

Securities Code 3487



CRE Logistics REIT

Financial Results Briefing for the 14th Fiscal Period

Ended June 2023 (January 1, 2023 to June 30, 2023)

August 15, 2023

CRE REIT Advisers, Inc.

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Glossary

Term	Definition
Appraisal value	The appraisal value or an investigated value as of the end of the period is stated based on the Certificate of Incorporation of CRE REIT and the Regulation on Accountings of Investment Corporations (Cabinet Office Order No.47 of 2006 including subsequent revisions)
Unrealized gains	(Appraisal value) - (Book value) as of the end of the period
LTV	(Outstanding balance of interest-bearing debt) / (Total Assets)
LTV based on appraisal value	(Outstanding balance of interest-bearing debt) / (Total assets + Unrealized gains)
NAV	Net assets + Unrealized gains - Total amount of distributions
NAV per unit	(Net assets + Unrealized gains - Total amount of distributions) / Total number of investment units outstanding
Acquisition price	The purchase agreement price for each of the trust beneficiary rights stated in the sales agreement and does not include national and local consumption taxes or sales commission and other expenses that are incurred in the acquisition
NOI yield	Ratio of actual NOI of the portfolio assets to their acquisition price
Appraisal NOI yield	Ratio of the appraisal NOI of each asset to the acquisition price of each asset (based on the relevant real estate appraisal report with valuation dated as of the end of the period)
Occupancy ratio	The ratio of the leased area to the leasable area
CRE	CRE, INC.
CRE Group	CRE, INC. and its subsidiaries and affiliates

- This material is not a disclosure material under the Financial Instruments and Exchange Act, the Act on Investment Trusts and Investment Corporations or the Securities Listing Regulations of the Tokyo Stock Exchange.
- The purpose of this material is to provide information and not to offer, solicit the purchase of or sell certain products. When you make an investment, please do so at your own discretion and risk.
- The market price of investment securities of CRE REIT will be affected by the demand and supply of investors at an exchange and will fluctuate under the influence of the interest rate environment, economic conditions, the real estate market conditions and other factors surrounding the market. Accordingly, the investment securities may possibly not be sold at a higher price than the acquisition price, and investors could suffer a loss as a result.
- The investment securities of CRE REIT need to be purchased and sold through a securities company with which you undertake business. At that time, please read the contents of the document provided before concluding the contract (or a prospectus) carefully.
- While this material contains forward-looking statements and results forecasts, these statements do not guarantee the future results and financial conditions of CRE REIT.
- Unless otherwise noted, in this material, monetary amounts and energy amounts are rounded down to the nearest indicated unit, and areas, numbers of years and ratios are rounded off to the nearest indicated unit. Any average or ratio pertaining to assets is the weighted average based on the acquisition price, unless otherwise noted.

1. Highlights



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.

Summary

External Growth

- NAV per unit increased by 4.2% due to the 6th public offering in April 2023 and expansion of unrealized gains.
- Due to continuous external growth, DPU for the FP 2023/6 reached 3,626 yen, the highest ever for CRE REIT excluding the FP 2022/12 when a gain on sale was recorded.

Internal Growth

- Increased rents on both of the two long-term contracts expired in the FP 2023/6.
- Total NOI of 4 properties in 6 contracts that have expired in the past increased by 5.6% from the actual NOI after acquisition.
- The impact of the electricity prices hikes was limited, and net utility expenses was -10 million yen, almost the same amount as the FP 2022/12.

Financial Management

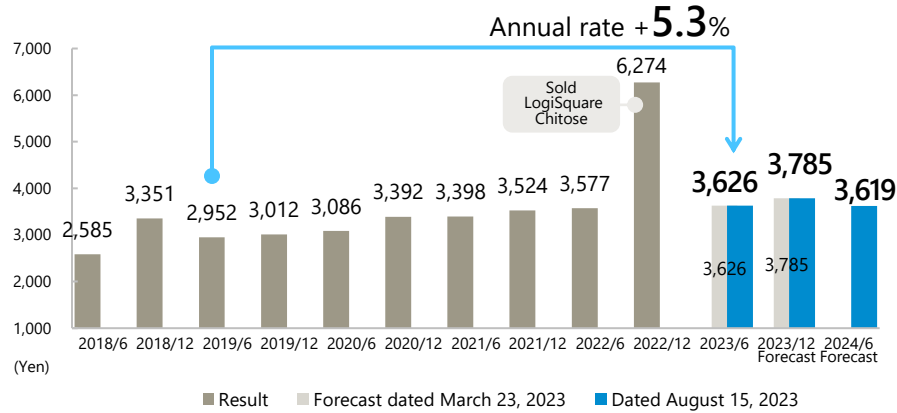
- LTV temporarily rose to 44.7% at the end of the FP 2023/6 due to short-term borrowings, but is expected to decrease to 44.1% in the FP 2023/12. The LTV is aimed to control at 43-45%.
- Control the funding cost appropriately by borrowing with floating interest rates.

ESG

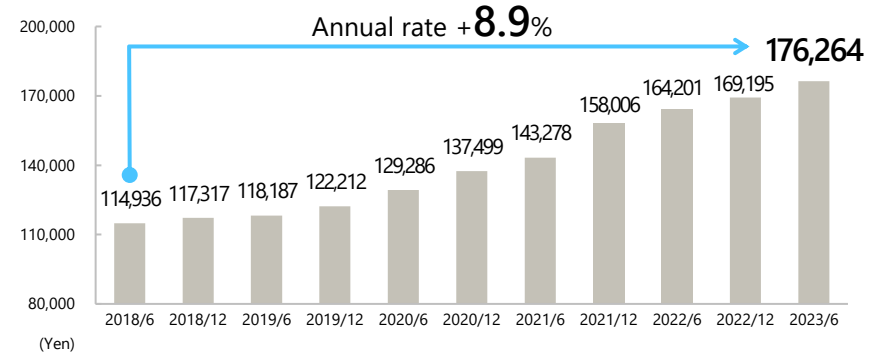
- The share of properties equipped with solar power rose to 83.6%, which contribute to generate approximately 70% of the total energy consumption by renewable energy.
- Promoted green finance, with green loans and green bonds accounting for over 50% of interest-bearing debt.

Increasing DPU and NAV per Unit While Lowering LTV

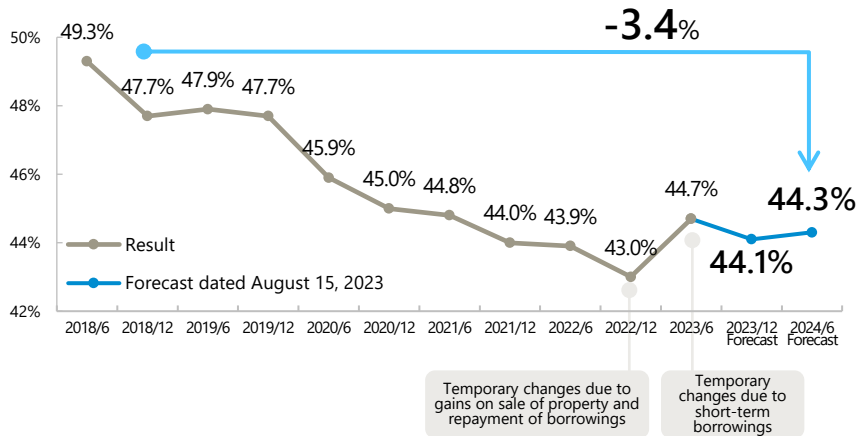
DPU



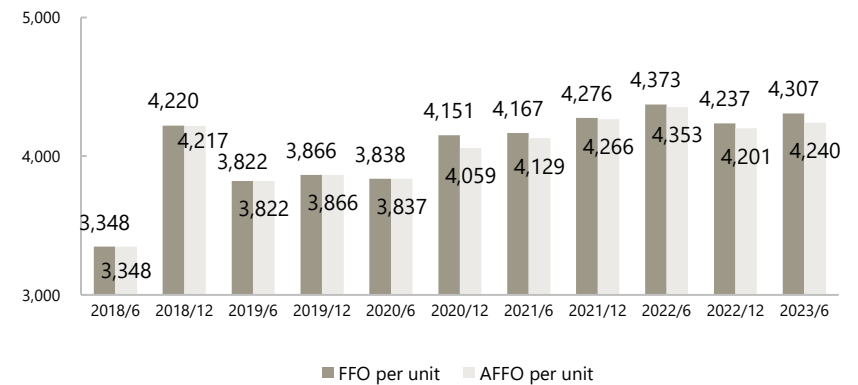
NAV per unit



LTV

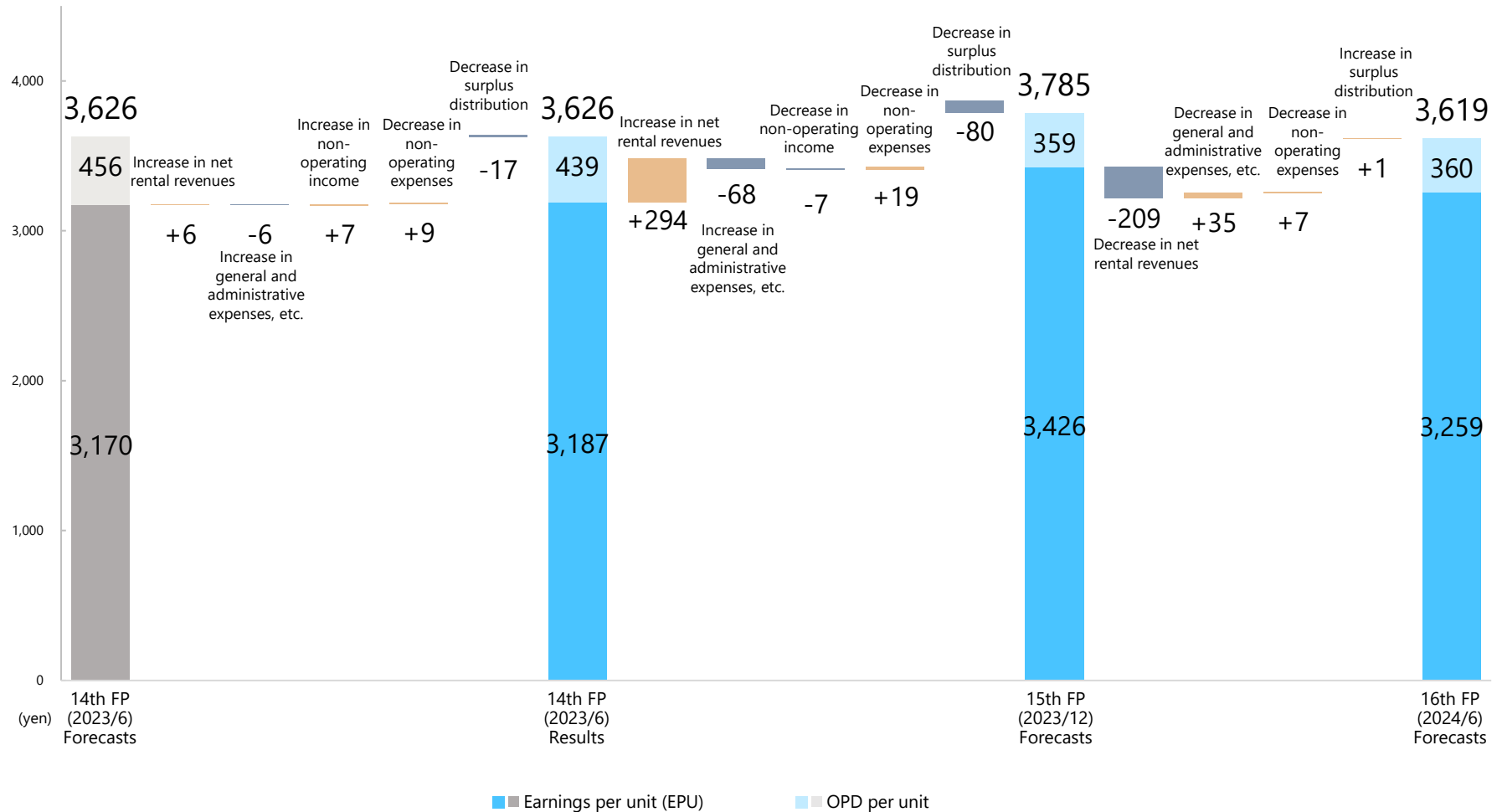


FFO/AFFO per unit



1. FFO per unit = (Net income - Gain/Loss on the property sale + Depreciation) / Total number of investment units outstanding
 AFFO per unit = (Net income - Gain/Loss on the property sale + Depreciation - Capital expenditures) / Total number of investment units outstanding

Comparison of Each Period





2. Clear Growth Strategy to Improve the Unitholder Value Continuously

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.

Growth Strategy Corresponding to the Changes in the External Environment

Recognitions of the external environment

- Inflation may not be temporary.
- Rise in long-term interest rates and possibility of further rise in the future.

Asset

Raise Net Cash Flow

- Maximize operating revenues by increasing rents and avoiding vacancies
- Appropriate control of rental expenses and capital expenditures

Debt

Control debt costs and ensure financial stability

- Control the increase in debt costs by borrowing with floating interest rates considering of the balance between economic conditions and risks carefully
- Promote stable funding through medium-term and long-term borrowing

Equity

Financing considering cost of capital

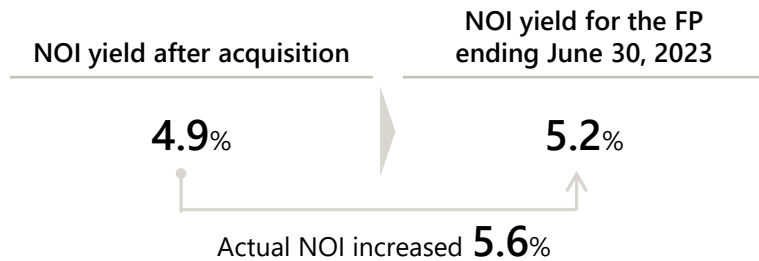
- Conduct a public offering at a unit price level that can increase NAV per unit and DPU in order to increase unitholder value
- Promote shortening the preparation time for public offerings, which takes 2-3 months

Aim for continuous growth in NAV per unit and DPU

Raise NCF (1) Maximize Operating Revenues

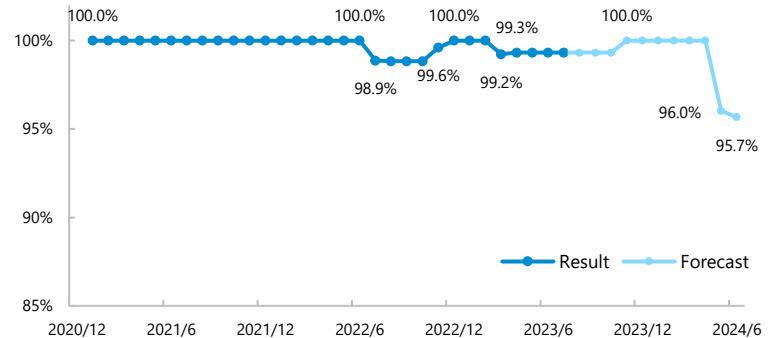
Increased NOI by rent increase

NOI yields for 4 properties with 6 contracts that expired between January 2021 and June 2023 (excluding short-term contracts)

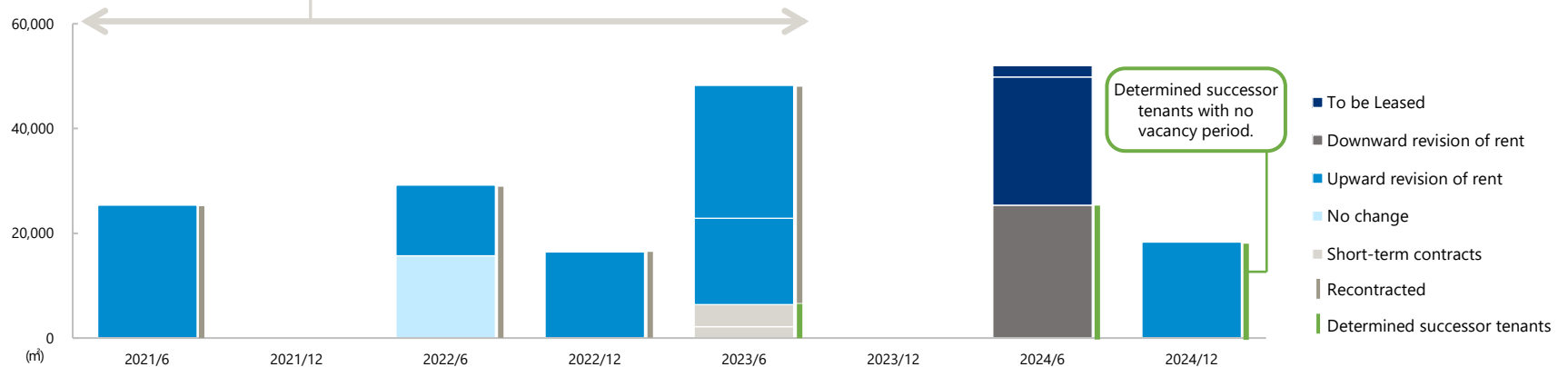


Aim to minimize vacancy periods and increase rents

occupancy rate



Lease expiration floor area

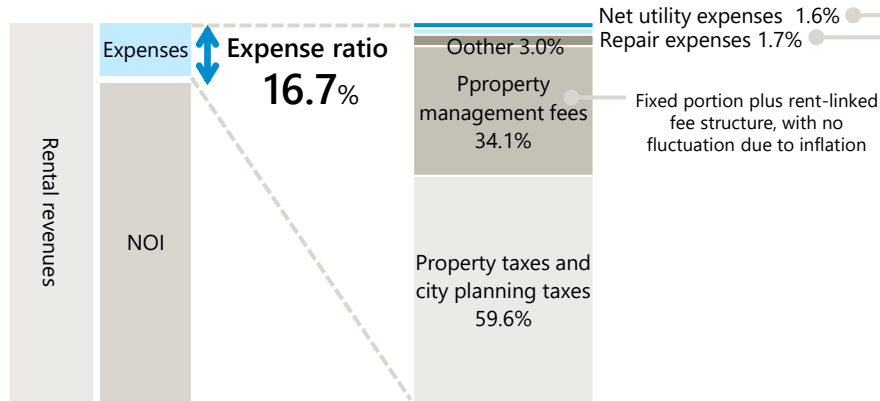


1. Upward/downward in rent is determined by rental revenue per fiscal period due to changes in rent and common area charges after the expiration of contracts made (calculated based on the actual rent after taking into account actual reductions due to granting free rent, etc.)
 2. Downward revision of rent in FP 2024/6 is due to individual circumstances with the current tenant, who is scheduled to move out after the expiration of the contract with a higher-than-market rent, and as a result of concluding a contract with the successor tenant at the same rent level as the market rent.

