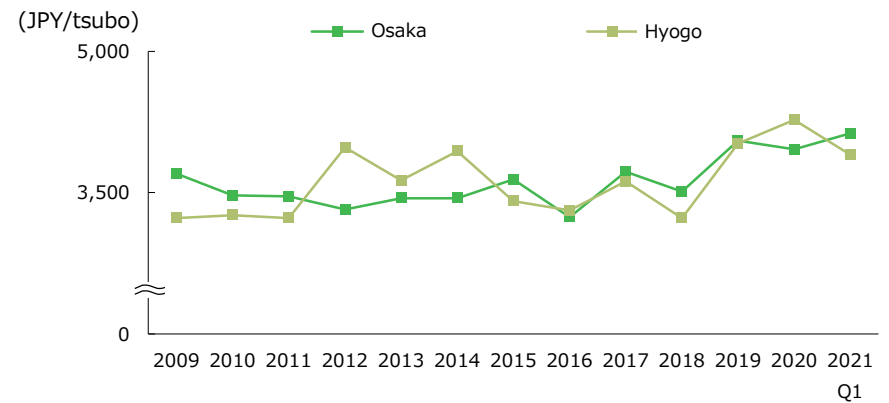


## Kinki Area Market

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



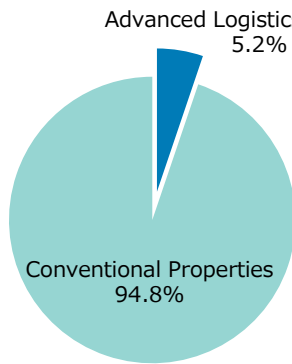
<Rent Trend (Large multi-tenant property) >



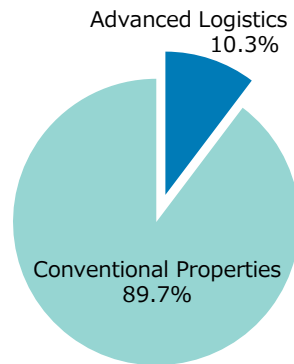
# Real Estate Market of Logistics Properties②

- ▶ The advanced logistics properties comprise only 5.2% of the entire logistics properties in Japan.
- ▶ The floor area of logistics properties' construction has been gradually increasing in recent years.

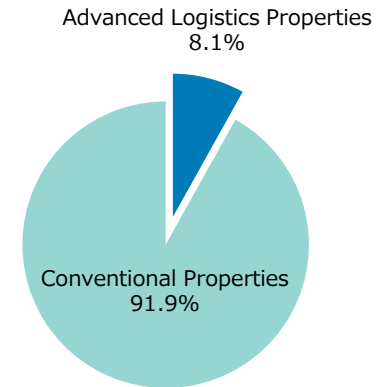
✓ Scarcity of Advanced Logistics Properties (as of Nov. 2020, area basis)



**Japan**

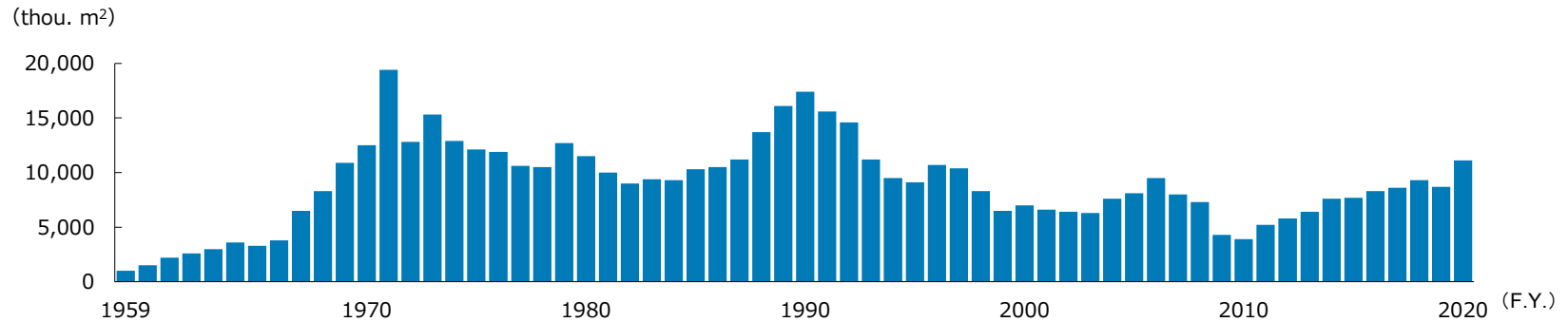


**Greater Tokyo Area**



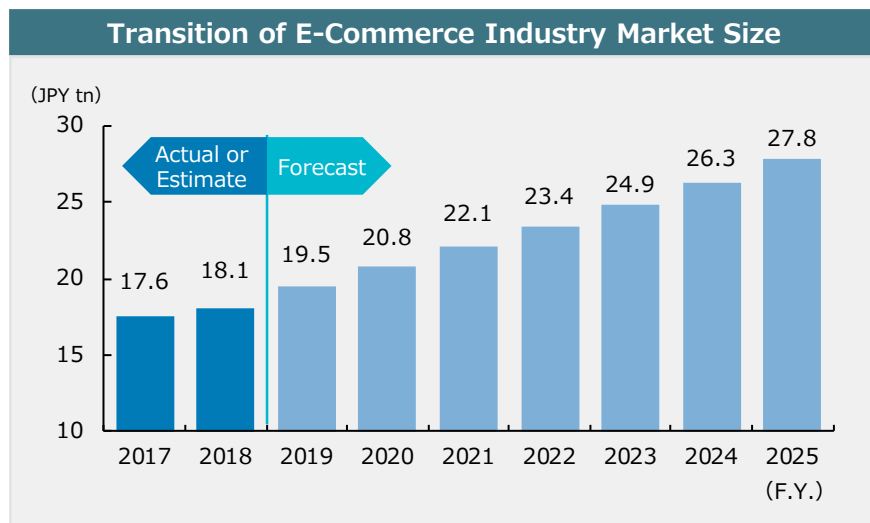
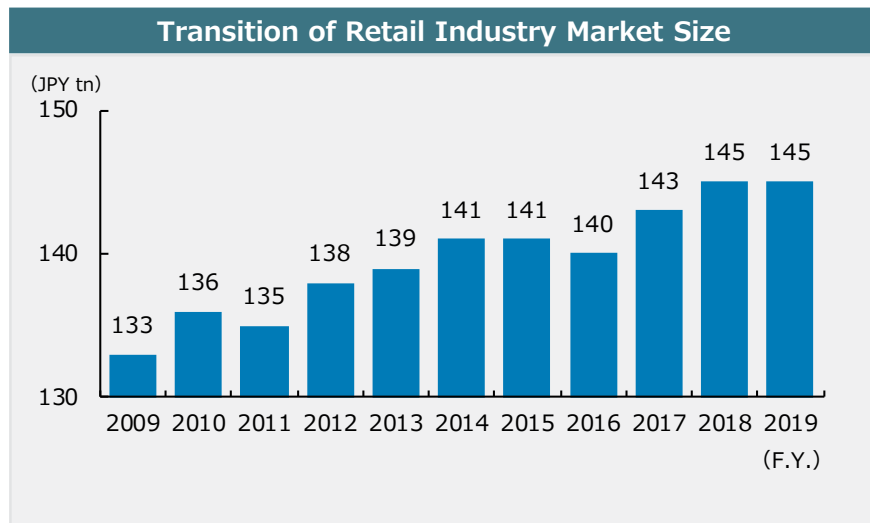
**Kinki Area**

