



CRE Logistics REIT

Supplementary Material for 6th Public Offering and New Acquisition

Log Square Hirakata

Located in the central part of Hirakata City, Osaka, the property is in a dedicated industrial area which allows 24-hour operation with large factories in the surrounding area. Located approximately 3.3 km from Katano-Kita IC on Daini-Keihan Road and 1.5 km from National Route 1, with excellent access to major highways.

April 10, 2023

CRE REIT Advisers, Inc.

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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 6th Public Offering

Acquire relatively new and well-located LogiSquare in Osaka and Chiba



K-3 LogiSquare Hirakata



M17 LogiSquare Shiroi

Anticipated acquisition price
22,506 mn yen

Number of properties
2 properties

Appraisal NOI yield
4.2 %

Implied cap rate
4.0 %

Promote appropriate LTV control and borrowing from new lenders

Debt

	Before the Anticipated Borrowings	After the Anticipated Borrowings
LTV	2022/6 43.9 %	2023/12 Forecast 43.9 %
Interest-bearing debt	2023/2/28 60,319 mn yen	2023/4/3 (anticipated) 72,639 mn yen
Number of lenders	16	17
Increase in borrowings	12,320 mn yen	

Assets

Improve quality of portfolio through investment in LogiSquare

	Before acquisition of anticipated assets	After acquisition of anticipated assets
Number of properties	19 properties	21 properties
(Anticipated) acquisition price	136,998 mn yen	159,504 mn yen
Average appraisal NOI yield	4.7 %	4.6 %
Number of tenants	31	33
Average property age	5.3 years	4.5 years
Occupancy rate	100.0 %	100.0 %
Ratio of properties developed by CRE	100.0 %	100.0 %

Increase DPU and NAV per unit

Net assets

	2022/12	After the 6th PO
DPU (including surplus distribution)	Forecast on stabilized level after acquisition and sale 3,637 yen	Forecast on stabilized level after the 6th PO 3,747 yen (+3.0%)
NAV per unit	169,195 yen	After the 6th PO 171,097 yen (+1.1%)
Number of new investment units issued (maximum)	63,000 units (11.2% of total issued and outstanding investment units)	
Total issue value (estimate) (maximum)	10,829 mn yen	
Form of offering	Reg. S only (Transactions will be documented in the Japanese version of prospectus. English version will not be provided.)	

0. Solid Track Record over the Past Five Years Since Being Listed



LogiSquare Shiroi

Located in the Shiroi Industrial Park, one of the largest inland industrial parks in Chiba, the property is in a dedicated industrial area which allows 24-hour operation with large factories and logistics facilities in the surrounding area.

Three Characteristics Pursued Consistently Since Being Listed in February 2018

1. Portfolio Focused on LogiSquare

Investment in high quality logistics facilities that satisfy tenant needs with location, basic specifications, expandability and comfortability

2. Long-term, Stable Asset Management

Long-term leasing contracts and CRE's high-level management skills

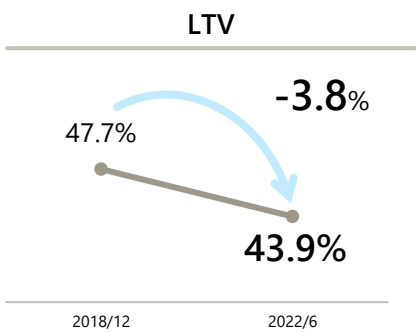
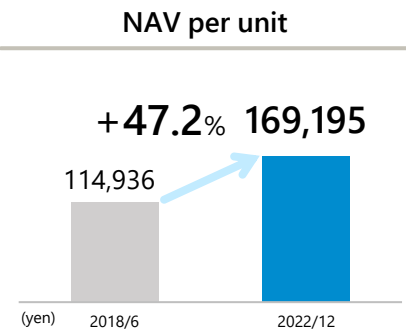
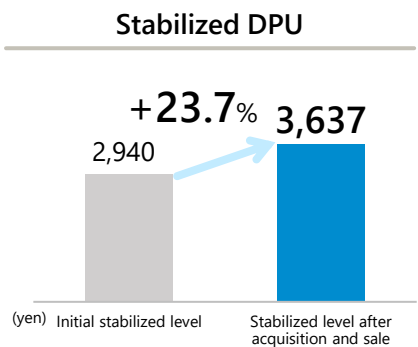
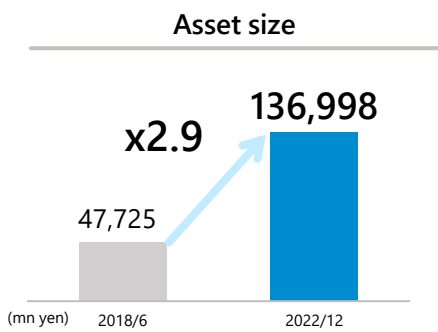
3. Clear External Growth Strategy

Strong sponsor support agreement with CRE

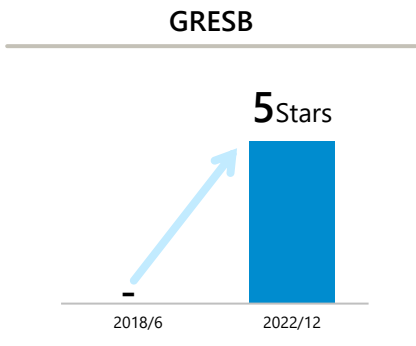
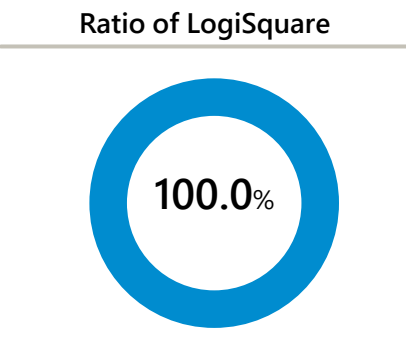
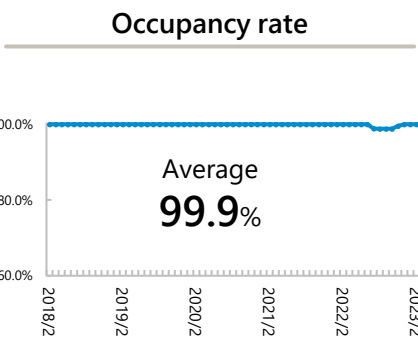


Disciplined Asset Management in Line with its Characteristics to Achieve Continuous Growth

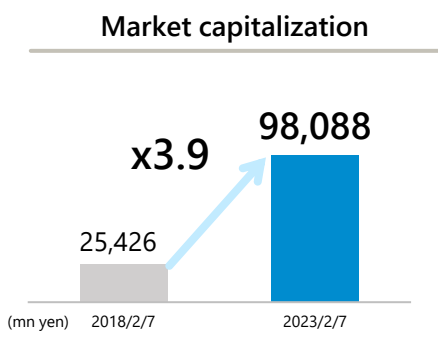
Disciplined property acquisition and its effects



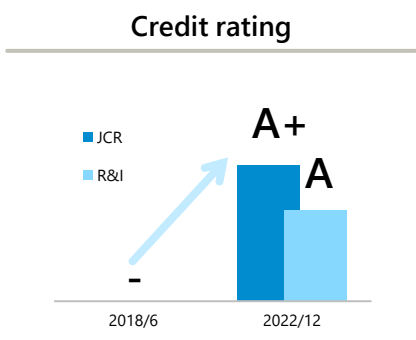
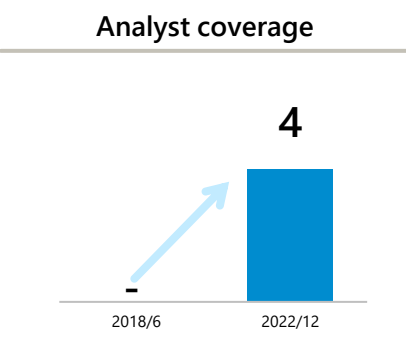
Portfolio status and changes



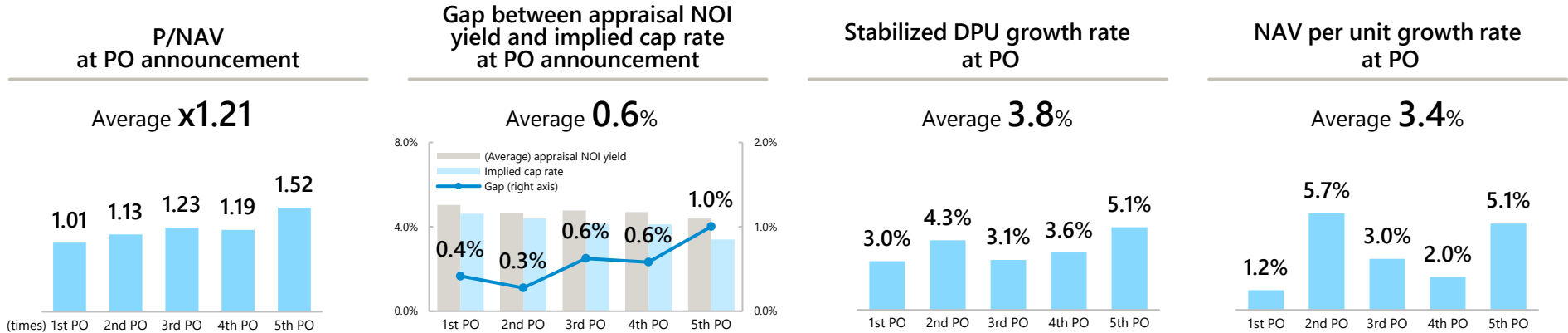
Market / External evaluation



- ### Index
- MSCI Global Small Cap Index
 - FTSE Global Equity Index Series
 - FTSE EPRA Nareit Global Real Estate Index Series



Procuring Funds Based on Trends in Capital Market, Increasing Unitholder Value

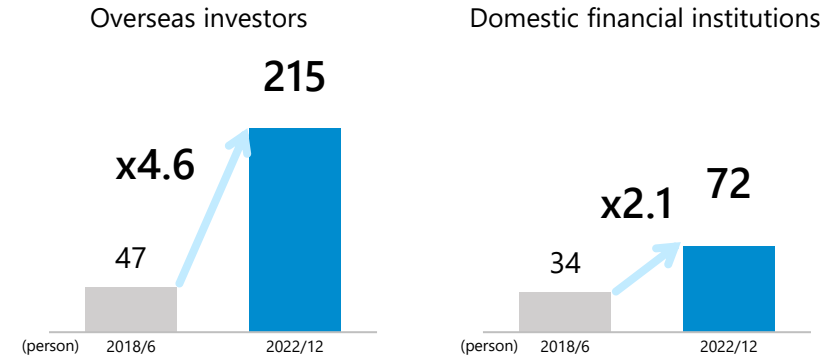


Capturing changes in the environment and implementing new initiatives at each PO

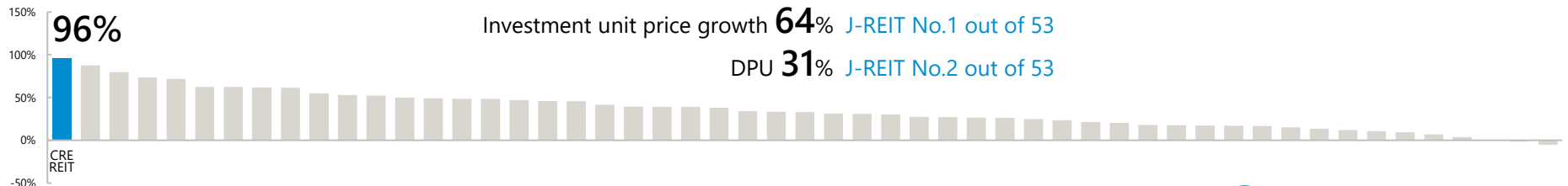
- 1st PO** Disclosed roadshow material online, along with the removal of prospectus frontispiece. Management of the sponsor and the Asset Manager acquired units simultaneously with the PO.
- 2nd PO** Included financial forecasts in the roadshow material, and delivered supplementary material with equivalent information.
- 3rd PO** Conducted the first domestic offering after COVID-19 pandemic by using Hard-Pot Method.
- 4th PO** Shortened subscription period to 1 business day.
- 5th PO** Conducted offering targeting only institutional investors worldwide. Qualified as "green finance" both in equity and debt finance, with prospectuses delivered only electronically.

First in J-REIT

No. of investors



No.1 among certain 53 J-REITs in total unitholder return since 2018





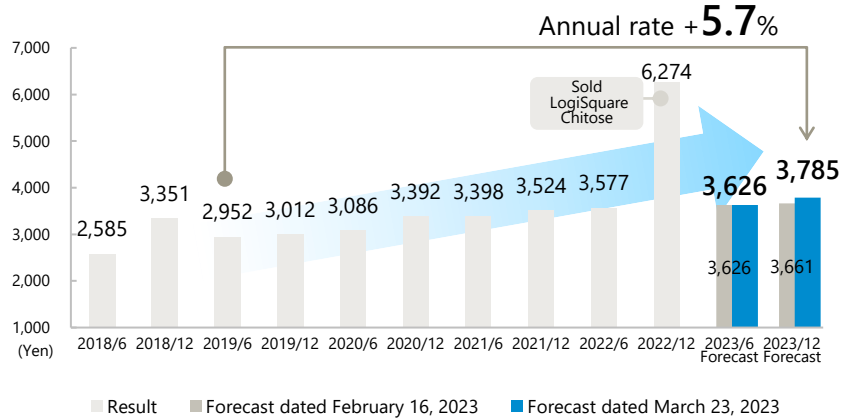
1. Continuous Improvement of Unitholder Value

LogiSquare Hirakata

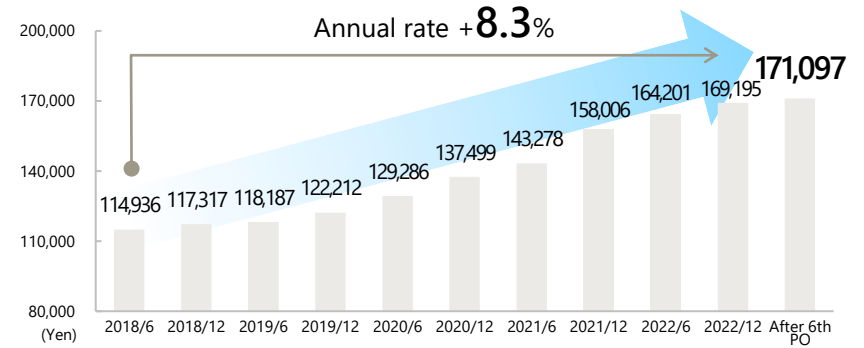
The site has an advantage as a wide-area logistics base covering a large part of the Kansai area by using the Kinki Expressway, Chugoku Expressway, and Hanshin Expressway via the Daini-Keihan Road, as well as deliveries to Osaka and Kyoto City.

Increasing DPU and NAV per Unit While Lowering LTV

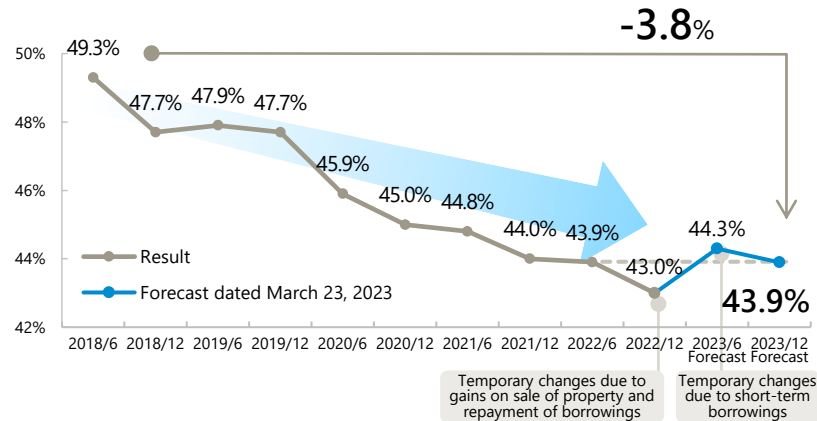
DPU



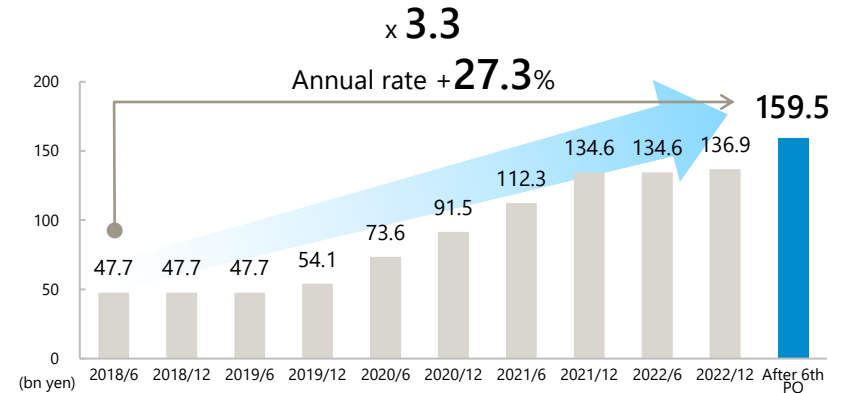
NAV per unit



LTV

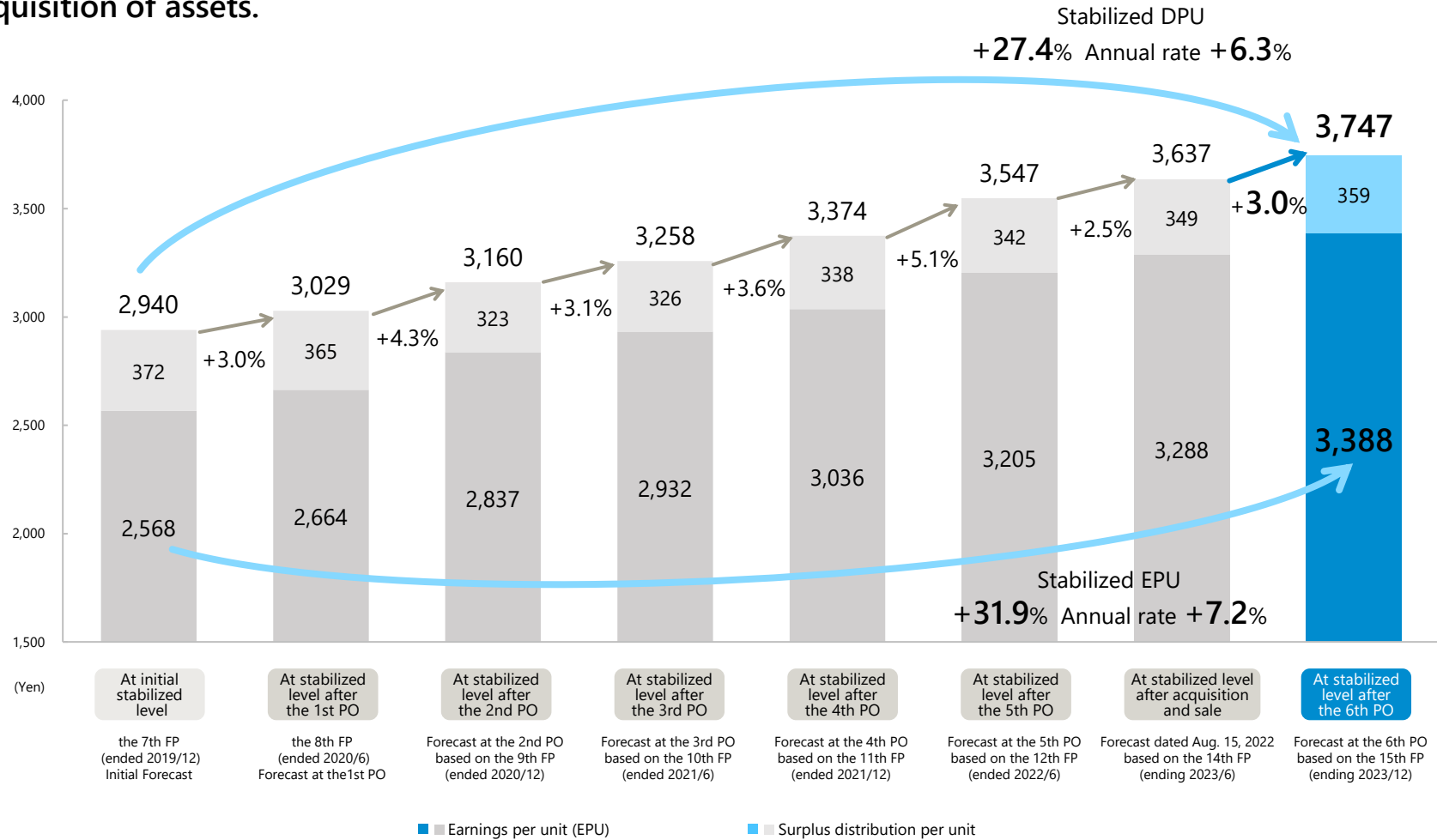


Asset size



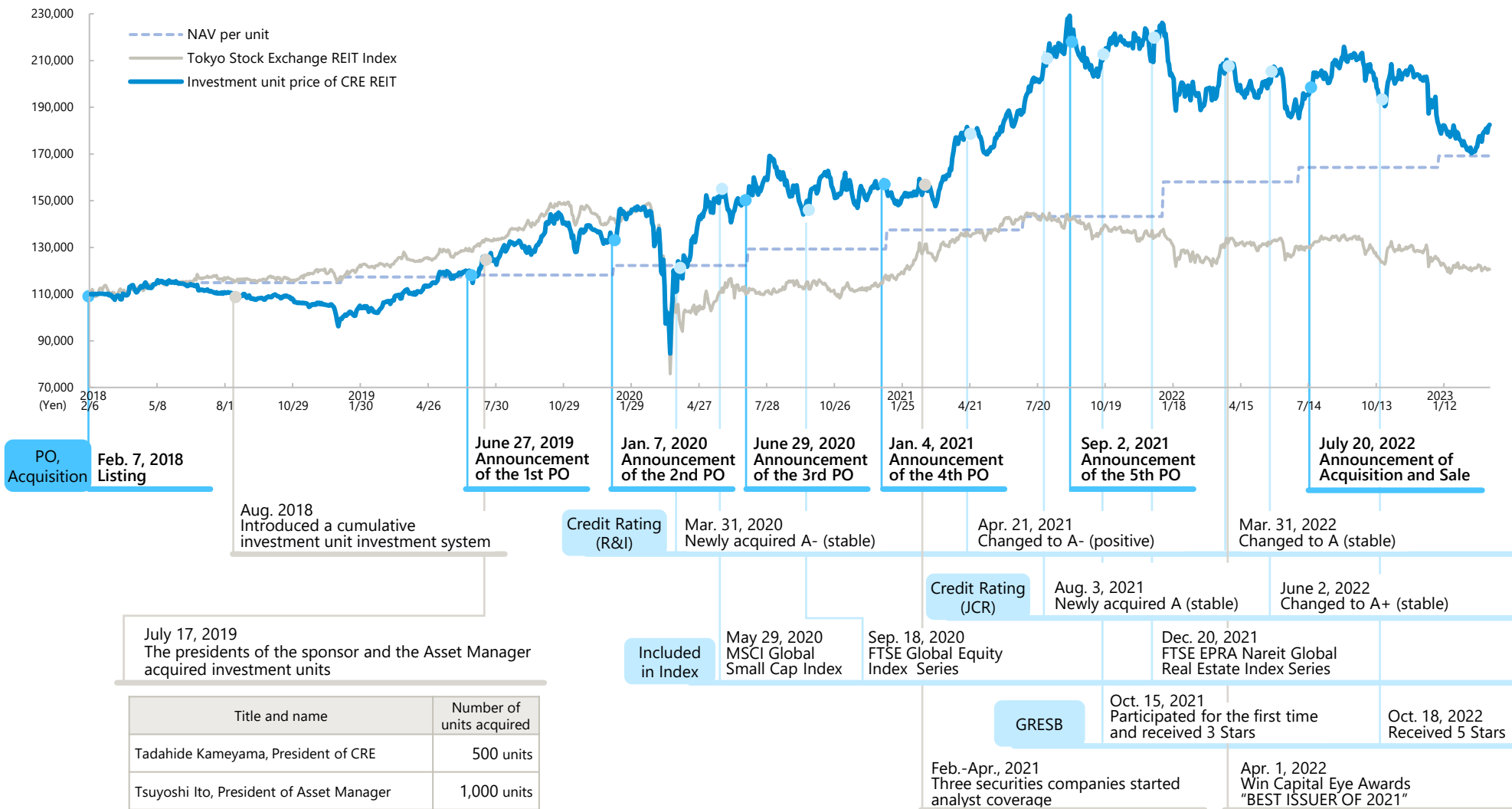
Realize External Growth that Contributes to Increases in Stabilized DPU

Increase stabilized DPU by an average annual growth rate of 6.3% through six public offerings and acquisition of assets.



