

March 23, 2023

For Immediate Release

Name of REIT Issuer:
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Notice Concerning Issuance of New Investment Units (Green Equity Offering) and Secondary Offering of Investment Units

CRE Logistics REIT, Inc. (“CRE REIT”) hereby announces that a resolution was passed at its Board of Directors’ Meeting held on March 23, 2023 to issue new investment units and conduct a secondary offering of investment units as follows.

The issuance of new investment units through a primary offering shall be conducted as green equity offering (Note).

(Note) For more details of the green equity offering, please refer to the “<Reference> 4. Rationale for the Green Equity Offering” described below.

1. Issuance of new investment units through public offering (primary offering)

(1) Number of investment units to be offered 60,000 units

(2) Amount to be paid in (issue amount) per unit To be determined

The amount to be paid in (issue amount) per unit shall be determined at the Board of Directors’ Meeting to be held on a date between Tuesday, March 28, 2023 and Friday, March 31, 2023 (the “Issue Price Determination Date”).

(3) Total amount to be paid in (total issue amount) To be determined

(4) Issue price (offer price) per unit To be determined

The issue price (offer price) per unit shall provisionally be the amount obtained by multiplying the closing price of the investment units of CRE REIT (the “Investment Units of CRE REIT”) in an ordinary transaction on Tokyo Stock Exchange Inc. (the “TSE”) on the Issue Price Determination Date (or the immediately preceding date, if no closing price on that day) by 0.90-1.00 (rounding down to the nearest yen), and shall be determined on the Issue Price Determinate Date after taking into consideration the level of demand conditions and other factors.

(5) Total amount of issue price (total offer price) To be determined

(6) Offering method All investment units shall be offered through a primary offering and shall be purchased and underwritten by a group of underwriters (including joint lead managers) (collectively, the “Underwriters”). A part of the investment units issued in the public offering may be purchased by

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overseas investors in international markets mainly in Europe and Asia (excluding the United States and Canada).

- (7) Underwriting agreement The Underwriters shall pay to CRE REIT the total amount to be paid in (total issue amount) for this offering on the payment date stated in (11) below, and the difference between the total amount to be paid in (total issue amount) and the total amount of issue price (total offer price) shall be the proceeds of the Underwriters. CRE REIT will not pay an underwriting commission to the Underwriters.
- (8) Unit of subscription One (1) unit or more in multiples of one (1) unit
- (9) Subscription period Business day immediately following the Issue Price Determination Date
- (10) Payment period of deposit for subscription Within the first two business days immediately following the Issue Price Determination Date
- (11) Payment date Payment date shall be a date within the period from Monday, April 3, 2023 to Thursday, April 6, 2023. However, the date shall be four business days after the Issue Price Determination Date.
- (12) Delivery date Business day immediately following the payment date
- (13) The amount to be paid in (issue amount) per unit, issue price (offer price) per unit, and other matters necessary for the issuance of new investment units will be determined at the Board of Directors' Meeting to be held hereafter.
- (14) The abovementioned items are subject to the effectuation of the Securities Registration Statement filed in accordance with the Financial Instruments and Exchange Act (Act No. 25 of 1948, including subsequent revisions) (the "FIEA").
2. Secondary offering of investment units (secondary offering through over-allotment) (please refer to the "<Reference> 1. Secondary offering through over-allotment, etc." described below.)
- (1) Number of investment units to be offered 3,000 units
- The number of investment units to be offered above is the maximum number of investment units to be offered in the secondary offering through over-allotment by one of the joint lead managers and the Underwriters of the primary offering (the "Underwriter"), separately from the primary offering, after taking into consideration the level of demand conditions and other factors from the primary offering. The number of investment units to be offered above may be reduced, or the secondary offering through over-allotment itself may be cancelled, depending on the level of demand conditions and other factors concerning the primary offering. The number of investment units to be offered will be determined at the Board of Directors' Meeting held on the Issue Price Determination Date after taking into consideration the level of demand conditions and other factors concerning the primary offering.
- (2) Seller The Underwriter
- (3) Offer price To be determined
- The offer price shall be determined at the Board of Directors' Meeting to be held on the Issue Price Determination Date. The offer price will be the same as the issue price (offer price) for the primary offering.
- (4) Total amount of offer price To be determined
- (5) Offering method Separate from the primary offering, the Underwriter will carry out the secondary offering of the investment units of CRE REIT (the "Borrowed

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Investment Units”) borrowed from CRE, Inc. (the “designated purchaser” or “CRE”), the maximum number of which shall be 3,000 units, after taking into consideration the level of demand conditions and other factors concerning the primary offering.