✓ Historical Long-term Trend of Logistics Property Construction Start





## ► 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)

| Logistics feature   | Proportion (%) |
|---------------------|----------------|
| Transportation Cost | 58.2%          |
| Storage Costs       | 15.8%          |
| Others              | 26.0%          |
- #### 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

| F.Y. | Standard Size Cars (times) | Compact Size Cars (times) |
|------|----------------------------|---------------------------|
| 2012 | 2.41                       | 2.28                      |
| 2013 | 2.44                       | 2.01                      |
| 2014 | 2.51                       | 2.08                      |
| 2015 | 2.75                       | 2.51                      |
| 2016 | 3.09                       | 2.54                      |
| 2017 | 3.16                       | 2.51                      |
| 2018 | 3.24                       | 2.49                      |
| 2019 | 3.37                       | 2.53                      |
- #### 3 Securing workforce for warehouse operations and transportation

Questionnaire concerning logistic strategies (F.Y. 2019)

| Logistic Strategy  | Number of Answers |
|--|-------------------|
| Employment of warehouse workers                            | 150               |
| Trucks preparation and employment of drivers               | 100               |
| Complication of warehouse works                            | 60                |
| Aging of warehouse (buildings)                             | 50                |
| Sophistication in technology (robots, AI, etc.)            | 45                |
| Smaller parcel and higher frequency in delivery            | 40                |
| Implementation / review of Material Handling and equipment | 35                |
| Outsourcing  | 30                |
| Aging of equipment   | 25                |
| Increase in rent   | 20                |
| Implementation / review of management system               | 15                |
| others   | 80                |

# Portfolio Summary (as of the end of May 2021)

| Property Type          | Property Number | Property Name   | Acquisition Price (JPY mn) | Appraisal Value (JPY mn) | Appraisal NOI yield (%) | Gross Floor Area (m <sup>2</sup> ) | Building Age (year) | Occupancy Rate (%) | Number of Tenants |
|------------------------|-----------------|---|----------------------------|--------------------------|-------------------------|------------------------------------|---------------------|--------------------|-------------------|
| Logistics Properties   | L-01            | SOSiLA Yokohama Kohoku (quasi-co-ownership interest of 80%) | 24,840                     | 27,360                   | 4.6                     | 83,782.32 (67,025.85)              | 3.6                 | 100.0              | 6                 |
|                        | L-02            | SOSiLA Sagamihara   | 12,820                     | 14,100                   | 4.9                     | 53,412.93                          | 3.0                 | 100.0              | 1                 |
|                        | L-03            | SOSiLA Kasukabe   | 10,300                     | 11,000                   | 5.0                     | 48,420.86                          | 2.2                 | 100.0              | 3                 |
|                        | L-04            | SOSiLA Kawagoe  | 4,124                      | 4,870                    | 5.6                     | 21,818.73                          | 2.3                 | 100.0              | 2                 |
|                        | L-05            | SOSiLA Nishiyodogawa I                                      | 17,470                     | 19,300                   | 5.3                     | 71,416.86                          | 4.9                 | 100.0              | 2                 |
|                        | L-06            | LiCS Hiratsuka LastMileCenter                               | 1,200                      | 1,230                    | 4.8                     | 1,628.08                           | 18.0                | 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)              | 1.2                 | 100.0              | 5                 |
|                        | L-08            | SOSiLA Nishiyodogawa II                                     | 8,404                      | 8,710                    | 5.1                     | 47,494.24                          | 4.1                 | 100.0              | 4                 |
| Industrial Properties  | I-01            | Hokko Oil Tank (Land with leasehold interest)               | 3,210                      | 3,290                    | 5.2                     | 76,255.99                          | -                   | 100.0              | 1                 |
|                        | I-02            | Nanko Boarding Yard (Land)                                  | 3,800                      | 3,860                    | 5.0                     | 56,237.09                          | -                   | 100.0              | 1                 |
| <b>Total (Average)</b> |                 |   | 100,862                    | 108,620                  | 4.9                     | 399,937.62 (355,834.98)            | 3.4                 | 100.0              | 26                |

**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

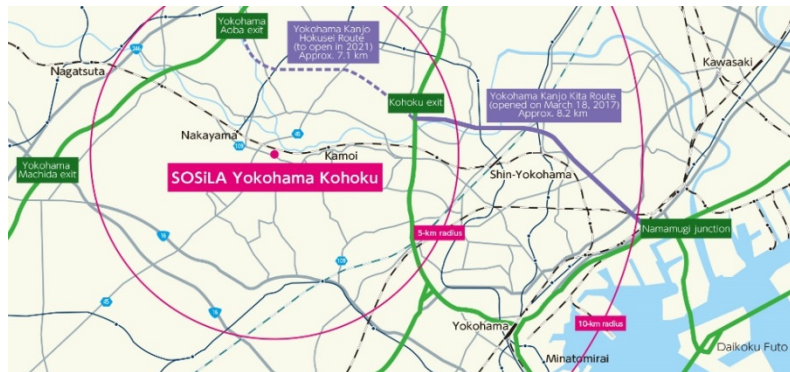
CASBEE  
A Rating

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 a 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.

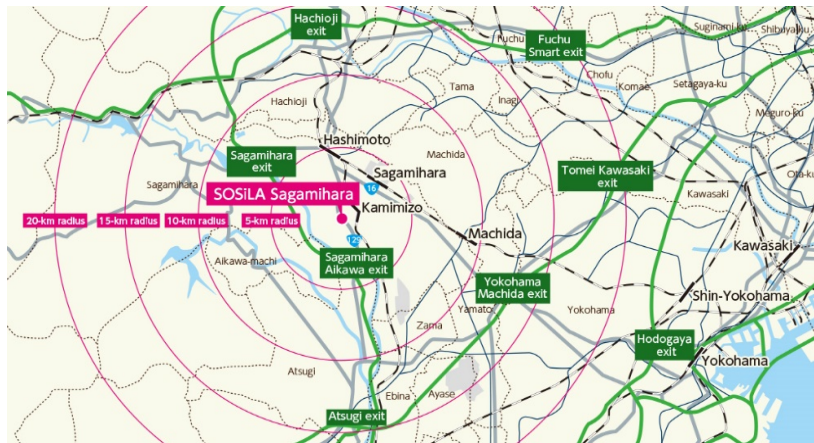


|                     |  |
|---------------------|--|
| Location            | Yokohama City, Kanagawa  |
| Construction Date   | September 21, 2017   |
| Acquisition Price   | JPY 24,840 million   |
| Appraisal Value     | JPY 27,360 million   |
| Appraisal NOI Yield | 4.6%   |
| Gross Floor Area    | 83,782.32m <sup>2</sup><br>(67,025.85m <sup>2</sup> )                    |
| Land Area           | 39,041.22m <sup>2</sup>  |
| 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.  |