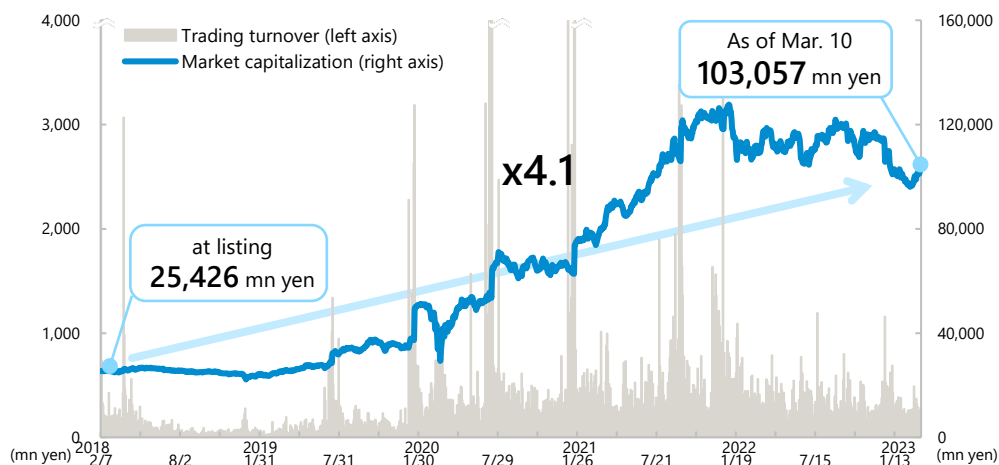
Increasing Investment Unit Price Through the Various Timely Actions

Trend in investment unit price (closing price) (as of March 10, 2023)

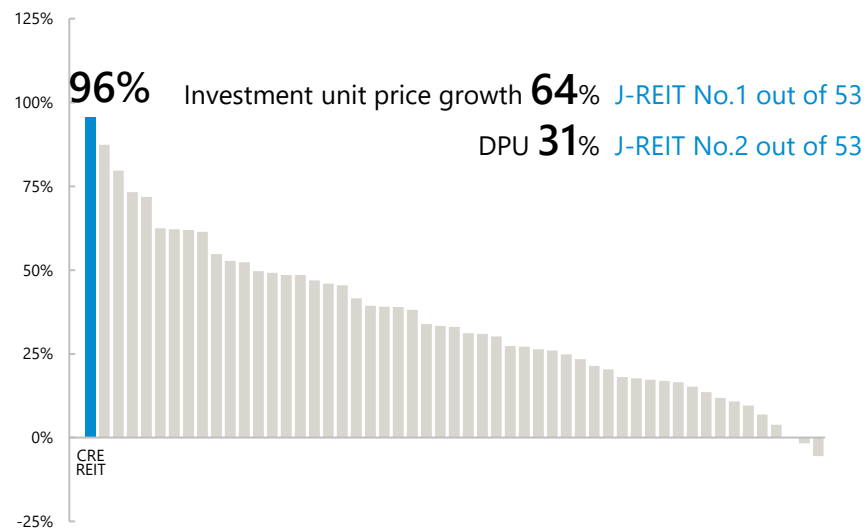


Increase Unitholder Value by Enhancing Attractiveness as an Investment Product

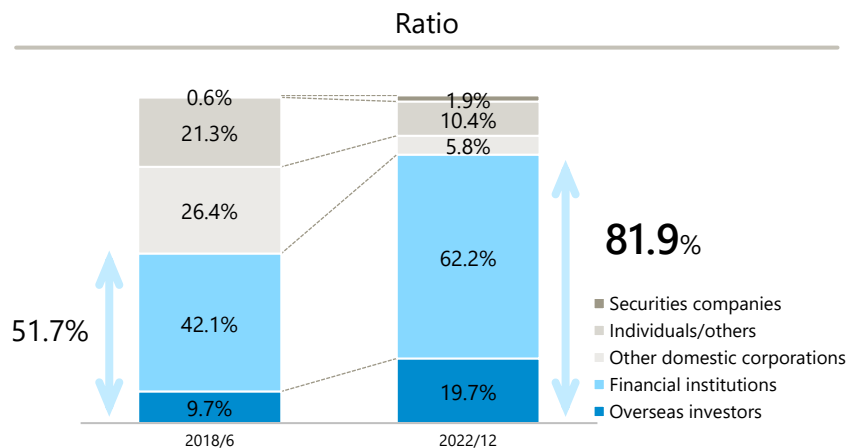
Market capitalization increase and investment unit liquidity improve



No.1 among certain 53 J-REITs in total unitholder return since 2018




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



No. of investors

	2018/6	2022/12	Rate of increase
Domestic financial institutions	34	72	x 2.1
Overseas investors	47	215	x 4.6
Individuals etc.	6,874	10,219	x 1.5
Total	6,955	10,506	x 1.5



2. Enhancement of the Quality of Our Portfolio Through the Investments in LogiSquare

LogiSquare Shiroi

3 floors can be used by multiple tenants. Equipped with a slope that allows large vehicles direct access to the second floor, and the truck berths on the first and second floors can accommodate a total of 36 large vehicles at the same time.

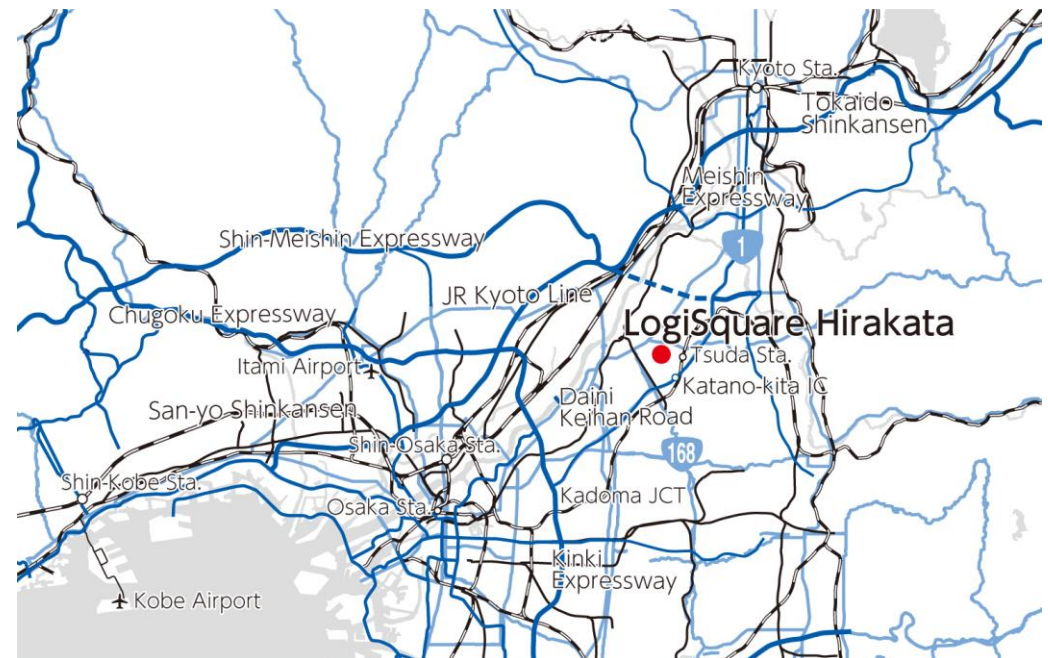
Anticipated Asset, K-3 LogiSquare Hirakata

Property features

- Located in the central part of Hirakata City, Osaka, the property is in a dedicated industrial area which allows 24-hour operation with large factories in the surrounding area. Located approximately 3.3 km from Katano-Kita IC on Daini-Keihan Road and 1.5 km from National Route 1, with excellent access to major highways.
- The site has an advantage as a wide-area logistics base covering a large part of the Kansai area by using the Kinki Expressway, Chugoku Expressway, and Hanshin Expressway via the Daini-Keihan Road, as well as deliveries to Osaka and Kyoto City. Further improvement in transportation convenience is expected with the connection of The Daini-Keihan Road to the New Meishin Expressway, which is scheduled to be fully opened in 2027.
- It is a four-story logistics facility that can accommodate multiple tenants. It has a slope that allows large trucks to directly enter the second floor, 22 truck berths on the first floor and 26 on the second floor, for a total of 48 vehicles at the same time, and a waiting area for five vehicles in the truck yard on the first floor.



Location	1-1416-1, Kasugakitamachi, Hirakata-shi, Osaka	
Access	Approximately 3.3 km from Katano Kita IC (Daini-Keihan Road)	
Structure	S, 4F, alloy plated steel sheet roof	
Total floor area		42,875.27 m ²
Total leasable area		42,885.36 m ²
Anticipated acquisition price		15,091 mn yen
Appraisal value		15,800 mn yen
Appraisal NOI yield		4.1 %
Appraisal NOI yield after depreciation		3.4 %
Completion date		January 2023
Occupancy rate		100.0 %



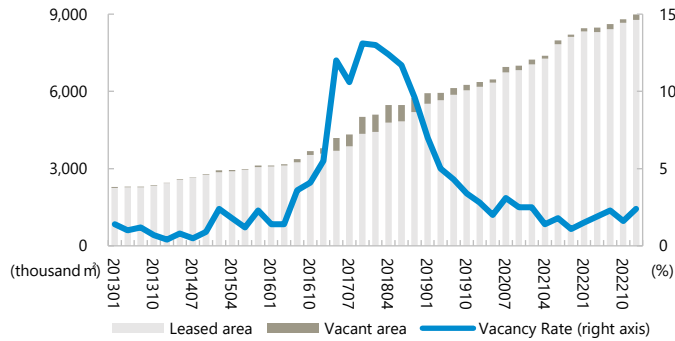
Anticipated Asset, K-3 LogiSquare Hirakata

Demand from tenants remains strong as the property is in a suitable logistics area in the Osaka inland area, which covers the two major consumption areas, Osaka and Kyoto.

Vacancy rate

- The vacancy rate in Kansai three prefectures has remained at a low level since 2020.

Vacancy rate in Kansai three prefectures

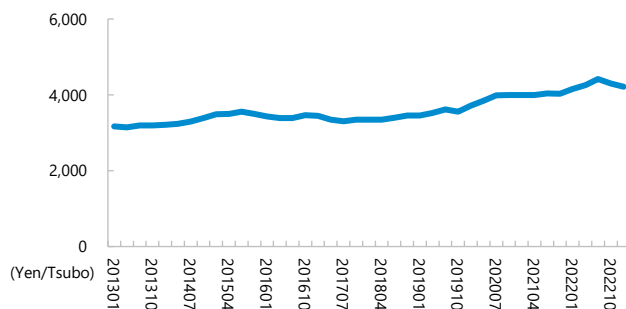


Source: Prepared by the Asset Manager based on "Industrial Market Research January 2023" of K.K. Ichigo Real Estate Service.

Rent market price

- Rent market price is rising around Kansai three prefectures, supported by stable supply and demand of the area.

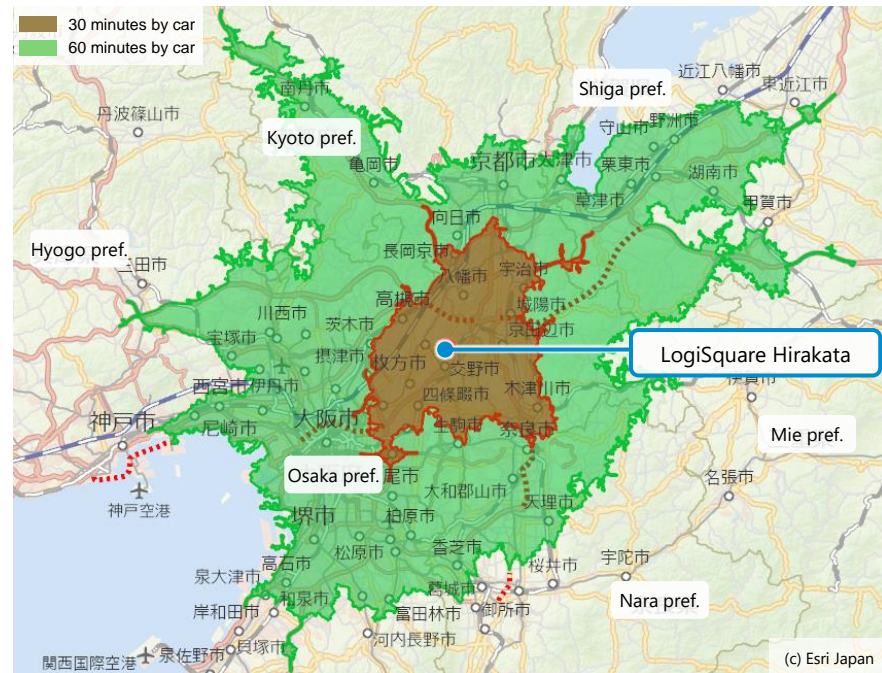
Rent market price in Kansai three prefectures



Source: Prepared by the Asset Manager based on "Industrial Market Research January 2023" of K.K. Ichigo Real Estate Service.

Areas accessible in 30 minutes and 60 minutes by car

- In the 30-minute driving time zone, the facility covers the inland areas of Osaka and Kyoto prefectures, reaching Kyoto Station in the north and Osaka City and Higashi-Osaka City in Osaka Prefecture in the south.
- The 60-minute driving time zone covers the densely populated areas of Osaka and Kyoto prefectures, also reachable to Hyogo, Shiga, and Nara prefectures.



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. |
| Liquefaction | • Concluded the diluvial formation on the surface of ground provides protection to the facilities from liquefaction. |
| Floods | • This property is outside of the flood inundation risk zone specified in the Hazard Map of Hirakata-shi. |

Anticipated Asset, M-17 LogiSquare Shiroi

Slope Type

Single

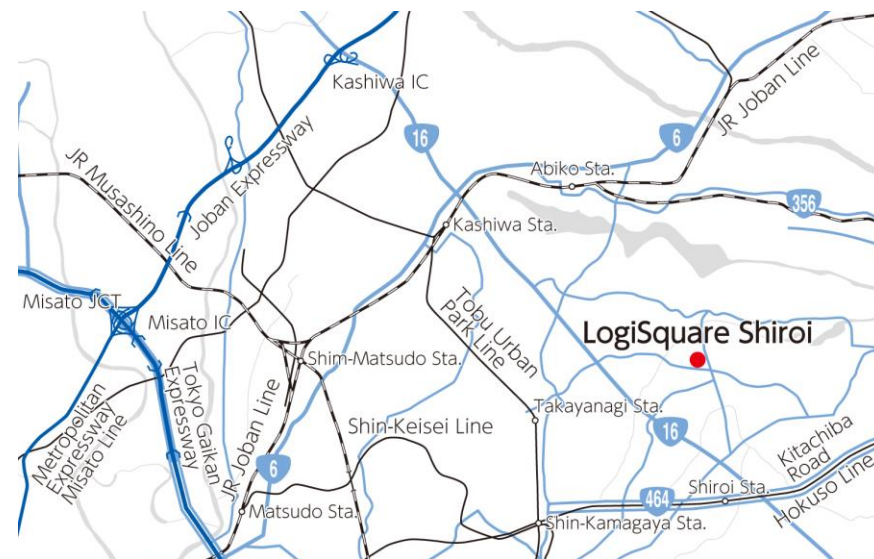
Tokyo Metropolitan Area

National Route 16, Joban Expressway

In-House Consumption of Solar Power

CASBEE-Buildings (New Construction) Rank A

BELS ★★★★★



Location	402-3, Ichioku, Nakaaza, Shiroi-shi, Chiba
Access	Approximately 15.0 km from Kashiwa IC (Joban Expressway)
Structure	S, 3F, alloy plated steel sheet roof
Total floor area	28,503.11 m ²
Total leasable area	28,502.98 m ²
Anticipated acquisition price	7,415 mn yen
Appraisal value	7,730 mn yen
Appraisal NOI yield	4.4 %
Appraisal NOI yield after depreciation	3.4 %
Completion date	December 2022
Occupancy rate	100.0 %

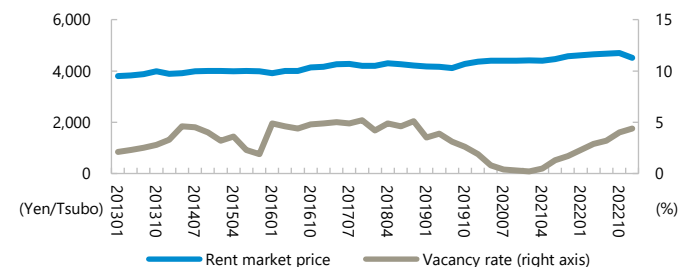
Property features

- Located in the Shiroi Industrial Park, one of the largest inland industrial parks in Chiba, the property is in a dedicated industrial area which allows 24-hour operation with large factories and logistics facilities in the surrounding area.
- Located halfway between Kashiwa IC on Joban Expressway and Chiba-Kita IC on the Higashi-Kanto Expressway on National Route 16. Further improvement in transportation convenience is expected with the extension of National Route 464, Kita-Chiba Road.
- As environmental measures, the building has received a CASBEE Building (New Construction) Rank A and BELS rating ★★★★★ for its environmental and energy-saving consideration, such as adoption of LED lighting, motion sensors, and water-saving sanitary fixtures throughout the building.

Rent market price and vacancy rate

- The vacancy rate in the Tokyo Area has been on an upward trend since 2021, but rent market price has stabilized against the backdrop of a balanced supply-demand.

Vacancy rate and rent market price in Tokyo Area



Source: Prepared by the Asset Manager based on "Industrial Market Research January 2023" of K.K. Ichigo Real Estate Service.

