

**CRE Logistics REIT, Inc.**  
**Summary of Financial Results (Unaudited)**  
**For the 13th Fiscal Period Ended December 31, 2022**  
**(For the Reporting Period from July 1, 2022 to December 31, 2022)**  
**(Translated from the Japanese original)**

## Corporate Information

Code: 3487 Listing: Tokyo Stock Exchange

(URL: <https://cre-reit.co.jp/en/>)

Representative: Tsuyoshi Ito, Executive Director

Asset management company: CRE REIT Advisers, Inc.  
 Representative: Tsuyoshi Ito, President  
 Person of Contact: Hirohisa Toda, Executive Officer, Head of Corporate Planning and General Affairs  
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Scheduled date to file securities report: March 28, 2023  
 Scheduled date to commence payment of distributions: March 22, 2023  
 Preparation of supplementary material on financial results: Yes  
 Financial report presentation meeting: Yes (for institutional investors and analysts)

(Amounts truncated to the nearest million yen, except for the basic earnings per unit)

1. 13th Fiscal Period ended December 31, 2022 (July 1, 2022-December 31, 2022)

(1) Operating results (Percentages represent changes from corresponding period of previous period)

	Operating revenues		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal period ended								
December 31, 2022	5,758	48.7	3,818	80.1	3,543	93.8	3,542	93.9
June 30, 2022	3,871	7.7	2,119	1.5	1,828	1.6	1,827	1.6

	Net income per unit	Return on unitholders' equity	Ordinary income to total assets	Ordinary income on operating revenues
Fiscal period ended	Yen	%	%	%
December 31, 2022	6,273	4.7	2.5	61.5
June 30, 2022	3,236	2.4	1.3	47.2

## (2) Distributions

	Distributions per unit (excluding surplus distributions)	Total distributions (excluding surplus distributions)	Surplus distributions per unit	Total surplus distributions	Distributions per unit (including surplus distributions)	Total distributions (including surplus distributions)	Payout ratio	Distributions to net assets ratio
Fiscal period ended	Yen	Million yen	Yen	Million yen	Yen	Million yen	%	%
December 31, 2022	6,274	3,542	0	-	6,274	3,542	100.0	4.7
June 30, 2022	3,236	1,827	341	192	3,577	2,019	100.0	2.4

(Note 1) The entire amount of total surplus distributions is the return of contributions that falls under the distribution associated with the investment decrease for tax purposes.

(Note 2) The percentage of decreased surplus as a result of surplus distributions (the return of contributions that falls under the distribution associated with the investment decrease for tax purposes) in the fiscal period ended June 30, 2022 was 0.003. The calculation of the percentage of decreased surplus is based on Article 23, Paragraph 1, Item 4 of the Order for Enforcement of the Corporation Tax Act.

## (3) Financial position

	Total assets	Net assets	Unitholders' equity ratio	Net assets per unit
As of	Million yen	Million yen	%	Yen
December 31, 2022	141,248	76,694	54.3	135,815
June 30, 2022	140,960	75,172	53.3	133,118

## (4) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of the fiscal period
Fiscal period ended	Million yen	Million yen	Million yen	Million yen
December 31, 2022	5,511	(3,644)	(3,219)	5,569
June 30, 2022	3,580	(9)	(1,989)	6,922

2. Forecast for the 14th Fiscal Period ending June 2023 (January 1, 2023-June 30, 2023) and the 15th Fiscal Period ending December 2023 (July 1, 2023-December 31, 2023)  
(Percentages represent changes from corresponding period of previous period)

Fiscal period ending	Operating revenues		Operating income		Ordinary income		Net income		Distributions per unit (including surplus distributions)	Distributions per unit (excluding surplus distributions)	Surplus distributions per unit
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	Yen	Yen
June 30, 2023	3,989	(30.7)	2,119	(44.5)	1,852	(47.7)	1,851	(47.7)	3,626	3,278	348
December 31, 2023	4,025	0.9	2,142	1.1	1,870	1.0	1,869	1.0	3,661	3,311	350

(Reference) Forecast net income per unit (Forecast net income/ Forecast number of investment units at the end of the fiscal period) for the 14th Fiscal Period ending June 2023 is 3,278 yen and forecast net income per unit for the 15th Fiscal Period ending December 2023 is 3,310 yen.

\* Other

(1) Changes in accounting policies, changes in accounting estimates and retrospective restatements

1. Changes in accounting policies associated with revision of accounting standards, etc.: None
2. Changes in accounting policies associated with other than 1: None
3. Changes in accounting estimates: None
4. Restatements: None

(2) Total number of investment units issued and outstanding

1. Total number of investment units issued and outstanding at the end of the fiscal period (including treasury investment units)	As of December 31, 2022	564,700 units	As of June 30, 2022	564,700 units
2. Total number of treasury investment units at the end of the fiscal period	As of December 31, 2022	0 units	As of June 30, 2022	0 units

\* Summary of financial results is not inside the scope of audit procedure by certified public accountants or audit corporations.