Raise NCF (2) Appropriate Control of Rental Expenses and CAPEX

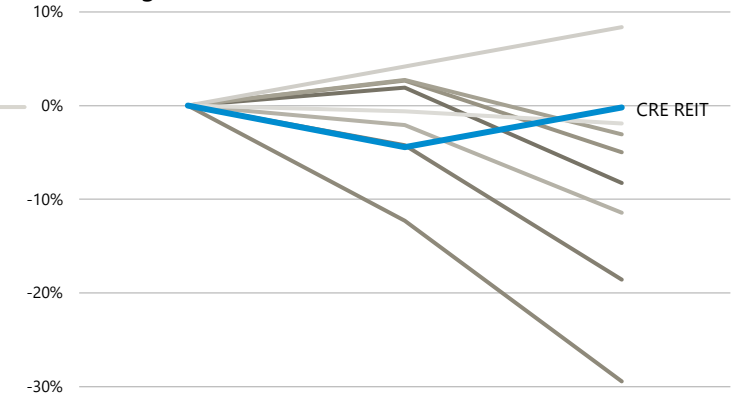
Inflation resistance structure

Breakdown of CRE REIT's rental expenses for FP ending June 30, 2023



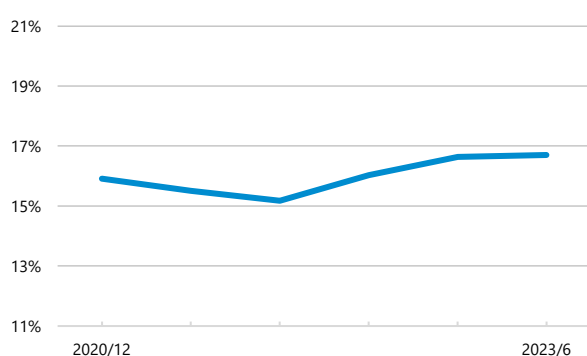
Utilities profit/loss ratio remained almost constant

Range of fluctuation in utilities profit/loss ratio for the last three years of listed logistics REITs



Expense ratio remains stable and low

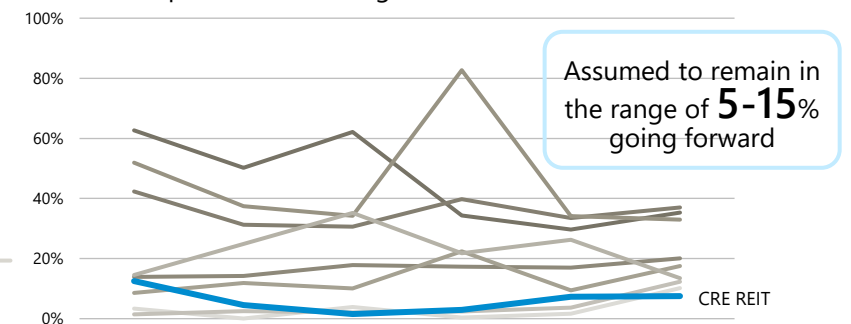
Expense ratios for the last six fiscal period of CRE REIT



Reference
 Office REITs
 Ave. **30~34%**
 Residential REITs
 Ave. **23~24%**

Repair and capital expenditures remained low

Ratio of repair and capital expenditures to depreciation for the last six fiscal period of listed logistics REITs



1. The expense ratio of CRE REIT is calculated by excluding properties before the property taxes and city planning taxes is expensed. In addition, utilities expenses are netted and calculated as follows.

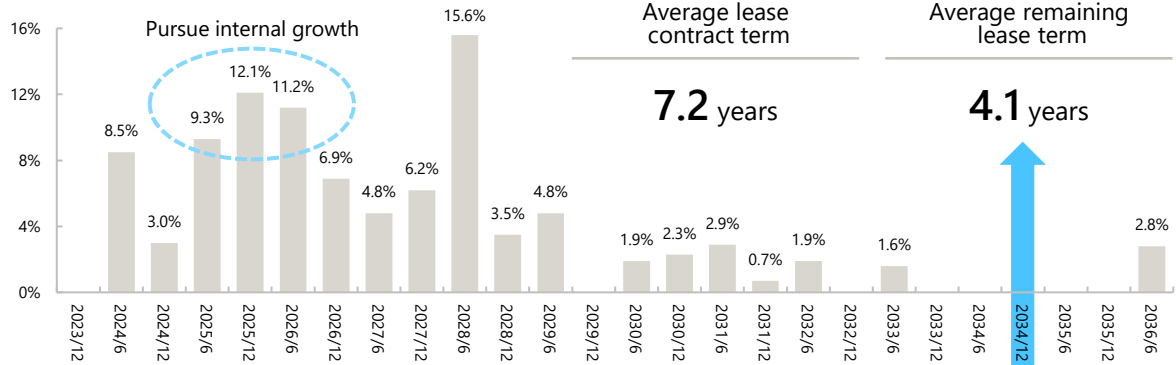
$$\text{Expense ratio} = (\text{rental expenses} - \text{depreciation} - \text{utility expenses} - (\text{utility revenues} - \text{utility expenses})) / (\text{rental revenues} - \text{utility revenues})$$

 The expense ratio of other REITs in Reference is calculated as follows.
$$\text{Expense ratio} = (\text{utility revenues} - \text{NOI}) / \text{utility revenues}$$

 2. Data of other REITs are prepared by the Asset Manager based on disclosed materials of listed REITs.

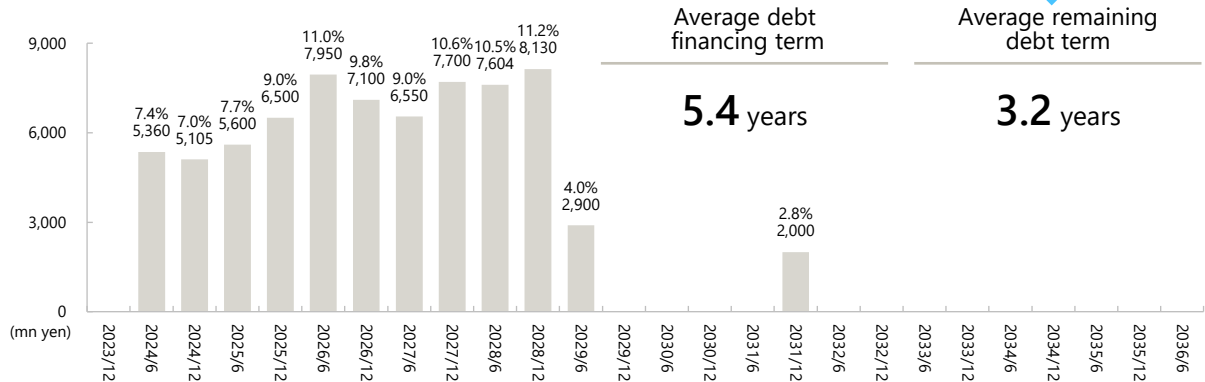
Approach to the Duration of Asset and Debt

Diversification of lease expirations (based on leased area, as of June 30, 2023)



Lease contract terms are becoming shorter gradually, and remaining terms are expected to become shorter gradually as well. CRE REIT aims to lengthen the debt financing term, while controlling the increase in debt costs.

Diversification of interest-bearing debt maturities (as of July 31, 2023)



Flexible operations without insisting on CPI-linked clauses

Reasons

- Increase adherence by making the contract tenant-friendly.
- Since the contract term has become shorter, 5 years is now the standard. Opportunities for rent increases are increasing.

Distribution of lease start date and lease term

● Ended contracts ● Within the contract term or before the start

Approach to interest-bearing debt

- Promote stable funding through medium-term and long-term borrowing.
- Control the increase in debt costs by borrowing with floating interest rates considering carefully of the balance between economic conditions and risks.
- Continue policy of operating LTV at 43-45%.

Control Debt Costs and Ensure Financial Stability

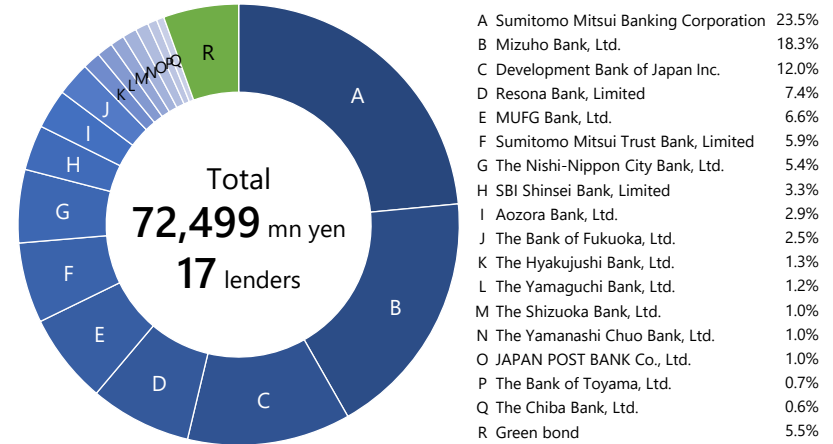
Promote debt cost control and financial stability

Ratio of long-term debt	Ratio of fixed interest debt	Average borrowing interest rate
97.7%	77.3%	0.592%
LTV based on appraisal value	Credit ratings (R&I)	Credit ratings (JCR)
38.2%	A (Stable)	A+ (Stable)

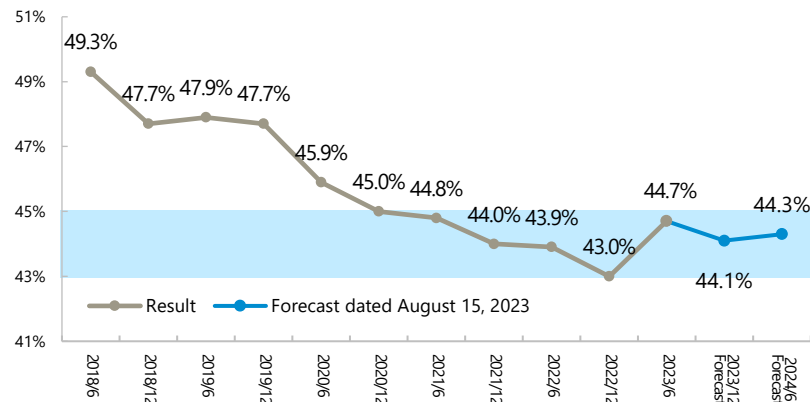
1. LTV based on appraisal value is as of the end of June 2023, others are as of the end of July 2023.

Diversify interest-bearing debt sources

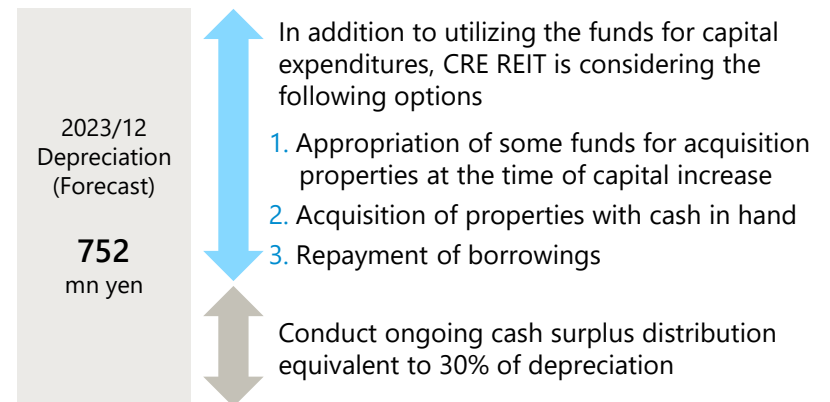
Breakdown of interest-bearing debt sources (as of July 31, 2023)



Operate LTV at 43-45%



Approach to the use of cash in hand



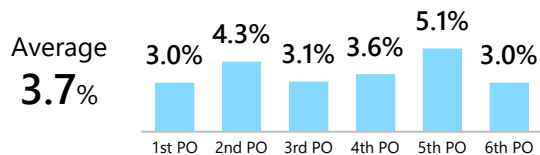
Financing Considering Cost of Capital

CRE REIT's Approach to Public Offerings and Property Acquisitions

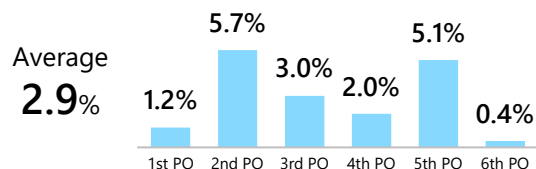
- 1. CRE REIT will acquire properties without dilution of NAV per unit and DPU for the improvement of unitholder value.**
NAV per unit and DPU increased in each of the 1st through the 6th public offerings. CRE REIT plans to maintain this approach moving forward.
- 2. Achieve flexible external growth, with consideration for investment unit price, including utilizing the bridge function and shortening the preparation time for public offerings.**
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

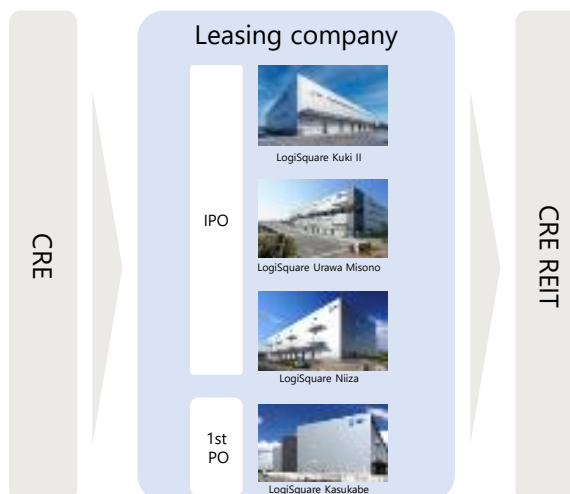
Stabilized DPU growth rate at PO



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

1. "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.

Rich Pipeline Enabling Future External Growth

Aiming for continuous distributions growth in cooperation with CRE Group

Pipeline

17 properties / Total floor area 888,100 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



^{new!}
 LOGICITY Ogori (tentative)
 (1) July 2024
 (2) 28,364m²
 (3) Ogori-shi, Fukuoka

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:114,083m²
 C: 2025 C: 43,283m²
 (3) Fujimino-shi, Saitama



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



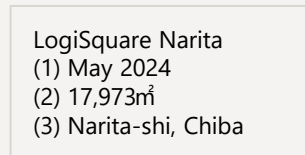
LogiSquare Kyotanabe A,B
 (1) A: Feb. 2025 (2)A:155,878m²
 B: 2026 B: 87,534m²
 (3) Kyotanabe-shi, Kyoto



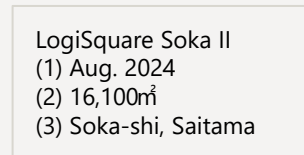
LogiSquare Atsugi II
 (1) Mar. 2024
 (2) 18,422m²
 (3) Atsugi-shi, Kanagawa



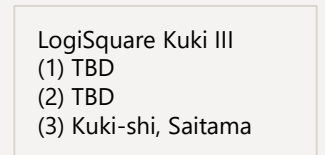
LogiSquare Asaka A,B
 (1) A: 2026 (2)A: 96,000m²
 B: 2026 B: 65,500m²
 (3) Asaka-shi, Saitama



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



LogiSquare Soka II
 (1) Aug. 2024
 (2) 16,100m²
 (3) Soka-shi, Saitama



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

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

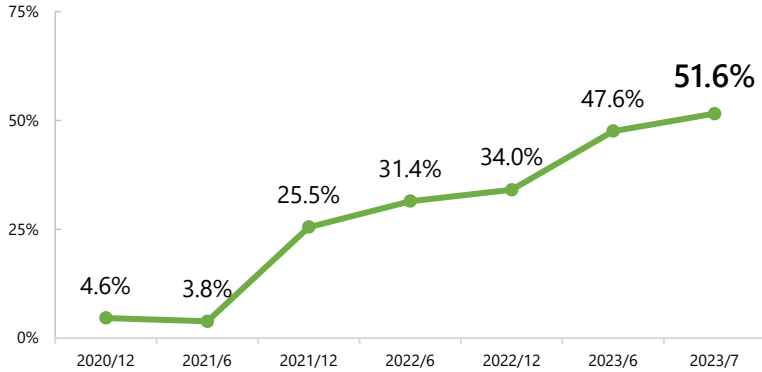
1. As of July 31, 2023, CRE REIT has not engaged in specific negotiations with the CRE Group companies regarding the pipeline nor does it have any plan to acquire from the pipeline at the present time or guarantee any future acquisition from the pipeline.

2. "LOGICITY Ogori (tentative)" is a property jointly developed by CRE and Fukuoka Jisho Co., Ltd.

Promoting ESG Efforts – Environment (1)

Promote green finance

Percentage of green loans and green bonds



Status of green equity offerings

	Payment date	Amount of raised funds
5th public offering	Sep. 15, 2021	13,147 mn yen
6th public offering	Apr. 3, 2023	9,546 mn yen

Awarded 5 Stars at GRESB 2022



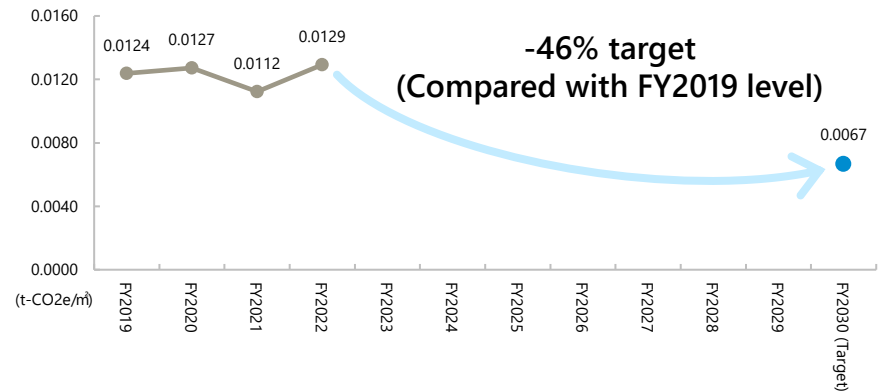
Real Estate Assessment	5 Stars
Public Disclosure	A

Disclosed in line with TCFD recommendations and announced targets and results



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

Greenhouse gas emissions (intensity)



Coverage rate for environment-related data

Target	Maintain 100% until the FY 2027	FY 2022 Result	100%
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Percentage of green building certifications acquired (based on total floor area)

Target	At least 95% by the FY 2027	FY 2022 Result	100%
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1. "FY" is the 12 months that begins on April 1 of that year.