Progress in Area Diversification Through Acquisition of Properties in Osaka and Chiba

(1) Tokyo Metropolitan Area

Locations of current assets, anticipated assets and pipeline assets

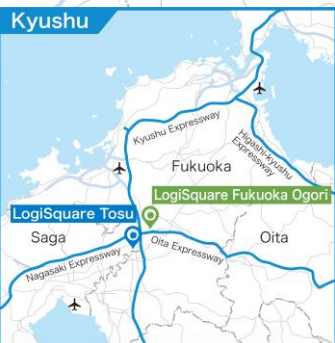
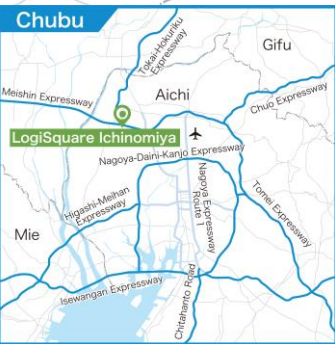
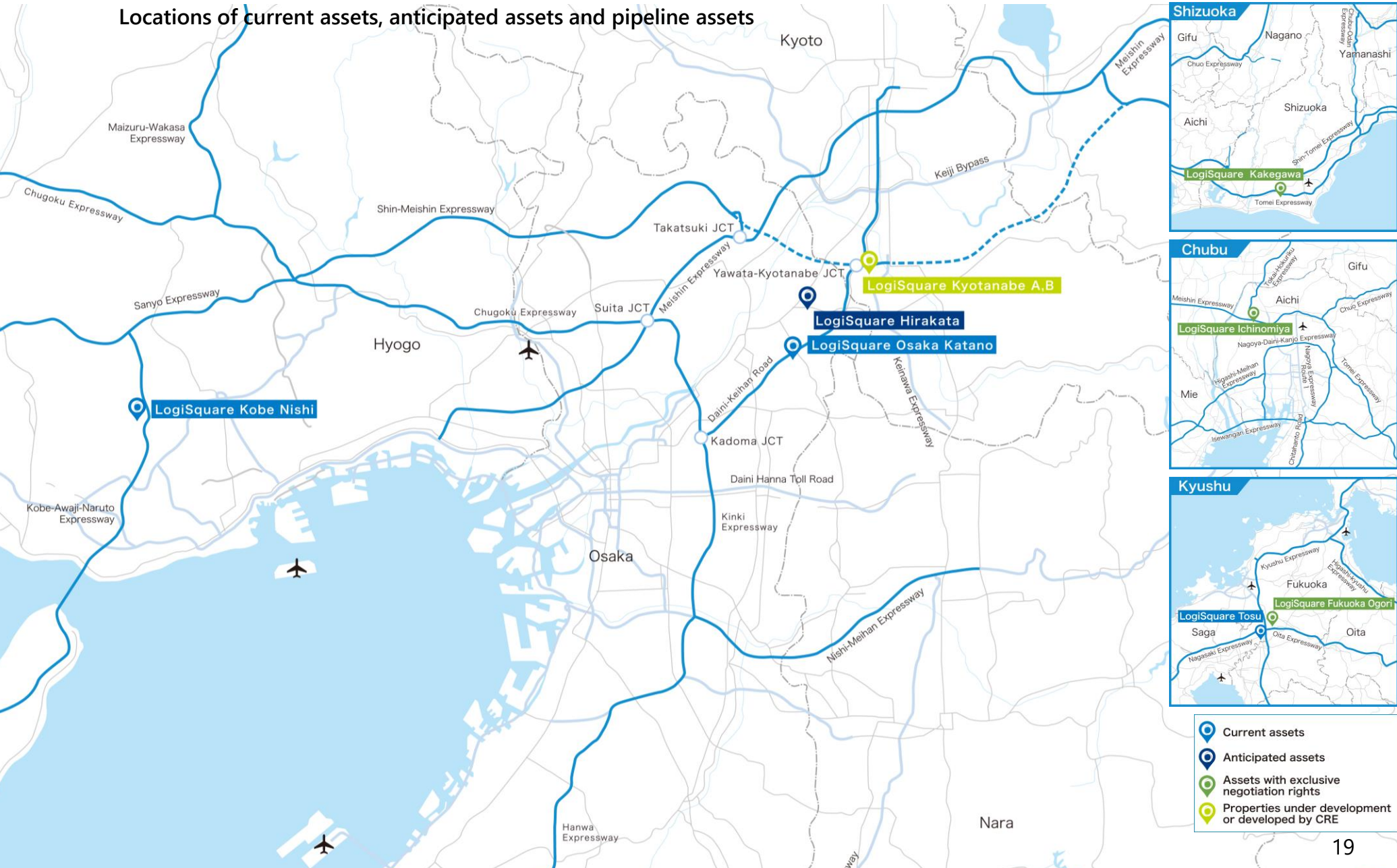


- Current assets
- Anticipated assets
- Assets with exclusive negotiation rights
- Properties under development or developed by CRE

Progress in Area Diversification Through Acquisition of Properties in Osaka and Chiba

(2) Kansai Area and Other

Locations of current assets, anticipated assets and pipeline assets

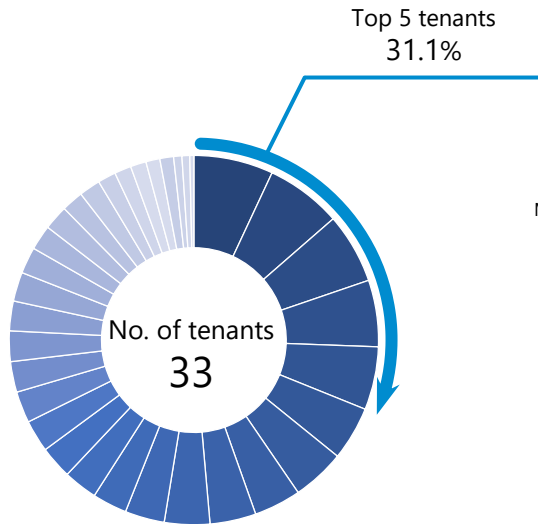


- Current assets
- Anticipated assets
- Assets with exclusive negotiation rights
- Properties under development or developed by CRE

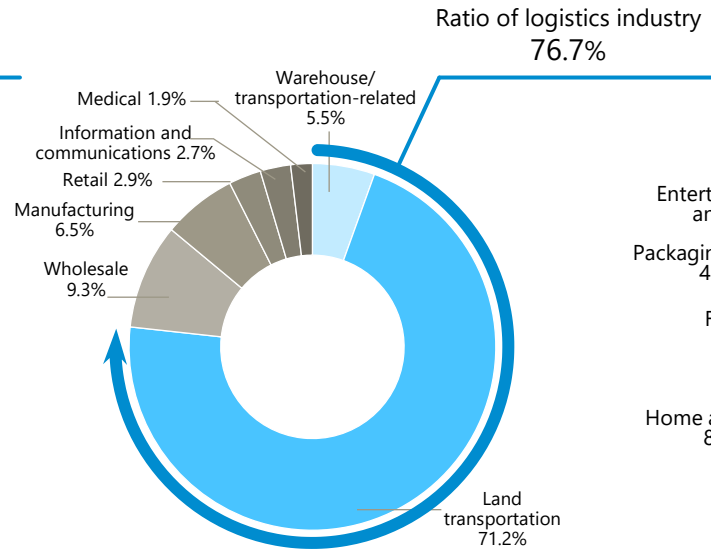
Portfolio Diversification

More than 70% of the tenants are in the logistics industry and handle a wide variety of products.

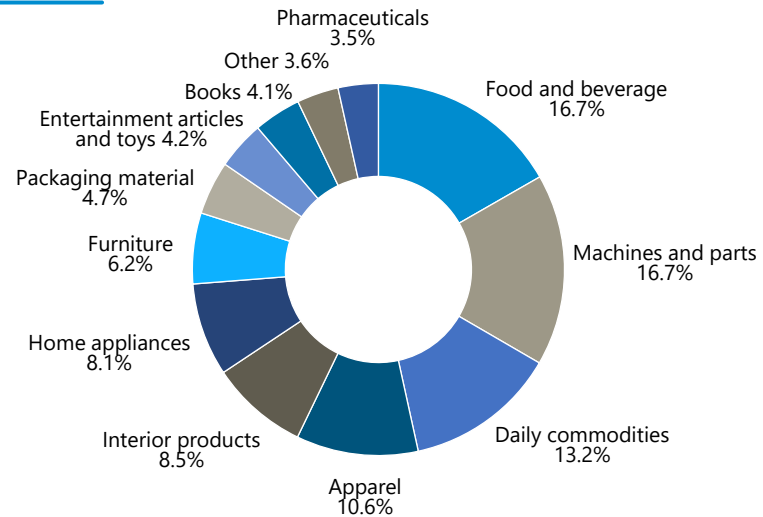
Diversification of tenants



Tenant industries



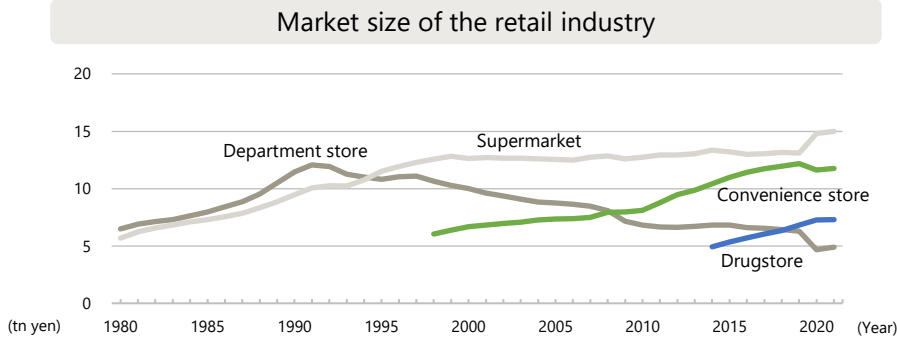
Products handled by tenants



The Background of Solid Demand for Rental Logistics Facilities (1)

1. Market size expansion of convenience stores and drugstores

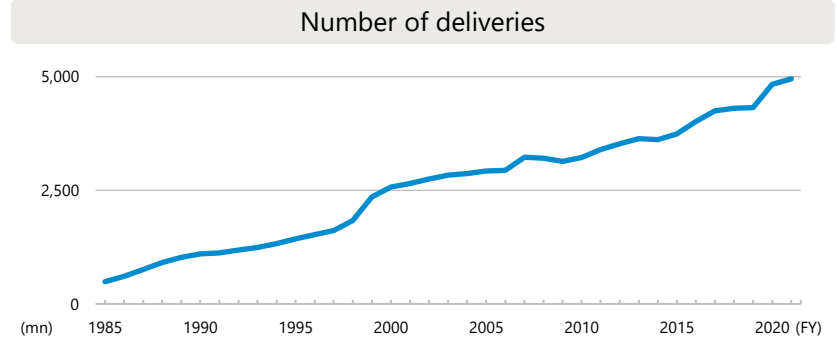
- Convenience stores and drugstores are open for long hours and have small storage capabilities, requiring multiple small-lot shipments per day.
- The increase in the number of smaller stores and shorter delivery times led to optimization of distribution channels and streamlining and efficiency of logistics.



Source: Prepared by the Asset Manager based on Dynamic Statistics of Commerce by the Ministry of Economy, Trade and Industry

2. Internet shopping flourishes

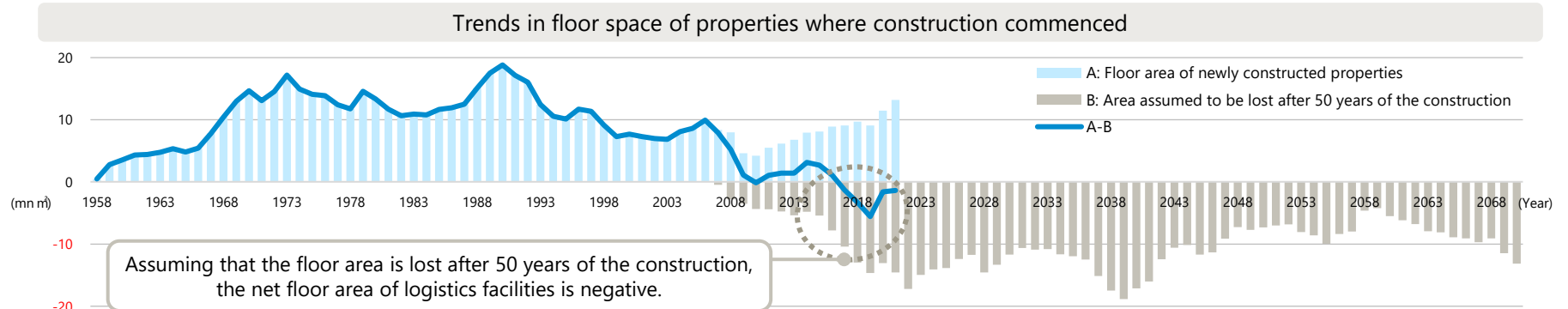
- The number of deliveries to individual customers has increased due to the growing popularity of Internet shopping.
- In addition to the traditional storage function, logistics facilities are now also required to be able to collect and deliver goods for frequent shipment and distribution processing, such as packaging and wrapping.



Source: Prepared by the Asset Manager based on Delivery Service Record by the Ministry of Land, Infrastructure, Transport and Tourism

3. Aging logistics facilities

- Construction of new warehouses peaked during the period of high economic growth and the economic bubble, and the facilities built in those periods, which are now 40-50 years old are considered to have reached the end of their service lives.
- Assuming that the floor area of properties over 50 years old, which is considered the life span of a logistics facility, has been lost, the net floor area of logistics facilities has turned negative since 2017.



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

The Background of Solid Demand for Rental Logistics Facilities (2)

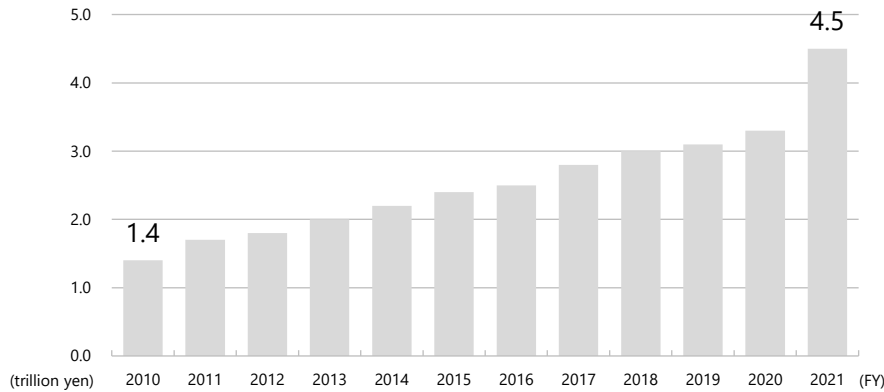
4. Market size expansion of third-party logistics (3PL)

- The market for 3PL is growing as companies are increasingly outsourcing their logistic operation comprehensively.

5. Room for expansion of e-commerce (EC) market size

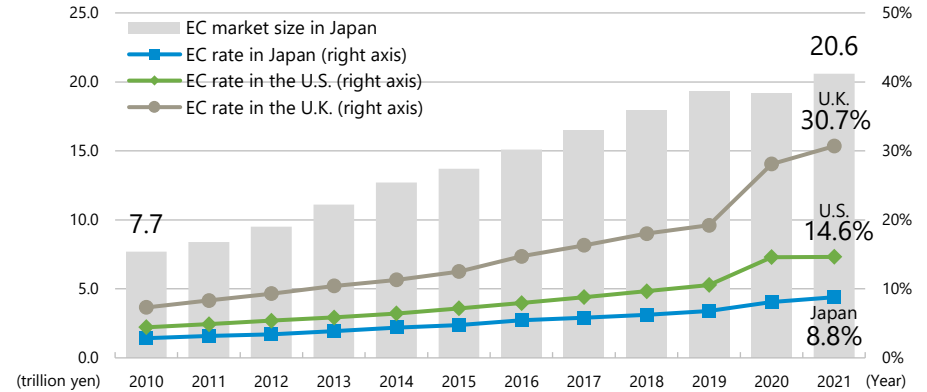
- While the EC market is expanding year by year, the EC rate in Japan is low compared with the U.S. and U.K. and there is still much room for expansion.

3PL market size



Source: Prepared by the Asset Manager based on "The monthly Logistics Business September 2022" issued by Rhinos Publications, Inc.

BtoC EC market size in Japan

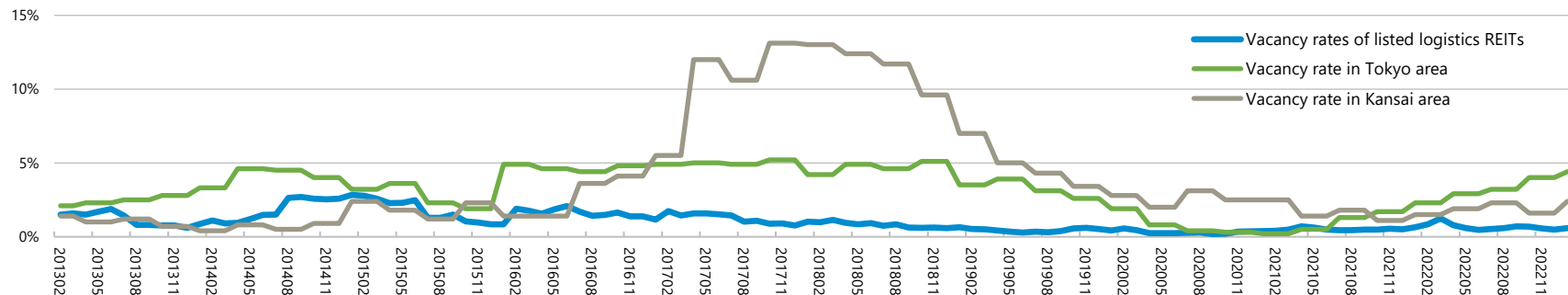


Source: Prepared by the Asset Manager based on Market Research on E-commerce by the Ministry of Economy, Trade and Industry, and data of the United States Census Bureau (U.S.) and Office for National Statistics (U.K.).

Note: The ratio of the EC market size to the amount of all commercial transactions (the commercial transaction market size). The EC rate in Japan refers to the value in the field of product sales.

Reference: Vacancy rates of listed logistics REITs have remained stable and low compared to the overall market

Vacancy rate of listed logistics REITs vs. Market vacancy rate



Source: Prepared by the Asset Manager based on websites of listed logistics REITs and "Industrial Market Research January 2023" of K.K. Ichigo Real Estate Service.



3. Clear Growth Strategy to Continuously Improve the Unitholder Value

LogiSquare Shiroi

Located halfway between Kashiwa IC on Joban Expressway and Chiba-Kita IC on the Higashi-Kanto Expressway on National Route 16. Further improvement in transportation convenience is expected with the extension of National Route 464, Kita-Chiba Road.

Have the Potential for Continuous Growth

External Growth	Pipeline	P/NAV	Implied cap rate
	867 thousand m ²	x1.1 (as of March 10, 2023)	4.0% (as of March 10, 2023)
Internal Growth	Occupancy rate	Recontracting rate	No. of days from the signing of the recontract to the start of the contract
	100.0% (as of February 28, 2023)	100.0%	Average 313 days
	Burden ratio of utilities by CRE REIT	Cumulative increase in Leasing revenues	Number of tenants with rents increased
	1.4% (based on total floor area)	20 mn yen (2022/12)	5/6
Financial Management	LTV	Credit rating (JCR)	Credit rating (R&I)
	43.9% (2023/12 Forecast)	A+ (Stable)	A (Stable)
ESG	GRESB	Green building	Solar power
	5 Stars	100.0%	83.6% , of which In-house consumption 46.3%

Rich Pipeline Enabling Future External Growth

Aiming for continuous distributions growth in cooperation with CRE Group

Pipeline

16 properties / Total floor area 867,202 m²

Properties with exclusive negotiation rights



LogiSquare Ichinomiya
 (1) Sep. 2023
 (2) 60,641m²
 (3) Ichinomiya-shi, Aichi



LogiSquare Kakegawa
 (1) Jan. 2024
 (2) 14,236m²
 (3) Kakegawa-shi, Shizuoka



LogiSquare Fukuoka Ogori
 (1) Feb. 2024
 (2) 23,913m²
 (3) Ogori-shi, Fukuoka

Under planning

LogiSquare Soka II ^{new!}
 (1) Aug. 2024
 (2) 16,100m²
 (3) Soka-shi, Saitama

Under planning

LogiSquare Atsugi II
 (1) Around summer 2024
 (2) 19,000m²
 (3) Atsugi-shi, Kanagawa

Under planning

LogiSquare Kuki III
 (1) TBD
 (2) TBD
 (3) Kuki-shi, Saitama

Properties under development or developed by CRE



LogiSquare Atsugi I
 (1) Mar. 2023
 (2) 18,236m²
 (3) Aikawa-machi, Kanagawa



LogiSquare Fujimino A,B,C
 (1) A: Jan. 2024 (2)A:112,295m²
 B: Oct. 2024 B:116,319m²
 C: 2025 C: 43,283m²
 (3) Fujimino-shi, Saitama



LogiSquare Matsudo
 (1) May 2023
 (2) 15,642m²
 (3) Matsudo-shi, Chiba



LogiSquare Kyotanabe A,B
 (1) A: Feb. 2025 (2)A:160,530m²
 B: 2026 B: 87,534m²
 (3) Kyotanabe-shi, Kyoto

Under planning

Narita PJ (tentative)
 (1) May 2024
 (2) 17,973m²
 (3) Narita-shi, Chiba



LogiSquare Asaka A,B
 (1) A: 2026 (2)A: 96,000m²
 B: 2026 B: 65,500m²
 (3) Asaka-shi, Saitama

(1)Completion date (planned) (2)Total floor area (planned) (3)Location

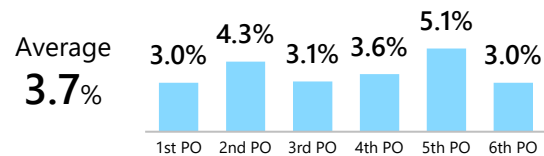
Put “CRE REIT’s Approach to Property Acquisitions” into Practice

CRE REIT’s Approach to Property Acquisitions

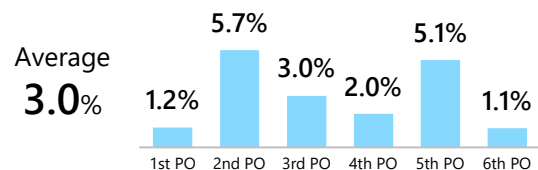
- 1. CRE REIT will acquire properties without dilution of DPU and NAV per unit for the improvement of unitholder value.**
During all from the 1st to the 6th public offering, CRE REIT acquired and will acquire properties at an appraisal NOI yield above the implied cap rate and upheld the above prerequisite. CRE REIT plans to maintain this approach moving forward.
- 2. 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 1st public offering. The timing of property sales by the sponsor and acquisitions by CRE REIT can be adjusted.
- 3. Acquisition of medium-sized properties and acquisition of quasi-co-ownership interests using cash in hand is also possible.**
Availability to invest in properties with a total floor area of 5,000m² or larger allows the acquisition of properties that cost several billion yen using retained cash in hand from accumulated depreciation.

