Semi-Annual Report

Fiscal Period Ended June 30, 2025

from January 1, 2025 to June 30, 2025

CRE Logistics REIT

We wish to sincerely thank you for the outstanding support you have provided CRE Logistics REIT, Inc. ("CRE REIT").

We listed our units on the Real Estate Investment Trust Securities Market of the Tokyo Stock Exchange on February 7, 2018, and are pleased to have concluded the 18th fiscal period which is the 15th fiscal period since listing. We would like to express our sincere gratitude for your support.

During the 18th fiscal period, we made steady progress in attracting tenants to properties held, while also continuing to achieve rent increases upon lease renewals in line with the upward trend in market rents. In addition, we sold 35% of the quasi-co-ownership interest in LogiSquare Kuki II, and acquired and cancelled our own investment units for the second time. As a result, the business results in the 18th fiscal period included operating revenue of 4,707 million yen, operating income of 2,589 million yen, and net income of 2,212 million yen. Distributions totaled 2,364 million yen by adding 152 million yen of distributions in excess of earnings to net income. The distributions per unit amounted to 3,823 yen, exceeding the forecast by 41 yen.

Regarding the logistics real estate leasing market, particularly in the Tokyo metropolitan area, there was a large amount of new supply from 2022 to 2023, causing vacancy rates to remain high. However, we expect that the logistics real estate leasing market will remain strong, as tenant leasing demand remains as strong as ever and the level of new supply is declining due to rising construction costs.

We will engage in steady management and continue to return the outcomes to our investors.

We hope that we can continue to count on your support.

Executive Director, CRE Logistics REIT, Inc.
President, Representative Director, CRE REIT Advisers, Inc.

Tsuyoshi Ito

1. Operating Results

(1) Operating Results

i. Overview of the Current Fiscal Period

A. Major trends of CRE REIT

CRE REIT was established on May 12, 2016, by CRE REIT Advisers, Inc. (the "Asset Manager") as the organizer pursuant to the provisions of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, including subsequent amendments) and its units were listed on the Real Estate Investment Trust Securities Market of the Tokyo Stock Exchange ("TSE") on February 7, 2018 (Security Code: 3487). As of the end of the fiscal period, CRE REIT owned 21 properties, with a total acquisition price of 158,153 million yen.

B. Operation environment and results

In the current fiscal period, Japan's economy exhibited signs of weakness in certain sectors, experiencing a slower recovery due to declining real wages and uncertainty surrounding the Trump administration's tariff policies in the United States. Within the J-REIT market, inflation became entrenched in the Japanese economy since 2022, market rents for real estate have been trending upwards and excessive caution regarding the Bank of Japan's policy interest rate hikes has subsided. As a result, the TSE REIT index rose to a level close to 1,800 points.

Meanwhile, in the logistics real estate rental market, there are still concerns around the continuous supply of new properties and high vacancy rates, especially in the Tokyo metropolitan area. However, the vacancy rate of facilities owned by Logistics Facility-Focused REIT is stable at around 1%. In addition, demand for logistics real estate is expected to continue to grow, given such trends as the sophistication of supply chain management (Note 1) and the rapid expansion of home shopping and electronic commerce, an increase in the number of parcels sent by home delivery services, or an increase in the use of third-party logistics (3PL) (Note 2) companies facing the so-called "2024 problem" caused by restrictions on drivers' overtime hours. Moreover, as a result of the expansion of the range of logistics real estate users associated with this market growth, demand is growing not only for large facilities, but also for multi-functional logistics real estate with high specifications and availability of various sizes. The increasing difficulty of securing warehouse personnel due to current labor shortages is creating demand for logistics real estate at locations where there are more hiring opportunities.

In addition to the situation in Ukraine and the Middle East, depending on the Trump administration's tariff policy, it is necessary to be aware that not only the Japanese economy but also the global economy may decline, leading to a deterioration in corporate performance. The lease market for logistics real estate is expected to remain strong given the further expansion of home shopping and e-commerce. Furthermore, the logistics facilities built during the period of high economic growth and the bubble economy are ageing, and there is ongoing demand for these facilities to be rebuilt. Due to the sharp rise in construction costs, the supply of new logistics facilities is projected to decrease.

