

For Immediate Release

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Notice Concerning Revision of Forecasts of Operating Results for the Fiscal Period
ending June 30, 2023 and the Fiscal Period ending December 31, 2023

CRE Logistics REIT, Inc. (“CRE REIT”) hereby announces revision of its operating results forecasts for the fiscal period ending June 30, 2023 and the fiscal period ending December 31, 2023, which CRE REIT announced on February 16, 2023, in the “Summary of Financial Results for the 13th Fiscal Period Ended December 31, 2022.”

1. Revision of operating results forecast for the fiscal period ending June 30, 2023 (From January 1, 2023 to June 30, 2023)

	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)	3,989	2,119	1,852	1,851	3,626	3,278	348
Revised forecast (B)	4,252	2,330	1,990	1,989	3,626	3,170	456
Amount of increase/decrease (B - A)	262	210	138	138	-	-108	108
Rate of increase/decrease	+6.6%	+9.9%	+7.5%	+7.5%	-%	-3.3%	+31.0%

(Reference) Fiscal period ending June 30, 2023: Expected total number of investment units issued and outstanding at the end of the period: 627,700 units; Expected net income per unit: 3,170 yen

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2. Revision of operating results forecast for the fiscal period ending December 31, 2023 (From July 1, 2023 to December 31, 2023)

	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)	4,025	2,142	1,870	1,869	3,661	3,311	350
Revised forecast (B)	4,568	2,477	2,151	2,150	3,785	3,426	359
Amount of increase/decrease (B - A)	542	335	281	281	124	115	9
Rate of increase/decrease	+13.5%	+15.6%	+15.0%	+15.0%	+3.4%	+3.5%	+2.6%

(Reference) Fiscal period ending December 31, 2023: Expected total number of investment units issued and outstanding at the end of the period: 627,700 units; Expected net income per unit: 3,426 yen

(Note 1) The results forecasts above are calculated based on the assumptions outlined in the Attachment 1 “Assumptions Underlying the Operating Results Forecasts for the Fiscal Period Ending June 30, 2023 and the Fiscal Period Ending December 31, 2023”. 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, the actual issue value of new investment units to be decided, or the further 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 first decimal place.

3. Reason for the revision

As a result of the issuance of new investment units announced in the “Notice Concerning Issuance of New Investment Units (Green Equity Offering) and Secondary Offering of Investment Units” and the acquisition of the assets announced in “Notice Concerning Acquisition of Trust Beneficiary Rights to Real Estate in Japan and Leasing of Properties,” both of which were released on March 23, 2023, the assumptions underlying the operating results forecast for the fiscal period ending June 30, 2023 and the fiscal period ending December 31, 2023 announced on February 16, 2023, in the “Summary of Financial Results for the 13th Fiscal Period Ended December 31, 2022,” have changed, and it has become likely that a difference in the expected operating revenue of 10% or more will arise. Accordingly, the forecasts for the operating results and distributions for the fiscal period ending June 30, 2023 and the fiscal period ending December 31, 2023 have been revised.

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

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Assumptions Underlying the Operating Results Forecasts for the Fiscal Period
Ending June 30, 2023 and the Fiscal Period Ending December 31, 2023

Items	Assumptions
Calculation period	<ul style="list-style-type: none"> • 14th Fiscal Period (Ending June 30, 2023): January 1, 2023-June 30, 2023 (181 days) • 15th Fiscal Period (Ending December 31, 2023): July 1, 2023-December 31, 2023 (184 days)
Assets under management	<ul style="list-style-type: none"> • It is assumed that (i) CRE REIT will continue to own real estate trust beneficiary rights in the total of two properties, which are LogiSquare Shiroi and LogiSquare Hirakata, to be acquired on April 3, 2023 (“Assets to Be Acquired”) which will be added to the real estate trust beneficiary rights in the total of 19 properties held by CRE REIT as of March 23, 2023 (“Assets Currently Held”) using proceeds from the issuance of new investment units through public offering pursuant to the resolution of a meeting of the Board of Directors held on March 23, 2023 (the "Sixth PO") and (ii) there will be no other change (acquisition of new properties, disposition of properties held, etc.) through December 31, 2023, except for the acquisition of the Assets to Be Acquired. • However, there may be changes due to acquisition of new properties other than the Assets to Be Acquired or disposal of properties held.
Operating revenue	<ul style="list-style-type: none"> • Real estate leasing business revenues related to the Assets Currently Held are calculated based on lease contracts that are in effect as of March 23, 2023 and historical results. Four lease contracts will expire during the fiscal period ending June 30, 2023. Two of them have been newly contracted with each existing tenant with no vacancy period, one of them has been contracted with a successor tenant and the contract will start during the fiscal period ending December 31, 2023, and all these contracts have concluded at a fixed rent. It is assumed that the other will start a new lease contract from the day after the maturity date of the existing lease contract based on the verbal agreement with successor tenant on the new lease contract. If a pass-through type master lease agreement is concluded or is to be concluded, lease contracts concluded with the end tenants will become the basis. However, if there is a period for which the trustee will receive fixed monthly rent from the master lessee under a master lease contract, real estate leasing business revenues related to the Assets Currently Held are calculated based on the amount agreed on for this period. For the Assets Currently Held, no lease contract will expire during the fiscal period ending December 31, 2023, and all lease contracts have been concluded at a fixed rent. • Real estate leasing business revenues related to the Assets to Be Acquired are calculated based on information on leasing contracts provided by their current owner or beneficiary. As for the Assets to Be Acquired, no lease contract will expire during the fiscal period ending June 30, 2023, and the fiscal period ending December 31, 2023, 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	<ul style="list-style-type: none"> • 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 Assets to Be Acquired, based on information provided by its current owner or current beneficiary and contracts in effect on March 23, 2023. • Property taxes, city planning taxes and other charges levied on the Assets Currently Held