2. The eligibility criteria for green buildings in CRE REIT are DBJ Green Building Certification (5 Stars or 4 Stars), CASBEE Certification (S Rank or A Rank), or BELS evaluation (5 Stars or 4 Stars), and properties that have acquired or renewed, or will acquire or renew any of the relevant certifications will fall under the green buildings.

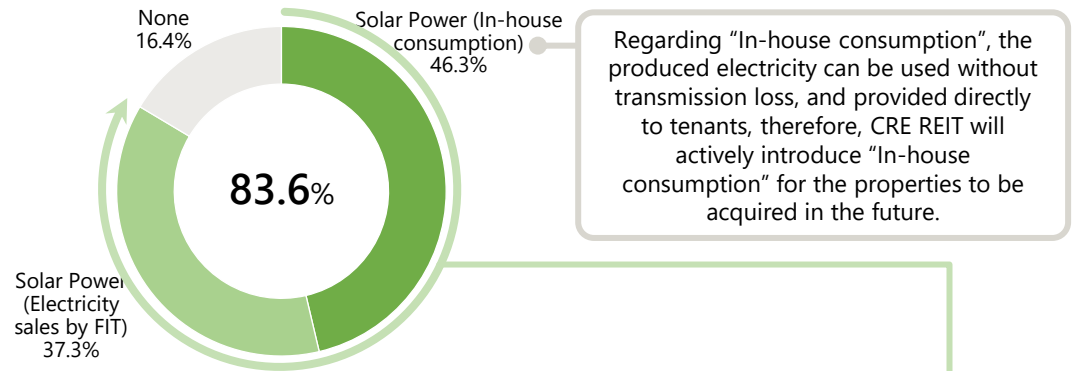
Promoting ESG Efforts – Environment (2)

100.0% of portfolio are composed of Green Buildings

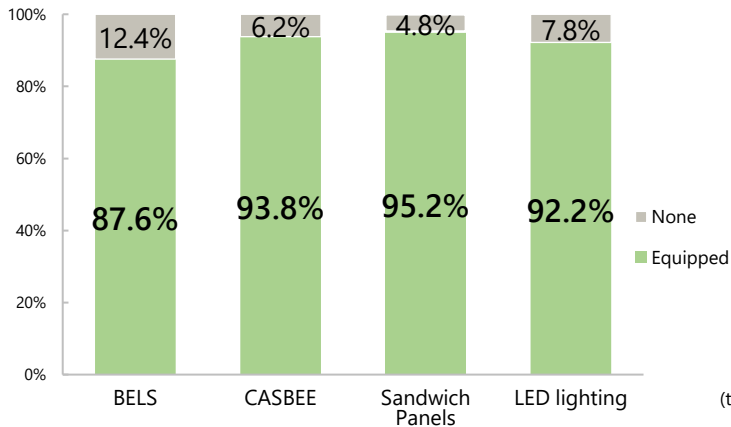
First in J-REIT



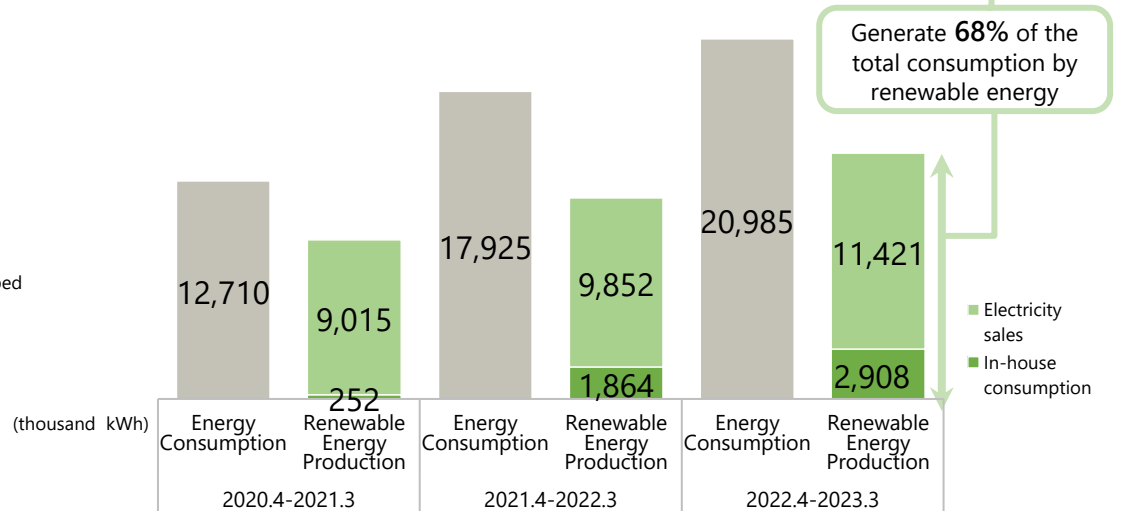
Over 80% of portfolio have installed solar power



Percentage of environmental certifications and installation of equipment



Electricity consumption and energy production of held assets



1. Based on total floor area.
2. CRE REIT leases roof top space and the lessees produce renewable energy by installing solar panels.



3. Financial Results and Forecasts

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.

Highlights on the 14th FP – Realized Steady Growth through External Growth

DPU

14th FP Results (2023/6)	3,626 yen (vs forecast: -yen, -%)
15th FP Forecasts (2023/12)	3,785 yen
16th FP Forecasts (2024/6)	3,619 yen

NAV per unit

14th FP Results (2023/6)	176,264 yen (vs previous FP +7,069 yen, +4.2%)
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Portfolio

Portfolio size	21 properties 159 billion yen
Occupancy rate	99.3%
Average remaining lease term	4.1 years
Average property age	4.9 years

Asset

	14th FP (2023/6)	Compared to 13th FP
Appraisal value	183,540 mn yen	+27,380 mn yen
Unrealized gains	27,741 mn yen	+5,348 mn yen
Unrealized gains ratio	17.8%	+1.1%
Repair expense	10 mn yen	-16 mn yen
Capital expenditure	41 mn yen	+21 mn yen

Debt

	14th FP (2023/6)	Compared to 13th FP
Interest-bearing debt	72,499 mn yen	+11,830 mn yen
LTV	44.7%	+1.7%
LTV based on appraisal value	38.2%	+1.1%
Ratio of fixed interest debt	77.3%	-14.6%
Ratio of long-term debt	97.7%	-2.3%
Average borrowing interest rate	0.572%	-0.007%

Equity

	14th FP (2023/6)	Compared to 13th FP
Net assets per unit	135,695 yen	-119 yen
NAV	110,641 mn yen	+15,096 mn yen
NAV per unit	176,264 yen	+7,069 yen
Total number of investment units outstanding	627,700 units	+63,000 units

Results for the 14th Fiscal Period

Unit: million yen

	13th FP (2022/12) Results (A)	14th FP (2023/6) Forecasts (B)	14th FP (2023/6) Results (C)	vs. 13th FP (C) - (A)	vs. Forecast (C) - (B)	Major factors for difference
Rental revenues	3,950	4,252	4,239	+288	-12	<p><vs. previous period></p> <p>① Net rental revenues +227</p> <ul style="list-style-type: none"> • Increase due to 2 properties acquired in the 14th FP +205 • Rent increase +17 • Full-period contribution of 1 property additionally acquired in the 13FP +11 • Start expensing of property taxes and city planning taxes on 1 property additionally acquired in the 13FP -9 • Increase in leasing costs -8 • Decrease in repair expenses +16 • Decrease due to sale of LogiSquare Chitose -2 <p>② General and administrative expenses, etc. -91</p> <ul style="list-style-type: none"> • Decrease in asset management fees -83 • Non-occurrence of non-deductible consumption tax -6 <p>③ Non-operating expenses +58</p> <ul style="list-style-type: none"> • Increase in loan-related expenses and interest expenses +48 • Expenses related to issue of investment units for the 6th PO +10 <p>④ OPD per unit +439</p> <p>In addition to the continuous surplus distributions of 336 yen, temporary surplus distribution of 103 yen was implemented due to a decrease from the 6th PO</p> <p><vs. forecast></p> <p>⑤ Net rental revenues +3</p> <ul style="list-style-type: none"> • Improvement in net utility expenses +2 <p>⑥ General and administrative expenses, etc. +4</p> <ul style="list-style-type: none"> • Consulting fees for property taxes and city planning taxes +6 <p>⑦ Non-operating income +4</p> <ul style="list-style-type: none"> • Refund of property taxes and city planning taxes +4 <p>⑧ Non-operating expenses -6</p> <ul style="list-style-type: none"> • Decrease in loan-related expenses and interest expenses -6
Gain on the property sale	1,807	—	—	-1,807	—	
Rental expenses (excluding depreciation)	757	789	772	+15	-16	
NOI	3,193	3,462	3,466	+273	+3	
Depreciation	657	703	703	+45	-0	
Net rental revenues (NOI - Dep.)	2,535	2,759	2,763	① +227	⑤ +3	
General and administrative expenses, etc.	524	429	433	② -91	⑥ +4	
Operating income	3,818	2,330	2,330	-1,487	-0	
Non-operating income	0	0	4	+4	⑦ +4	
Non-operating expenses	274	339	333	③ +58	⑧ -6	
Ordinary income	3,543	1,990	2,001	-1,541	+10	
Net income	3,542	1,989	2,000	-1,542	+10	
Distributions per unit (yen)	6,274	3,626	3,626	-2,648	—	
Earnings per unit (yen)	6,274	3,170	3,187	-3,087	+17	
OPD per unit (yen)	—	456	439	④ +439	-17	

Forecasts for the 15th and 16th Fiscal Periods

Unit: million yen

	14th FP (2023/6) Results (A)	15th FP (2023/12) Forecasts (B)	Difference (B) - (A)	16th FP (2024/6) Forecasts (C)	Difference (C) - (B)	Major factors for difference
Rental revenues	4,239	4,537	+298	4,471	-66	
Rental expenses (excluding depreciation)	772	837	+64	899	+62	
NOI	3,466	3,700	+234	3,571	⁵ -128	
Depreciation	703	752	+48	754	+2	
Net rental revenues (NOI - Dep.)	2,763	2,948	¹ +185	2,817	-131	
General and administrative expenses, etc.	433	476	² +43	454	⁶ -22	
Operating income	2,330	2,472	+142	2,363	-108	
Non-operating income	4	—	³ -4	—	—	
Non-operating expenses	333	320	⁴ -12	316	-4	
Ordinary income	2,001	2,151	+149	2,047	-104	
Net income	2,000	2,150	+149	2,046	-104	
Distributions per unit (yen)	3,626	3,785	+159	3,619	-166	
Earnings per unit (yen)	3,187	3,426	+239	3,259	-167	
OPD per unit (yen)	439	359	-80	360	+1	

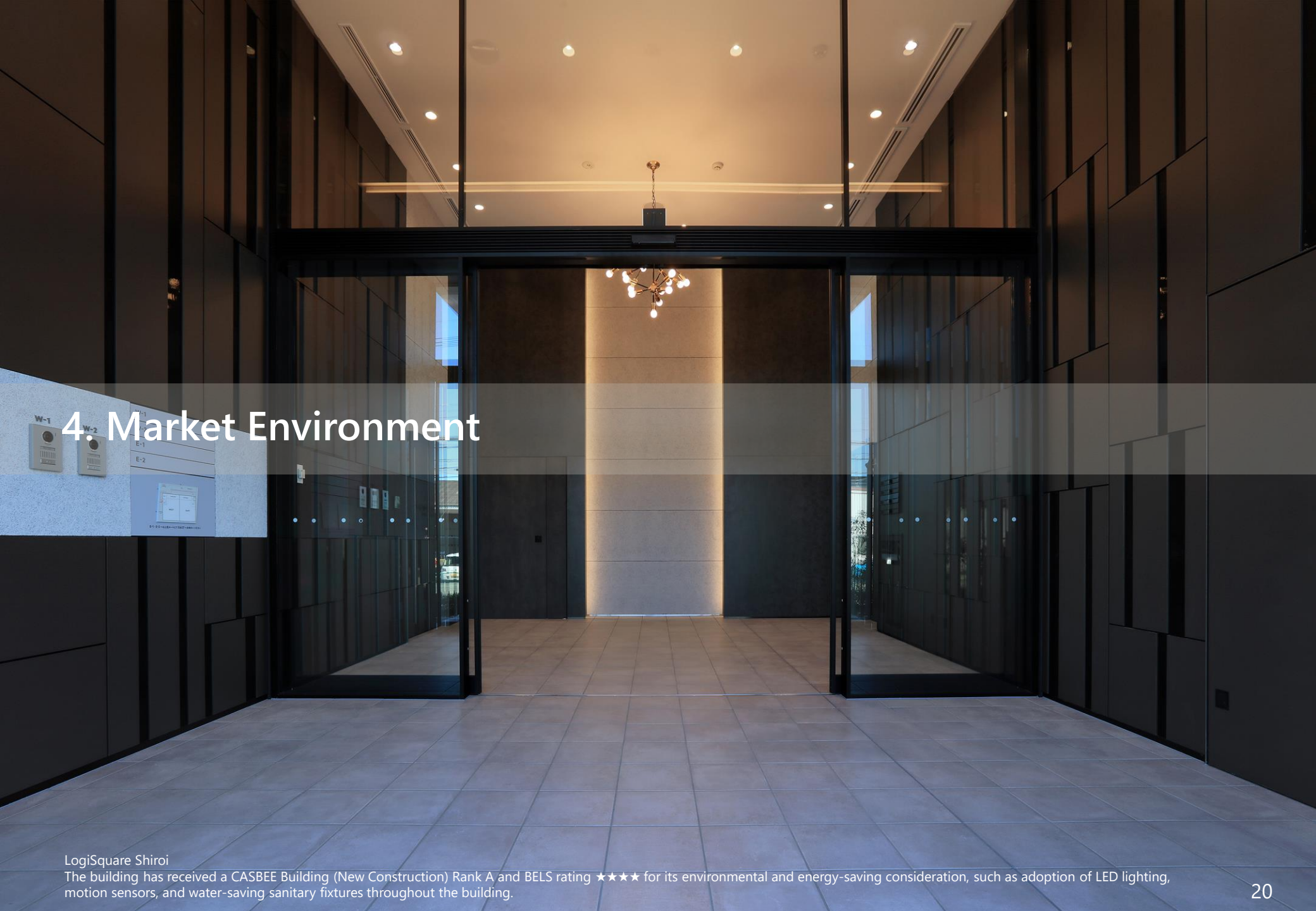
<15th FP>

- ¹ Net rental revenues +185
 - Full-period contribution of 2 properties acquired in the 14FP +216
 - Rent increase +12
 - Increase in leasing costs -21
 - Increase in repair expenses -21
- ² General and administrative expenses, etc. +43
 - Increase in asset management fees +42
- ³ Non-operating income -4
 - Non-occurrence of refund of property taxes and city planning taxes -4
- ⁴ Non-operating expenses -12
 - Non-occurrence of expenses related to issue of investment units for the 6th PO -10

<16th FP>

- ⁵ NOI -128
 - Assumed vacancy at re-tenanting -51
 - Diminish of temporary rent increase due to individual circumstances -12
 - Start expensing of property taxes and city planning taxes on 2 properties acquired in the 14FP -56
- ⁶ General and administrative expenses, etc. -22
 - Decrease in asset management fees -21

1. "Diminish of temporary rent increase due to individual circumstances" is due to individual circumstances with the current tenant, who is scheduled to move out after the expiration of the contract with a higher-than-market rent, and as a result of concluding a contract with the successor tenant at the same rent level as the market rent.



4. Market Environment

LogiSquare Shiroi

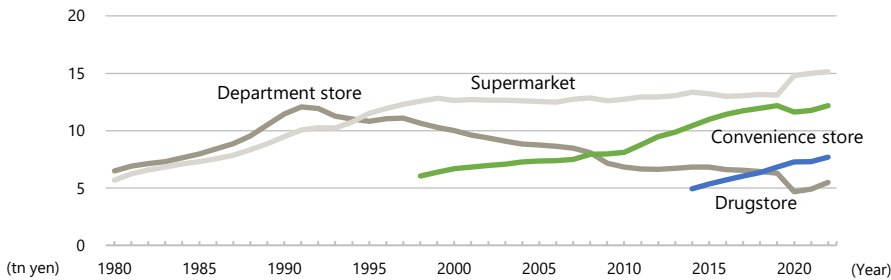
The building has received a CASBEE Building (New Construction) Rank A and BELS rating ★★★★★ for its environmental and energy-saving consideration, such as adoption of LED lighting, motion sensors, and water-saving sanitary fixtures throughout the building.

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.

Market size of the retail industry

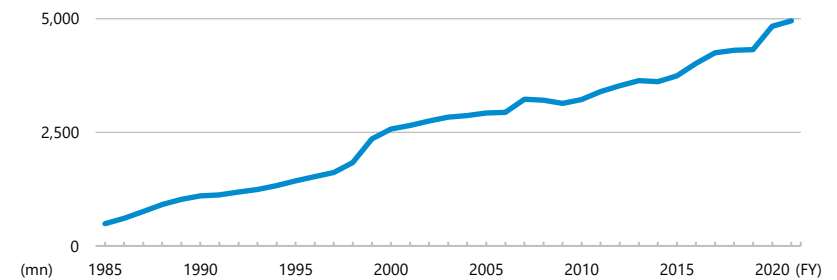


Source: Prepared by the Asset Manager based on Dynamic Statistics of Commerce by the Ministry of Economy, Trade and Industry

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.