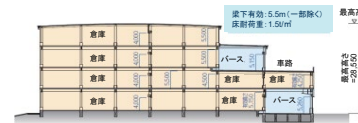
**Location**

■ 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 | 4.9%  |
| Gross Floor Area    | 53,412.93m <sup>2</sup>                             |
| Land Area           | 28,576.44m <sup>2</sup>                             |
| Structure           | RC aluminum-zinc alloy coated steel roofing/4-story |
| Constructor         | Okumura Corporation                                 |
| Number of Tenants   | 1   |
| Major Tenant        | Sun City Building                                   |





**Location**

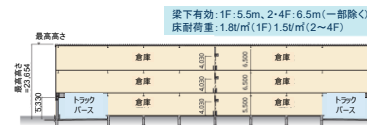
■ The property is located within 35km of central Tokyo. It is about 8.8km from the “Kawagoe” IC on the Kanetsu Expressway, which connects central Tokyo and Niigata, and about 6.7km from the “Kawajima” IC on the Ken-o Expressway via National Route 254. Its location enables rapid delivery to central Tokyo 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 4,870 million   |
| Appraisal NOI Yield | 5.6%  |
| Gross Floor Area    | 21,818.73m <sup>2</sup>   |
| Land Area           | 11,924.85m <sup>2</sup>   |
| 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.  |





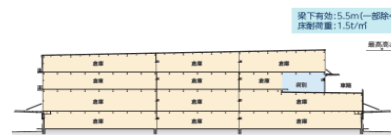
### Location

■ 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 19,300 million  |
| Appraisal NOI Yield | 5.3%  |
| Gross Floor Area    | 71,416.86m <sup>2</sup>                                   |
| Land Area           | 38,024.00m <sup>2</sup>                                   |
| Structure           | Steel-framed, alloy plated steel, shingle roofing/4-story |
| Constructor         | Daiwa House Industry Co., Ltd.<br>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 |



## 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/<br>2-story |
| Constructor         | Takumi Corporation  |
| Number of Tenants   | 1   |
| Major Tenant        | Konoike Transport Co., Ltd.                                   |



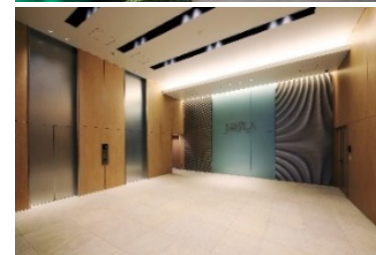


### Location

- 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 70,000m<sup>2</sup>, 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/m<sup>2</sup> (1.8t/m<sup>2</sup> 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 <sup>2</sup> (44,617.43m <sup>2</sup> )                       |
| Land Area           | 33,817.00m <sup>2</sup>  |
| 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.  |

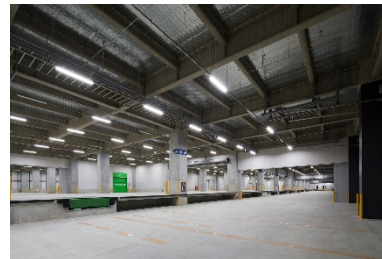


**Location**

- 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  |
| Anticipated Acquisition Date  | December 4, 2020  |
| Anticipated Acquisition Price | JPY 8,404 million   |
| Appraisal Value               | JPY 8,710 million   |
| Appraisal NOI Yield           | 5.1%  |
| Gross Floor Area              | 47,494.24㎡  |
| Land Area                     | 23,635.00㎡  |
| Structure                     | Reinforced Concrete, RC aluminum-zinc alloy coated steel roofing/4-story        |
| Type of ownership             | (land) General fixed-term leasehold (until April, 2087)<br>(building) Ownership |
| Constructor                   | Obayashi Corporation  |
| Number of Tenants             | 4   |
| Major Tenant                  | Senshukai Co., Ltd.   |

# Property I-01 & I-02 Hokko Oil Tank (Land with leasehold interest), Nanko Boarding Yard (Land)



## 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 <sup>2</sup> |

## 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 3,860 million       |
| Appraisal NOI Yield | 5.0%                    |
| Land Area           | 56,237.09m <sup>2</sup> |

# Overview of Appraisal Values at the End of the Period

(as of the end of May 2021)

| Property Name   | Acquisition Date  | Acquisition Price (JPY mn) | Book Value at the End of the 3rd F.P. (JPY mn) | Appraiser at the End of the 3rd F.P.  | End of the 2nd F.P.      |                         | End of the 3rd 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                     | 24,810   | Japan Real Estate Institute           | 27,280                   | 4.1                     | 27,360                   | 4.1                     | 80                       | –                       | 2,549                             |
| SOSiLA Sagamihara   | December 10, 2019 | 12,820                     | 12,753   | Tanizawa Sogo Appraisal Co., Ltd.     | 14,100                   | 4.3                     | 14,100                   | 4.3                     | –                        | –                       | 1,346                             |
| SOSiLA Kasukabe   | December 10, 2019 | 10,300                     | 10,260   | Daiwa Real Estate Appraisal Co., Ltd. | 10,700                   | 4.7                     | 11,000                   | 4.6                     | 300                      | -0.1                    | 739                               |
| SOSiLA Kawagoe  | December 10, 2019 | 4,124                      | 4,088  | Japan Real Estate Institute           | 4,750                    | 4.7                     | 4,870                    | 4.6                     | 120                      | -0.1                    | 781                               |
| SOSiLA Nishiyodogawa I                                      | December 10, 2019 | 17,470                     | 17,369   | Tanizawa Sogo Appraisal Co., Ltd.     | 18,600                   | 4.8                     | 19,300                   | 4.7                     | 700                      | -0.1                    | 1,930                             |
| LiCS Hiratsuka LastMileCenter                               | October 16, 2020  | 1,200                      | 1,244  | JLL Morii Valuation & Advisory K.K.   | 1,230                    | 4.5                     | 1,230                    | 4.5                     | –                        | –                       | -14                               |
| SOSiLA Ebina (quasi-co-ownership interest of 62%)           | December 4, 2020  | 14,694                     | 14,808   | Tanizawa Sogo Appraisal Co., Ltd.     | –                        | –                       | 14,900                   | 4.1                     | –                        | –                       | 91                                |
| SOSiLA Nishiyodogawa II                                     | December 4, 2020  | 8,404                      | 8,424  | Japan Real Estate Institute           | –                        | –                       | 8,710                    | 4.8                     | –                        | –                       | 285                               |
| 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                    | –                       | 3,860                    | –                       | 20                       | –                       | 8                                 |
| Total   |                   | 100,862                    | 100,870  |                                       | 83,790                   | –                       | 108,620                  | –                       | 1,220                    | –                       | 7,749                             |