Acquisition of property without dilution of DPU and NAV per unit

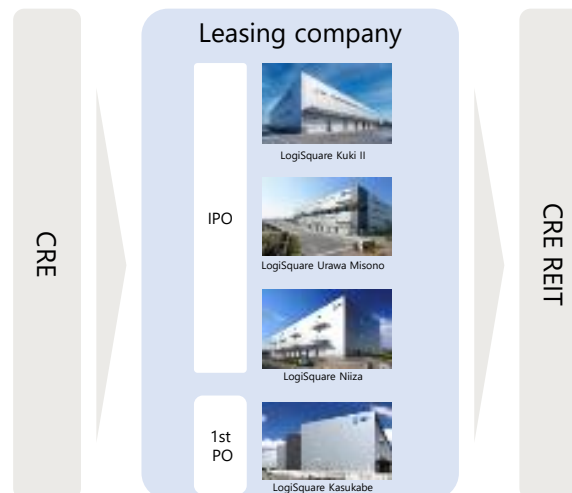
Stabilized DPU growth rate at PO



NAV per unit growth rate at PO



Timely external growth utilizing the bridge function



Acquisition of property using only cash in hand

Cash in hand **3,877** mn yen

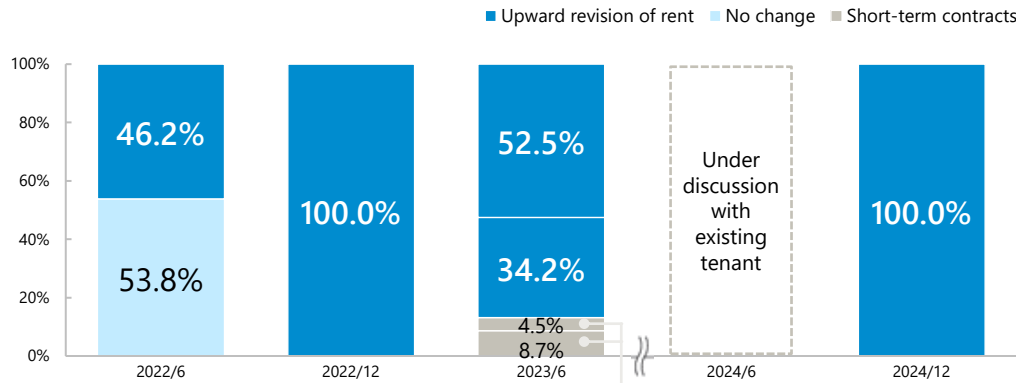
Acquisition of LogiSquare Sayama Hidaka (20%)
Acquisition price **3,612** mn yen

Sale of LogiSquare Chitose
Book value **1,290** mn yen

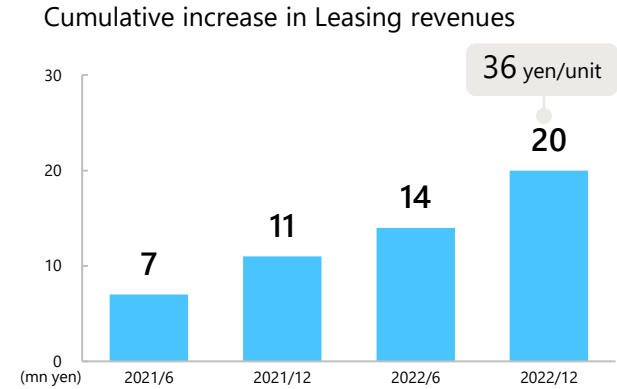
Repayment of borrowings **1,200** mn yen

Increase Rents Through Careful Communication with Tenants

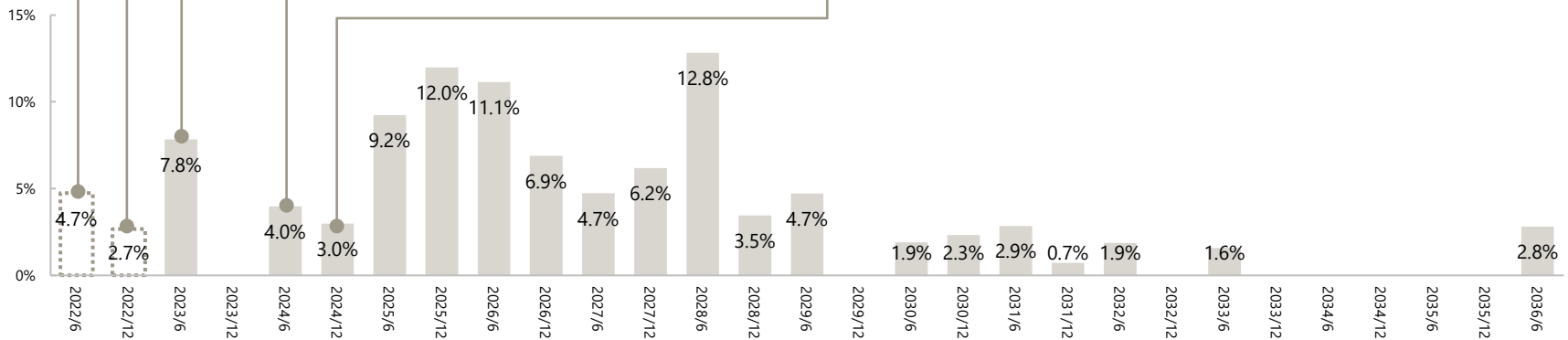
Increased rents for 5 of 6 tenants, excluding short-term contracts



Accumulation of rent increase



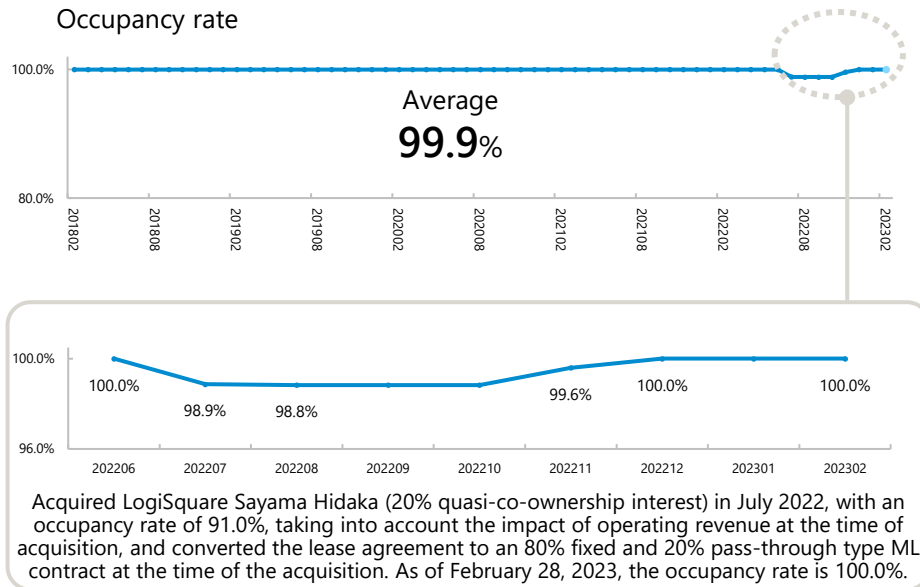
Diversification of lease terms (based on leased area)



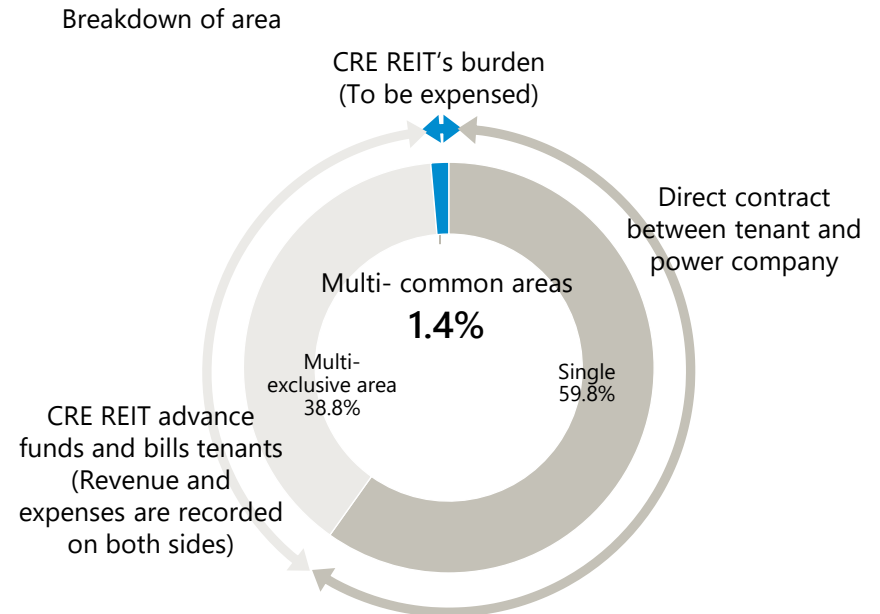
9.0% portion of LogiSquare Sayama Hidaka that was vacant at the time of additional acquisition in July 2022

Steady and Stable Management of Properties

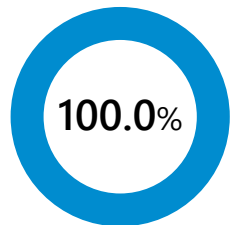
Occupancy rates remain high



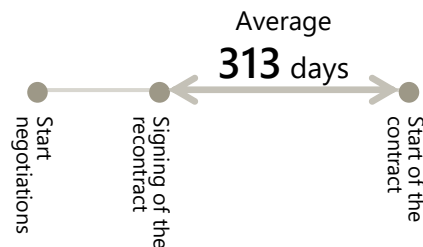
Limited impact of electricity prices hikes



Recontracting rate



No. of days from the signing of the recontract to the start of the contract



Change in utilities

	2022/6	2022/12	Difference
Utility revenues	74	112	+37
Utility expenses	85	122	+36
Net utility expenses	-10	-10	+0

(mn yen)

Stable Financial Management (1) Diversification of Financing Methods

R&I and JCR both improved their credit ratings

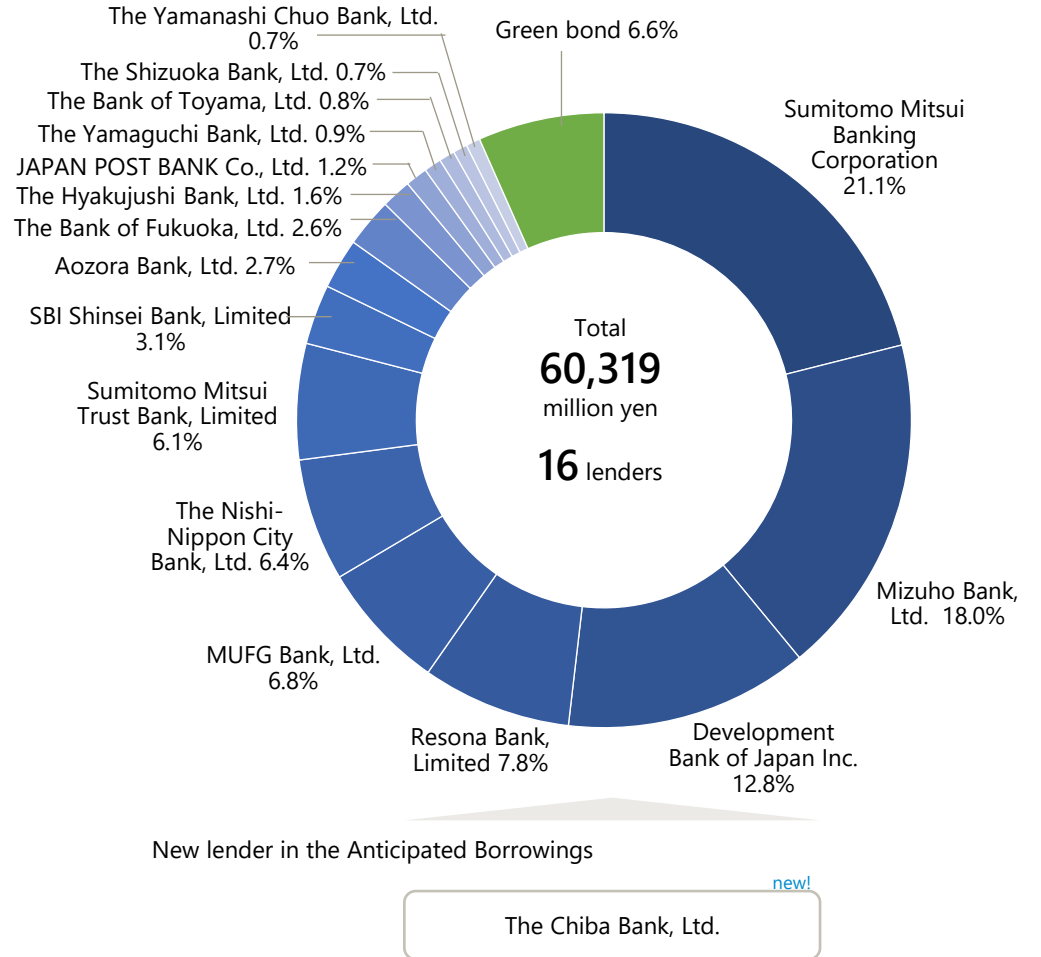
Rating and Investment Information, Inc. (R&I)	A- (Positive)	➔	A (Stable) Announced on March 31, 2022
Japan Credit Rating Agency, Ltd. (JCR)	A (Stable)	➔	A+ (Stable) Announced on June 2, 2022

Investment corporation bond

	Amount of issue (million yen)	Interest rate	Date of issue	Duration
1st investment corporation bond (Green bond)	2,000	0.530%	September 8, 2020	5 years
2nd investment corporation bond (Green bond)	2,000	0.720%	November 26, 2021	10 years

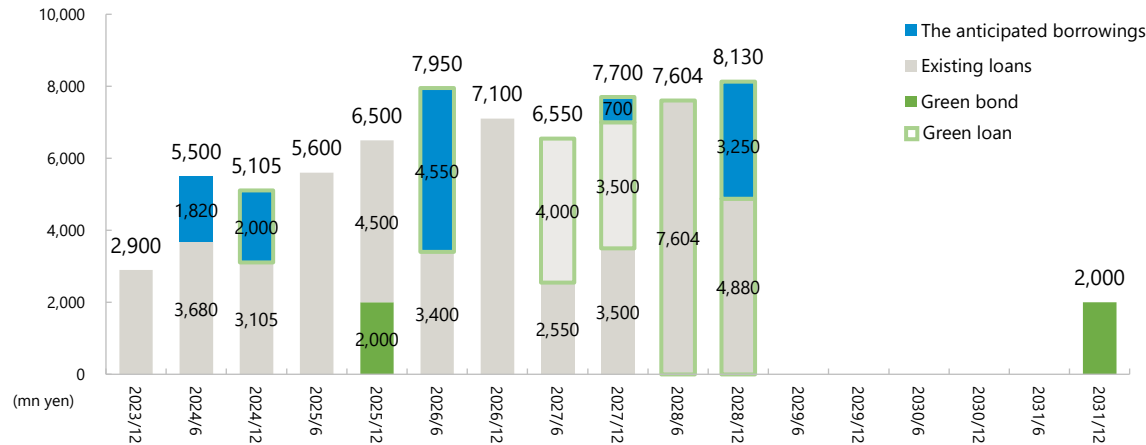
Diversify interest-bearing debt sources

Breakdown of interest-bearing debt sources (as of February 28, 2023)



Stable Financial Management (2) Promote Diversification of Maturity

Promote diversification of maturity



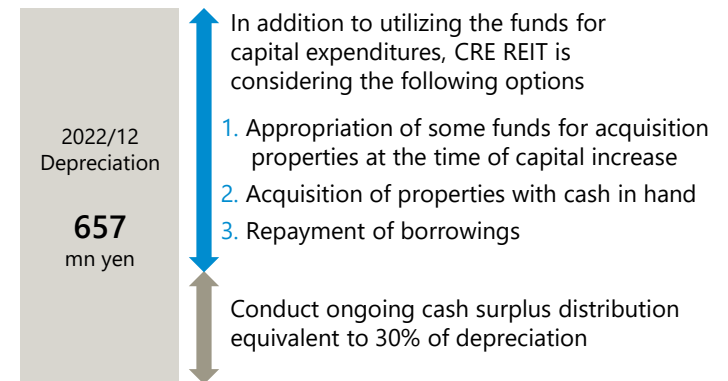
Approach to interest-bearing debt

- Set the LTV level of CRE REIT at around 45%, and work to reduce it according to the market environment.
- Appropriately control funding costs by introducing floating interest rates while promoting stable funding through long-term loans.
- Going forward, continue to actively promote procurement with green qualifying debt.

Appropriate LTV control

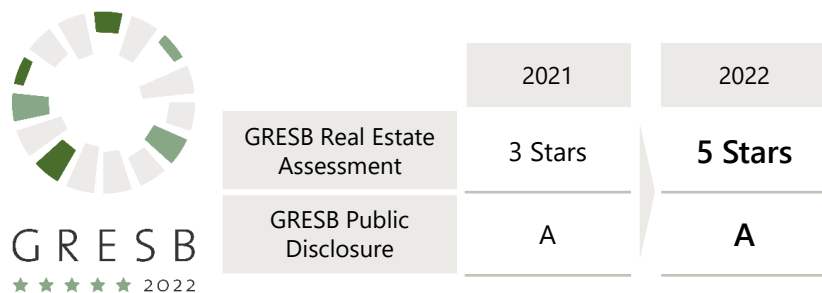
	Before the Anticipated Borrowings	After the Anticipated Borrowings	Difference
Interest-bearing debt	2023/2/28 60,319 mn yen	2023/4/3 (anticipated) 72,639 mn yen	+12,320 mn yen
LTV	2022/6 43.9 %	2023/12 Forecast 43.9 %	+0.0 %
Ratio of long-term debt	2023/2/28 100.0 %	2023/4/3 (anticipated) 97.5 %	-2.5 %

Approach to the use of cash in hand



Promoting ESG Efforts

Awarded GRESB 5 Stars



Win Capital Eye Awards “BEST ISSUER OF 2021”



Capital Eye Awards 2021
Real Estate Investment Trusts Category

CRE REIT is the forerunner of allocating all new investment units to domestic and overseas institutional investors at the public offering using Reg. S only with prospectus documented in Japanese. CRE REIT is also the first to deliver prospectus only electronically among all J-REITs, following the concept of “Green Equity”. Furthermore, by first adoption of Hard-Pot Method and one-day subscription period in the past POs CRE REIT has been contributing to the diversification of offering methods in J-REIT.

Announced on April 1, 2022

Disclosed in line with TCFD recommendations and revamped goals



Newly disclosed qualitative scenario analysis, goals, etc. (announced on Aug. 15, 2022)

Green Finance for both equity and debt, following the 5th PO

Anticipated assets

Green Buildings

LogiSquare Hirakata



- CASBEE-Buildings (New Construction) Rank A
- BELS ★★★★★

LogiSquare Shiroi



- CASBEE-Buildings (New Construction) Rank A
- BELS ★★★★★

Debt

Green Loan

Obtained “Green1(F)” rating from JCR for Green Finance Framework

Investment Unit

Green Equity Offering

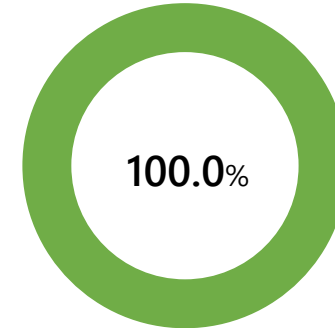
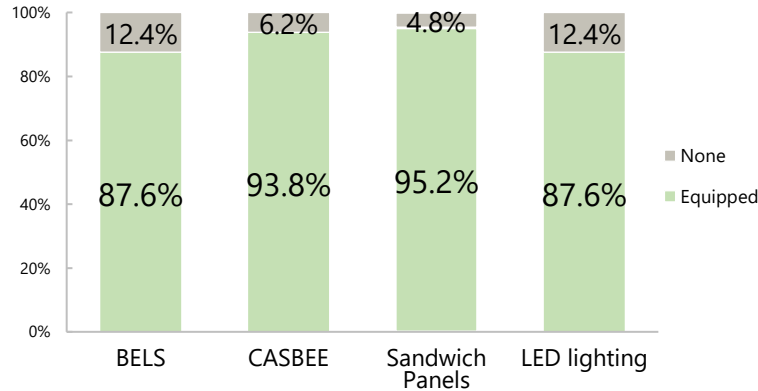
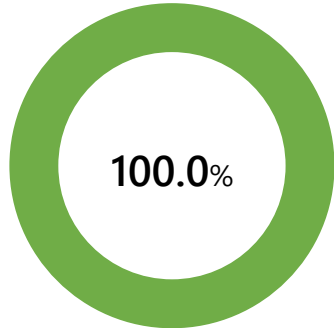
Obtained second-party opinion from DNV for Green Equity Framework

Promoting ESG Efforts – Environment (1)

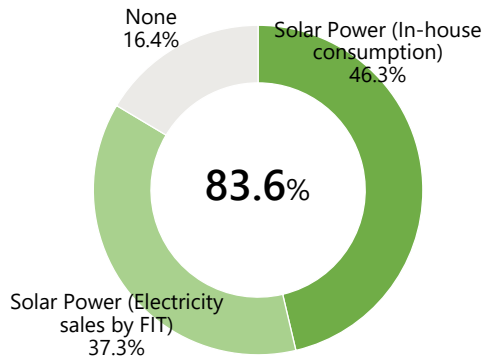
100.0% of portfolio are composed of Green Buildings

First in J-REIT

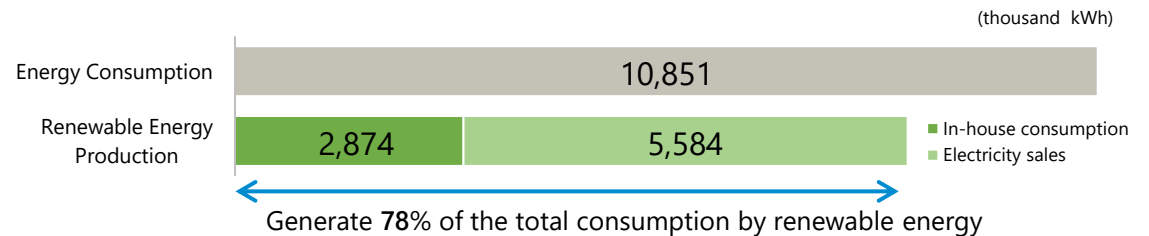
Include green lease clauses in all contracts re-signed in 2022



Over 80% of portfolio have installed solar power



Electricity consumption and energy production of current assets from April to September 2022



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 to be acquired 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 detecting sensors

Promote energy saving by installing human detecting sensors in facilities.



Installation of water-saving sanitation appliances

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



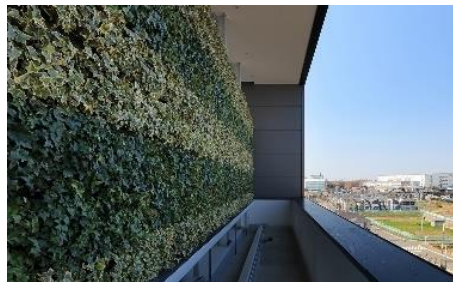
Installation of roof watering equipment

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



Green walls

Green walls have 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 – Environment (3)

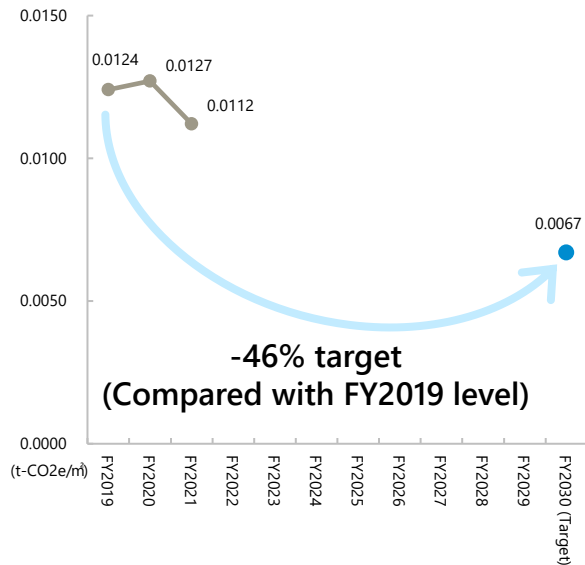
Target setting and performance monitoring

- To manage and monitor risks and opportunities, the Asset Manager has set the following new targets, etc. and monitors performance.

Greenhouse gas emissions

The Asset Manager will reduce annual emissions intensity (market basis) (t-CO₂e/m²) related to energy consumption of CRE REIT’s portfolio by 46% from the fiscal year 2019 level by the fiscal year 2030.