- (6) Unit of subscription One (1) unit or more in multiples of one (1) unit
- (7) Subscription period The same subscription period as that for the primary offering.
- (8) Payment period of deposit for subscription The same payment period of deposit for subscription as that for the primary offering.
- (9) Delivery date The same delivery date as that for the primary offering.
- (10) The offer price and other matters necessary for this secondary offering of investment units will be determined at the Board of Directors’ Meeting to be held hereafter.
- (11) The abovementioned items are subject to the effectuation of the Securities Registration Statement filed in accordance with the FIEA.

3. Issuance of new investment units through private placement (the “Private Placement”) (please refer to the “<Reference> 1. Secondary offering through over-allotment, etc.” described below.)

- (1) Number of investment units to be offered 3,000 units
- (2) Amount to be paid in (issue amount) per unit To be determined
The amount to be paid in (issue amount) per unit shall be determined at the Board of Directors’ Meeting to be held on the Issue Price Determination Date. The amount to be paid in (issue amount) per unit shall be the same as that for the primary offering.
- (3) Total amount to be paid in (total issue amount) To be determined
- (4) Allottee and number of investment units to be allotted The Underwriter: 3,000 units
- (5) Unit of subscription One (1) unit or more in multiples of one (1) unit
- (6) Subscription period Monday, May 1, 2023
(Application date)
- (7) Payment date Tuesday, May 2, 2023
- (8) Investment units for which no application for subscription has been made during the subscription period (by the application date) mentioned in (6) above shall not be issued.
- (9) The amount to be paid in (issue amount) per unit and other matters necessary for the issuance of new investment units through the private placement (the “Private Placement”) shall be determined at the Board of Directors’ Meeting to be held hereafter.
- (10) If the issuance of new investment units through the primary offering is canceled, the issuance of new investment units through the Private Placement shall also be canceled.
- (11) The abovementioned items are subject to the effectuation of the Securities Registration Statement filed in accordance with the FIEA.

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<Reference>

1. Secondary offering through over-allotment, etc.

Upon the primary offering, taking the level of demand conditions and other factors into consideration, the Underwriter may offer the Investment Units of CRE REIT borrowed from CRE up to a maximum of 3,000 units (secondary offering through over-allotment). Although the number of investment units offered through over-allotment is scheduled to be 3,000 units, this represents the maximum number of units to be offered. It may be fewer depending upon the level of demand conditions and other factors, or no offering through over-allotment could be made.

In connection with the secondary offering through over-allotment, for the purpose of allowing the Underwriter to acquire the Investment Units of CRE REIT required for returning the Borrowed Investment Units, CRE REIT resolved at its Board of Directors' Meeting held on Thursday, March 23, 2023 to issue 3,000 Investment Units of CRE REIT by way of the Private Placement to the Underwriter, the allottee, with Tuesday, May 2, 2023 as the payment date.

In addition, the Underwriter may purchase Investment Units of CRE REIT on the TSE up to the maximum number to be sold by the secondary offering through over-allotment (the "Syndicate Cover Transactions") during the period between the day immediately following the application period of the primary offering and the secondary offering through over-allotment and Friday, April 28, 2023 (the "the Syndicate Cover Transaction Period) for the purpose of returning the Borrowed Investment Units. All Investment Units of CRE REIT purchased by the Underwriter through Syndicate Cover Transactions shall be used to return the Borrowed Investment Units. At its own discretion during the Syndicate Cover Transaction Period, the Underwriter may not conduct any Syndicate Cover Transactions or may terminate any Syndicate Cover Transactions before the number of investment units purchased reaches the number of investment units to be sold by the secondary offering through over-allotment.