\* Remarks on appropriate use of forecasts of performance and other special notes

Forward-looking statements presented in these financial results, including forecasts of performance, are based on information currently available to CRE REIT and on certain assumptions CRE REIT deems to be reasonable. As such, actual operating and other results may differ materially from these forecasts as a consequence of various factors. Moreover, the forecasts set forth herein should not be construed as a guarantee of distribution amounts.

Refer to the section on “Assumptions for Operating Forecasts for the 14th Fiscal Period ending June 2023 (January 1, 2023-June 30, 2023) and the 15th Fiscal Period ending December 2023 (July 1, 2023-December 31, 2023)” for details on the underlying assumptions for the forecasts above.

Assumptions for Operating Forecasts for the 14th Fiscal Period ending June 2023 (January 1, 2023-June 30, 2023) and the 15th Fiscal Period ending December 2023 (July 1, 2023-December 31, 2023)

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> <li>- 14th Fiscal Period (Ending June 30, 2023): January 1, 2023-June 30, 2023 (181 days)</li> <li>- 15th Fiscal Period (Ending December 31, 2023): July 1, 2023-December 31, 2023 (184 days)</li> </ul>
Assets under management	<ul style="list-style-type: none"> <li>- CRE REIT possesses the real estate trust beneficiary rights in the total of 19 properties as of December 31, 2022. 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, 2023.</li> <li>- However, there may be changes due to acquisition of new properties or sale of properties held.</li> </ul>
Operating revenues	<ul style="list-style-type: none"> <li>- Real estate leasing business revenues are calculated based on lease contracts that are in effect as of the date of submission of these financial results, historical results, tenant and market trends, and the competitiveness of the property.</li> <li>- The calculations assume that there will be no delinquencies or defaults on rent payments on the part of tenants.</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>- 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.</li> <li>- Property taxes, city planning taxes and other charges are expected to be 385 million yen at the fiscal period ending June 30, 2023 and 385 million yen at the fiscal period ending December 31, 2023.</li> <li>- Depreciation is calculated using the straight line method, and it is expected to be 656 million yen in the fiscal period ending June 30, 2023 and 659 million yen in the fiscal period ending December 31, 2023.</li> <li>- Entrusted property management fees are expected to be 220 million yen for the fiscal period ending June 30, 2023 and 208 million yen for the fiscal period ending December 31, 2023.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>- Non-operating expenses for the fiscal period ending June 30, 2023 are expected to be 267 million yen. This amount will include the payment of 253 million yen for interest and other financing-related expenses and 8 million yen for the amortization of investment unit issuance costs.</li> <li>- Non-operating expenses for the fiscal period ending December 31, 2023 are expected to be 271 million yen. This amount will include the payment of 260 million yen for interest and other financing-related expenses and 5 million yen for the amortization of investment unit issuance costs.</li> </ul>
Interest-bearing debt	<ul style="list-style-type: none"> <li>- It is assumed that total interest-bearing debt will be 60,319 million yen at the end of the fiscal period ending June 30, 2023 and 60,319 million yen at the end of the fiscal period ending December 31, 2023.</li> <li>- In the fiscal period ending June 30, 2023, while long-term borrowings of 3,680 million yen became due on January 31, 2023, of which 350 million yen was repaid by using cash in hand and the remaining 3,330 million yen was refinanced.</li> <li>- In the fiscal period ending December 31, 2023, while long-term borrowings of 2,900 million yen will become due on July 31, 2023, it is assumed that the same amount will be refinanced.</li> <li>- The loan-to-value (LTV) ratio is expected to be around 43.3% at the end of the fiscal period ending June 30, 2023 and around 43.4% at the end of the fiscal period ending December 31, 2023. The following formula is used to calculate the LTV ratio, with numbers rounded off to the first decimal place.  <math display="block">\text{LTV ratio} = \text{Total interest-bearing debt} \div \text{Total assets} \times 100</math> </li> </ul>
Investment units	<ul style="list-style-type: none"> <li>- The assumptions for these forecasts are based on a total number of investment units issued of 564,700, as of the date of submission of these financial results. The forecasts do not factor in any assumption of a change in the number of investment units through December 31, 2023 due to factors such as the issuance of new investment units.</li> <li>- 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 June 30, 2023 and the fiscal period ending December 31, 2023.</li> </ul>
Distributions per unit (excluding surplus distributions)	<ul style="list-style-type: none"> <li>- 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.</li> <li>- 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.</li> </ul>