Number of deliveries

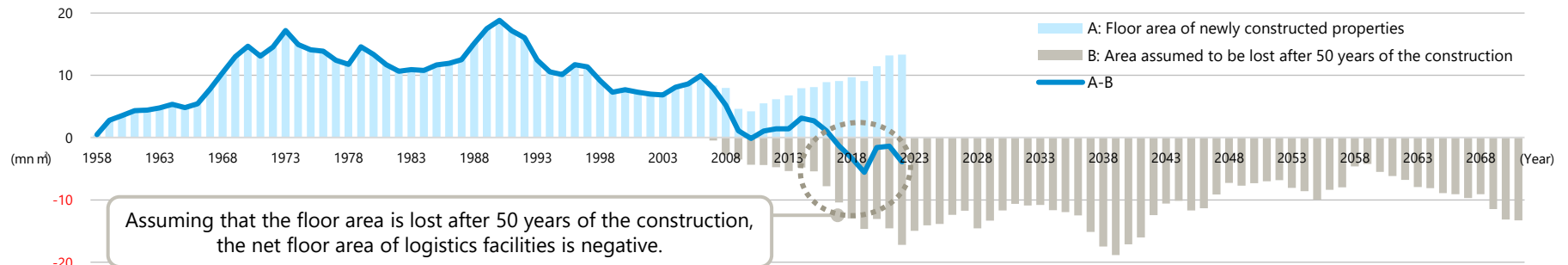


Source: Prepared by the Asset Manager based on Delivery Service Record by the Ministry of Land, Infrastructure, Transport and Tourism

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.

Trends in floor space of properties where construction commenced

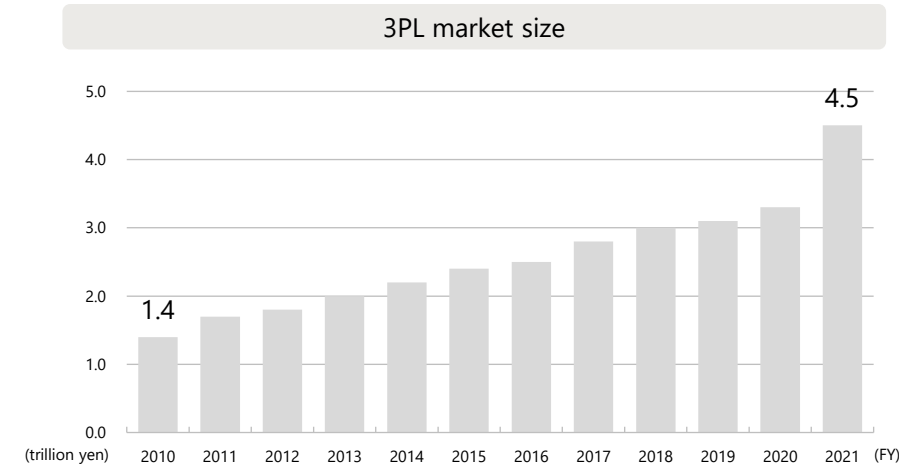


Source: Prepared by the Asset Manager based on the Japan Construction Starts Report by the Ministry of Land, Infrastructure, Transport and Tourism and the Statistical Yearbook of Construction by the Ministry of Construction

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

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

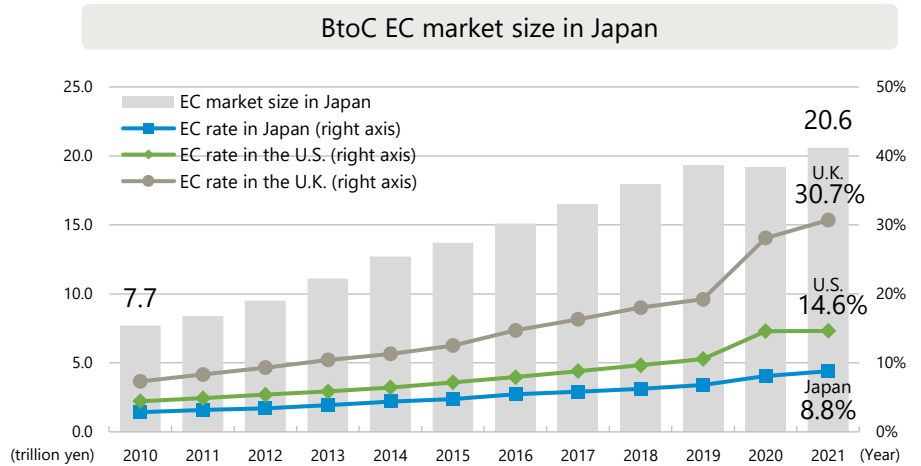
- The market for 3PL is growing as companies are increasingly outsourcing their logistic operation comprehensively.



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

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

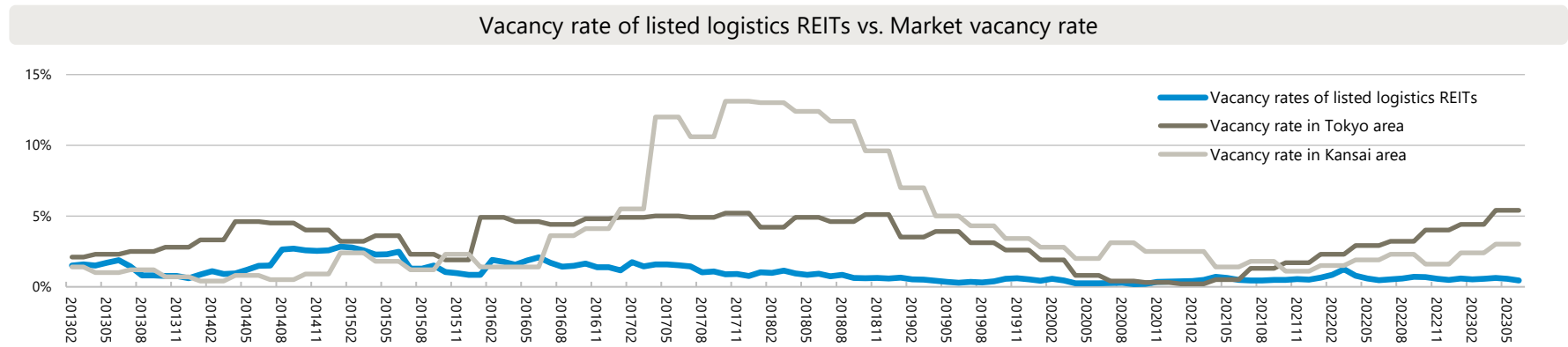
- While the EC market is expanding year by year, the EC rate in Japan is low compared with the U.S. and U.K. and there is still much room for expansion.



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



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

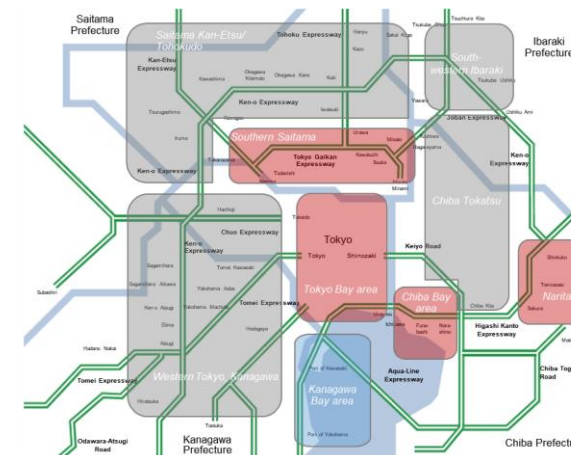
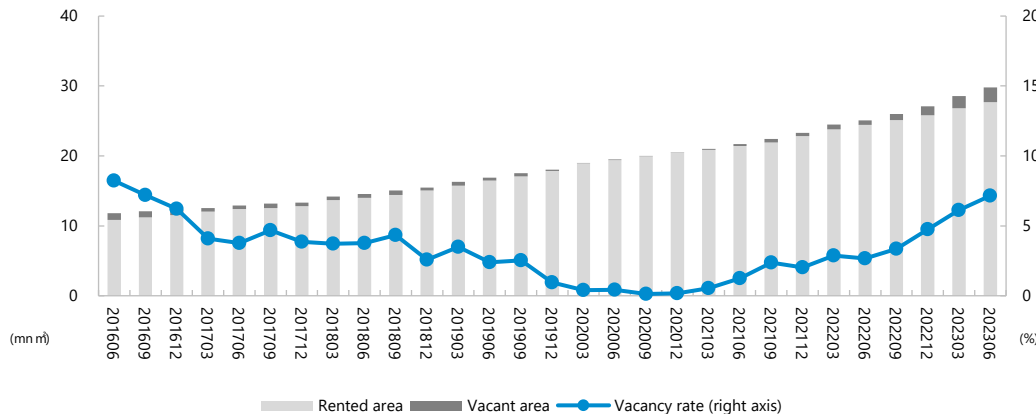
Market Trends (1) Tokyo Metropolitan Area and Kansai Area

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

Tokyo Metropolitan Area

Vacancy rate: **7.15%** QoQ: **Slightly Deteriorated**

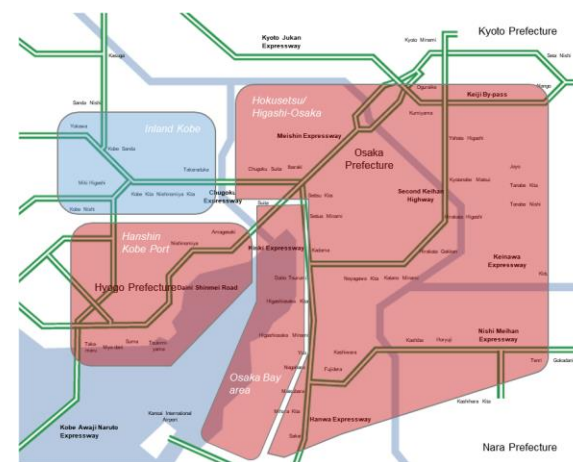
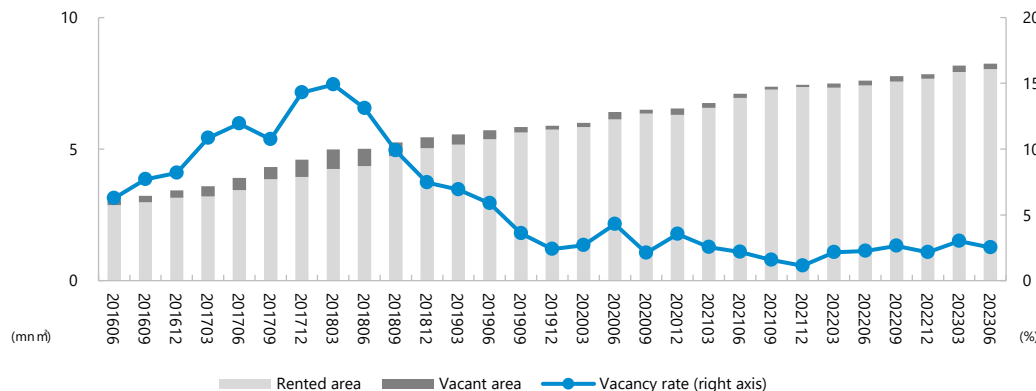
Although extremely strong demand for over 1,061,000 m² continues, vacancy rates are increasing.



Kansai Area

Vacancy rate: **2.52%** QoQ: **Slightly Improved**

Both supply and demand decreased, but demand prevailed and vacancy rate decreased.



Source: Prepared by the Asset Manager based on data from "Market Report on Warehouses and Logistics Properties June 2023" of CRE, Inc.

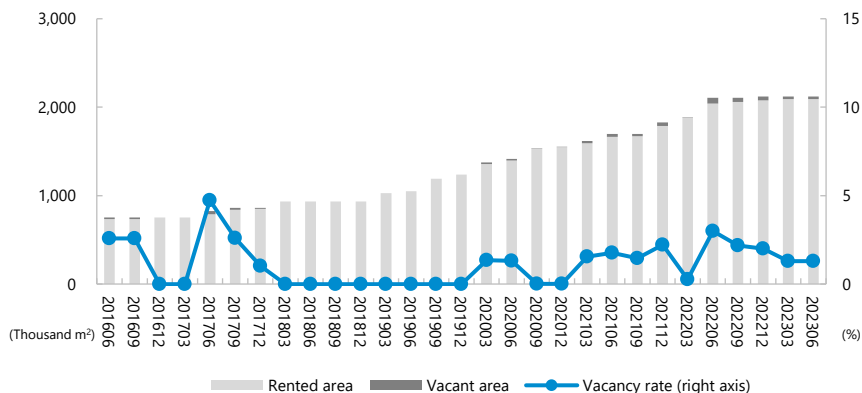
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Market Trends (2) Saitama Prefecture Each Area

Southern Saitama area

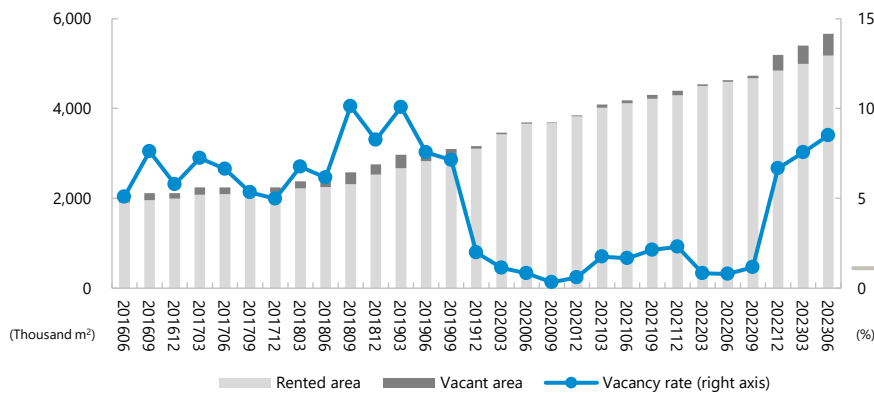
	Niiza	Urawa Misono
Soka	Yashio	Miyoshi

Vacancy rate: **1.30%** QoQ: **Flat**



Saitama Kan-Etsu/ Tohokudo area

Vacancy rate: **8.50%** QoQ: **Slightly Deteriorated**



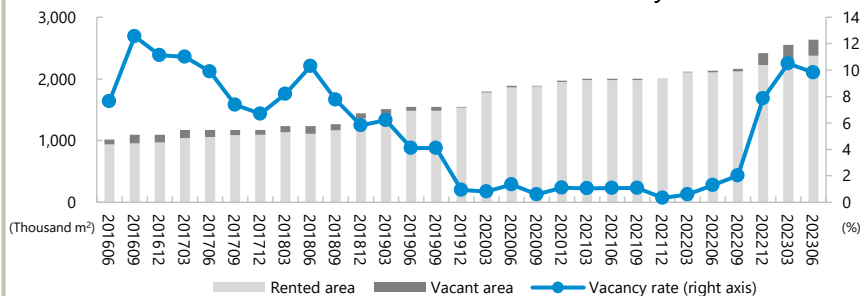
Source: Prepared by the Asset Manager based on data from "LogiSquare Market Report on Warehouses and Logistics Properties June 2023" of CRE, Inc.

Breakdown: Saitama Kan-Etsu/ Tohokudo area

Saitama Kan-Etsudo area

	Kawagoe	Mizuho A
Mizuho B	Kawagoe II	Sayama Hidaka

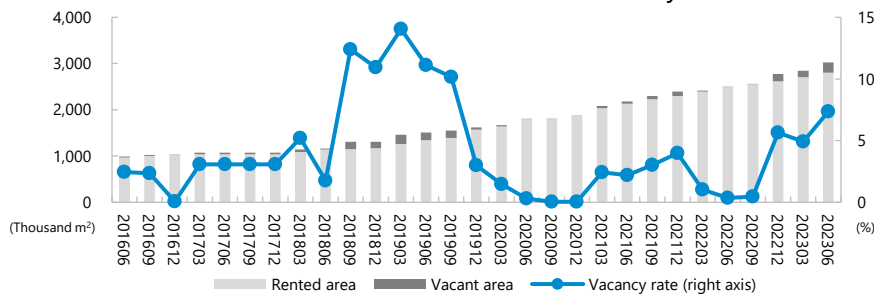
Vacancy rate: **9.83%**



Saitama Tohokudo area

	Kuki	Hanyu
Kuki II	Kasukabe	Ageo

Vacancy rate: **7.35%**



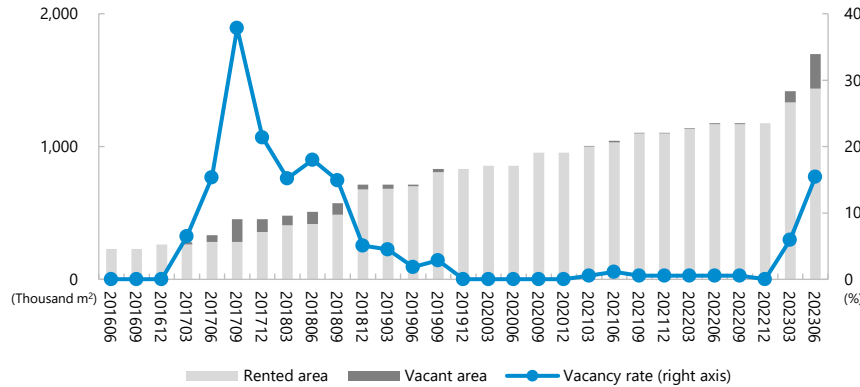
Source: Prepared by the Asset Manager based on data from CRE, Inc.