Unrealized Profit / Loss per unit JPY 12,669 / NAV per unit JPY 113,800

# Revenue and Expenditures of Individual Properties

(the fiscal period ended May 2021)

| Property No.   | L-01  | L-02              | L-03            | L-04           | L-05                   | L-06                      | L-07  | L-08                    | I-01  | I-02                       | (JPY thousand)   |
|--|---|-------------------|-----------------|----------------|------------------------|---------------------------|---|-------------------------|---|----------------------------|------------------|
| Property Name  | SOSiLA Yokohama Kohoku (quasi-co-ownership interest of 80%) | SOSiLA Sagamihara | SOSiLA Kasukabe | SOSiLA Kawagoe | SOSiLA Nishiyodogawa I | Hiratsuka LastMile Center | SOSiLA Ebina (quasi-co-ownership interest of 62%) | SOSiLA Nishiyodogawa II | Hokko Oil Tank (Land with leasehold interest) | Nanko Boarding Yard (Land) | Total            |
| Acquisition Price (JPY mn)                           | 24,840  | 12,820            | 10,300          | 4,124          | 17,470                 | 1,200                     | 14,694  | 8,404                   | 3,210   | 3,800                      | 100,862          |
| Number of days of operation in the 3rd fiscal period | 182   | 182               | 182             | 182            | 182                    | 182                       | 179   | 179                     | 182   | 182                        | -                |
| Total revenues from property leasing business        |   |                   | 325,629         |                |                        |                           | 380,843   | 320,435                 |   |                            | 3,061,359        |
| Total rental revenues                                |   |                   | 309,015         |                |                        |                           | 370,356   | 311,329                 |   |                            | 2,945,512        |
| Total other rental revenues                          |   |                   | 16,613          |                |                        |                           | 10,486  | 9,105                   |   |                            | 115,846          |
| Total expenses for property leasing business         |   |                   | 124,529         |                |                        |                           | 116,769   | 179,620                 |   |                            | 1,102,466        |
| Property management fees                             | Not disclosed   | Not disclosed     | 19,409          | Not disclosed  | Not disclosed          | Not disclosed             | 21,614  | 14,732                  | Not disclosed                                 | Not disclosed              | 116,368          |
| Utilities expenses                                   |   |                   | 17,675          |                |                        |                           | 11,543  | 9,384                   |   |                            | 119,905          |
| Taxes and public dues                                |   |                   | 29,577          |                |                        |                           | 18,248  | 15,452                  |   |                            | 269,757          |
| Non-life insurance premiums                          |   |                   | 1,188           |                |                        |                           | 1,079   | 1,232                   |   |                            | 8,709            |
| Repair expenses                                      |   |                   | 578             |                |                        |                           | -   | 145                     |   |                            | 11,227           |
| Other rental expenses                                |   |                   | 869             |                |                        |                           | 765   | 48,952                  |   |                            | 58,304           |
| Depreciation   | 108,412   | 69,183            | 55,231          | 30,805         | 98,572                 | 2,747                     | 63,519  | 89,721                  | -   | -                          | 518,193          |
| <b>Net income from property leasing business</b>     | <b>450,177</b>  | <b>242,209</b>    | <b>201,099</b>  | <b>83,832</b>  | <b>369,418</b>         | <b>26,986</b>             | <b>264,073</b>                                    | <b>140,814</b>          | <b>84,430</b>                                 | <b>95,848</b>              | <b>1,958,892</b> |
| Leasing NOI  | 558,590   | 311,392           | 256,331         | 114,638        | 467,991                | 29,734                    | 327,592   | 230,536                 | 84,430  | 95,848                     | 2,477,085        |

## ▶ Statement of Income

| Item   | Actual<br>(JPY thousand) |
|--|--------------------------|
| <b>Operating revenue</b>                           | <b>3,061,359</b>         |
| Leasing business revenues                          | 2,945,512                |
| Other leasing business revenues                    | 115,846                  |
| <b>Operating expenses</b>                          | <b>1,477,436</b>         |
| Expenses relating to leasing business              | 1,102,466                |
| Asset management fees                              | 276,818                  |
| Asset custody fee and administrative service fees  | 11,625                   |
| Remuneration for directors                         | 3,000                    |
| Other operating expenses                           | 83,525                   |
| <b>Operating profit</b>                            | <b>1,583,922</b>         |
| Non-operating income                               | 1,171                    |
| <b>Non-operating expenses</b>                      | <b>202,341</b>           |
| Interest expenses                                  | 105,660                  |
| Investment unit issuance expenses                  | 47,836                   |
| Borrowing related expenses                         | 48,843                   |
| <b>Ordinary profit</b>                             | <b>1,382,752</b>         |
| Profit before income taxes                         | 1,382,752                |
| Total income taxes                                 | 932                      |
| <b>Profit</b>                                      | <b>1,381,820</b>         |
| Unappropriated retained earnings (undisposed loss) | 1,381,944                |

## ▶ Balance Sheet

| Item  | Actual<br>(JPY thousand) |
|---|--------------------------|
| <b>Current assets</b>                             | <b>6,391,335</b>         |
| Cash and deposits                                 | 2,034,694                |
| Cash and deposits in trust                        | 2,721,103                |
| Other current assets                              | 1,635,537                |
| <b>Non-current assets</b>                         | <b>101,073,317</b>       |
| Investment property, plant and equipment          | 100,052,703              |
| Intangible assets                                 | 824,575                  |
| Investments and other assets                      | 196,038                  |
| <b>Total assets</b>                               | <b>107,464,652</b>       |
| <b>Current liabilities</b>                        | <b>4,582,374</b>         |
| Operating accounts payable                        | 59,383                   |
| Short-term borrowings                             | 3,600,000                |
| Accounts payable                                  | 9,476                    |
| Accrued consumption taxes                         | –                        |
| Advances received                                 | 538,347                  |
| Other current liabilities                         | 375,166                  |
| <b>Non-current liabilities</b>                    | <b>39,480,006</b>        |
| Long-term borrowings                              | 37,100,000               |
| Leasehold and security deposits received in trust | 2,380,006                |
| <b>Total liabilities</b>                          | <b>44,062,381</b>        |
| <b>Total unitholders' equity</b>                  | <b>63,402,271</b>        |
| Unitholders' capital, net                         | 62,020,326               |
| Unappropriated retained earnings                  | 1,381,944                |
| <b>Total net assets</b>                           | <b>63,402,271</b>        |
| <b>Total liabilities and net assets</b>           | <b>107,464,652</b>       |

