

SOSiLA Logistics REIT, Inc. (SLR) 1st Fiscal Period (Fiscal Period Ended May 31, 2020) Investor Presentation Material



Sociability, Sustainability, and Individuality
for Logistic Aspect



Sumisho Realty Management (SRM)

Securities Code : 2979

July, 2020

▶ After listing on the TSE in December last year, investment unit price remained firm due to stable management

- ✓ Even amid the COVID-19 pandemic, SLR took appropriate measures to prevent infection and maintained the occupancy rate of its properties at 100%
- ✓ Despite temporary declines of investment unit price due to the impact of COVID-19, SLR's investment unit price has been stabilizing around ¥140,000
- ✓ Appraisal value at the end of the 1st fiscal period rose by 1.3% since initial acquisition
- ✓ DPU for the 1st fiscal period was **¥2,173, 2.8% higher** than the initial forecast
- ✓ Currently, there is **no impact of COVID-19 on the earnings forecast for the 2nd fiscal period ending November 30, 2020 and the 3rd fiscal period ending May 31, 2021** (DPU forecast is ¥2,363 for the 2nd fiscal period and ¥2,363 for the 3rd fiscal period)

▶ For Future Growth

- ✓ Plans to add one property developed by the sponsor to the pipeline (11 properties at the time of listing), aiming to achieve asset size of **¥200 bn in five years after listing**
- ✓ Securing stable earnings based on well-balanced tenant diversification and long-term lease agreements
- ✓ Aiming to increase DPU by acquiring properties utilizing low LTV (Total Asset)

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A modern office interior with a long, light-colored wooden table and black chairs. A large indoor plant is visible in the background. The ceiling is white with recessed lighting and a blue curved light fixture. The floor is light-colored wood or tile.

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1. IPO highlights of SOSiLA Logistics REIT, Inc. (SLR), sponsored by Sumitomo Corporation



Investment Corporation Name	SOSiLA Logistics REIT, Inc. (SLR)
Asset Management Company	Sumisho Realty Management Co., Ltd. (SRM)
Sponsor	Sumitomo Corporation (Sumitomo Corp.)
Securities Code	2979
Date of Listing	December 10, 2019
Fiscal Period	May/November

- ✓ **J-REIT sponsored by Sumitomo Corp., whose business originated in its real estate business 100 years ago**
- ✓ **J-REIT which invests primarily in the SOSiLA series, state-of-the-art logistics facilities, developed by Sumitomo Corp.**
- ✓ **J-REIT with ample pipeline through utilizing sponsor support agreement**
(Properties subject to preferential negotiation rights: SOSiLA Series 9 properties, 449,594m²)

► Overview of Offering

Launch date	November 5, 2019
Listing date	December 10, 2019
Number of investment units offered	511,350 Investment Units
Number of investment units issued and outstanding	514,350 Investment Units
Joint Lead Managers	SMBC Nikko Daiwa Mizuho
Issue Price	¥103,000
Net Proceeds	¥50.8 bn

► Rating of SLR's IPO

Nikkei Veritas

"Deal of the Year 2019"

IPO #1

Refinitiv

"DEALWATCH AWARDS 2019"

Equity Category

J-REIT

Deal of the Year

Capital Eye Awards

"BEST DEALS OF 2019"

REIT Category

**BEST DEAL OF
2019**

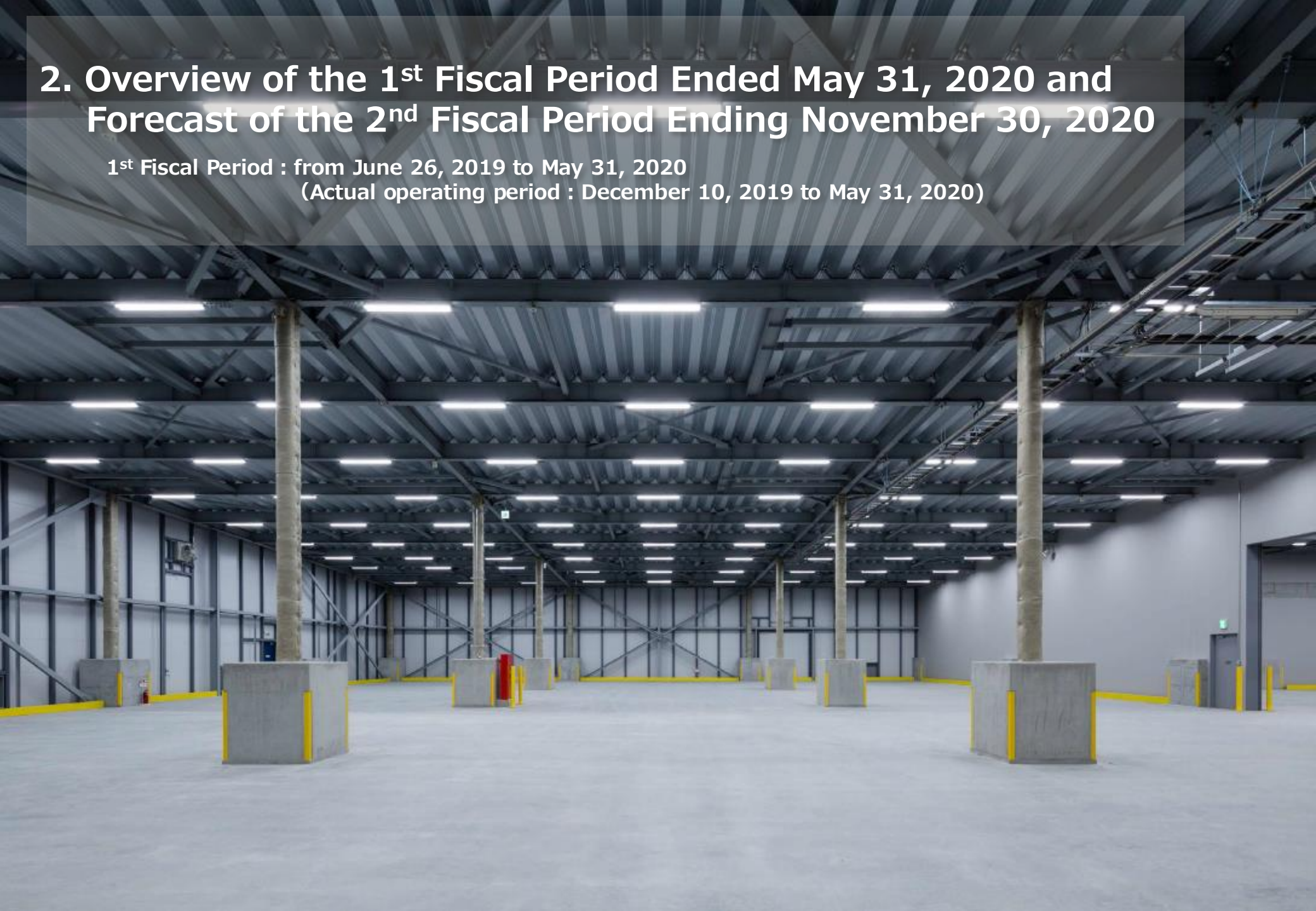
Transition of Investment Unit Price



2. Overview of the 1st Fiscal Period Ended May 31, 2020 and Forecast of the 2nd Fiscal Period Ending November 30, 2020

1st Fiscal Period : from June 26, 2019 to May 31, 2020

(Actual operating period : December 10, 2019 to May 31, 2020)



Portfolio

Number of Properties / Total Acquisition Price

7 properties / ¥76.5 bn

Occupancy Rate / 1st FP Actual NOI Yield

100.0 % / 5.3 %

Appraisal Value

7 properties / ¥80.8 bn

Average Property Age (Logistics Properties)

2.5 years

Average Lease Term (Logistics Properties)

9.9 years

Average Remaining Lease Term (Logistics Properties)

7.7 years

Debt

Total Interest-bearing Debt ¥33.0 bn

LTV (Total Asset)

1st FP (period ended May 31, 2020) Actual 37.7 %

2nd FP (period ending Nov 30, 2020) Forecast 35.1 %

Average Borrowing Term 5.5 years

Average Remaining Borrowing Term 5.0 years

Average Borrowing Cost 0.51 %

Long Term Issuer Rating (JCR) A+ (stable)

Equity

NAV per Unit ¥106,411

P/NAV 1.23x

Distributions Per Unit

(Including Surplus Cash Distributions Per Unit)

1st FP (period ended May 31, 2020) Actual ¥2,173

2nd FP (period ending Nov, 30 2020) Forecast ¥2,363

(For reference) Sumitomo Corp.'s Same-boat Investment: 4.7%

Financial Results of the 1st Fiscal Period Ended May 31, 2020

(unit : mn yen)	1 st FP Forecast (Announced on December,10) (A)	1 st FP Actual (B)	Difference (B) – (A)
Operating revenues	2,250	2,244	– 5
Operating expenses	962	937	– 24
Rental expenses (excl. depreciation)	342	309	– 33
Depreciation	362	357	– 4
Selling, general and administrative expenses	257	271	+ 13
Operating profit	1,287	1,306	+ 18
Non-operating expenses	307	294	– 13
Ordinary profit	980	1,012	+ 32
Profit	978	1,010	+ 32
(For reference) NOI	1,907	1,935	+ 27
(unit : yen)	(A)	(B)	(B) – (A)
Distributions per unit(including surplus cash distributions)	2,113	2,173	+ 60
Distributions per unit(excluding surplus cash distributions)	1,902	1,965	+ 63
Surplus cash distributions per unit	211	208	– 3

Main Factors of Variance
<p>✓ Operating revenues – 5 Decrease in Rental revenues – 5 Decrease in Utility charge revenues among certain properties</p>
<p>✓ Operating expenses – 24 Decrease in Rental expenses (excl. Depreciation) – 33 Decrease in Repair expenses Decrease in Management expenses Decrease in Utility charges</p>
<p>✓ Non-operating expenses – 13 Decrease in Organization expenses Decrease in Borrowing related expenses</p>

Forecasts for the 2nd Fiscal Period Ending November 30, 2020

(unit : mn yen)	1 st FP Actual (A)	2 nd FP Forecast (B)	Difference (B) - (A)
Operating revenues	2,244	2,345	+ 100
Operating expenses	937	1,134	+ 196
Rental expenses (excl. depreciation)	309	456	+ 147
Depreciation	357	363	+ 5
Selling, general and administrative expenses	271	314	+ 43
Operating profit	1,306	1,210	- 95
Non-operating expenses	294	102	- 191
Ordinary profit	1,012	1,108	+ 95
Profit	1,010	1,107	+ 96
(For reference) NOI	1,935	1,888	- 46

(unit : yen)	(A)	(B)	(B) - (A)
Distributions per unit(including surplus cash distributions)	2,173	2,363	+ 190
Distributions per unit(excluding surplus cash distributions)	1,965	2,152	+ 187
Surplus cash distributions per unit	208	211	+ 3

Main Factors of Variance	(For reference) 3 rd FP Forecast
✓ Operating revenues + 100 Increase Rental revenues + 100 Full-year contribution of Rental revenue of properties Increase in Utility charge revenues	2,333 1,118 447
✓ Operating expenses + 196 Increase in Rental expenses (excl. Depreciation) + 147 Full-year contribution of Taxes and public dues (total of 2 fiscal periods) Increase in utility charges Selling, general and administrative expenses + 43 Increase in Asset management fee Increase in ESG related costs	363 307 1,214 106
✓ Non-operating expenses - 191 Absence of Investment unit issuance cost Decrease in borrowing related expenses Absence of organization expenses	1,108 1,107 1,885
	3rd FP Forecast
	2,363
	2,152
	211

3. Growth Strategy of SLR



▶ Investments Primarily in Logistics Facilities Close to Consumption Areas

Target Investment Ratio by Property Type (based on acquisition price)

Logistics Properties

80% or more

Industrial Properties

20% or less

Target Investment Ratio by Area (based on acquisition price)

Kanto Area and Kansai Area

70% or more

Other Areas

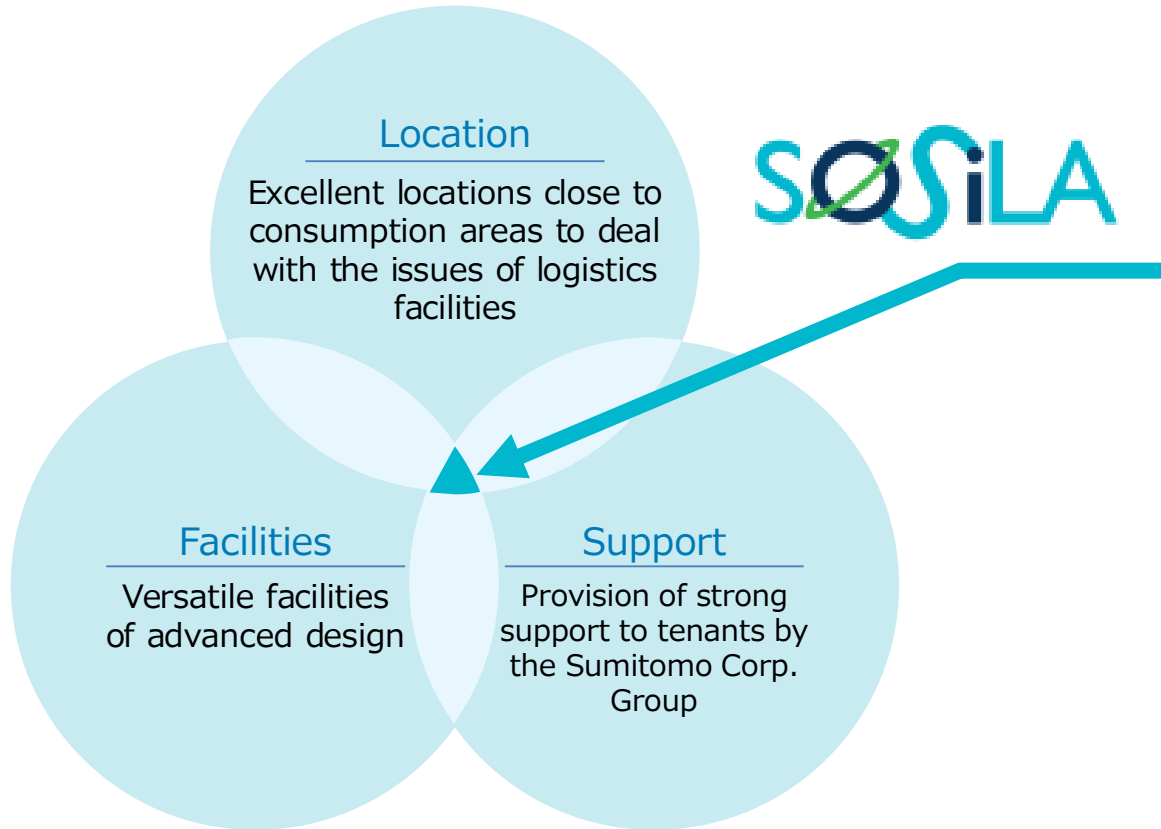
30% or less

▶ Characteristics of Logistics Properties Close to Consumption Areas

- ✓ Located within “last one mile” from large consumption areas, primarily in the Kanto and Kansai areas
- ✓ Close to areas where residential properties are concentrated, which makes rapid deliveries, improvement of delivery efficiency, and reduction of environmental impact possible
- ✓ Built in highly convenient locations, SLR hopes to contribute to local communities, for example by creating employment opportunities, and becoming appreciated by society



► SOSiLA , high quality Logistics Facilities in Terms of Locations, Facilities, and Support