Market Trends (3) Other Each Area

Southwestern Ibaraki area

Moriya

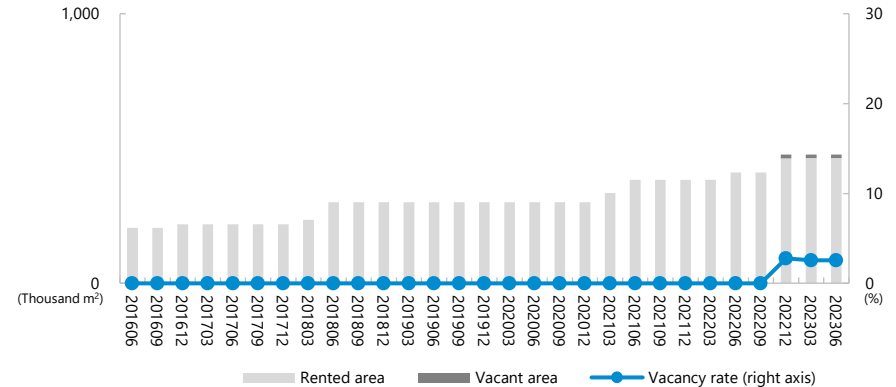
Vacancy rate: **15.46%** QoQ: **Deteriorated**



Tosu area

Tosu

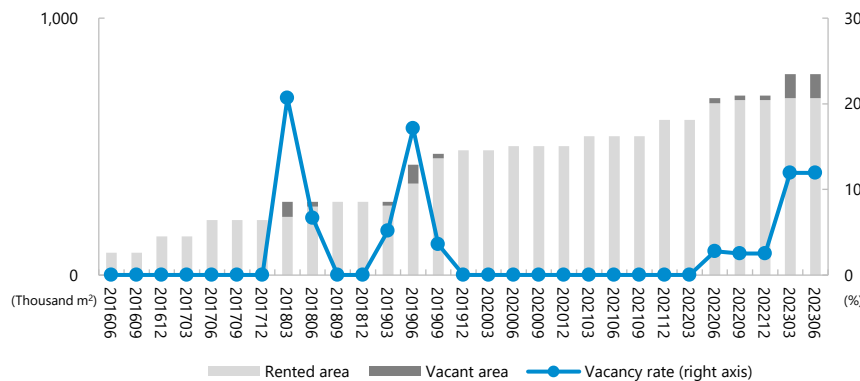
Vacancy rate: **2.55%** QoQ: **Flat**



Inland Kobe area

Kobe Nishi

Vacancy rate: **11.95%** QoQ: **Slightly Deteriorated**

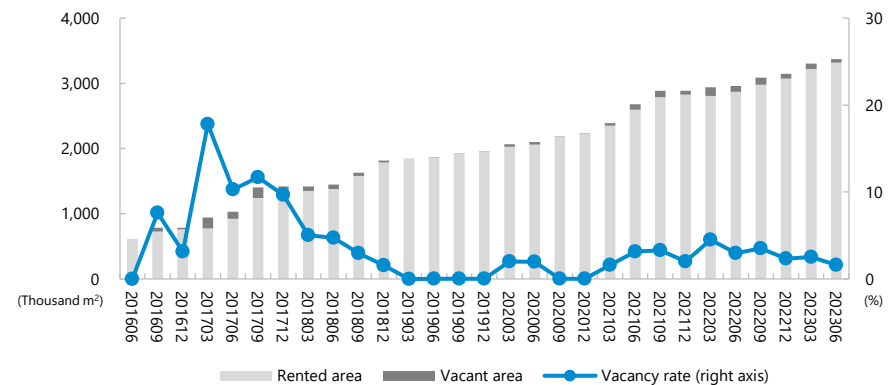


Hokusetsu Higashi-Osaka area

Osaka Katano

Hirakata

Vacancy rate: **1.59%** QoQ: **Slightly Improved**

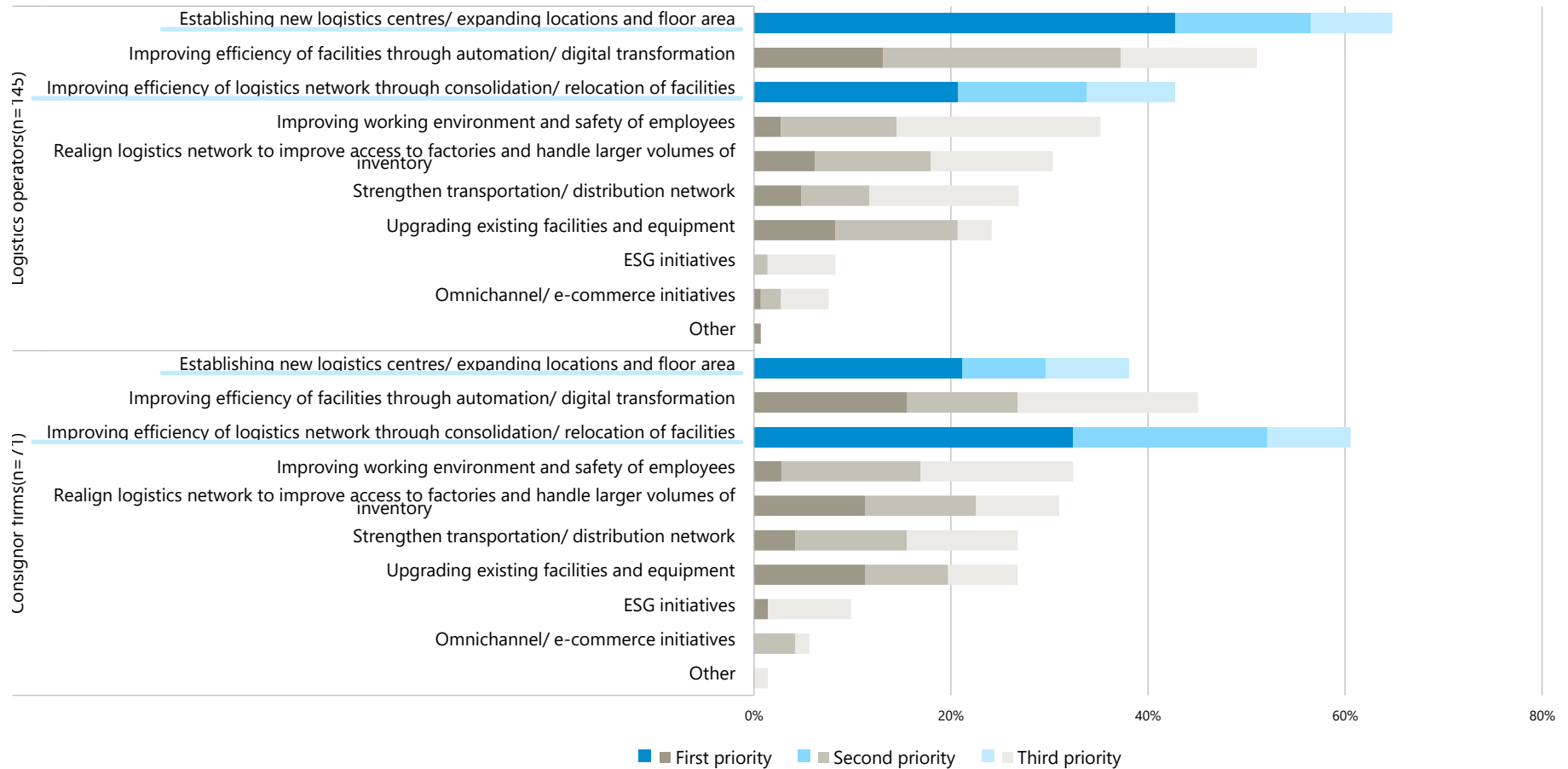


Source: Prepared by the Asset Manager based on data from "LogiSquare Market Report on Warehouses and Logistics Properties June 2023" of CRE, Inc.

Rising Demand for Rental Logistics Facilities

- Rising Importance of Logistics Network Strategy

Priority measures of logistics operators and consignor firms for next three years



Survey period: March 2, 2023 to March 15, 2023
 Survey targets: Companies in Japan that use logistics facilities (owned or leased)
 Source: Prepared by the Asset Manager based JAPAN 2023 LOGISTICS OCCUPIER SURVEY from CBRE, INC.



5. Characteristics of CRE Logistics REIT, Inc.

LogiSquare 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.

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

(1) Stable cash flow	Occupancy rate 99.3%	Ratio of fixed-term leases 99.6%	Ratio of fixed rent 100.0%
(2) Long-term contracts with diverse tenants	Average lease contract term 7.2 years	Average remaining lease term 4.1 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.
- Rich pipeline of 17 properties with total floor area of 888 thousand m².

Advantages

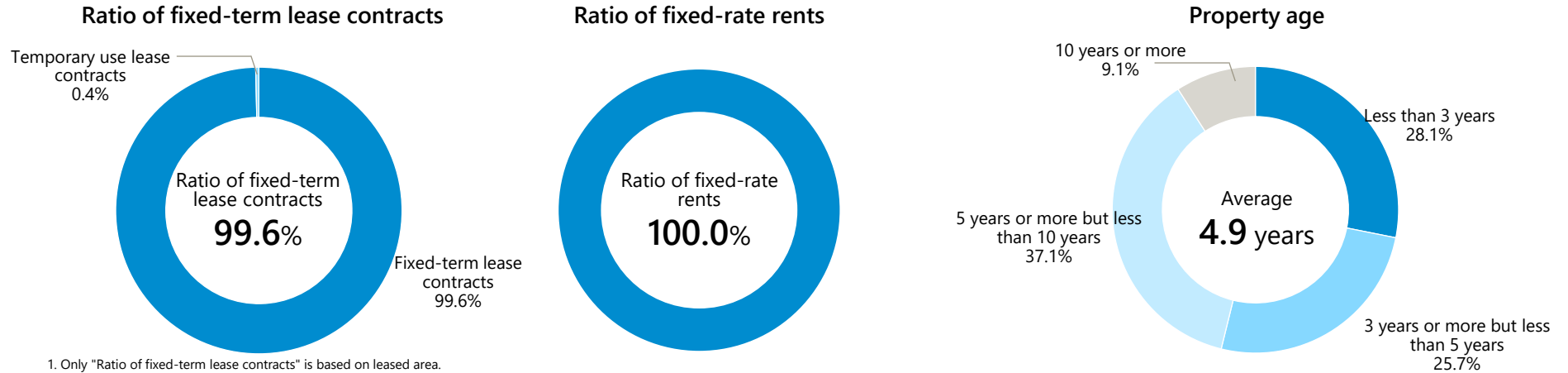
1: Data of CRE are as of the end of July 2022. Produced by the Asset Manager based on data provided by CRE. Figures include data relating to property management of other real estate besides logistics facilities and master leases.
 2: "PM entrusted by other companies" is area managed by CRE less area relating to PM contracts with CRE REIT and area relating to properties in which CRE is involved as master lessee (area managed under PM contracts with other listed logistics REITs and private funds, etc.) as a ratio of the total area managed by CRE.

High-Quality Portfolio (1) Stable Cash Flow

Form of contract that enables stable operation

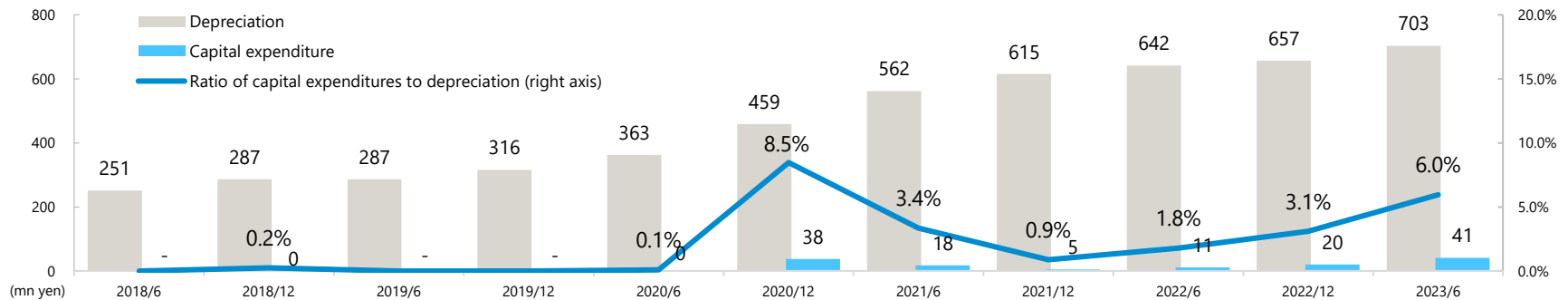
- In many cases, tenants who cancel early before the end of the contract term are required to pay the equivalent of rent for the whole remaining lease term as a penalty for breach of contract.
- Intention for renewal or termination is ascertained a year before the expiry of a contract.

Inclusion of newly built properties



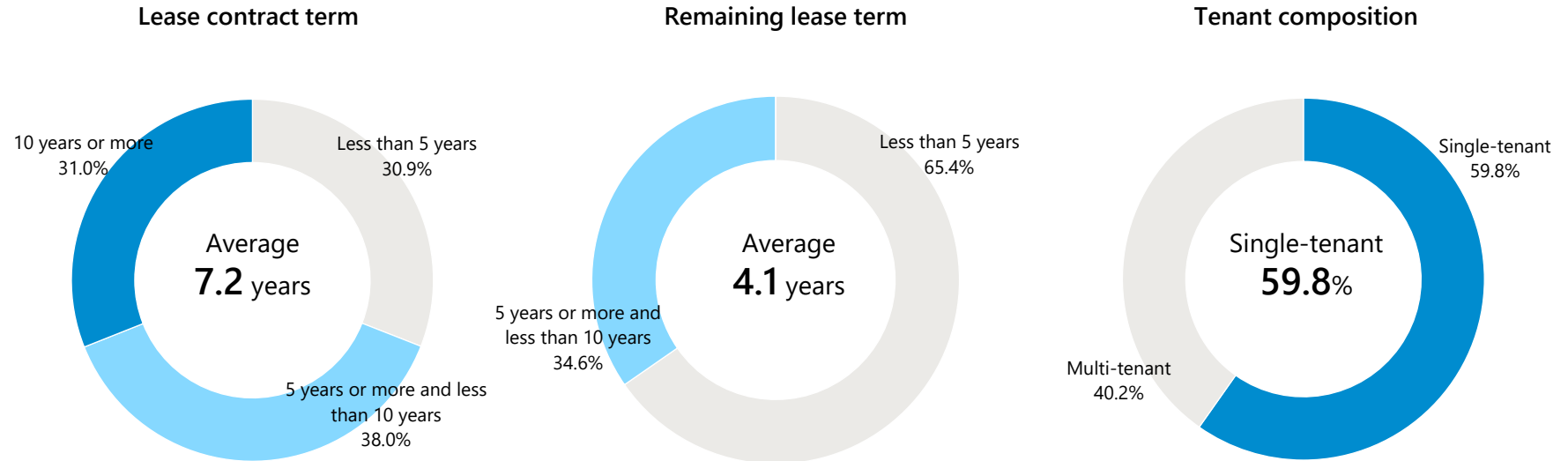
Capital expenditure remains low

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



High-Quality Portfolio (2) Long Term Lease Contracts

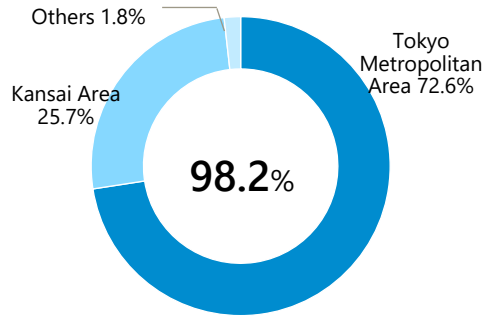
Contribution to the stability of portfolio based on long-term contracts that take into consideration tenant business plans.



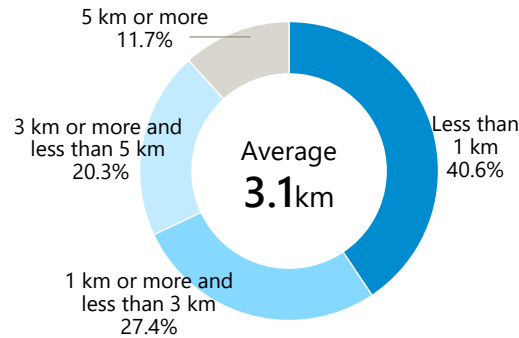
High-Quality Portfolio (3) Good Location

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

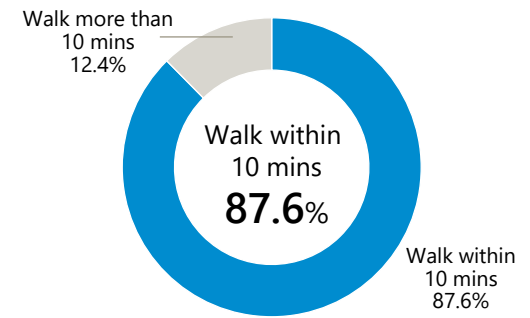
Ratio in Tokyo Metropolitan and Kansai area



Distance to an interchange

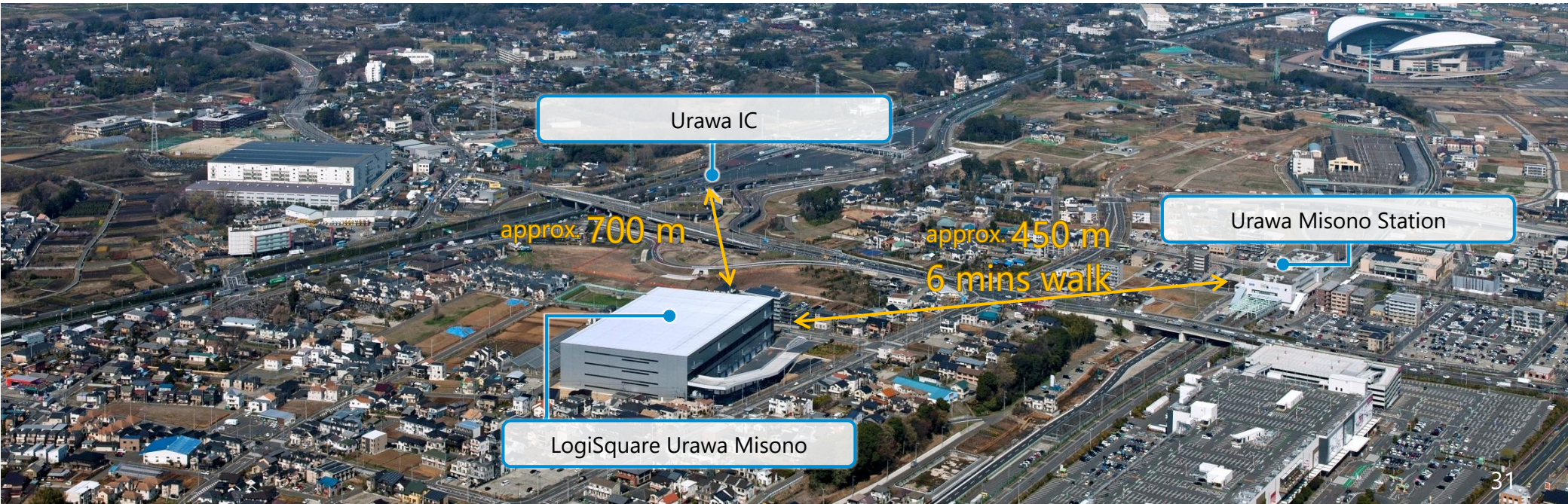


Walking distance from public transportation facilities



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.



Features of LogiSquare

LogiSquare is the brand name of high-quality logistics facilities developed by CRE to meet tenant needs.

Semi-flexible pavement is used to inhibit rutting.

Sandwich panels are used on exterior walls to reduce heating and cooling loads and to give the exterior an attractive appearance.