# Interest-bearing Debt<sup>①</sup> (as of the end of May 2021)

| Class.                 | Lender                              | Balance (JPY mn) | Interest Rate             | Borrowing Date | Maturity Date | Remarks                  |
|------------------------|-------------------------------------|------------------|---------------------------|----------------|---------------|--------------------------|
| Short-term             | Sumitomo Mitsui Banking Corporation | 900              | Base Interest Rate +0.15% | Dec. 10, 2020  | Nov. 30, 2021 | Unsecured Non-guaranteed |
|                        | Sumitomo Mitsui Trust Bank          | 600              |                           |                |               |                          |
|                        | Mizuho Bank                         | 600              |                           |                |               |                          |
|                        | Sumitomo Mitsui Banking Corporation | 1,500            | Base Interest Rate +0.15% | Dec. 4, 2020   | Nov. 30, 2021 |                          |
| Subtotal               |                                     | 3,600            | -                         | -              | -             | -                        |
| Long-term              | Sumitomo Mitsui Banking Corporation | 2,800            | 0.39370%                  | Dec. 10, 2019  | Dec. 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%                  |                | Dec. 10, 2025 |                          |
|                        | 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%                  |                | Dec. 10, 2027 |                          |
|                        | 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%                  |                | Dec. 10, 2029 |                          |
|                        | Sumitomo Mitsui Trust Bank          | 600              |                           |                |               |                          |
| Mizuho Bank            | 1,200                               |                  |                           |                |               |                          |
| Mizuho Trust & Banking | 500                                 |                  |                           |                |               |                          |

# Interest-bearing Debt<sup>②</sup> (as of the end of May 2021)

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



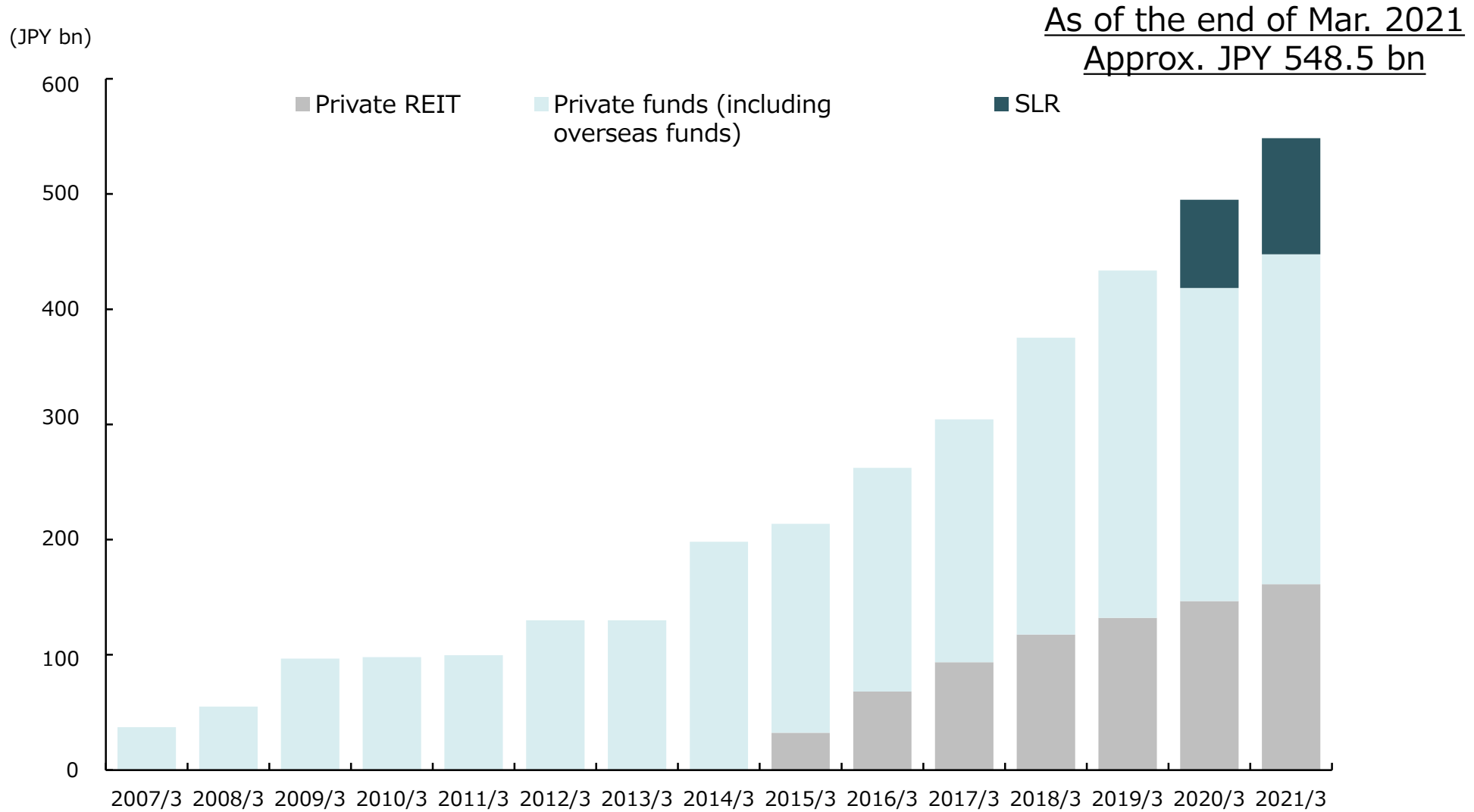
## ► Breakdown by Unitholder

|                                  | Number of Unitholders | Ratio (%)     | Number of Units | Ratio (%)     |
|----------------------------------|-----------------------|---------------|-----------------|---------------|
| Domestic Individuals and Others  | 12,146                | 95.40         | 89,309          | 14.60         |
| Financial Institutions           | 135                   | 1.06          | 349,714         | 57.17         |
| Other Domestic Entities          | 281                   | 2.20          | 51,499          | 8.41          |
| Foreign Entities and Individuals | 143                   | 1.12          | 103,298         | 16.88         |
| Securities Companies             | 26                    | 0.20          | 17,865          | 2.92          |
| <b>Total</b>                     | <b>12,731</b>         | <b>100.00</b> | <b>611,685</b>  | <b>100.00</b> |