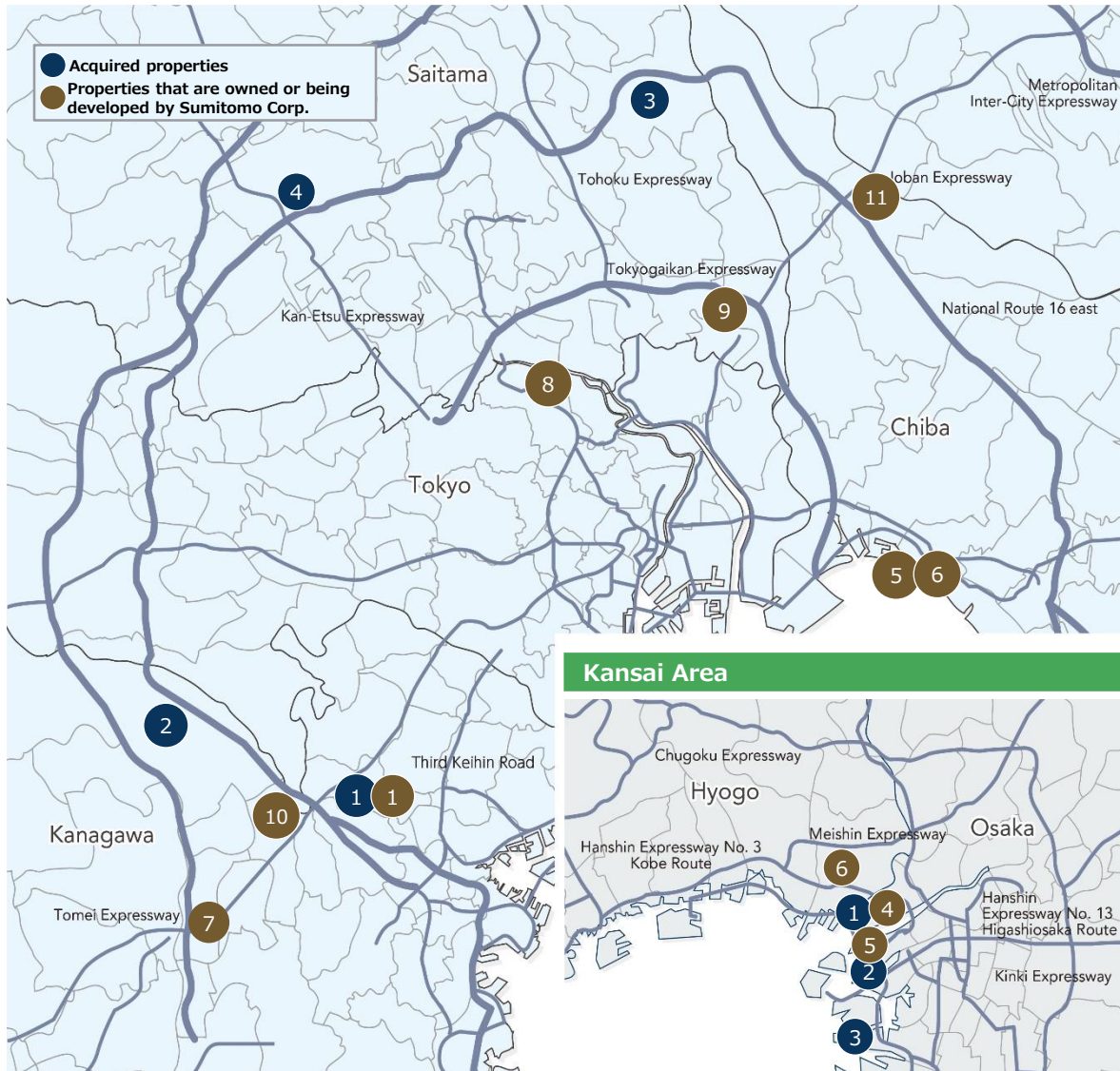
Provision of high-quality logistics facilities utilizing Sumitomo Corp. group's expertise



- ✓ Mainly Multi Tenant logistics facilities with focus on alterability since its design phase, to meet various tenant needs
- ✓ Relatively long lease terms for Multi Tenant facilities (average lease term 9.9 years)

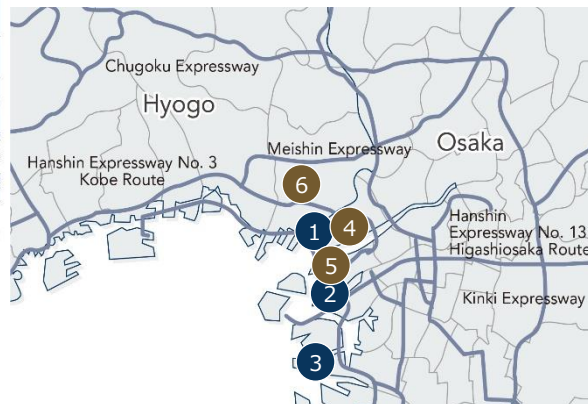
Portfolio Map

Kanto Area



<p>1 SOSiLA Yokohama Kohoku</p> 	<p>5 SGL Akanehama Logistics Center I · II</p> 	<p>9 (tentative) SOSiLA Yasio</p> 
<p>2 SOSiLA Sagamihara</p> 	<p>6 SOSiLA Naranshino Akanehama III</p> 	<p>10 (tentative) SOSiLA Chuo Rinkan</p> 
<p>3 SOSiLA Kasukabe</p> 	<p>7 SOSiLA Ebina</p> 	<p>11 (tentative) SOSiLA Kashiwa</p> <p>New</p> <div style="background-color: #00a0e3; color: white; padding: 5px; text-align: center;">No Image</div>
<p>4 SOSiLA Kawagoe</p> 	<p>8 (tentative) SOSiLA Itabashi</p> 	

Kansai Area



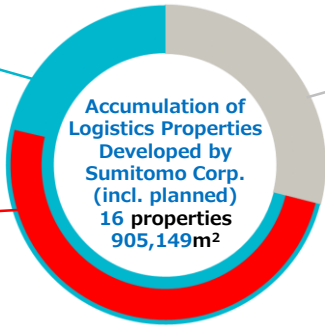
<p>1 SOSiLA Nishiyodogawa I</p> 	<p>4 SOSiLA Nishiyodogawa II</p> 
<p>2 Hokko Oil Tank (land with leasehold interest)</p> 	<p>5 (tentative) SOSiLA Osaka</p> 
<p>3 Nanko Boarding Yard (land)</p> 	<p>6 (tentative) SOSiLA Amagasaki</p> 

Sumitomo Corp. Group's Track Record and Plan of Developing Logistics Properties (1)

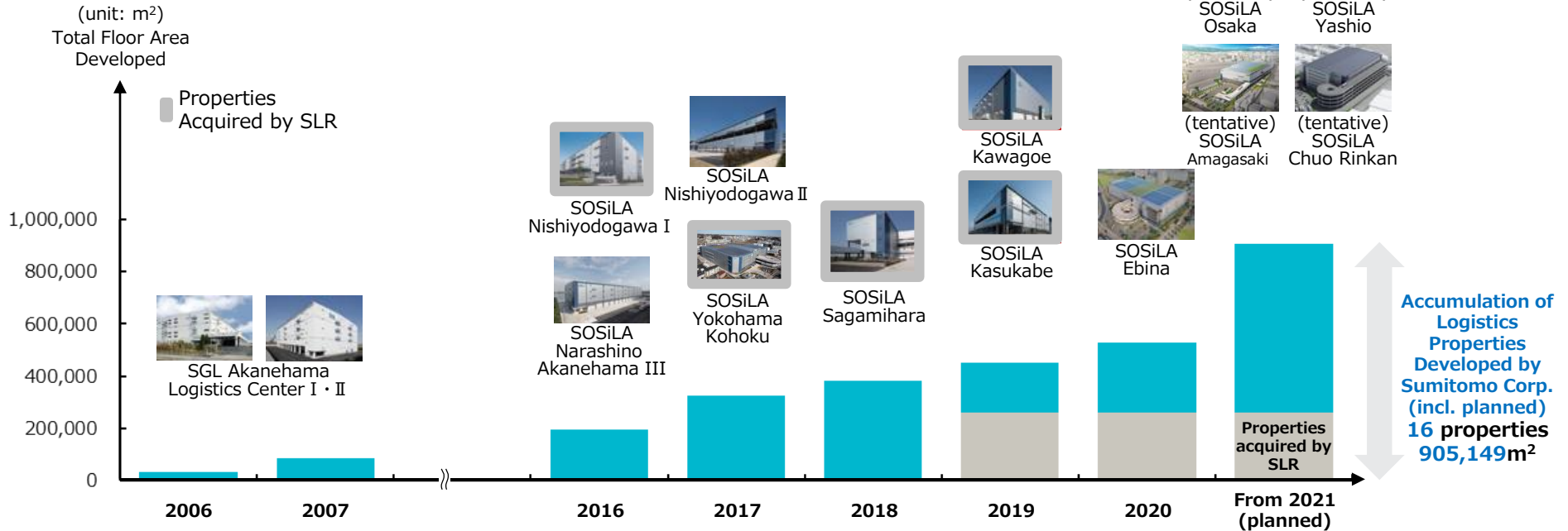
- ▶ **1919:** Originated from its early business in the land formation of the Osaka North Harbour area and the development of adjacent areas
- ▶ **2006:** Started development of Logistics properties in 2006

Logistics properties developed by Sumitomo Corp. (excl. those acquired by SLR)
12 properties, 643,054 m²

Properties subject to preferential negotiation rights
9 properties, 449,594 m²



Properties acquired by SLR
5 properties,
262,095 m²



Sumitomo Corp. Group's Track Record and Plan of Developing Logistics Properties (2)

Logistics properties developed by Sumitomo Corp.
(Excl. those acquired by SLR)

12 properties,
643,054 m²

Properties subject to preferential negotiation rights

9 properties,
449,594 m²

(For reference)
Logistics properties acquired by SLR
5 properties, 262,095 m²
(Total Acquisition Price :
¥69.5 bn)

Completed



Name	SOSiLA Nishiyodogawa II
Address	Osaka, Osaka
Date of Completion	April, 2017
Total Floor Area	47,494m ²



Name	SOSiLA Yokohama Kohoku
Address	Yokohama, Kanagawa
Date of Completion	September, 2017
Total Floor Area	83,782m ² (16,756m ²)



Name	SOSiLA Ebina
Address	Ebina, Kanagawa
Date of Completion	February, 2020
Total Floor Area	77,272m ²



Name	SGL Akanehama Logistics Center I
Address	Narashino, Chiba
Date of Completion	May, 2006
Total Floor Area	34,649m ²



Name	SGL Akanehama Logistics Center II
Address	Narashino, Chiba
Date of Completion	March, 2007
Total Floor Area	51,246m ²



Name	SOSiLA Narashino Akanehama III
Address	Narashino, Chiba
Date of Completion	September, 2016
Total Floor Area	38,604m ²

Developing / Planning



Name	(tentative) SOSiLA Itabashi
Address	Itabashi, Tokyo
Date of Completion	February, 2021 (planned)
Total Floor Area	15,288m ² (planned)



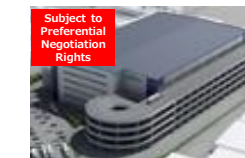
Name	(tentative) SOSiLA Osaka
Address	Osaka, Osaka
Date of Completion	May, 2021 (planned)
Total Floor Area	99,951m ² (30,990m ²) (planned)



Name	(tentative) SOSiLA Yashio
Address	Yashio, Saitama
Date of Completion	January, 2021 (planned)
Total Floor Area	32,023m ² (planned)



Name	(tentative) SOSiLA Amagasaki
Address	Amagasaki, Hyogo
Date of Completion	July, 2021 (planned)
Total Floor Area	45,264m ² (planned)



Name	(tentative) SOSiLA Chuo Rinkan
Address	Yamato, Kanagawa
Date of Completion	May, 2022 (planned)
Total Floor Area	109,091m ² (planned)



Name	(tentative) SOSiLA Kashiwa
Address	Kashiwa, Chiba
Date of Completion	Undetermined
Total Floor Area	75,415m ² (planned)

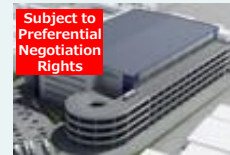
Aiming to Achieve Asset Size of ¥200 bn in Five years After Listing

Logistics properties developed by Sumitomo Corp. (Excl. those acquired by SLR)

12 properties, 643,054 m²

Properties subject to preferential negotiation rights

9 properties, 449,594 m²



New



Asset Size

¥76.5 bn

¥76.5 bn

Approx. ¥200 bn

Time Frame

December 10, 2019 (IPO)

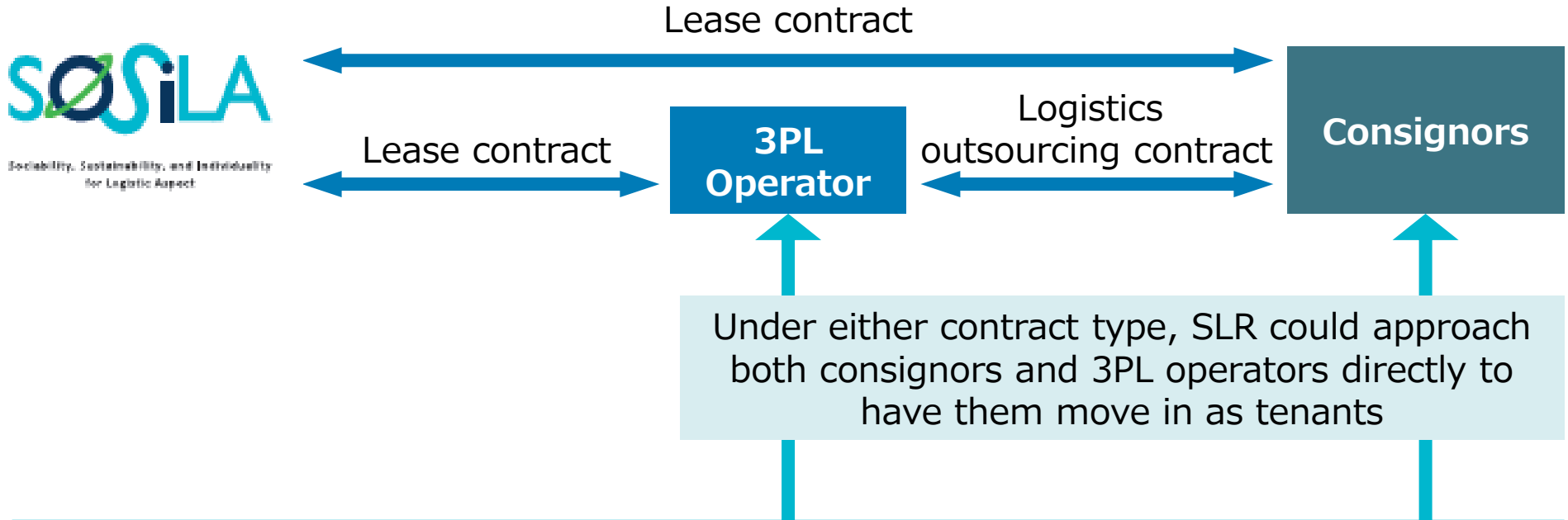
End of May, 2020

Five years After Listing

Aiming to realize further growth to maximize unitholder value

Aiming for Inclusion into Major Global Indices

Utilizing the Sponsor Group's Extensive Network~



Sumitomo Corporation Utilizing Wide Network of Sumitomo Corp.