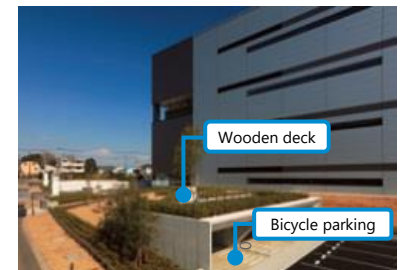


Facility has roof spraying system that uses well water to reduce the internal temperature.

The facility has a total of 44 truck berths on the first and third floors to allow the docking of up to 44 large trucks simultaneously.



Truck berths are large enough to fit a whole 40ft container truck.



Rest area with wooden deck

The facility has truck berths on the first and third floors. To prevent congestion and accidents, the facility is designed to separate traffic flows and equipped with dedicated gates for the first/second floor tenants and the third/fourth floor tenants, respectively.

1. The logistics facility shown above is an example of the features of LogiSquare. Not all facilities held by CRE REIT have the features shown above.

Features of LogiSquare

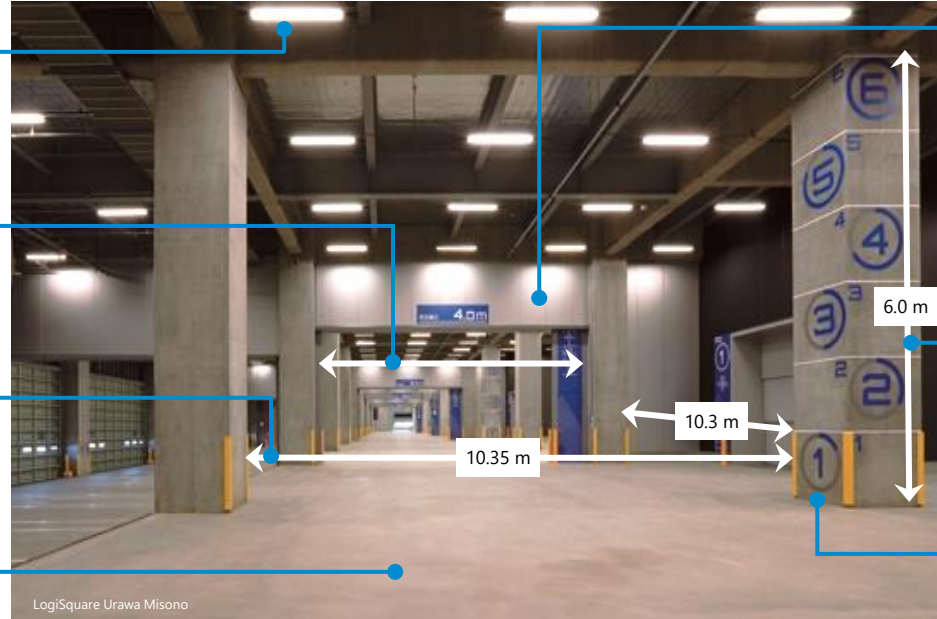
LogiSquare not only improves the efficiency of warehouse operations, creates a pleasant working environment for tenants but helps minimize costs in the future for CRE REIT.

LED lighting throughout helps save energy.

Openings in fire partitions are as wide as possible.

Pillar span 10.3 m × 10.35 m

Floor loading 1.5 t/m²



Fireproof partition walls are made of fire-resistant heat-insulating panels that have excellent insulation properties, seismic resistance and an aesthetically pleasing appearance.

The facility has an effective ceiling height of 6.0 m, or 5.5 m even if cooling panels are installed.

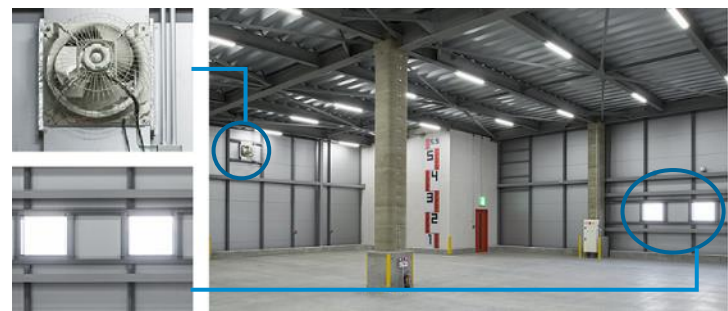
Internal signage is designed to visually communicate warehouse functions.



Interior walls between offices and the warehouse space have windows in them to facilitate communication.



The women's restroom has lockers and designed to make female employees feel comfortable.

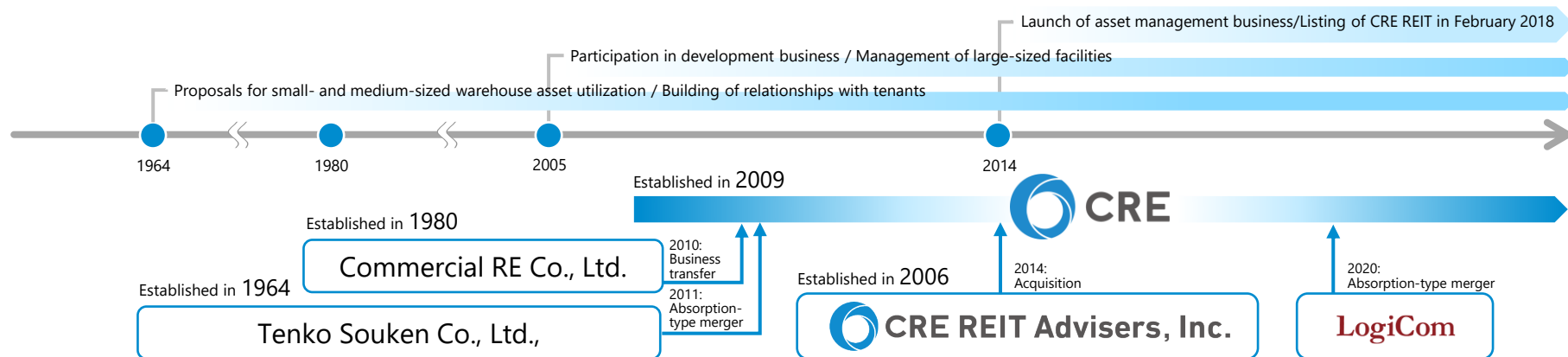


To help minimize costs in the future, the facility already has windows and ventilation built in to ensure compliance with laws and regulations in case it is necessary to expand office areas in the future.

1. The logistics facility shown above is an example of the features of LogiSquare. Not all facilities held by CRE REIT have the features shown above.

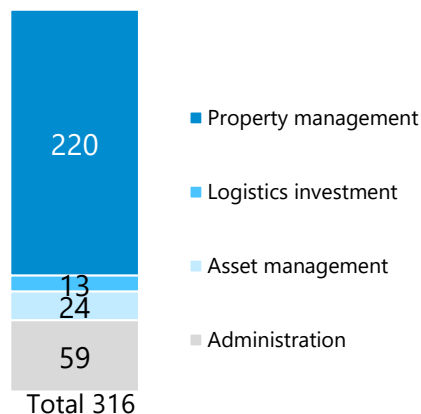
Our Sponsor is Real Estate Company Specializing in Logistics Properties

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

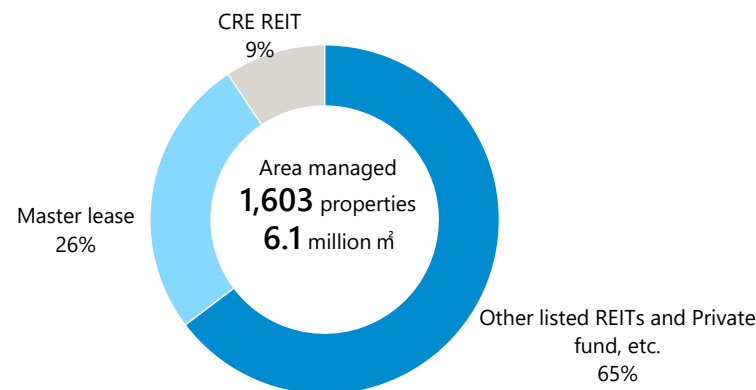
Number of employees on a consolidated basis (as of July 31, 2022)



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

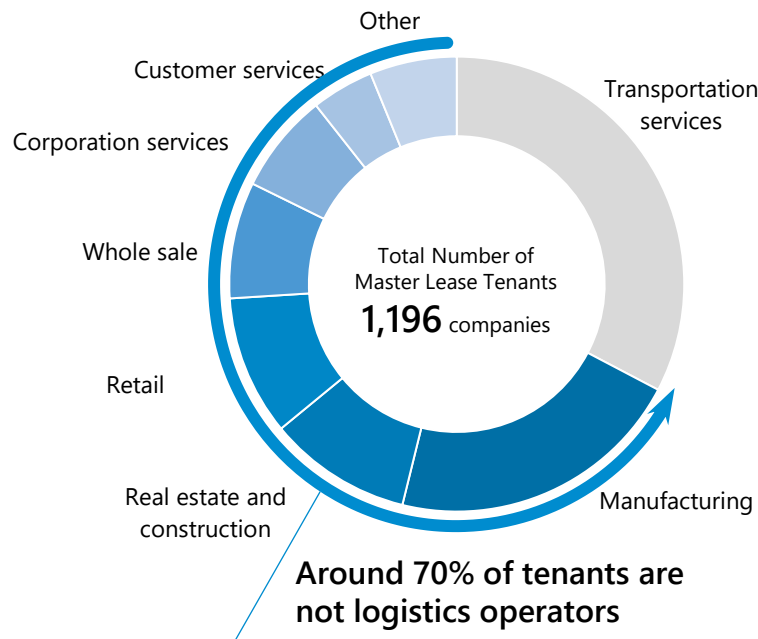


1. As of July 31, 2022. Prepared by the Asset Manager based on information provided by CRE. Includes results under the property managements and master lease agreements for the properties other than logistics facilities.

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.

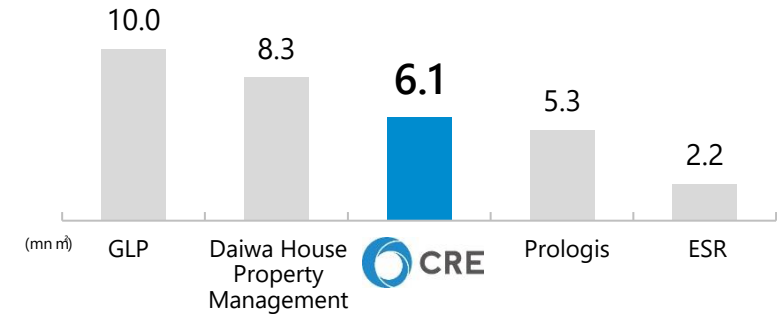
- CRE can gain an understanding of rent levels by entering contracts with tenants directly under master lease arrangements
- CRE builds relationships with tenants from a variety of industries not only logistics operators.



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



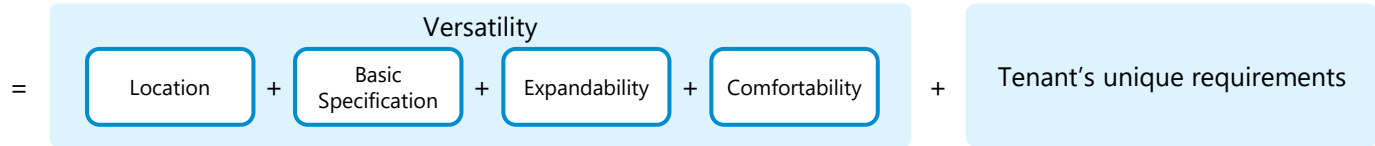
- Major Clients**
- LaSalle LOGIPORT REIT
 - Star Asia Investment Corporation
 - Kenedix Retail REIT Corporation
 - United Urban Investment Corporation
 - Japan Logistics Fund, Inc.
 - Industrial & Infrastructure Fund Investment Corporation
 - Mitsubishi Estate Logistics REIT Investment Corporation
 - 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).

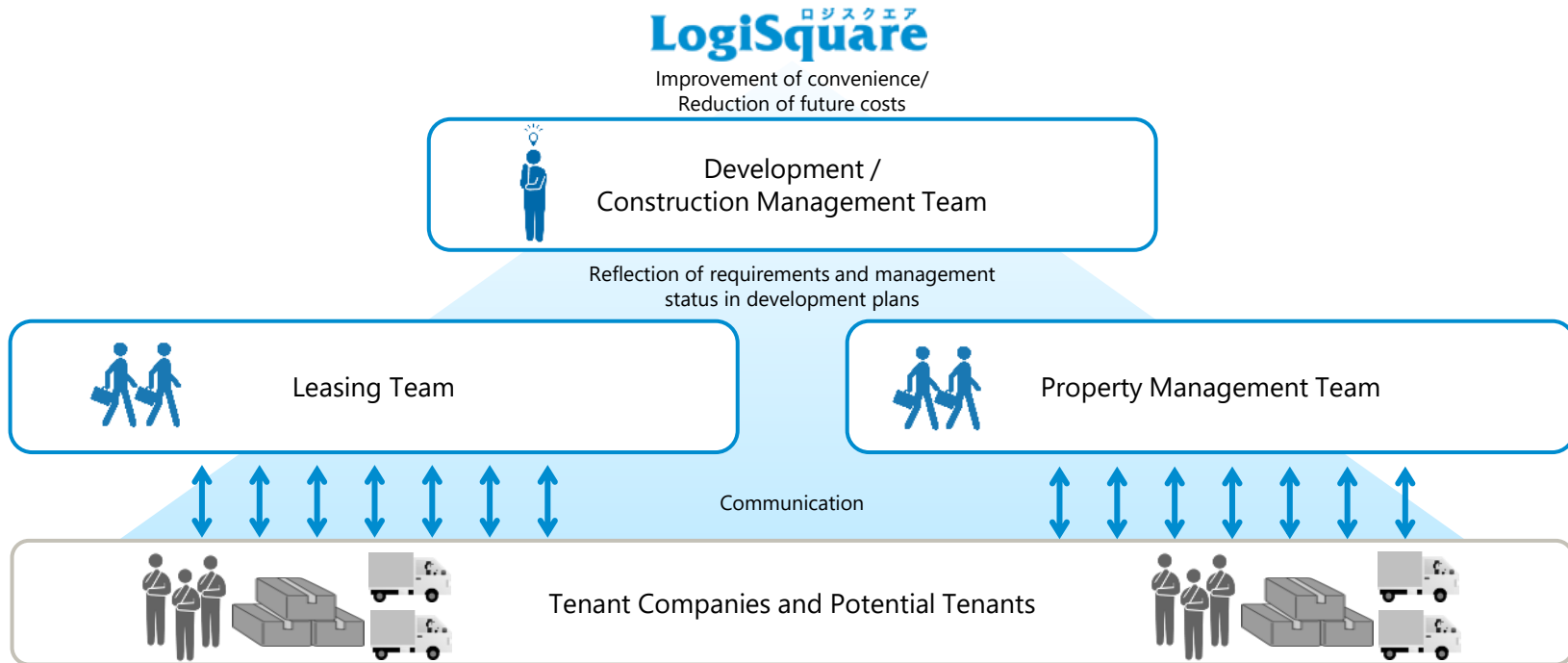
CRE's Development Capability – Development Ensuring Versatility and Incorporating Tenant Requirements

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

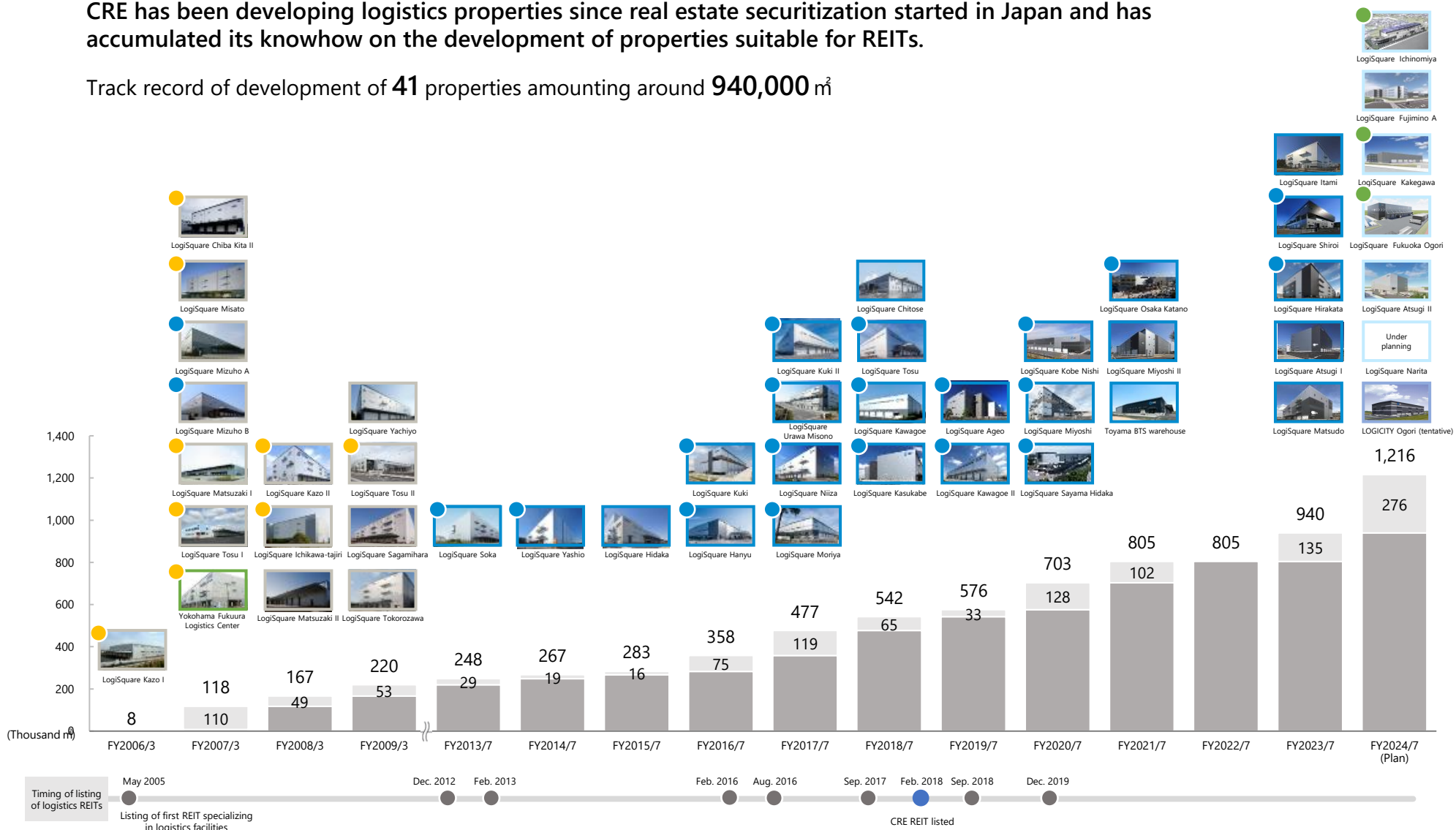


CRE's Development Capability – Development Since the Start of Real Estate Securitization in Japan

Cumulative total floor area
 Total floor area of properties developed or to be developed during the period
 Properties developed by Commercial RE
 Properties jointly developed by Commercial RE and Kenedix
 Properties developed by CRE
 Properties under development by CRE
 Properties jointly developed by CRE and Fukuoka Jisho
 Properties held by other REITs
 Assets owned by CRE REIT
 Properties with exclusive negotiation rights

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 **41** properties amounting around **940,000 m²**



The above chart includes assets other than the current 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, 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 April 19, 2023, the development has not been completed and the pictures, the total floor area and development completion timing are based on plans as of July 31, 2023 and may change in the future. The development completion dates of the above assets are stated as the building completion dates.

