CRE Logistics REIT

July 20, 2022

For Immediate Release

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Notice Concerning Revision of Forecasts of Operating Results for the Fiscal Period ending December 31, 2022

CRE Logistics REIT, Inc. ("CRE REIT") hereby announces revision of its operating results forecasts for the fiscal period ending December 31, 2022, which CRE REIT announced on February 17, 2022, in the "Summary of Financial Results for the 11th Fiscal Period Ended December 31, 2021."

1. Revision of operating results forecast for the fiscal period ending December 31, 2022 (From July 1, 2022 to December 31, 2022)

	Operating revenue (million yen)	Operating income (million yen)	Ordinary income (million yen)	Net income (million yen)	Distributions per unit (including surplus distributions) (Yen)	Distributions per unit (excluding surplus distributions) (Yen)	Surplus distributions per unit (Yen)
Previous forecast (A)	3,884	2,092	1,810	1,809	3,547	3,205	342
Revised forecast (B)	5,718	3,772	3,494	3,493	6,186	6,186	0
Amount of increase/decrease (B - A)	1,833	1,680	1,683	1,683	2,639	2,981	-342
Rate of increase/decrease	+47.2%	+80.3%	+93.0%	+93.0%	+74.4%	+93.0%	-100.0%

(Reference) Fiscal period ending December 31, 2022: Expected total number of investment units issued and outstanding at the end of the period: 564,700 units; Expected net income per unit: 6,186yen

(Note 1) The results forecasts above are calculated based on the assumptions outlined in the Attachment "Assumptions Underlying the Operating Results Forecasts for the Fiscal Period Ending December 31, 2022". Actual operating revenue, operating income, ordinary income, net income, distribution per unit (including surplus distributions), distribution per unit (excluding surplus distributions) and surplus distributions per unit may vary due to differences from assumptions as a result of future acquisitions or disposal of real estate, etc., fluctuations in rent income due to changes in lessees, etc., changes in the operating environment such as the occurrence of unexpected repairs, fluctuations in interest rates, issuance of new investment units. Moreover, these forecasts do not guarantee the amounts of distributions and surplus distributions.

(Note 2) Forecasts may be revised if a discrepancy beyond a certain level is expected with the above forecasts.

(Note 3) All amounts are truncated except that percentages are rounded to the second decimal place.

3. Reason for the revision

As a result of the sale of the asset announced in the “Notice Concerning Sale of Trust Beneficiary Right to Real Estate in Japan” released on July 20, 2022, the gain on sale will be booked in operating revenue. Therefore, the assumptions underlying the operating results forecast for the fiscal period ending December 31, 2022 announced on February 17, 2022, in the “Summary of Financial Results for the 11th Fiscal Period Ended December 31, 2021,” have changed, and it has become likely that a difference in the expected operating revenue of 10% or more, the expected ordinary income and net income of 30% or more, and the expected distributions per unit of 5% or more will arise. Accordingly, the forecasts for the operating results and distributions for the fiscal period ending December 31, 2022 have been revised.

* CRE Logistic REIT, Inc. website: https://cre-reit.co.jp/en/

[Attachment]

Assumptions Underlying the Operating Results Forecasts for the Fiscal Period Ending December 31, 2022

Items	Assumptions
Calculation period	・13th Fiscal Period (Ending December 31, 2022): July 1, 2022-December 31, 2022 (184 days)
Assets under management	・CRE REIT possesses the real estate trust beneficiary rights in the total of 20 properties as of today ("Assets Currently Held"). In addition to the Assets Currently Held, CRE REIT will acquire the real estate trust beneficiary right in LogiSquare Sayama Hidaka (quasi-co-ownership interest ratio: 20%) on July 22, 2022 ("Asset to be Acquired"), and sell the real estate trust beneficiary right in Logisqure Chitose on August 3, 2022 ("Asset for Sale"). Thereafter, it is assumed that there will be no changes (acquisition of new properties or the disposition of properties held, etc.) in the 19 properties under management through December 31, 2022. ・However, there may be changes due to acquisition of new properties other than the Asset to Be Acquired or disposal of properties held other than the Asset for Sale.
Operating revenue	・The forecasts assume that 1,774 million yen of gain on sale of the Asset for Sale will be booked in the fiscal period ending December 31, 2022. ・Real estate leasing business revenues are calculated based on lease contracts that are in effect as of today and historical results. Even though one lease contract will expire during the fiscal period ending December 31, 2022, we concluded a new lease contract with the existing tenant. All lease contracts will be concluded at a fixed rent. ・Real estate leasing business revenues related to the Asset to Be Acquired are calculated based on information on leasing contracts provided by their current owner or beneficiary. As for the Asset to Be Acquired, no lease contract will expire during the fiscal period ending December 31, 2022, and all lease contracts will have been concluded at a fixed rent. ・The calculations assume that there will be no delinquencies or defaults on rent payments on the part of tenants.
Operating expenses	・Regarding real estate leasing expenses, which are the main operating expenses, expenses other than depreciation are calculated by taking into consideration variable factors such as expenses assumed to be incurred (taxes and public dues, entrusted property management, property insurance, repairs, etc.) based on the historical results for the Assets Currently Held, and for the Asset to Be Acquired, based on information provided by its current owner or current beneficiary and lease contracts in effect on today. ・Property taxes, city planning taxes and other charges are expected to be 377 million yen at the fiscal period ending December 31, 2022. ・In general, property taxes, city planning taxes and other charges levied on transacted real estate are settled at the time of acquisition by prorating for the period with the current owners or the current beneficiaries, and CRE REIT capitalizes the amounts equivalent to such settled amounts in the acquisition costs for properties. Therefore, property taxes, city planning taxes and other charges levied on the Asset to Be Acquired will not be booked as expenses for the fiscal period ending December 31, 2022, and property taxes, city planning taxes and other charges levied on the Asset to Be Acquired for fiscal year 2023 will be booked as expenses from the fiscal period ending June 30, 2023. Property taxes, city planning taxes and other charges levied on the Asset to Be Acquired are expected to be 10