66 countries and territories
136 business bases
(as of March 31, 2020)

Strong relationships with leading 3PL operators
Effective use of 3PL operators in the group

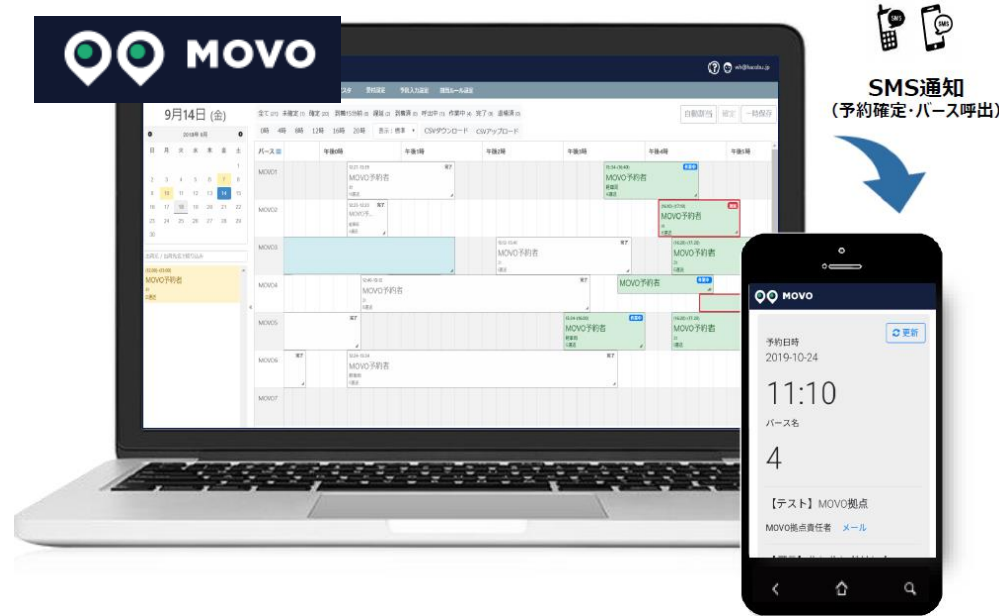


- ✓ **Logistics support robot “CarriRo”** developed by ZMP (invested by Sumitomo Corp.)
- ✓ CarriRo has been introduced to the Sumitomo Corp. group’s logistics facilities, as well as in SOSiLA Yokohama Kohoku, etc. by our tenants

- ✓ **Warehouse visualization solution service “SmartLPS”** developed by LOCIX.INC (invested by the US subsidiary of Sumitomo Corp.)
- ✓ Under consideration of being implemented in logistics facilities owned by the Sumitomo Corp. Group and the SOSiLA Series

SOSiLA Improving Efficiency of Warehouse Work in the SOSiLA Series (2)

Sociability, Sustainability, and Individuality for Logistic Aspect



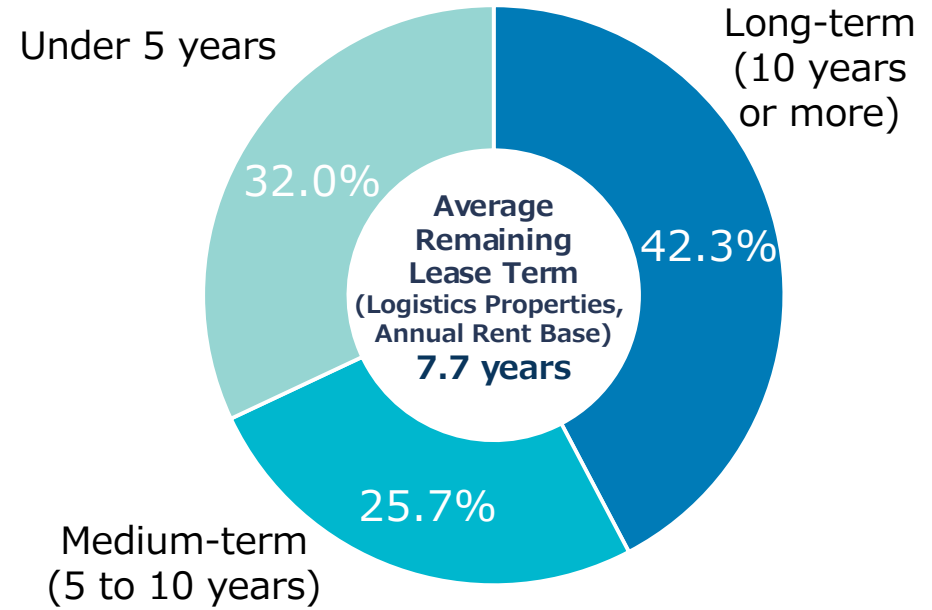
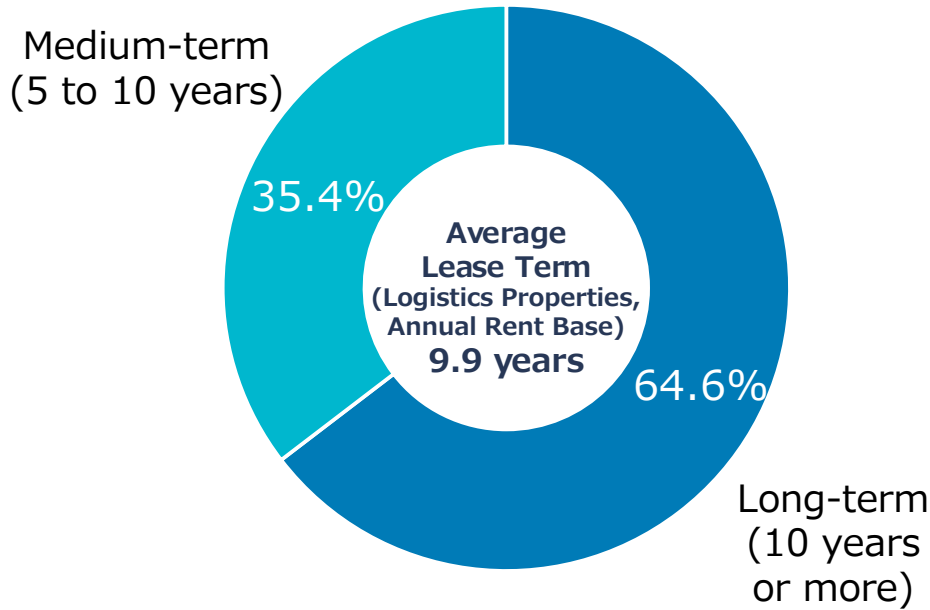
- ✓ **"Smile Board"**, an application that helps **optimize the allocation of warehouse workers** by visualizing in real time the plan for the workplace and results
- ✓ Able to assess the degree of achievement of shipping target and results by time slot and improve efficiency by allocating personnel and accumulating data according to the progress

- ✓ **Track reservation system "MOVO Berth"** (SOSiLA Ebina offers some functions for free)
- ✓ Tenants are able to obtain real-time information on the delivery status, supplier, and destination
- ✓ Truck berth reservation function resolves the problem that truck drivers have to wait to pick up and drop off their cargo and improves the efficiency

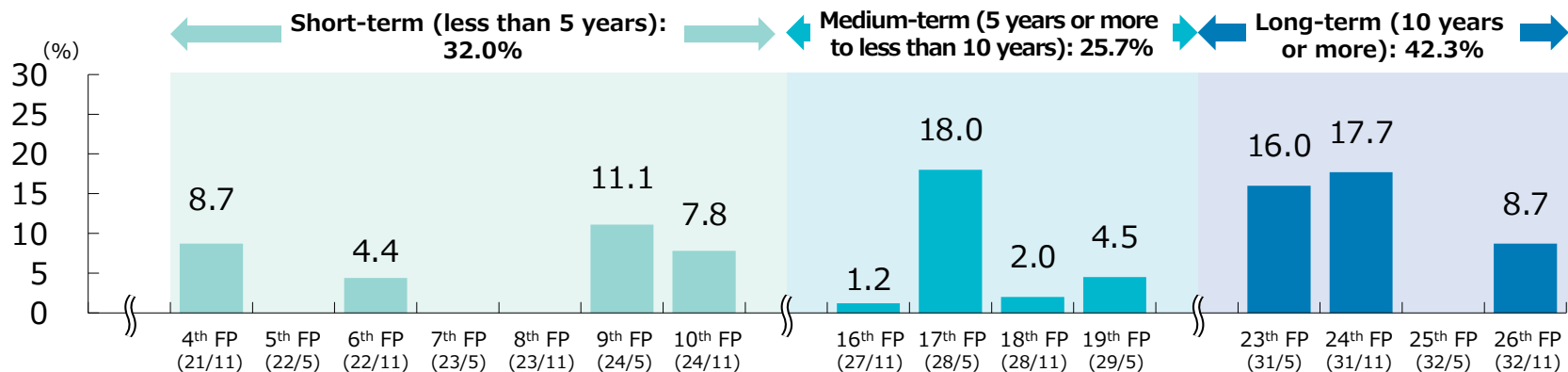
Sumitomo Corp. actively supports tenants of the SOSiLA series in improving logistics efficiency

Long-term and Stable Leasing

▶ The Sumitomo Corp. Group's leasing ability enables SLR to realize long-term lease agreements even with multi-tenant logistics facilities

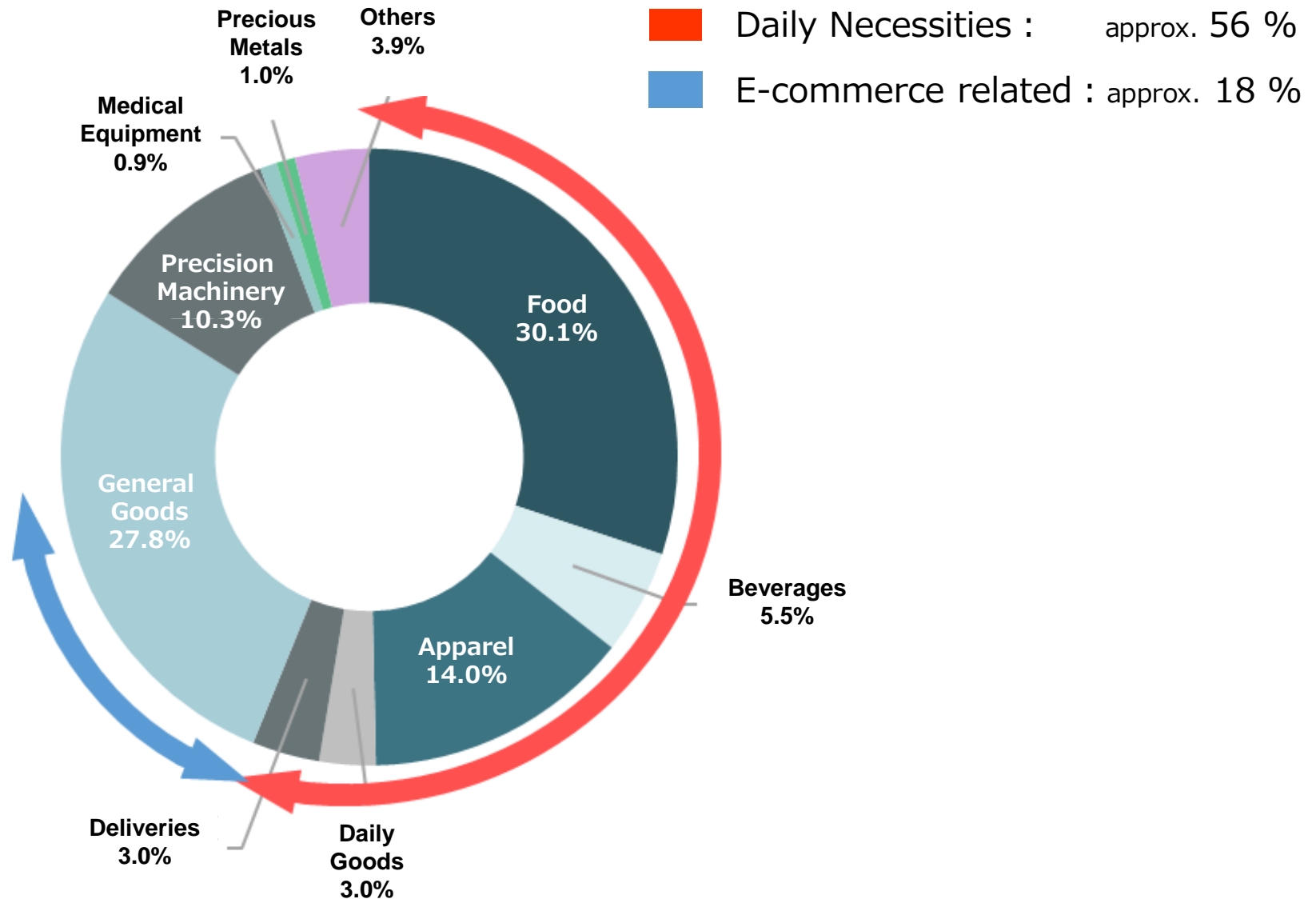


▶ Diversification of Expiration Dates of Lease Agreements (Logistics Properties, Annual Rent Base)



Tenant Breakdown by Cargo

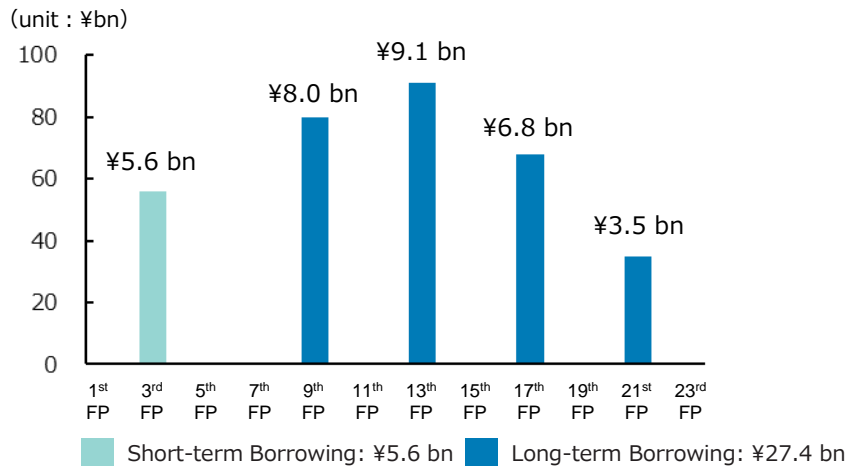
► Daily necessities and E-commerce related goods account for three-fourths of cargo in the properties owned by SLR (logistics real estate)



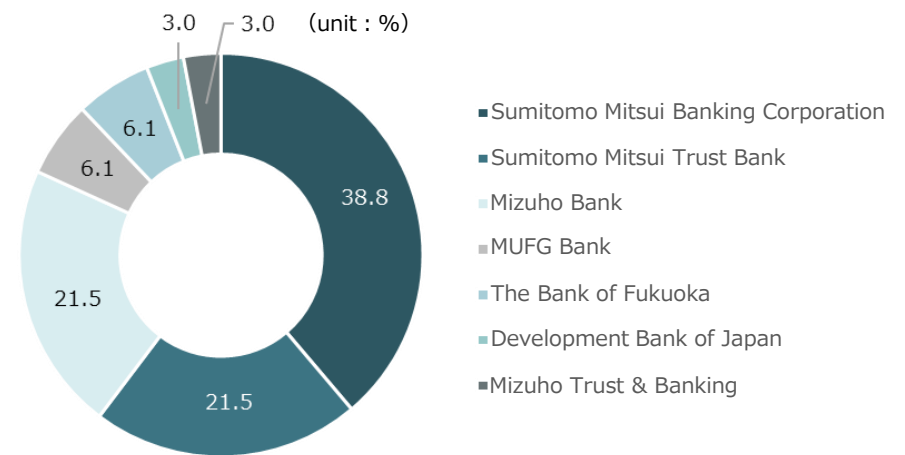
▶ Key Financial Indicator

Total Interest-bearing Debt	LTV (Total Asset) (1st FP Actual)	LTV (Total Asset) (2nd FP Forecast)	Average Borrowing Term	Average Remaining Borrowing Term
¥33.0 bn	37.7 %	35.1 %	5.5 years	5.0 years
Long-term Debt Ratio	Fixed Interest Ratio	Average Borrowing Cost	Long-term Issur Rating (JCR)	Debt Capacity (up to LTV 45%)
83.0 %	83.0 %	0.51 %	A+ (stable)	approx. ¥15.0 bn

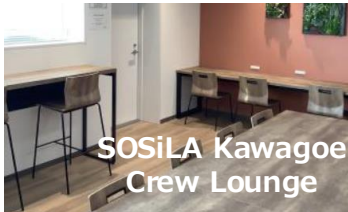
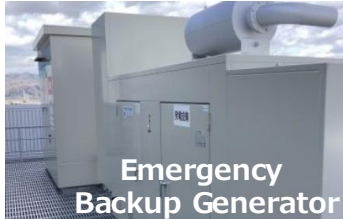
▶ Maturity Ladder



▶ Lender Formation



▶ **SOSiLA, designed with consideration for ESG**



✓ External Certifications

Property Name	CASBEE
SOSiLA Yokohama Kohoku	Yokohama A Rank
SOSiLA Sagamihara	New Construction A Rank
SOSiLA Kasukabe	New Construction A Rank
SOSiLA Nishiyodogawa I	Osaka Mirai B+ Rank

▶ **E (Environmental)**

- ✓ 1st J-REIT that has formulated a green finance framework at time of IPO

Green Finance Framework	
Rating Agency	Japan Credit Rating Agency, Ltd.(JCR)
Overall Evaluation	Green 1 (F)(Highest Rating)
Greenness Evaluation (Use of Proceeds)	g1 (F)
Management, Operation and Transparency Evaluation	m1 (F)
Ratio of Green Eligible Assets Occupying in the Portfolio	<p>85.5%</p>

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

▶ S (Social)

- ✓ Measures for preventing COVID-19 infection
 - a. Adoption of telecommuting for all employees
 - b. Utilization of online and telephone conferences

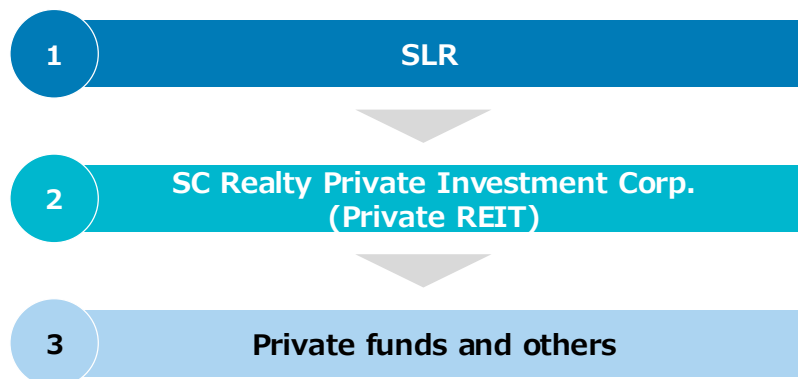
- ✓ Initiatives for SRM employees (abstract)
 - a. Support for acquisition of qualifications and enhancement of training programs
 - b. Introduction of flexible working hours
 - c. More active internal communication by offering monetary support for recreational activities
 - d. Improvement of operational efficiency by installing refresh rooms, etc.

