

CRE Logistics REIT

Supplementary material for 5th public offering and new acquisition



LogiSquare Osaka Katano⁽¹⁾

Located in a suitable logistics area in inland Osaka, near the boarder between Osaka and Kyoto Prefectures. Located approximately 0.8 km from the Katano Minami IC on the Daini-Keihan Road with excellent access to major roads. Located in an industrial area and can be operated 24 hours a day.

September 2, 2021
CRE REIT Advisers, Inc.

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Offering highlights

1. Continuous improvement of unitholder value ... p.5

- This public offering qualifies as "green" financing that takes into consideration the environmental impact, with prospectuses delivered only electronically
- Increased unit price and market capitalization through the past four offerings and accompanying external growth and various measures, thereby improving liquidity of the investment units and expanding its investor base
- Since its listing in February 2018, CRE REIT steadily increases DPU and NAV per unit through the five public offerings

2. Enhancement of the quality of portfolio through the investments in LogiSquare ... p.11

- CRE REIT acquires quality properties that have been developed by CRE and are conveniently close to locations frequented by consumers
- Enhance portfolio diversification, including with respect to location, through acquisition of an asset in the Kansai area

3. Clear growth strategy to continuously improve unitholder value ... p.17


- We seek continuous distributions growth by leveraging our rich pipeline while considering acquisitions with cash on hand
- Leases expiring by June 30, 2022 were renewed smoothly
- New lenders, green loans and green bonds diversifies our funding options
- R&I upgraded our rating outlook to A- (positive), and JCR newly assigned us A (stable)
- Diversification of repayment periods and longer-term loans promotes stable financial management
- We have made progress in our ESG efforts. At the general meeting of unitholders in September 2021, the asset management fee structure will be changed to the more consistent one with the interests of the unitholders

4. Appendix ... p.28

Please refer to notes on the front cover and page 6 onwards for the definitions of the terms appearing on this page

Summary of the Fifth Public Offering and the Acquisition of the Property

Acquisition of LogiSquare Osaka Katano, which is new and in a good location

Anticipated acquisition price 22,370 million yen	
Property age 0.5 years	
Mileage to an interchange approx. 0.8 km	
Number of tenants 5	
Appraisal NOI yield 4.4 %	
	Implied cap rate ⁽¹⁾⁽²⁾ 3.4 %

Improve quality of portfolio through investment in LogiSquare

	The End of the 10th FP (Ended June 30, 2021)	After acquisition of anticipated asset
Number of properties	19 properties	20 properties
(Anticipated) acquisition price	112,316 million yen	134,686 million yen
Average appraisal NOI yield	4.8 %	4.7 %
Number of tenants	23	28
Average property age	4.4 years	3.8 years
Occupancy rate	100.0 %	100.0 %
Ratio of properties developed by CRE	100.0 %	100.0 %

Promote reduction of LTV, borrowing from new lenders and long-term debt

	Before the Anticipated Borrowings	After the Anticipated Borrowings
LTV	Forecast for June 30, 2022 44.8 %	Forecast for June 30, 2022 44.3 %
Average remaining term of interest-bearing debt	As of September 15, 2021 (anticipated) 3.6 years	As of September 15, 2021 (anticipated) 3.7 years
Number of lenders	13	16
Increase in borrowings	10,400 million yen	

Realize external growth that contributes to improvement in distributions per unit and NAV per unit

	The End of the 10th FP (Ended June 30, 2021)	After the Fifth PO
Distributions per unit (including surplus distribution)	Forecast on stabilized level after the Fourth PO 3,374 yen	Forecast on stabilized level after the Fifth PO 3,547 yen (+ 5.1%)
NAV per unit	143,278 yen	After the Fifth PO 150,739 yen (+ 5.2%)
Number of new investment units issued	64,550 units (12.9% of total issued and outstanding investment units)	
Total issue value (estimate)	13,232 million yen	
Form of offering	Reg. S only (The transaction will be documented by a Japanese language prospectus. English one will not be prepared.)	

Assets

Liabilities

Net assets

1. Please refer to notes on the front cover and page 6 onwards for the definitions of the terms and the calculation for the figure on this page



1. Continuous improvement of unitholder value

LogiSquare Osaka Katano


A four-story seismic control structure with double rampways and central vehicle flow line on the first to third floors. In order to enhance safety, the vehicle flow line is designed for one-way. And there are two rampways, one for going up and one for going down.

Environmentally friendly public offering through green finance, etc.

Green finance for both equity and debt⁽¹⁾

Anticipated asset

Green qualifying assets⁽⁵⁾
LogiSquare Osaka Katano



- CASBEE⁽⁷⁾ Osaka Pref. A rank
- BELS⁽⁸⁾ ★★★★★
- In-house consumption of solar power
- LED lighting
- Sandwich Panels

Debt

Green Loan⁽³⁾

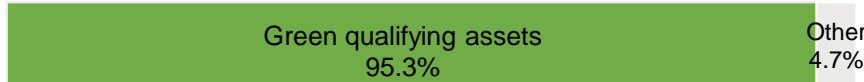
Obtained "Green1(F)"⁽¹²⁾ rating from JCR for Green Finance Framework⁽⁹⁾

Investment Unit

Green Equity Offering⁽²⁾

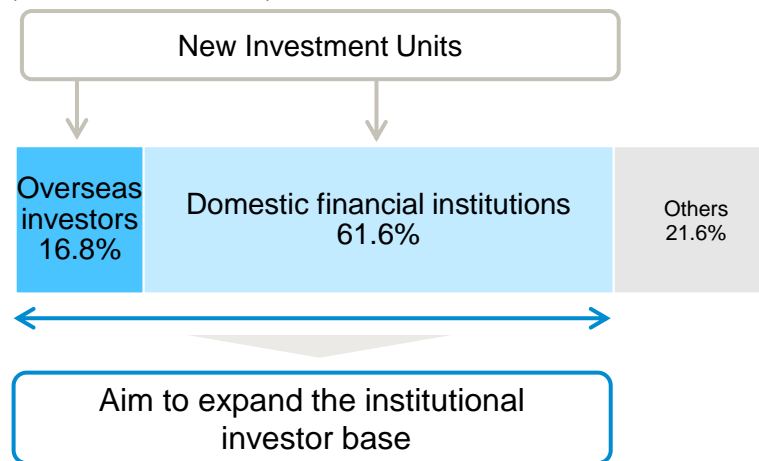
Obtained second party opinion⁽¹⁶⁾⁽¹⁷⁾ from DNV⁽¹⁵⁾ for Green Equity Framework⁽¹³⁾

Percentage of green qualifying assets after acquisition of anticipated asset⁽¹⁸⁾

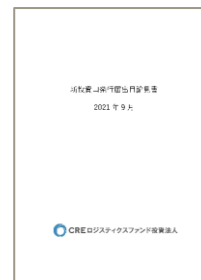


Allocate all new investment units to domestic and overseas institutional investors

Ratio of ownership of investment units at the end of the 10th fiscal period (ended June 30, 2021)



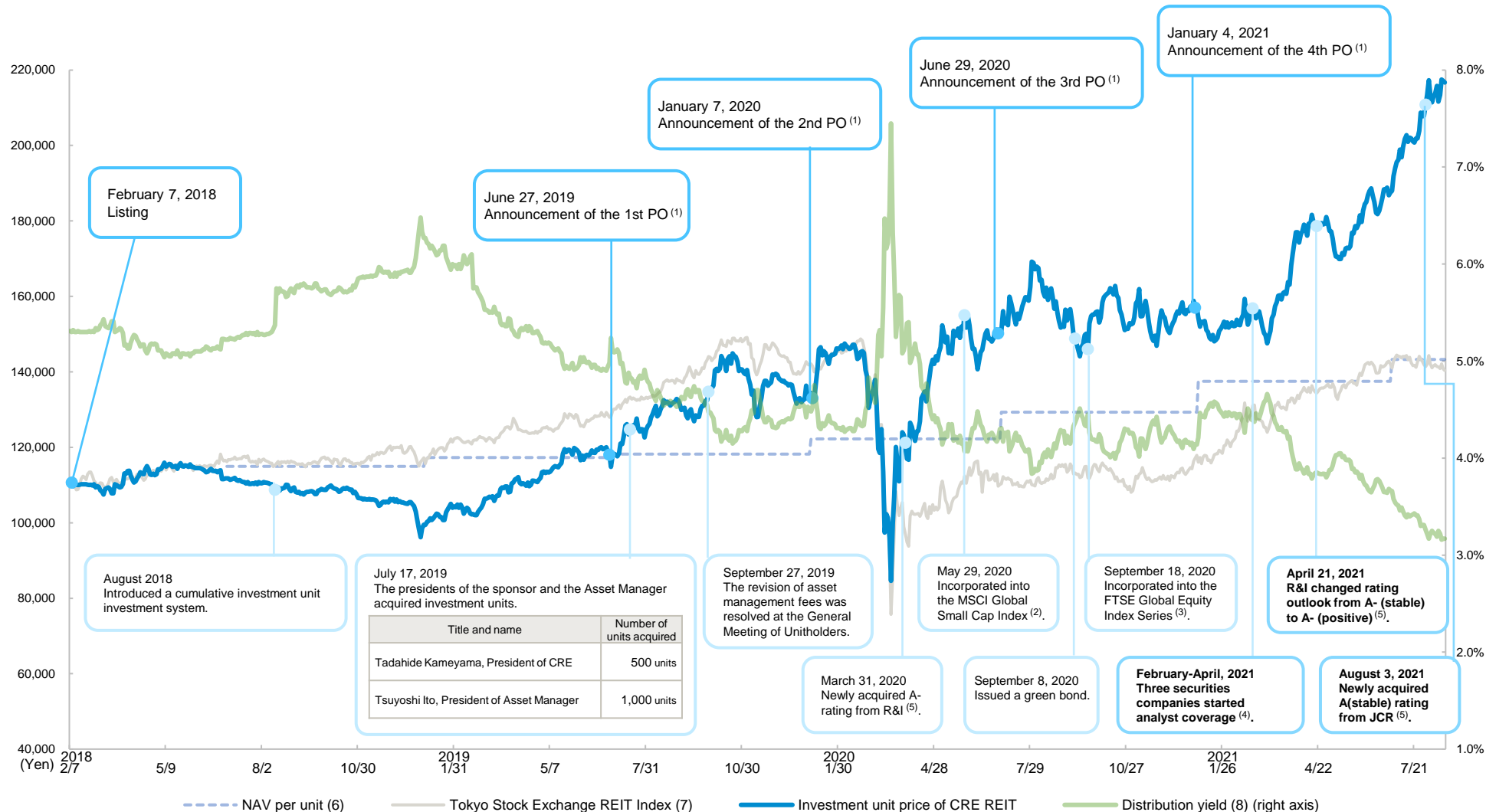
Deliver all prospectuses electronically⁽¹⁹⁾ in consideration of the environment



Deliver all prospectuses electronically and reduce the use of paper and ink etc. in order to minimize the impact on the global environment

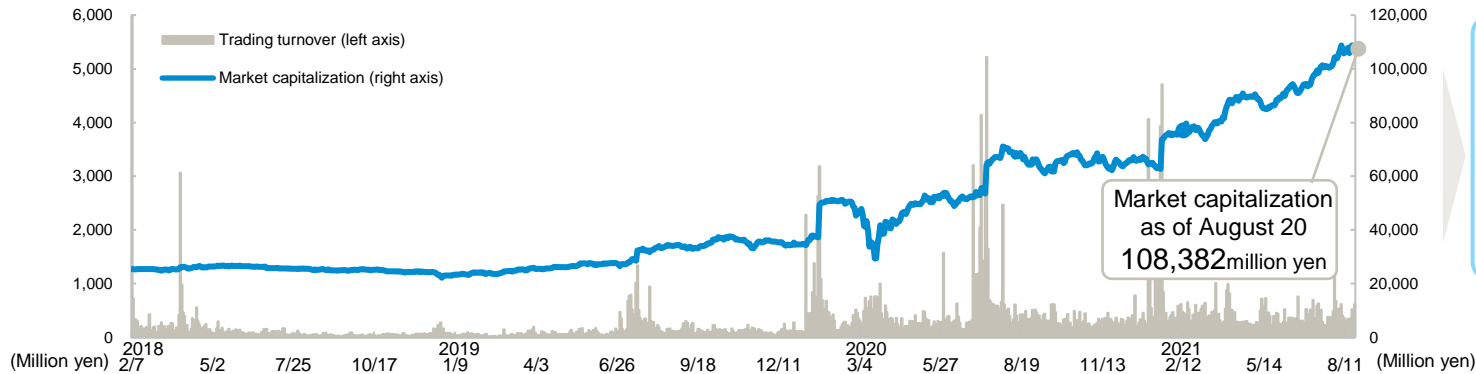
Investment Unit Price Has Increased through the Past Four Offerings and Accompanying External Growth and Other Measures

Trend in investment unit price (closing price) (as of August 20, 2021)



Investor Base Expanded due to Increase in Market Capitalization and Improvement in Liquidity of Investment Units

Market capitalization increases and investment unit liquidity improved



Aiming to be included in FTSE EPRA Nareit Global Real Estate Index Series ⁽²⁾ in December 2021

Market capitalization standard relaxed from the regular review in September 2021 (Released on June 24, 2021)

- Although CRE REIT meets the market capitalization standard, an English annual report with audited financial statements, which is a requirement for inclusion, has not been prepared.
- As our English annual report with audited financial statements for the 10th fiscal period (ended June 30, 2021) is expected to be prepared by mid-October 2021, CRE REIT will be reviewed for inclusion in December 2021.

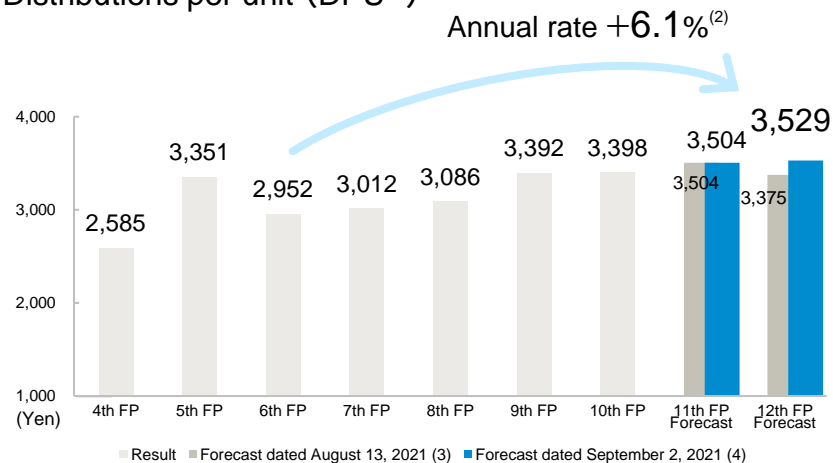
Increase in the number and ratio of domestic financial institutions and overseas investors

		The end of 5th FP (2018/12)	The end of 10th FP (2021/6)	Difference
Domestic financial institutions	No. of investors	34	74	+40
	Ratio	41.6 %	61.6 %	+20.0 %
Overseas investors	No. of investors	55	152	+97
	Ratio	6.0 %	16.8 %	+10.7 %

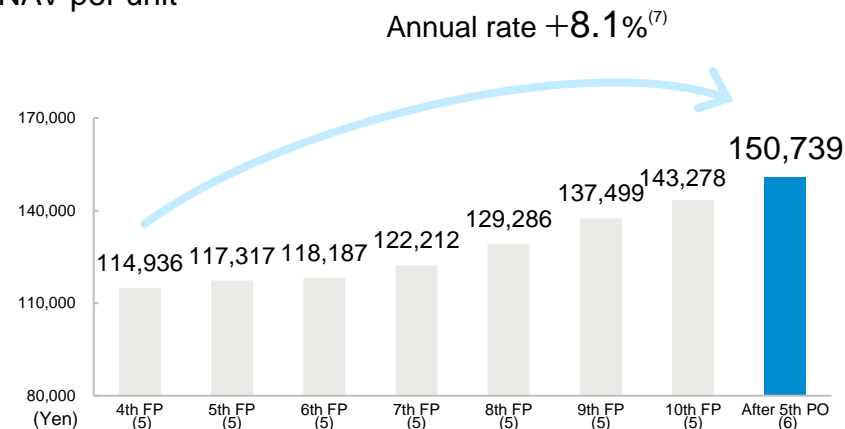
Further expansion of the investor base

Since Listing in February 2018, Steady Growth through Five Public Offerings

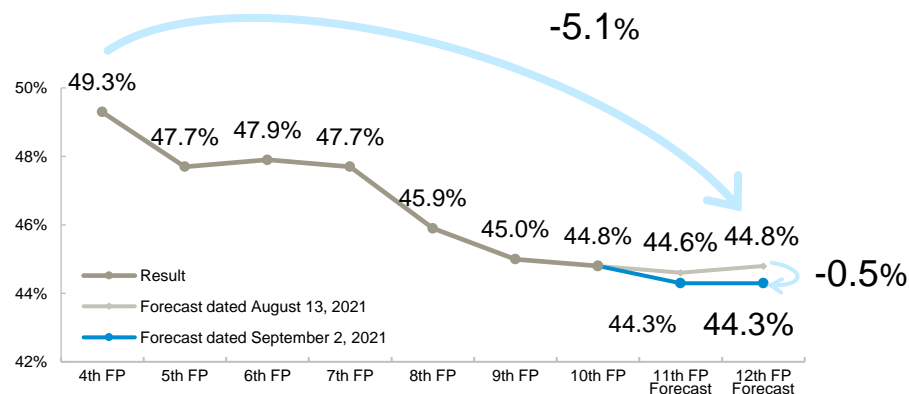
Distributions per unit (DPU⁽¹⁾)



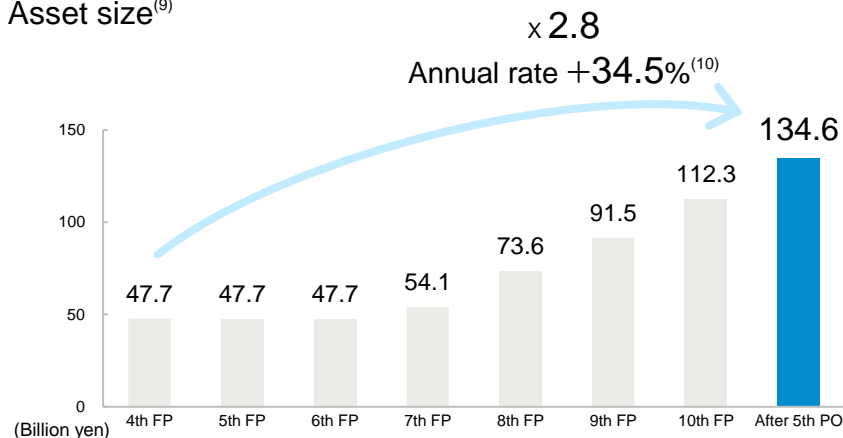
NAV per unit



LTV⁽⁸⁾

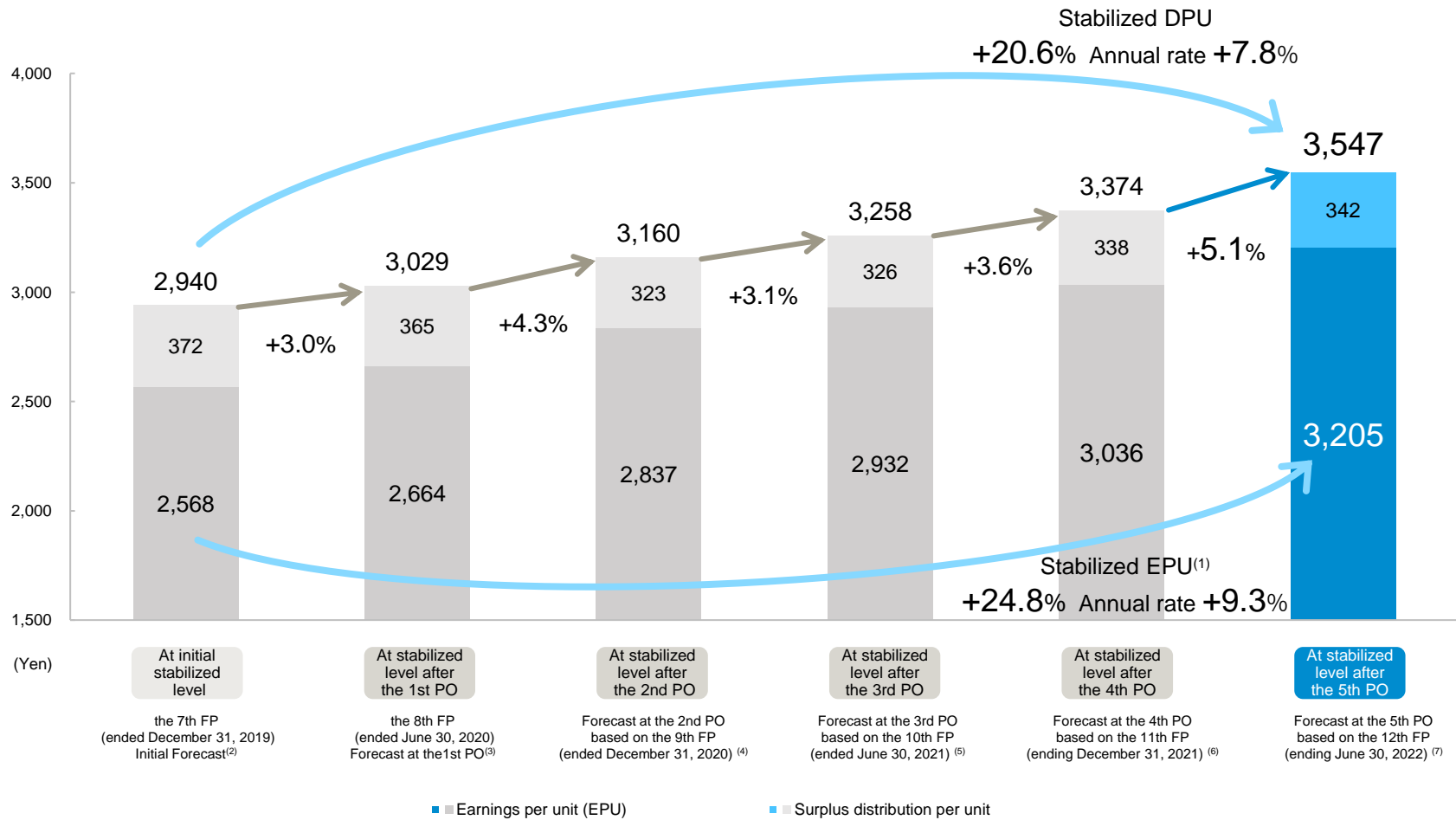


Asset size⁽⁹⁾



Realize External Growth that Contributes to Increases in Distributions per Unit

Increase stabilized DPU by an average annual growth rate of 7.8% through public offering for five consecutive periods.