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	<p>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.</p> <ul style="list-style-type: none"> • 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 Assets to Be Acquired will not be booked as expenses for the fiscal period ending June 30, 2023, and the fiscal period ending December 31, 2023, and property taxes, city planning taxes and other charges levied on the Assets to Be Acquired for fiscal year 2024 will be booked as expenses from the fiscal period ending June 30, 2024. Property taxes, city planning taxes and other charges levied on the Assets to Be Acquired are expected to be 55 million yen for the fiscal period ending June 30, 2024 and following periods. Property taxes, city planning taxes and other charges levied on the Assets to Be Acquired, which will be capitalized in acquisition costs, are expected to be total 34 million yen. • Depreciation is calculated using the straight line method, and it is expected to be 703 million yen in the fiscal period ending June 30, 2023, and 752 million yen in the fiscal period ending December 31, 2023. • Entrusted property management fees are expected to be 232 million yen for the fiscal period ending June 30, 2023 and 266 million yen for the fiscal period ending December 31, 2023.
<p>Non-operating expenses</p>	<ul style="list-style-type: none"> • Non-operating expenses for the fiscal period ending June 30, 2023 are expected to be 339 million yen. This amount will include the payment of 312 million yen for interest and other financing-related expenses, 10 million yen for expenses related to the issuance of investment units, and 10 million yen for the depreciation of investment unit issuance costs. • Non-operating expenses for the fiscal period ending December 31, 2023 are expected to be 325 million yen. This amount will include the payment of 311 million yen for interest and other financing-related expenses and 9 million yen for the depreciation of investment unit issuance costs. • It is assumed for new borrowings to be made to acquire the Assets to Be Acquired (refer to “Interest-bearing debt” below) that long-term borrowings with the borrowing periods of 5.5 years will also be based on a fixed interest rate by using an interest rate swap agreement. The amount of interest expenses for the current borrowings which use an interest rate swap agreement is calculated based on fixed interest rates. The amount of interest expenses for the current borrowings which are based on floating interest rate and new borrowings is estimated from the current interest rate level.
<p>Interest-bearing debt</p>	<ul style="list-style-type: none"> • It is assumed that total interest-bearing debt will be 71,839 million yen at the end of the fiscal period ending June 30, 2023 and 70,819 million yen at the end of the fiscal period ending December 31, 2023. • It is assumed that a total of 12,320 million yen will be newly borrowed on March 31, 2023 and April 3, 2023. However, the actual amount of borrowing may be changed by the time of the borrowing, taking into account factors such as the net proceeds obtained from the Sixth PO and the issuance of new investment units through private placement that were resolved at a meeting of CRE REIT’s Board of Directors held on March 23, 2023. Other details about the new borrowing will be announced after they are determined. • It is assumed that, out of 1,820 million yen the short-term borrowings with a borrowing period of 1.0 year to be made on March 31, 2023, 800 million yen will be prepaid in the