	million yen for the fiscal period ending June 30, 2023 and following periods. Property taxes, city planning taxes and other charges levied on the Asset to Be Acquired, which will be capitalized in acquisition costs, are expected to be total 9 million yen. ・Depreciation is calculated using the straight line method, and it is expected to be 657 million yen in the fiscal period ending December 31, 2022. ・Entrusted property management fees are expected to be 210 million yen for the fiscal period ending December 31, 2022.
Non-operating expenses	・Non-operating expenses for the fiscal period ending December 31, 2022 are expected to be 278 million yen. This amount will include the payment of 261 million yen for interest and other financing-related expenses and 11 million yen for the depreciation of investment unit issuance costs.
Interest-bearing debt	・It is assumed that total interest-bearing debt will be 60,669 million yen at the end of the fiscal period ending December 31, 2022. ・In the fiscal period ending December 31, 2022, while long-term borrowings of 2,400 million yen will become due on July 29, 2022, it is assumed that long-term borrowings of 1,200 million yen will be refinanced. ・The loan-to-value (LTV) ratio is expected to be around 43.0% at the end of the fiscal period ending December 31, 2022. The following formula is used to calculate the LTV ratio, with numbers rounded off to the first decimal place. LTV ratio = Total interest-bearing debt ÷ Total assets × 100
Investment units	・The assumptions for these forecasts are based on a total number of investment units issued of 564,700, as of today. The forecasts do not factor in any assumption of a change in the number of investment units through December 31, 2022 due to factors such as the issuance of new investment units. ・The distributions per unit (excluding surplus distributions) and the surplus distributions per unit are calculated based on a total number of investment units issued of 564,700 for the fiscal period ending December 31, 2022.
Distributions per unit (excluding surplus distributions)	・Distributions per unit (excluding surplus distributions) are calculated in accordance with CRE REIT's policy on the distribution of cash as stipulated in its Articles of Incorporation. ・Distributions per unit (excluding surplus distributions) may change for a variety of reasons, including changes in CRE REIT's investment assets, changes in leasing revenues due to tenant movements, etc., and/or the occurrence of unforeseen repairs and maintenance, etc.
Surplus distributions per unit	・Surplus distributions per unit are calculated in accordance with the policies stipulated in CRE REIT's Articles of Incorporation as well as the asset management guidelines provided in the asset management company's internal rules. ・It is assumed that there will be no specific possibility of significant deterioration in the economic environment, the real estate market conditions or CRE REIT's financial condition. ・While CRE REIT has a policy of continuously implementing surplus distribution for each fiscal period, in principle, with an amount equivalent to 30% of depreciation as a benchmark, CRE REIT has decided to implement this policy flexibly to level distributions within the range equivalent to 30% of depreciation. ・In addition, in cases where distributions per unit are expected to decline temporarily to a certain extent due to the dilution of the investment unit value or a significant financial burden as a result of the procurement of funds through the issuance of new investment units or for other reasons, CRE REIT may implement a temporary surplus distribution, in

	addition to the continuous surplus distributions, with a view to standardizing the amount of distributions per unit. However, this amount shall not exceed the amount equivalent to 60% of depreciation for the relevant fiscal period, including the continuous surplus distributions. ・The amount of surplus distributions (return of contributions) may change due to factors such as the economic environment, trends in the real estate market, the situation surrounding owned assets, and financial conditions, and the surplus distribution (return of contributions) may not be implemented as a result. ・In the fiscal period ending December 31, 2022, considering anticipated levels of increased net income from gain on sale of the Asset for Sale, it is assumed that CRE REIT will not implement continuous surplus distributions.
Other	・It is assumed that there will be no change in legislation, taxation, accounting standards, listing regulations imposed by the Tokyo Stock Exchange, rules and requirements imposed by The Investment Trusts Association, Japan, etc., that will impact the aforementioned forecasts. ・It is assumed that there will be no unforeseen material changes in general economic trends, real estate market conditions, etc.