Moreover, in connection with the primary offering and secondary offering through over-allotment, the Underwriter may conduct a stabilizing transaction and allocate all or some of the Investment Units of CRE REIT purchased through the above stabilizing transaction to return the Borrowed Investment Units.

The Underwriter plans to respond to the allotment through the Private Placement and acquire from CRE the Investment Units of CRE REIT, with respect to the number of units remaining after subtracting the aggregate number of units purchased through the stabilizing transaction and the Syndicate Cover Transactions to return the Borrowed Investment Units from the number of units to be sold by the secondary offering through over-allotment. For this reason, it is possible that applications may not be filed for the number of the investment units issued through the Private Placement, in whole or in part, and as a result, the final number of the investment units issued in the Private Placement may decrease to that extent or the issuance itself may not take place due to forfeiture.

On the Issuing Price Determination Date, it shall be determined whether secondary offering through over-allotment will be made, and how many investment units will be sold if such offering is made. If the secondary offering through over-allotment is not exercised, the Underwriter shall not borrow the Investment Units of CRE REIT from CRE. Therefore, the Underwriter shall not respond to the allotment through the Private Placement and not make an application. As a result, the issuance of new investment units through the Private Placement shall not take place due to forfeiture. In addition, no syndicate cover transactions on the TSE would be conducted.

The Underwriter will consult with the other joint lead managers about the transactions described above.

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2. Total number of investment units issued and outstanding after the new issuance

Total number of investment units outstanding at present	564,700 units
Increase in number of investment units by the primary offering	60,000 units
Total number of investment units outstanding after the primary offering	624,700 units
Number of new investment units to increase due to the issuance of new investment units through the Private Placement	3,000 units (Note)
Total number of investment units outstanding after the issuance of new investment units through the Private Placement	627,700 units (Note)

(Note) These figures represent the number of investment units when subscription is made by the Underwriter for all of the investment units offered in the Private Placement and they are issued.

3. Purposes of and Reasons for the Issuance

By acquiring a property with a high occupancy rate in a good location that has been developed recently by the sponsor, at an appropriate price and in a timely manner, CRE REIT aims to establish a quality portfolio that contributes to long-term, stable investment management in order to provide unitholders with good investment opportunities. The acquisition of the assets (the “Assets to Be Acquired”) announced as of March 23, 2023 in the “Notice Concerning Acquisition of Trust Beneficiary Rights to Real Estate in Japan and Leasing of Properties” meets the investment standards of CRE REIT.

Upon review of the acquisition of the Assets to Be Acquired, CRE REIT made the decision to issue new investment units after taking into consideration the level of distribution per unit, the level of NAV per unit, LTV, market trend and other factors.

4. Rationale for the Green Equity Offering

The primary offering shall be also conducted as the second Green Equity Offering (Note 1), following the public offering conducted in September 2021. CRE REIT believes that acquiring environmentally friendly logistics facilities will lead to the sustainable growth of society, and to further promote ESG initiatives, CRE REIT will issue the new investment units in accordance with its green equity framework (the “Green Equity Framework”) which has obtained a second-party opinion from DNV BUSINESS ASSURANCE JAPAN K.K. CRE REIT has become the first J-REIT to have 100% of its portfolio categorized as green buildings (based on total floor area), and as the Assets to Be Acquired, two logistics facilities, satisfy the eligible criteria of the Green Equity Framework, 100% of the portfolio will remain to be categorized as green buildings (based on total floor area) after the acquisition of the Assets to Be Acquired.

CRE REIT will promote the acquisition of environmentally friendly logistics facilities and contribute to the sustainable growth of society, while diversifying its financing methods through the use of Green Finance (Note 2), including the implementation of Green Equity Offering.

(Note 1) Green Equity Offering means an offering of investment units conducted in accordance with the Green Equity Framework, which was established with reference to the four key criteria (1. Use of Proceeds, 2. Process for Project Evaluation and Selection, 3. Management of Proceeds, and 4. Reporting) specified by “Green Bond Principles 2021” as well as “Green Bond Guidelines 2020” and “Green Loan and Sustainability Linked Loan Guidelines 2020”. Although the Green Bond Guidelines and Green Loan and Sustainability Linked Loan Guidelines have been revised since the 2020 edition, Green Equity Framework refers to the 2020 edition.