Item	Assumptions
Surplus distributions per unit	<ul style="list-style-type: none"> <li>- 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.</li> <li>- 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.</li> <li>- 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.</li> <li>- 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 temporary surplus distributions, in addition to the continuous surplus distributions, with a view to standardizing the amount of distributions per unit. However, the total amount of continuous surplus distributions and temporary surplus distributions shall not exceed the amount equivalent to 60% of depreciation for the relevant fiscal period.</li> <li>- 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.</li> </ul>
Other	<ul style="list-style-type: none"> <li>- 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 above forecasts.</li> <li>- It is assumed that there will be no unforeseen material changes in general economic trends, real estate market conditions, etc.</li> </ul>

3. Financial Statements  
(1) Balance Sheet

(Thousands of yen)

	As of June 30, 2022	As of December 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	4,403,111	2,888,703
Cash and deposits in trust	3,850,307	4,041,179
Operating accounts receivable	128,511	103,810
Prepaid expenses	155,892	147,001
Total current assets	8,537,822	7,180,695
Non-current assets		
Property, plant and equipment		
Buildings in trust	67,631,265	69,122,327
Accumulated depreciation	(3,971,689)	(4,570,548)
Buildings in trust, net	63,659,575	64,551,779
Structures in trust	3,163,581	3,100,272
Accumulated depreciation	(152,671)	(172,187)
Structures in trust, net	3,010,909	2,928,084
Tools, furniture and fixtures in trust	3,322	3,322
Accumulated depreciation	(1,027)	(1,313)
Tools, furniture and fixtures in trust, net	2,295	2,009
Land in trust	65,374,983	66,285,421
Total property, plant and equipment	132,047,763	133,767,294
Intangible assets		
Other	2,419	1,817
Total intangible assets	2,419	1,817
Investments and other assets		
Investment securities	10,500	10,500
Long-term prepaid expenses	297,275	237,645
Deferred tax assets	13	11
Leasehold and guarantee deposits	10,000	10,000
Total investments and other assets	317,789	258,156
Total non-current assets	132,367,972	134,027,268
Deferred assets		
Investment unit issuance expenses	30,696	18,804
Investment corporation bond issuance costs	23,865	21,681
Total deferred assets	54,562	40,486
Total assets	140,960,356	141,248,449

(Thousands of yen)

	As of June 30, 2022	As of December 31, 2022
<b>Liabilities</b>		
Current liabilities		
Operating accounts payable	251,204	231,867
Current portion of long-term borrowings	6,080,000	6,580,000
Accrued expenses	311,478	428,123
Income taxes payable	888	832
Consumption taxes payable	273,864	83,501
Advances received	695,314	704,128
Other	154,918	156,899
Total current liabilities	7,767,669	8,185,353
Non-current liabilities		
Investment corporation bonds	4,000,000	4,000,000
Long-term borrowings	51,789,000	50,089,000
Leasehold and guarantee deposits received in trust	2,218,819	2,266,747
Other	12,798	12,374
Total non-current liabilities	58,020,618	56,368,122
Total liabilities	65,788,287	64,553,476
<b>Net assets</b>		
Unitholders' equity		
Unitholders' capital	74,295,196	74,295,196
Deduction from unitholders' capital	(950,607)	(1,143,170)
Unitholders' capital, net	73,344,588	73,152,025
Surplus		
Unappropriated retained earnings (undisposed loss)	1,827,480	3,542,947
Total surplus	1,827,480	3,542,947
Total unitholders' equity	75,172,069	76,694,973
Total net assets	75,172,069	76,694,973
Total liabilities and net assets	140,960,356	141,248,449

## (2) Statement of Income

	(Thousands of yen)	
	Fiscal period ended June 30, 2022	Fiscal period ended December 31, 2022
Operating revenue		
Leasing business revenue	3,776,798	3,815,930
Other leasing business revenue	95,162	134,868
Gain on sales of real estate properties	—	1,807,379
Total operating revenue	3,871,961	5,758,178
Operating expenses		
Expenses related to leasing business	1,344,742	1,415,290
Asset management fees	337,330	449,045
Asset custody fees	3,675	2,364
Administrative service fees	20,564	18,755
Remuneration for directors (and other officers)	4,500	4,500
Other operating expenses	41,330	50,137
Total operating expenses	1,752,142	1,940,092
Operating income	2,119,818	3,818,086
Non-operating income		
Interest income	29	35
Reversal of distributions payable	665	131
Interest on tax refund	65	—
Total non-operating income	761	167
Non-operating expenses		
Interest expenses	165,579	165,328
Interest expenses on investment corporation bonds	12,500	12,500
Borrowing related expenses	91,626	80,237
Amortization of investment unit issuance expenses	14,685	11,892
Amortization of investment corporation bond issuance costs	2,184	2,184
Other	5,731	2,434
Total non-operating expenses	292,306	274,576
Ordinary income	1,828,273	3,543,676
Income before income taxes	1,828,273	3,543,676
Income taxes - current	893	837
Income taxes - deferred	(3)	2
Total income taxes	889	840
Net income	1,827,384	3,542,836
Retained earnings brought forward	95	111
Unappropriated retained earnings (undisposed loss)	1,827,480	3,542,947