2. Enhancement of the quality of our portfolio through the investments in LogiSquare

LogiSquare Osaka Katano

The specifications which allow for a certain level of response to future needs such as the addition of vertical conveyors, cargo elevators, office space, and air conditioning units in the warehouse through the first to fourth floors

Anticipated asset O-4 LogiSquare Osaka Katano

Ramp way
Type

Multi

Kansai
Area⁽¹⁾

Daini-Keihan
Road

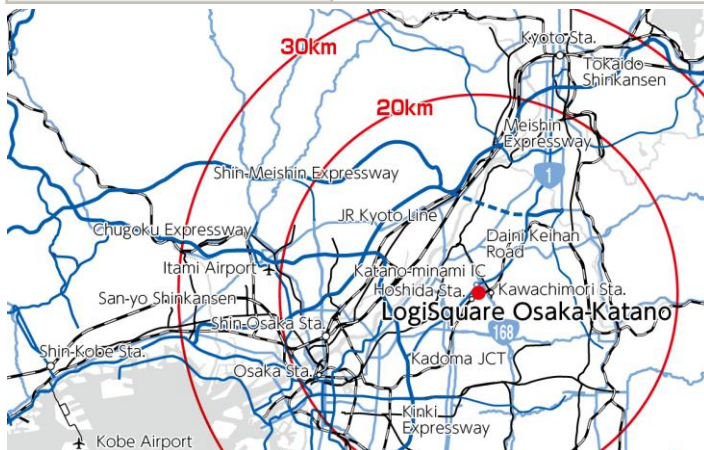
In-house
consumption
of solar power

CASBEE
Osaka pref.
A ranking

BELS
★★★★★



Location	4-27-1, Hoshidakita, Katano-shi, Osaka (residence indication)
Access	Approximately 0.8 km from Katano Minami IC (Daini-Keihan Road)
Structure	S, 4F, alloy plated steel sheet roof
Total floor area ⁽²⁾	76,393.17 m ²
Total leasable area	71,018.95 m ²
Anticipated acquisition price	22,370 million yen
Appraisal value	22,600 million yen
Appraisal NOI yield ⁽²⁾	4.4 %
Appraisal NOI yield after depreciation ⁽³⁾	3.7 %
Completion date	January 2021
Occupancy rate ⁽²⁾	100.0 %



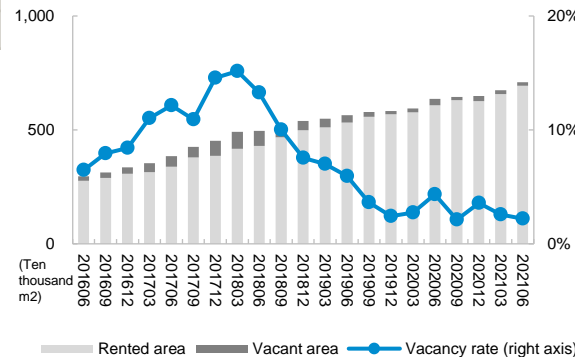
Property Features

- The property is located in the western part of Katano-shi, Osaka, an inland Osaka area near the boarder between Osaka and Kyoto Prefectures in a suitable logistics area. The location approximately 0.8 km from Katano-minami IC (the Daini-Keihan Road) and approximately 2 km from Neyagawa-kita IC (the Daini-Keihan Road) enables access to main roads easily and makes it possible to cover not only downtown Osaka but also the wide area of Kansai through Kinki Expressway, Chugoku Expressway, and Hanshin Expressway.
- The new highway lanes of Shin-Meishin Expressway between Takatsuki JCT and Yawatakyotanabe JCT is scheduled to open in 2024, which is expected to make the area even more convenient.
- It is located within walking distance from several railroad stations, approximately 1 km (about a 13-minute walk) from Hoshida Station, one of the rapid train stops of JR Gakkentoshi Line, and approximately 1.5 km from Kawachimori Station of the Keihan Katano Line. By using buses, it is a 2-minute walk from Hoshida-kita 5-chome bus stop and thus well-located for securing labor.
- The specifications allow a certain level of response to future needs such as the addition of vertical conveyors, cargo elevators, office space, and air conditioning units in the warehouse through the first to fourth floors. The pillar span of 12 m allows docking of three large trucks in one span simultaneously.

Vacancy rate

- The vacancy rate in the Kansai area has remained at a low level since 2019

Vacancy rate in Kansai area

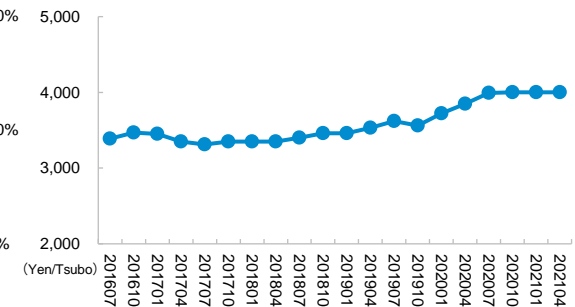


Source: Prepared by the Asset Manager based on "LogiSquare Market Report on Warehouses and Logistics Properties June 2021" of CRE, Inc.

Rent market price

- In the moderately tight supply-demand environment, the rent trend is stable in both coastal and inland areas in Kansai three prefectures⁽⁴⁾

Rent market price in Kansai three prefectures



Source: Prepared by the Asset Manager based on "Industrial Market Research April 2021" of K.K. Ichigo Real Estate Service.

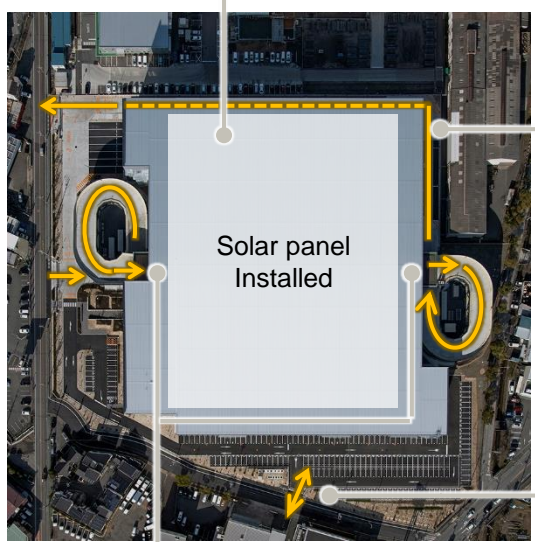
Anticipated asset O-4 LogiSquare Osaka Katano

A convenient property located in the vicinity of an IC with excellent access to public transportation



Source: Prepared by the Asset Manager based on "GSI Maps" of Geospatial Information-Authority of Japan.

In-house consumption through solar power
 The roof is leased to a solar power generation business operator and the lessee has installed solar panels with a power output of 1,597.50 KW. Some of the power used in the property is renewable energy generated through these solar panels



The vehicle traffic is one-way

In order to enhance safety, the vehicle traffic is one-way. There are two rampways, one for going up and one for going down

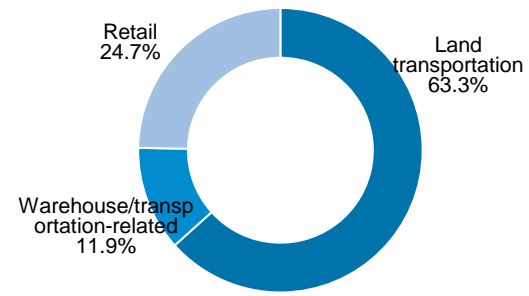
Located in an industrial area
 Surrounded mainly by plants and logistics facilities, the logistics center can be operated for 24 hours a day

Dedicated gates for standard-sized cars
 The gates for trucks and standard-sized cars are separated

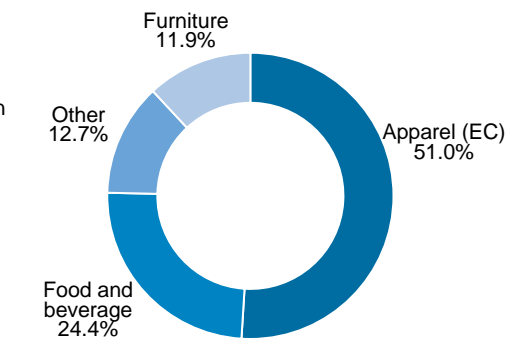
Two cafeterias and terraces located on east and west sides
 There are a cafeteria and a terrace with excellent view on the top floor (fourth floor) on both east and west sides of the facility. They have easy access from anywhere in the facility



Industries of the five tenants⁽¹⁾⁽²⁾



Products handled by the five tenants⁽¹⁾⁽²⁾

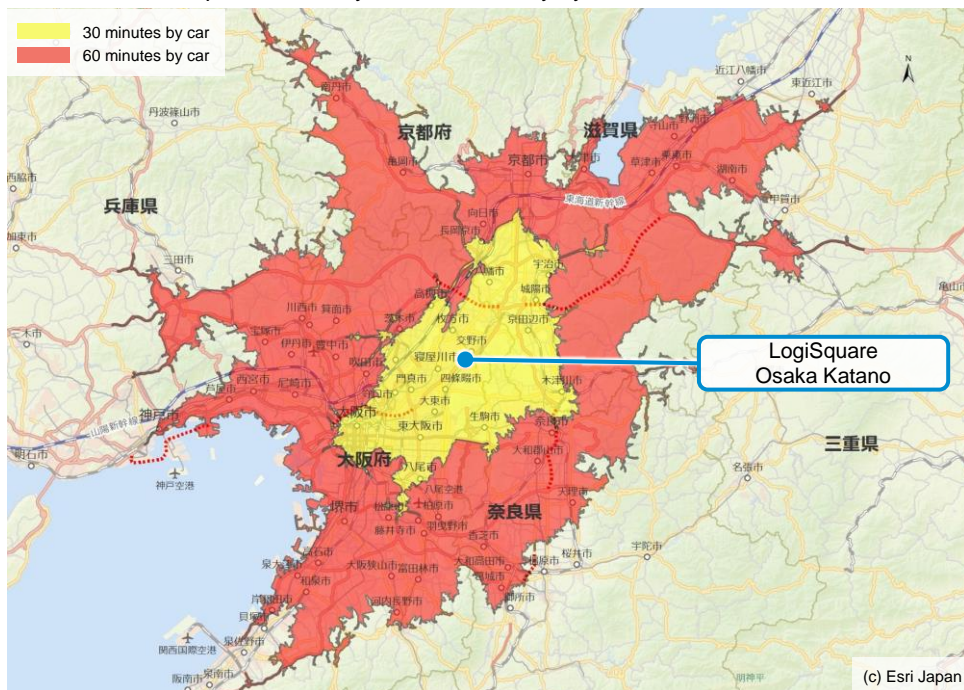


Anticipated asset O-4 LogiSquare Osaka Katano

The property is located in inland Osaka covering the two largest areas frequented by consumers, Osaka and Kyoto, which is suitable logistics areas. Their strength lies in business continuity of tenants.

Areas accessible in 30 minutes and 60 minutes by car⁽¹⁾

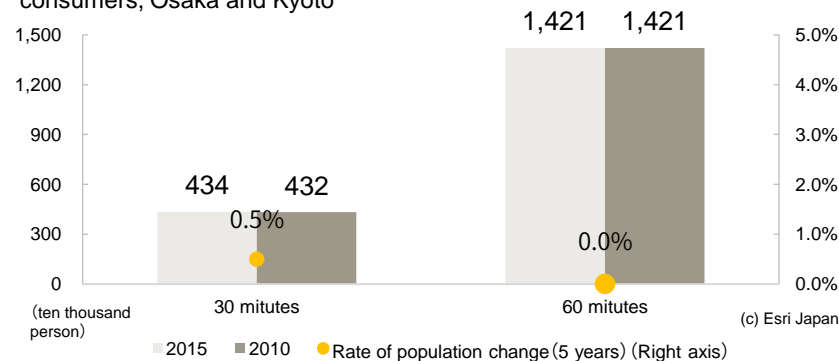
- The areas reachable in 30 minutes by car from the property mainly include the inland Osaka area, Kyoto in the northeast direction, the center of Osaka (Umeda Station) and other areas in Osaka City in the west direction
- The areas reachable in 60 minutes by car from the property include the three largest Kansai cities, Osaka, Kyoto, and Kobe, which means that the property covers most of the area frequented by consumers in the Kansai area. In addition to that, the two largest ports, Osaka Port and Kobe Port, and major logistics bases, Itami Airport and Kansai International Airport, are nearly 60 minutes away by car



Source: Prepared by the Asset Manager based on the materials of K.K. Ichigo Real Estate Service.

Population of the areas within 30 minutes and 60 minutes by car from the property⁽¹⁾

- Population of the area within 30 minutes by car from the property is 4.34 million (2015). The population has slightly grown at a rate of 0.5% over the last five years. The area with a population of over 4 million within 30 minutes by car is considered to be large for the Kansai area, which proves that the area is sufficiently suitable for logistics close to an area frequented by consumers
- Population of the area within 60 minutes by car from the property is 14.21 million (2015). The demographic change was flat over the last five years. The area is suitable to logistics with easy access to the two largest areas frequented by consumers, Osaka and Kyoto



Source: Prepared by the Asset Manager based on the materials of K.K. Ichigo Real Estate Service.

Location unlikely to be affected by natural disasters

Tsunami

- Located in inland Osaka, the possible level of the flood due to tsunami is not set⁽²⁾

Liquefaction

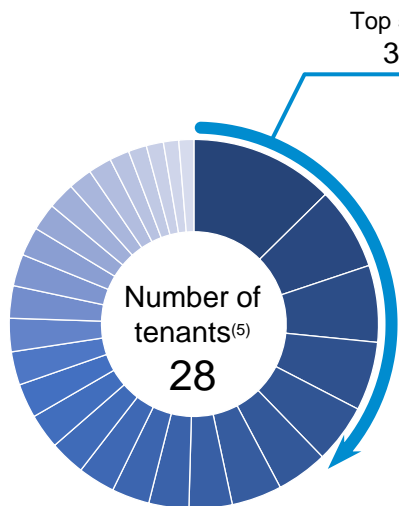
- With a low PL value between five and ten, risk of liquefaction is low⁽³⁾

Floods

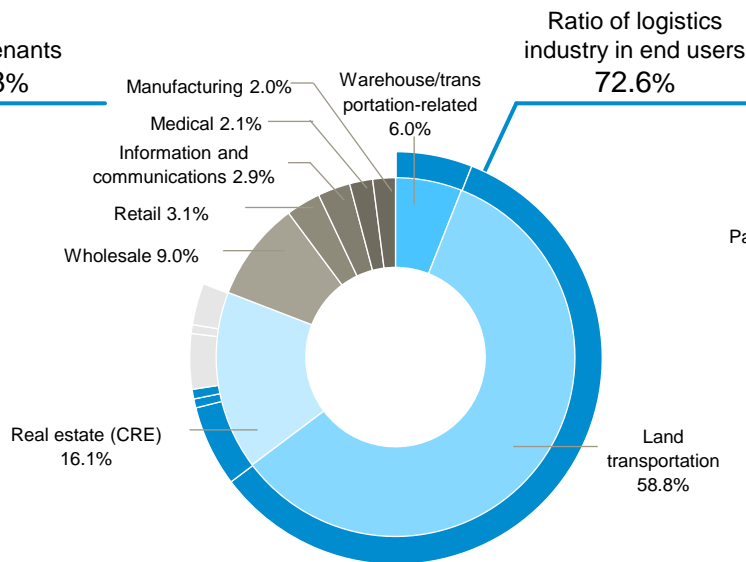
- The possible level of the flood due to overflow is not set based on the hazard map of Katano-shi⁽⁴⁾

Achieve Further Portfolio Diversification

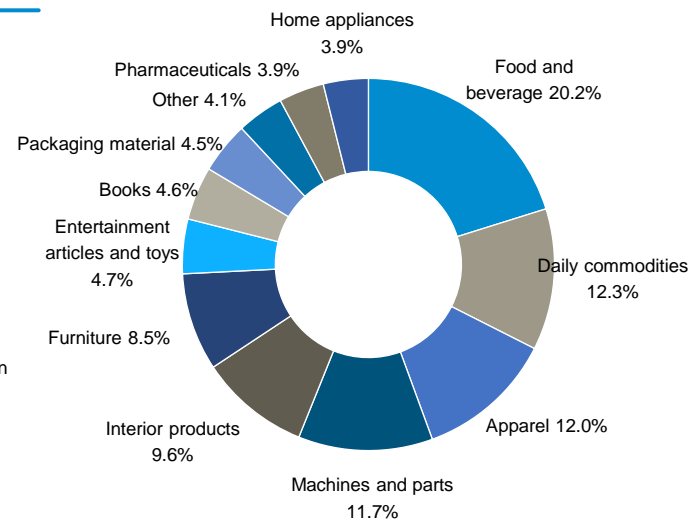
Diversification of tenants⁽¹⁾



Tenant industries⁽¹⁾⁽³⁾⁽⁴⁾



Products handled by tenants⁽¹⁾⁽⁴⁾



1. Based on leased area (2) after the anticipated acquisition.

2. "Leased area" refers to the sum of the leased area indicated in the respective lease agreement (in the case of pass-through type master lease agreement has been or is scheduled to be executed, the leased area indicated in the lease agreement with end tenants) as of July 31, 2021.

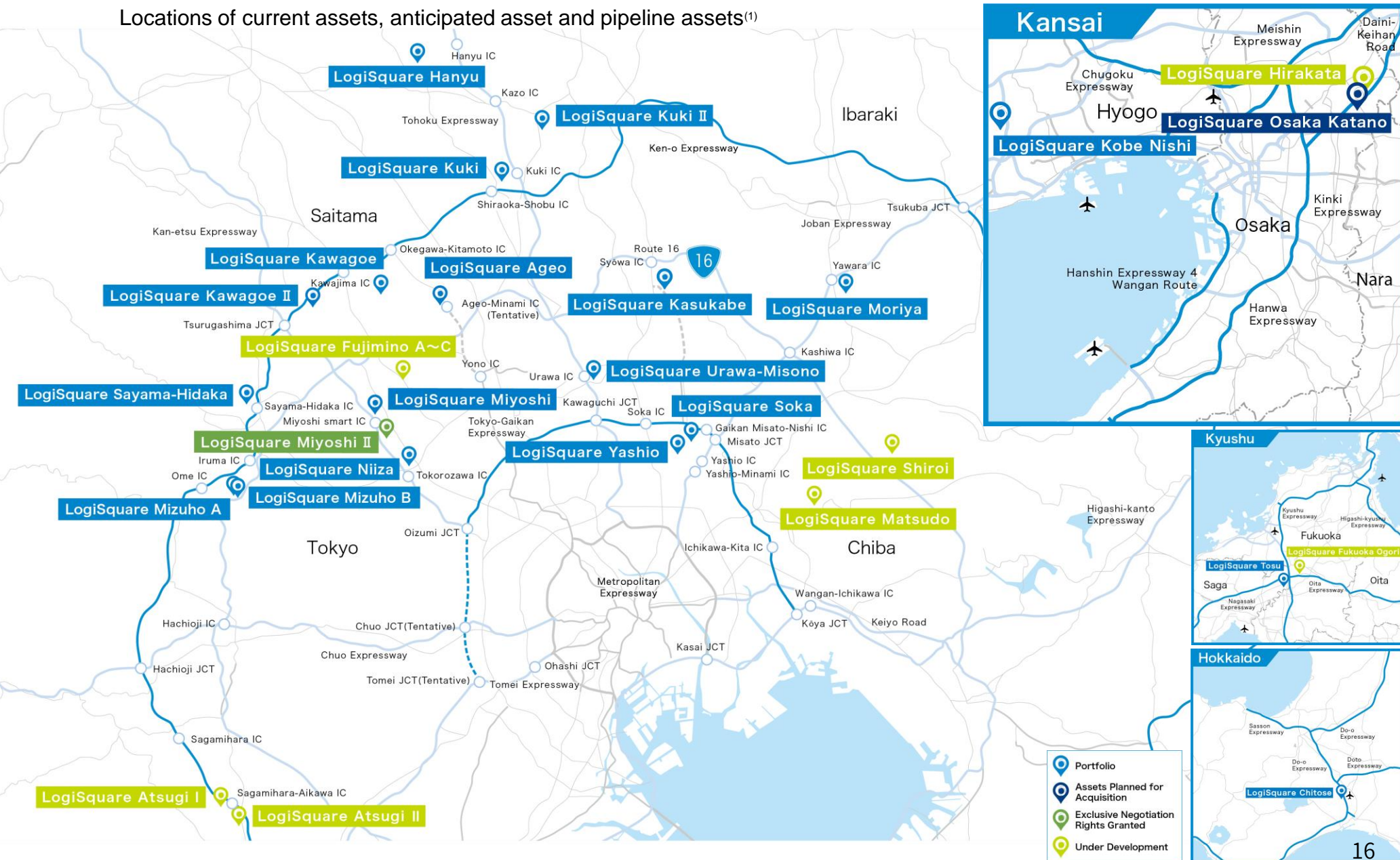
3. Outer circle shows the industries of end users (end tenants where a pass-through type agreement or a fixed-rent master lease agreement has been or is scheduled to be executed).