▶ G (Governance)

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

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

- ✓ Rotation Rules

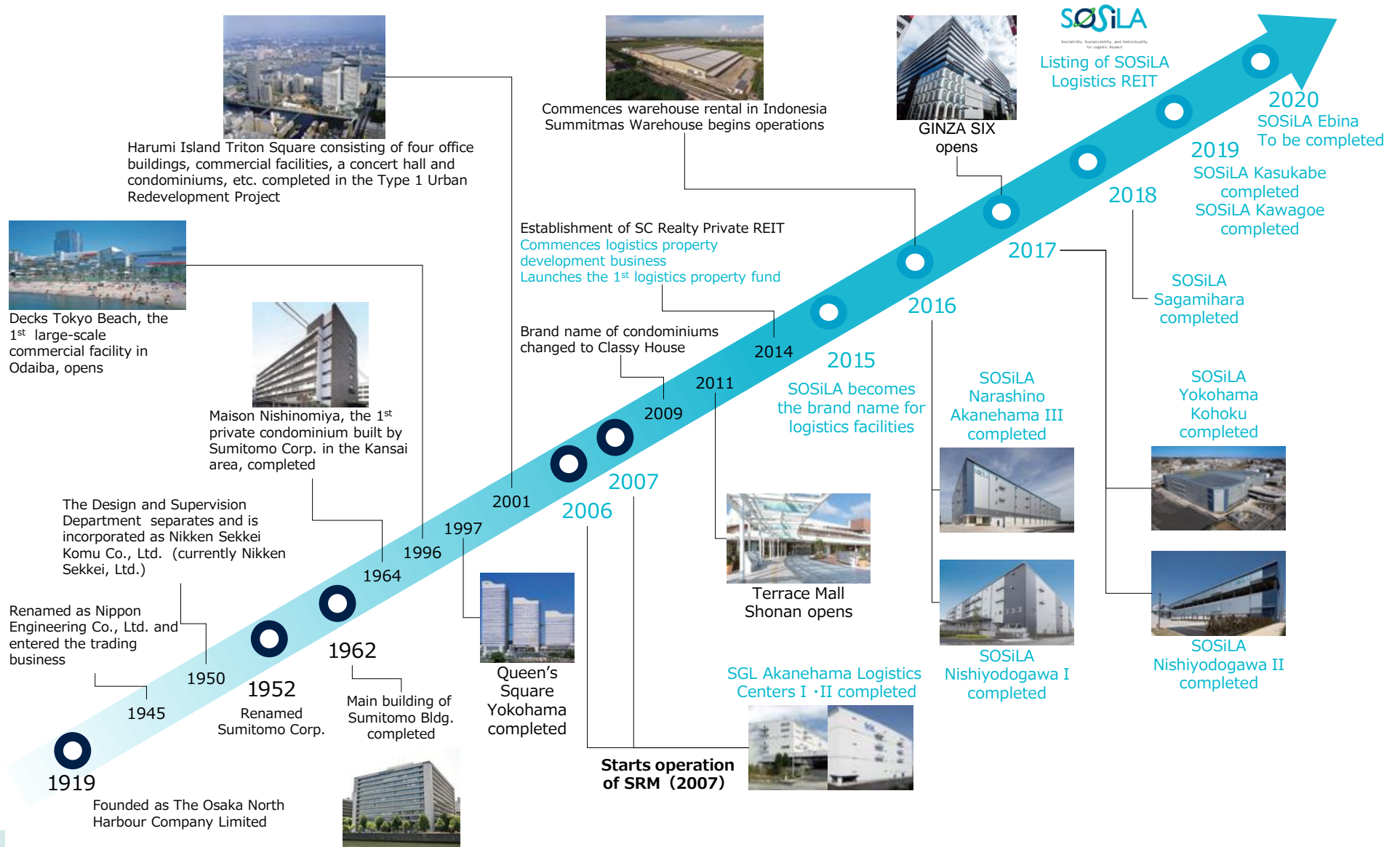


4. Appendix.

A large, modern industrial building with a white and blue facade. The building has a prominent logo on its upper section that reads "SOSiLA" in a stylized font. The building is illuminated from within, and the sky is a deep blue. In the foreground, there is a paved area and some landscaping. A white car is parked in the distance on the right side of the building.

Real Estate Business of Sumitomo Corp.
SOSiLA, Logistic Facilities Developed by Sumitomo Corp.
Real Estate Market of Logistics Facilities
Consumer Market / Issues for Tenants
Overview of Portfolio
Description of Individual Properties
Appraisal Evaluation
Profit and Loss Statement / Balance Sheet
Borrowings
Unit Holder Composition as of the end of the 1st Fiscal Period
The Transition of SRM's AUM
The Composition of SRM's AUM
ESG Policy of SRM
Decision Making System related to ESG
Overview of Sumitomo Corp. Group

Real Estate Business of Sumitomo Corp. (1)



Real Estate Business of Sumitomo Corp. (2)

Office Building



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

Residence



- Selling condominiums mainly to the upper-middle bracket
- Taking part in joint development and urban redevelopment projects
- Total units sold:
 Approx. 75 thousand units
 (As of March 31, 2020)

Retail facility



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

Logistics facility



- Developing logistics facilities
- Number of projects completed:
 Total floor area is approx. 0.53 million m²
 (10 properties)
 (As of March 31, 2020)
- Newly established Logistics Facilities Business Dept. in October, 2019

The asset size and AUM of the entire Sumitomo Corp. Group grew to
¥1 trillion in total

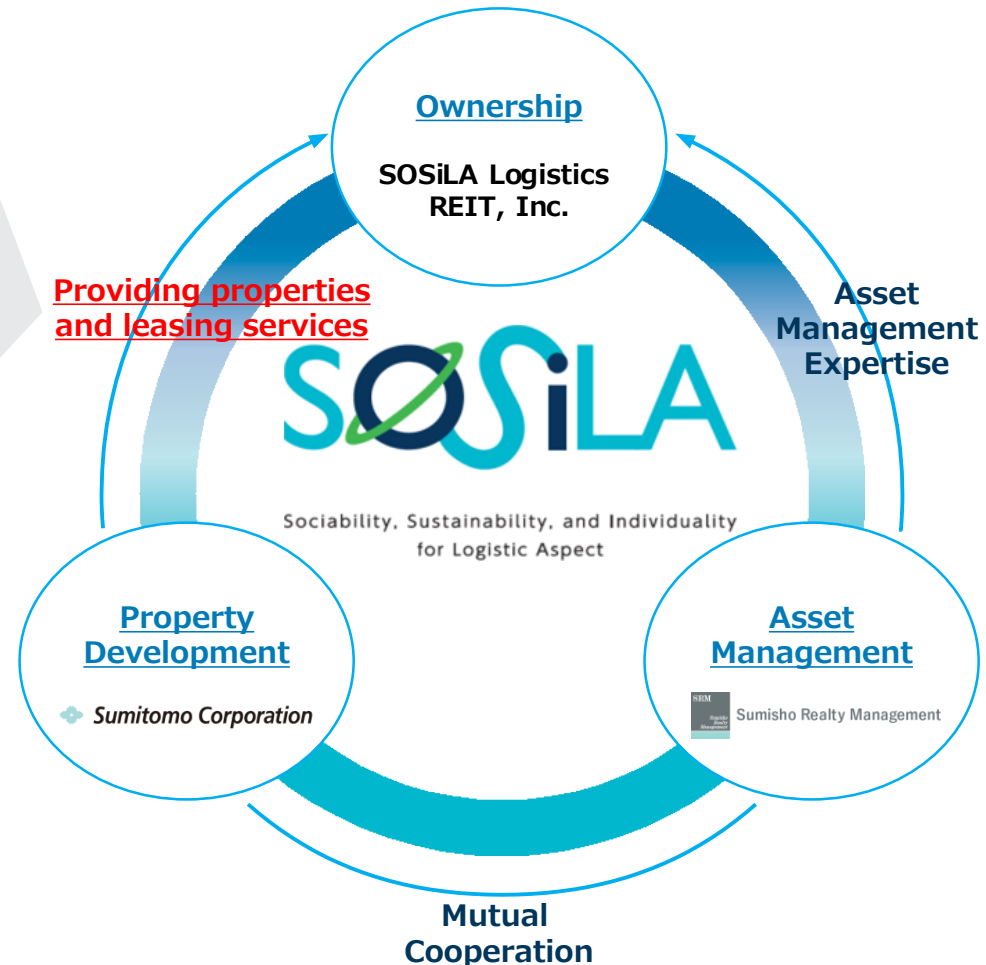
▶ Sumitomo Corp. Group's Policies in the Operation of Logistics Properties

Sponsor Support Agreement

- ✓ Preferential Negotiation Rights to properties owned by the sponsor
- ✓ Preferential provision of information on sales of existing logistics real estate owned by third parties
- ✓ Provision of warehousing functions for future property acquisitions
- ✓ Rights to request Sumitomo Corp. to buy properties for the purpose of redeveloping SLR's properties
- ✓ Rights to request Sumitomo Corp. to conclude a fixed-type master lease agreement

Logistics Management Service Agreement

- ✓ Entrustment of leasing and tenant management operations that are related to SLR's properties to Sumitomo Corp., who is able to conduct leasing activities based on an extensive customer network





Sociability, Sustainability, and Individuality for Logistic Aspect

Sociability

~Connecting with Society~

Responding to the changing needs for distribution

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

Sustainability

~Eco-friendliness and Sustainable Growth~

Achieving both eco-friendliness and economic growth

Reducing CO₂ emissions and pursuing growth strategies from an ESG perspective.

Individuality

~Consideration for People and the Working Environment~

Changing work practices in the logistics industry

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

Efficiency ~making logistics more efficient~

- Ceiling height of 5.5m
- Expanding warehouse space and delivery capacity to increase work efficiency
- Sufficient number of berths and parking

Ecology ~considerations for the environment~

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

Safety ~safety and BCP~

- Seismically isolated structure
- Structured to withstand strong wind and torrential rain
- Built to withstand water hazards
- BCP including backup power secured for blackouts

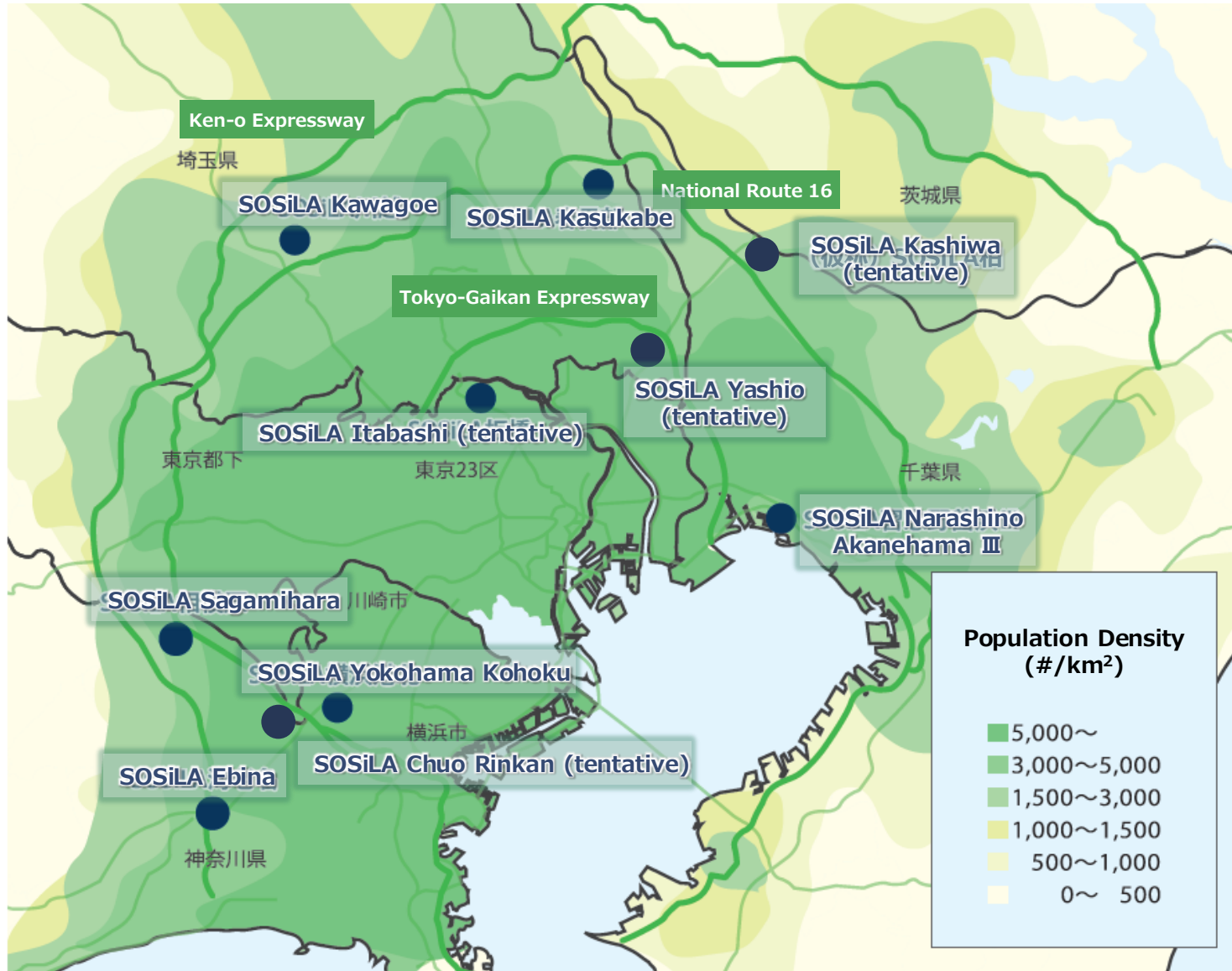
Amenity ~comfortable working environment~

- Preparing cafes and lounges
- Setting up separated smoking rooms
- Barrier-free environment

SOSiLA, Logistic Facilities Developed by Sumitomo Corp (2)

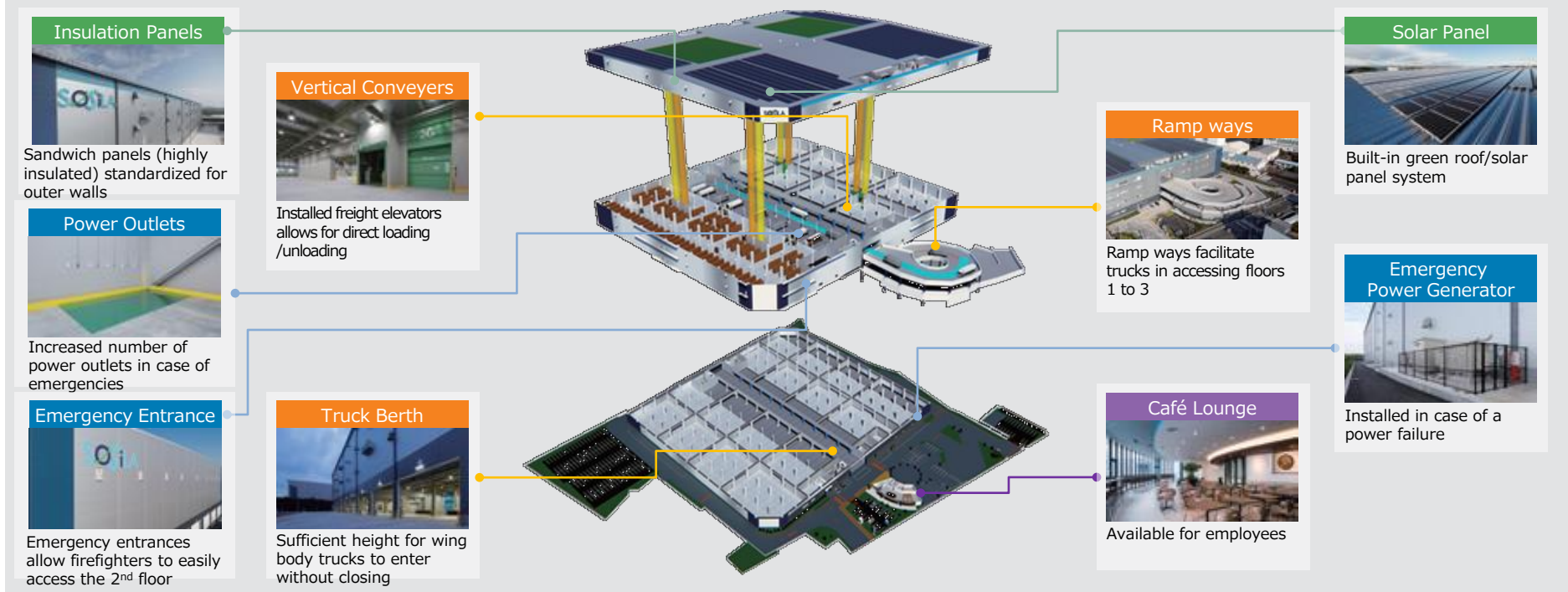
~Location~

- The location of the SOSiLA series is aimed at covering densely populated urban areas close to consumption areas.
- Of areas where logistics facilities could be built, the SOSiLA series are built in suburban areas, and located in areas that give them competitiveness over other logistics facilities in terms of helping reduce transportation costs and securing an adequate workforce.