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	<p>fiscal period ending June 30, 2023, using the proceeds of issuance of new investment units through private placement or the money at hand.</p> <ul style="list-style-type: none"> • It is assumed that, out of 1,820 million yen the short-term borrowings with a borrowing period of 1.0 year to be made on March 31, 2023, 1,020 million yen after the prepayment above will be prepaid in the fiscal period ending December 31, 2023, using the consumption tax refund, etc. • 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. • The loan-to-value (LTV) ratio is expected to be around 44.3% at the end of the fiscal period ending June 30, 2023 and around 43.9% 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. $\text{LTV ratio} = \text{Total interest-bearing debt} \div \text{Total assets} \times 100$ • The LTV ratio may vary depending on the number and the value of the investment units to be issued this time.
Investment units	<ul style="list-style-type: none"> • It is assumed that in addition to the total of 564,700 investment units issued and outstanding as of March 23, 2023, all of the 63,000 investment units, the sum of 60,000 new investment units to be issued through the Sixth PO and 3,000 investment units that are the maximum number of new investment units to be issued through private placement, based on a resolution of CRE REIT's Board of Directors adopted at a meeting held on March 23, 2023, will be issued and that there will be no change to the number of investment units due to the issuance of new investment units by the end of the fiscal period ending December 31, 2023 or by other means, excluding the said issuance. • 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 627,700 for the fiscal period ending June 30, 2023 and the fiscal period ending December 31, 2023. • (Reference) If none of the 3,000 investment units, the maximum number of new investment units to be issued through private placement, is issued, the expected number of investment units issued and outstanding at the end of the fiscal period ending June 30, 2023 and the fiscal period ending December 31, 2023 will be 624,700 units. In this case, it is expected that distributions per unit (excluding surplus distributions) and surplus distributions per unit will be 3,185 yen and 458 yen respectively in the fiscal period ending June 30, 2023, and 3,442 yen and 361 yen respectively in the fiscal period ending December 31, 2023.
Distributions per unit (excluding surplus distributions)	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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

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	<p>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.</p> <ul style="list-style-type: none"> • 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.
Other	<ul style="list-style-type: none"> • 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.

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Estimate of Temporary Factors - Adjusted Income (Stabilized Forecasts after the Sixth PO)

	Forecasts for the fiscal period ending December 31, 2023 (Revised today)	Temporary factors - adjusted estimates (Stabilized forecasts after the Sixth PO)
Operating revenue (million yen)	4,568	4,554
Operating income (million yen)	2,477	2,446
Ordinary income (million yen)	2,151	2,128
Net income (million yen)	2,150	2,127
Distributions per unit (including surplus distributions) (Yen)	3,785	3,747
Distributions per unit (excluding surplus distributions) (Yen)	3,426	3,388
Surplus distributions per unit (Yen)	359	359

Assumptions Underlying Estimate of Temporary Factors - Adjusted Income

Income adjusted for temporary factors ("Temporary Factors - Adjusted Income") is estimated based on results forecasts for the fiscal period ending December 31, 2023, revised today, mainly under the following assumptions.

- As for property taxes, city planning taxes and other charges on the Assets to Be Acquired, it is assumed that 55 million yen, which is the amount expected to be generated every period in and after the fiscal period ending June 30, 2024, will be posted as real estate leasing expenses.
- Two lease contracts will expire in the fiscal period ending June 30, 2024, but it is assumed that one of them will be newly contracted with the existing tenant at almost the same level as the current rent, and the other will be newly contracted with a successor tenant at almost the same level as the market rent with no vacancy period.
- Partial vacancy is expected to at one property in the fiscal period ending December 31, 2023, but a new lease contract has already been contracted with a successor tenant. And it is assumed that operating revenue and real estate leasing expenses linked to operating revenue will be incurred throughout the fiscal period.
- Although leasing expenses is recognized as a temporary expense in the fiscal period ending December 31, 2023, it is assumed that this expense will not be incurred.
- It is assumed that the asset management fee will decrease by 5 million yen in conjunction with the decrease in total assets by the prepayment of part of the borrowings in the fiscal period ending December 31, 2023 and the occurrence of the above items.
- It is assumed that financing-related expenses will decrease because it is expected that financing-related expenses will decrease in the fiscal period ending June 30, 2024.
- It is assumed that revenues and expenses other than the above will become the same amounts as in the operating results forecast for the fiscal period ending December 31, 2023.

The estimate of Temporary Factors - Adjusted Income above neither aims to estimate income for a certain fiscal period nor has meaning as a forecast of income for a certain fiscal period. The estimate of Temporary Factors - Adjusted Income is not an indicator stipulated by corporate accounting standards generally accepted as fair and appropriate in Japan ("Japan GAAP") and should not be considered as an alternative indicator for other indicators that are shown according to Japan GAAP. In addition, distributions per unit adjusted for temporary factors do not guarantee the existence of distributions in the future and their amount in any sense. Note that actual income, etc. in the fiscal period ending December 31, 2023 and any other certain fiscal period may differ materially from the estimated figures stated above.

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