4. The classification in each graph is on visual contact or hearing results, and only major items are stated by Asset manager. Therefore, those ratios may differ from actual ratios.

5. Please refer to the note on page 29 for the definition of "number of tenants".

Geographic Diversification Progress after Property Acquisition in the Kansai area

Locations of current assets, anticipated asset and pipeline assets⁽¹⁾





3. Clear growth strategy to continuously improve the unitholder value

LogiSquare Osaka Katano

Good location to secure employment, within walking distance of Hoshida Station, a rapid train stop on the JR Gakkentoshi Line, which is about 1 km away (about a 13-minute walk), and a 2-minute walk from the Hoshidakita 5-chome bus stop

Rich Pipeline Enabling Future External Growth

Aiming for continuous growth in distributions with a view to acquiring properties using free cash

Pipeline⁽¹⁾

Approach to the use of free cash

11 properties / Total floor area 451,407 m² ⁽²⁾



LogiSquare Sayama Hidaka (20%)
 (1) May 2020
 (2) 73,728.44m²
 (14,745.69m²)
 (3) Hanno-shi, Saitama



LogiSquare Miyoshi II
 (1) March 2021
 (2) 18,135 m²
 (3) Miyoshi-machi, Saitama

Under development

LogiSquare Shiroi
 (1) November 2022
 (2) 30,400 m²
 (3) Shiroi-shi, Chiba

Under development

LogiSquare Hirakata
 (1) January 2023
 (2) 45,083m²
 (3) Hirakata-shi, Osaka

Under development

LogiSquare Atsugi I
 (1) March 2023
 (2) 18,200m²
 (3) Aikawa-machi, Kanagawa



LogiSquare Matsudo
 (1) Around spring 2023
 (2) 15,654m²
 (3) Matsudo-shi, Chiba

Under development

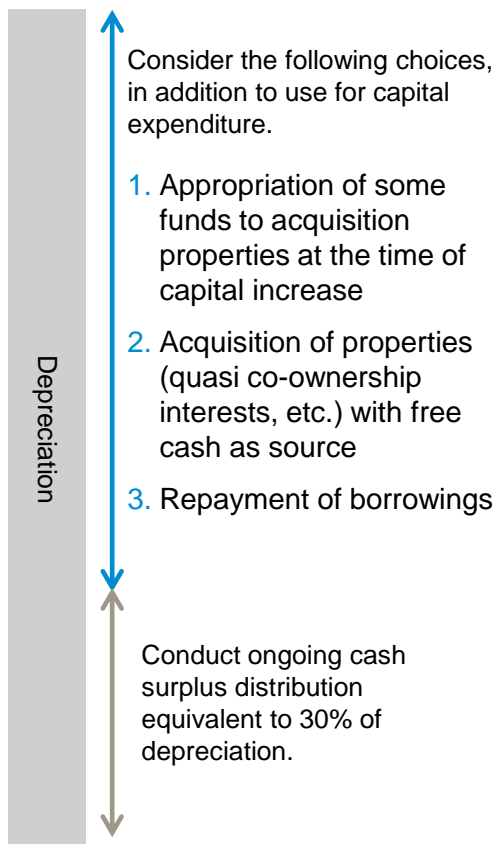
LogiSquare Fukuoka Ogori
 (1) Around summer 2023
 (2) 18,000~24,000m²
 (3) Ogori-shi, Fukuoka

Under development

LogiSquare Atsugi II
 (1) Around summer 2024
 (2) 18,000~20,000m²
 (3) Atsugi-shi, Kanagawa



LogiSquare Fujimino A,B,C
 (1) A:August 2023, B:August 2024, C:March 2024
 (2) A:114,256m², B:115,040m², C:43,893m²
 (3) Fujimino-shi, Saitama



(1)Completion date (planned) (2)Total floor area (planned) (3)Location ● Properties with exclusive negotiation right

1. As of September 2, 2021, CRE REIT has not engaged in specific negotiations with the CRE Group companies regarding the pipeline nor does it have any plan to acquire from the pipeline at the present time or guarantee any future acquisition from the pipeline. Also, as of August 20, 2021, the developments of LogiSquare Shiroi, LogiSquare Hirakata, LogiSquare Atsugi I, LogiSquare Matsudo, LogiSquare Fukuoka Ogori, LogiSquare Atsugi II and LogiSquare Fujimino A,B,C, have not been completed. The picture of them, completion month and year, and total floor area is based on the plans as of August 20, 2021 and may differ from actual condition.
 2. The total floor area of the pipeline is based on the lower anticipated total floor area for LogiSquare Fukuoka Ogori and LogiSquare Atsugi II, and the quasi-co-ownership ratio (20%) for LogiSquare Sayama Hidaka (20%) .

CRE REIT's Approach to Property Acquisitions/ CRE's Approach to Property Sales and Development

CRE REIT's Approach to Property Acquisitions

- Acquisition of property without dilution of distribution per unit/NAV per unit is a prerequisite for the improvement of unitholder value. During all from the first to the fifth public offering, CRE REIT acquired and will acquire properties at an appraisal NOI yield above the implied cap rate and upheld the above prerequisite. CRE REIT plans to maintain this approach moving forward.
- Achieve flexible external growth, with consideration for investment unit price, including utilizing the bridge function. CRE REIT acquired three properties from leasing company at IPO and one property from leasing company at first public offering. The timing of property sales by the sponsor and acquisitions by CRE REIT can be adjusted.
- Acquisition of medium-sized properties and acquisition of quasi co-ownership interests using free cash is also possible. Availability to investment in the properties with total floor area of 5,000m² or larger allows the acquisition of properties ranging from several hundred million yen to several billion yen is using retained free cash from accumulated depreciation.

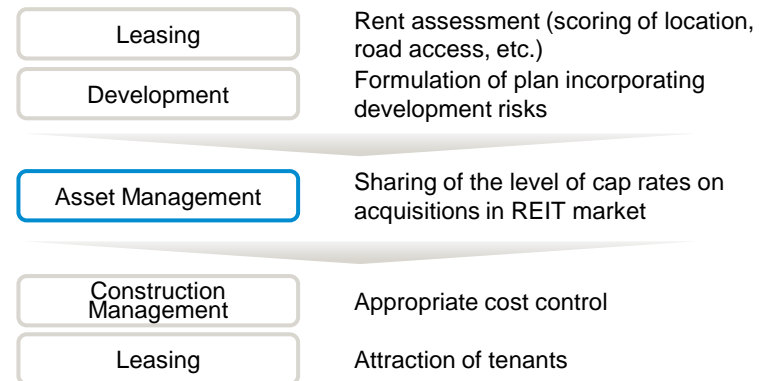
CRE's Approach to Property Sales and Development

Stable operation of CRE REIT over medium and long term is CRE's top priority

CRE's Positioning of Asset Management Business

- Grow asset management business into second pillar of recurring revenue model.
- Continuously earn asset management fees and property management fees by selling properties developed by CRE to CRE REIT.

The Asset Manager is involved from the time of property acquisition to implement the development with discipline



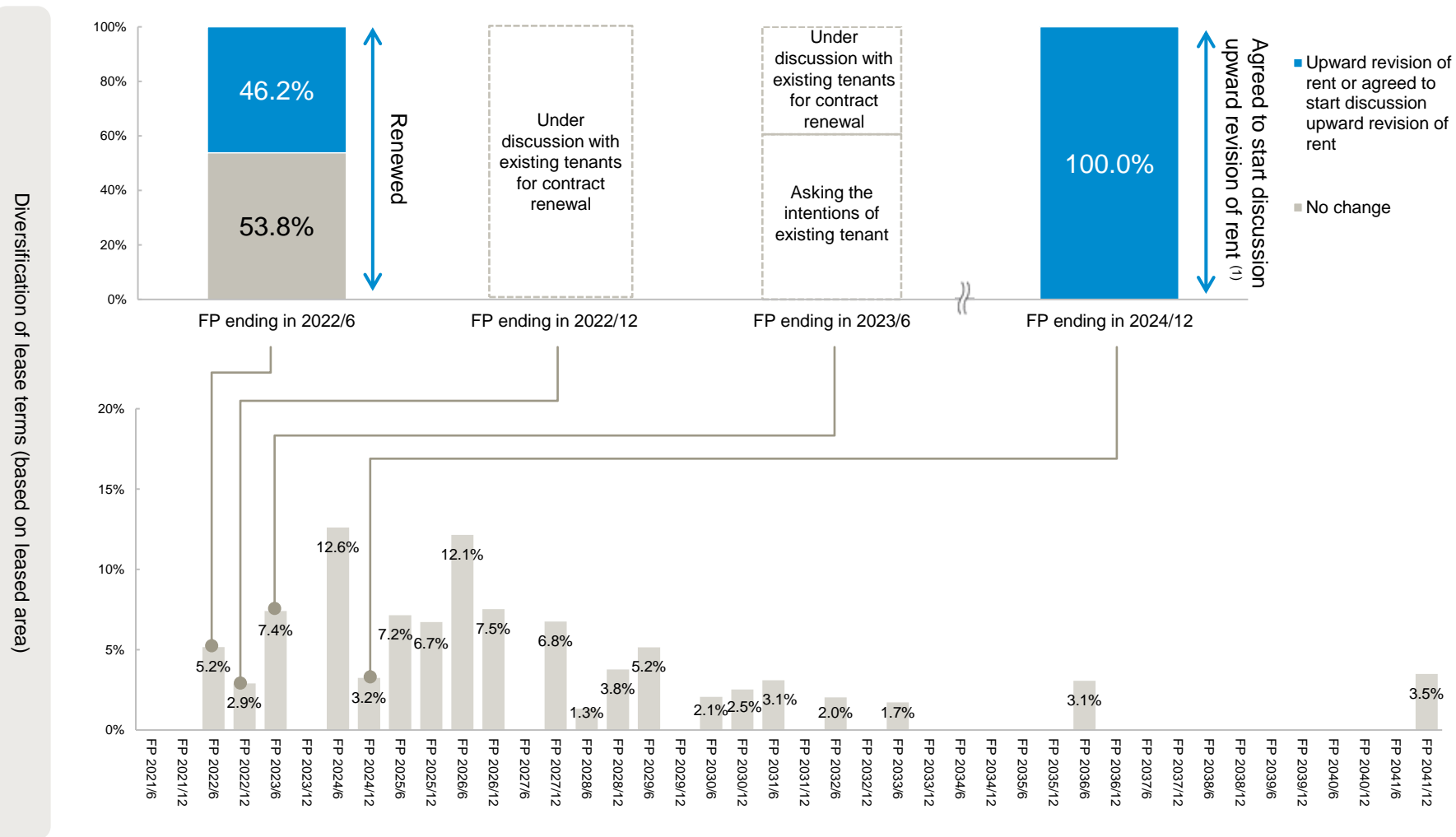
Generation of higher profits than budgeted

Source: Prepared by the Asset Manager based on the Long-term Management Policy (September 12, 2016) of CRE, Inc.

3. Clear growth strategy to continuously improve the unitholder value

The lease contracts, which expires by the fiscal period ending in 2022/6, have been successfully renewed

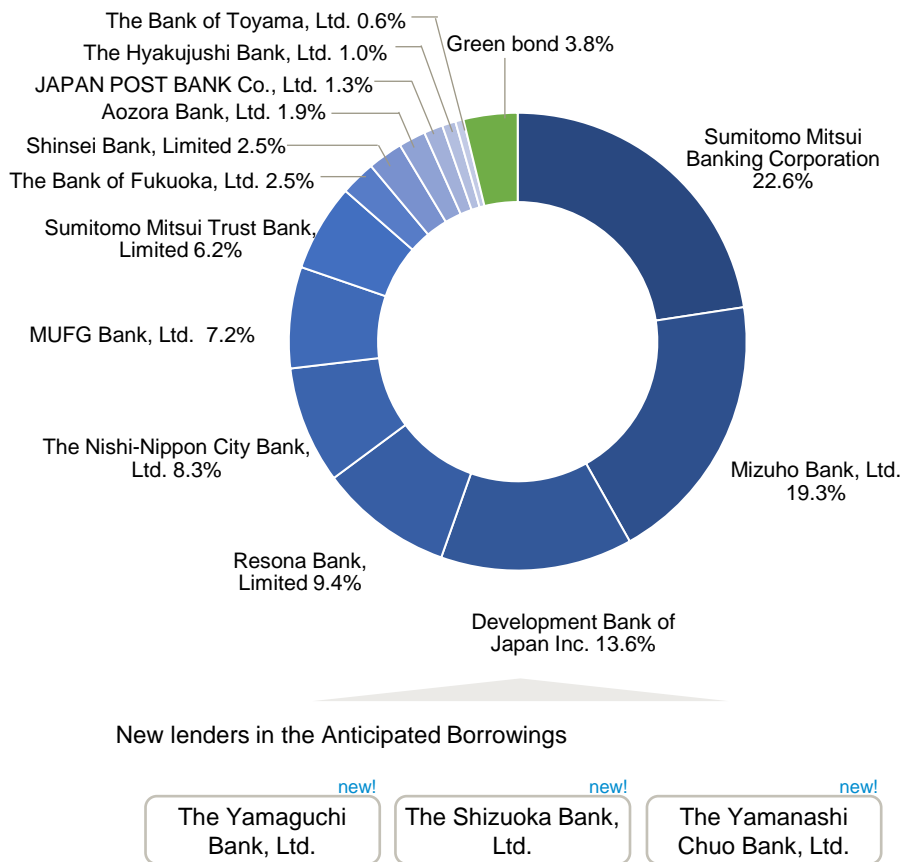
The lease contracts for the expiration of FP ending in 2022/6 have already been renewed



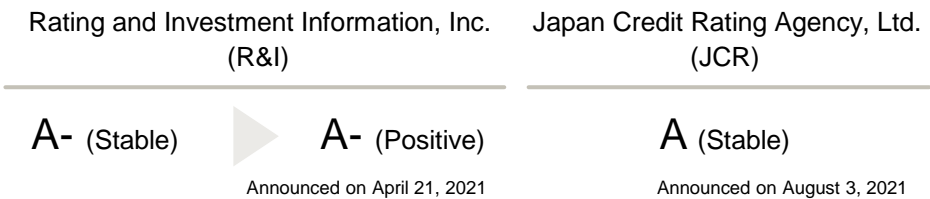
Stable Financial Management (1) Diversification of Financing Methods

Diversify interest-bearing debt sources by inviting new lenders

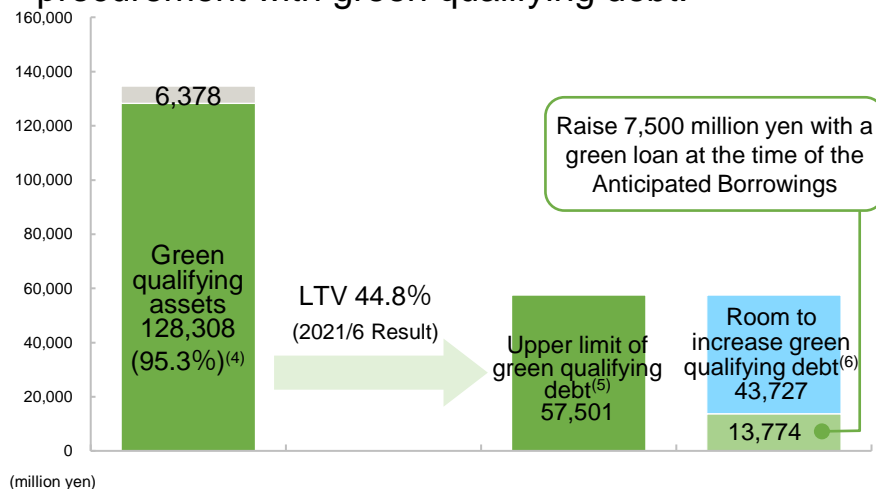
Breakdown⁽²⁾⁽³⁾ before the Anticipated Borrowings⁽¹⁾



R&I changed the rating outlook, and Rating A was newly acquired from JCR.

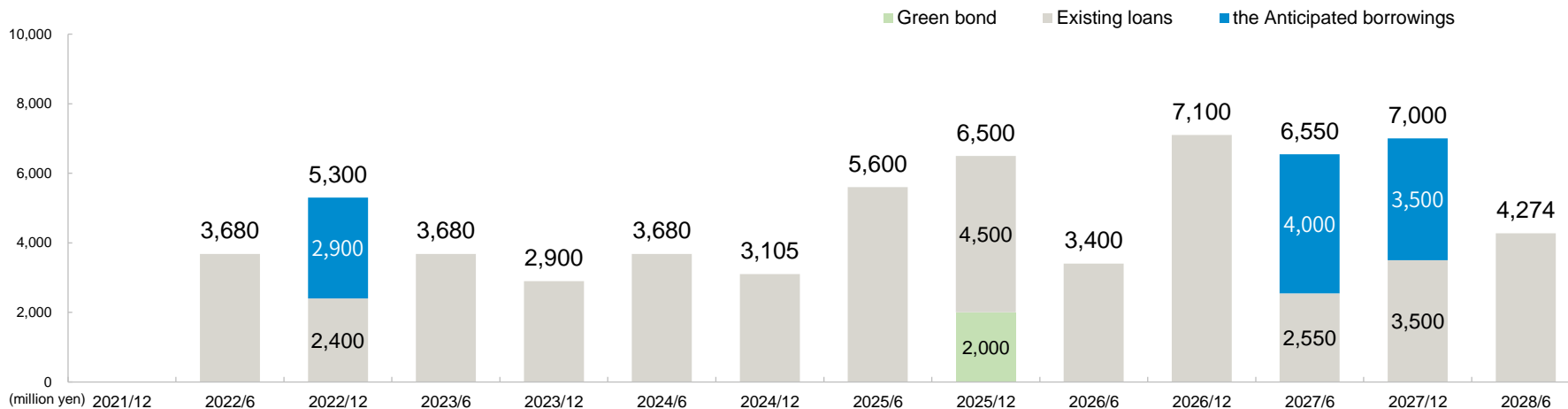


More than 90% of the portfolio assets are green qualifying assets. Going forward, continue to actively promote procurement with green qualifying debt.



Stable Financial Management (2) Promote Diversification of Maturity and Prolong the Debt Term

Promote diversification of maturity



Extending the debt term

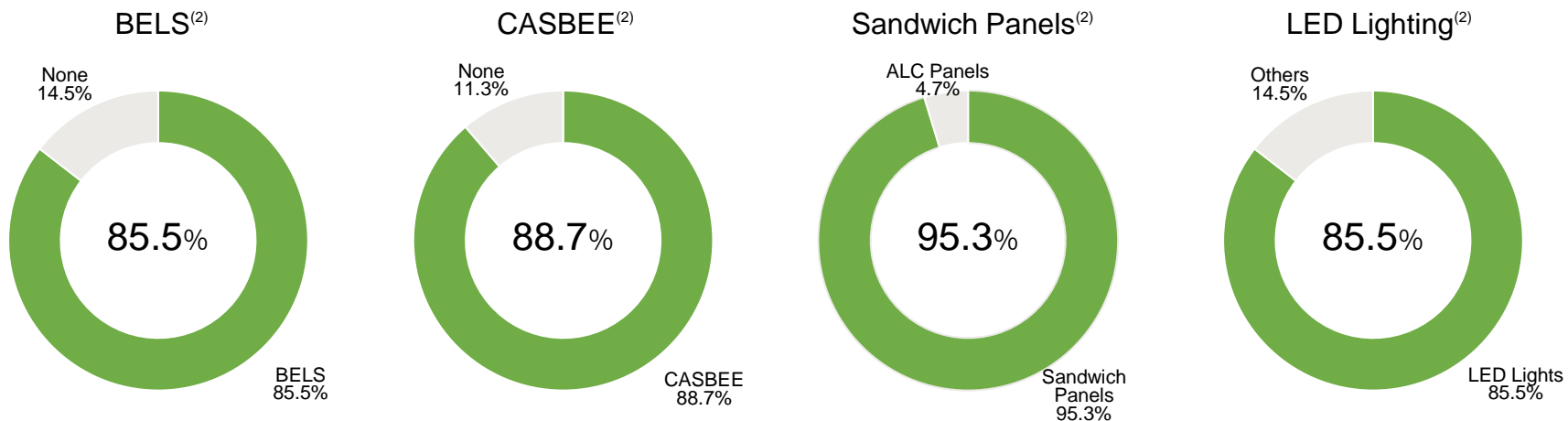
	Before the Anticipated Borrowings	After the Anticipated Borrowings ⁽¹⁾	Difference
Interest-bearing debt	July 31, 2021 52,369 million yen	September 15, 2021 (anticipated) 62,769 million yen	+ 10,400 million yen
LTV	The end of 12th FP (Forecast) 44.8 %	The end of 12th FP (Forecast) 44.3 %	- 0.5 %
Ratio of long-term debt	September 15, 2021 (anticipated) 100.0 %	September 15, 2021 (anticipated) 100.0 %	— %
Average remaining time of interest-bearing debt ⁽²⁾	September 15, 2021 (anticipated) 3.6 years	September 15, 2021 (anticipated) 3.7 years	+ 0.1 years

Approach to interest-bearing debt

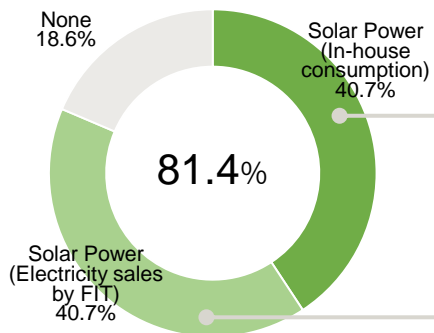
- Set the LTV level of CRE REIT at around 45%, and work to reduce it according to the market environment.
- Conduct financial management with focus on long-term stability by taking out long-term loans at a fixed interest rate.
- Going forward, continue to actively promote procurement with green qualifying debt.

