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For immediate release

**Real Estate Investment Trust Securities Issuer**

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**Notice Concerning Acquisition of Preferential Negotiation Rights (Matsusaka Logistics Center)**

Tokaido REIT, Inc. (hereinafter, "Tokaido REIT") announces that today it acquired preferential negotiation rights by concluding a preferential negotiation contract (hereinafter, "the preferential negotiation rights") with respect to the Matsusaka Logistics Center (hereinafter, "the property") in order to secure a pipeline for external growth, as indicated below.

**Details**
**1. Overview of the preferential negotiation rights**

- |  |   |
|--|---|
| (1) Party from which preferential negotiation rights were acquired | KT Capital Corporation                            |
| (2) Date of acquisition of preferential negotiation rights         | September 16, 2022                                |
| (3) Corresponding real estate                                      | Matsusaka Logistics Center                        |
| (4) Preferential negotiation period                                | September 16, 2022, to October 31, 2022 (planned) |

(Note) Tokaido REIT is not under obligation to acquire the property. The decision to acquire the property would require the following of the procedures stipulated by Tokaido REIT Management Co., Ltd. These include the exercise of necessary due diligence, such as real estate appraisal. The acquisition price and acquisition timing of the property are likewise not yet decided.

Tokaido REIT has not and will not pay the party from which preferential negotiation rights were acquired any compensation in return for the preferential negotiation rights.

**2. Overview of the property**

Property name	Matsusaka Logistics Center
Address	957-177 Azakuchi Yamada, Ureshino Ichishicho, Matsusaka City
Location	0.35 kilometers from Ichishi-Ureshino Interchange, Ise Expressway
Class	Industrial infrastructure asset <sup>(Note)</sup>
Subclass	Logistics asset
Construction completion	July 2021

Total floor area	3,014.40 m <sup>2</sup>
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(Note) "Industrial infrastructure assets" refers to logistics facilities and facilities utilized by companies as industrial or business bases, and land used for such facilities. The same shall apply hereinafter.

### 3. Reason for acquisition of the preferential negotiation rights

The preferential negotiation rights were acquired in order to secure a pipeline for external growth and to engage in focused investment in industrial regions with a sustainable economic base by acquiring the property when Tokaido REIT deems it appropriate to do so in the future. Tokaido REIT sees the acquisition of preferential negotiation rights as being significant in the following way.

■ Significance of acquisition of preferential negotiation rights

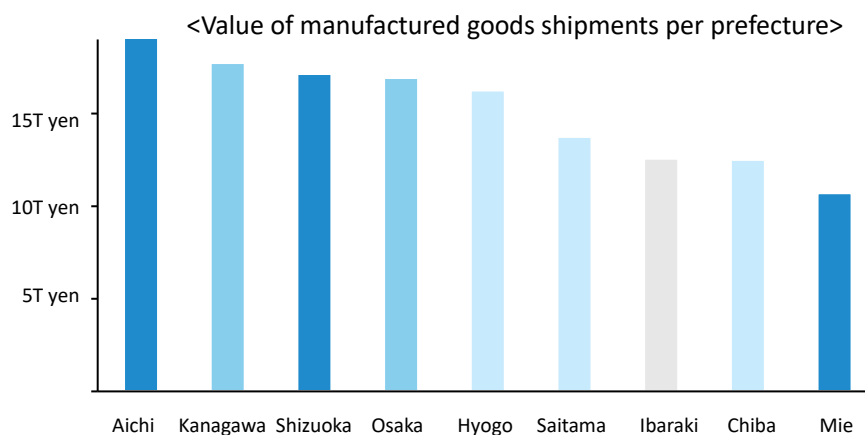
- ✓ Securing of investment opportunities in an industrial region with a sustainable economic base
- ✓ Steadily increasing asset scale by securing opportunities for external growth
- ✓ Creating opportunities for timely provision of information related to acquisition deliberations

The points Tokaido REIT emphasized with respect to acquiring the preferential negotiation rights are as follows.