Under these circumstances, CRE REIT has been conducting appropriate management and operation of its 21 properties held as of the end of the current fiscal period in cooperation with CRE, Inc. ("CRE") and has maintained a high operation status with 99.6% occupancy of the overall portfolio as of the end of the current fiscal period.

Note 1: Supply chain management refers to an efficient management technique of seamless supply by regarding the flow from parts manufacturers, assembled product manufacturers, distributors, and to customers as a chain. The same applies hereafter.

Note 2: Third-party logistics (3PL) means planning the most efficient logistics strategies, proposing the development of logistics systems, and receiving comprehensive contracts to implement such strategies and development in lieu of shippers. The same applies hereafter.

C. Overview of financing

The balance of interest-bearing liabilities stood at 70,119 million yen as of the end of the current fiscal period, and the percentage of interest-bearing liabilities in total assets as of the end of the current fiscal period was 44.3%.

The credit ratings received by CRE REIT applicable to both the issuer and bond as of the date of submission of this document are described below.

Rating Agency	Rating Subject	Rating	Rating Outlook
Rating and Investment Information, Inc. (R&I)	Issuer rating	A	Stable
	Bond rating	A	-
Japan Credit Rating Agency, Ltd. (JCR)	Long-term Issuer Rating	A+	Positive

Note: These are not the ratings of the investment units of CRE REIT. There are no credit ratings that have been provided or made publicly available by credit rating agencies or credit ratings that will be provided or made publicly available by credit agencies with respect to the investment units of CRE REIT at CRE REIT's request.

D. Overview of business performance and distributions

As a result of the management described above, the results for the current fiscal period included operating revenue of 4,707 million yen, operating income of 2,589 million yen, ordinary income of 2,213 million yen, and net income of 2,212 million yen.

CRE REIT decided to distribute all undistributed earnings held at the end of the current fiscal period, excluding fractions of a yen, assuming that earnings distributions would be added as deductible expenses by applying the special provisions for the taxation of investment corporations (Article 67-15 (1) of the Act on Special Measures Concerning Taxation (Act no.26 of 1957, including subsequent revisions)) ("Special Provisions for Taxation of Investment Corporations") based on CRE REIT's distribution policy specified in its certificate of incorporation. Earnings distribution per investment unit came to 3,577 yen. In addition, CRE REIT plans, in principle, to continuously distribute amounts in excess of earnings in each fiscal period (contribution refunds that fall under distributions accompanying a decrease in capital under tax law) ("continuous distributions in excess of earnings") (Note 1) pursuant to the distribution policy specified in its certificate of incorporation. Based on this, CRE REIT distributed 152,175,108 yen, an amount nearly equivalent to 20.0% of depreciation for the current fiscal period, as a return of contribution corresponding to distributions accompanying a decrease in capital under tax law, and distributions in excess of earnings per investment unit amounted to 246 yen (Note 2). As a result, earnings distribution per investment unit (including surplus cash distributions) amounted to 3,823 yen.

Note 1: The total amount of continuous distributions in excess of earnings, along with any one-off distributions will be limited to the amount specified by laws and regulations (including the rules and regulations of the Investment Trusts Association, Japan).

Note 2: The six-month average of total expenses for emergency repair and medium- to long-term repair indicated in the engineering report for each asset held is 86 million yen. As a result of examining the current economic environment, trends in the real estate market and lease market, CRE REIT's financial condition, and other factors, CRE REIT decided to distribute funds in excess of profit based on the judgment that the distribution would be within the range that the value of assets held and that its financial health would be maintained. The distributions in excess of earnings for the current fiscal period will be deducted from the capitalization at the time of payment.

ii. Outlook for the Next Fiscal Period

A. Future investment policy

CRE REIT focuses on investing in high-quality logistics-related facilities (Note 2) that meet the demand of tenants generally in the Tokyo metropolitan area and Kansai area (Note 1). Needs of logistics real estate users have been increasingly diversified in recent years due to changes in the market structure. CRE REIT considers that acquiring, holding, and operating high-quality logistics-related facilities having the necessary and sufficient functions to meet the needs of individual users of logistics real estate represents the originality of its investment strategies.

CRE REIT uses the comprehensive strengths (Note 4) of the CRE Group (Note 3), which has more than 60 years of experience in the logistics real estate business, to invest in high-quality logistics-related facilities that meet the needs of tenants, create stable cash flow, and aim to increase value for investors.