Promoting ESG⁽¹⁾ Efforts — Environment (1)

95.3% of portfolio are composed of green qualifying assets⁽²⁾

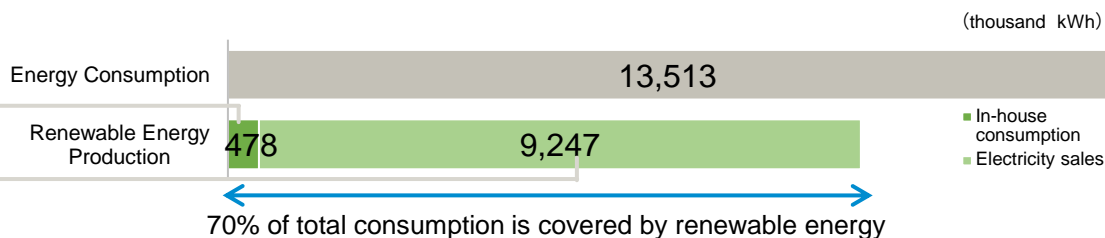


Solar Power⁽²⁾⁽³⁾



Of the five properties that have been introduced for in-house consumption, three were acquired in January 2021, one is an anticipated asset, so the amount looks small.

Electricity consumption and Energy production of all properties from April 2020 to March 2021⁽⁴⁾



Regarding “in-house consumption”, the produced electricity can be used without transmission loss, and provided directly to tenants, therefore, CRE REIT will actively introduce “In-house consumption” for the properties acquiring in the future.

Promoting ESG Efforts — Environment (2)

In-house consumption of solar power

Ensure a part of the electricity consumed in facilities from the electricity generated by solar power.



Human sensors

Promote energy saving by installing human sensors in facilities.



Installation of water-saving sanitation appliances

Promote the reduction of water usage by installing high-performance water-saving sanitation appliances in the reduction of water usage.



Installation of roof watering equipment

Contribute to the reduction of temperatures inside warehouses by installing well water-based roof watering equipment.



Green walls

Green walls has the effect of lowering the surface temperature of buildings and contributes to the reduction of CO₂ in the atmosphere.



Soil contamination countermeasures

Enbio Holdings, Inc., a CRE group company, revitalizes old factory sites as the land for logistics facilities by actively utilizing in-situ cleaning methods that decompose underground contaminants without excavating contaminated soil.



Promoting ESG Efforts — Social

The business continuity of tenants and the improvements in amenities

- Support for business continuity planning measures
 - Logistics facilities located in an inland area where the risk of liquefaction is low.
 - Install power receiving and transforming equipment at elevated locations as a flood control measure.
 - Introduce earthquake early warning systems.
 - Install AEDs.
 - Install emergency power supply systems.
 - Install short circuit isolators in fire alarms to prevent the spread of fires.
- Amenity Improvements
 - Adopt warm-color lighting in entrances and truck berths, etc.
 - Install restrooms for outside drivers.
 - Renovate smoking rooms to respond to the revision to the Health Promotion Act in April 2020.



Active disclosure to investors

- Rationalize disclosures by correcting information gaps among investors.
 - Promote fair disclosure and the rationalization of disclosure by enhancing supplementary explanation materials.
- IR activities in consideration of COVID-19
 - Since March 2020, we hold conference calls and web conferences with institutional investors in Japan and overseas to have the same dialogue as usual.



Efforts for officers and employees

- Support for skill development
 - Encourage employees to acquire qualifications by paying for expenses and bonuses for acquisition of qualifications.

License holders (including those that have passed examinations)

Qualification name	Percentage of staff holding qualification or having passed exam (1)
Real estate broker	75.0%
ARES (Association for Real Estate Securitization) Certified Master	58.3%
CMA (Certified Member Analyst of the Securities Analysts Association of Japan) holder	25.0%
Real estate consulting master	16.7%

1. Calculated with the 12 people involved in the operation of CRE REIT (as of June 30, 2021) as the denominator.

- Improvement of the work environment
 - Refresh and expand the work space by relocating offices.
 - Introduce staggered commuting and working from home as a measure against COVID-19.
 - The president interviews each employee every quarter.

Contribution to regional and social development

- CRE Activities
 - The CRE Group has cooperated with a local government in the excavation of the remains of 74 pit houses from the Middle Jomon Era (about 5,000 years-old), which were discovered during the development of LogiSquare Sayama Hidaka, and has collaborated with the local government in the preservation of archaeological records and tours of the site.
 - Hold a CRE forum for the purpose of sharing logistics issues faced by companies.
- Install fire cisterns to provide tap water that can be used as a firefighting irrigation.
- Cooperate for traffic restrictions during the Saitama International Marathon.



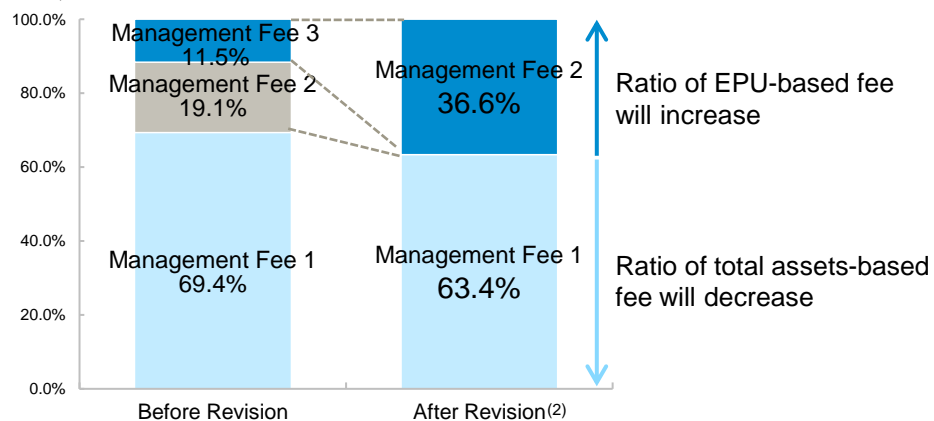
Promoting ESG Efforts — Governance (1)

Planned to revise the asset management fee structure to be more aligned with unitholders' interests⁽¹⁾

- Planned to amend Articles of Incorporation at the General Meeting of Unitholders to be held on September 29, 2021 with the following revision of fee structure from the fiscal period ending June 30, 2022.
- By reducing management fee 1 based on total assets and unifying management fee 2 and management fee 3, aim to increase the linkage with management fees and earnings per unit.

	Before Revision	After Revision
Management fee 1	Total assets × 0.325% (Upper limit)	Reduce Total assets × 0.3%
Management fee 2	Income before income taxes × 4.0% (Upper limit)	Unify Income before income taxes × Earnings per unit × 0.0019%
Management fee 3	Earnings per unit × 10,000	
Fee on acquisition	Acquisition price × 1.0% (Upper limit) (0.5% (Upper limit) in case of transactions with interested party)	Acquisition price × 1.0% (Upper limit) (0.5% (Upper limit) in case of transactions with interested party)

Comparison based on result in FP ended June 30, 2021



Promoting ESG Efforts — Governance (2)

Holding investment units by officers and employees of the sponsor and the Asset Manager

- The sponsor's president holds units of CRE REIT. Many officers and employees of the Asset Manager hold investment units of CRE REIT based on a cumulative investment system and internal regulations.

	Title	Name	Units held ⁽¹⁾
CRE	President	Tadahide Kameyama	722 units
the Asset Manager	President	Tsuyoshi Ito	1,139 units
	Managing Director	Takeshi Oka	61 units
	12 out of 13 employees		126 units

1. As of June 30, 2021. Also, the number of each held unit is rounded down to the nearest unit.

High Independence of the Asset Manager

- The Asset Manager was established as an independent asset management company, and all of its employees are employed by the Asset Manager. CRE is not involved in their recruitment or personnel evaluation.

Category	Number of persons ⁽¹⁾
Full-time directors	2
Employees	13
(Of which, employees seconded from CRE)	—
Total	15

1. As of June 30, 2021

4. Appendix

LogiSquare Osaka Katano

Two cafeterias and terraces on the fourth floor, the top floor, that take advantage of the view and are easily accessible from all areas of the building as a common amenity facility. Free Wi-Fi and background music broadcasting facilities are provided to contribute to the improvement of the working environment for employees.

Portfolio is Composed of Newly Built Properties with High Occupancy Rates Developed by CRE

No.	Property name	Location	(Anticipated) acquisition price (million yen)	Appraisal value (million yen)	Appraisal NOI yield ⁽¹⁾ (%)	Total floor area ⁽²⁾ (m ²)	Age ⁽³⁾ (years)	Number of tenants ⁽⁴⁾	Occupancy ratio ⁽⁵⁾ (%)	Developer ⁽⁶⁾
M-1	LogiSquare Kuki	Kuki-shi, Saitama	9,759	10,800	4.8	40,907.13	5.2	1	100.0	CRE
M-2	LogiSquare Hanyu	Hanyu-shi, Saitama	6,830	7,130	5.0	33,999.61	5.1	1	100.0	CRE
M-3	LogiSquare Kuki II	Kuki-shi, Saitama	2,079	2,270	5.1	11,511.22	4.5	1	100.0	CRE
M-4	LogiSquare Urawa Misono	Saitama-shi, Saitama	13,060	14,600	4.7	48,738.29	4.4	3	100.0	CRE
M-5	LogiSquare Niiza	Niiza-shi, Saitama	6,960	7,520	4.9	25,355.82	4.3	1	100.0	CRE
M-6	LogiSquare Moriya	Moriya-shi, Ibaraki	6,157	6,930	5.2	32,904.90	4.3	2	100.0	CRE
M-7	LogiSquare Kawagoe	Kawagoe-shi, Saitama	1,490	1,620	5.0	7,542.56	3.5	1	100.0	CRE
M-8	LogiSquare Kasukabe	Kasukabe-shi, Saitama	4,900	5,480	5.1	21,315.54	3.2	1	100.0	CRE
M-9	LogiSquare Soka	Soka-shi, Saitama	8,109	8,890	4.6	28,817.59	8.1	1	100.0	CRE
M-10	LogiSquare Yashio	Yashio-shi, Saitama	5,073	5,500	4.6	19,068.60	7.5	1	100.0	CRE
M-11	LogiSquare Mizuho A	Mizuho-machi, Tokyo	2,794	3,100	4.9	13,755.16	14.5	1	100.0	CRE
M-12	LogiSquare Mizuho B	Mizuho-machi, Tokyo	3,584	3,930	4.8	16,016.37	14.5	1	100.0	CRE
M-13	LogiSquare Ageo	Ageo-shi, Saitama	4,908	5,150	4.6	19,142.84	2.3	2	100.0	CRE
M-14	LogiSquare Miyoshi	Miyoshi-machi, Saitama	11,700	12,700	4.6	37,931.49	1.2	1	100.0	CRE
M-15	LogiSquare Sayama Hidaka	Hanno-shi, Saitama	14,066	14,600	4.4	73,728.44	1.2	1	100.0	CRE
M-16	LogiSquare Kawagoe II ⁽⁷⁾	Kawagoe-shi, Saitama	3,244	3,380	4.8	14,281.38	2.1	1	100.0	CRE
O-1	LogiSquare Tosu	Tosu-shi, Saga	2,823	3,260	5.3	16,739.40	3.5	1	100.0	CRE
O-2	LogiSquare Chitose	Chitose-shi, Hokkaido	1,300	1,560	6.6	19,760.00	3.7	1	100.0	CRE
O-3	LogiSquare Kobe Nishi	Kobe-shi, Hyogo	3,479	3,620	4.7	16,006.20	1.3	1	100.0	CRE
O-4	LogiSquare Osaka Katano	Katano-shi, Osaka	22,370	22,600	4.4	76,393.17	0.5	5	100.0	CRE
20 properties Total/Average			134,686	144,640	4.7	573,915.71	3.8	28	100.0	—

Portfolio Comparison Before and After Acquisition of New Asset

	the 10th Fiscal Period (2021/6)		New asset		After acquisition of new asset
Number of properties	19 properties		1 property		20 properties
(Anticipated) acquisition price	112,316 million yen		22,370 million yen		134,686 million yen
Appraisal value (Estimated value)	122,040 million yen		22,600 million yen		144,640 million yen
(Average) appraisal NOI yield	4.8 %		4.4 %		4.7 %
(Average) appraisal NOI yield after depreciation ⁽¹⁾	3.8 %	+	3.7 %	=	3.8 %
(Average) property age	4.4 years		0.5 years		3.8 years
Occupancy rate	100.0 %		100.0 %		100.0 %
(Average) lease term ⁽²⁾	7.7 years		8.7 years		7.9 years
(Average) remaining lease term ⁽³⁾	4.9 years		8.4 years		5.5 years
Number of tenants	23		5		28
Ratio of properties developed by CRE ⁽⁴⁾	100.0 %		100.0 %		100.0 %

Summary of Market Trends

Recent Market Trends

Tokyo Metropolitan Area

Page 32

Vacancy rate: **1.27%** QoQ: **Slightly Deteriorated (+ 0.72pt)**

Despite the increase in demand, the vacancy rate increased due to the large supply of properties.

Kansai area

Page 32

Vacancy rate: **2.19%** QoQ: **Slightly Improved (- 0.38pt)**

Both supply and demand for new properties are high.

Rising Demand for Rental Logistics Facilities

(1) Replacement Demand for Logistics Facilities

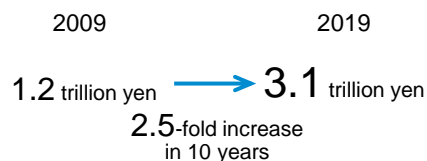
Page 33

Around **30%** of logistics facilities in the Tokyo Metropolitan Area are **40 to 50** years old.

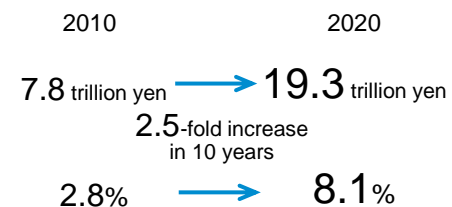
(2) Expansion of 3PL Market and EC Market

Page 34

3PL Market Size



EC Market Size/EC Ratio



(3) Rising Importance of Logistics Network Strategy




Page 35

64% of tenant companies that use logistics facilities have plans to relocate or expand logistics facilities.

Please refer to the notes on each page from 32 to 35 page for the definition of each calculation method of each figure.

Market Trends

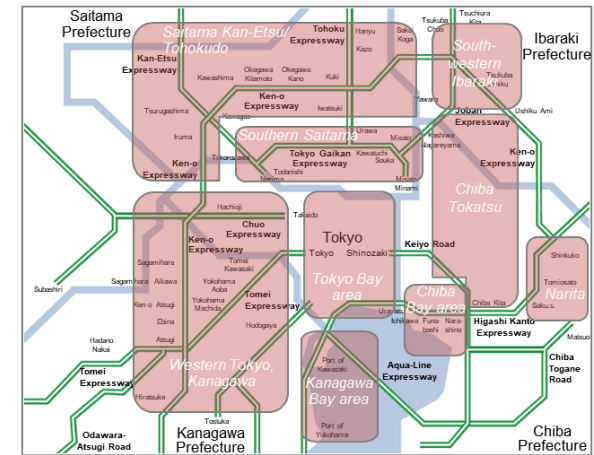
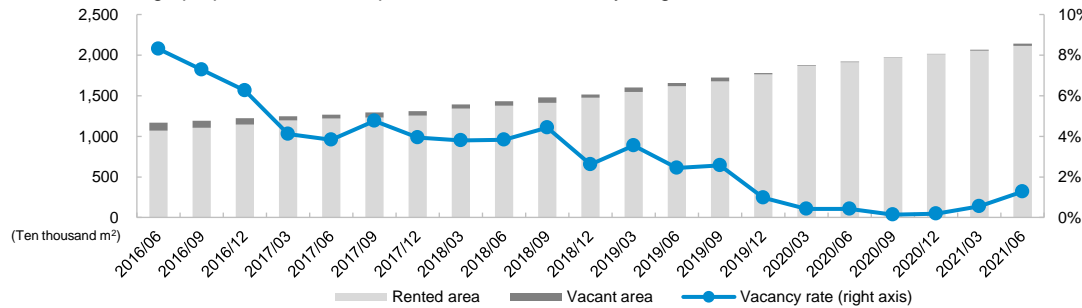
— Tokyo Metropolitan Area⁽¹⁾ and Kansai area (from LogiSquare Market Report)

-  Vacancy rate: Less than 5%
-  Vacancy rate: 5% or more and less than 10%
-  Vacancy rate: 10% or more

Tokyo Metropolitan Area

Despite the increase in demand, the vacancy rate increased due to the large supply of properties. Vacancy rate: 1.27% QoQ: Slightly Deteriorated

The vacancy rate was 1.27%, increasing 0.72 points from the previous Q. Demand for new properties continues to be high. New supply was approx. 200,000 tsubo, the third largest since the survey started, and the absorption rate was 85%. Although the vacant area doubled due to the large number of properties supplied, the vacancy rate remained as low as 1.27%. Supply of a large number of properties will continue; new supply with approx. 813,000 tsubo, the largest since the survey started, is scheduled for 2021CY and new supply of approx. 238,000 tsubo and of approx. 200,000 tsubo is scheduled for 3Q and 4Q, respectively. Currently slightly less than 70% have been reserved for 3Q. Although the vacancy rate is likely to be maintained at 3% or less for the time being, CRE will monitor the reservation trends of the large properties to be completed in 4Q from an early stage.

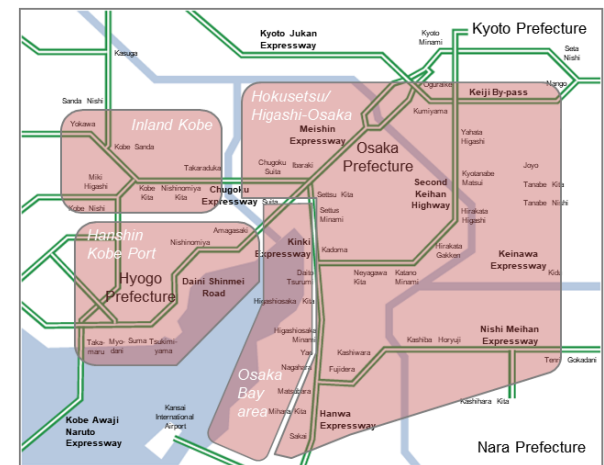
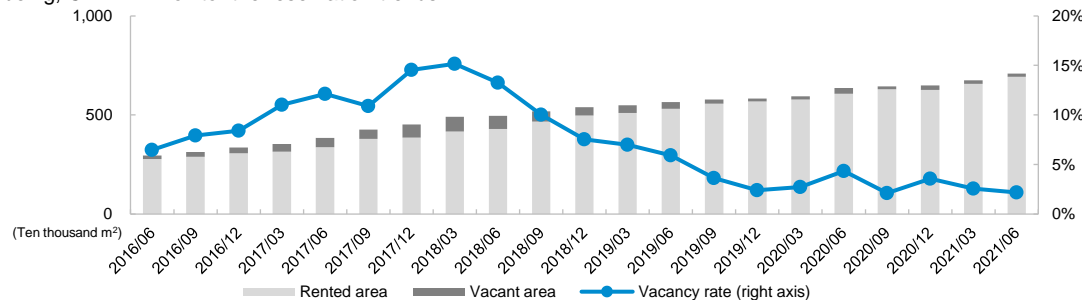


Kansai area

Both supply and demand for new properties are high.

Vacancy rate: 2.19% QoQ: Slightly Improved

The vacancy rate was 2.19%, decreasing 0.38 points from the previous Q. Demand for new properties rose to approx. 90,000 tsubo, the third highest since the survey started. As new properties representing approx. 104,000 tsubo were supplied, on the other hand, slightly more than 10% of that has yet to be absorbed. The demand for existing properties exceeded the supply and approx. 20,000 tsubo was absorbed. While the vacancy rates are either remaining low or decreasing in other areas, only Hokusetsu Higashi-Osaka area continued increasing from the previous Q. New supply with approx. 78,000 tsubo is scheduled for 2021CY3Q, of which slightly more than 90% has been reserved currently. Demand continues to be high. Although the vacancy rate is unlikely to increase significantly for the time being, CRE will monitor the reservation trends.