Basic Features of the SOSiLA Series

Total floor area: 10,000 m² or more, Features: Column spacing: 10 m or more, Roof height: 5.5 m or more, Floor load: 1.5 t/m² or more



Insulation Panels



Sandwich panels (highly insulated) standardized for outer walls

Power Outlets



Increased number of power outlets in case of emergencies

Emergency Entrance



Emergency entrances allow firefighters to easily access the 2nd floor

Vertical Conveyers



Installed freight elevators allows for direct loading /unloading

Ramp ways



Ramp ways facilitate trucks in accessing floors 1 to 3

Solar Panel



Built-in green roof/solar panel system

Emergency Power Generator



Installed in case of a power failure

Café Lounge



Available for employees

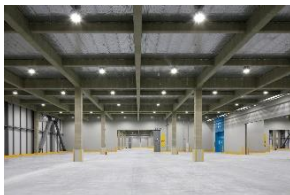
Truck Berth



Sufficient height for wing body trucks to enter without closing

LED Lighting

For lower energy consumption



CASBEE Rating

Rating of Environmental friendliness



Emergency Restrooms

Manhole toilets in case of suspension of water supply



Common Space

An open, wide entrance, part of initiative to create worker-friendly environment



Easy Access

Slopes for multi-functional restrooms and the entrance

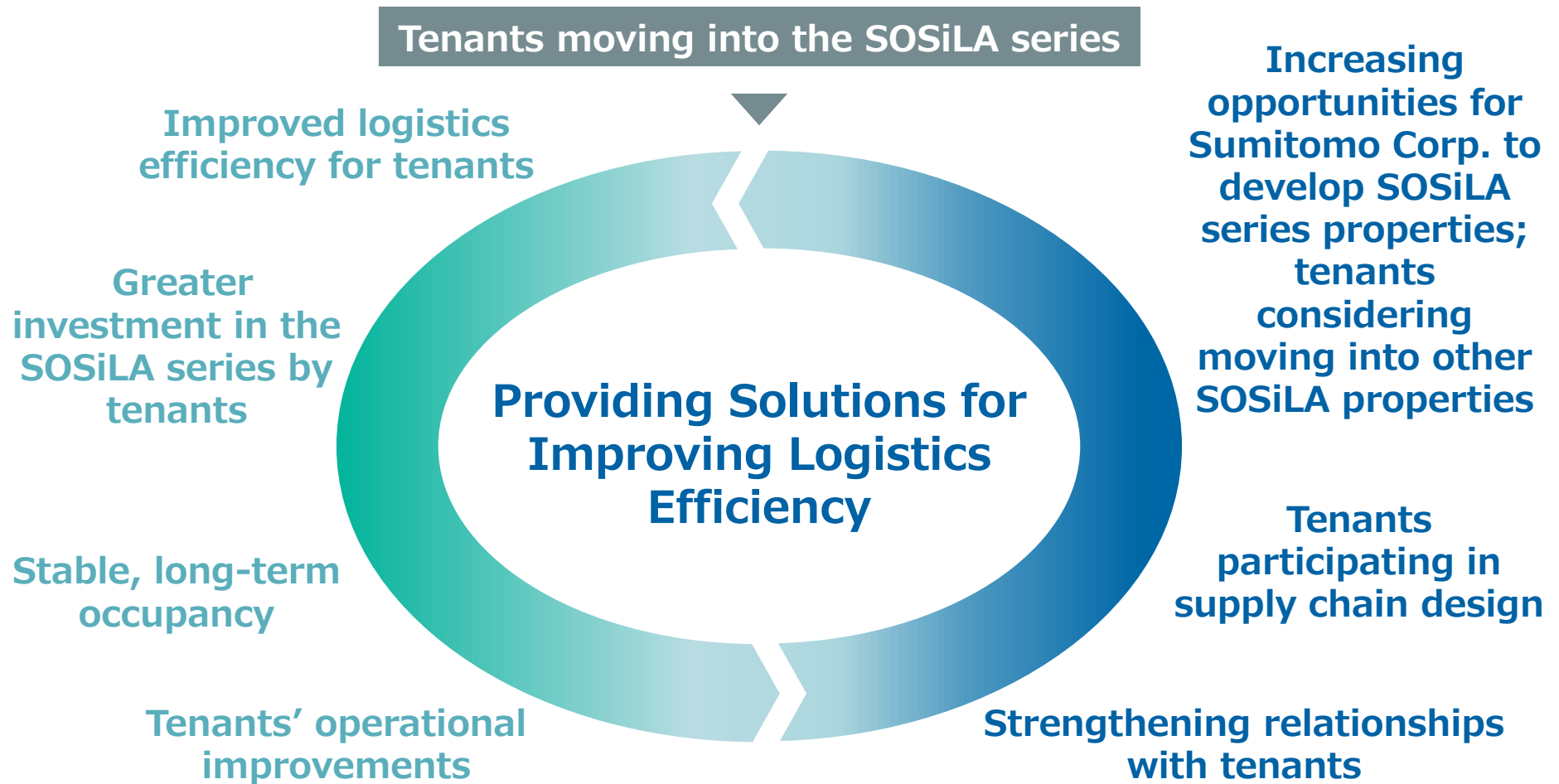


Private Boxes

Private shelves in women's restrooms for better convenience for female employees



▶ Providing Solutions for Improving Logistics Efficiency

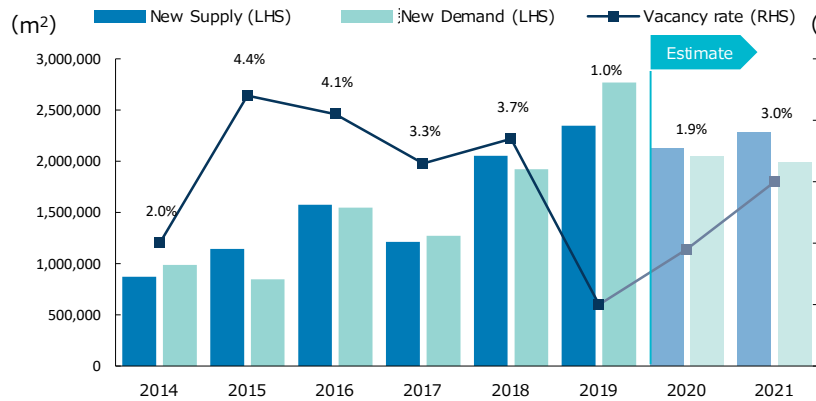


Real Estate Market of Logistics Facilities (1)

- ▶ Tokyo Metropolitan Area : the supply of new large multi-tenant logistics properties in 2019 have hit a record-high, but demand exceeded the supply. Vacancy rate in 2019 have hit a record-low.
- ▶ Kinki Area : vacancy rate is improving under declining new supply and solid demand.

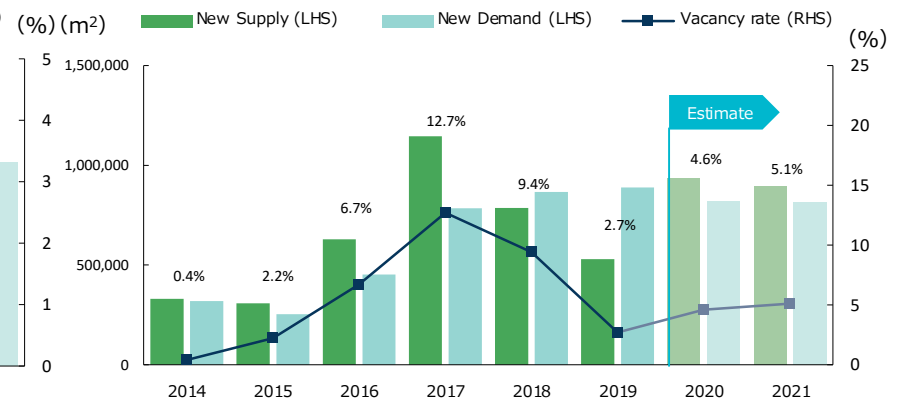
Tokyo Metropolitan Area Market

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

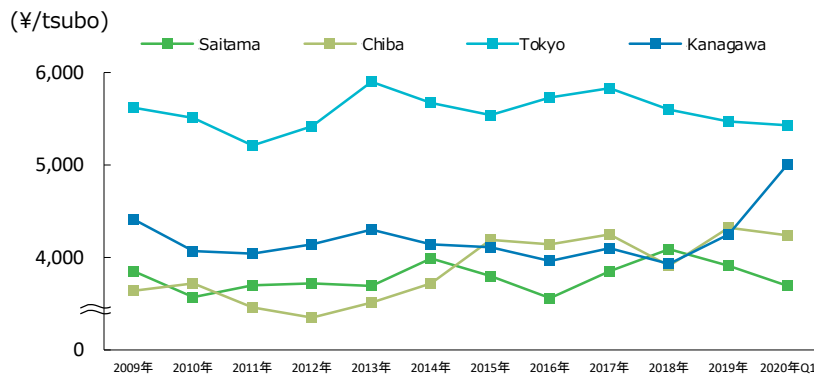


Kinki Area Market

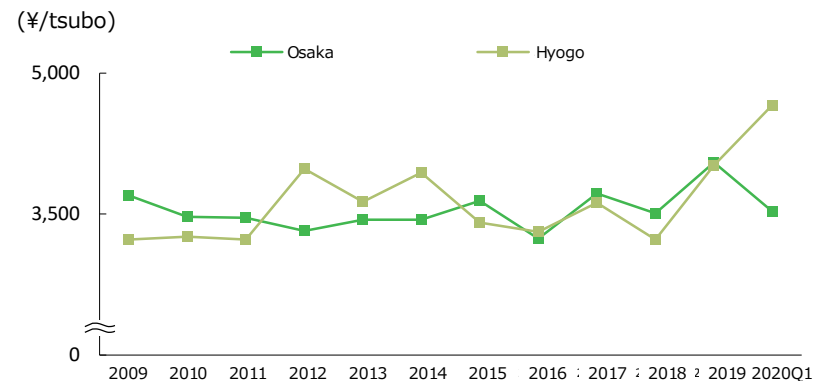
<Supply-Demand Balance mid-term forecast (mid-large size)> (note)



<Rent Trend>



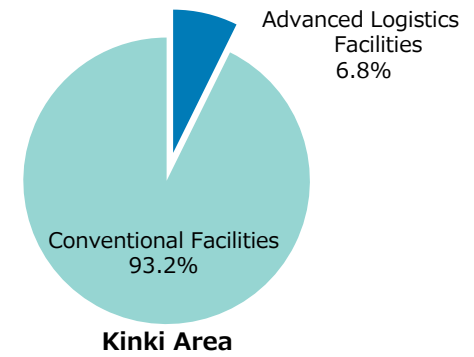
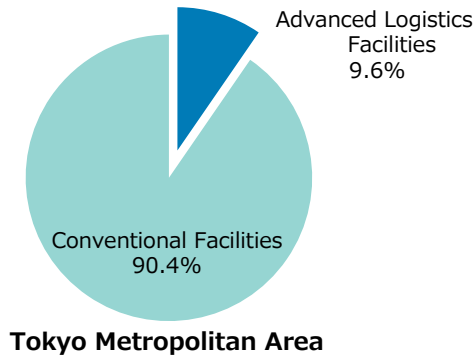
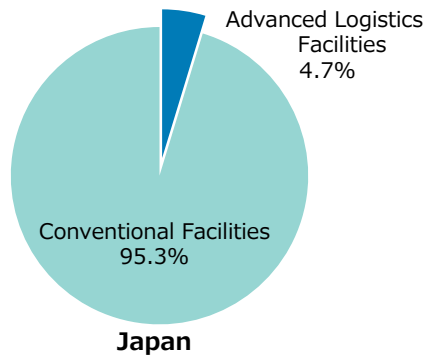
<Rent Trend>



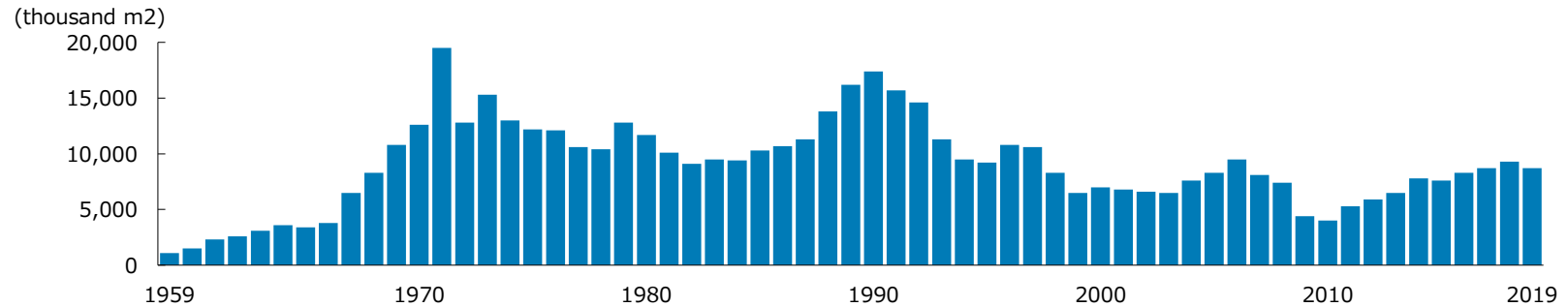
Real Estate Market of Logistics Facilities (2)

- ▶ The advanced logistics facilities that SLR primarily focuses its investments in comprises only 4.7% of the entire market
- ▶ On the other hand, the speed of constructing such logistics facilities has not changed, and the demand for advanced logistics facilities is increasing.