Note 1: The Tokyo metropolitan area includes Tokyo, Kanagawa, Chiba, Saitama, Ibaraki, Tochigi, Gunma, and Yamanashi. Kansai area includes Osaka, Kyoto, Hyogo, Shiga, Nara and Wakayama. The same applies hereafter.

Note 2: CRE REIT's concept of high-quality logistics-related facilities meeting tenant needs are logistics-related facilities that have the location, basic specifications, expandability, and comfort necessary to satisfy tenant needs. The same applies hereafter.

Note 3: The CRE Group includes CRE and its affiliates. The CRE Group consists of CRE and its subsidiaries and affiliates. The same applies hereafter.

Note 4: The CRE Group has its original know-how characterized by total services in logistics real estate covering from the management and operation (proposing effective use of land, master leasing, property management, and leasing) to development (acquisition, planning, construction management (management of quality, construction periods, costs, etc. in development projects. The same applies hereinafter.), sale), holding, and operation (investment and external acquisition). This is in some cases referred to as the comprehensive strength of the CRE Group.

a. Long-term, stable asset management

CRE REIT believes that CRE is able to prepare locations, basic specifications, expandability, and comfortable use of properties that meet tenant needs, ensure an appropriate balance with rent levels, and develop logistics-related facilities used by tenants for extended periods, which can be expected to generate stable cash flow.

CRE REIT ensures medium- to long-term stable cash flow by acquiring and managing properties that are versatile, high-quality, and suitable for long-term tenant occupancy. CRE REIT also aims to achieve long-term, stable operation using this wide-ranging operation and management know-how of the CRE Group, promoting cost reduction while raising customer satisfaction, and reducing the risk of vacancies after tenant vacation.

b. External growth strategy

CRE REIT believes that it is able to promote strong external growth by receiving opportunities to acquire all logistics-related facilities developed and held by CRE (Note) through a sponsor support agreement with the CRE Group, a logistics real estate developer.

CRE REIT aims to achieve external growth by maximizing the use of pipeline support based on know-how built on extensive achievements and experience in the operation, leasing, development, investment, etc. of the CRE Group through the sponsor support agreement.

Note: Unless the grounds for exclusion from application stipulated in the Sponsor Support Agreement apply.

c. Financial policy

The basic policy of CRE REIT is to build a sound and stable financial base for the purpose of increasing and maintaining medium to long-term revenues. CRE REIT flexibly issues new investment units, while paying close attention to ALM (Asset Liability Management) regarding lease contract periods and funding periods, taking into account the LTV level and market environment and paying attention to dilution (decrease in the ratio of voting rights per investment unit due to the issuance of new investment units and decrease in net asset value per investment unit or distribution per unit), and conducts financial operation with a focus on long-term stability by mainly using borrowings with fixed, long-term interest rates.

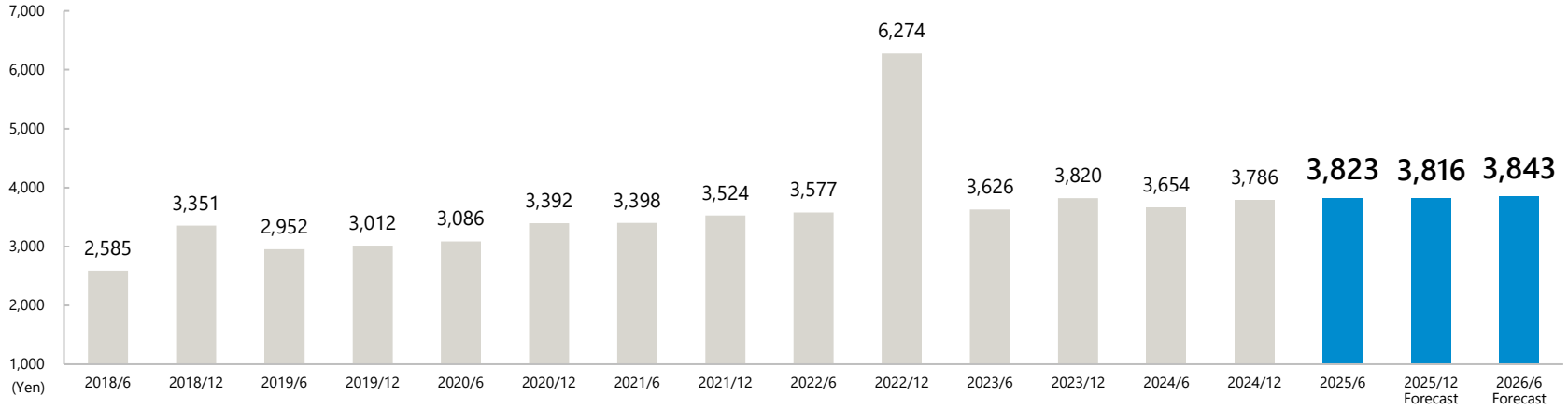
While CRE REIT's LTV level is set to approximately 45% and no more than 50%, in principle, it may temporarily exceed 50% due to asset acquisition or other factors.