Greenhouse gas emissions (intensity)



Coverage rate for environment-related data

The Asset Manager targets to maintain CRE REIT’s portfolio coverage rate for annual energy data (energy consumption, renewable energy production), annual greenhouse gas emissions and water consumption at 100% until the fiscal year 2027.

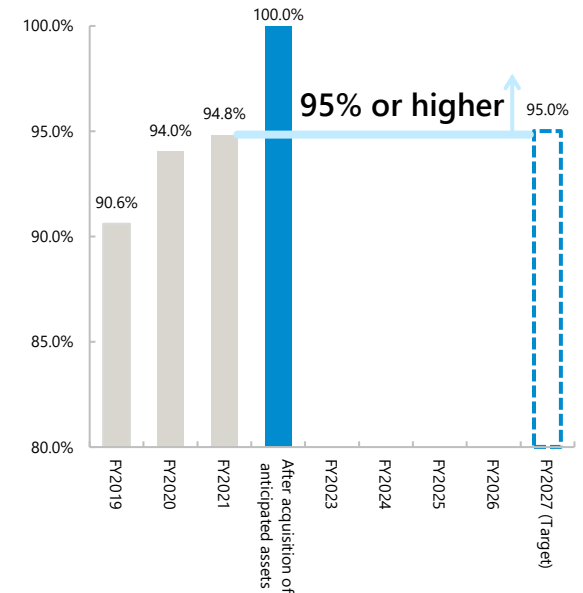
Coverage rate for environment-related data

	FY2021 coverage rate results	Coverage rate targets
Energy consumption (based on floor area)	100%	100%
Renewable energy production	100%	100%
Greenhouse gas emissions (based on floor area)	100%	100%
Water consumption (based on floor area)	100%	100%

Percentage of green building certifications acquired

The Asset Manager will increase green building eligibility criteria properties to at least 95% of CRE REIT’s portfolio (based on total floor area) by the fiscal year 2027.

Percentage of green building certifications acquired (based on total floor area)

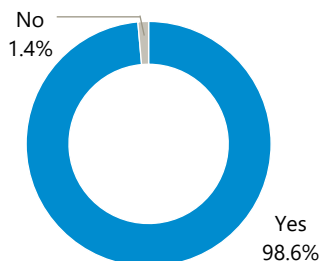


Promoting ESG Efforts – Social (1)

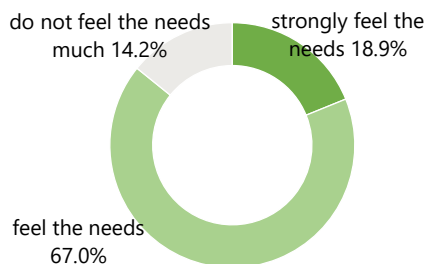
Conduct tenant satisfaction surveys

- Continue to consider improvement measures to increase tenant satisfaction and property value.
- Confirmed that tenants have high awareness of ESG and environmental issues.

Do you want to stay in LogiSquare in the future?



Do you feel the needs to incorporate a greenhouse gas reduction perspective into your business?



1. Based on leased area.

2. The above survey was conducted in October 2022 by CRE REIT and the Asset Manager for all tenants of current assets.

Hold educational field trip for nearby elementary school students



The tenant conducted an educational field trip for nearby elementary school students at LogiSquare Osaka Katano in May and June 2022.

Establish a favorable relation between the employees and the Asset Manager

- Quarterly Employee satisfaction survey

Asset Manager conducts questionnaires on employee engagement four times a year and confirms that the employees are proactively engaging in their work and are motivated to contribute to the organization. If problems are identified, the employees themselves devise and implement improvement measures.

- The president has 1 on 1 meeting with all employees quarterly

The President of the Asset Manager interviews each employee every quarter. These interviews are opportunities to discuss various matters, including target-setting, progress of work and career building.



- Employee turnover rate remains low

FY 2022/7	FY 2021/7	FY 2020/7
0.0% (-)	7.7% (1 employee)	0.0% (-)

Promoting ESG Efforts – Social (2)

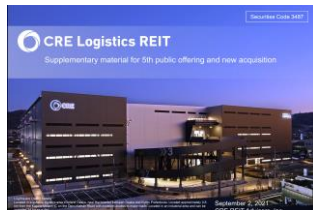
The business continuity of tenants and the improvements in amenities

- Support for business continuity planning measures
 - Hold 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 material.
- IR activities in consideration of COVID-19
 - Since March 2020, CRE REIT 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	73.3%
ARES (Association for Real Estate Securitization) Certified Master	53.3%
CMA (Certified Member Analyst of the Securities Analysts Association of Japan) holder	20.0%
Real estate consulting master	13.3%

1. Calculated with the 15 people involved in the operation of CRE REIT (as of December 31, 2022) 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.

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.



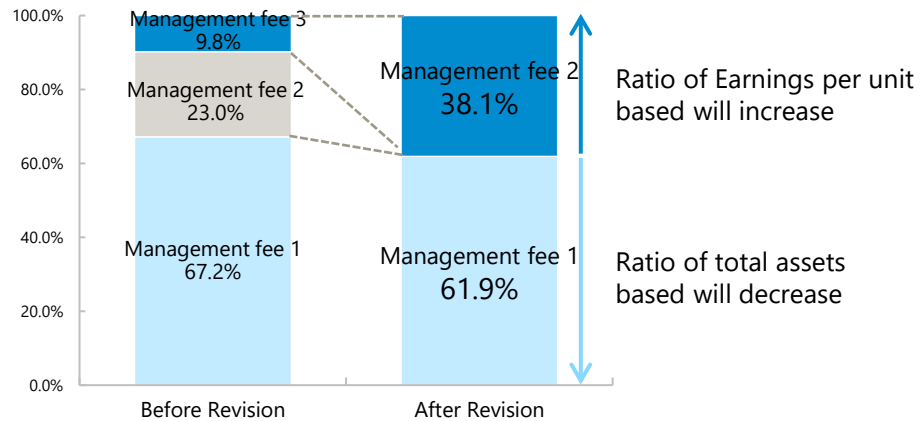
Promoting ESG Efforts – Governance (1)

Revise of asset management fee structure to be more aligned with unitholder’s interests

- Amended Articles of Incorporation at the General Meeting of Unitholders held on September 28, 2022 with the following revision of fee structure from the fiscal period ending June 2023.
- By reducing management fee 1 based on total assets and unifying management fees 2 and 3, aim to increase the linkage with 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 cost × 1.0% (Upper limit) (0.5% (Upper limit) in case of transactions with interested party)	Acquisition cost × 1.0% (0.5% in case of transactions with interested party)

Estimate based on result in FP ended June 2022



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
CRE	President	Tadahide Kameyama	722 units
the Asset Manager	President	Tsuyoshi Ito	1,174 units
	Managing Director	Takeshi Oka	62 units
	14 out of 16 employees		156 units

1. As of December 31, 2022. 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
Full-time directors	2
Employees	16
(Of which, employees seconded from CRE)	–
Total	18

1. As of December 31, 2022

4. Appendix

LogiSquare Hirakata

The floor load capacity of the warehouse area is 1.5t/m² (2.5t forklift can be accommodated), and an effective ceiling height is at least 5.5m for each floor, 6.5m for part of the first floor, and 6.0m for the fourth floor.




Portfolio List

No.	Property name	Location	(Anticipated) acquisition price (mn yen)	Appraisal value (mn yen)	Appraisal NOI yield (%)	Total floor area (㎡)	Age (years)	Number of tenants	Occupancy rate(%)	Developer
M-1	LogiSquare Kuki	Kuki-shi, Saitama	9,759	11,500	4.8	40,907.13	6.8	1	100.0	CRE
M-2	LogiSquare Hanyu	Hanyu-shi, Saitama	6,830	7,530	4.9	33,999.61	6.7	1	100.0	CRE
M-3	LogiSquare Kuki II	Kuki-shi, Saitama	2,079	2,430	5.2	11,511.22	6.1	1	100.0	CRE
M-4	LogiSquare Urawa Misono	Saitama-shi, Saitama	13,060	15,500	4.8	48,738.29	6.0	3	100.0	CRE
M-5	LogiSquare Niiza	Niiza-shi, Saitama	6,960	7,990	4.9	25,355.82	5.9	1	100.0	CRE
M-6	LogiSquare Moriya	Moriya-shi, Ibaraki	6,157	7,810	5.6	32,904.90	5.9	2	100.0	CRE
M-7	LogiSquare Kawagoe	Kawagoe-shi, Saitama	1,490	1,780	5.1	7,542.56	5.0	1	100.0	CRE
M-8	LogiSquare Kasukabe	Kasukabe-shi, Saitama	4,900	5,910	5.1	21,315.54	4.7	1	100.0	CRE
M-9	LogiSquare Soka	Soka-shi, Saitama	8,109	9,640	4.6	28,817.59	9.7	1	100.0	CRE
M-10	LogiSquare Yashio	Yashio-shi, Saitama	5,073	5,950	4.6	19,068.60	9.1	1	100.0	CRE
M-11	LogiSquare Mizuho A	Mizuho-machi, Tokyo	2,794	3,250	4.9	13,755.16	16.1	1	100.0	CRE
M-12	LogiSquare Mizuho B	Mizuho-machi, Tokyo	3,584	4,110	4.8	16,016.37	16.1	1	100.0	CRE
M-13	LogiSquare Ageo	Ageo-shi, Saitama	4,908	5,570	4.6	19,142.84	3.9	2	100.0	CRE
M-14	LogiSquare Miyoshi	Miyoshi-machi, Saitama	11,700	13,400	4.6	37,931.49	2.8	1	100.0	CRE
M-15	LogiSquare Sayama Hidaka	Hanno-shi, Saitama	17,678	19,300	4.4	73,728.44	2.7	5	100.0	CRE
M-16	LogiSquare Kawagoe II	Kawagoe-shi, Saitama	3,244	3,620	4.8	14,281.38	3.7	1	100.0	CRE
M-17	LogiSquare Shiroy	Shiroy-shi, Chiba	7,415	7,730	4.4	28,503.11	0.2	1	100.0	CRE
K-1	LogiSquare Kobe Nishi	Kobe-shi, Hyogo	3,479	3,770	4.6	16,006.20	2.9	1	100.0	CRE
K-2	LogiSquare Osaka Katano	Katano-shi, Osaka	22,370	23,700	4.4	76,393.17	2.1	5	100.0	CRE
K-3	LogiSquare Hirakata	Hirakata-shi, Osaka	15,091	15,800	4.1	42,875.27	0.1	1	100.0	CRE
O-1	LogiSquare Tosu	Tosu-shi, Saga	2,823	3,400	5.3	16,739.40	5.1	1	100.0	CRE
21 properties Total/Average			159,504	179,690	4.6	625,534.09	4.5	33	100.0	–

Portfolio Comparison Before and After Acquisition of Anticipated Assets

	Before acquisition of anticipated assets	Anticipated assets	After acquisition of anticipated assets
Number of properties	19 properties	2 properties	21 properties
(Anticipated) acquisition price	136,998 mn yen	22,506 mn yen	159,504 mn yen
Appraisal value (Estimated value)	156,160 mn yen	23,530 mn yen	179,690 mn yen
Average appraisal NOI yield	4.7 %	4.2 %	4.6 %
Average appraisal NOI yield after depreciation	3.7 %	3.4 %	3.7 %
Average property age	5.3 years	+ 0.2 years	= 4.5 years
Occupancy rate	100.0 %	100.0 %	100.0 %
Average lease term	7.6 years	5.1 years	7.2 years
Average remaining lease term	4.1 years	5.0 years	4.2 years
Number of tenants	31	2	33
Ratio of properties developed by CRE	100.0 %	100.0 %	100.0 %
Ratio in Tokyo Metropolitan and Kansai area	97.9 %	100.0 %	98.2 %

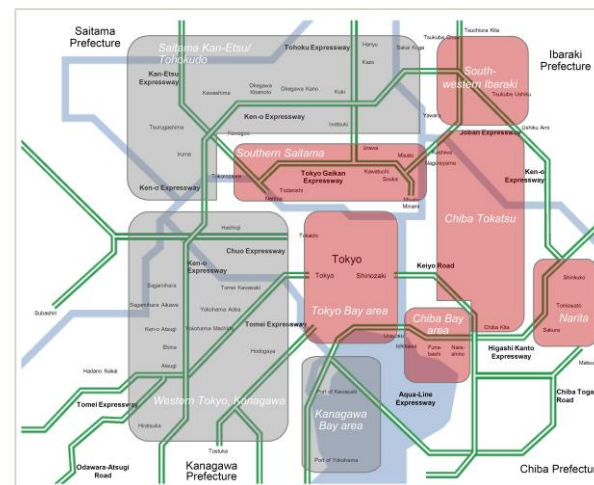
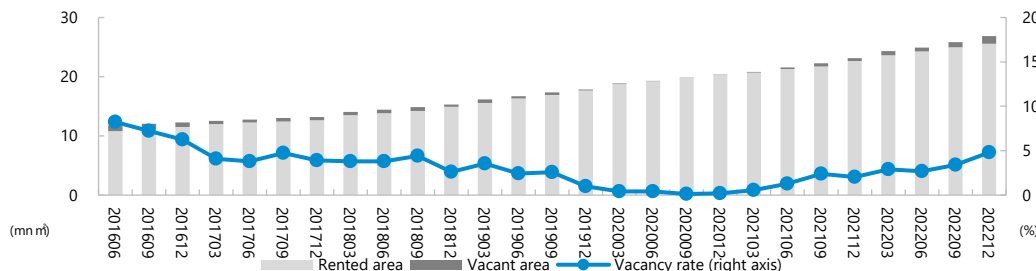
Market Trends – Tokyo Metropolitan Area and Kansai Area

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

Tokyo Metropolitan Area; Demand remains high at more than 661,100 m² for five consecutive Qs, but is outpaced by new supply.

Vacancy rate: 4.79% QoQ: Slightly Deteriorated

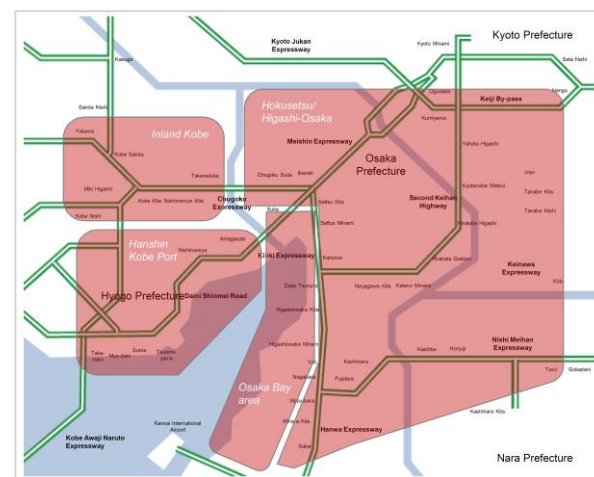
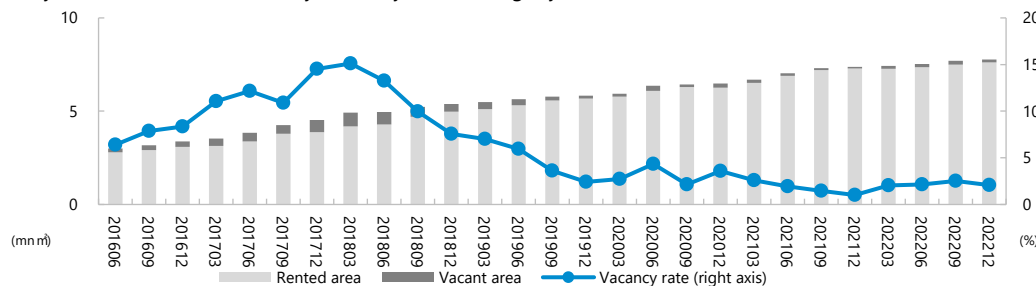
The vacancy rate was 4.79%, increasing 0.99 points from the previous Q. Of new supply with approx. 1,001,600 m², approx. 472,700 m² have remained vacant. Meanwhile, demand for existing properties exceeded supply by approx. 59,500 m². With this Q's new supply, which was the largest next to that in 2022CY1Q, the vacancy rate increased. However, it was confirmed that quarterly demand exceeded 661,100 m² for five consecutive Qs, keeping demand steady. New supply and demand through to the end of 2022CY were approx. 3,676,000 m² and 3,444,600 m², respectively. Both supply and demand exceeded 3,305,700 m² for the first time since the survey started. New supply with approx. 3,884,200 m², exceeding the amount supplied in 2022CY, is scheduled for 2023CY. A concentration with approx. 1,603,300 m² of the new supply is scheduled for 1Q and the reservation rate is reportedly slightly less than 30% at present. Although demand remains high, the consumption trend of new supply will be monitored from an early stage because a large volume of new supply is continuously scheduled.



Kansai Area; While new supply is yet to be consumed, the consumption of existing properties continues. The vacancy rate decreased.

Vacancy rate: 2.06% QoQ: Slightly Improved

The vacancy rate was 2.06%, decreasing 0.49 points from the previous Q. Of new supply of slightly less than 66,100 m², slightly less than 16,500 m² remains vacant. Meanwhile, the vacancy rate decreased as a result of the consumption of approx. 49,500 m² of existing properties. Although new supply and demand increased for three consecutive years starting in 2019CY, both significantly decreased in 2022CY. New supply and demand through to the end of 2022CY was approx. 390,000 m² and 456,100 m², respectively. Both nearly halved CyOCY, to approx. 49% and 43%, respectively. New supply with approx. 846,200 m² is scheduled for 2023CY, which is a double of the amount supplied in 2022CY. Approx. 370,200 m², about a half of the new supply, are scheduled for 2023CY1Q. The current reservation rate is reportedly less than 60%. The vacancy rate may increase slightly in the near future.



Source: Prepared by the Asset Manager based on data from "Market Report on Warehouses and Logistics Properties December 2022" of CRE, Inc.

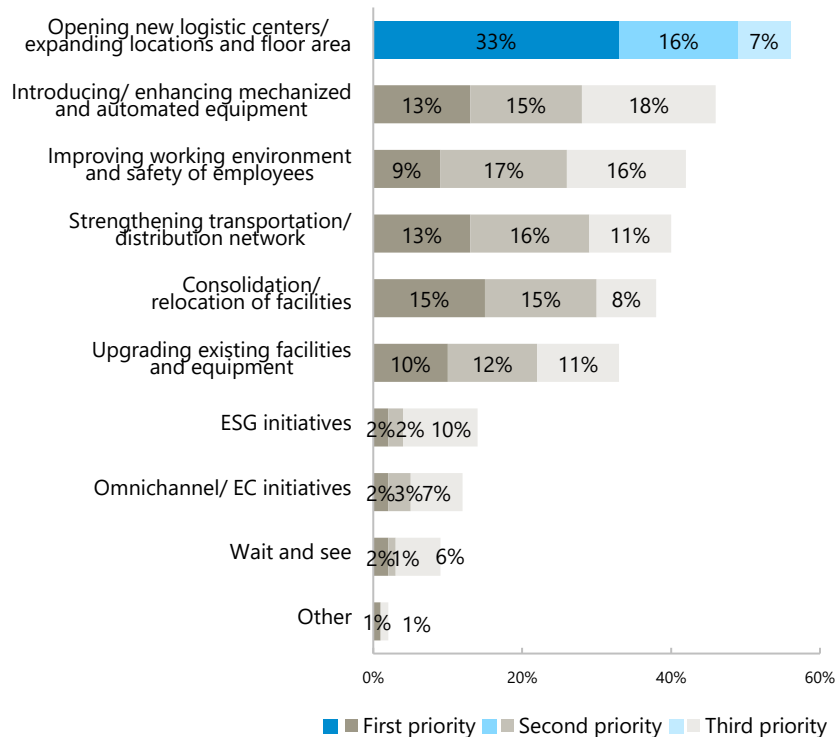
Rising Demand for Rental Logistics Facilities

- Rising Importance of Logistics Network Strategy

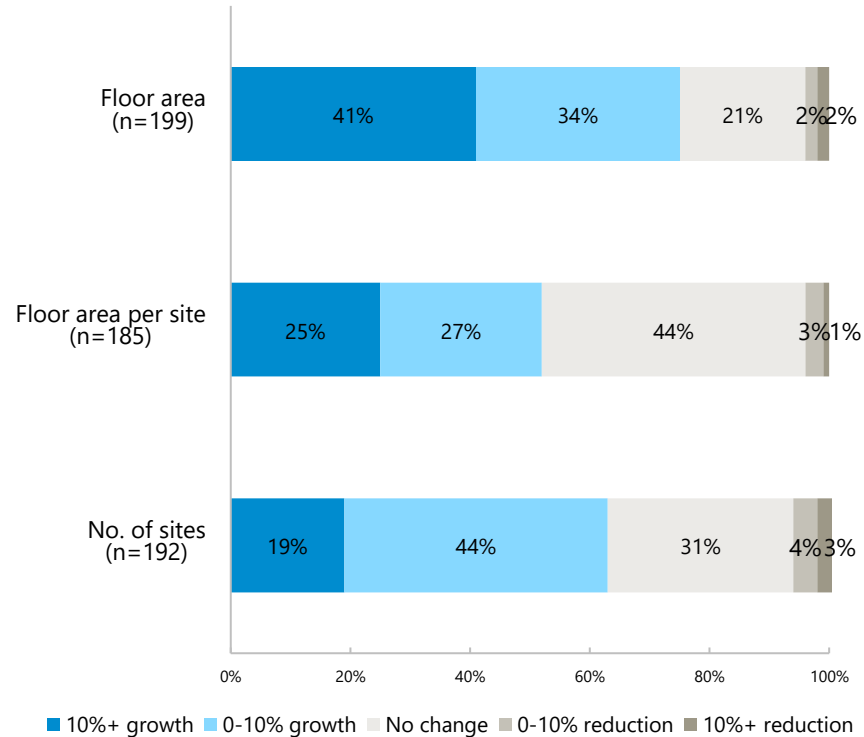
- 56% of companies using logistics facilities focus on “Opening new logistic centers/ expanding locations and floor area”.

- 75% of the companies responded that they plan to expand their total floor area.

Priority measures for next three years



Expansion plans for the next three years



Number of responses: 195
 Survey period: March 2, 2022 to March 15, 2022
 Survey targets: Companies in Japan that use logistics facilities (owned or leased)
 Source: Prepared by the Asset Manager based JAPAN 2022 LOGISTICS OCCUPIER SURVEY from CBRE, INC.