■ Investment value of the Property given the background of industrial agglomeration (key points of this acquisition of rights)

- ① It is an industrial infrastructure asset that meets the abundant corporate needs of the industrial region

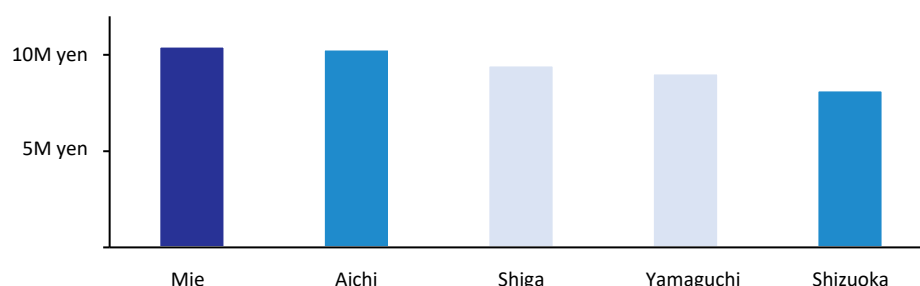
The property is located in an industrial region centered around Shizuoka which is home to one of Japan's top industrial clusters, straddling multiple prefectures (Shizuoka, Aichi, and Mie). It is an industrial infrastructure asset that can meet the abundant needs of a wide range of industries. Mie Prefecture, whose industrial region stretches from Aichi Prefecture, is Japan's 9th largest manufacturing cluster in terms of value of products shipped, shipping roughly 11 trillion yen of products in 2020.



(Source) Prepared by the Asset Manager based on the 2020 Industrial Statistics

The monetary value of products shipped per working-age person is the highest in Japan, and the aggregation of manufacturing companies has created a sustainable regional society.

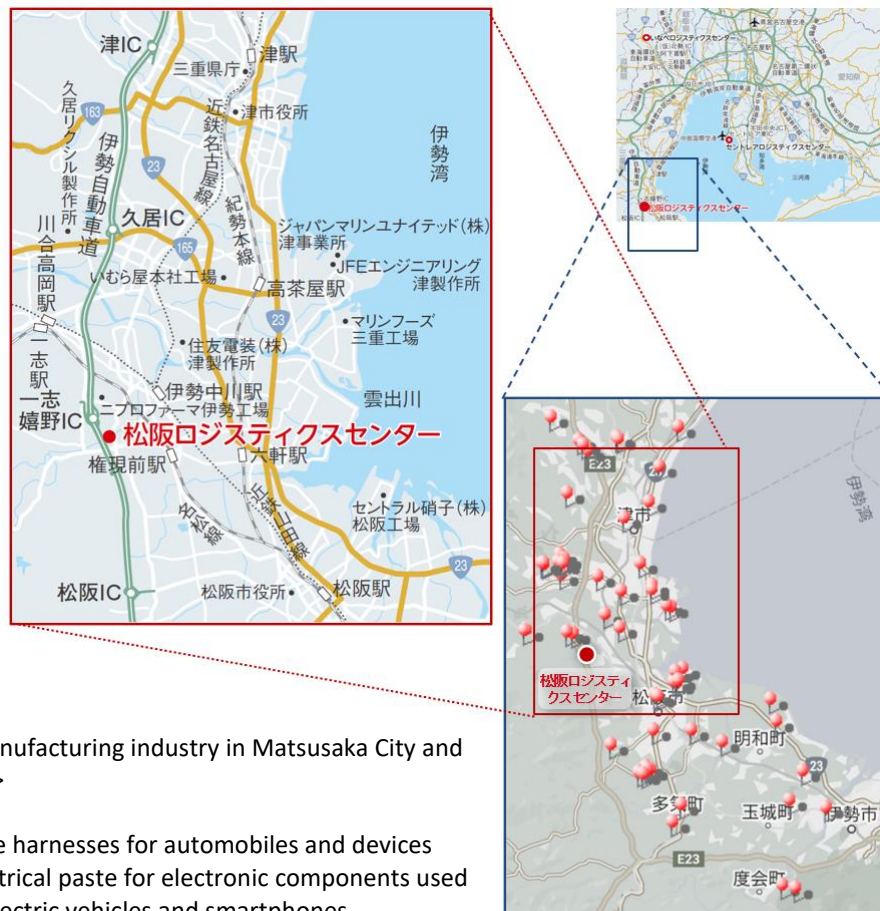
<Value of manufactured goods shipped per working-age person>



(Source) Prepared by the Asset Manager based on 2020 industrial statistics and national census figures

(Note) The working-age population refers to the total number of people between the ages of 15 and 64 in 2020