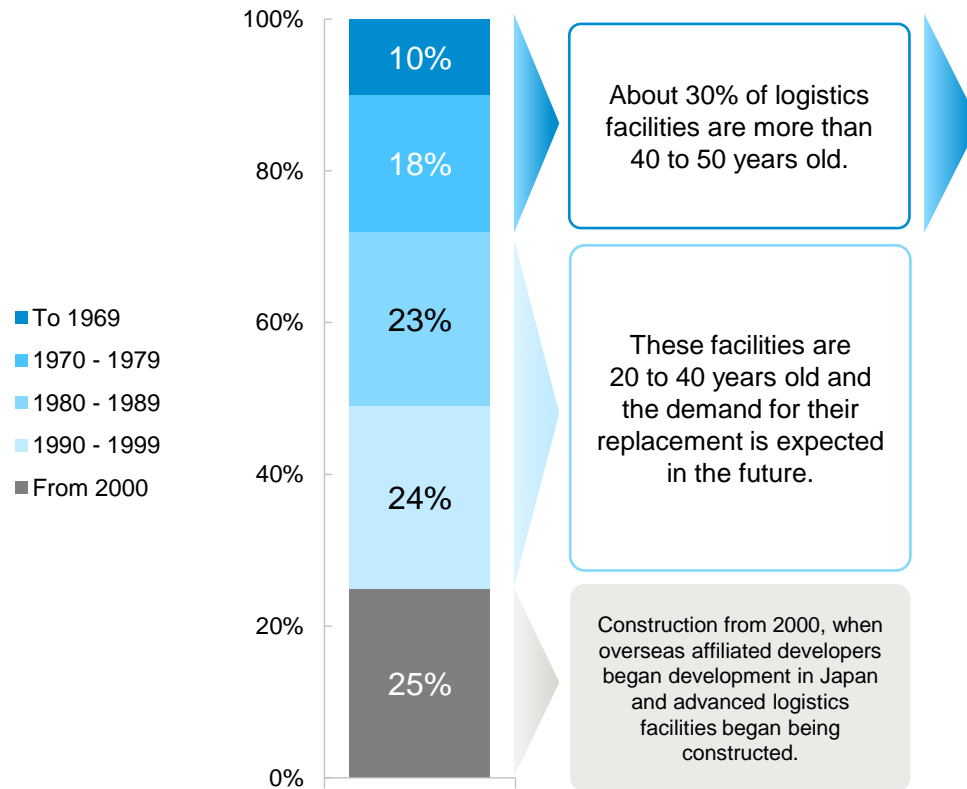
Source: Prepared by the Asset Manager based on data from "LogiSquare Market Report on Warehouses and Logistics Properties June 2021" of CRE, Inc.

Rising Demand for Rental Logistics Facilities

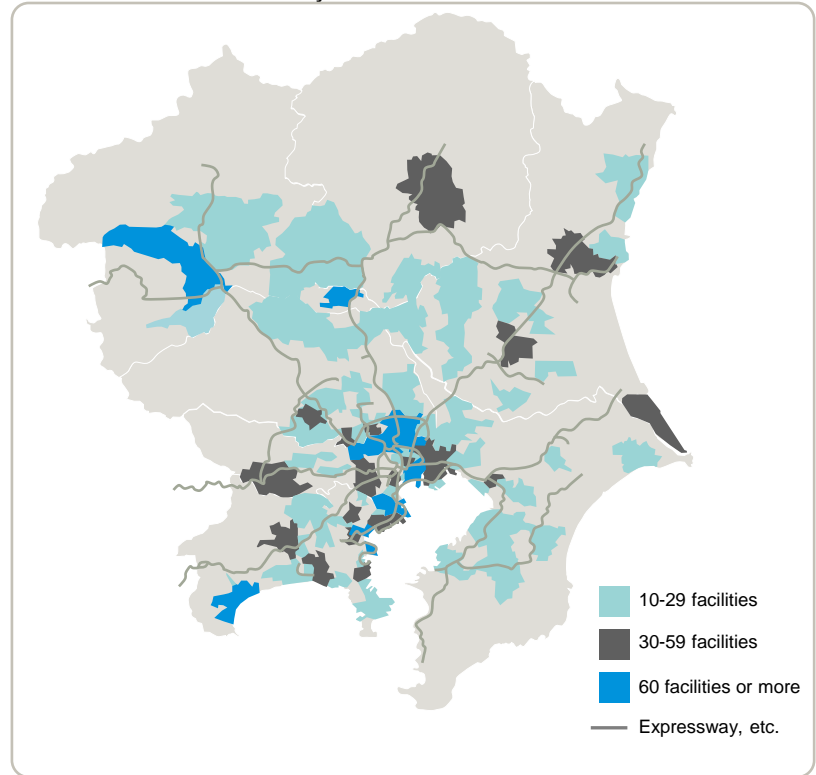
(1) Replacement Demand for Logistics Facilities

- About 30% of logistics facilities in the Tokyo Metropolitan Area⁽¹⁾ were constructed during the period of high economic growth or the economic bubble, and they are 40 to 50 years old.
- Given that the useful life of logistics facilities under the tax code is 38 years⁽²⁾, demand for replacement in pursuit of functionality appears to be increasing.

Percentage of logistics facilities in the Tokyo Metropolitan Area by year of construction



Distribution of locations by the number of facilities



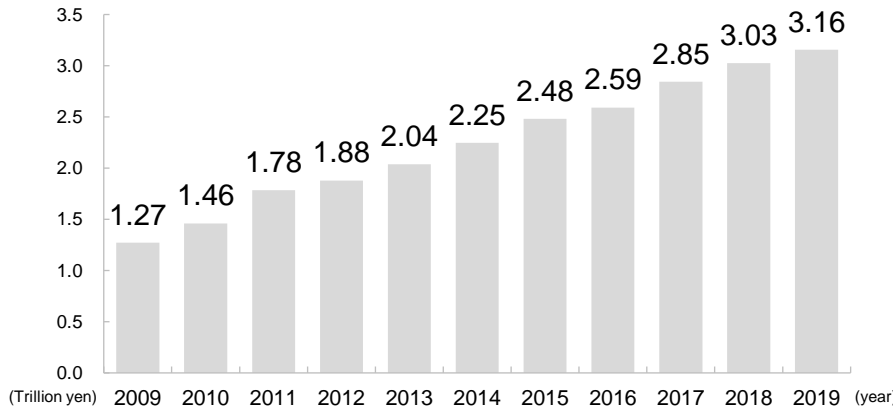
Source: Prepared by the Asset Manager based on data from Tokyo Metropolitan Transportation Planning Association
 1. Tokyo Metropolitan Area includes Tokyo, Kanagawa, Saitama, Chiba, central and southern Ibaraki, southern Tochigi and southern Gunma
 2. Steel-reinforced concrete or reinforced concrete structures

Rising Demand for Rental Logistics Facilities

(2) Expansion of 3PL Market and EC Market

- The market for third-party logistics (3PL) is growing as companies are increasingly outsourcing their logistic operation comprehensively.

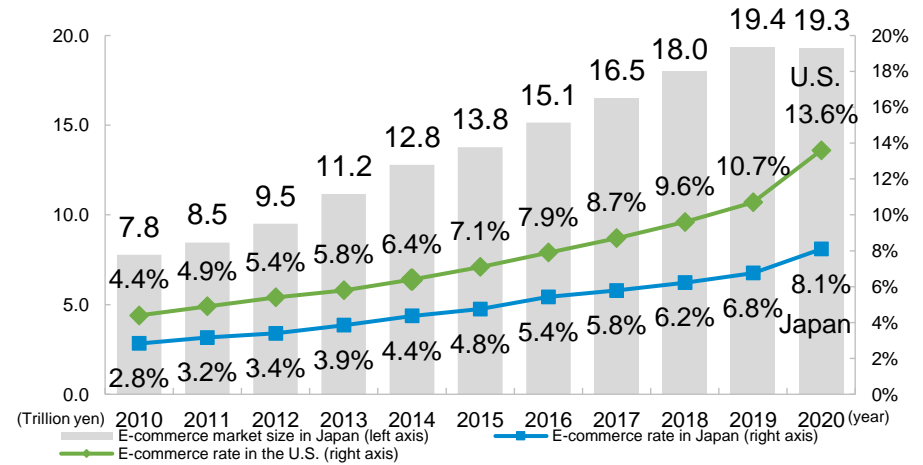
3PL (Third-Party Logistics) Market Size



Source: "The monthly Logistics Business" September 2020 issued by Rhinos Publications, Inc

- The EC market is expanding year by year. Furthermore, in Japan, the EC rate is low compared with the U.S. and there is still much room for expansion.

Growth in the BtoC e-commerce market size in Japan

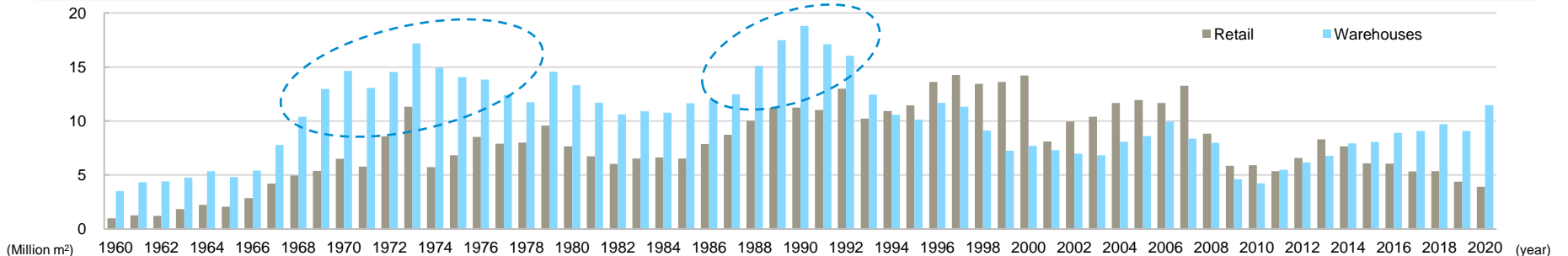


Source: Prepared by the Asset Manager based on data of the Ministry of Economy, Trade and Industry for the BtoC e-commerce market size and the e-commerce rate in Japan and data of the United States Census Bureau for the e-commerce rate in the U.S.

1. The ratio of the e-commerce market size to the amount of all commercial transactions (the commercial transaction market size). The e-commerce rate in BtoC e-commerce refers to the value in the field of product sales.

- In recent years, the floor space of properties where construction commenced has been around half the peak level and there has been a shortage of logistics facilities to meet current logistics needs.

Trends in Floor Space of Properties Where Construction Commenced



Source: Prepared by the Asset Manager based on the Japan Construction Starts Report by the Ministry of Land, Infrastructure, Transport and Tourism and the Statistical Yearbook of Construction by the Ministry of Construction

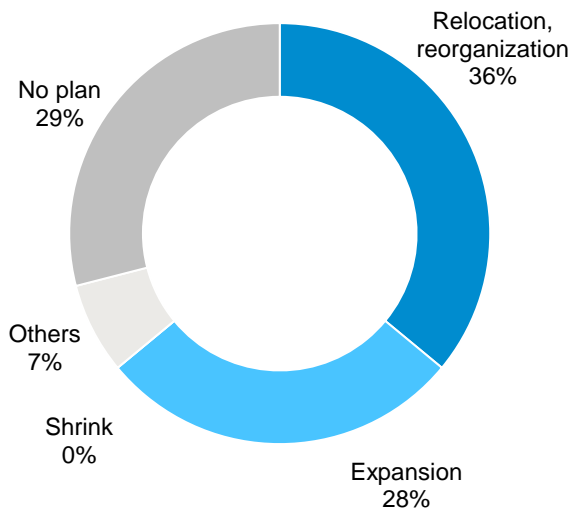
Rising Demand for Rental Logistics Facilities

(3) Rising Importance of Logistics Network Strategy

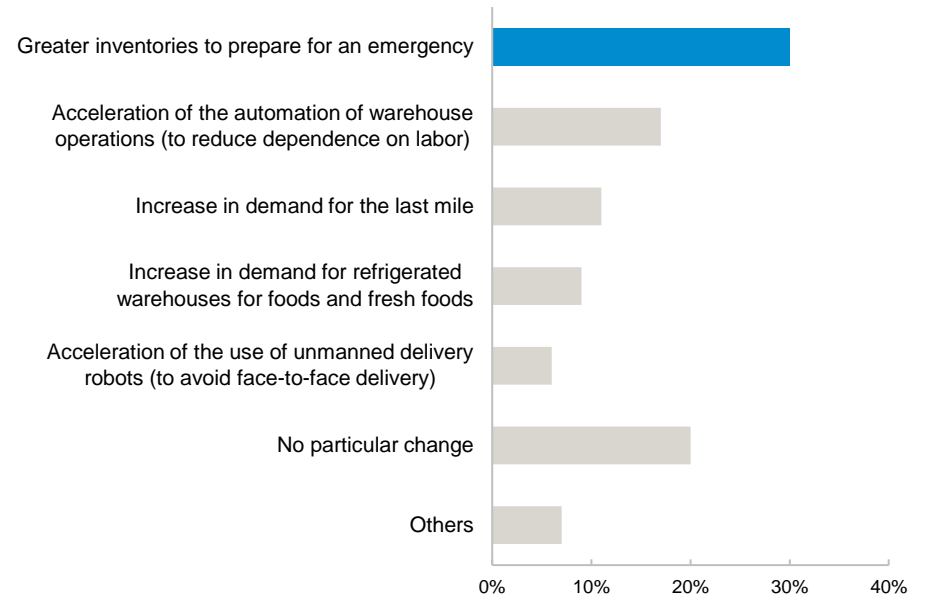
- 64% of tenant companies that use logistics facilities have plans to relocate or expand logistics facilities.

- Possibility that demand for the rental of logistics facilities will increase due to COVID-19.

Plans for relocation / expansion of logistics facilities



Medium- to long-term changes and the impact of COVID-19 considered by tenants using logistics facilities



Number of responses: 336
 Survey period: March 4, 2020 to March 19, 2020
 Survey targets: Tenant companies using logistics facilities
 Source: Prepared by the Asset Manager based Tenant survey on the use of logistics facilities 2020 from CBRE K.K.

Number of responses: 361
 Survey period: March 4, 2020 to March 19, 2020
 Survey targets: Tenant companies using logistics facilities
 Source: Prepared by the Asset Manager based on the Impact of COVID-19 on Logistics from CBRE K.K.

Characteristics/Advantages of CRE REIT

Characteristics

1. Portfolio focused on LogiSquare
2. Long-term, stable asset management
3. Distinct external growth strategy

High-quality portfolio

(1) Stable cash flow	Occupancy rate 100.0%	Ratio of fixed-term leases 100.0%	Ratio of fixed-rate rents 100.0%
(2) Long-term contracts with diverse tenants	Average lease contract term 7.9 years	Average remaining lease term 5.5 years	Ratio of single-tenant facilities 65.5%
(3) Good location	Ratio of Tokyo Metropolitan and Kansai area 96.9%	Average mileage to interchange 2.5 km	Ratio of properties within 10 mins' walk of public transportation 87.0%

Advantages

The sponsor is real estate company specializing in logistics properties⁽¹⁾

(1) Leasing capability	Companies that have concluded lease contracts with CRE directly 1,075 companies	Master lease occupancy rate of logistics real estate ⁽²⁾ 98.2%	Holding of private viewings, including for other listed REITs
(2) Property management (PM) capability	Managed floor area 1,584 properties 5.7 million m ²	PM entrusted by other companies ⁽³⁾ Approx. 60%	Ranking of past performance for PM company focusing on logistics facilities 2nd place
(3) Development capability	<ul style="list-style-type: none"> • Requests obtained from tenants through day-to-day management and leasing activities are fully reflected in facility development. • Has been developing suitable properties for REIT⁽⁴⁾ since 2006 when real estate securitization first appeared in Japan. 		

Capable of flexibly acquiring properties, taking into consideration investment unit price

- Can leverage the sponsor's bridge function. Acquired three properties at the time of the IPO and one property following the first follow-on offering by leveraging the bridge function.
- In position to acquire the properties on the scale of hundreds of millions to billions of yen and quasi-co-ownership interests using free cash.
- Already secured pipeline of 11 properties with total floor area of 450,000 m².

High-quality Portfolio (1) Stable cash flow

Form of contract that enables stable operation

- In many cases, tenants who cancel early before the end of the contract term are required to pay the equivalent of rent for the whole remaining lease term as a penalty for breach of contract. ⁽¹⁾
- Intention for renewal or termination is ascertained a year before the expiry of a contract.

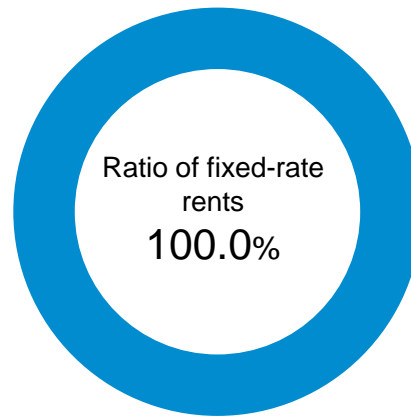
Inclusion of relatively newly built properties

- Mainly composed of newly built properties, and repair expense and capital expenditure are relatively low.

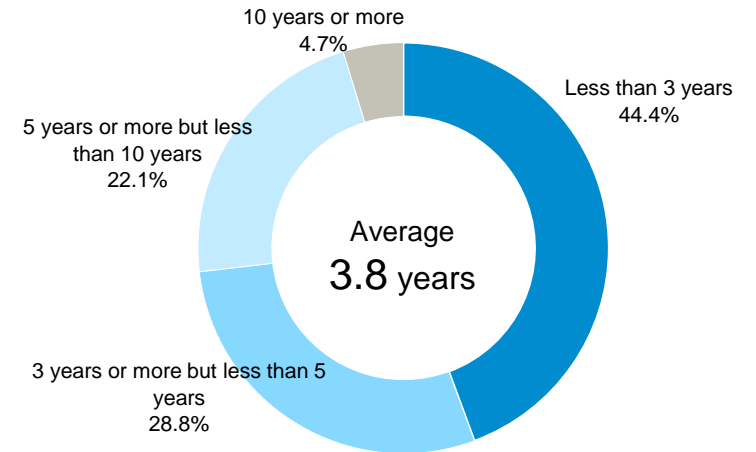
Ratio of fixed-term lease contracts



Ratio of fixed-rate rents⁽²⁾



Property age⁽³⁾



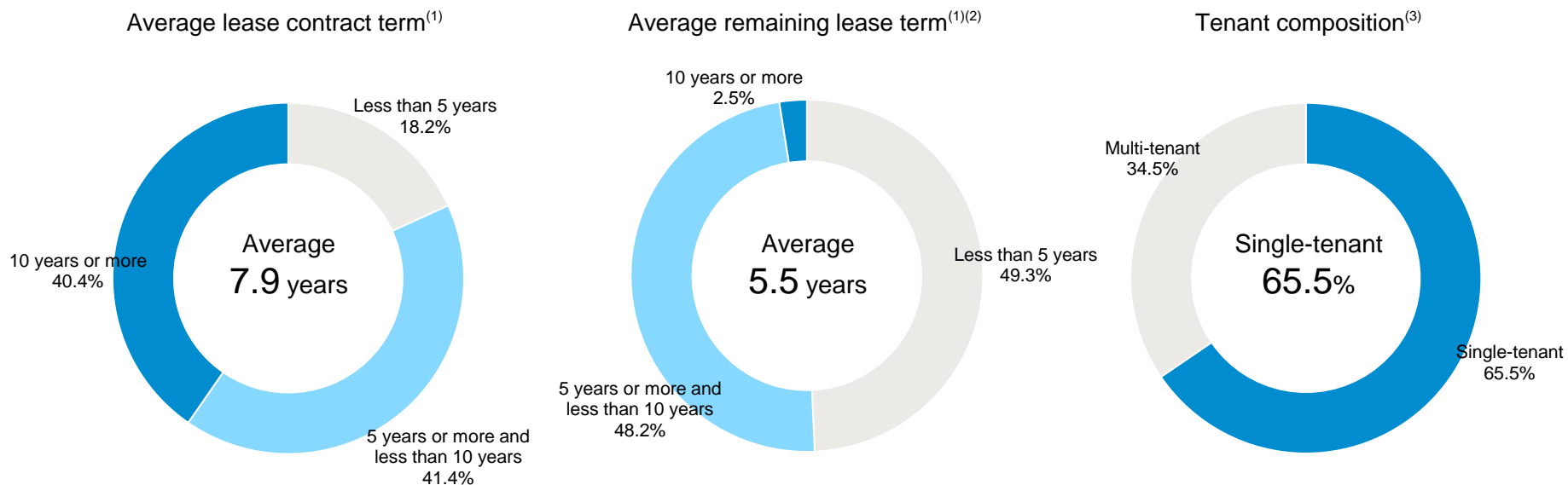
1. Depending on the amount of the penalty and other circumstances, the court may reduce the penalty in part or deny the effect of such provision.

2. "Ratio of fixed-rate rents" refers to the ratio of fixed-rent lease contracts to all lease contracts for each asset held and asset to be acquired and calculated based on leased area as of the end of July 2021. In cases where a pass-through master lease agreement has been executed or is scheduled to be executed for each asset held or asset to be acquired, the lease agreement with the end-tenant.

3. Based on (anticipated) acquisition price after the anticipated acquisition.

High-quality Portfolio (2) Long-term lease contracts

Contribution to the stability of portfolio based on long-term contracts that take into consideration tenant business plans.