Survey period: March 2, 2022 to March 15, 2022
 Survey targets: Companies in Japan that use logistics facilities (owned or leased)
 Source: Prepared by the Asset Manager based JAPAN 2022 LOGISTICS OCCUPIER SURVEY from CBRE, INC.

Characteristics/Advantages of CRE REIT

Characteristics

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

High-quality portfolio (after acquisition of anticipated assets)

(1) Stable cash flow	Occupancy rate 100.0%	Ratio of fixed-term leases 100.0%	Ratio of fixed rent 100.0%
(2) Long-term contracts with diverse tenants	Average lease contract term 7.2 years	Average remaining lease term 4.2 years	Ratio of single-tenant facilities 59.8%
(3) Good location	Ratio of Tokyo Metropolitan and Kansai area 98.2%	Average mileage to interchange 3.1 km	Ratio of properties within 10 mins' walk of public transportation 87.6%

Our sponsor is real estate company specializing in logistics properties

(1) Leasing capability	Companies that have concluded lease contracts with CRE directly 1,196 companies	Master lease occupancy rate of logistics real estate 98.4%	Holding of private viewings, including for other listed REITs
(2) Property management (PM) capability	Managed floor area 1,603 properties 6.1 million m ²	PM entrusted by other companies 65%	Ranking for PM company focusing on logistics facilities 3rd 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 since 2006 when real estate securitization first appeared in Japan. 		

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

- Can leverage the 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 cash in hand.
- Already secured pipeline of 16 properties with total floor area of 867 thousand m².

Advantages

High-Quality Portfolio (1) Stable Cash Flow

Form of contract that enables stable operation

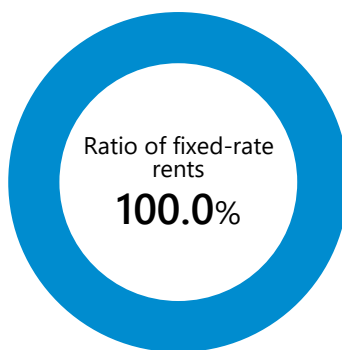
- In many cases, tenants who cancel early before the end of the contract term are required to pay the equivalent of rent for the whole remaining lease term as a penalty for breach of contract.
- Intention for renewal or termination is ascertained a year before the expiry of a contract.

Inclusion of newly built properties

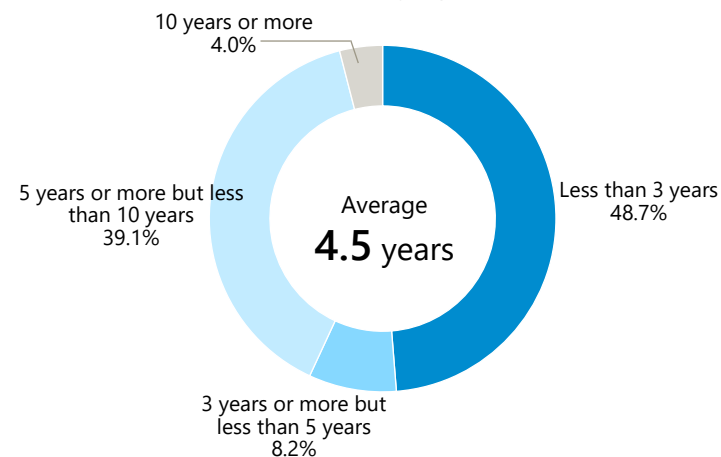
Ratio of fixed-term lease contracts



Ratio of fixed-rate rents

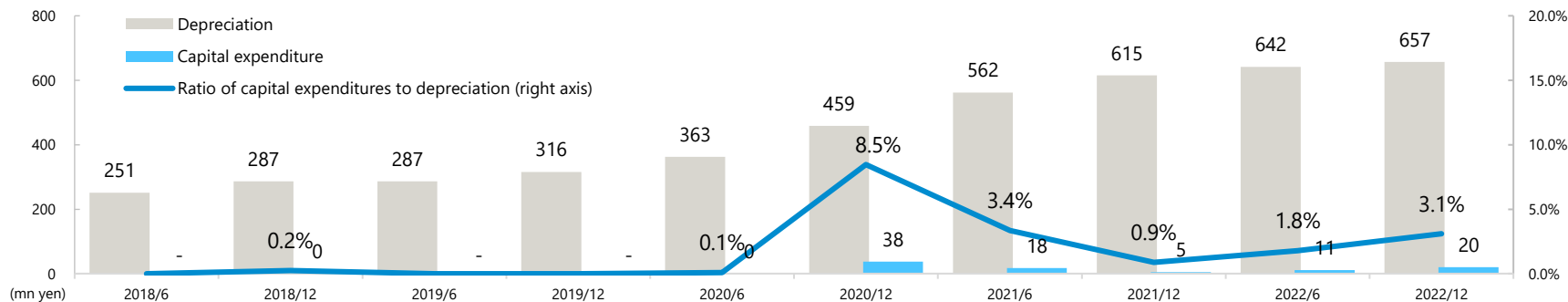


Property age



Capital expenditure remains low

- As the portfolio is mainly composed of newly built properties, capital expenditure is relatively low.



High-Quality Portfolio (2) Long Term Lease Contracts

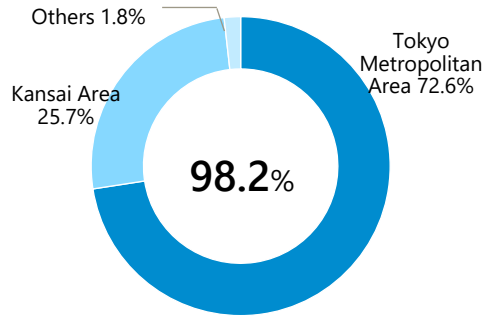
Contribution to the stability of portfolio based on long-term contracts that take into consideration tenant business plans.



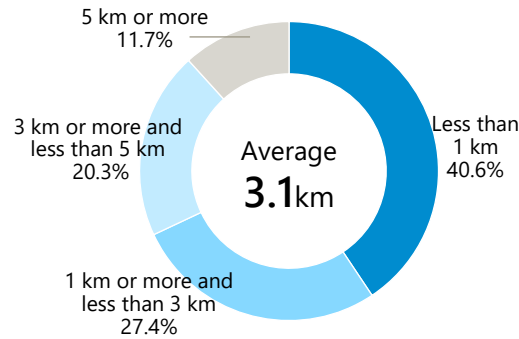
High-Quality Portfolio (3) Good Location

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

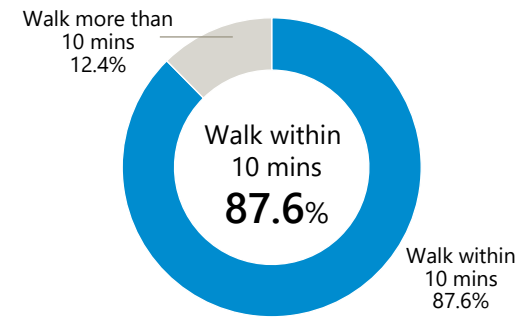
Ratio in Tokyo Metropolitan and Kansai area



Distance to an interchange

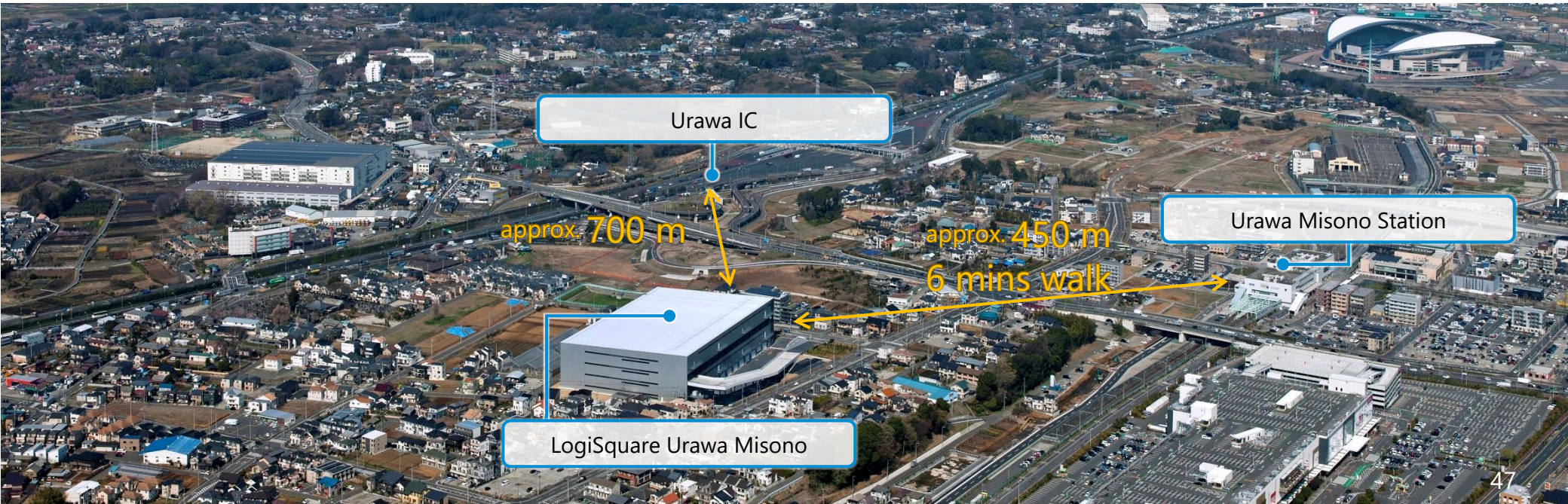


Walking distance from public transportation facilities



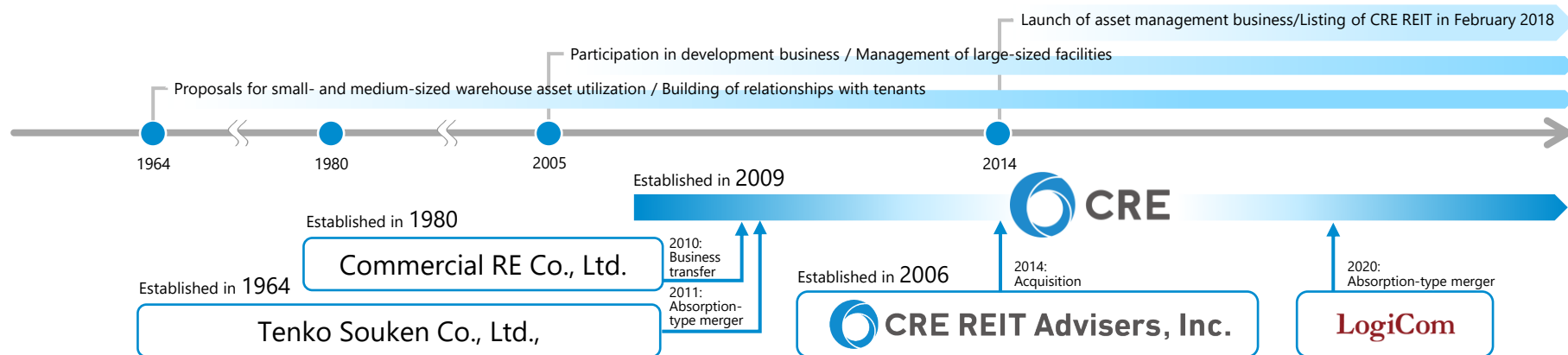
Example: LogiSquare Urawa Misono

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.



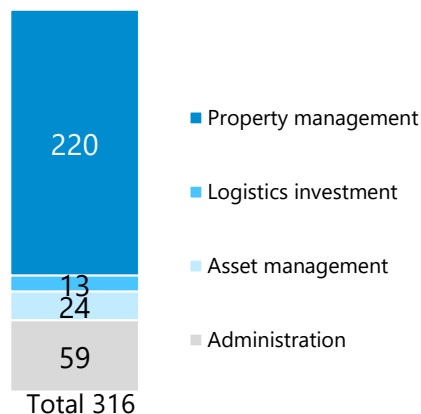
Our Sponsor is Real Estate Company Specializing in Logistics Properties

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

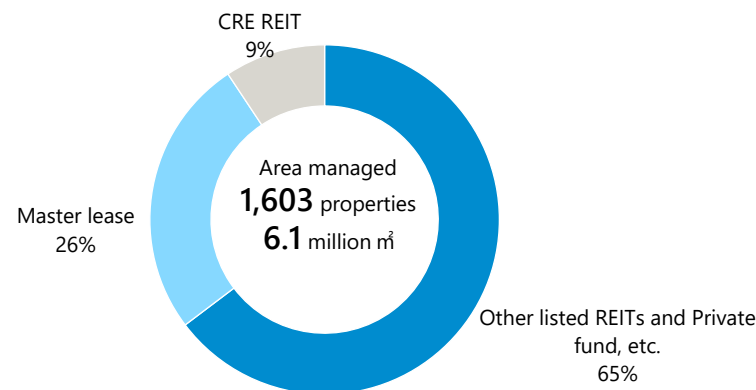
Number of employees on a consolidated basis (as of July 31, 2022)



Source: Prepared by the Asset Manager based on Annual Report for Fiscal Year ended July, 2022 of CRE, Inc.

Proven track record in providing services to other companies

CRE REIT can draw on the sponsor's knowhow gained through the management of 6.1 million m² floor area

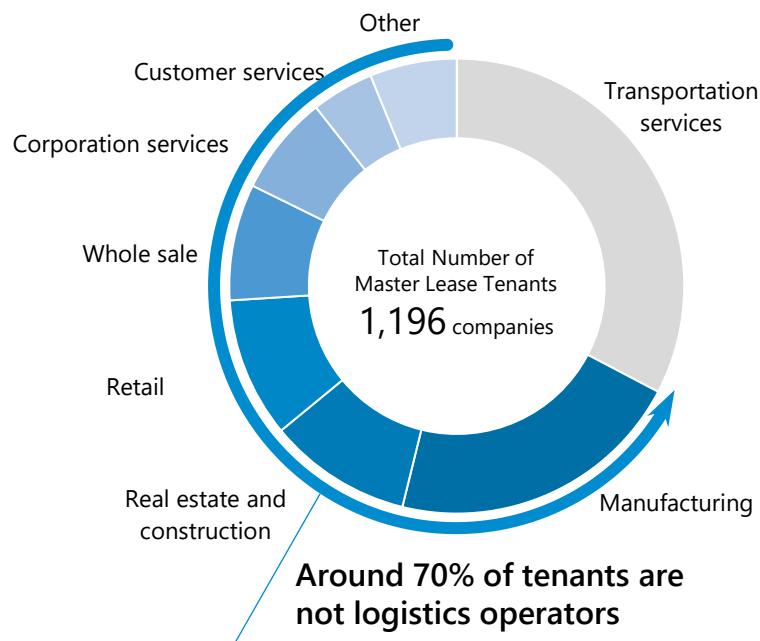


1. As of July 31, 2022. Prepared by the Asset Manager based on information provided by CRE. Includes results under the property managements and master lease agreements for the properties other than logistics facilities.

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.

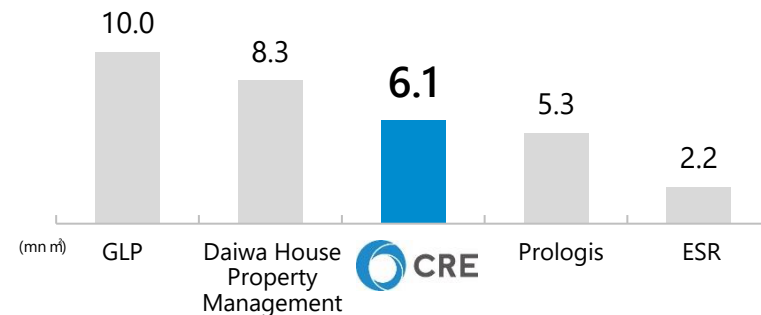
- CRE can gain an understanding of rent levels by entering contracts with tenants directly under master lease arrangements
- CRE builds relationships with tenants from a variety of industries not only logistics operators.



1. As of July 31, 2022. Figures include tenants of properties other than logistics 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.

Ranks Third Among Logistics Facilities-focusing PM companies

Top 5 based on the entrusted areas



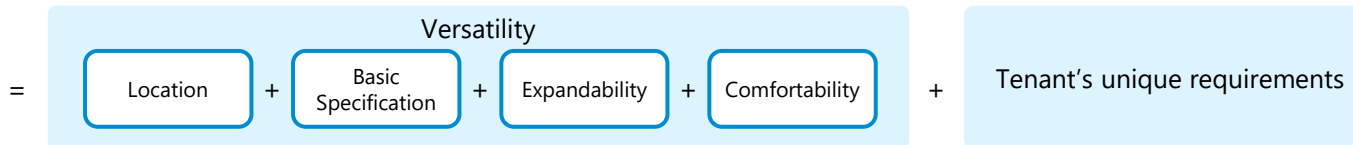
- Major Clients**
- LaSalle LOGIPORT REIT
 - Star Asia Investment Corporation
 - Kenedix Retail REIT Corporation
 - United Urban Investment Corporation
 - Japan Logistics Fund, Inc.
 - Industrial & Infrastructure Fund Investment Corporation
 - Mitsubishi Estate Logistics REIT Investment Corporation
 - Mitsubishi Jisho Investment Advisors, Inc.
 - Morgan Stanley Capital K.K
 - Mitsui & Co., Realty Management Ltd.
 - Yamato Transport Co. Ltd.
 - TLC REIT Management Inc.
- (No particular order)

1. Prepared by the Asset Manager based on Monthly Property Management Magazine from SOGO UNICOM Co., Ltd. (November 2022 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.
 2. Prepared by the Asset Manager based on CRE Inc.'s Consolidated Results for Fiscal Year 2022 (August 1, 2021 to July 31, 2022).

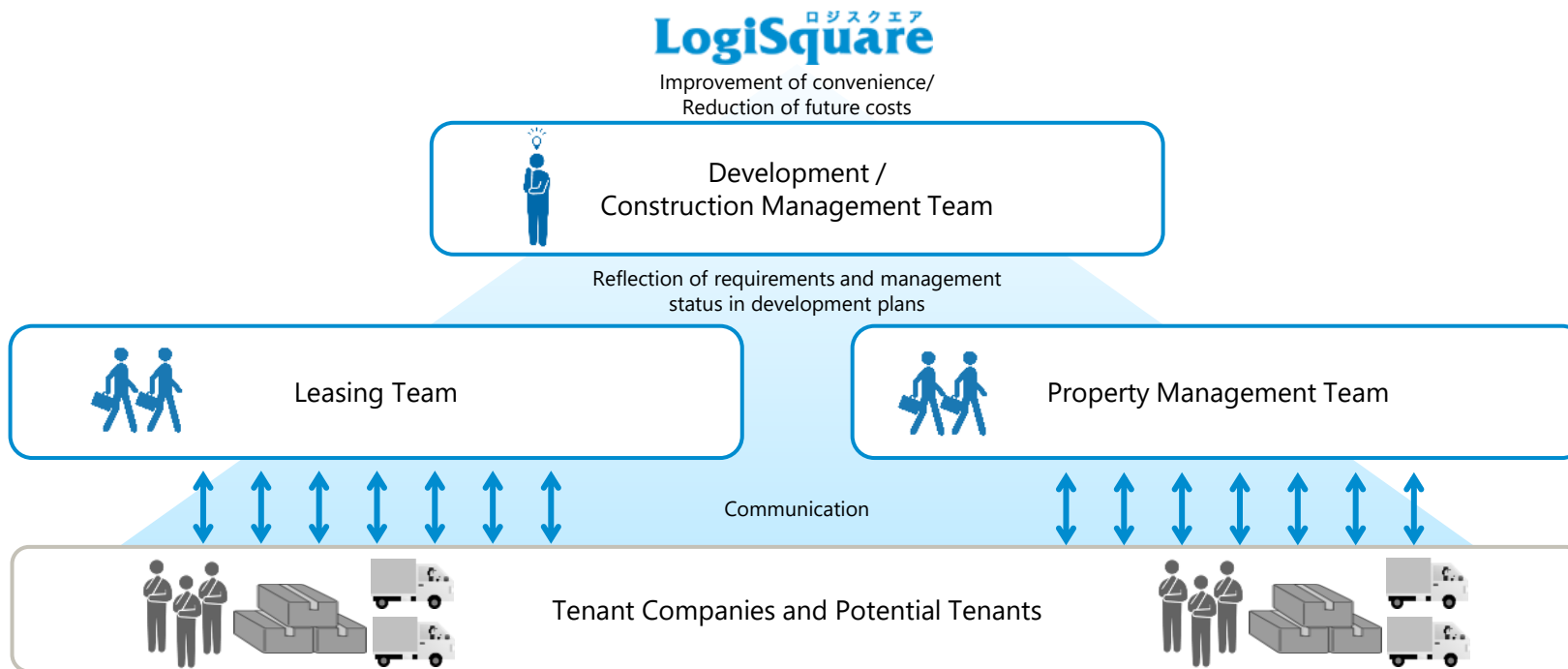
CRE's Development Capability – Development Ensuring Versatility and Incorporating Tenant Requirements