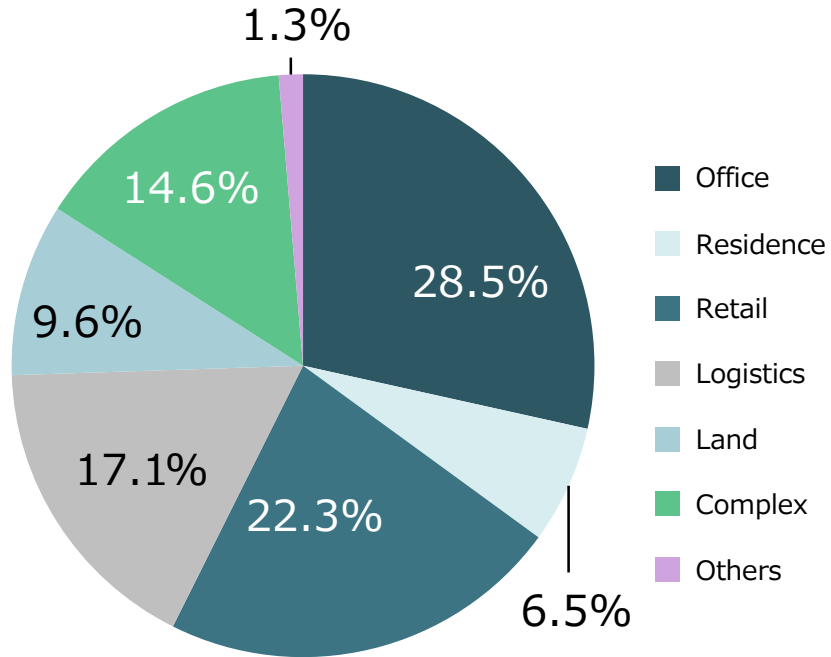
## ► Major Unitholders

| Name  | Units Owned    | Ratio (%)    |
|---|----------------|--------------|
| The Master Trust Bank of Japan, Ltd. (Trust Acct.)                    | 80,563         | 13.17        |
| Custody Bank of Japan, Ltd. (Trust Acct.)                             | 68,537         | 11.20        |
| Sumitomo Corporation  | 24,500         | 4.00         |
| The Nomura Trust and Banking Company, Ltd. (Trust Acct.)              | 22,619         | 3.69         |
| Custody Bank of Japan, Ltd. (Securities Investment Trust Acct.)       | 15,123         | 2.47         |
| SSBTC CLIENT OMNIBUS ACCOUNT  | 14,534         | 2.37         |
| The Hokkoku Bank, Ltd.  | 11,810         | 1.93         |
| NOMURA BANK (LUXEMBOURG) S.A.   | 9,800          | 1.60         |
| Mitsubishi UFJ Trust and Banking Corporation                          | 9,144          | 1.49         |
| NORTHERN TRUST CO. (AVFC) RE COLONIAL FIRST STATE INVESTMENTS LIMITED | 8,553          | 1.39         |
| <b>Total</b>  | <b>265,183</b> | <b>43.35</b> |

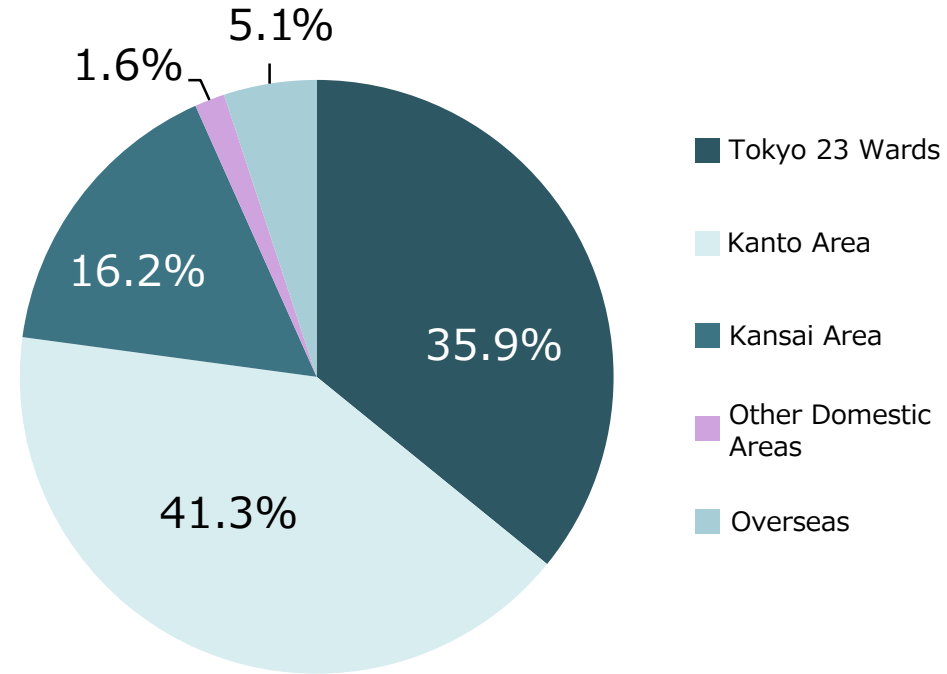
# Growth of SRM's AUM Balance



## ▶ 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.

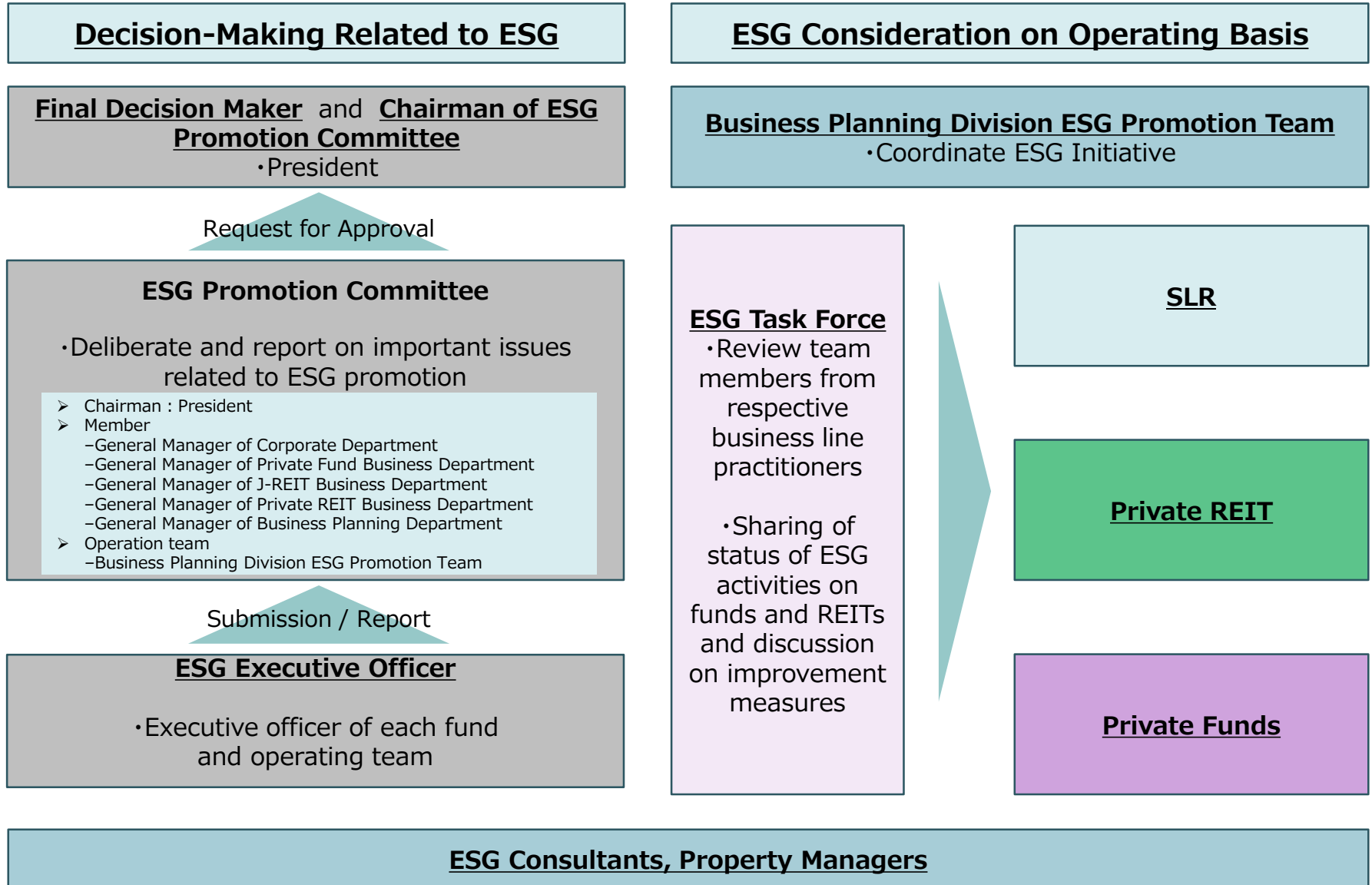
## **8. Compliance and Strengthening of Governance**

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.