- ② The property is well-situated, located very near the Ichishi-Ureshino Interchange of the Ise Expressway, which passes through Mie Prefecture's industrial region, with the cities of Tsu and Matsusaka behind it
- ✓ Excellent access, being located 0.35 km from the Ichishi-Ureshino Interchange of the Ise Expressway, the main arterial road of Mie Prefecture, which is a center of industry
  - ✓ The property is located adjacent to the Tengeiji Industrial Park, which covers a total of 50 ha, but it is surrounded by residential areas, so it is well-situated from the perspectives of both access to labor and access to customers
  - ✓ There are also stations for the JR Kisei Main Line and JR Meisho Line, which run parallel to the expressway, supplementing the living infrastructure in the area
- ③ The property's location, the heart of Mie Prefecture, has long been an area of economic development, and there are many manufacturing companies nearby
- ✓ Mie Prefecture's Chunansei area, which is centered around Matsusaka City and Tsu City, has a long history of economic development. It was the operation center of the Ise merchants, among which were the Mitsui family, the founders of the Mitsui Group. The Ise merchants were one of the three great merchant groups of Japan, along with the Osaka and Omi merchants
  - ✓ Now, Mie Prefecture is home to numerous automotive manufacturers and semiconductor manufacturers. Along the Ise coast there is a high concentration of industry, including heavy industry, such as one of the world's top nickel production sites
  - ✓ There is a high level of logistics demand which is expected to remain solid over the medium-to-long term due to industry related to electronics products used in the next generation of electric vehicles and hybrid vehicles



<The manufacturing industry in Matsusaka City and Tsu City>

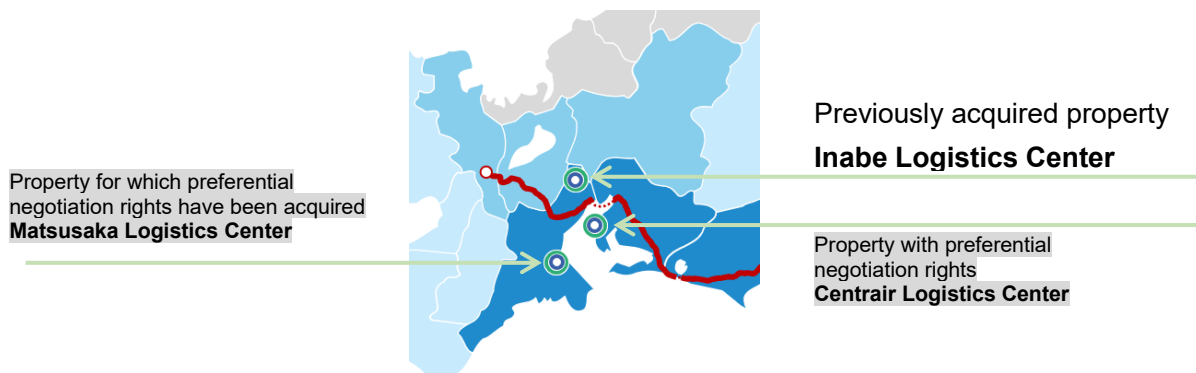
- Wire harnesses for automobiles and devices
- Electrical paste for electronic components used in electric vehicles and smartphones
- Electronic semiconductor components, devices, and circuits
- Other

<Distribution of major plants>

- ④ The tenant is a third party logistics operator that addresses the needs of the industrial region
  - ✓ Stable cash flow through a long-term contract with the tenant
  - ✓ The tenant continually addresses the growing logistics needs of the region and is expected to remain a long-term tenant
  - ✓ There will be a rich range of cargo owners due to the characteristics of the industrial region, providing medium- and long-term support to tenant businesses
  
- ⑤ The judgment of the sponsor company will be used to perform sourcing using the Asset Manager's own routes, supplementing the pipeline
  - ✓ The project will use the routes developed by the Asset Manager in the industrial region since the IPO
  - ✓ The seller, KT Capital, has developed a reputation for investing in and developing industrial infrastructure assets and living infrastructure assets<sup>(Note)</sup> in industrial regions, and plans to maintain collaborative relationships in the future

(Note) "Community infrastructure assets" refers to residential properties and land of such, and land and other assets used for distribution or sale of daily necessities.

#### 4. Logistics assets and pipeline acquired by Tokaido REIT



#### 5. Future outlook

The acquisition of the preferential negotiation rights will not have an impact on the business performance of Tokaido REIT.

<Attachments>

Reference Material 1: Photographs and Map of Property

\* Tokaido REIT website: <https://www.tokaido-reit.co.jp/>

Reference Material 1: Photographs and Map of Property





Previously acquired property  
**Inabe Logistics Center**

Property for which preferential negotiation rights have been granted  
**Centrair Logistics Center**



Asset to be acquired  
**Matsusaka Logistics Center**