6. 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.

Promoting ESG Efforts – Environment

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.



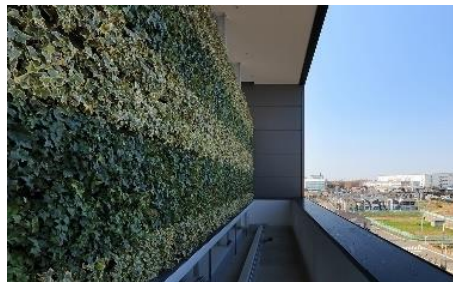
Installation of roof watering equipment

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.

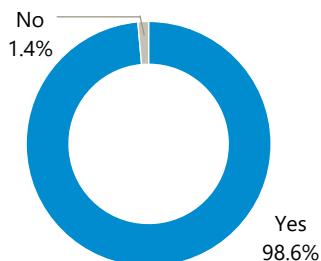


Promoting ESG Efforts – Social (1)

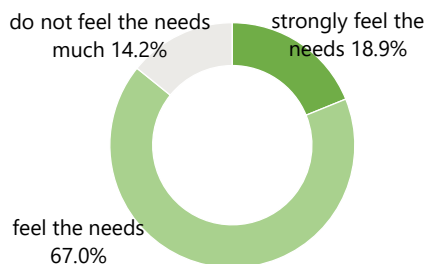
Conduct tenant satisfaction surveys

- 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 2023 following 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 2023/7	FY 2022/7	FY 2021/7	FY 2020/7
0.0% (-)	0.0% (-)	7.7% (1 employee)	0.0% (-)

Promoting ESG Efforts – Social (2)

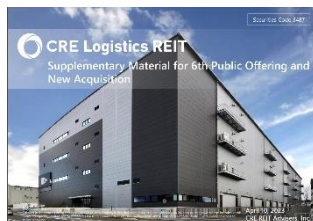
The business continuity of tenants and the improvements in amenities

- 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	66.7%
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 June 30, 2023) 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

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	1,187 units
	Managing Director	Takeshi Oka	63 units
	14 out of 16 employees		171 units

1. As of June 30, 2023. 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 June 30, 2023.

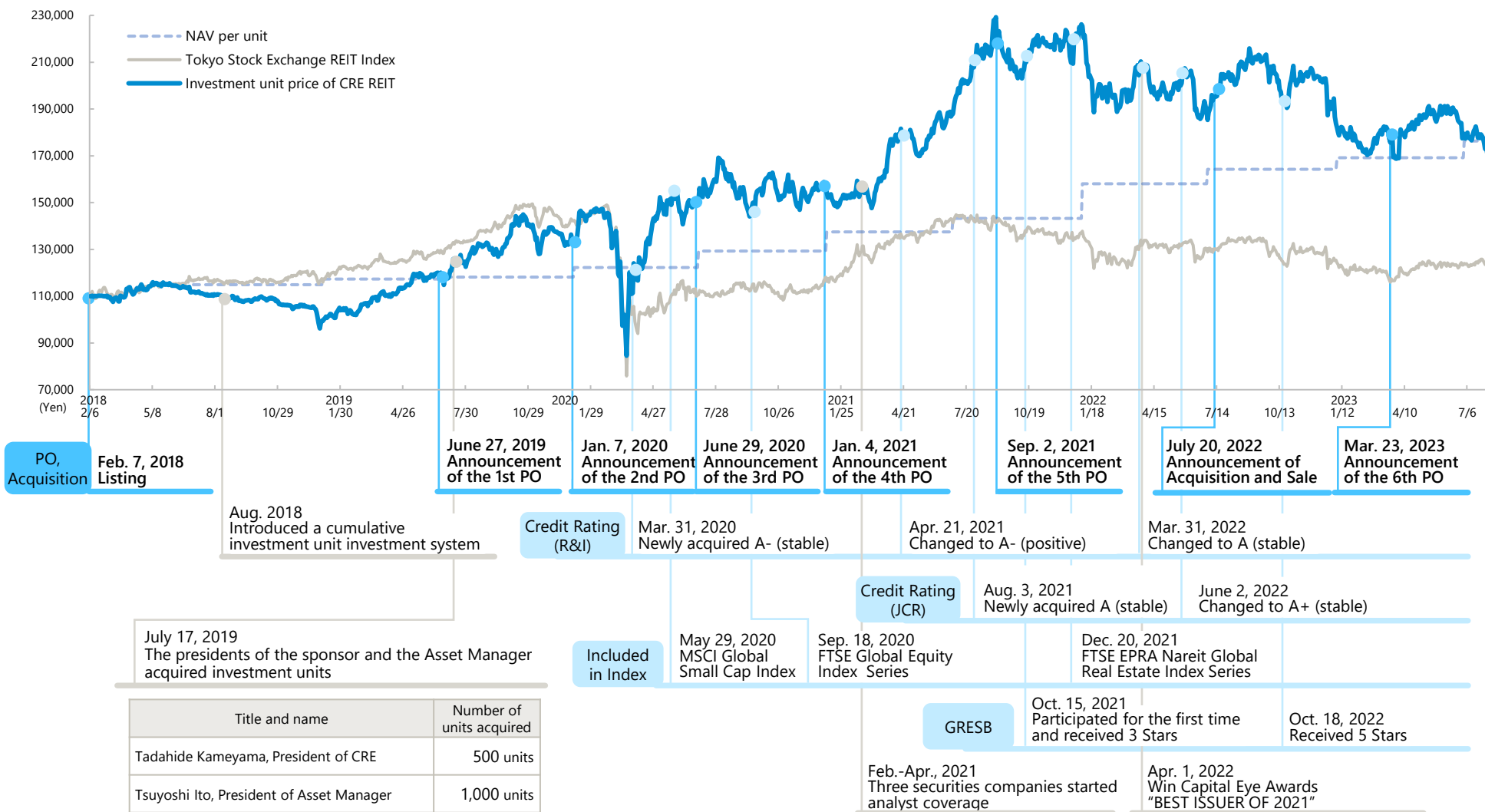
Revise of asset management fee structure to be more aligned with unitholder's interests

- 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)

Trend in Investment Unit Price

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



1. Trends in the closing price of the Tokyo Stock Exchange REIT Index at Tokyo Stock Exchange, Inc. (hereinafter "TSE") show trends in relativized figures on the assumption that the closing price (1,661.29pt) of the TSE REIT Index on the previous business day of the listing of CRE REIT (February 7, 2018) is the same as the issue price (110,000 yen per unit) of CRE REIT at the time of listing.

Summary of the 6th Public Offering in April 2023

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



Portfolio after acquisition

Acquisition price	15,091 mn yen	7,415 mn yen	159,504 mn yen
Appraisal NOI yield	4.1 %	4.4 %	4.6 %
Property age (as of February 28, 2023)	0.1 years	0.2 years	4.5 years

1. "Appraisal NOI yield" is calculated using 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 newly acquired assets.

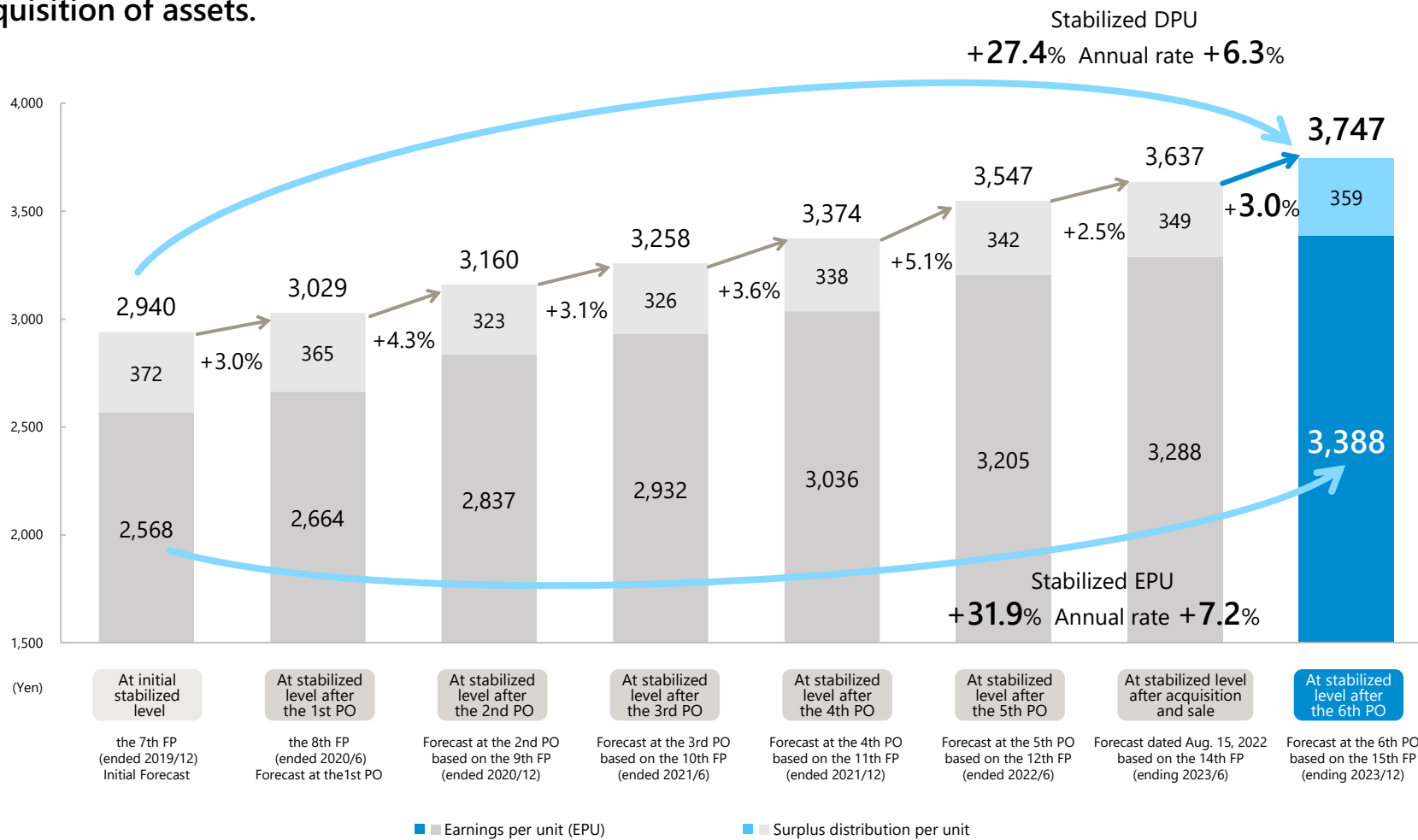
Increase DPU and NAV per unit

	2022/12	After the 6th PO	Number of new investment units issued	63,000 units (11.2% of total issued and outstanding investment units)
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%)	Total issue value	10,023 mn yen
NAV per unit	169,195 yen	After the 6th PO 169,813 yen (+0.4%)	Form of offering	Reg. S only (Transactions will be documented in the Japanese version of prospectus. English version will not be provided.)

1. Includes third-party allocation

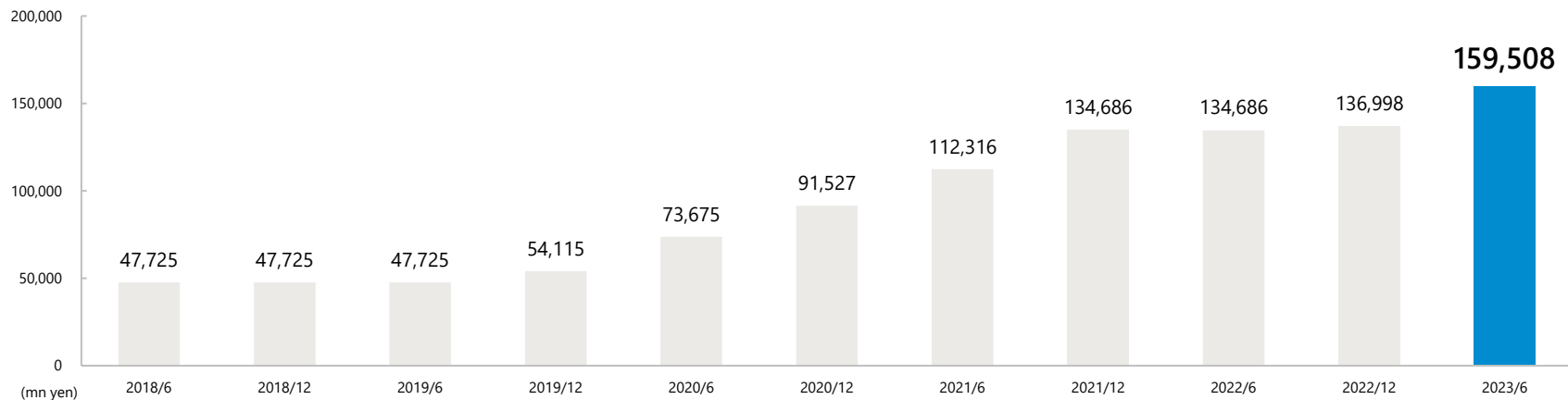
Realize External Growth that Contributes to Increases in Stabilized DPU