✓ Rarity of Advanced Logistics Facilities

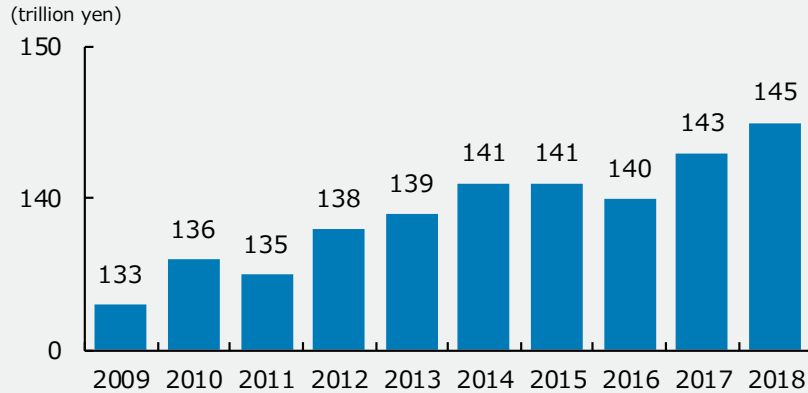


✓ Historical Trend of Logistics Facilities' Supply

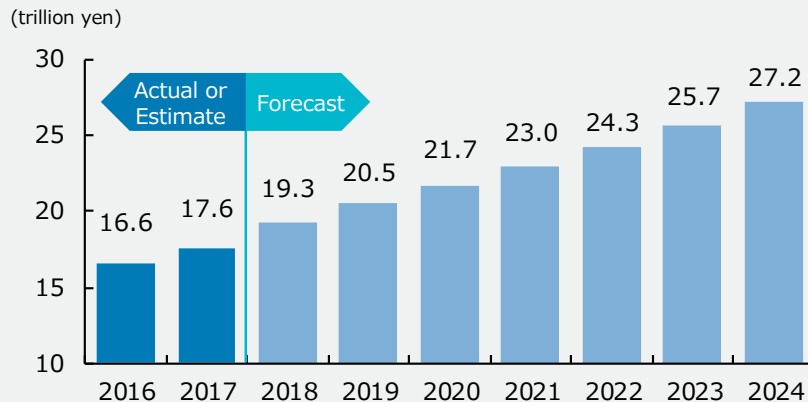


▶ The Expanding Consumer Market

The Transition of the Retail Industry Market Size



The Transition of the E-Commerce Industry Market Size

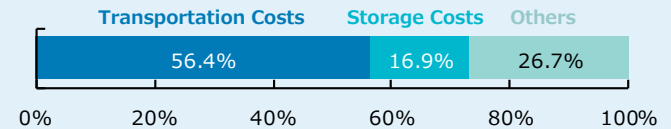


▶ Increasing Demand for Logistics Facilities and Issues Becoming Prominent

Issues that Tenants in the Logistics Industry are Facing

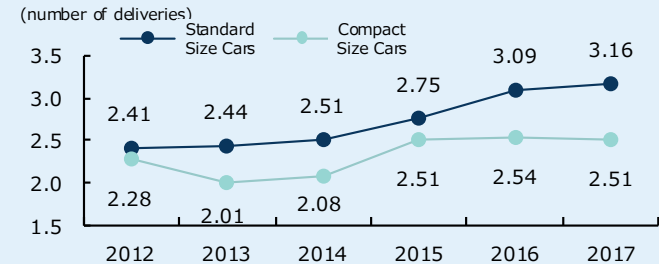
1 The largest cost for tenants are transportation costs

Logistics cost structure of all industries by Logistics feature (2018)



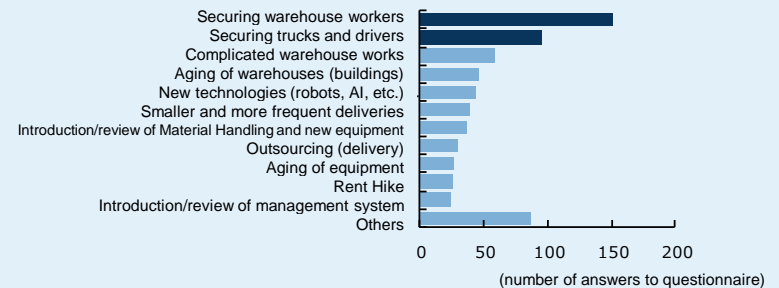
2 Increasingly frequent deliveries due to higher demand for home delivery service

Daily delivery per commercial vehicle



3 The importance of securing workforce for warehouse operations and transportation

Questionnaire concerning logistic strategies



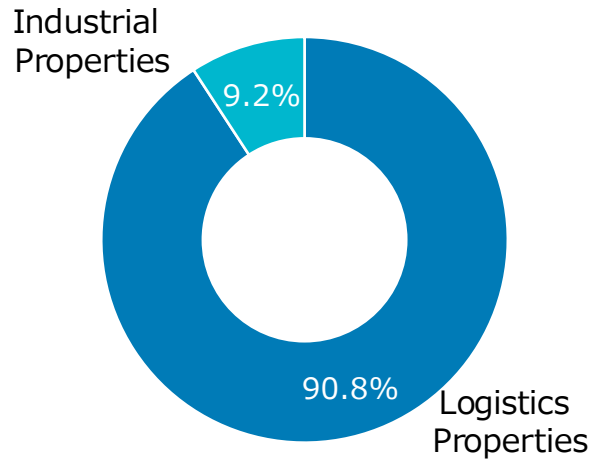
Overview of Portfolio (1)

Number of Properties	Total Acquisition Price	Total Appraisal Value	Average Property Age (Logistics Properties)	Average Appraisal NOI Yield	Occupancy Rate
7 properties	¥76.5 bn	¥80.8 bn	2.5 years	4.9%	100.0%

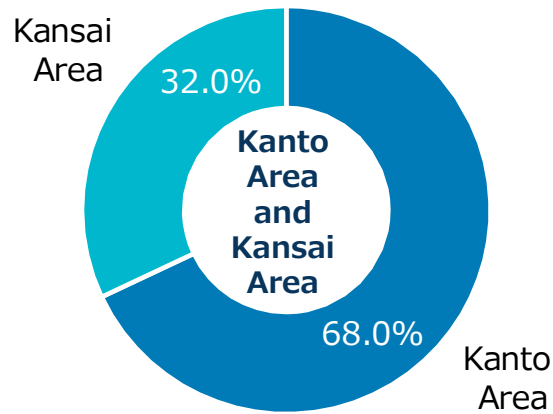
Property Type	Property Name	Acquisition Price (¥ mn)	Appraisal Value (¥ mn)	Appraisal NOI yield (%)	Total Floor Area/Land Area(m ²)	Property Age	Occupancy Rate	Number of Tenants
Logistics Properties	SOSiLA Yokohama Kohoku (80% quasi co-ownership interest)	24,840	26,560	4.5	83,782.32 (67,025.85)	2.6	100.0	6
	SOSiLA Sagamihara	12,820	13,800	4.8	53,412.93	2.0	100.0	1
	SOSiLA Kasukabe	10,300	10,500	5.0	48,420.86	1.2	100.0	3
	SOSiLA Kawagoe	4,124	4,640	5.5	21,818.73	1.3	100.0	2
	SOSiLA Nishiyodogawa I	17,470	18,200	5.1	71,416.86	3.9	100.0	2
Industrial Properties	Hokko Oil Tank (Land with leasehold interest)	3,210	3,290	5.2	76,255.99	—	100.0	1
	Nanko Boarding Yard (Land)	3,800	3,840	5.1	56,237.09	—	100.0	1
Total/Average		76,564	80,830	4.9	411,344.78 (394,588.31)	2.5	100.0	16

Overview of Portfolio (2)

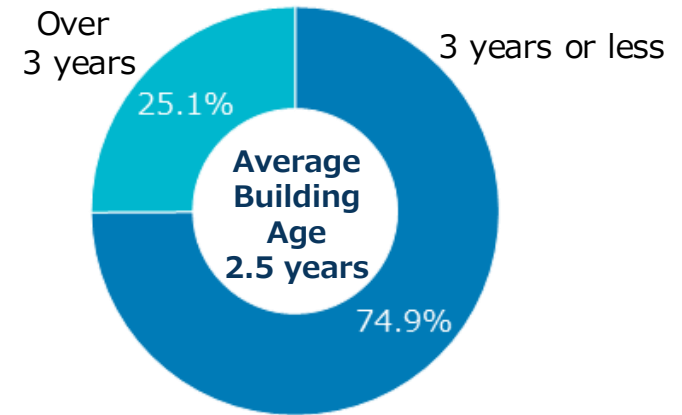
Investment ratio by Property Type
 (based on acquisition price)



Investment ratio by area
 (based on acquisition price)



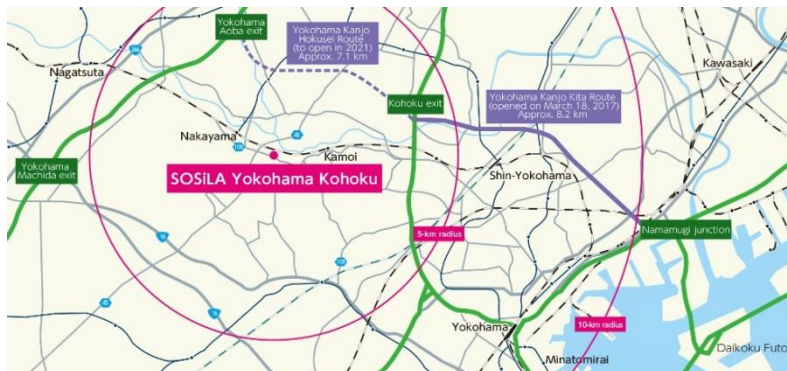
Investment ratio by property age
 (based on acquisition price)





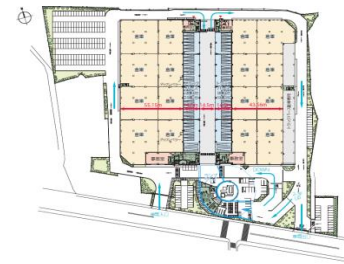
Location

- The Property is located within 20 km of central Tokyo. It is about 4.9 km from the Yokohama Aoba exit on the Tomei Expressway and is almost the same distance from National Route 246, which runs parallel to the Tomei Expressway. It offers easy access to the Kohoku exit on the Daisan-Keihin Road, which runs to central Tokyo, and the Shin-Yokohama exit on the Yokohama-kita Line of the Tokyo Metropolitan Expressway. It is close also to National Route 16, which circles the Tokyo metropolitan area. The location is convenient for high-frequency delivery to neighboring areas and central Tokyo, as well as for delivery to the entire Tokyo metropolitan area.
- Securing employees at facilities has been a challenge for many tenants, or consignors and 3PL operators, in recent years. The Property is located within walking distance from Nakayama Station on the JR Yokohama Line and Yokohama Subway Green Line and is competitive in terms of employment.



Features

- The Property is a four-story logistics facility in the SOSiLA series. Ramps give access to the 1st to 3rd floor.
- Truck berths are located along the central driveway on the 1st to 3rd floor and on the east side of the east lot on the 1st floor. The east lot has truck berths on both sides and can be used as a transit logistics center. The 3rd and 4th floors form structures like maisonettes and can be used by tenants who often store freight.

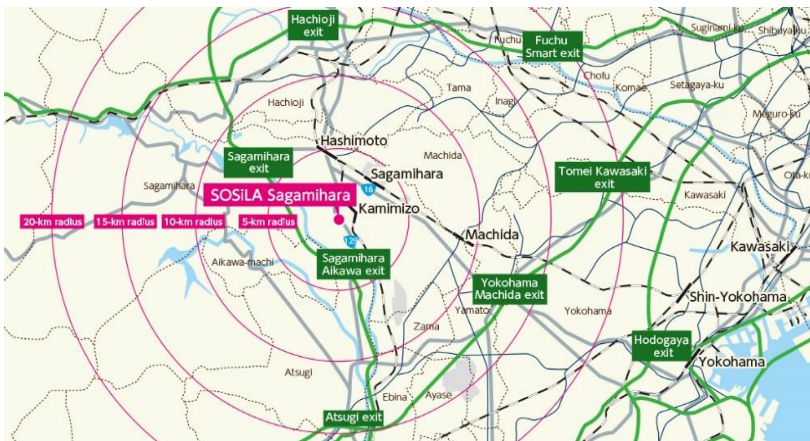


Address	Yokohama, Kanagawa
Completion Date	September 21, 2017
Acquisition Price	¥24,840mn
Appraisal Value	¥26,560mn
Appraisal NOI Yield	4.5%
Total Floor Area	83,782.32㎡ (67,025.85㎡)
Land Area	39,041.22㎡
Structure, No. of Stories	Reinforced concrete, steel building with alloy-plated steel sheet plate, 4-story building
Construction	MAEDA CORPORATION
Number of Tenants	6
Main Tenants	AEON GLOBAL SCM CO., LTD.



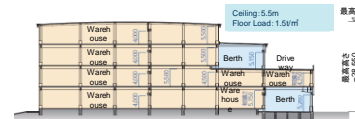
Location

- The Property is located within 40 km of central Tokyo and about 3.3 km from the Sagamihara Aikawa exit on the Metropolitan Inter-city Expressway (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

- The Property is a four-story logistics facility in the SOSiLA series. It has a slope that provides direct access to the 3rd floor. Truck berths are located on the north side on the 1st and 3rd floors. The 1st and 2nd floors and the 3rd and 4th floors can be used as transit logistics centers or storage logistics centers with maisonette structures.



Address	Sagamihara, Kanagawa
Completion Date	May 11, 2018
Acquisition Price	¥12,820mn
Appraisal Value	¥13,800mn
Appraisal NOI Yield	4.8%
Total Floor Area	53,412.93㎡
Land Area	28,576.44㎡
Structure, No. of Stories	Steel building with alloy-plated steel sheet plate 4-story building
Construction	OKUMURA CORPORATION
Number of Tenants	1
Main Tenants	Sun City Building

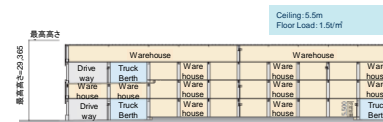


Location

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

Features

- The Property is a four-story logistics facility in the SOSiLA series. It has a slope that provides direct access to the 3rd floor. Truck berths are located on the east and west sides on the 1st floor and on the west side on the 3rd floor. The 1st and 2nd floors and the 3rd and 4th floors can be used as transit logistics centers or storage logistics centers with maisonette structures.



Address	Kasukabe, Saitama
Completion Date	March 8, 2019
Acquisition Price	¥10,300mn
Appraisal Value	¥10,500mn
Appraisal NOI Yield	5.0%
Total Floor Area	48,420.86㎡
Land Area	24,394.93㎡
Structure, No. of Stories	Reinforced concrete, steel building with alloy-plated steel sheet plate, 4-story building
Construction	MAEDA CORPORATION
Number of Tenants	3
Main Tenants	YAMATO LOGISTICS CO.,LTD.

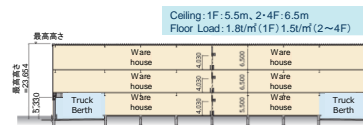


Location

- The Property is located within 35 km of central Tokyo. It is about 8.8 km from the Kawagoe exit on the Kanetsu Expressway, which connects central Tokyo and Nigata, and about 6.7 km from the Kawajima exit on the Metropolitan Inter-city Expressway (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. There are therefore no problems securing workers.

Features

- The Property is a four-story logistics facility (the warehouse is a three-story building) in the SOSiLA series. Truck berths are located on the north and south sides on the 1st floor. The 1st and 2nd floors and the 1st and 4th floors can be used as transit logistics centers or storage logistics centers with maisonnette structures.



Address	Kawagoe, Saitama
Completion Date	January 18, 2019
Acquisition Price	¥4,124mn
Appraisal Value	¥4,640mn
Appraisal NOI Yield	5.5%
Total Floor Area	21,818.73㎡
Land Area	11,924.85㎡
Structure, No. of Stories	Reinforced concrete, steel building with alloy-plated steel sheet plate, 4-story building
Construction	Nishimatsu Construction Co., Ltd.
Number of Tenants	2
Main Tenants	HAMAKYOREX CO., LTD.



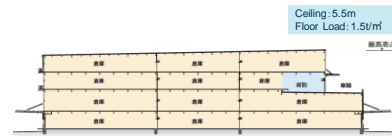
Location

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



Features

- The Property is a four-story logistics facility in the SOSiLA series. It has a slope that provides direct access to the 3rd floor. Truck berths are located on both sides on the 1st floor and on the northwest side on the 3rd floor. The 1st and 2nd floors and the 3rd and 4th floors can be used as transit logistics centers or storage logistics centers with maisonette structures.



Address	Osaka, Osaka
Completion Date	June 30, 2016
Acquisition Price	¥17,470mn
Appraisal Value	¥18,200mn
Appraisal NOI Yield	5.1%
Total Floor Area	71,416.86㎡
Land Area	38,024.00㎡
Structure, No. of Stories	Steel building with alloy-plated steel sheet plate, 4-story building
Construction	Daiwa House Industry Co., Ltd. HAZAMA ANDO CORPORATION
Number of Tenants	2
Main Tenants	Konoike Transport Co.,Ltd.