(Note 2) For details on Green Finance (including Green Equity Offering), please refer to the “Green Finance” page of the website of CRE REIT (<https://cre-reit.co.jp/en/esg/greenfinance.html>).

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5. Electronic delivery of prospectuses

The Underwriters will provide all of the prospectuses for the primary offering and the secondary offering through over-allotment by means of electronic delivery, rather than delivery of printed documents (Note).

(Note) 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 the primary offering and the secondary offering through over-allotment only to those investors who have given and have not withdrawn such consent.

6. Total amount to be procured and use of proceeds, and schedule of expenditure

(1) Total amount to be procured (approximate net proceeds)

10,829,000,000 yen (maximum)

(Note) The above-mentioned amount represents the total sum of 10,314,000,000 yen in net proceeds from the primary offering, and 515,000,000 yen in maximum net proceeds from the issuance of new investment units through the Private Placement. In addition, the abovementioned amount is estimated based on the closing price of the Investment Units of CRE REIT in an ordinary transaction on the TSE as of Friday, March 10, 2023.

(2) Specific use of proceeds and schedule of expenditure

The net proceeds from the primary offering (10,314,000,000 yen) will be allocated for partial financing to obtain the Assets to Be Acquired by the end of April 2023, which is the project that satisfy the eligibility criteria of the Green Equity Framework established by CRE REIT. The maximum net proceeds from the issuance of new investment units through the Private Placement (515,000,000 yen), which was resolved on the same date as the primary offering, will be used to fund the repayment of part of the borrowings or part of future acquisitions of specified assets (Note 1).

(Note 1) Specified assets have the meaning set forth in Article 2, Paragraph 1 of the Act on Investment Trusts and Investment Corporations. The same shall apply hereinafter.

(Note 2) The proceeds will be deposited into accounts with financial institutions until the expenditure is made.

7. Designation of distributees

The Underwriters plan to sell 2,160 units among the investment units subject to the primary offering to a designated purchaser, which is an existing unitholder of CRE REIT and an existing shareholder of CRE REIT Advisers, Inc. (the “Asset Manager”), as a purchaser designated by CRE REIT.

8. Limitations on sales and additional issues of investment units

(1) Tsuyoshi Ito, Executive Officer of CRE REIT and President of the Asset Manager and Tadahide Kameyama, President of CRE and Director of the Asset Manager, agree with the joint lead managers, in connection with the primary offering, not to sell the Investment Units of CRE REIT during the period from the Issue Price Determination Date to the date on which 180 days have elapsed counting from the delivery date for the primary offering without the prior written consent of the joint lead managers.

The joint lead managers have the authority to cancel abovementioned restriction in part or in whole or shorten the restriction period at its own discretion.

(2) Kyobashi Kousan, Inc., the largest shareholder of CRE, agrees with the joint lead managers, in connection with the primary offering, not to sell the Investment Units of CRE REIT during the period from the Issue Price Determination Date to the date on which 90 days have elapsed

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counting from the delivery date for the primary offering without the prior written consent of the joint lead managers.

The joint lead managers have the authority to cancel abovementioned restriction in part or in whole or shorten the restriction period at its own discretion.

- (3) In connection with the primary offering, CRE REIT plans to request the designated purchaser to agree with the joint lead managers, not to sell the Investment Units of CRE REIT (excluding, however, loans of the Investment Units of CRE REIT to the Underwriter in connection with the secondary offering through over-allotment) during the period from the Issue Price Determination Date to the date on which 180 days have elapsed counting from the delivery date for the primary offering without the prior written consent of the joint lead managers.

The joint lead managers will have the authority to cancel abovementioned restriction in part or in whole or shorten the restriction period at its own discretion.

- (4) CRE REIT agrees with the joint lead managers, in connection with the primary offering, not to issue the Investment Units of CRE REIT (excluding, however, issuance, etc. of Investment Units of CRE REIT in the case of the Private Placement and a unit split) during the period from the Issue Price Determination Date to the date on which 90 days have elapsed counting from the delivery date for the primary offering without the prior written consent of the joint lead managers.

The joint lead managers have the authority to cancel abovementioned restriction in part or in whole or shorten the restriction period at its own discretion.

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

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