## (3) Statement of Unitholders' Equity

Fiscal period ended June 30, 2022

(Thousands of yen)

	Unitholders' equity						Total net assets
	Unitholders' capital			Surplus		Total unitholders' equity	
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital, net	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of period	74,295,196	(759,739)	73,535,457	1,799,230	1,799,230	75,334,687	75,334,687
Changes during period							
Distributions in excess of earnings		(190,868)	(190,868)			(190,868)	(190,868)
Dividends of surplus				(1,799,134)	(1,799,134)	(1,799,134)	(1,799,134)
Net income				1,827,384	1,827,384	1,827,384	1,827,384
Total changes during period	—	(190,868)	(190,868)	28,250	28,250	(162,618)	(162,618)
Balance at end of period	74,295,196	(950,607)	73,344,588	1,827,480	1,827,480	75,172,069	75,172,069

Fiscal period ended December 31, 2022

(Thousands of yen)

	Unitholders' equity						Total net assets
	Unitholders' capital			Surplus		Total unitholders' equity	
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital, net	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of period	74,295,196	(950,607)	73,344,588	1,827,480	1,827,480	75,172,069	75,172,069
Changes during period							
Distributions in excess of earnings		(192,562)	(192,562)			(192,562)	(192,562)
Dividends of surplus				(1,827,369)	(1,827,369)	(1,827,369)	(1,827,369)
Net income				3,542,836	3,542,836	3,542,836	3,542,836
Total changes during period	—	(192,562)	(192,562)	1,715,467	1,715,467	1,522,904	1,522,904
Balance at end of period	74,295,196	(1,143,170)	73,152,025	3,542,947	3,542,947	76,694,973	76,694,973



## (4) Statement of Cash Flows

(Thousands of yen)

	Fiscal period ended June 30, 2022	Fiscal period ended December 31, 2022
Cash flows from operating activities		
Income before income taxes	1,828,273	3,543,676
Depreciation	642,804	658,198
Amortization of investment unit issuance expenses	14,685	11,892
Amortization of investment corporation bond issuance costs	2,184	2,184
Interest income	(29)	(35)
Interest expenses	178,079	177,828
Decrease (increase) in operating accounts receivable	17,130	24,700
Decrease (increase) in consumption taxes receivable	666,276	—
Decrease (increase) in prepaid expenses	(2,365)	8,890
Increase (decrease) in operating accounts payable	80,574	(23,327)
Increase (decrease) in accrued expenses	18,090	119,458
Increase (decrease) in consumption taxes payable	273,864	(190,362)
Increase (decrease) in advances received	156	8,814
Decrease (increase) in long-term prepaid expenses	41,162	59,629
Decrease in property, plant and equipment in trust due to sale	—	1,290,154
Other, net	(1,356)	1,469
Subtotal	3,759,531	5,693,171
Interest received	29	35
Interest paid	(177,988)	(180,641)
Income taxes paid	(812)	(894)
Net cash provided by (used in) operating activities	3,580,759	5,511,671
Cash flows from investing activities		
Acquisition of property, plant and equipment in trust	(10,005)	(3,663,291)
Acquisition of intangible assets	(2,020)	—
Repayments from leasehold and guarantee deposits received in trust	(407)	(39,034)
Proceeds from leasehold and guarantee deposits received in trust	6,267	86,962
Payments into restricted deposits	(3,515)	(28,756)
Net cash provided by (used in) investing activities	(9,681)	(3,644,120)
Cash flows from financing activities		
Proceeds from long-term borrowings	3,680,000	1,200,000
Repayments of long-term borrowings	(3,680,000)	(2,400,000)
Distributions paid	(1,989,377)	(2,019,843)
Net cash provided by (used in) financing activities	(1,989,377)	(3,219,843)
Net increase (decrease) in cash and cash equivalents	1,581,700	(1,352,292)
Cash and cash equivalents at beginning of period	5,340,425	6,922,126
Cash and cash equivalents at end of period	6,922,126	5,569,833