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

LogiSquare ロジスクエア = 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

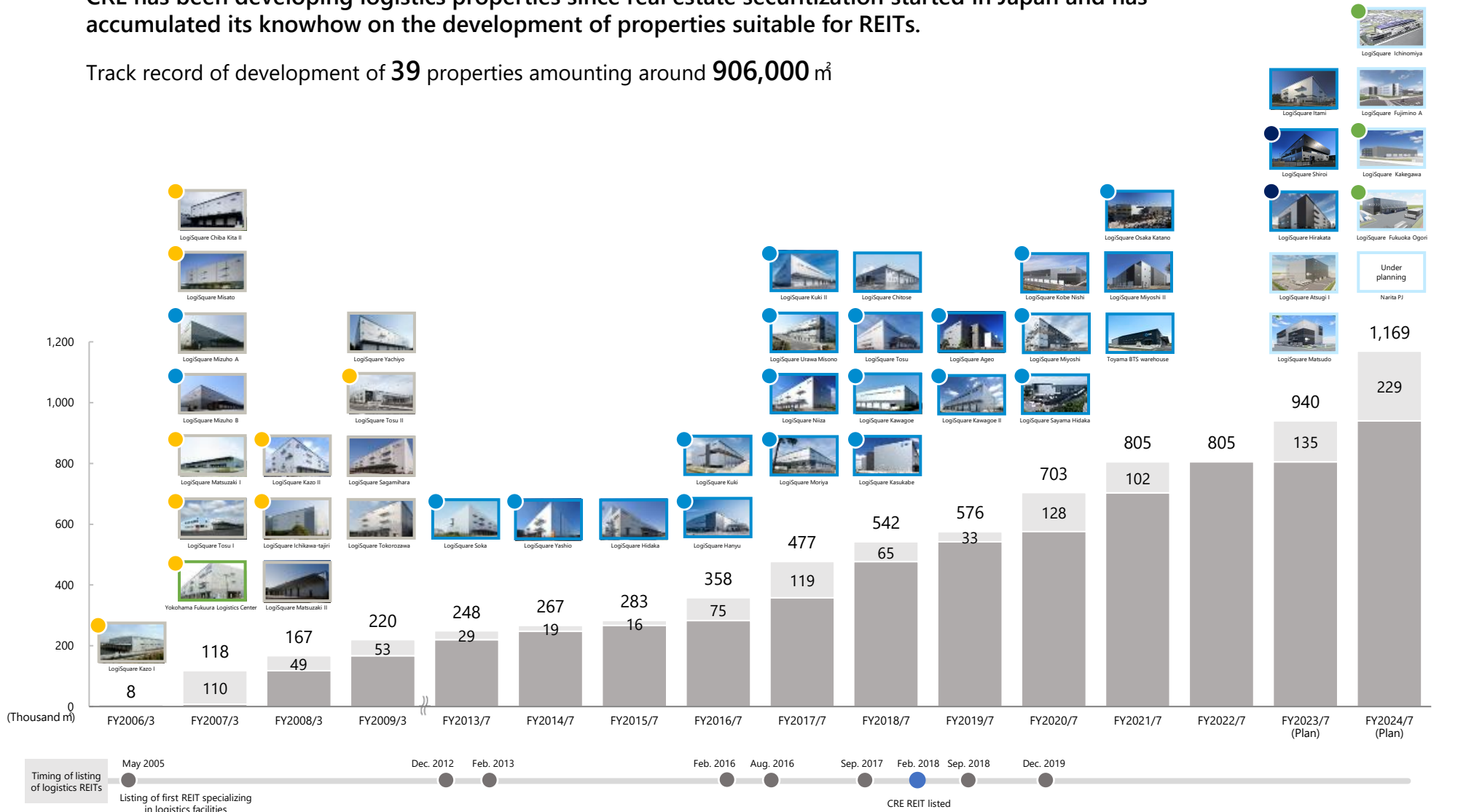


4. Appendix

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 **39** properties amounting around **906,000 m²**



The above chart includes assets other than the current assets and anticipated assets. CRE REIT is not engaged in any exclusive negotiation with CRE and CRE Subsidiaries, etc. on any of the above assets that are not the current assets or the anticipated assets, nor does it plan any acquisition of them at the present time or guarantee future acquisition from them. The above chart also includes the properties that have already been sold to third parties. Furthermore, with respect to properties under development by CRE, as of March 10, 2023, the development has not been completed and the pictures, the total floor area and development completion timing are based on plans as of March 10, 2023 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 December 31, 2022)

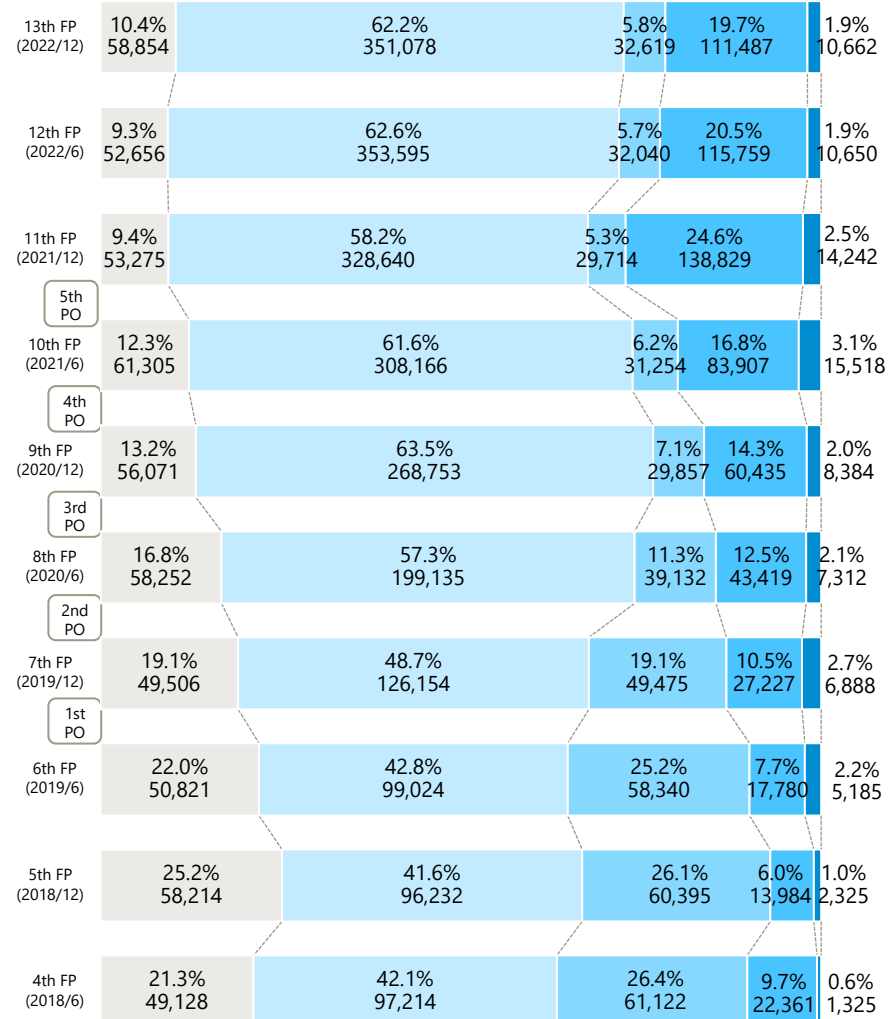
Name	Number of investment units(units)	Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	131,350	23.3
Custody Bank of Japan, Ltd. (Trust Account)	117,255	20.8
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	28,470	5.0
CRE, Inc.	20,390	3.6
The Bank of Yokohama, Ltd.	10,199	1.8
JP MORGAN CHASE BANK 385771	9,061	1.6
STATE STREET BANK WEST CLIENT - TREATY 505234	8,375	1.5
SSBTC CLIENT OMNIBUS ACCOUNT	7,201	1.3
JP MORGAN CHASE BANK 385781	7,157	1.3
Mitsubishi UFJ Trust and Banking Corporation	6,194	1.1
Total	345,652	61.2

Number of investors by type of owner (as of December 31, 2022)

	Number of investors (person)	Ratio (%)
Individuals/others	9,996	95.1
Financial institutions	72	0.7
Other domestic corporations	201	1.9
Overseas investors	215	2.0
Securities companies	22	0.2
Total	10,506	100.0

Number of investment units by type of owner

■ Individuals/others ■ Financial institutions ■ Other domestic corporations ■ Overseas investors ■ Securities companies



Notes

Unless otherwise noted, in this material, monetary amounts and power consumptions 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.

Front cover

1. "LogiSquare" refers to a high-quality logistics 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.
* A single facility where the buildings are used solely for the purpose of logistics among business enterprises and sales logistics ("logistics facilities use"), comprising of transporting and delivering goods, storage, stockpiling, cargo handling, packaging, sorting, distribution processing, and information provision, or a complex facility with the largest floor space is used for logistics facilities use; or 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 is used for 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 an expected return yield, commonly used by real estate investors, calculated based on the market price of investment units. The same applies hereinafter. For page 4, implied cap rate of CRE REIT is calculated using the following formula and rounded to the first decimal place, expressed as a percentage.
$$\text{Implied cap rate} = \frac{\text{Annual stabilized NOI}^*}{\{\text{Market capitalization of CRE REIT as of March 10, 2023} + \text{Interest-bearing debt as of the end of the 13th fiscal period (ended December 31, 2022)} + \text{Tenant leasehold deposits as of the end of the 13th fiscal period (ended December 31, 2022)} - (\text{Cash and cash equivalents as of the end of the 13th period (ended December 31, 2022)} - \text{Restricted deposits as of the end of the 13th fiscal period (ended December 31, 2022)})\}}$$

* "Annual stabilized NOI" is the sum of the appraisal NOI (which refers to Net Operating Income (NOI), which is operating income excluding operating expenses, as stated in the real estate appraisal report, and is income before deducting depreciation. This differs from Net Cash Flow (NCF), which is NOI minus income arising from security deposits etc. and capital expenditures. The same applies hereafter to "Appraisal NOI.") stated in each of the real estate appraisal report for the current assets (the assets held by CRE as of March 23, 2023. The same applies hereinafter) as of December 31, 2022 being the valuation date. In this document, "real estate appraisal report" may include a survey report pertaining to a real estate price survey, and "appraisal value" may include the survey price (survey value) based on the survey report.

Page 7

1. For details of "Asset size" and "Net Asset Value (NAV) per unit", please refer to the note on page 10 below. The same applies hereinafter.
2. For details of "stabilized distributions per unit (DPU)", please refer to page 11 below.
3. The term "stabilized level after asset acquisition and sale" means the stabilized DPU estimated based on the forecast for the 14th fiscal period (ending June 30, 2023) as stated in the "CRE Logistics REIT, Inc. Summary of Financial Results For the 12th Fiscal Period Ended June 30, 2022 (For the Reporting Period from January 1, 2022 to June 30, 2022)" dated August 15, 2022. The same applies hereinafter.
4. "NAV" refers to Net Asset Value, taking the appraisal value of the current assets and the anticipated assets of CRE REIT into account. For details of the calculation method, please refer to the note on page 10 below. The same applies hereinafter.
5. "LTV" refers to the ratio of the balance of borrowings and investment corporation bonds to the total assets of CRE REIT.
6. For details of "occupancy rate", please refer to page 28 below. The same applies hereinafter. "Average 99.9%" refers to the simple average of the occupancy rate at the end of each month from February 28, 2018 to February 28, 2023.
7. "Ratio of LogiSquare" refers to the ratio of LogiSquares to the current assets owned by CRE REIT.
8. "GRESB" is the name of an annual benchmark assessment to measure ESG (Note 9) integration of real estate companies and funds, as well as the name of organization which runs the assessment. It was founded in 2009 by a group of major European pension funds who played leading roles in launching Principles for Responsible Investment (PRI). As of October 2022, the number of investor members using GRESB data for selecting investment destinations and engaging in dialogue with them has reached 170 institutions with assets under management (AUM) of US\$51 trillion (At an exchange rate of 136 yen per U.S. dollar (as of March 10, 2023), approximately 6,936 trillion yen). In Japan, multiple institutions, including the Government Pension Investment Fund (GPIF), use the results of GRESB assessments. 1,820 listed and unlisted real estate companies and funds worldwide participated in the 2022 GRESB Real Estate Assessment.
9. "ESG" means the "Environment", "Social" and "Governance". The same applies hereinafter.
10. "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. The same applies hereinafter.
11. "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. The same applies hereinafter.
12. "FTSE EPRA Nareit Global Real Estate Index Series" is an index developed by FTSE in cooperation with the European Property Research Association (EPRA) and the National Association of Real Estate Investment Trusts (NAREIT), which has been adopted as a benchmark for international real estate investments by domestic and foreign investors including real estate investment funds. The same applies hereinafter.
13. "Analyst coverage" refers to provision of recommendations or reviews regarding the business results of CRE REIT by analysts belonging to securities firms. It shows the number of securities firms to which such the analysts belong that CRE REIT and the Asset Manager are aware of as of March 23, 2023, which are SMBC Nikko Securities Inc., Okasan Securities Co., Ltd., SBI SECURITIES, Co., Ltd. and Mizuho Securities Co, Ltd. Any information or recommendation, including analysis, opinion, estimate and forecast regarding the performance or strategies of or any other matters related to CRE REIT contained in the analyst coverage, do not constitute a part of this material. In addition, these information or recommendations are based on the analyst's own judgment, and neither CRE REIT nor the Asset Manager is involved in the preparation thereof or endorses, guarantees or agrees with them in any way.

Notes

14. "R&I" stands for Rating & Investment Information, Inc. and "JCR" stands for Japan Credit Rating Agency, Ltd. In addition, the rating "A (stable)" 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. The same applies hereinafter.

Page 8

- "PO" means a public offering. Please refer to the note on page 12 below for the definition of each PO. The same applies hereinafter.
- "P/NAV" refers to Price/Net Asset Value which is the value obtained by dividing the investment unit price by the NAV per unit and "P/NAV at PO announcement" refers to the value obtained by dividing the investment unit price as of the relevant issuance resolution date of each PO by the NAV per unit as of the end of the most recent fiscal period, which has been announced as of on the relevant issuance resolution date.
- "(Average) appraisal NOI yield" at each PO announcement is the ratio of the total appraisal NOI (NOI based on the real estate appraisal report obtained prior to the decision to acquire the asset) to the total acquisition price for the assets acquired using the proceeds from each PO, rounded to the first decimal place, expressed as a percentage.
- The "implied cap rate" at the time of each PO announcement is the value calculated by the following formula, rounded to the first decimal place, expressed as a percentage; provided that "as of the end of the most recent fiscal period of the nth PO" means as of the end of the most recent fiscal period before the payment date of each PO. The same applies hereinafter.
$$\text{Implied cap rate at the nth PO announcement} = \frac{\text{Annual stabilized NOI}^* \text{ at the nth PO announcement}}{\{\text{Market capitalization of CRE REIT as of the date referenced for the calculation of the expected total issue amount, etc. of the nth PO} + \text{Interest-bearing debt at the nth PO announcement} + \text{Security deposits as of the end of the most recent fiscal period in the latest financial statements announced at the time of the nth PO announcement} - (\text{Cash and deposits as of the end of the most recent fiscal period in the latest financial statements announced at the time of the nth PO announcement} - \text{Restricted deposits as of the end of the most recent fiscal period in the latest financial statements announced at the time of the nth PO announcement})\}}$$

* "Annual stabilized NOI" at the nth PO announcement is the sum of the appraisal NOI indicated in each real estate appraisal report as of the end of the most recent fiscal period of the nth PO for the assets owned as of the end of such fiscal period (if such real estate appraisal report has not been obtained at the time of the nth PO announcement, the real estate appraisal report as of the end of the previous fiscal period or the real estate appraisal report obtained prior to the decision to acquire the asset).
- For the details of the "stabilized DPU growth rate" at each PO, please refer to page 11 below "Average of 3.8%" refers to the simple average of the DPU growth rate at each PO.
- For details of "NAV per unit growth rate", please refer to the note on page 26 below. "Average of 3.4%" refers to the simple average of the NAV per unit growth rate at each PO.
- "J-REIT" means a listed real estate investment corporation in Japan. The same applies hereinafter.
- "COVID-19 pandemic" refers to the pandemic declaration by the World Health Organization on March 11, 2020.
- "Hard-POT Method" is a method of consolidating institutional investors' orders in a deal where there are multiple book-runners. In contrast to the "split order method" in which investors split their total demand and submit it to each securities firm separately, in the Hard-POT Method, investors submit their total demand to the firms collectively. The same applies hereinafter.
- For details of "green finance," please refer to the note on page 31 below.
- Prospectuses delivered only electronically refers to the prospectuses delivered through electromagnetic means without the distribution of physical copies of the 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 public offering resolved at the meeting of the board of directors of CRE REIT held on March 23, 2023 (hereinafter referred to as "this Public Offering"), and secondary offering by way of over-allotment only to those investors who have given and have not withdrawn such consent.
- For details on "total unitholder return", please refer to the note on page 13 below. The same applies hereinafter.

Page 10

- DPU stands for distributions per unit (including distributions in excess of earnings). The same applies hereinafter.
- "Annual rate + 5.7%" is the average annual growth rate for four and a half years from the end of the fiscal period ended June 30, 2019 to the fiscal period ending December 31, 2023 (compounded per annum).
- "Forecast dated February 16, 2023" is based on the forecast stated on "CRE Logistics REIT, Inc. Summary of Financial Results For the 13th Fiscal Period Ended December 31, 2022 (For the Reporting Period from July 1, 2022 to December 31, 2022)" dated February 16, 2023. The same applies hereinafter.
- "Forecast dated March 23, 2023" is based on forecasts for the fiscal period ending June 30, 2023 and the fiscal period ending December 31, 2023 as stated in "Notice Concerning Revision of Forecasts of Operating Results for the Fiscal Period ending June 30, 2023 and the Fiscal Period ending December 31, 2023" dated March 23, 2023. The same applies hereinafter.
- NAV per unit at the end of each fiscal period is calculated using the following formula.
$$\text{NAV per unit at the end of each fiscal period} = \frac{(\text{Net assets on the balance sheet at the end of each fiscal period} + \text{Total appraisal value of the current assets as of the end of each fiscal period} - \text{Total book value of the current assets at the end of each fiscal period} - \text{Total amount of cash distribution for each fiscal period})}{\text{Total number of investment units outstanding of CRE REIT as of the end of each fiscal period}}$$

Notes

6. NAV per unit after the 6th PO is calculated by the following formula.
NAV per unit after the 6th PO = (Net assets on the balance sheet as of the end of the 13th fiscal period (ended December 31, 2022) + Total estimated amount of issue price for this Public Offering* + Total estimated amount of issue price for this Third-Party Allocation* + Total appraisal value of current assets** - Total book value of current assets + Appraisal value of the anticipated asset** - Total anticipated acquisition price of the anticipated assets*** - Total amount of distributions for the 13th fiscal period (ended December 31, 2022)) ÷ Total number of investment units outstanding of CRE REIT after this Public Offering and this Third-Party Allocation (maximum).
- * The total estimated issue amount for this Public Offering is expected to be 10,314,000,000 yen and the total estimated issue amount for this Third-Party Allocation is expected to be 515,000,000 yen. Such estimated amount is calculated based on the regular trading closing price of the investment units on the Tokyo Stock Exchange as of March 10, 2023 (Fri) (182,500 yen), and assuming that the issue amount is 171,914 yen per investment unit. In addition, it is assumed that SMBC Nikko Securities Inc. will subscribe for all of the new investment units to be issued by this Third-Party Allocation. Therefore, if the actual issue amount in this Public Offering or this Third-Party Allocation is lower than the aforementioned assumed amount, or if all or party of the new investment units to be issued by this Third-Party Allocation are not to be subscribed, the total issue amount in this Public Offering or this Third-Party Allocation will be lower than the aforementioned amount, and the actual NAV per unit after the 6th PO may be lower than the above. Conversely, if the actual issue amount is higher than the aforementioned assumed amount, the total issue amount in this Public Offering or this Third-Party Allocation will be higher than the aforementioned amount and the actual NAV per unit after the 6th PO may be higher than the above.
- ** The real estate appraisal for each of the current assets and the anticipated assets 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 December 31, 2022 for the current assets and the date of valuation being January 31, 2023 for the anticipated assets. Please refer to page 40 below for the appraisals for each of the current assets and the anticipated assets. The same applies hereinafter.
- *** "Anticipated acquisition price" refers to purchase price of each trust beneficiary interest in the trust beneficiary interest purchase agreement for each 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.
The acquisition price of LogiSquare Tosu = 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) - (Land price as stated in the purchase agreement (820.8 million yen) ÷ Area before sale × Sold area)
In addition, the sale price does not include consumption tax, local consumption tax, sales commission and other expenses. The same applies hereinafter.
NAV per unit after the 6th PO is the estimated amount as of March 23, 2023, calculated based on the above assumptions; the actual result may differ. The same applies hereinafter.
7. "Annual rate +8.3%" is the average annual growth rate over 5 years from the end of the 4th fiscal period (ended June 30, 2018) (compounded per annum), calculated on the assumption that NAV per unit at the end of the 14th fiscal period (ending June 30, 2023) is the same as NAV per unit after the 6th PO.
8. The amount of "asset size" is calculated based on the total amount of (anticipated) acquisition price.
9. "Annual rate + 27.3%" is the average annual growth rate over 5 years from the end of the 4th fiscal period (ended June 30, 2018) (compounded per annum), calculated on the assumption that there will be no changes (acquisition of new assets, disposition of current assets, etc.) after the acquisition of the anticipated assets (Note 10) until the end of the 14th fiscal period (ending June 30, 2023), and the asset size at the end of the 14th fiscal period (ending June 30, 2023) is the same as the asset size after the 6th PO.
10. "After acquisition of the anticipated assets" refers to the time of the completion of the acquisition of the anticipated assets. In addition, the following figures for the portfolio after the acquisition of the anticipated assets are calculated by simply adding up the respective figures for the current assets and the anticipated assets at a certain time under certain assumptions, and actual results may differ. The same applies hereinafter.

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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.
8. "Forecast at the 6th PO" is based on "Notice Concerning Revision of Forecasts of Operating Results for the Fiscal Period ending June 30, 2023 and the Fiscal Period ending December 31, 2023" dated March 23, 2023.
9. "+3.0%," "+4.3%," "+3.1%," "+3.6%," and "+5.1%" represent the growth rate of the stabilized DPU before and after each PO and are referred to as the "growth rate of the stabilized distribution at each PO." The same applies hereafter.
10. The "annual rate +6.3%" of "stabilized DPU" and the "annual rate 7.2%" of "Stabilized EPU" are the average annual growth rate (compounded per annum) for the four-year period from the initial adjustment (initial forecast for the 7th fiscal period (ended December 2019)) to the adjustment after the 6th PO (calculated based on the forecast for the 15th fiscal period (ending December 2023) in the 6th PO forecast).

Notes

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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, 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, and the "fifth Public Offering" or the "5th PO" refers to the Public Offering with a payment date of September 15, 2021. In addition, this Public Offering and the Third-Party Allocation", which was resolved at the meeting of the board of directors of CRE REIT held on March 23, 2023, (this "Third-Party Allocation, same applies hereinafter"), may be referred to as the "sixth Public Offering" or the "6th 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 and, the fifth Public Offering or the 5th PO. The same applies hereinafter.
2. "Three securities companies" refers to SMBC Nikko Securities Inc., SBI SECURITIES Co., Ltd. and Mizuho Securities Co., Ltd. "Analyst coverage" refers to provision of recommendations and reviews, etc. regarding the performance, etc. of CRE REIT by analysts belonging to securities companies. All information and recommendations, including analyses, opinions, estimates, and forecasts regarding the performance or strategy, etc. of CRE REIT included in analyst coverage are based on the sole judgment of each analyst, and neither CRE REIT nor its Asset Manager is involved in any process of them and does not give any support, guarantee, or consent.
3. Please refer to page 31 below for details on the Capital Eye "BEST ISSUER OF 2021"
4. 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 (1,661.29 pt) on the previous business day of 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).