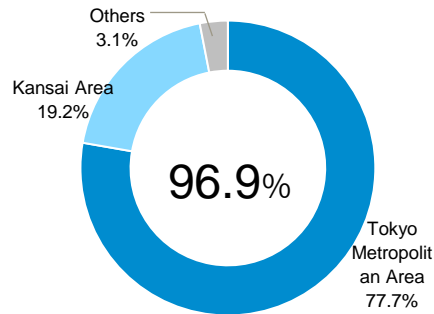


1. After acquisition of asset to be acquired. The period of the lease contract or the remaining lease period (if there are multiple lease contracts, calculated based on weighted average by the leased area) for each property is calculated by weighted the average by the (anticipated) acquisition price.
 2. In some cases, the lessee could have the right to terminate the lease without paying the full amount of rent for the remaining period or shorten the lease term after a certain period or at a certain time, and it is not fully guaranteed in the contract that the lessee will be able to receive rent for the entire remaining period of the lease.
 3. After acquisition of asset to be acquired. "Single-tenant" and "Multi-tenant" indicate the ratios of single-tenant and multi-tenant properties (calculated based on (anticipated) acquisition price) in each asset held and asset to be acquired as of the end of July 2021. The properties whose tenant leased on the calculation method described in the note 4 in page 29 is 1, are single tenant, the properties whose tenants based on the calculation method described in the note 4 in page 29 is 2 or more, is multi-tenants.

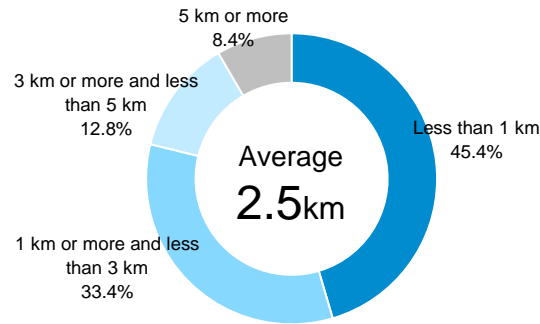
High-quality Portfolio (3) Good location

Properties are mostly located in a place suited for logistics where strong demand is expected, meeting tenants' needs to secure labor.

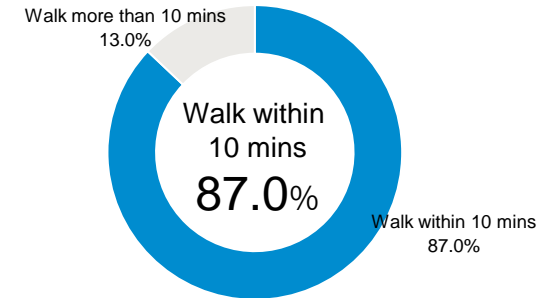
Ratio in Tokyo Metropolitan and Kansai area⁽¹⁾



Distance to an interchange⁽¹⁾



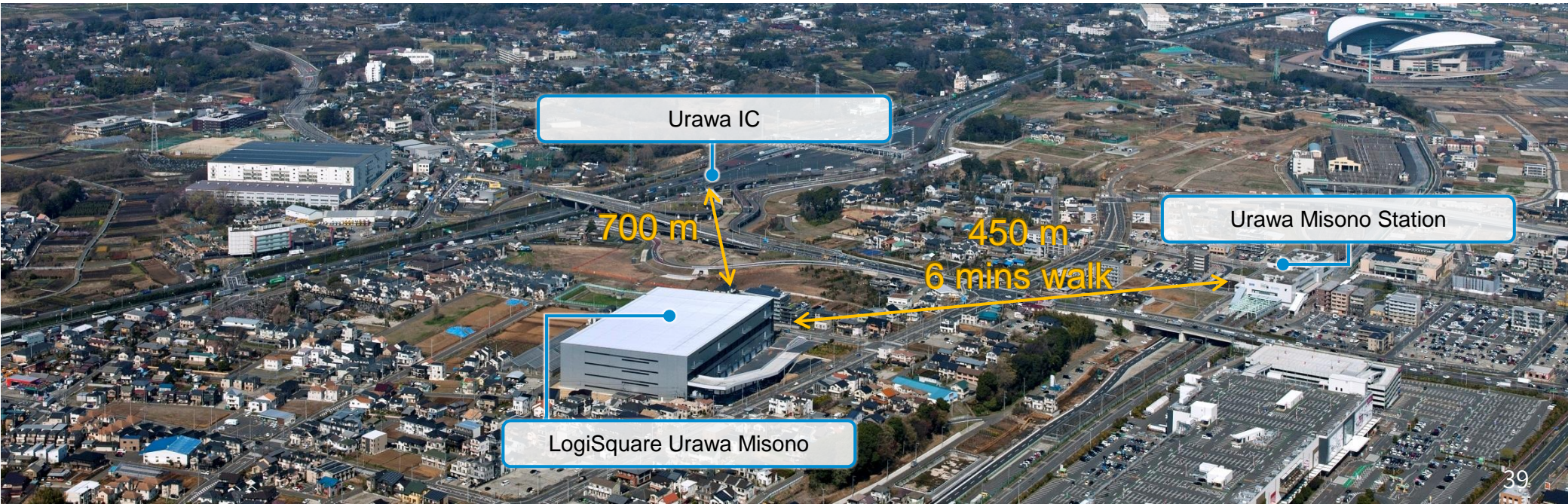
Walking distance from public transportation facilities⁽¹⁾



Example: LogiSquare Urawa Misono

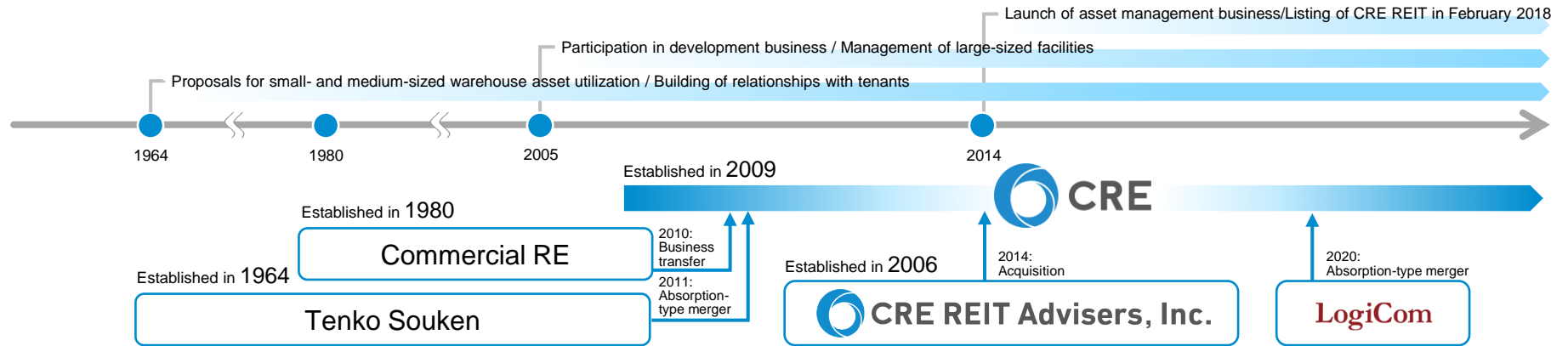
The property is located approximately 700 m from Urawa IC (Tohoku Expressway) and approximately 450 m and a 6 minutes walk from Urawa Misono Station on the Saitama Rapid Railway Line.

A large-scale community development project is underway in the surrounding area, which will become a potential advantage in securing employees because of the convenience in their commutes.



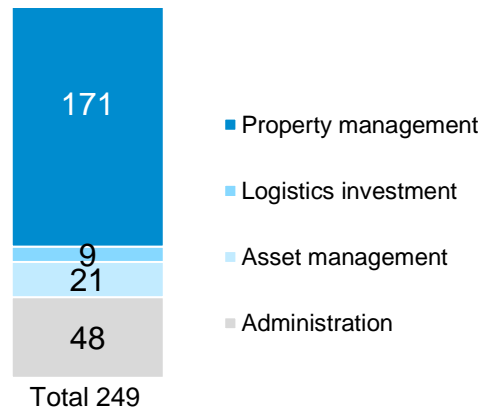
Sponsor is Real Estate Company Specializing in Logistics Properties

The sponsor has a track record of more than 50 years in the field of logistics real estate in Japan.



Involvement of All Employees in Logistics Properties

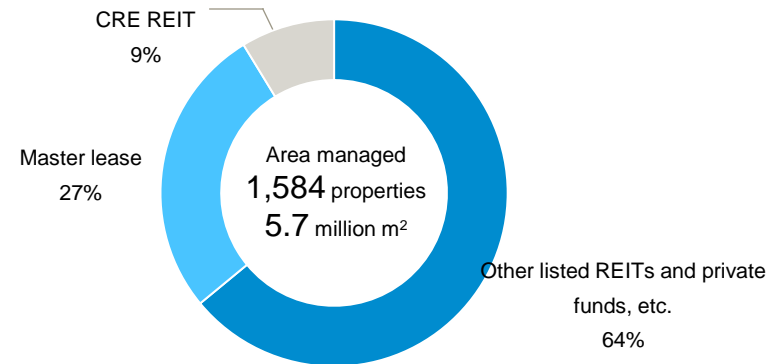
Number of employees on a consolidated basis (as of July 31, 2020)



Source: Prepared by the Asset Manager based on Annual Report for Fiscal Year ended July, 2020 of CRE, Inc.

Proven Track Record in Providing Services to Other Companies⁽¹⁾

CRE REIT can draw on the sponsor's knowhow gained through the management of 5.7 million m² floor area

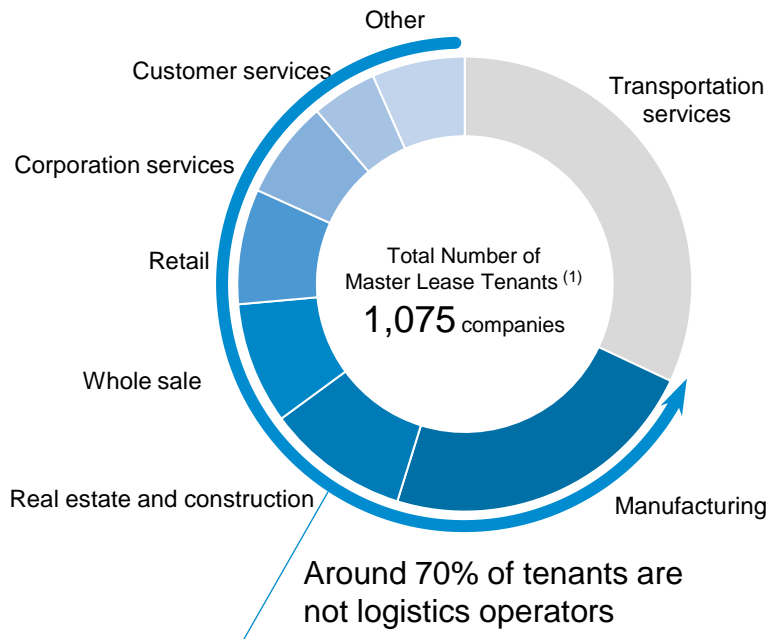


1. As of April 30, 2021. Includes results under the property managements and master lease agreements for the properties other than logistics-related facilities.

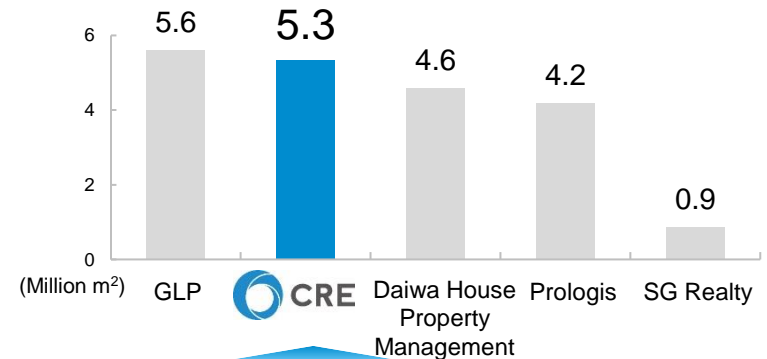
CRE's Leasing / Property Management Capability — Strength in wide tenant networks

Fast grasp of rent trends, including actual rents paid and rent increases and decreases, by entering into contracts directly with a diverse range of tenants, not just logistics service providers.

- CRE can gain an understanding of rent levels by entering contracts with tenants directly under master lease arrangements
- CRE builds relationships with tenants from a variety of industries not only logistics operators.



Ranks Second Among Logistics Facilities-focusing PM companies⁽¹⁾



- Major Customers ⁽²⁾
- Mitsubishi Estate Logistics REIT Investment Corporation
 - Japan Logistics Fund
 - Industrial & Infrastructure Fund Investment Corporation
 - LaSalle LOGIPOINT REIT
 - Star Asia Investment Corporation
 - Kenedix Retail REIT Corporation
 - United Urban Investment Corporation
 - Morgan Stanley Capital
 - Mitsui & Co., Realty Management
 - Mitsubishi Jisho Investment Advisors
 - Yamato Home Convenience
 - TLC REIT Management (No particular order)

1. As of July 31, 2020. Figures include tenants of properties other than logistics-related facilities. The classification of tenants is made by the Assets Manager based on hearing surveys at the execution of lease contracts, considering major items and industries of each tenants. Therefore, those ratios may differ from actual ratios.

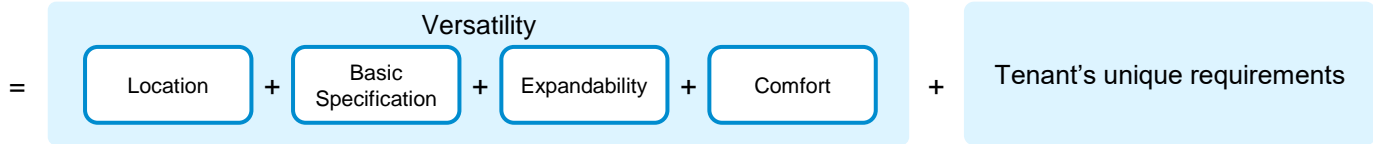
1. Prepared by the Asset Manager based on Monthly Property Management magazine (November 2020 edition). "Logistics facilities-focusing PM companies" refer to property management companies where 70% or more of their entrusted areas are the areas of logistics facilities. "Entrusted areas" include the management areas of real estate other than logistics facilities. In company names, Co., Ltd., Inc., etc. is omitted.
 2. Prepared by the Asset Manager based on CRE Inc.'s Summary of Financial Statements for First Three Quarters of Fiscal Year Ending July 31, 2021.

CRE's Development Capability— Development Ensuring Versatility and Incorporating Tenant Requirements

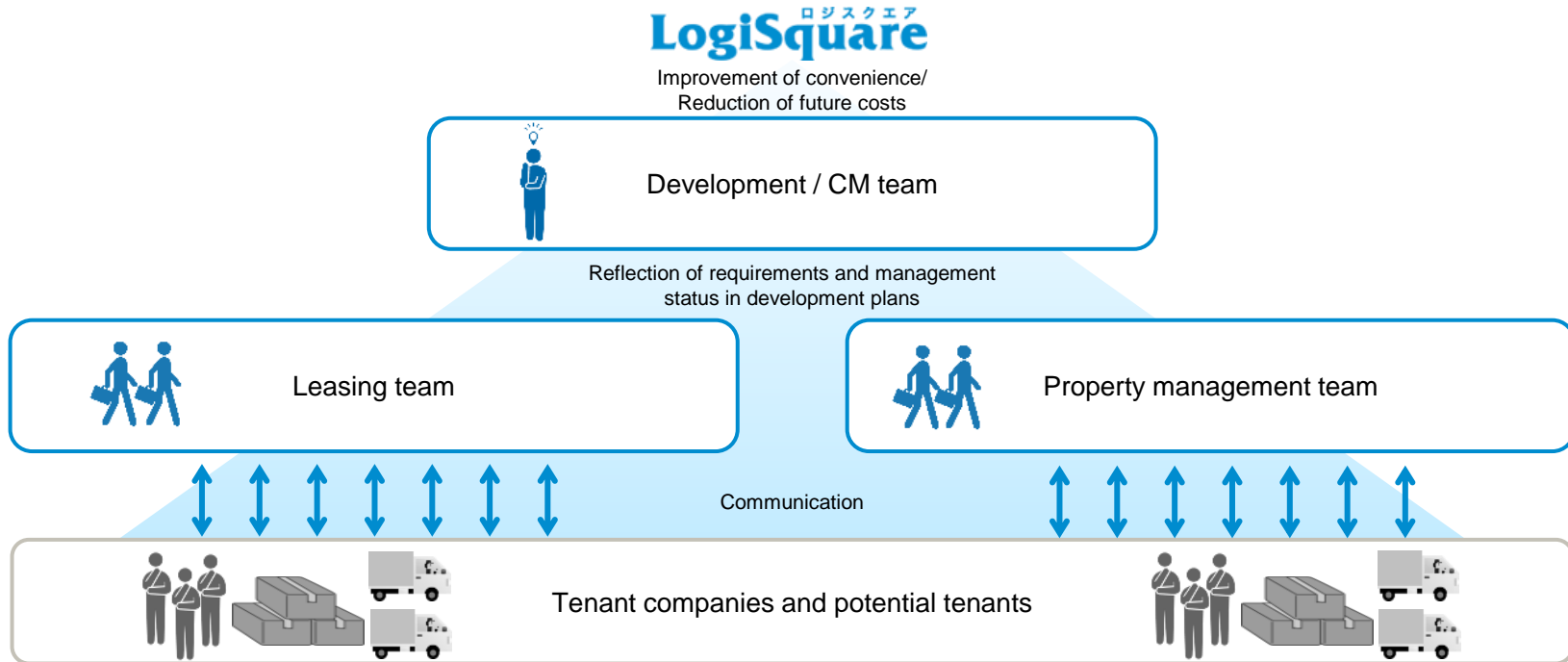
Realization of Long-term Contracts and Mitigation of Re-tenant Risk by Ensuring Versatility and Incorporating Tenant Requirements



= High-quality logistics facilities developed by CRE to meet tenant needs



Improvement of Convenience by the Full Reflection of the Requirements Learned Through Day-to-Day Management and Leasing Activities in Development Plans

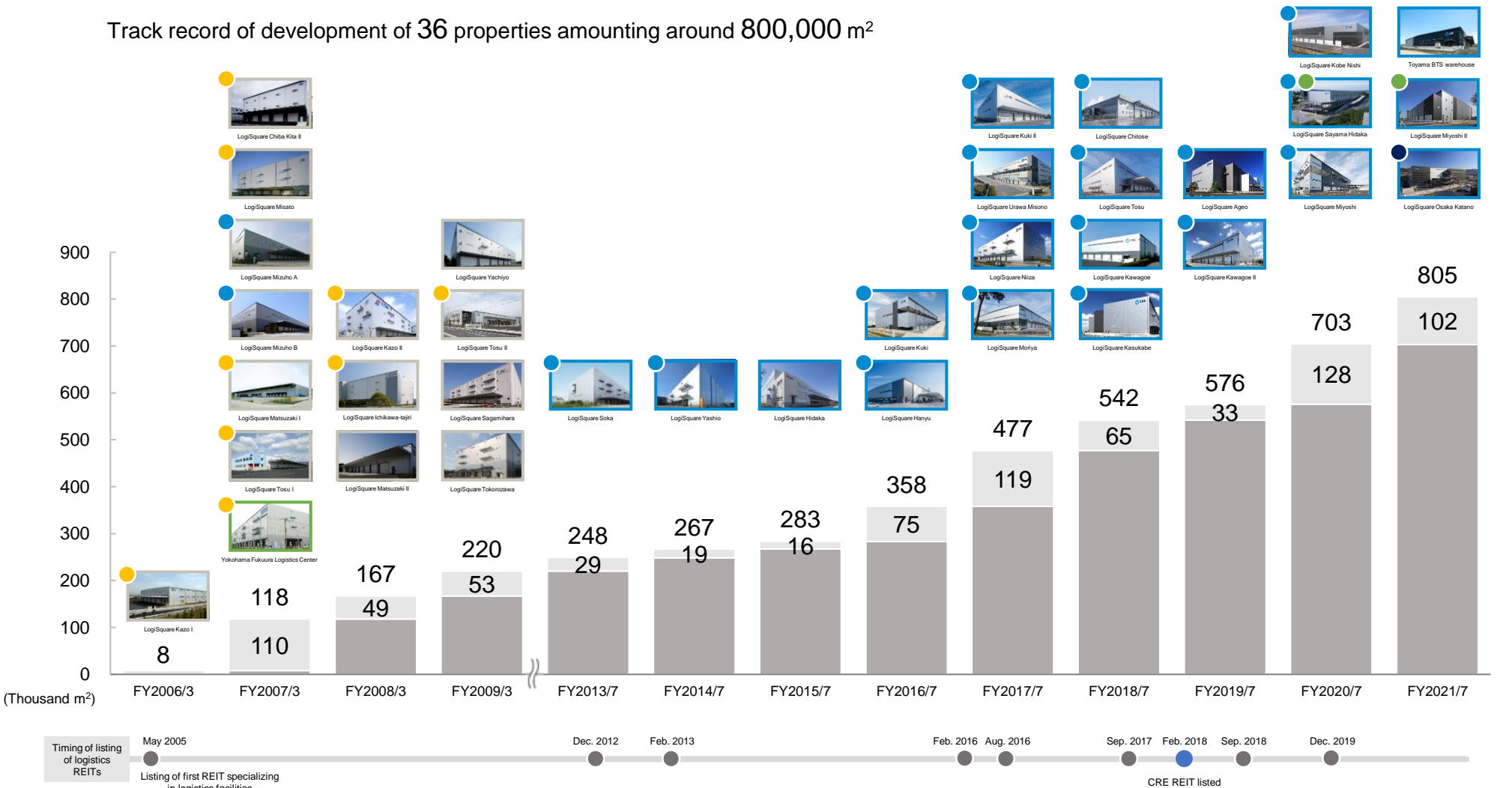
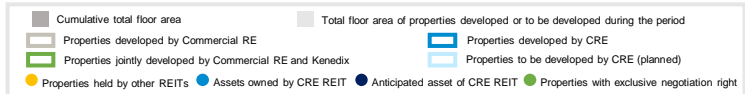


CRE's Development Capability

—Development Since the Start of Real Estate Securitization in Japan

CRE has been developing logistics properties since real estate securitization started in Japan and has accumulated its knowhow on the development of properties suitable for REITs.