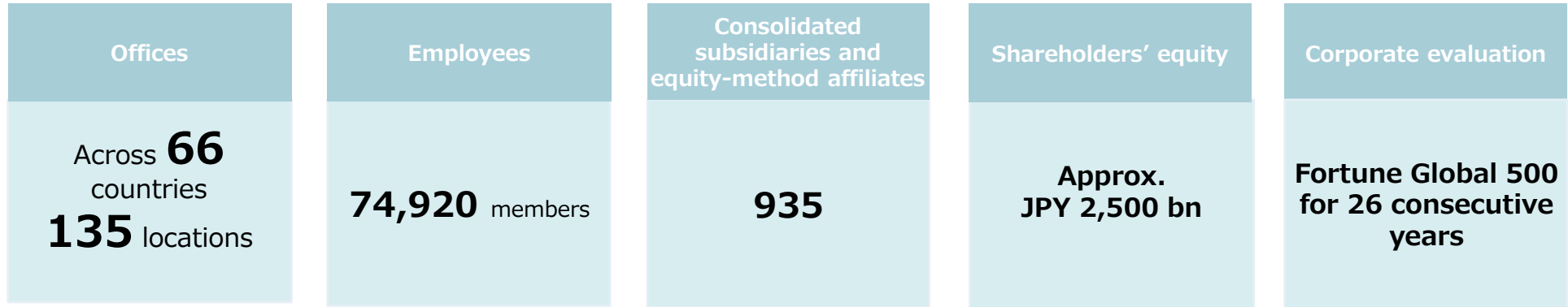
## **9. Disclosure of ESG Information and Utilization of Outside Evaluation**

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.

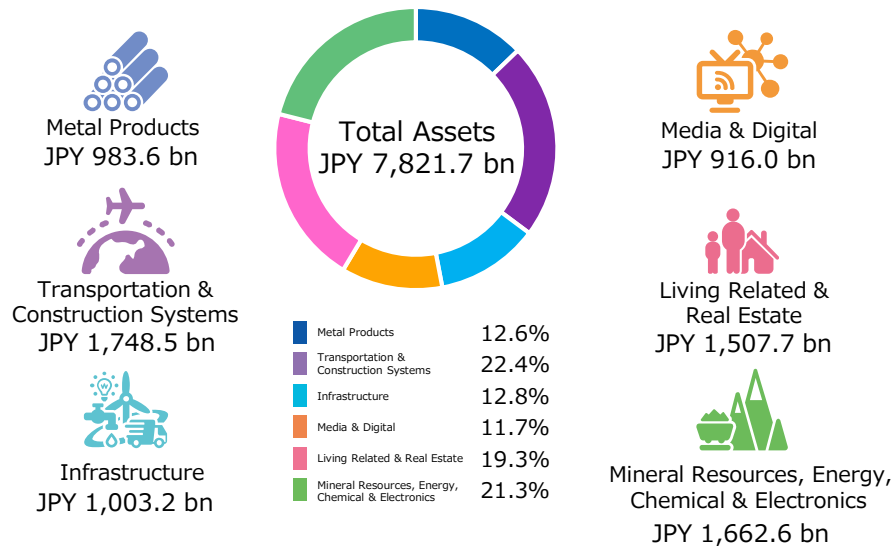
# SRM's Structure for Implementing ESG Initiatives



## ► Overview and consolidated business performance



## ► Six lines of business developed by sponsor



## ► Founded in 1919, a 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 Nippon Engineering Co., Ltd. and entered the trading business
- June 1952, renamed Sumitomo Corp.

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

(P3)

“Asset Size”

The total acquisition price; the same shall apply hereinafter.

“LTV” is 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.

“Mid-term Growth Target”

The Mid-term Growth Target of the asset size is a target as of Jul. 16, 2021 and does neither guarantee nor promise its realization or time of achievement. The same shall apply hereinafter.

The DPU at the end of the fiscal period ending Nov. 30, 2021 (the 4th fiscal period) and the end of the fiscal period ending May 31, 2022 (the 5th fiscal period) are expected distributions published in the Summary of Financial Results for the Fiscal Period Ended May 31, 2021 (REIT) announced on Jul. 16, 2021. The same shall apply hereinafter.

The rating of SLR is not the rating of the investment units but the rating of SLR obtained from Japan Credit Rating Agency, Ltd. (JCR). For the investment units, there is no credit rating that was or is to be provided or opened for public inspection by a rating agency at the request of SLR.

(P7)

“Occupancy Rate”

The ratio of the total leased area to the total leasable area as of May 31, 2021.

“Actual NOI Yield”

$(\text{NOI yield for the 3rd fiscal period} \div \text{Number of days of operation (182 days)} \times 365 \text{ days}) \div \text{Total acquisition price}$ .

“Appraisal Value”

The appraisal value stated in real estate appraisal reports with May 31, 2021 as the date of value. The appraisal values for SOSiLA Yokohama Kohoku and SOSiLA Ebina correspond to the percentage of their quasi-co-ownership interest (80% and 62%, respectively).

“Average Building Age (Logistics Properties)”

Of the assets owned, the weighted average number of years from the completion date indicated on the registers of the owned properties (logistics properties) until May 31, 2021 based on their 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 owned properties (logistics properties) and anticipated acquisition (logistics properties) which are in force as of May 31, 2021 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 leases set forth in the lease contracts for the assets (logistics properties) owned as of May 31, 2021 which are in force as of May 31, 2021 based on annual rents, rounded down to the first decimal place

“LTV (Total Asset)”

The ratio of the total interest-bearing debt (total of borrowings and investment corporation bonds issued) to the total amount of assets on the balance sheet of SLR.

(P13)

“Logistics Properties located close to Consumption Areas”

These are logistics properties with good access to consumption areas, production sites and transportation infrastructure — features that are advantageous for securing a workforce. In addition, the “Metropolitan Area Delivery Logistics Properties” located close to consumption areas are logistics properties located within the last one mile of a large consumption area, mainly in the Kanto and Kansai areas and located near a residential area. SLR believes this enables immediate delivery, improves delivery efficiency and reduces environmental impact.

“Kanto area”

This is Tokyo, Kanagawa, Chiba, Saitama, Ibaraki, Tochigi, and Gunma.

“Kansai area”

This is Osaka, Hyogo, Kyoto, Nara, Wakayama, Shiga, and Mie.