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1. Total unitholder return is an indicator of profitability for unitholders, calculated using capital gains (increase in unit price) and income gains (distributions received), and is calculated by the following formula.
Total unitholder return (%) = Capital gain (%) + Income gain (%)
Capital gain (%) = (Closing price of ordinary trading of units as of December 30, 2022 - Closing price of ordinary trading of units as of June 29, 2018*) / Closing price of ordinary trading of units as of June 29, 2018*.
Income gain (%) = Cumulative amount of DPU (including distributions in excess of earnings) for the last 10 fiscal periods (the last 5 fiscal periods for J-REITS with a 1-year fiscal period) of the fiscal periods ended on or before December 31, 2022 and for which a financial statements have been published at February 28, 2023 / (Closing price of ordinary trading of units as of June 29, 2018*).
- * The above table covers 53 J-REITs that were listed prior to February 7, 2018, the listing date of CRE REIT, and were listed as of February 28, 2023.

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1. "Kansai Area" refers to Osaka, Kyoto, Hyogo, Shiga, Nara and Wakayama Prefectures. The same applies hereinafter.
2. For details of "CASBEE" and "BELS evaluation", please refer to the notes on page 31 below. The same applies hereinafter.
3. For the definitions of and calculation methods for "total floor area", "total leasable area", "appraisal NOI yield" and "occupancy rate" for each anticipated asset, please refer to the notes on page 40. In addition, total leasable area is sometimes simply referred to as "leasable area". The "property features" are based on the descriptions in the "Real Estate Appraisal Report" prepared by Japan Real Estate Institute, and in part on materials obtained by the Asset Manager, and include the basic character, features, evaluation by CRE REIT, and features of the area in which the property is located.
4. "Appraisal NOI yield after depreciation" of each 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 on January 31, 2023) 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. The same applies hereinafter.

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1. "Kansai three prefectures" refers to Osaka, Kyoto and Hyogo Prefectures. The same applies hereinafter.
2. The speed settings for automobile driving of "areas accessible in 30-minutes and 60-minutes by car" are as follows. Traffic congestion is not considered, 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
3. The "tsunami" column refers to possible level of the flood due to tsunami which 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.
4. As for the liquefaction column, it is based on the "Earthquake PML Assessment Report (Level 2)" dated January 2023 prepared for this property by Sampo Risk Management Inc.
5. Based on the hazard map of Hirakata City. The rainfall conditions in the flood hazard information in the hazard map of Hirakata City are based on the assumed maximum rainfall for each river basin, and do not consider 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.

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1. "Tokyo Metropolitan Area" refers to Tokyo, Kanagawa, Chiba, Saitama, Ibaraki, Tochigi, Gunma and Yamanashi Prefectures. The same applies hereinafter.
2. "Tokyo Area" refers to Tokyo, Kanagawa, Chiba, Saitama and Ibaraki Prefectures. The same applies hereinafter.

Notes

Page 18-19

- "Pipeline" refers to, excluding the anticipated assets, (i) properties for which CRE REIT has already acquired exclusive negotiation rights based on the sponsor support agreement dated September 22, 2022 concluded between CRE REIT, the Asset Manager, CRE ("Sponsor", CRE as a sponsor) and Strategic Partners Co., Ltd. (as amended) ("Sponsor Support Agreement") ("assets with exclusive negotiation rights"), and (ii) properties that are under development or developed by CRE and for which exclusive negotiation rights will be granted based on the Sponsor Support Agreement ("properties under development or developed by CRE"). In addition, under the terms of Sponsor Support Agreement, CRE REIT or the Asset Manager will be granted exclusive negotiation rights for all properties to be sold by CRE and the CRE Subsidiaries, etc. (Note 2) 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 exclusive negotiation rights are granted, CRE REIT will not be obliged to acquire the properties for which exclusive negotiation rights have been granted and CRE or the CRE Subsidiaries will not be obliged to sell the properties for which exclusive negotiation rights have been granted to CRE REIT with the price CRE REIT hopes. The same applies hereinafter.
- "CRE Subsidiaries, etc." means the CRE Group (CRE and CRE's subsidiaries (as defined in Article 2, Item 3 of the Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements), provided that it excludes special purpose companies in which CRE holds tokumei-kumiai interests, the Asset Manager, CRE REIT, and Strategic Partners Co., Ltd. (The same shall apply hereinafter in this Note 2)) but excluding CRE, a special purpose company in which the CRE Group holds all of the equity (including, but not limited to, tokumei-kumiai interests), and a special purpose company in which the CRE Group holds part of the equity and effective decision-making authority, and a special purpose company in which the CRE Group is entrusted with asset management operations of real estate.
- As of March 23, 2023, regardless of exclusive negotiation rights, CRE REIT has not conducted specific negotiations with CRE or the CRE Subsidiaries, etc. regarding such pipeline, and there is no plan at this time to acquire such properties, nor is there any assurance that such acquisitions will be made in the future. In addition, as of March 10, 2023, the development of LogiSquare Atsugi I, LogiSquare Matsudo, LogiSquare Ichinomiya, LogiSquare Fujimino A, LogiSquare Kakegawa, LogiSquare Fukuoka Ogori, Narita PJ (tentative), LogiSquare Soka II, LogiSquare Atsugi II, LogiSquare Fujimino B, LogiSquare Fujimino C, LogiSquare Kyotanabe A, B, LogiSquare Asaka A, B, and LogiSquare Kuki III have not been completed. Although the pipeline as of March 10, 2023 is shown, preferential exclusive purchase and sale negotiation rights will be granted to other properties from time to time, and CRE and its CRE Subsidiaries and others will continue to develop properties other than these from time to time.
- For roads whose opening year is yet to be determined, there is no guarantee that they will actually be opened.

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- Based on leased area (Note 2) after acquisition of the anticipated assets.
- "Leased area" is the total leased area of the current assets and anticipated assets on February 28, 2023, as indicated in the respective lease agreements for the relevant properties. If a pass-through master lease agreement or a partial fixed-rent and partial pass-through master lease agreement has been executed or is scheduled to be executed for the relevant property, the area indicated in the lease agreement with the end-tenant is used.
- The classification of "tenants industries" and "products handled by tenants" in each graph is based on the Asset Manager's judgment of the main products and business categories of each tenant based on interviews, etc. with tenants at the time of lease agreement execution, etc. for the current assets and the anticipated assets. Therefore, the ratios may not necessarily match the actual ratios due to subsequent changes in the products handled, etc.
- For the definition of "number of tenants" and meaning of tenants, please refer to the note on page 40 below.

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- "3PL market size" indicates the total sales of 3PL operators that responded to a questionnaire survey conducted by Rhinos Publications, Inc. for major 3PL operators in Japan.
- "Listed logistics REITs" are listed real estate investment corporations in Japan that hold at least 80% of their assets as logistics facilities on an (anticipated) acquisition price basis as of the February 28, 2023, namely Japan Logistics Fund, Inc., GLP J-REIT, Nippon Prologis REIT Inc., LaSalle LOGIPORT REIT, Mitsui Fudosan Logistics Park Inc., Mitsubishi Estate Logistics REIT Investment Corporation, Advance Logistics Investment Corporation, SOSILA Logistics REIT, Inc and CRE REIT. The same applies hereinafter.

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- For details of "cumulative increase in leasing revenues" and "number of tenants with rent increased", please refer to page 27 below.
- For details on the "recontracting rate" and "number of days from the signing of the recontract to the start of the contract", please refer to the notes on page 28 below. For details on the "burden ratio of utilities by CRE REIT", please refer to the note regarding the pie chart in the "limited impact of electricity price hikes" section on page 28 below.
- For details of "green building", please refer to the note on page 31 below.
- For details of "solar power", please refer to the note on page 32 below.

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- As of March 23, 2023, CRE REIT is not engaged in any specific negotiations with CRE and the CRE Subsidiaries, etc. regarding the pipeline, nor does it plan any acquisition from the pipeline at the present time or guarantee future acquisition from the pipeline. In addition, as of March 10, 2023, the development of LogiSquare Atsugi I, LogiSquare Matsudo, LogiSquare Ichinomiya, LogiSquare Fujimino A, LogiSquare Kakegawa, LogiSquare Fukuoka Ogori, Narita PJ (tentative), LogiSquare Soka II, LogiSquare Atsugi II, LogiSquare Fujimino B, LogiSquare Fujimino C, LogiSquare Kyotanabe A, B, LogiSquare Asaka A, B, and LogiSquare Kuki III of the pipeline properties has not been completed, and the total floor area for these properties shown in this material is based on plans as of March 10, 2023 and may differ from actual figures. Although the pipeline as of March 10, 2023 is shown, exclusive negotiation rights will be granted to other properties from time to time, and CRE and the CRE Subsidiaries, etc. will continue to develop properties other than these properties from time to time.

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- This is only a target as of March 23, 2023, and there is no guarantee that the (average) appraisal NOI yield of assets to be required will continue to exceed the implied cap rate in the future.
- "NAV per unit growth rate at PO" is the ratio of NAV per unit after each PO to NAV per unit as of the end of the most recent fiscal period of each PO, rounded to the first decimal place, expressed as a percentage, and is calculated by the following formula.
$$\text{NAV per unit growth rate at nth PO} = \frac{\{(\text{NAV on the balance sheet at the end of the most recent fiscal period of the nth PO} + \text{Total issue price by the nth PO} + \text{Total appraisal value of assets held at the end of the most recent fiscal period of the nth PO} - \text{Total book value of assets held at the end of the most recent fiscal period of the nth PO} + \text{Total appraisal value of the appraisal reports obtained prior to the decision to acquire the assets acquired by the nth PO} - \text{Total acquisition price of the assets acquired by the nth PO} - \text{Total distributions as of the end of the most recent fiscal period of the nth PO}) / \text{Total number of investment units of CRE REIT issued and outstanding after the nth PO}\} / \text{NAV per unit as of the end of the most recent fiscal period of the nth PO} - 1$$

Notes

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1. The graph of "increased rents for 5 of 6 tenants, excluding short-term contracts" shows the lease contracts concluded for the current properties (excluding those for which the lease term has not started as of March 23, 2023) which are expiring in each fiscal period, categorized by "upward revision of rent", "no change", and "short-term contracts" for the contracts of the same parcel after termination of such lease contracts and based on leased area. "Short-term contract" refers to a lease contract with a lease term of one year or less. The amount of rent increase/decrease is calculated based on the actual rent (including common service charges) after taking the actual reduction of rent due to the grant of free rent, etc. into consideration.
2. "Cumulative increase in leasing revenues" (calculated based on the actual rent (including common service charges) after taking the actual reduction of rent due to the grant of free rent, etc. into consideration) per fiscal period is the sum of the amount of increase due to change in the rent and common expenses after the expiration of a long-term contract (lease contract with a lease term exceeding one year) in rental revenue per fiscal period resulting from rent increase/revision for the assets owned by CRE REIT since its establishment until the end of the relevant fiscal period. There has been no reduction in rents on any of CRE REIT's current assets from its inception to the end of the fiscal year ending December 31, 2022.

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1. "80% fixed and 20% pass-through type ML contract" refers to the master lease contract signed in July 2022 for LogiSquare Sayama Hidaka, where the rent is the sum of 20% of the sublease rent and a fixed amount of rent (80% of the estimated rent at the time of the initial acquisition of the interest in LogiSquare Sayama Hidaka (January 2021) when the property is fully occupied as assumed by CRE REIT).
2. "Recontracting rate" is calculated excluding short-term contracts.
3. "No. of days from the signing of the recontract to the start of the contract" is an average per number of cases, excluding short-term contracts.
4. Figures are calculated based on leased area for the pie chart titled "limited impact of electricity prices hikes". "Single" refers to a single-tenant property where the entire property is leased to a single tenant, and "multi" refers to a multi-tenant property where the property is leased to multiple tenants. "Multi- common areas" is calculated by subtracting the leasable area from the total floor area of the multi-tenant property and is set to "0" if it is a negative value.

Page 29

1. The "breakdown of interest-bearing debt sources (as of February 28, 2023)" is the ratio of principal amount of borrowings from each financial institution and outstanding investment corporation bonds to total interest-bearing debt as of February 28, 2023.
2. Abbreviations are used for company names.
3. The "Anticipated Borrowings" refers to the borrowings with the drawdown date of March 31, 2023 and April 3, 2023, which are intended to be used for the acquisition of the anticipated assets and fund part of the payment of its incidental expenses, etc. The same applies hereinafter.

Page 31

1. "Capital Eye Awards 'BEST ISSUER OF 2021'" is an award presented to a selected winner by editors of Capital Eye, based on responses to a survey conducted with underwriting security firms and institutional investors across the categories on the securitization, initial public offering, publicly traded equity, real estate investment trust securities (J-REIT), and convertible bond (CB) to find out which were the best financing deals and who were the best issuers in the capital markets in the financial year of 2021, from the perspective of whether the issue has been accepted smoothly by the market, has significance for the market, and contributes to the development and revitalization of the market.
2. The column under "Win Capital Eye Awards 'BEST ISSUER OF 2021'" is the analysis and evaluation regarding CRE REIT published by Capital Eye on April 1, 2022.
3. "The Task Force on Climate-related Financial Disclosures (TCFD)" is an international initiative established by the Financial Stability Board (FSB) at the request of the G20 to examine climate-related disclosure and how financial institutions should respond. The TCFD publishes recommendations for corporations and others to disclose their "governance," "strategy," "risk management," and "indicators and targets" for climate change-related risks and opportunities.
4. "Green Finance" means a Green Equity Offering (Note 5), Green Loan (Note 6) or Green Bond (Note 7). The same applies hereinafter.
5. "Green Equity Offering" refers to financing through issuance of investment units in accordance with the Green Equity Framework (please refer to (Note 16) for the definition of the "Green Equity Framework") established by CRE REIT. The same applies hereinafter.
6. "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 is a Green Loan.
7. "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. The same applies hereinafter.
8. "Green building" means assets that meet certain qualified criteria. The qualified criteria for green building of CRE REIT are as follows, and properties that have acquired or renewed, or will acquire or renew, any of the relevant certifications or evaluations are classified as green buildings. The same applies hereinafter.
 - DBJ Green Building Certification (Note 9): 5 stars or 4 stars
 - CASBEE Certification (Note 10) : S rank or A rank
 - BELS evaluation (Note 11) : 5 stars or 4 stars
9. "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 ★★★★★).
10. "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 Built Environment and Carbon Neutral for SDGs, 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)". The same applies hereinafter.

Notes

11. "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 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 ★★★★★). The same applies hereinafter.
12. In June 2020, CRE REIT established the Green Finance Framework, in accordance with "Green Bond Principles 2018", "Green Bond Guidelines 2020" (Note 13), "Green Loan Principles" and "Green Loan and Sustainability Link Loan Guidelines 2020" (Note 14) for the issuance of green bonds as well as for financing through green qualifying liabilities (i.e., liabilities from green loans and green bonds).
13. "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 (Note 7). Although the Green Bond Guidelines have been revised since the 2020 edition, the principles referenced in the Green Equity Framework are the 2020 edition. The same applies hereinafter.
14. "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 (Note 6). Although the Green Loan and Sustainability Link Loan Guidelines have been revised since the 2020 edition, the principles referenced in this Green Equity Framework are the 2020 edition. The same applies hereinafter.
15. 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))).
16. 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 (Note 17).
17. 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.
18. "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. The same applies hereinafter.
19. 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. The same applies hereinafter.
20. 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 considering 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 Public 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 Public 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.

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1. A "green lease" is a voluntary agreement between an owner and a tenant in cooperation to reduce the environmental impact of a property, such as energy conservation, and to improve the office environment, through a contract or memorandum of agreement, and to implement the contents of the agreement.
2. Excluding the figures in "electricity consumption and energy production of current assets from April to September 2022", the figures are based on the total floor area after acquisition of the anticipated assets. The figures in "electricity consumption and energy production of current assets from April to September 2022" are based on the relevant period. Although the installation of solar power generation has not been completed for any of the anticipated assets as of March 23, 2023, it will be completed without delay after acquisition by CRE REIT and the electricity from the solar power will be generated and consumed on-site, falling under the category of "solar power (In-house consumption)".
3. In the graph of "electricity consumption and energy production of current assets from April to September 2022", for properties acquired after April 2022, the figures represent the amount of electricity consumption and electricity generation from the date of acquisition to September 2022.

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1. These are only targets as of March 23, 2023, and there is no guarantee that they will be accomplished.
2. The calculation period for each fiscal year is from April 1 to March 31. In the case of fiscal 2019, the period is from April 1, 2019, to March 31, 2020.

Notes

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1. 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 12th fiscal period (ended June 30, 2022), assuming that the revised asset management fee structure is applied to the 12th fiscal period (ended June 30, 2022). Since the revised asset management fee structure will be applied from the 14th fiscal period (ending June 30, 2023), the actual asset management fee for the 12th fiscal period (ended June 30, 2022) will be paid based on the asset management fee structure before such changes.

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1. "Appraisal NOI yield" is the ratio of the appraisal NOI (based on the relevant real estate appraisal report with valuation dated as of December 31, 2022 for the current assets and as of January 31, 2023 for the anticipated assets) of each of the current assets or anticipated assets to the (anticipated) acquisition price of the relevant current asset or anticipated asset, rounded to the first decimal place, expressed as a percentage. "Average Appraisal NOI Yield" is the ratio of the total appraisal NOI of each of the current assets or the anticipated assets to the total (anticipated) acquisition price of the relevant current asset or anticipated asset, rounded to the first decimal place, expressed 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 assets by CRE REIT. The same applies hereinafter.
2. "Total floor area" is the total floor area indicated in the real estate registry for each property. In addition, "total floor area" includes total floor area of the buildings. The same applies hereinafter.
3. "Age" is the number of years from the date of construction in the real estate registry for each property to February 28, 2023, rounded to the first decimal place. "Average age" is the weighted average of the age of each current asset or anticipated asset weighted by the (anticipated) acquisition price and rounded to the first decimal place. The same applies hereinafter.
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 of each current asset or the anticipated asset, the total number of end tenants is indicated for an asset with a pass-through master lease agreement or a partial fixed-rent and partial pass-through master lease agreement, 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 February 28, 2023. The same applies hereinafter.
5. "Occupancy rate" is the ratio of the leased area** to the leasable area* of the property as of February 28, 2023, rounded to the first decimal place, expressed as a percentage. "Average occupancy rate" is the ratio of the total leased area** to the total leasable area*, rounded to the first decimal place, expressed as a percentage. The same applies hereinafter.
* "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 or a partial fixed-rent and partial pass-through master lease agreement has been concluded or is anticipated to be concluded for a current asset or an 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. The same applies hereinafter.
8. For LogiSquare Sayama Hidaka, the figures are the sums of the 80% share of quasi-co-ownership interest acquired in January 2021 and the 20% share of quasi-co-ownership interest acquired in July 2022.

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1. "Average appraisal NOI yield after depreciation" is the ratio of (x) the sum of the appraisal NOI of each of the current assets or the anticipated assets minus the estimated amount of depreciation to (y) the total (anticipated) acquisition price of the relevant current asset or anticipated asset, rounded to the first decimal place, expressed as a percentage. Average appraisal NOI yield after depreciation and appraisal NOI yield after depreciation of each 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 assets 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 February 28, 2023 (weighted by leased area, in the case of multiple lease contracts) stipulated in the lease contracts of the current assets or the anticipated assets, weighted by (anticipated) acquisition price, rounded to the first decimal place. Where a pass-through master lease agreement or a partial fixed-rent and partial pass-through master lease agreement has been concluded or is anticipated to be concluded for any of the current assets or the anticipated assets, the contract term is the contract term of the lease agreement concluded with the end-tenant. The same applies hereinafter.
3. "Average remaining lease term" is calculated by averaging the remaining lease term (the term from February 28, 2023 to the expiration date of the lease contract stipulated in the respective lease contract for each of the current assets or the anticipated assets (or the lease agreement concluded with the end-tenant, where a pass-through master lease agreement or a partial fixed-rent and partial pass-through master lease agreement has been concluded or is anticipated to be concluded for the relevant current asset or anticipated asset) as of February 28, 2023. However, if the start date of the lease contract stipulated in the relevant lease contract is on or after February 28, 2023, 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.
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 assets, after the acquisition of the anticipated assets) as of each indicated point of time, based on the (anticipated) acquisition price.

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1. The figures of "our sponsor is real estate company specializing in logistics properties" are as of July 31, 2022; prepared by the Asset Manager based on information provided by CRE. Each figure includes the results of property management and master lease of real estate other than logistics facilities.
2. As for "master lease occupancy rate of logistics real estate", 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 July 31, 2022, 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 July 31, 2022.
** "Leased area" is the sum of the leased area indicated in each lease agreement for each property as of July 31, 2022.
3. "PM entrusted by other companies" indicates the ratio of the total 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 (i.e., the area managed by other listed logistics REITs and private funds, etc.), to the total area managed by CRE.
4. "Suitable properties for REIT" refer to the properties which CRE REIT considers to be suitable for securitization and trust establishment, are versatile, and meet basic specifications.

Notes

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1. Regarding the description of penalties in the "form of contract that enables stable operation" section, depending on the amount of the penalty and other circumstances, the penalty may be partially reduced, or the validity of such clause may be denied by the court.
2. "Ratio of fixed-rate rents" refers to the ratio of fixed-rate rent lease contracts (based on leased area) to all lease contracts for each of the current assets and the anticipated assets as of February 28, 2023. If a pass-through master lease agreement or a partial fixed-rent and partial pass-through master lease agreement has been executed or is scheduled to be executed for the relevant current asset or anticipated asset, the lease agreement is the one executed with the end-tenant.
3. "Property age" is calculated after acquisition of the anticipated assets, based on the (anticipated) acquisition price.

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1. "Lease contract term" and "remaining lease term" are calculated after acquisition of the anticipated assets. The lease contract term or remaining lease term (in the case of multiple lease contracts, the weighted average term by leased area) for each property is calculated as the weighted average of the (anticipated) acquisition price.
2. Regarding the "remaining lease term", there are cases in which the lessee reserves the right to cancel the lease without paying the full amount of rent for the remaining term or to shorten the lease term after a certain period or at a certain time, and it is not necessarily guaranteed under the contract that the lessee will receive rent for the entire remaining term of the lease.
3. "Tenant composition" is calculated after acquisition of the anticipated property. "Single" and "Multi" represent the percentage of single-tenant and multi-tenant properties respectively (based on the (anticipated) acquisition price) in each of the current assets and the anticipated assets as of February 28, 2023. Properties with a tenant count of 1, as calculated by the method described in (Note 4) on page 40 above, are referred to as single-tenant properties, and properties with a tenant count of 2 or more are referred to as multi-tenant properties.

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1. "Ratio in Tokyo Metropolitan and Kansai area", "distance to an interchange", and "walking distance from public transportation facilities" are calculated after acquisition of the anticipated assets and are based on the (anticipated) acquisition price.