Track record of development of 36 properties amounting around 800,000 m²



The above chart includes assets not in our portfolio, CRE REIT has not engaged in specific negotiations with the CRE Group companies on any of the above assets that are not portfolio assets, nor does it have any plan to acquire them at the present time or guarantee future acquisition. The above chart also includes the properties that have already been sold to third parties. Furthermore, with respect to properties to be developed by CRE (planned), as of August 20, 2021, the development has not completed and the pictures, total floor area and development completion timing are based on plans as of August 20, 2021 and may change in the future. The development completion dates of the above assets are stated as the building completion dates.

Status of Investors

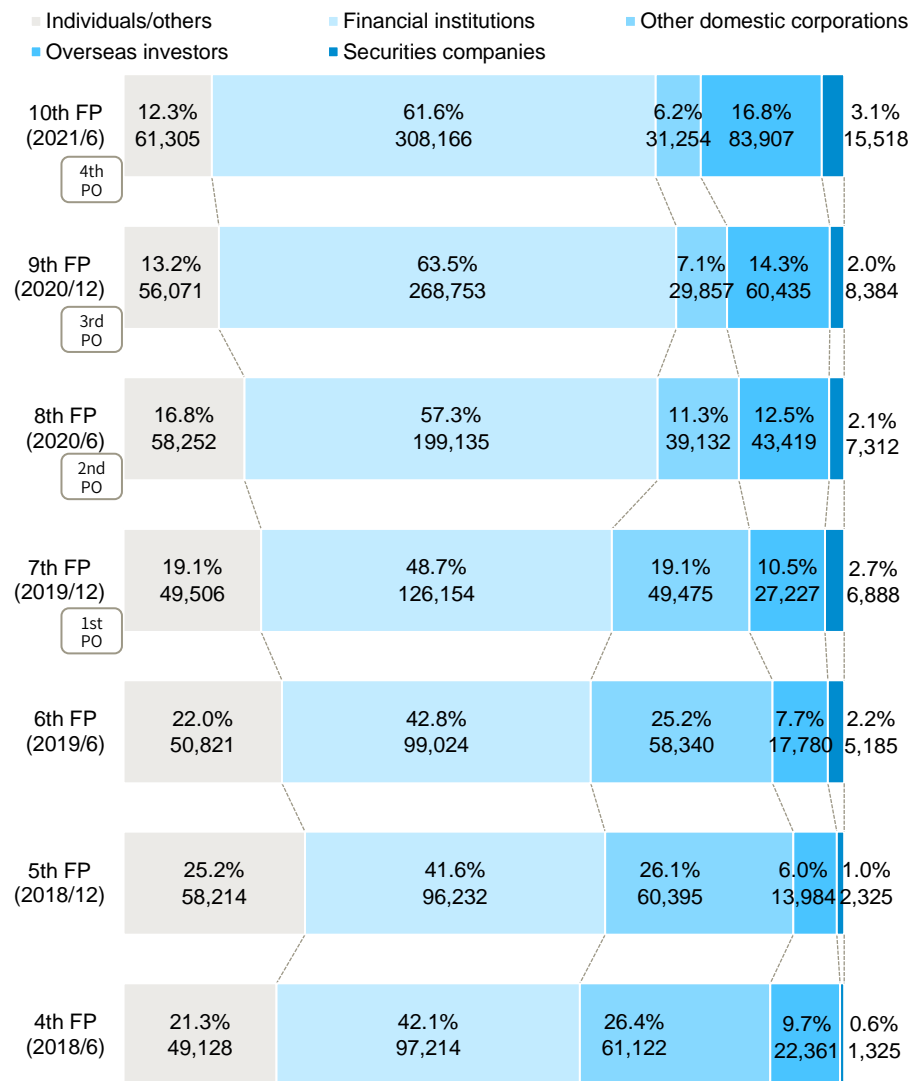
Major investors (as of June 30, 2021)

Name	Number of investment units(units)	Ratio (%)
The Master Trust Bank of Japan ,Ltd. (Trust Account)	99,633	19.9
Custody Bank of Japan, Ltd. (Trust Account)	98,642	19.7
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	23,027	4.6
Custody Bank of Japan, Ltd. (Securities Investment Trust Account)	21,391	4.3
CRE, Inc.	20,390	4.1
The Bank of Yokohama,Ltd.	10,199	2.0
Mitsubishi UFJ Trust and Banking Corporation	8,884	1.8
JP MORGAN CHASE BANK 380684	7,455	1.5
SSBTC CLIENT OMNIBUS ACCOUNT	5,667	1.1
Aozora Bank, Ltd.	5,396	1.1
Total	300,684	60.1

Number of investors by type of owner (as of June 30, 2021)

	Number of investors (person)	Ratio (%)
Individuals/others	9,964	95.7
Financial institutions	74	0.7
Other domestic corporations	203	1.9
Overseas investors	152	1.5
Securities companies	24	0.2
Total	10,417	100.0

Number of investment units by type of owner



Notes

Unless otherwise noted, in this material, monetary amounts are rounded down to the nearest indicated unit, and areas, numbers of years and ratios are rounded off to the nearest indicated unit. Therefore, monetary amounts, areas, numbers of years and ratios may not add up. CRE REIT holds the quasi co-ownership interest (80%) in the trust beneficiary right in LogiSquare Sayama Hidaka as of September 2, 2021. Unless otherwise stated, amounts concerning the area of LogiSquare Sayama Hidaka (including, but not limited to, "leasable area" and "leased area") are based on the entire asset or the amounts calculated based on the entire asset. For other amounts, unless otherwise stated, amounts correspond to the quasi co-ownership interest (80%) that CRE REIT holds as of September 2, 2021, or amounts calculated based on such assumption.

Front cover

1. "LogiSquare" refers to a high-quality logistics-related facility* developed by CRE, Inc. ("CRE") or, prior to the transfer of its business to CRE, Commercial RE Co., Ltd. (in August 2010, CRE succeeded to Commercial RE Co., Ltd.'s master lease and lease management businesses for commercial real estate from Commercial RE Co., Ltd.) that meets the needs of tenants.
- * (x) A single facility where the buildings are used solely for logistics among businesses and sales logistics involving transporting and delivering goods, storage, stockpiling, cargo handling, packaging, sorting, distribution processing, and information provision, or a complex facility in which the buildings comprising the real estate is used for logistics facilities use with the largest floor space dedicated to logistics use; or (y) a single facility where the building is used solely for the storage of goods under a deposit contract with a consumer, or a complex facility with the largest floor space dedicated to storage of goods under a deposit contract with a consumer, in each case including incidental equipment and offices.

Page 4

3. "Implied cap rate" refers to the yield expected by investors in real estate calculated based on the price of investment units. Implied cap rate of CRE REIT is calculated using the following formula and rounded to the first decimal place, expressed as a percentage.
$$\text{Implied cap rate} = \frac{\text{Annual stabilized NOI}^*}{\{\text{Market capitalization of CRE REIT as of August 20, 2021} + \text{Interest-bearing debt as of the end of the 10th fiscal period (ended June 30, 2021)} + \text{Additional interest-bearing debt based on new loan on July 30, 2021} - \text{Loan repayment on July 30, 2021} + \text{Tenant leasehold deposits as of the end of the 10th fiscal period (ended June 30, 2021)} - (\text{Cash and cash equivalents as of the end of the 10th period (ended June 30, 2021)} - \text{Restricted deposits as of the end of the 10th fiscal period (ended June 30, 2021)})\}}$$
- * "Annual stabilized NOI" is the sum of the appraisal NOI (or net operating income, which is operating revenue minus operating expenses as stated in the real estate appraisal report, and differs from NCF (Net Cash Flow), which deducts from NOI investment income from interest from security deposits and capital expenditures) stated in each of the real estate appraisal report for the current assets (the assets held by CRE REIT as of September 2, 2021) as of June 30, 2021 being the valuation date. In addition, in this material, "real estate appraisal report" may include a real estate price research report, and "appraisal value" may include the survey price (survey value) based on such survey report.

Page 6

1. "Green Finance" means a Green Equity Offering (2), Green Loan (3) or Green Bond (4).
2. "Green Equity Offering" refers to financing through issuance of investment units in accordance with the Green Equity Framework (please refer to (13) for the definition of the "Green Equity Framework") established by CRE REIT.
3. "Green Loan" generally refers to a loan that complies with the Green Loan Principles. "Green Loan Principals" means guidelines for loans with respect to which use of proceeds is limited to environmental areas and that are established by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications & Trading Association. A portion of the Anticipated Borrowings (please refer to (1) on page 21 for the definition of the "Anticipated Borrowings") is a Green Loan.
4. "Green Bond" is a bond issued by entities, such as corporations and local governments, to raise funds to be used for green projects that have a clear environmental improvement effect. The bond is generally issued in accordance with the "Green Bond Principles" set forth by the International Capital Market Association ("ICMA"). "Green Bond Principles" are a set of guidelines for issuing green bonds established by the Green Bond Principles Executive Committee, a private organization for which ICMA serves as the secretariat.
5. "Green qualifying assets" means assets that meet certain qualified criteria. The qualified criteria for Green qualifying assets of CRE REIT are as follows, and properties that have acquired or renewed, or will acquire or renew, any of the relevant certifications apply to the Green qualifying assets.
 - DBJ Green Building Certification (6) : 5 stars or 4 stars
 - CASBEE Certification (7) : S rank or A rank
 - BELS evaluation (8) : 5 stars or 4 stars
6. "DBJ Green Building Certification" means the certification system established by the Development Bank of Japan Inc. in April 2011 to support environmentally and socially conscious management of the real estate ("Green Buildings"). The system is intended to evaluate and certify the real estate that is required by society and the economy, based on a comprehensive evaluation of not only the environmental performance of the subject property but also how it addresses the needs of various stakeholders, including disaster prevention and community considerations, and to support such efforts. There are five ranks in this certification (★ to ★★★★★).
7. "CASBEE" stands for Comprehensive Assessment System for Built Environmental Efficiency". CASBEE is based on a method for evaluating and rating the environmental performance of buildings established by the Institute for Building Environment and Energy Conservation, and is a system for comprehensively evaluating the quality of buildings, including environmental considerations such as energy conservation and the use of materials and equipment with less environmental burden, as well as indoor comfort and landscape consideration. There are five ranks given in this evaluation, from "S-rank (excellent)," to "A-rank (very good)," "B+-rank (good)," "B-rank (slightly inferior)," and "C-rank (inferior)."

Notes

8. "BELS evaluation" means Building-Housing Energy-efficiency Labeling System. This system was launched to ensure that third-party organizations accurately evaluate and present the energy conservation performance of non-residential buildings based on the "Guidelines for the Evaluation of Energy Conservation Performance Indication for Non-Housing Buildings (2013)" established by the Ministry of Land, Infrastructure, Transport and Tourism. In addition, since April 2016, it has become one of the third-party certification systems stipulated in the Guidelines for Indication of Energy Consumption Performance of Buildings (Notification No. 489 of the Ministry of Land, Infrastructure, Transport and Tourism, 2016 as amended) based on Article 7 of the Act on the Improvement of Energy Consumption Performance of Buildings (Act No. 53 of 2015 as amended), and also houses have been added to the scope. Under this system, a third-party organization evaluates the energy conservation performance of both new and existing buildings based on various measures, and the evaluation is indicated in five levels (★ to ★★★★★).
9. In June 2020, CRE REIT established a green finance framework in accordance with "Green Bond Principles 2018", "Green Bond Guidelines 2020" (10), "Green Loan Principles" and "Green Loan and Sustainability Link Loan Guidelines 2020" (11) for the issuance of green bonds as well as for financing through green loans and green bonds ("Green Qualifying Debt").
10. "Green Bond Guidelines 2020" are the guidelines established and published by Ministry of the Environment in March 2017, as amended in March 2020, to further promote green bonds in Japan by providing specific examples of responses and interpretations that are in line with Japan's unique characteristics that can be used as references by market participants in considering specific actions related to green bonds while maintaining consistency with the Green Bond Principles.
11. "Green Loan and Sustainability Link Loan Guidelines 2020" are the guidelines established and published by Ministry of the Environment in March 2020. The guidelines, which aim to further promote green loan in Japan, provides specific examples of responses and interpretations that are in line with Japan's unique characteristics that can be used as references by lenders, borrowers and other related institutions to consider specific actions related to green loans while maintaining consistency with the Green Loan Principles
12. Green 1(F) is the highest level of "JCR Green Finance Framework Evaluation" (an evaluation conducted by JCR to confirm compliance with the Green Bond Principles, the Green Loan Principles, or the Green Bond Guidelines established by the Ministry of the Environment for the issuer's policies with respect to green bonds or green loans, rather than for any green bond issuance or green loan borrowing; assessment is given in five levels (Green 1(F) to Green 5(F))).
13. CRE REIT established a green equity framework (the "Green Equity Framework") for the purpose of further promoting ESG initiatives in August 2021, with reference to the four core elements set forth in the Green Bond Principles 2021 (1. use of proceeds, 2. project evaluation and selection process, 3. management of proceeds, and 4. reporting), the Green Bond Guidelines 2020 and the Green Loan and Sustainability Linked Loan Guidelines 2020 (14). Please refer to "第二部 参照情報 第2 参照書類の補充情報 1 投資方針 (1) オフアリング・ハイライト ① 継続的な投資主価値向上を実現 (イ) グリーンファイナンスでの資金調達や、目論見書の電子交付により、環境に配慮した公募増資を実施" in Securities Registration Statement for the Issue of New Investment Units dated September 2, 2021 for the Green Equity Framework.
14. CRE REIT appointed SMBC Nikko Securities Inc. as a green equity structuring agent in establishing the Green Equity Framework. A "green equity structuring agent" refers to a party that provides support for financing through green equity offerings by providing advice related to establishing a green equity framework and obtaining second party opinions.
15. "DNV" is the Japanese office of DNV, a third-party assessment agency, established in 1864, based in Oslo, the Kingdom of Norway. The agency has built a strong track record in providing a number of verification reports and second-party opinions, through its global activities as a registered issuance supporter (External Review Division) of the Green Bond Issuance Promotion Platform set up by Ministry of Environment of Japan and as a verifier certified by Climate Bonds Initiative, an international NGO that promotes a massive investment aiming at low-carbon economy.
16. In the Green Bond Principles, there are four types of external reviews: "second party opinion," "verification," "certification" and "rating". A "second party opinion" means an opinion by a third-party organization with expertise on the conformity with the Green Bond Principles, etc. A "verification" means that an external assessment body guarantees or certifies the conformity with certain standards related to environmental standards, etc. (including internal standards created by the issuer). The term "certification" means that an accredited third party evaluation organization confirms the conformity with generally recognized external greenness assessment standards and grants certification, and the term "rating" means that a third party organization such as a research or rating organization with expertise evaluates or assesses based on established rating methods.
17. DNV, as an external reviewer, has assessed the eligibility of the Green Equity Framework in reference to the Green Bond Principles and related standards, and by taking into account how the raised funds are managed, a consideration unique to green equity offerings. However, these various principles and standards are originally not intended for capital-intensive financings such as an issuance of the investment units. DNV does not evaluate this offering itself. The second-party opinion by DNV does not provide a guarantee as to the financial performance of the investment units to be issued through the Green Equity Offering, the value of the investment or its long-term environmental benefits. The second-party opinion by DNV is merely an opinion on the Green Equity Framework, and is not an opinion on the investment units of CRE REIT, which are the subject of this offering. This second-party opinion is different from a credit rating and is not a commitment by DNV to provide or make available a predetermined credit rating.
18. "After acquisition of the anticipated asset" refers to the time following the completion of the acquisition of the anticipated asset. In addition, the following figures for the portfolio after the acquisition of the anticipated asset are calculated by simply adding up the respective figures for the current assets and the anticipated asset at a certain time under certain assumptions, and actual results may differ.
19. CRE REIT refers to the provision of the information stated in prospectuses by electromagnetic means as electronic delivery of prospectuses. The person providing the prospectus is deemed to have delivered the prospectus, if such person provides the recipient of such information stated in the prospectus by electromagnetic means after obtaining consent from the recipient (Article 27-30-9, Paragraph 1 of the FIEA; Article 32-2, Paragraph 1 of the Cabinet Office Order on Disclosure of Information on Regulated Securities (Ministry of Finance Order No. 22 of 1993, as amended) (the "Cabinet Office Order")). Accordingly, if such consent cannot be obtained or is withdrawn (Article 32-2, Paragraph 7 of the Cabinet Office Order), prospectuses cannot be delivered electronically, but the Underwriters will sell investment units in this offering only to those investors who have given and have not withdrawn such consent.

Page 7

1. The "first public offering" or the "1st PO" refers to the first public offering since listing with a payment date of July 16, 2019, the "second public offering" or the "2nd PO" refers to the public offering with a payment date of January 21, 2020, the "third public offering" or the "3rd PO" refers to the public offering with a payment date of July 13, 2021 and the third-party allocation with a payment date of August 12, 2021, and the "fourth public offering" or the "4th PO" refers to the public offering with a payment date of January 19, 2021 and the third-party allocation with a payment date of February 10, 2021. In addition, this offering may be referred to as the "fifth public offering" or the "5th PO" in contrast to the first public offering or the 1st PO, the second public offering or the 2nd PO, the third public offering or the 3rd PO and, the fourth public offering or the 4th PO.
2. "MSCI Global Small Cap Index" is the world's leading equity investment index provided by MSCI, which has been adopted as a benchmark for global equity investments by domestic and overseas investors including real estate investment funds.
3. "FTSE Global Equity Index Series" is a global equity investment index provided by FTSE, which has been adopted as a benchmark for global equity investments by domestic and foreign investors including real estate investment funds.

Notes

4. "Three securities companies" means SMBC Nikko Securities Inc., SBI SECURITIES Co., Ltd. and Mizuho Securities Co., Ltd. Analyst coverage refers to provision of recommendations or reviews regarding the business results of CRE REIT. Any information or recommendation, including an analysis, opinion, estimate and forecast, made by the three securities companies regarding the performance or strategies of or any other matters related to CRE REIT, are based on their own judgment, and neither CRE REIT nor the Asset Manager is involved in the preparation thereof. In addition, analyst coverage does not constitute an offer or a solicitation to purchase or sell any securities issued by CRE REIT.
5. "R&I" stands for Rating & Investment Information, Inc. and "JCR" stands for Japan Credit Rating Agency, Ltd. In addition, the rating "A- (positive)" from R&I and "A (stable)" from JCR is not the rating for the investment units but for CRE REIT. There is no credit rating for the investment units of CRE REIT that has been provided or been offered for viewing by a credit rating agency, or is anticipated to be provided or be offered for viewing by a credit rating agency, at the request of CRE REIT.
6. "NAV" refers to Net Asset Value, taking into account the appraisal value of the current assets and the anticipated asset of CRE REIT.
7. Changes in the closing price of the Tokyo Stock Exchange REIT Index on the Tokyo Stock Exchange show the changes in relative figures based on the assumption that the closing price of the Tokyo Stock Exchange REIT Index (1,664.83 pt) on the listing date of CRE REIT (February 7, 2018) is the same as the issue price of CRE REIT at the time of listing (110,000 yen per unit).
8. The changes in the distribution yields of CRE REIT show the changes in the value obtained as follows: the sum of the forecasted distributions per unit, based on CRE REIT's forecasts disclosed on the relevant date, for the two forecasted fiscal periods (or the two forecasted fiscal periods farthest from the present, in case of three forecasted fiscal periods, divided by the price of investment units (closing price) on the relevant date.

Page 8

1. "Estimated market capitalization after the 5th PO" is calculated based on the assumption that the market value of the investment units is the same as the regular trading closing price of the investment units on the Tokyo Stock Exchange as of August 20, 2021 (Friday) (216,700 yen) and that the number of investment units outstanding (564,700 units) is the total of the number of investment units outstanding as of the end of the 10th fiscal period (ended June 30, 2021) (500,150 units) and the number of investment units planned to be issued through this offering (64,550 units). Therefore, if the actual market value of the investment units is lower than the aforementioned assumed amount, the estimated market capitalization after the 5th PO will be lower than the aforementioned amount. Conversely, if the actual market value of the investment units is higher than the aforementioned assumed amount, the estimated market capitalization after the 5th PO will be higher than the aforementioned amount. Estimated market capitalization after the 5th PO is the estimated amount as of September 2, 2021, calculated based on the above assumptions, and may not necessarily match the actual market capitalization after this offering. The same applies below.
2. "FTSE EPRA Nareit Global Real Estate Index Series" is a widely used index as a benchmark for international real estate investment, developed by FTSE in cooperation with the European Property Research Association (EPRA) and the National Association of Real Estate Investment Trusts (NAREIT), two of the world's leading real estate investment trusts.