Hokko Oil Tank (Land with leasehold interest)

Industrial Properties
Kansai Area



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 Corp. 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 Corp. 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 round-the-clock operations are possible.
- As to the circumstances in terms of securing workers, in general, vehicles are necessary to get to the area. The area, however, has good transportation access as it is 2.0 km from the nearest station, "Sakurajima" Station on the JR Sakurajima Line, and within 10 km from the central Osaka.



Address	Osaka, Osaka
Acquisition Price	¥3,210mn
Appraisal Value	¥3,290mn
Appraisal NOI Yield	5.2%
Land Area*1	76,255.99m ²

*1 Including private road(2,124.99m²)

Nanko Boarding Yard (Land)

Industrial Properties
Kansai Area



Location

- The Property is located on the Osaka bay area and is highly convenient access as it is close to the expressway interchanges and is able to cover the central part of Kansai as well as the entire Kansai area. Furthermore, the Property has a dedicated quay wall and supports not only land transportation but also marine one. The location thus has high versatility as land for industrial use.
- 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 carry on round-the-clock operations.
- As to the circumstances in terms of securing workers, 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. The area, however, is located within 20km from central Osaka, which is a densely populated area.



Address	Osaka, Osaka
Acquisition Price	¥3,800mn
Appraisal Value	¥3,840mn
Appraisal NOI Yield	5.1%
Land Area	56,237.09m ²

Appraisal Evaluation

Property Name	Purchase Date	Acquisition Price (¥ mn)	Book Value (¥ mn)	Appraisal Institution as of the end of FY1	When Acquired		At the end of FY1		Difference		Unrealized Gain (¥ mn)
					Appraisal Value (¥ mn)	Direct Caprate (%)	Appraisal Value (¥ mn)	Direct Caprate (%)	Appraisal Value (¥ mn)	Direct Caprate (%)	
SOSiLA Yokohama Kohoku (80% quasi co-ownership interest)	Dec. 10, 2019	24,840	25,027	Japan Real Estate Institute	25,680	4.3	26,560	4.2	880	- 0.1	1,532
SOSiLA Sagamihara	Dec. 10, 2019	12,820	12,892	The Tanizawa Sogo Appraisal	13,800	4.4	13,800	4.4	-	-	907
SOSiLA Kasukabe	Dec. 10, 2019	10,300	10,370	DAIWA REAL ESTATE APPRAISAL	10,500	4.8	10,500	4.8	-	-	129
SOSiLA Kawagoe	Dec. 10, 2019	4,124	4,149	Japan Real Estate Institute,	4,590	4.9	4,640	4.8	50	- 0.1	490
SOSiLA Nishiyodogawa I	Dec. 10, 2019	17,470	17,565	The Tanizawa Sogo Appraisal	18,100	4.9	18,200	4.9	100	-	634
Hokko Oil Tank (Land with leasehold interest)	Dec. 10, 2019	3,210	3,258	JLL Morii Valuation & Advisory	3,280	-	3,290	-	10	-	31
Nanko Boarding Yard (Land)	Dec. 10, 2019	3,800	3,851	Japan Real Estate Institute	3,840	-	3,840	-	-	-	- 11
Total/Average		76,564	77,116		79,790	-	80,830	-	1,040	-	3,713

Unrealized Gain per unit ¥ 7,220 / NAV per unit ¥106,411

▶ Profit and Loss Statement

Item	(Thousand yen)
Operating revenues	2,244,352
Rental revenues	2,141,765
Other rental revenues	102,586
Operating expenses	937,741
Rental expenses	666,455
Asset management fee	210,986
Asset custody Fees, and administrative service fees	6,523
Directors' remuneration	6,000
Operating Profit	1,306,610
Non-operating expenses	294,097
Interest expenses	80,887
Organization expenses	50,450
Offering costs associated with the issuance of investment units	93,103
Borrowing related expenses	69,656
Ordinary Profit	1,012,523
Profit before income taxes	1,012,523
Total income Taxes	1,684
Profit	1,010,839
Unappropriated Retained Earnings for the Period (undisposed loss)	1,010,839

▶ Balance Sheet

Item	(Thousand yen)
Current assets	10,353,699
Cash and deposits	3,613,347
Cash and deposits in trust	3,139,378
Consumption taxes receivables	3,334,404
Other current assets	266,568
Non-current assets	77,272,100
Property, plant and equipment	77,116,015
Intangible assets	8,635
Investments and other assets	147,449
Total assets	87,625,799
Current liabilities	6,353,771
Operating accounts payable	39,945
Short-term loans	5,600,000
Accounts payable	277,190
Advances received	406,502
Other current liabilities	293,152
Non-current liabilities	29,135,555
Long-term loans	27,400,000
Leasehold and security deposits in trust	1,735,555
Total Liabilities	35,489,326
Total unitholders' equity	52,136,472
Unitholders' capital	51,125,633
Unappropriated retained earnings	1,010,839
Total net assets	52,136,472
Total liabilities and net assets	87,625,799

Borrowings

Classification	Lender	Balance (¥ mn)	Interest Rate	Borrowing Data	Maturity Date	Remarks
Short-term	Sumitomo Mitsui Banking Corporation	900	Base Interest rate + 0.15%	December 10, 2019	December 10, 2020	Unsecured Non-guaranteed
	Sumitomo Mitsui Trust Bank	600				
	Mizuho Bank	600				
	Sumitomo Mitsui Banking Corporation	3,500	Base Interest rate + 0.15%			
Subtotal		5,600	-	-	-	-
Long-term	Sumitomo Mitsui Banking Corporation	2,800	0.39370%	December 10, 2019	December 11, 2023	Unsecured Non-guaranteed
	Sumitomo Mitsui Trust Bank	2,400				
	Mizuho Bank	1,800				
	The Bank of Fukuoka	1,000				
	Sumitomo Mitsui Banking Corporation	2,600	0.53388%		December 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	0.69162%		December 10, 2027	
	Sumitomo Mitsui Banking Corporation	1,800				
	Sumitomo Mitsui Trust Bank	1,000				
	Mizuho Bank	1,700				
	MUFG Bank	1,300				
	Development Bank of Japan	500	0.86056%		December 10, 2029	
	Mizuho Trust & Banking	500				
	Sumitomo Mitsui Banking Corporation	1,200				
	Sumitomo Mitsui Trust Bank	600				
	Mizuho Bank	1,200				
Mizuho Trust & Banking	500					
Subtotal		27,400	-	-	-	-
Total		33,000	-	-	-	-

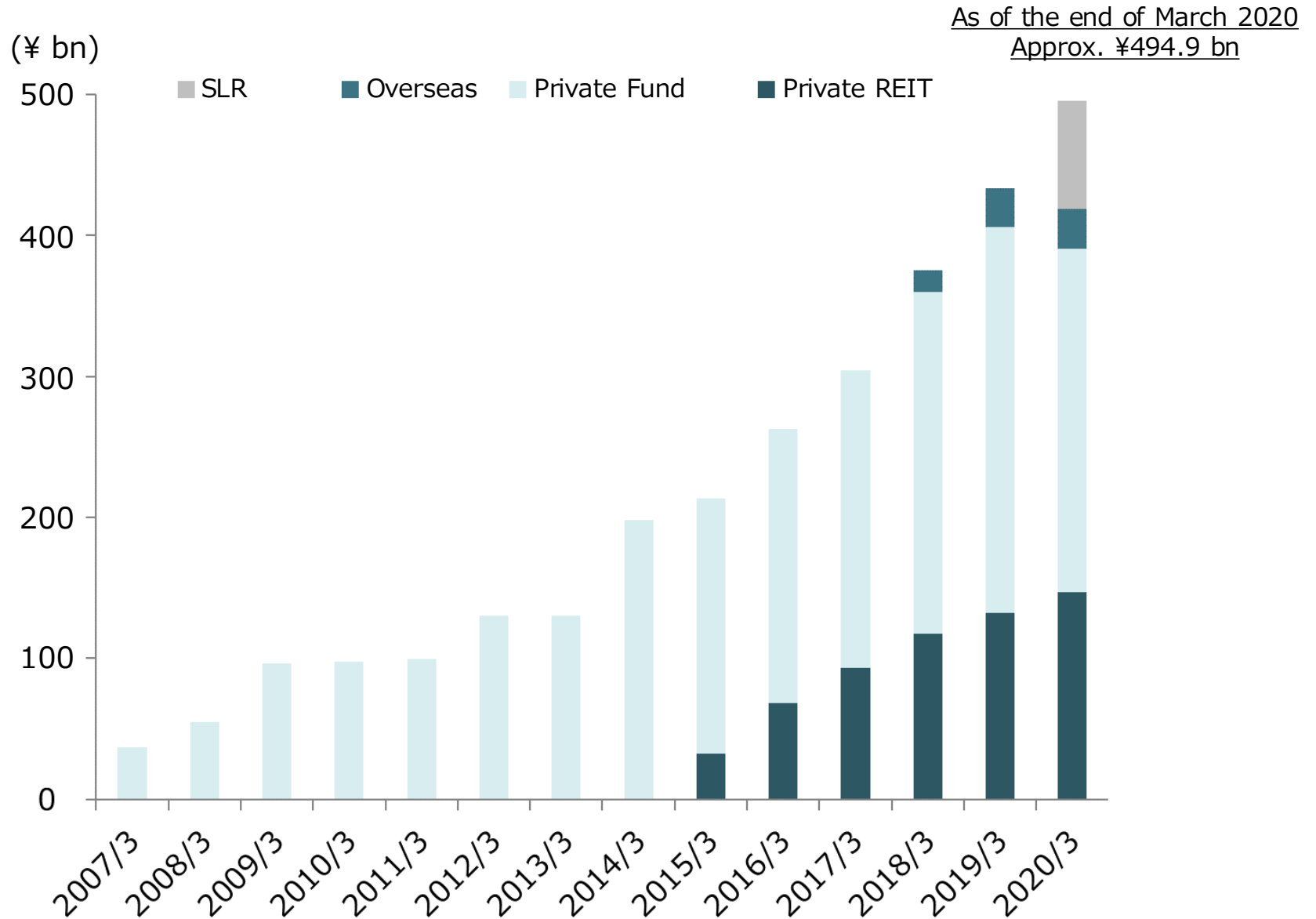
► Breakdown by UnitHolders

	As of May 31,2020			
	# of UnitHolders	Ratio (%)	# of Units	Ratio (%)
Domestic Individuals and Others	11,675	95.83	93,386	18.15
Financial Institution	124	1.01	281,734	54.77
Other Domestic Entities	280	2.29	61,193	11.89
Foreign Entities and individuals	78	0.64	72,363	14.06
Security Companies	26	0.21	5,674	1.10
Total	12,183	100.00	514,350	100.00

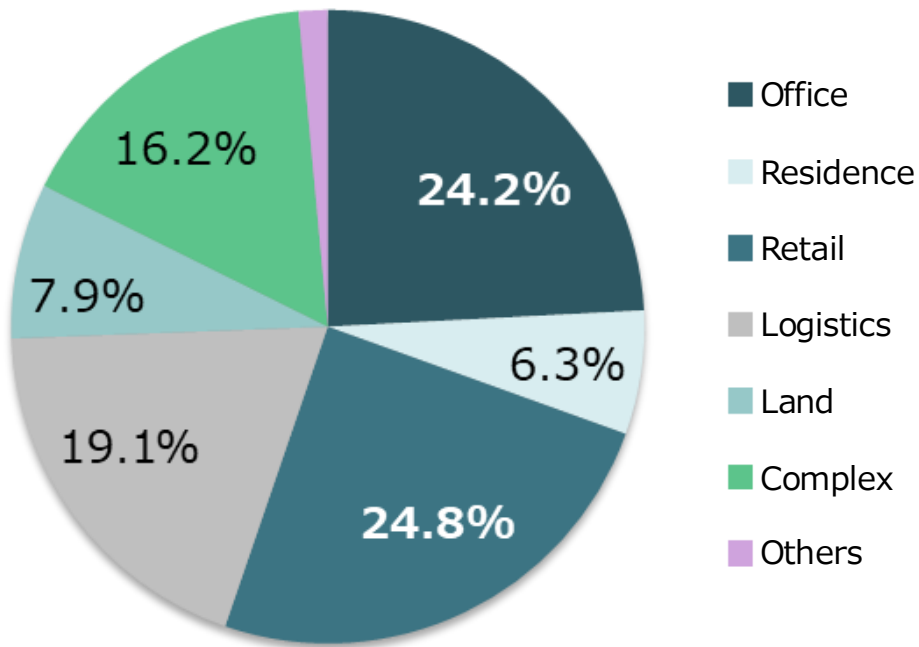
► Major UnitHolders

Name	Units Owned	Ratio (%)
Japan Trustee Services Bank, Ltd. (Trust Acct.)	65,451	12.72
The Master Trust Bank of Japan, Ltd. (Trust Acct.)	61,177	11.89
Sumitomo Corp.	24,500	4.76
The Nomura Trust and Banking Company, Ltd. (Trust Acct.)	20,425	3.97
BNYM SA/NV FOR BNYM FORBNY GCM CLIENT ACCOUNTS M LSCB RD	14,192	2.75
NOMURA BANK (LUXEMBOURG) S. A.	12,090	2.35
Trust and Custody Services Bank, Ltd. (Securities Investment Trust Acct.)	8,061	1.56
NORTHERN TRUST CO. (AVFC) RE COLONIAL FIRST STATE INVESTMENTS LIMITED	7,686	1.49
Yamato Shinkin Bank	7,350	1.42
The HOKKOKU Bank	6,709	1.30
Total	227,641	44.25

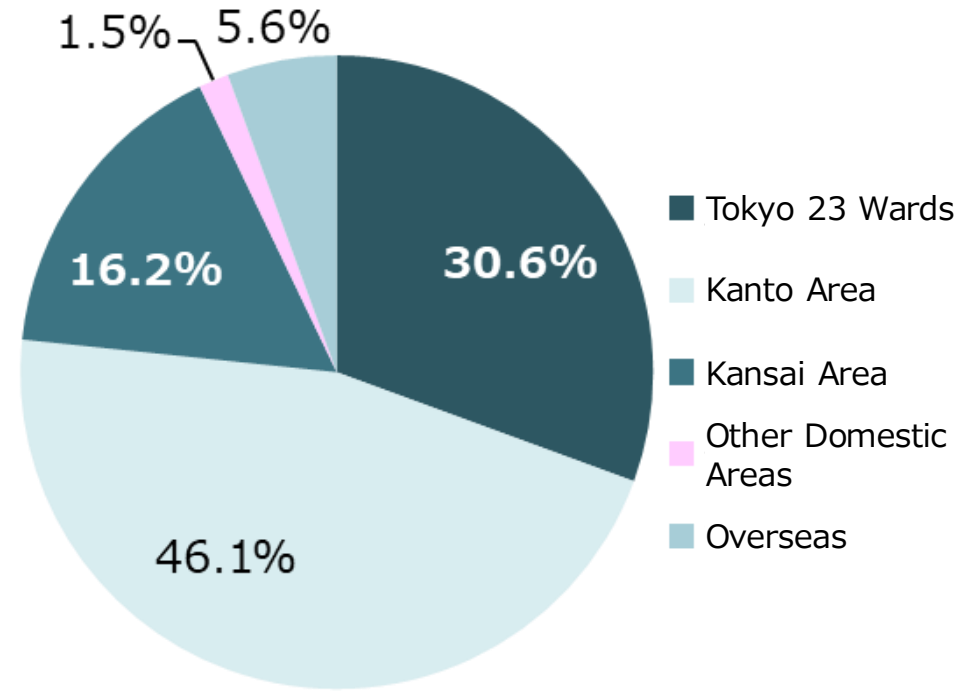
The Transition of SRM's AUM



▶ Ratio by Property Type



▶ Ratio by Area



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.

