

August 31, 2023

For Immediate Release

Name of REIT Issuer:
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(TSE Code: 3487)

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Notice Concerning Issuance of Investment Corporation Bonds (Green Bonds) and Prepayment of Borrowings

CRE logistics REIT, Inc. (“CRE REIT”) announces its decision today to issue its 3rd unsecured investment corporation bonds (“Green Bonds”) and repay borrowings, before the maturity. Details are as follows.

1. Overview of the investment corporation bonds (Green Bonds)

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| (1) Name | CRE Logistics REIT, Inc. 3rd unsecured investment corporation bonds with supplementary pari passu clause (“Green Bonds”) |
| (2) Total amount to be issued | 2,000 million yen |
| (3) Format of bonds | Investment corporation bond certificates will not be issued for the Green Bonds pursuant to the provisions of the Act on Book-Entry Transfer of Corporate Bonds and Shares. |
| (4) Amount to be paid | 100 yen per 100 yen of each investment corporation bond |
| (5) Amount to be redeemed | 100 yen per 100 yen of each investment corporation bond |
| (6) Interest rate | 0.789% per annum |
| (7) Amount of each investment corporation bond | 100 million yen |
| (8) Offering method | Offering to the general public |
| (9) Application period | Thursday, August 31, 2023 |
| (10) Payment date | Friday, September 22, 2023 |
| (11) Security and guarantee | There is no security or guarantee for the Green Bonds, and no particular assets are reserved for the Green Bonds. |
| (12) Redemption method and due date | The total amount of the Green Bonds will be redeemed on September 21, 2028.
CRE REIT may retire by repurchasing the Green Bonds at any time after the day following the payment date, unless otherwise provided for by the book-entry transfer institution. |
| (13) Interest payment date | The last day of March and the last day of September every year (If the interest payment date is a day that is not a bank business day, interest will be paid in advance on the previous business day.) |
| (14) Financial covenants | A negative pledge clause is established. |
| (15) Rating acquired | A Rating and Investment Information, Inc. |
| (16) Fiscal agent, issuing agent and paying agent | Sumitomo Mitsui Trust Bank, Limited |

(17) Underwriters SMBC Nikko Securities Inc., Mizuho Securities Co., Ltd. and Nomura Securities Co., Ltd.

Japan Credit Rating Agency, Ltd. (“JCR”) in their third-party evaluation of the issuance structure of the Green Bonds (green finance framework (Note)) has assigned CRE REIT a “Green 1 (F),” rating, the highest in the JCR Green Finance Framework Evaluation.

(Note) Regarding the green finance framework, please refer to the CRE REIT website below.

<https://cre-reit.co.jp/en/esg/greenfinance.html>

2. Reason for the issuance

CRE REIT will issue Green Bonds at this time to promote the acquisition of environmentally conscious logistics facilities and enhance financing methods by expanding the base of investors interested in ESG investment.

3. Total amount to be procured, use of proceeds, and scheduled outlay period

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

1,985 million yen

(2) Specific use of proceeds and scheduled outlay period

As of September 22, 2023, proceeds will be appropriated for part of funds for the prepayment (“Prepayment”) of borrowings of 2,000 million yen raised as funds to acquire LogiSquare Shiroi and LogiSquare Hirakata, which are specified assets, that meet the eligibility criteria (Note) (“Green Qualifying Assets”), with September 30, 2024 as the payment dates.

(Note) Regarding the eligibility criteria, please refer to the CRE REIT website below.

<https://cre-reit.co.jp/en/esg/greenfinance.html>

4. Investors who expressed their intention to invest in the Green Bonds

Of the investors who expressed their intention to invest in the Green Bonds as of today, those who have agreed to the disclosure of their names are posted (in Japanese alphabetical order).

- Osaka Shoko Shinkin Bank
- The Bank of Iwate, Ltd.
- THE FUKUOKA CHUO BANK, LTD.
- The Kita Osaka Shinkin Bank
- The Choshi Shinkin Bank
- Ryoubi Shinkumi

5. Reporting

If there are unappropriated funds at the time of issuing the Green Bonds or borrowing green loans, CRE REIT will disclose an appropriation plan, etc. yearly on its website. In addition, if a property for which the proceeds will be used will no longer be a subject of the use of proceeds due to its sale, etc., CRE REIT will disclose this in its press release, etc.

CRE REIT will also disclose the following items yearly on its website.

- Type and rank of environmental certifications and total floor area of the Green Qualifying Assets
- Specific quantities consumed in the properties meeting the eligibility criteria (limited to those whose figures can be identified on a portfolio basis by CRE REIT,)

Water consumption
 Electricity consumption
 CO2 emissions (or reductions)

6. Details of the Prepayment

(1) Amount to be repaid

2,000 million yen

(2) Prepayment date

September 22, 2023 (planned)

(3) Funds for Prepayment

Approximate net proceeds of 1,985 million yen from the issuance of the Green Bonds will be appropriated. For the difference of about 15 million yen from the total amount to be paid of 2,000 million yen, cash in hand will be appropriated.

(4) Details of borrowings for the Prepayment

(million yen)

Category	Lender	Loan amount	Drawdown date	Maturity date
Long-term loans payable	Sumitomo Mitsui Banking Corporation	1,000	March 31, 2023	September 30, 2024
	Mizuho Bank, Ltd.	1,000		
Total		2,000	—	—

(Note) For more details regarding the borrowings for the Prepayment, please refer to the “Notice Concerning Borrowing of Funds (including Green Loan)” on March 23, 2023 and the “Notice Concerning Borrowing of Funds (Reduction and Final Determination of Loan Amounts from Lenders)” on March 29, 2023.

7. Status of loans, etc. after the issuance of the Green Bonds and the Prepayment

(million yen)

	Before the issuance of the Green Bonds and the Prepayment	After the issuance of the Green Bonds and the Prepayment	Increase or decrease
Short-term loans payable	1,680	1,680	—
Long-term loans payable (Note)	66,819	64,819	-2,000
Total loans	68,499	66,499	-2,000
Investment corporation bonds	4,000	6,000	2,000
Total interest-bearing debt	72,499	72,499	—

(Note) Long-term loans payable include the current portion of loans payable.

8. Future outlook

The impact of this matter is immaterial, and there is no change in the results forecasts for the fiscal period ending December 31, 2023 and the fiscal period ending June 30, 2024, announced on August 15, 2023 in the “Summary of Financial Results for the 14th Fiscal Period Ended June 30, 2023.”

9. Other matters necessary for investors to understand and assess this information properly

The risks related pertaining to the redemption of the Green Bonds, etc., have not changed significantly from those stated in “Part 2: Reference information, 2. Reference material: Supplementary information, (3) Investment risk” of the securities registration statement submitted on March 23, 2023.

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