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

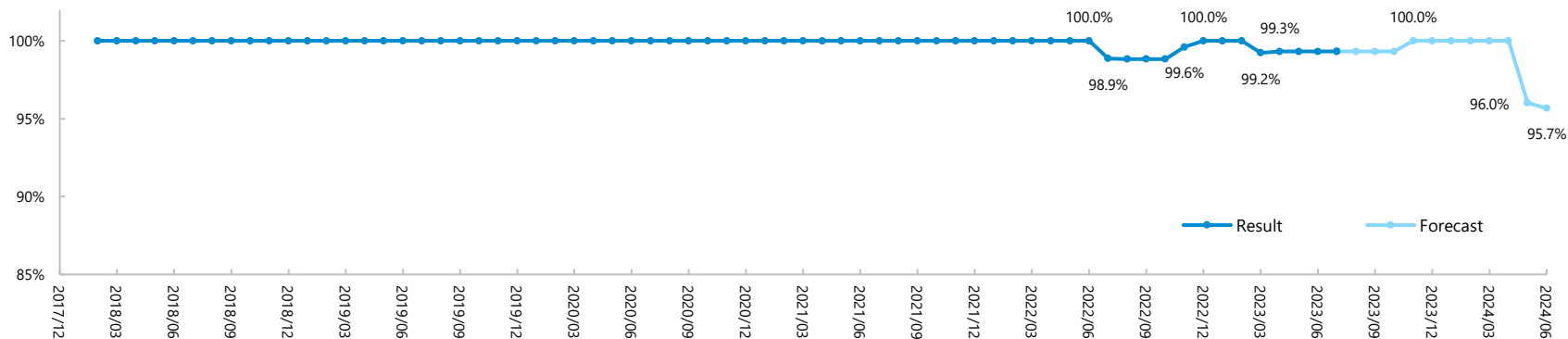


Trend in Asset Size and Occupancy Rate

Asset Size



Occupancy rate

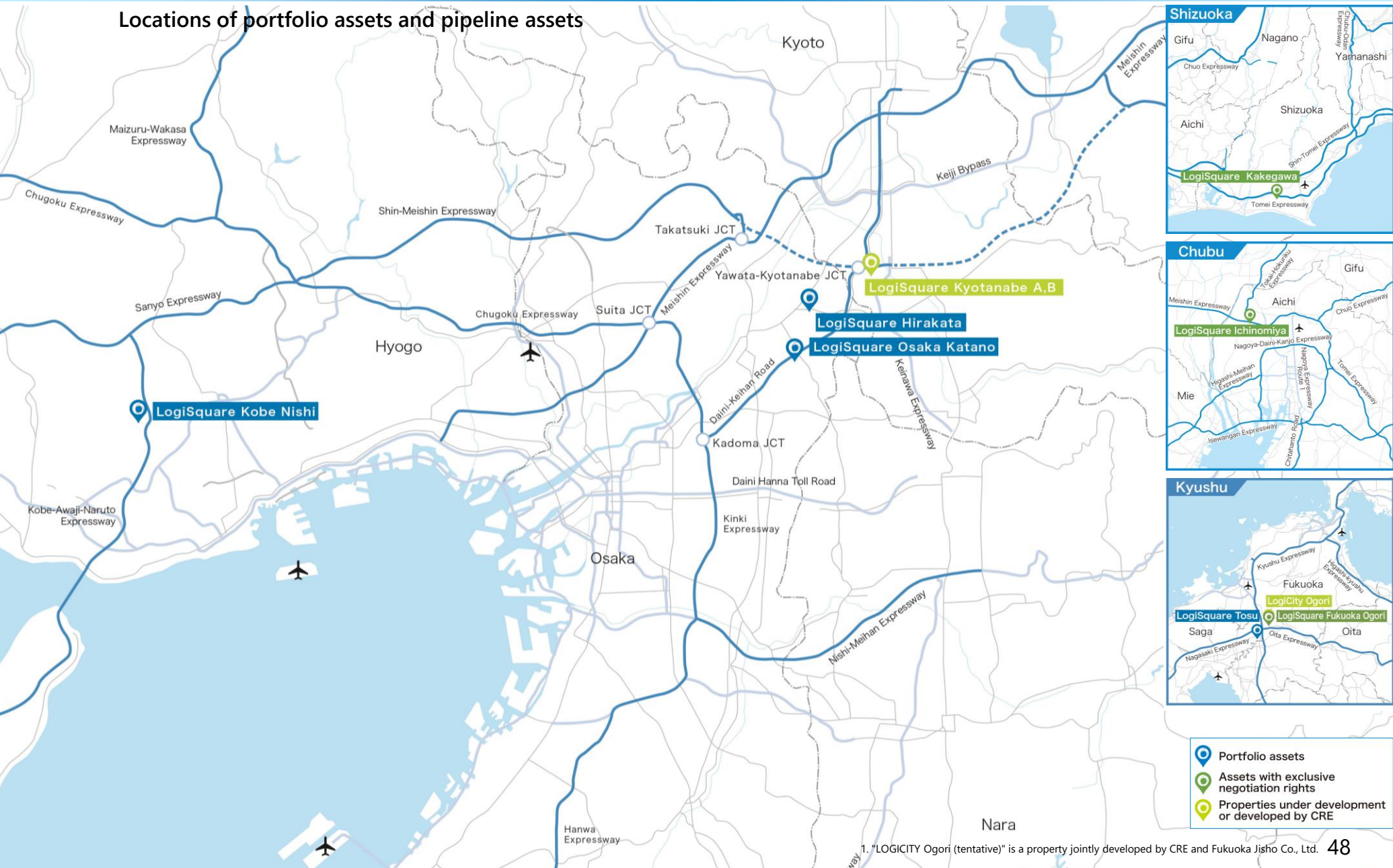


Portfolio Centered on Metropolitan Areas (1) Tokyo Metropolitan Area

Locations of portfolio assets and pipeline assets



Portfolio Centered on Metropolitan Areas (2) Kansai Area and Other



Portfolio List

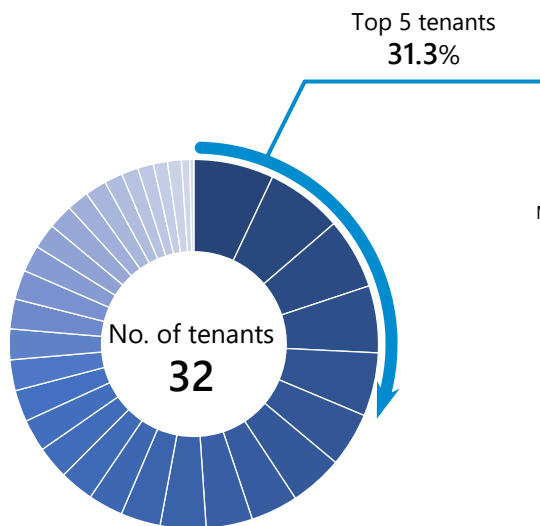
No.	Property name	Location	Acquisition price (mn yen)	Appraisal value (mn yen)	Appraisal NOI yield (%)	Total floor area (㎡)	Age (years)	Number of tenants	Occupancy rate(%)	Developer
M-1	LogiSquare Kuki	Kuki-shi, Saitama	9,759	11,800	4.8	40,907.13	7.1	1	100.0	CRE
M-2	LogiSquare Hanyu	Hanyu-shi, Saitama	6,830	7,700	4.9	33,999.61	7.0	1	100.0	CRE
M-3	LogiSquare Kuki II	Kuki-shi, Saitama	2,079	2,490	5.2	11,511.22	6.4	1	100.0	CRE
M-4	LogiSquare Urawa Misono	Saitama-shi, Saitama	13,060	15,800	4.7	48,738.29	6.3	3	100.0	CRE
M-5	LogiSquare Niiza	Niiza-shi, Saitama	6,960	8,390	4.9	25,355.82	6.3	1	100.0	CRE
M-6	LogiSquare Moriya	Moriya-shi, Ibaraki	6,157	8,010	5.6	32,904.90	6.2	2	100.0	CRE
M-7	LogiSquare Kawagoe	Kawagoe-shi, Saitama	1,490	1,830	5.1	7,542.56	5.4	1	100.0	CRE
M-8	LogiSquare Kasukabe	Kasukabe-shi, Saitama	4,900	6,070	5.1	21,315.54	5.1	1	100.0	CRE
M-9	LogiSquare Soka	Soka-shi, Saitama	8,109	9,890	4.6	28,817.59	10.0	1	100.0	CRE
M-10	LogiSquare Yashio	Yashio-shi, Saitama	5,073	6,110	4.5	19,068.60	9.4	1	100.0	CRE
M-11	LogiSquare Mizuho A	Mizuho-machi, Tokyo	2,794	3,260	4.9	13,755.16	16.4	1	100.0	CRE
M-12	LogiSquare Mizuho B	Mizuho-machi, Tokyo	3,584	4,110	4.8	16,016.37	16.4	1	100.0	CRE
M-13	LogiSquare Ageo	Ageo-shi, Saitama	4,908	5,710	4.6	19,142.84	4.2	2	100.0	CRE
M-14	LogiSquare Miyoshi	Miyoshi-machi, Saitama	11,700	13,700	4.6	37,931.49	3.1	1	100.0	CRE
M-15	LogiSquare Sayama Hidaka	Hanno-shi, Saitama	17,678	19,600	4.3	73,728.44	3.1	4	94.1	CRE
M-16	LogiSquare Kawagoe II	Kawagoe-shi, Saitama	3,244	3,720	4.8	14,281.38	4.0	1	100.0	CRE
M-17	LogiSquare Shiroy	Shiroy-shi, Chiba	7,415	7,930	4.4	28,503.11	0.6	1	100.0	CRE
K-1	LogiSquare Kobe Nishi	Kobe-shi, Hyogo	3,479	3,770	4.6	16,006.20	3.2	1	100.0	CRE
K-2	LogiSquare Osaka Katano	Katano-shi, Osaka	22,370	24,100	4.3	76,393.17	2.5	5	100.0	CRE
K-3	LogiSquare Hirakata	Hirakata-shi, Osaka	15,091	16,100	4.1	42,875.27	0.5	1	100.0	CRE
O-1	LogiSquare Tosu	Tosu-shi, Saga	2,823	3,450	5.2	16,739.40	5.4	1	100.0	CRE
21 properties Total/Average			159,504	183,540	4.6	625,534.09	4.9	32	99.3	–

1. As of June 30, 2023

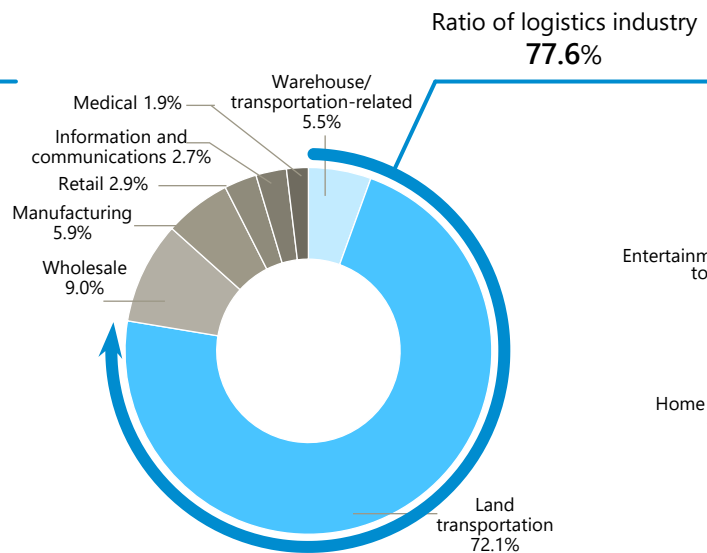
Portfolio Diversification

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

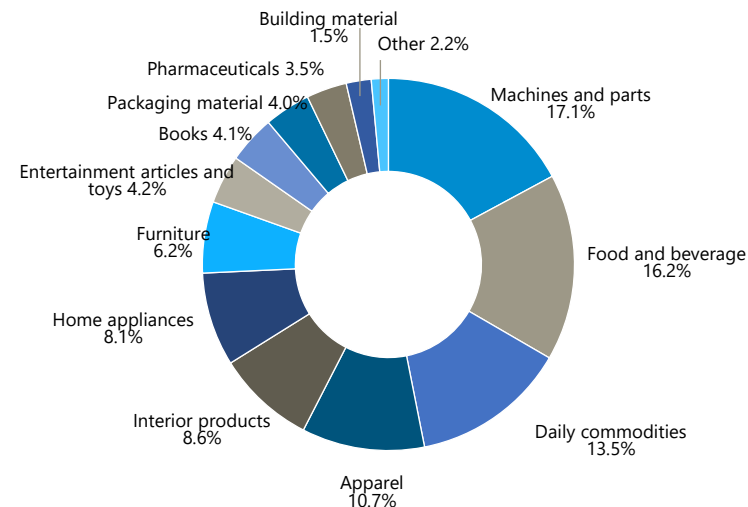
Diversification of tenants



Tenant industries



Products handled by tenants

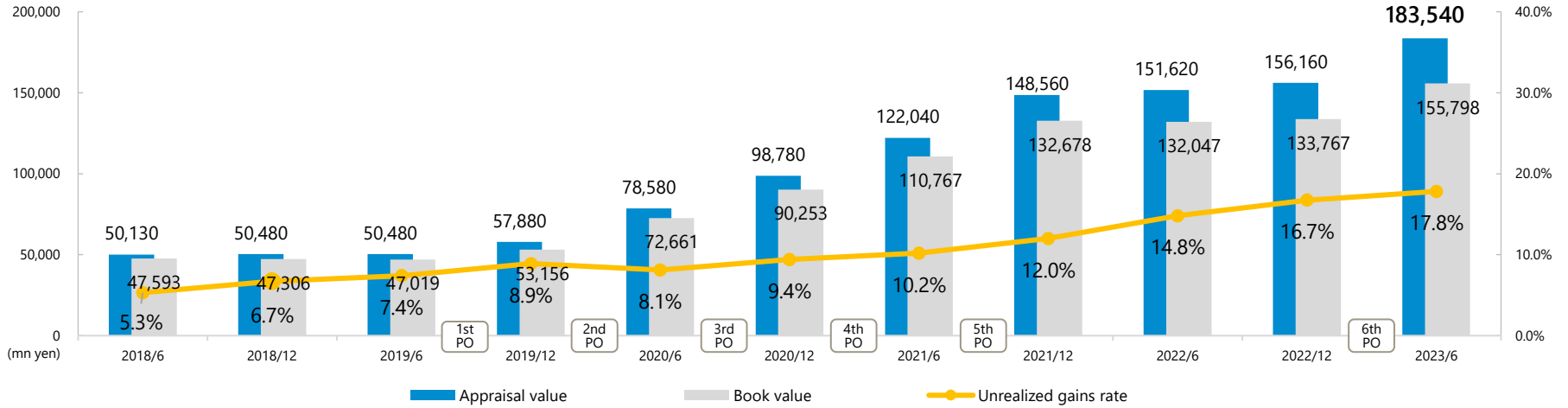


1. Based on leased area.

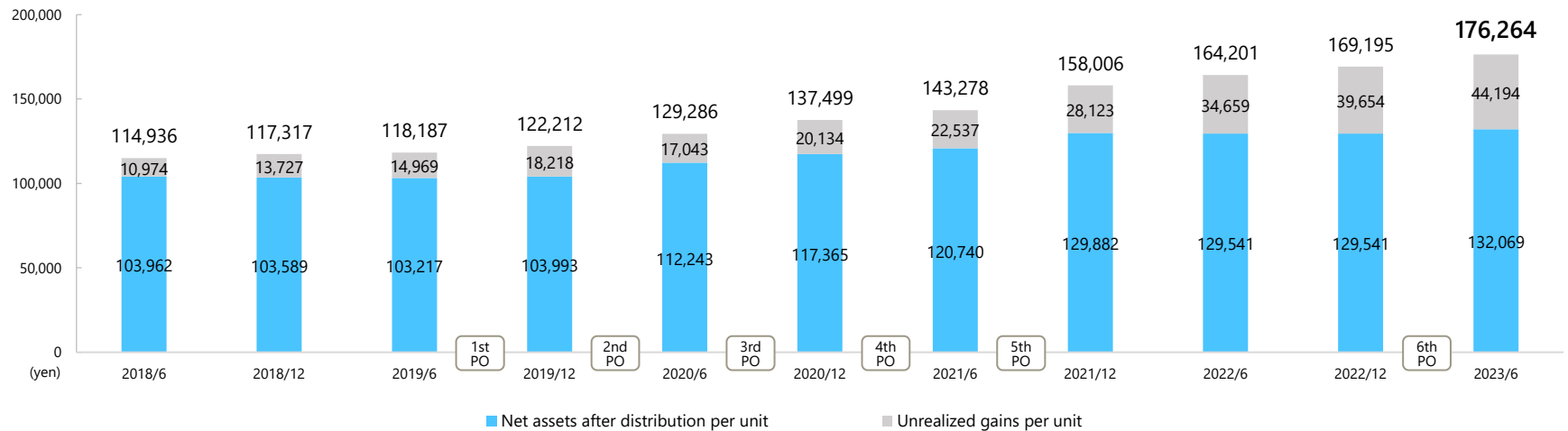
2. The classification in each graph is on visual contact or hearing results, and only major items are stated by Asset manager. Therefore, those ratios may differ from actual ratios.

Overview of Appraisal Value

Appraisal value / Unrealized gains rate



NAV per unit



Overview of Appraisal Value

No.	Property name	Acquisition month and year	Acquisition price (mn yen)	Book value at the end of the 14th FP (mn yen)	At the end of the 14th FP		At the end of the 13th FP		Changes		Unrealized gains (mn yen)	Unrealized gains rate (%)
					Appraisal value (mn yen)	Direct capitalization rate (%)	Appraisal value (mn yen)	Direct capitalization rate (%)	Appraisal value (mn yen)	Direct capitalization rate (%)		
M-1	LogiSquare Kuki	Jul. 2016	9,759	8,898	11,800	3.9	11,500	4.0	+ 300	- 0.1	2,901	32.6
M-2	LogiSquare Hanyu	Jul. 2016	6,830	6,224	7,700	4.3	7,530	4.4	+ 170	- 0.1	1,475	23.7
M-3	LogiSquare Kuki II	Feb. 2018	2,079	1,954	2,490	4.2	2,430	4.3	+ 60	- 0.1	535	27.4
M-4	LogiSquare Urawa Misono	Feb. 2018	13,060	12,499	15,800	3.8	15,500	3.9	+ 300	- 0.1	3,300	26.4
M-5	LogiSquare Niiza	Feb. 2018	6,960	6,629	8,390	4.0	7,990	4.2	+ 400	- 0.2	1,760	26.6
M-6	LogiSquare Moriya	Feb. 2018	6,157	5,829	8,010	4.2	7,810	4.3	+ 200	- 0.1	2,180	37.4
M-7	LogiSquare Kawagoe	Jul. 2019	1,490	1,454	1,830	4.0	1,780	4.1	+ 50	- 0.1	375	25.8
M-8	LogiSquare Kasukabe	Jul. 2019	4,900	4,768	6,070	3.9	5,910	4.0	+ 160	- 0.1	1,301	27.3
M-9	LogiSquare Soka	Feb. 2020	8,109	8,094	9,890	3.6	9,640	3.7	+ 250	- 0.1	1,795	22.2
M-10	LogiSquare Yashio	Feb. 2020	5,073	5,069	6,110	3.6	5,950	3.7	+ 160	- 0.1	1,040	20.5
M-11	LogiSquare Mizuho A	Feb. 2020	2,794	2,816	3,260	4.0	3,250	4.0	+ 10	—	443	15.7
M-12	LogiSquare Mizuho B	Feb. 2020	3,584	3,590	4,110	4.0	4,110	4.0	—	—	519	14.5
M-13	LogiSquare Ageo	Jul. 2020	4,908	4,830	5,710	3.9	5,570	4.0	+ 140	- 0.1	879	18.2
M-14	LogiSquare Miyoshi	Jul. 2020	11,700	11,445	13,700	3.9	13,400	4.0	+ 300	- 0.1	2,254	19.7
M-15	LogiSquare Sayama Hidaka	Jan. 2021 80% July 2022 20%	17,678	17,487	19,600	3.7	19,300	3.8	+ 300	- 0.1	2,112	12.1
M-16	LogiSquare Kawagoe II	Jan. 2021	3,244	3,210	3,720	4.0	3,620	4.1	+ 100	- 0.1	509	15.9
M-17	LogiSquare Shiroy	Apr. 2023	7,415	7,478	7,930	4.1	—	—	+ 7,930	—	451	6.0
K-1	LogiSquare Kobe Nishi	Jan. 2021	3,479	3,454	3,770	4.2	3,770	4.2	—	—	315	9.1
K-2	LogiSquare Osaka Katano	Sep. 2021	22,370	22,233	24,100	4.0	23,700	4.1	+ 400	- 0.1	1,866	8.4
K-3	LogiSquare Hirakata	Apr. 2023	15,091	15,167	16,100	3.8	—	—	+ 16,100	—	932	6.1
O-1	LogiSquare Tosu	Apr. 2018	2,823	2,659	3,450	4.1	3,400	4.2	+ 50	- 0.1	790	29.7
End of 14th FP Total / Average		—	159,504	155,798	183,540	—	156,160	—	+ 27,380	—	27,741	17.8

Status of Investors

Major investors (as of June 30, 2023)

Name	Number of investment units(units)	Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	164,410	26.2
Custody Bank of Japan, Ltd. (Trust Account)	130,889	20.9
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	33,245	5.3
CRE, Inc.	22,550	3.6
JP MORGAN CHASE BANK 385771	9,884	1.6
The Bank of Yokohama, Ltd.	9,772	1.6
STATE STREET BANK WEST CLIENT - TREATY 505234	9,042	1.4
SSBTC CLIENT OMNIBUS ACCOUNT	8,209	1.3
STATE STREET BANK AND TRUST COMPANY 505103	6,232	1.0
Mitsubishi UFJ Trust and Banking Corporation	6,194	1.0
Total	400,427	63.8

Number of investors by type of owner (as of June 30, 2023)

	Number of investors (person)	Ratio (%)
Individuals/others	10,595	95.2
Financial institutions	72	0.6
Other domestic corporations	216	1.9
Overseas investors	220	2.0
Securities companies	21	0.2
Total	11,124	100.0

Number of investment units by type of owner

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