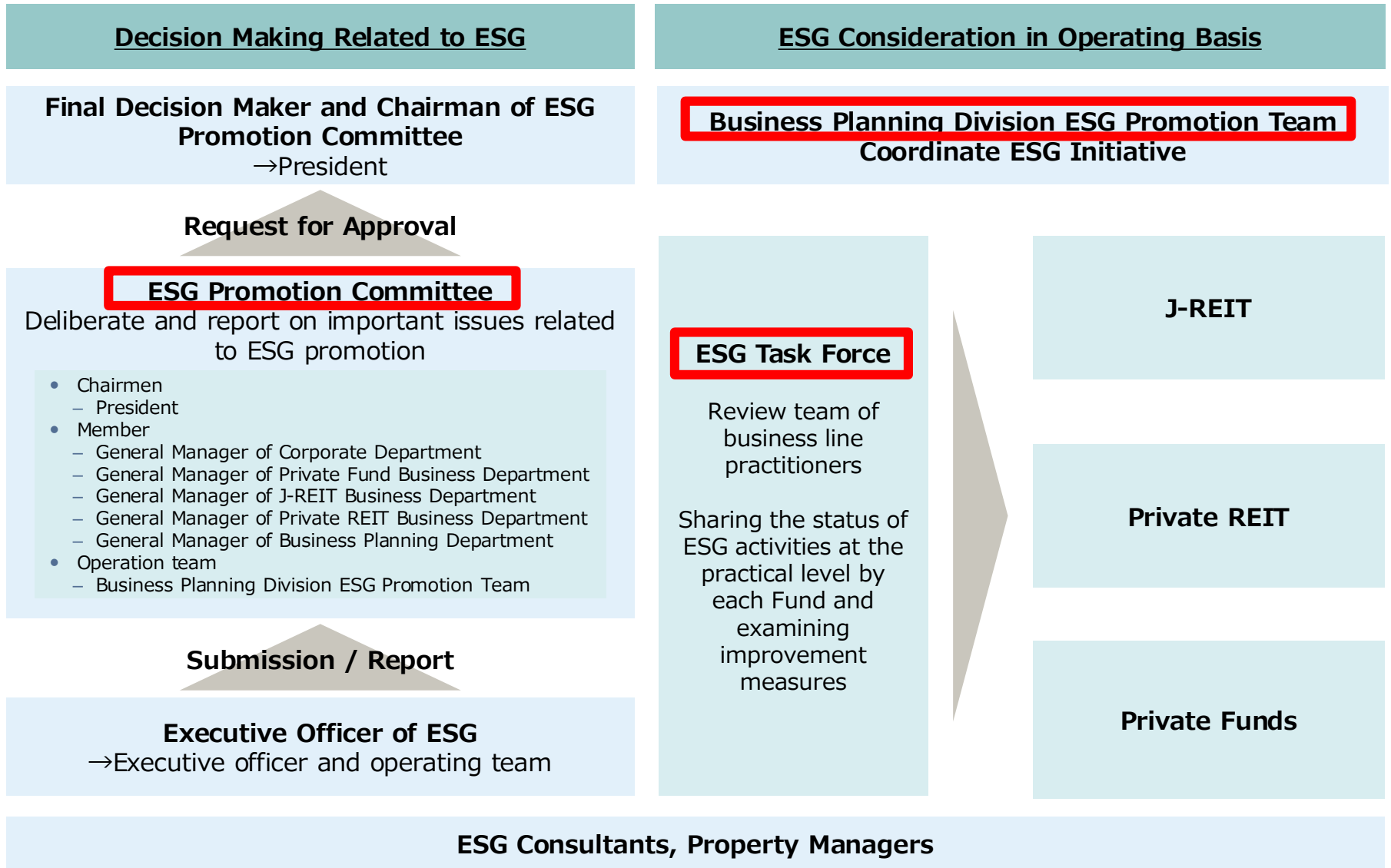
9.Disclosure of ESG Information and Utilization of Outside Evaluation

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.

Decision Making System related to ESG



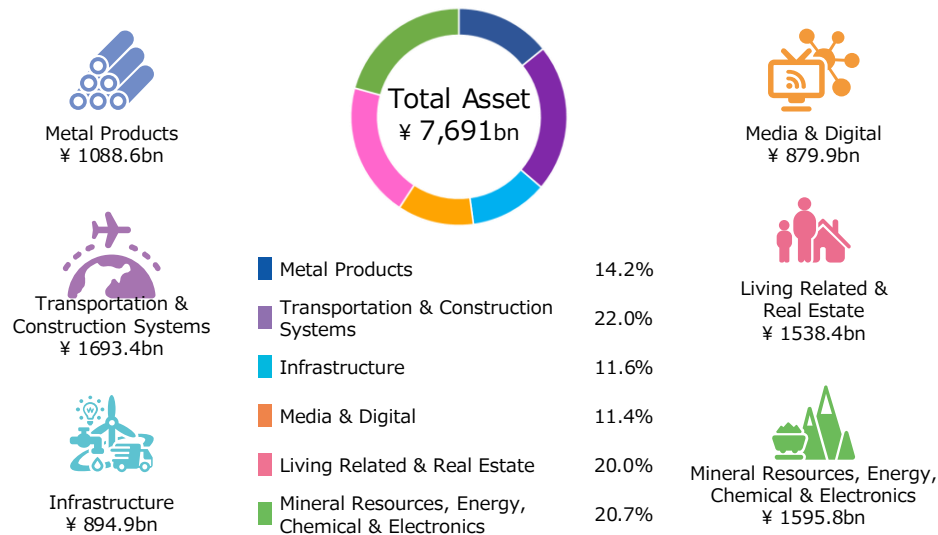
...New organization from April 1, 2020



► Overview and Performance

Revenue (Consolidated)	Net Profit (Consolidated)	Total Assets (Consolidated)	Evaluation
Approx. JPY 5,299.8 bn	Approx. JPY 171.4 billion	Approx. JPY 8,128.5 billion	
# of Offices	# of Employees (Consolidated)	Consolidated Companies	
across 66 countries 136 locations	72,642	957	
			Selected Fortune Global 500 for 25 consecutive years

► Six Lines of Business



► Founded 1919, 100-year History



- ✓ Founded as The Osaka North Harbour Company Limited in December 1919. (Real estate management, including the development of the Osaka North Harbour Area and adjacent areas)
- ✓ Renamed Nippon Engineering Co., Ltd. and advanced into the trading business in November 1945
- ✓ Renamed Sumitomo Corp. in June 1952

***Unless otherwise noted, amounts and values are rounded down to the nearest unit, and ratios are rounded off to the nearest unit. Therefore, the total of amounts or ratios by item may not correspond to the sum of the respective figures.**

***Unless otherwise noted, the following are assumed.**

(P7)

Unit price of SLR is indexed using the issue price of 103,000 yen as 100, and the business day before the listing date, December 9, 2019, is set as the starting date of the graph. The TSE REIT Index is indexed using the closing price on December 9, 2019, the business day before the listing date, as 100.

(P9)

Occupancy Rate

The ratio of leased area to total leasable area of the assets owned by SLR as of May 31, 2020.

Actual NOI Yield

$((\text{NOI for the 1}^{\text{st}} \text{ fiscal period}) / \text{Number of operation days (174 days)} \times 365 \text{ days}) / \text{Total acquisition price}$

Appraisal Value

Stated the numbers in each property appraisal report as of May 31, 2020 as the appraisal date. As for SOSiLA Yokohama Kohoku, the value equivalent to the quasi co-ownership interest (80%) held by SLR

Average Property Age (Logistics Properties)

The property age of each property is the term from the completion date on the registry to May 31, 2020. The average property age (logistics properties) is the weighted average of the property ages of acquired logistics properties based on their acquisition prices. The weighted average is rounded down to the 1st decimal place.

Average Lease Term (Logistics Properties)

The lease term is the term from May 31, 2020 to the specified date of expiration of a lease agreement that was concluded as of May 31, 2020 under which leasing commenced as of May 31, 2020. The average lease term is the weighted average of the lease periods using the annual rent specified in each lease agreement. The average lease term is rounded down to the 1st decimal place.

(P9)

Average Remaining Lease Term (Logistics Properties)

The remaining lease term is the term from May 31, 2020 to the specified date of expiration of a lease agreement that was concluded as of May 31, 2020 under which leasing commenced as of May 31, 2020. The average remaining lease period is the weighted average of the lease periods using the annual rent specified in each lease agreement. The average remaining lease period is rounded down to the 1st decimal place.

LTV (Total Asset)

Refer to the ratio of the total interest-bearing debt (the sum of borrowings, issue amount of investment corporation bonds, and issue amount of short-term investment corporation bonds) to the total assets on the SLR balance sheet.

Average Borrowing Term

The weighted average of each borrowing period based on the outstanding borrowings, rounded off to the 1st decimal place

Average Remaining Borrowing term

The weighted average of the period until the repayment date of each borrowing as of May 31, 2020, rounded off to the 1st decimal place

NAV per unit

$(\text{Net assets at the end of the 1}^{\text{st}} \text{ fiscal period} + \text{Unrealized gains based on appraisal value} - \text{Total distributions}) / \text{Total number of issued and outstanding investment units (514,350 units)}$

Unrealized Gain based on the appraisal value

$\text{Appraisal value at the end of the 1}^{\text{st}} \text{ fiscal period} - \text{Book value of the assets owned by SLR at the end of the 1}^{\text{st}} \text{ fiscal period}$

P/NAV

$\text{SLR investment unit price as of May 29, 2020 (131,100 yen)} / \text{NAV per unit}$

Sumitomo Corp.'s Same-boat Investment

$24,500 \text{ units (held by Sumitomo Corp.)} / \text{Total number of issued and outstanding investment units (514,350 units)} \text{ (rounded down to the 1}^{\text{st}} \text{ decimal place)}$

(P13)

Logistics Facilities Close to Consumption Areas

Logistics facilities with good access to consumption areas, production sites and transportation infrastructure

Logistics Properties

Refer to properties that are used or can be used mainly as logistics facilities. The facilities that fall under the category of logistics facilities may include those primarily intended for storage and shipment of goods.

Industrial Properties

Refer to properties that are used or can be used mainly as data centers, communications facilities, research facilities, plants, sites for placing materials and vehicles, facilities related to airports and ports, facilities related to energy, facilities related to water, facilities related to automobile traffic, distribution and processing facilities, recycling facilities, etc. The facilities that fall under the category of distribution and processing facilities are assumed to be those that mainly aim to process goods in order to enhance their value.

Kanto Area

Refer to Tokyo, Kanagawa, Saitama, Ibaraki, Tochigi and Gunma prefectures.

Kansai Area

Refer to Osaka, Hyogo, Kyoto, Nara, Wakayama, Shiga and Mie prefectures.

Other Areas

Refer to cities that are not located in the Kanto and Kansai areas, including overseas cities

Last One Mile

“Last one mile” means the last part of delivery between the last distribution point of a logistics operator or a shipper to a consumer, the destination.

(P15)

As of today, SLR does not plan to acquire the properties other than the assets owned indicated, and there is no guarantee that SLR can acquire them in the future. The same shall apply hereinafter. In addition, the illustrations of SOSiLA Itabashi (tentative name), SOSiLA Osaka (tentative name), SOSiLA Yashio (tentative name), SOSiLA Amagasaki (tentative name) and SOSiLA Chuo Rinkan (tentative name) are conceptual drawings at completion based on design drawings, etc., and may differ from the actual completed buildings.

(P16)

The graph shows the number of logistics real estate developed by Sumitomo Corp. during the period from January 1, 2000 to May 31, 2020 and of those planned to be developed as of May 31, 2020 (including the assets owned by SLR) and the cumulative total value of the total floor area (rounded off the 1st decimal place). With regard to SOSiLA Yokohama Kohoku, SLR holds an 80% quasi co-ownership interest, and preferential negotiation rights are given to the remaining 20% quasi co-ownership interest. The entire property is calculated as one property in the calculation of properties developed by Sumitomo Corp.

(P17)

Total Floor Area

The floor area on the registry is indicated for the properties completed as of May 31, 2020, and with regard to the properties to be completed, the floor area on the design drawings is indicated for SOSiLA Itabashi (tentative name), SOSiLA Osaka (tentative name), SOSiLA Amagasaki (tentative name) and SOSiLA Yashio (tentative name), and the planned floor area is indicated for SOSiLA Chuo Rinkan (tentative name) and SOSiLA Kashiwa (tentative name). The total floor area is rounded off the 1st decimal place. With regard to SOSiLA Osaka (tentative name), the number in parentheses is the floor area to which preferential negotiation rights are given.

(P22)

Diversification of Expiration Dates of Lease Agreements(Logistics Properties, Annual Rent Base)

The ratio for each calculation period is the ratio of the annual rent of the assets owned by SLR (logistics real estate) for which a lease agreement was concluded and as of May 31, 2020 under which leasing commenced as of May 31, 2020 and expires within such calculation period to the total annual rent of the entire assets owned (logistics real estate) per SLR's calculation period, and is rounded off to the 1st decimal place (the annual rent is as of May 31, 2020). With regard to a lease agreement that was concluded as of May 31, 2020 under which leasing commenced as of May 31, 2020, the ratio of the annual rent specified in short-term lease agreement to expire within less than five years from May 31, 2020, in medium-term lease agreement to expire within more than five years but less than 10 years from May 31, 2020, or in long-term lease agreement to expire in more than 10 years from May 31, 2020 to the total annual rent of the entire assets owned (logistics real estate) is rounded off to the 1st decimal place. Therefore, the total of ratios per calculation period may not correspond to the sum of the respective figures.

(P23)

Tenant Breakdown by Cargo

The ratio based on leased area is indicated.

(P24)

Long-term Debt Ratio

Long-term Debt / Total Interest-bearing Debt

(P24)

Fixed Interest Ratio

Fixed Interest Debt / Total Interest-bearing Debt

Debt Capacity (up to LTV 45%)

Refer to the amount of debt that can be additionally raised assuming that LTV (Total Asset) is increased to 45%. The amount is rounded down to the nearest ten billion yen

(P26)

Rotation Rule

The rotation rule applies to logistics properties and industrial properties.

(P35)

Real Estate Market of Logistics Facilities (1)

Source: CBRE, Inc.

Tokyo Metropolitan Area means Tokyo, Chiba, Saitama, Kanagawa and Ibaraki prefectures, and Kinki Area means Osaka, Hyogo and Kyoto prefectures. Mid-Large scale refers to logistics facilities for rent with a total floor area of 5,000 m² or more owned by real estate investment companies and real estate development companies to be surveyed. It does not include the distribution facilities for rent owned by distribution companies, etc., and not all distribution facilities for rent with a total floor area of 5,000 m² or more are to be surveyed. Supply refers to total leasable area of newly constructed logistics facilities for rent, and demand refers to increase or decrease in occupied floor area. The change in occupied floor area is calculated by subtracting the area to be removed from the newly contracted area.

(P36)

Real Estate Market of Logistics Facilities (2)

Source: CBRE, Inc.

Modern Logistics Facility refers to logistics facilities for rent with a total floor area of 10,000 m² or more, developed by real estate investment companies and real estate development companies, and equipped with a functional design that, in principle, has a floor load of 1.5 t/m² or more, a ceiling height of 5.5 m or more, and a pillar span of 10 m or more.

(P38)

Portfolio

With respect to SOSiLA Yokohama Kohoku (80% quasi co-ownership interest), the acquisition price is for the quasi co-ownership interest (80%), the real estate appraisal value is for the quasi co-ownership interest (80%), and the total floor area in parentheses is for the quasi co-ownership interest (80%). They are rounded down to the nearest unit. The appraisal NOI yield is the ratio of the appraisal NOI (net operating income stated in the real estate appraisal report calculated using the DC method for logistics real estate; and that stated in the real estate appraisal report calculated using the DCF method for the 1st year for industrial real estate) to the acquisition price, and rounded off to the 1st decimal place. As for SOSiLA Yokohama Kohoku (80% co-ownership interest), the ratio for the quasi co-ownership interest (80%) in such property is indicated and rounded to the 1st decimal place. The total (average) column is the weighted average based on the acquisition price.

(P40)

SOSiLA Yokohama Kohoku (Quasi co-ownership interest: 80%)

SLR holds an 80% quasi co-ownership interest in the real estate trust beneficiary rights, and the site area is for the entire property.

(P46)

Unrealized Gain per Unit

Unrealized gains based on appraisal value / Total number of issued and outstanding investment units (514,350 units)

(P49)

UnitHolder Composition as of the end of FP1

The ratio of the number of unitholders and that of the number of investment units are rounded down to the 1st decimal place.

(P51)

The Composition of SRM's AUM

As of March 31, 2020

(P54)

Profit and Loss Statement / Balance Sheet

As of March 31, 2020

Six Lines of Business

As of March 31, 2020; excl. elimination or the business transaction between companies

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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