“The last mile”

This refers to the final section from the final delivery point of the logistics provider or consignor to the delivery destination, which is the consumer. The same shall apply hereinafter.

(P14)

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

The number and cumulative total floor area (rounded to the nearest integer) of the logistics properties that have been developed by Sumitomo Corp. for the period from Jan. 1, 2000 to May 31, 2021, and the logistics properties scheduled to be developed as of May 31, 2021 (including owned properties and anticipated acquisitions; the “Logistics Properties developed by Sumitomo Corp.”). SLR owns an 80% quasi-co-ownership interest in SOSiLA Yokohama Kohoku and a 62% quasi-co-ownership interest in SOSiLA Ebina, and therefore, future preferential negotiation rights will be granted for the remaining quasi-co-ownership interest (20% and 38%, respectively). However, in calculating the cumulative number of properties that have been (are scheduled to be) developed, each of these properties is counted as one property.

As of May 31, 2021, SLR does not plan to acquire any “Logistics Properties developed by Sumitomo Corp.”, except for the owned properties and anticipated acquisitions, 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.

Images of SOSiLA Itabashi, SOSiLA Osaka, (tentative) SOSiLA Kashiwa, (tentative) SOSiLA Yashio, (tentative) SOSiLA Amagasaki and (tentative) SOSiLA Chuo-Rinkan are rendered based on design drawings, and may differ from the completed buildings; the same shall apply hereinafter.

(P15)

As of Jul. 16, 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 May 31, 2021, 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. Regarding 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.

(Tentative) SOSiLA Chuo Rinkan includes a dangerous goods warehouse (953.70 m<sup>2</sup>).

(P17)

The figures are as of May 31, 2021.

(P18)

The percentage of the rent increase is calculated based on rents (common service fees, if any, are included.) of rooms for rent of tenants who have renewed their contracts.

(P19)

“Portfolio property composition (acquisition price basis)”

The ratio of the acquisition price of each portfolio asset to the total acquisition price of the portfolio assets of SLR. This is rounded to the first decimal place.

“Ratio of top 5 tenant (annual rent basis)”

The ratios of the total annual rents of the top 5 tenants in terms of annual rent to the total annual rent of the portfolio assets of SLR. This is rounded to the first decimal place. The name of top 5 tenants and the ratios of the individual tenants are not disclosed because the tenants consent has not been obtained regarding their annual rent and because the statement of the name of the tenants and the ratio of individual tenants could enable their annual rent to be identified.

(P20)

“Average LTV of J-REITs”

For 61 listed REITs (excluding Tokaido REIT, Inc.), the average value of LTVs obtained by dividing total interest-bearing debt by total assets stated in the securities reports or the summaries of financial results disclosed as of April 30, 2021 is stated.

(P21)

“Ratio of green eligible assets in portfolio”

This figure is as of May 31, 2021.



(P22)

“FTSE EPRA Nareit”

This indicates the investment corporations which are included in the FTSE EPRA Nareit Global Real Estate Index Series as of May 31, 2021.

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

“Credit Rating AA or higher”

This indicates the investment corporations that have obtained a AA rating or higher (including AA-) assigned by either Japan Credit Rating Agency, Ltd. (JCR) or Rating and Investment Information, Inc. (R&I) as of May 31, 2021.

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

They are calculated based on each J-REIT’s unit price and total number of outstanding investment units as of May 31, 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 May 31, 2021. It is not expected that SLR will be incorporated into any index into which SLR has not yet been incorporated as of May 31, 2021 or that its credit ratings will be improved, and SLR does not guarantee its incorporation into any such index nor the improvement of its ratings in the future.

(P23)

The investment unit price of each REIT and the Tokyo Stock Exchange REIT Index are indexed with Jan. 4, 2021 as 100.

(P27)

The decision-making flow is for cases that are considered dealings with interest parties, etc. that require the approval of the Board of Directors of an investment corporation pursuant to Article 201-2 of the Act on Investment Trusts and Investment Corporations. If the standard for deals that the Cabinet Office Order prescribes as having only a minor influence on the assets of an investment corporation under Article 201-2 of the same Act applies, the approval of the Board of Directors of SLR is omitted.

(P33)

The chart on this page is prepared by SRM based on the 2015 National Census and the data of the J-REIT System of Tokyuu Land Corporation (“TOREIT”). For “Location of other J-REITs’ Logistics Properties,” the ratios of total acquisition prices of properties located in densely populated areas and those in other than densely populated areas to the total acquisition price of logistics properties held by REITs other than SLR as of Sep. 9, 2020 that are classified as “Warehouse” in TOREIT are stated.

(P35)

Regarding the “Hardware” of the SOSiLA Series, all SOSiLA Series properties held by SLR do not necessarily have the stated functions and features.

(P39)

“Greater Tokyo Area”

This is Tokyo, Chiba, Saitama, and Kanagawa.

“Kinki Area”

This is Osaka and Hyogo.

The figures for new supply, new demand and vacancy in 2021 on the graphs are projected values as of November 2020 calculated based on information obtained independently by CBRE K.K. under the assumptions that the company deems reasonable, and they are not actual values. There is no guarantee or promise that the figures will be realized. Therefore, they may differ from actual results.

“Mid-large property”

Logistics facilities for lease with a total floor area of 5,000 m<sup>2</sup> 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 5,000 m<sup>2</sup> or more.

“Large multi-tenant property”

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

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

Data was gathered regarding properties with offered areas of 1,000 tsubo or more.

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

(P40)

“Advanced Logistics Properties”

Logistics properties for lease with a functional design with a total floor area of 10,000 m<sup>2</sup> or more, a floor loading capacity of 1.5 tons/m<sup>2</sup> or more, a ceiling height of 5.5 m or more, and a pillar span of 10 m 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 the user, except advanced logistics properties

CBRE K.K. is the source of information for the Scarcity of Advanced Logistics Properties (as of Nov. 2020) and the Historical Long-term Trend of Logistics Property Construction Starts

(P41)

“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 Jul. 2015, there are gaps between the figures before and after July 2015. Each figure is rounded to the nearest unit.

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

“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)”

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

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

This is prepared by SRM based on the Ministry of Land, Infrastructure, Transport and Tourism’s Survey on Motor Vehicle Transport.

“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.

(P42)

“Gross Floor Area”

Total (Average) excludes industrial properties

(P52)

“Unrealized Profit / Loss per unit”

Unrealized gain based on the appraisal value divided by the total units outstanding (611,685 units)

(P57)

“Unitholder Composition at the end of 3rd Fiscal Period”

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

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Purchase, sale and such of SLR's investment units entail the risk of incurring a loss due to fluctuations of the investment unit price.

Please consult with a securities company regarding the purchase of SLR's investment units.

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Sumisho Realty Management Co., Ltd. (SRM)  
Financial Instruments Business Operator (Director of Kanto Local Finance Bureau (Kinsho) No.1807)  
(Investment Management Business, Investment Advisory and Agency Business, and Type II Financial Instruments Business)  
Membership: Japan Investment Advisors Association, and Investment Trusts Association, Japan, and Association for Real Estate Securitization