Page 9

1. DPU stands for distributions per unit (including distributions in excess of earnings).
2. "Annual rate + 6.1%" is the average annual growth rate for three years from the end of the 6th fiscal period (ended June 30, 2019), calculated using the forecast for the 12th fiscal period (ending June 30, 2022) (compounded over one year).
3. "Forecast dated August 13, 2021" is based on "CRE Logistics REIT, Inc. Summary of Financial Results (as amended)" dated August 13, 2021.
4. "Forecast dated September 2, 2021" is based on "Notice Concerning Revision of Forecasts of Operating Results for the Period ending December 31, 2021 and the Period ending June 30, 2022" dated September 2, 2021.
5. NAV per unit at the end of each fiscal period is calculated using the following formula.
$$\text{NAV per unit at the end of each fiscal period} = (\text{Net assets on the balance sheet at the end of each fiscal period} + \text{Total appraisal value of the current assets as of the end of each fiscal period} - \text{Total book value of the current assets at the end of each fiscal period} - \text{Total amount of cash distribution for each fiscal period}) \div \text{Total number of investment units outstanding of CRE REIT as of the end of each fiscal period}$$
6. NAV per unit after the 5th PO is calculated by the following formula.
$$\text{NAV per unit after the 5th PO} = (\text{Net assets on the balance sheet as of the end of the 10th fiscal period (ended June 30, 2021)} + \text{Total estimated amount of issue price for this offering} + \text{Total appraisal value of current assets} - \text{Total book value of current assets} + \text{Appraisal value of the anticipated asset} - \text{Anticipated acquisition price of the anticipated asset} - \text{Total amount of distributions for the 10th fiscal period (ended June 30, 2021)}) \div \text{Total number of investment units outstanding of CRE REIT after this offering}$$

* The total estimated issue amount for this offering is expected to be 13,232,000,000 yen. Such estimated amount is calculated based on the regular trading closing price of the investment units on the Tokyo Stock Exchange as of August 20, 2021 (Friday) (216,700 yen), and assuming that the issue amount is 204,998 yen per investment unit. Therefore, if the actual issue amount in this offering is lower than the aforementioned assumed amount, the total issue amount in this offering will be lower than the aforementioned amount, and the actual NAV per unit after this offering may be lower than the above. Conversely, if the actual issue amount is higher than the aforementioned assumed amount, the total issue amount will be higher than the aforementioned amount and the actual NAV per unit after this offering may be higher than the above.

** The real estate appraisal for each current asset and the anticipated asset has been entrusted to Japan Real Estate Institute, Tanizawa Sogo Appraisal Co., Ltd. or DAIWA REAL ESTATE APPRAISAL CO., LTD. "Appraisal value" is calculated based on the real estate appraisal value stated in each real estate appraisal report with the date of valuation being June 30, 2021 for each current assets and the date of valuation being July 31, 2021 for anticipated asset. Please refer to page 29 below for the appraisals for each current asset and the anticipated asset.

*** "Anticipated acquisition price" refers to purchase price of the trust beneficiary interest in the trust beneficiary interest purchase agreement for the anticipated asset. "Acquisition price" refers to purchase price of each trust beneficiary interest in the trust beneficiary interest purchase agreement for each current asset. ("Anticipated) acquisition price" means the acquisition price or anticipated acquisition price, as the case may be. In addition, CRE REIT sold a part of the land of LogiSquare Tosu on August 31, 2020. Therefore, unless otherwise stated, the acquisition price of LogiSquare Tosu for the 9th fiscal period (ended December 31, 2020) and thereafter is the amount calculated by the following formula.
$$\text{The acquisition price of LogiSquare Tosu} = \text{Purchase price of the trust beneficiary interest stated in the trust beneficiary interest purchase agreement dated December 27, 2017 for LogiSquare Tosu (as amended) (2,880 million yen)} - (\text{Land price as stated in the purchase agreement (820.8 million yen)} \div \text{Area before sale} \times \text{Sold area})$$

In addition, the sale price does not include consumption tax, local consumption tax, sales commission and other expenses.
NAV per unit after the 5th PO is the estimated amount as of September 2, 2021, calculated based on the above assumptions; the actual result may differ.
7. "Annual rate + 8.1%" is the average annual growth rate over 3.5 years from the end of the 4th fiscal period (ended June 30, 2018) (compounded over 1 year), calculated on the assumption that NAV per unit at the end of the 11th fiscal period (ending December 31, 2021) is the same as NAV per unit after the 5th PO.
8. "LTV" refers to the ratio of the balance of borrowings and investment corporation bonds to the total assets of CRE REIT.
9. The amount of "Asset size" is calculated based on the total amount of (anticipated) acquisition price.

Notes

10. "Annual rate + 34.5%" is the average annual growth rate over 3.5 years from the end of the 4th fiscal period (ended June 30, 2018) (compounded over 1 year), calculated on the assumption that there will be no changes (acquisition of new assets, disposition of current assets, etc.) until the 11th fiscal period (through December 31, 2021).

Page 10

1. EPU stands for earnings per unit.
2. "Initial Forecast" is based on "CRE Logistics REIT, Inc. Summary of Financial Results For the 5th Fiscal Period Ended December 31, 2018 (For the Reporting Period from July 1, 2018 to December 31, 2018)" dated February 18, 2019.
3. "Forecast at the 1st PO" is based on "Notice Concerning Revision of Forecasts of Operating Results for the Period ending December 31, 2019 and Forecasts of Operating Results for the Period ending June 30, 2020" dated June 27, 2019.
4. "Forecast at the 2nd PO" is based on "Notice Concerning Revision of Forecasts of Operating Results for the Period ending June 30, 2020 and Forecasts of Operating Results for the Period ending December 31, 2020" dated January 7, 2020.
5. "Forecast at the 3rd PO" is based on "Notice Concerning Revision of Forecasts of Operating Results for the Period ending December 31, 2020 and Forecasts of Operating Results for the Period ending June 30, 2021" dated June 29, 2020.
6. "Forecast at the 4th PO" is based on "Notice Concerning Revision of Forecasts of Operating Results for the Period ending June 30, 2021 and Forecasts of Operating Results for the Period ending December 31, 2021" dated January 4, 2021.
7. "Forecast at the 5th PO" is based on "Notice Concerning Revision of Forecasts of Operating Results for the Period ending December 31, 2021 and the Period ending June 30, 2022" dated September 2, 2021.

Page 12

1. "Kansai area" includes Osaka, Kyoto, Hyogo, Nara, Mie, Shiga and Wakayama Prefecture.
2. For the definitions of and calculation methods for "Total floor area", "Appraisal NOI yield" and "Occupancy rate" for the anticipated asset, please refer to the notes on page 29. In addition, total leasable area is sometimes simply referred to as "leasable area".
3. "Appraisal NOI yield after depreciation" of the anticipated asset is the ratio of (x) the appraisal NOI of the anticipated asset (appraisal NOI based on the real estate appraisal report with valuation dated as of July 31, 2021) minus the estimated amount of depreciation to (y) the anticipated acquisition price of the anticipated asset, rounded to the first decimal place, expressed as a percentage. This figure was calculated by the Asset Manager and is not included in the real estate appraisal report. In addition, the actual result after the acquisition by CRE REIT of the anticipated asset may differ.
4. "Kansai three prefectures" includes Kyoto, Osaka and Hyogo Prefecture.

Page 13

1. Based on leased area after the anticipated acquisition. Leased area is the sum of the leased area described on each lease agreement with the end tenant for LogiSquare Osaka Katano as of July 31, 2021.
2. The graph of tenant industries and products handled by tenant is based on the Asset Manager's judgment as to each tenant's principal industry and products as a result of interviews conducted by the Asset Manager at leasing agreement. Therefore, actual results may differ due to changes in products handled.

Page 14

1. The speed settings for automobile driving are as follows. Traffic congestion is not taken into account, and the road improvement plan for the Shin-Meishin Expressway is not included.
National road : 24~47km/h, Large local road : 21~38km/h, Small local road : 10~15km/h, Expressway : 71~76km/h
2. The possible level of the flood due to tsunami means the possible flood area and level the governor of Osaka Prefecture has set assuming a "maximum class tsunami" (L2 tsunami) based on the Act on Regional Development for Tsunami Disaster Prevention (Act No.123 of 2001, as amended). The possible level of the flood due to tsunami is set for the preparation of disaster prevention (mainly evacuation) and will not determine the disaster area due to tsunami. Since this is the result of calculations based on certain assumptions, it does not necessarily mean that the other area is safe. The possible level of the flood due to tsunami will be affected by the unevenness of the ground and buildings, and the flood may happen outside the possible area of the flood due to tsunami because of the difference from the assumption of the calculation which will result from change of ground by earthquake and structures etc.
3. Based on the hazard map of Katano City. "PL level" indicates the degree of liquefaction risk at a given location. Estimates are made on a 250-meter mesh basis and using average ground information, which does not necessarily correspond to the conditions of each housing lot, etc. In addition, there is no guarantee that liquefaction will not occur in areas where risk of liquefaction is considered to be low.
4. Based on the hazard map of Katano City. The rainfall conditions in the flood hazard information in the hazard map of Katano City are based on the assumed maximum rainfall for each river basin, and do not take into account flooding due to rainfall of a larger scale than assumed or flooding due to inland water. The possible area of the flood due to overflow means the area designated due to assumption of the flood due to overflow along the water level recognized river etc., which may cause the disaster due to overflow in order to secure smooth and prompt evacuation on overflow. In addition, even outside of the possible area of the flood due to overflow, flooding and other damage may occur in this area, and the assumed degree of damage may differ from the actual degree of damage.

Page 16

1. "Pipeline" refers to , excluding the anticipated asset, (i) properties for which CRE REIT has already acquired preferential negotiation rights based on the sponsor support agreement dated September 26, 2017 concluded between CRE REIT, the Asset Manager and CRE ("Sponsor", CRE as a sponsor) (as amended) ("Sponsor support agreement") ("Preferentially negotiated properties"), and (ii) properties that are under development by CRE and for which preferential negotiation rights will be granted based on the Sponsor support agreement ("Properties under CRE development"). In addition, under the terms of Sponsor support agreement, CRE REIT or the Asset Manager will be granted preferential negotiation rights for all properties developed and owned by the CRE Group (4) and will be provided with opportunities to acquire such properties (except for properties excluded under the Sponsor support agreement), but even in the event that such preferential negotiation rights are granted, CRE REIT will not be obliged to acquire the properties for which preferential negotiation rights have been granted and CRE Group will not be obliged to sell the properties for which preferential negotiation rights have been granted to CRE REIT with the price CRE REIT hopes.
2. "CRE Group" is a collective term for CRE, Inc. and its group companies. The CRE Group consists of CRE and its subsidiaries and affiliates (9 consolidated subsidiaries and 4 affiliates as of July 31, 2020).

Notes

3. CRE REIT holds the quasi co-ownership interest (80%) in the trust beneficiary right in LogiSquare Sayama Hidaka, and has preferential negotiation rights for the remaining quasi co-ownership interest (20%) as of September 2, 2021. The asset is classified as a current asset on the map on page 16.
4. For roads whose opening year is yet to be determined, there is no guarantee that they will actually be opened.
5. As of September 2, 2021, CRE REIT has not engaged in specific negotiations with the CRE Group companies regarding the pipeline, regardless of whether or not it has a preferential negotiation right on any property, nor does it have any plan to acquire from the pipeline at the present time or guarantee future acquisition from the pipeline.

Page 20

1. With regard to the lease contract whose lease period will expire in the 17th fiscal period (ending December 31, 2024), as of August 26, 2021, the Asset Manager has concluded a memorandum on the conclusion of a fixed-term building lease reservation contract with the tenant and agreed to start discussions on the conclusion of the lease contract, and the rent in the memorandum is higher than the existing rent. However, there is no guarantee that a lease contract can be actually concluded at that amount.

Page 21

1. The "Anticipated Borrowings" refers to the borrowings with the drawdown date of September 15, 2021, which are intended to be used for the acquisition of the anticipated asset and fund part of the payment of its incidental expenses, etc.
2. This is the ratio of principal amount of borrowings from each financial institution and outstanding investment corporation bonds to total interest-bearing debt as of July 31, 2021.
3. Abbreviations are used for company names.
4. After acquisition of the anticipated asset. On an (anticipated) acquisition price basis.
5. The "Upper limit of green qualifying debt" is the amount obtained by multiplying the (anticipated) acquisition price of the properties that apply to Green qualifying assets among the current assets and the anticipated asset by the LTV as of the end of the 10th fiscal period (ended June 30, 2021).
6. "Capacity to increase green qualifying debt" is calculated by the following formula.
Capacity to increase green qualifying debt = Upper limit of green qualifying debt – the balance of the green qualifying debt as of September 2, 2021 and Green Loans executed.
This amount is not a guarantee or promise that CRE REIT will be able to raise this amount or acquire properties by using the funds to be raised. Please refer to 「第二部 参照情報 第2 参照書類の補完情報 1 投資方針 ③ 継続的な投資主価値向上に資する明確な成長戦略 (ホ) 返済期限の分散及び借入期間の長期化により安定的な財務運営を推進」 in the Securities Registration Statement for the Issue of New Investment Units dated September 2, 2021 for the detail of the Anticipated Borrowings.

Page 22

1. Each of the figures in the "After the Anticipated Borrowings" is not based on the assumption that the CRE REIT will borrow at the maximum amount of the Anticipated Borrowings as of September 2, 2021, but is figure as of September 15, 2021, based on the amount expected to be borrowed (10,400 million yen) if the issue amount is assumed to be 204,998 yen per unit, based on the regular trading closing price (216,700 yen) of CRE REIT's investment units on the Tokyo Stock Exchange as of August 20, 2021 (Friday). The amount and conditions of the Anticipated Borrowings are subject to change by the time of the Anticipated Borrowings, taking into account the proceeds from this offering and other circumstances, and all or part of any of the Anticipated Borrowings may not be performed. In addition, there may be cases where the borrowings that are assumed not to be made in calculating the respective figures after the Anticipated Borrowings will be made. Therefore, each figure after the Anticipated Borrowings may not necessarily match the actual figure as of September 15, 2021.
2. Average remaining time of interest-bearing debt is calculated as a weighted average of the remaining period of each interest-bearing debt (the period from September 15, 2021 to the repayment date or reimbursement date of each interest-bearing debt) based on the balance of each interest-bearing debt.

Page 23

1. "ESG" means the "Environment", "Social" and "Governance".
2. After acquisition of the anticipated asset. On an (anticipated) acquisition price basis.
3. CRE REIT leases the roof and the lessee installs solar panels to generate electricity, thereby creating natural energy.
4. The figures represent the amount of electricity consumption and energy production from the acquisition date to March 2021 for properties acquired after April 2020.

Page 26

1. As special resolution at a general meeting of unitholders is required for partial amendment of the Articles of Incorporation, the proposed revisions contemplated by CRE REIT and the Asset Manager may not be implemented. Please refer to 「第二部 参照情報 第2 参照書類の補完情報 5 本投資法人の規約の一部変更及び役員に関する議案の提出」 in the Securities Registration Statement for the Issue of New Investment Units dated September 2, 2021 for the detail of the proposals to be submitted to the general meeting of unitholders of CRE REIT.
2. The figures in "After Revision" are provisional calculation of the ratio of management fee 1 and management fee 2 based on the financial results of CRE REIT for the 10th fiscal period (ended June 30, 2021), assuming that the revised asset management fee structure is applied to the 10th fiscal period (ended June 30, 2021) based on the proposed changes to the asset management fee system to be submitted to the general meeting of unitholders of CRE REIT. Since the proposed changes to the asset management fee structure to be submitted to the general meeting of unitholders of CRE REIT will be applied from the 12th fiscal period (ending June 30, 2022), the actual asset management fee for the 10th fiscal period (ended June 30, 2021) will be paid based on the asset management fee structure before such changes.

Page 29

1. "Appraisal NOI yield" is the ratio of the appraisal NOI (based on the relevant real estate appraisal report with valuation dated as of June 30, 2021 for the current assets and as of July 31, 2021 for the anticipated asset) of each current asset or the anticipated asset to the (anticipated) acquisition price of each current asset or the anticipated asset, rounded to the first decimal place as a percentage. "Average Appraisal NOI Yield" is the ratio of the total appraisal NOI of each current asset or the anticipated asset to the total (anticipated) acquisition price of each current asset or the anticipated asset, rounded to the first decimal place as a percentage. (Average) appraisal NOI yield is the figure calculated by the Asset Manager and is not the figure stated in the real estate appraisal report. In addition, the figure may differ from the actual figure after the acquisition of the anticipated asset by CRE REIT.

Notes

2. "Total floor area" is the total floor space indicated in the real estate registry for each property. In addition, "total floor area" includes total floor area of the annex building.
 3. "Age" is the number of years from the date of construction in the real estate registry for each property to July 31, 2021, rounded to the first decimal place. "Average age" is the weighted average of the age of the current assets or to be acquired weighted by the (anticipated) acquisition price, and rounded to the first decimal place.
 4. "Number of tenants" is the number of tenants (provided that, in the event that a master lease agreement has been executed or is anticipated to be executed for any current asset or the anticipated asset, the total number of end tenants is indicated for an asset with a pass-through master lease, and the number of tenants is indicated for an assets with a fixed-rent master lease, with the master lease company as the tenant; provided, further, that even where an end-tenant has a third party sharing with it or sub-leases a part of the plot to a third party, no such third party is included in the number of tenants) as of July 31, 2021.
 5. "Occupancy ratio" is the ratio of the leased area** to the leasable area* of the property as of July 31, 2021, expressed as a percentage and rounded to the first decimal place. "Average occupancy ratio" is the ratio of the total leased area** to the total leasable area*, expressed as a percentage and rounded to the first decimal place.
- * "Leasable area" is the area that is considered to be leasable based on the respective lease agreements or building plans for each property.
** "Leased area" is the sum of the leased area indicated in each lease agreement for each property. In addition, where a pass-through master lease agreement has been concluded or is anticipated to be concluded for a current asset or the anticipated asset, the total area indicated in the lease agreement with the end-tenant.
6. "CRE" in the "Developer" column includes special purpose companies in which CRE has invested (including, but are not limited to, investments in anonymous associations), and Commercial RE Co., Ltd.
 7. LogiSquare Kawagoe II has two buildings, and the total floor area is the sum of total floor areas indicated in the real estate registries of the two buildings. The age is based on the real estate registry of the building with the larger total floor area of the two buildings.

Page 30

1. "Average appraisal NOI yield after depreciation" is the ratio of (x) the sum of the appraisal NOI of each current asset or the anticipated asset minus the estimated amount of depreciation to (y) the total (anticipated) acquisition price of each current asset or the anticipated asset, rounded to the first decimal place, expressed as a percentage.
Average appraisal NOI yield after depreciation of the anticipated asset is calculated by the Asset Manager and not included in any real estate appraisal report. In addition, the actual amount after the acquisition of the anticipated asset by CRE REIT may be different.
2. "Average lease term" is calculated by averaging the lease contract terms (the lease contract terms for assets as of July 31, 2021 (weighted by leased area, in the case of multiple lease contracts) stipulated in the lease contracts of the current assets by CRE REIT or the anticipated asset, weighted by (anticipated) acquisition price, rounded to the first decimal place. Where a pass-through master lease agreement has been concluded or is anticipated to be concluded for any current asset or the anticipated asset, the contract term is the contract term of the lease agreement concluded with the end-tenant. In addition, "lease term" of the anticipated asset is the lease contract term stipulated in the lease contract of the anticipated asset.
3. "Average remaining lease term" is calculated by averaging the remaining lease term (the term from July 31, 2021 to the expiration date of the lease contract stipulated in the respective lease contract for each current asset or the anticipated asset (or the lease agreement concluded with the end-tenant, where a pass-through master lease agreement has been concluded or is anticipated to be concluded for the current assets or the anticipated asset) as of July 31, 2021. However, if the start date of the lease contract stipulated in the relevant lease contract is on or after August 1, 2021, the start date of the lease contract is used as the starting point. In addition, in case where there are multiple lease contracts, the period is the weighted average based on lease area) of the current assets of CRE REIT or to be acquired, weighted by (anticipated) acquisition price, rounded to the first decimal place. In addition, "remaining lease term" of the anticipated asset is the remaining lease contract term stipulated in the lease contract of the anticipated asset.
4. "Ratio of properties developed by CRE" refers to the ratio of assets developed by CRE, special purpose companies in which CRE has invested (including, but are not limited to, investments in anonymous associations), or Commercial RE Co., Ltd. to the total assets owned (including the anticipated asset, after the acquisition of the asset to be acquired) as of each indicated point of time.

Page 32

1. "Tokyo Metropolitan Area" includes Tokyo, Kanagawa, Chiba, Saitama, Ibaraki, Tochigi, Gunma and Yamanashi Prefecture.

Page 36

1. As of July 31, 2020, for companies that have concluded lease contracts with CRE directly and past performance of PM companies focusing on logistics facilities that have concluded lease contracts with CRE directly, and as of April 30, 2021 for the others. Prepared by the Asset Manager based on the material provided by CRE. In addition, each figure includes results under property management and master leases with respect to real estate agreements for properties other than logistics-related facilities.
 2. The occupancy rate of a logistics property for which CRE is the master lessee is the ratio of the total leased area** to the total leasable area* as of the April 30, 2021, rounded to the first decimal place, expressed as a percentage.
- * "Leasable area" is the area that is considered to be leasable based on the respective lease agreements or building plans for each property as of April 30, 2021.
** "Leased area" is the sum of the leased area indicated in each lease agreement for each property as of April 30, 2021.
3. The figure in "PM entrusted by other companies" is the ratio of the area managed by CRE, excluding the area related to the area entrusted by CRE REIT and the area related to the properties in which CRE is involved as a master lessee, which means the management area related to the area entrusted by other listed REITs and private funds, etc., to total area managed by CRE.
 4. "Suitable properties for REIT" refers to the properties which CRE REIT considers to be suitable for securitization and trust establishment, are versatile, and meet basic specifications.

Page 39

1. After acquisition of asset. On an (anticipated) acquisition price basis.