Logistics facilities are characterized by a high ratio of building price to land and building price and depreciation tends to be comparatively higher than other asset classes. However, the average building age (Note) of CRE REIT's portfolio is low at 6.9 years, and capital expenditures are expected to remain at low levels. Therefore, CRE REIT has set a policy of distributing funds exceeding earnings, in principle, continuously and in every fiscal period, taking into consideration other options, including use for repairs or capital expenditures, repayment of borrowings, and the acquisition of new properties. For the time being, the level of continuous distributions in excess of earnings will be an amount equivalent to 30% of depreciation for the corresponding fiscal period. If a temporary decrease in distribution per unit is expected, CRE REIT may distribute continuous distributions in excess of earnings plus a one-off distribution that exceeds the profit level in the period for the purpose of maintaining the ordinary level of the distributions per unit. However, total amount of the continuous distributions in excess of earnings and a one-off distribution shall not exceed the equivalent to 60% of total depreciation for the relevant business period.

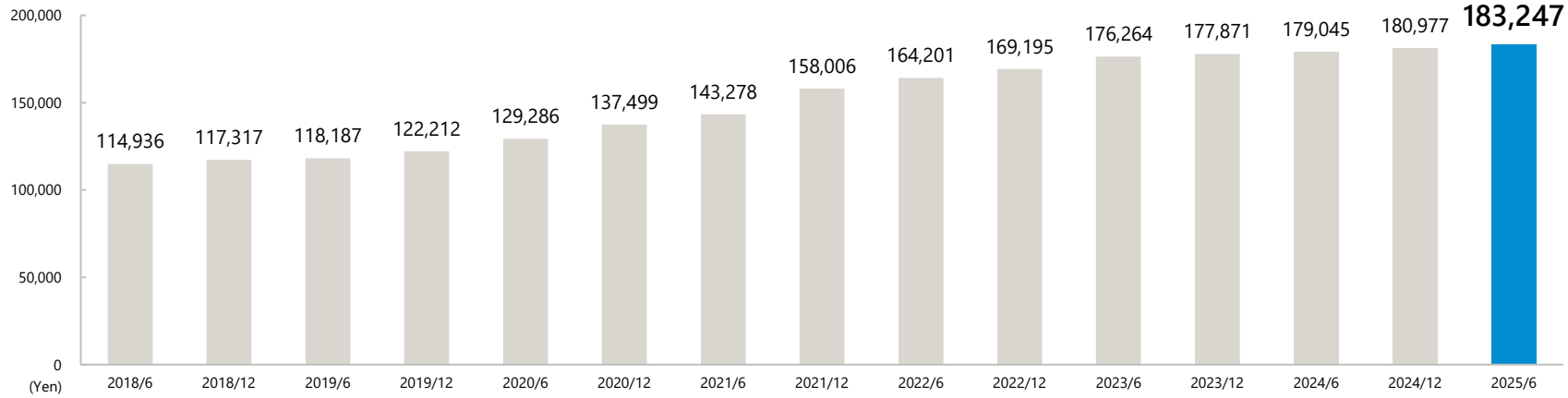
Note: The weighted average of the building ages (the number of years from the year of construction indicated in the real estate register to the end of the current fiscal period) of the 21 properties held at the end of the current fiscal period based on their acquisition prices, which is rounded to the first decimal place.

Trends in each indicator (1) DPU and NAV per unit

DPU



NAV per unit



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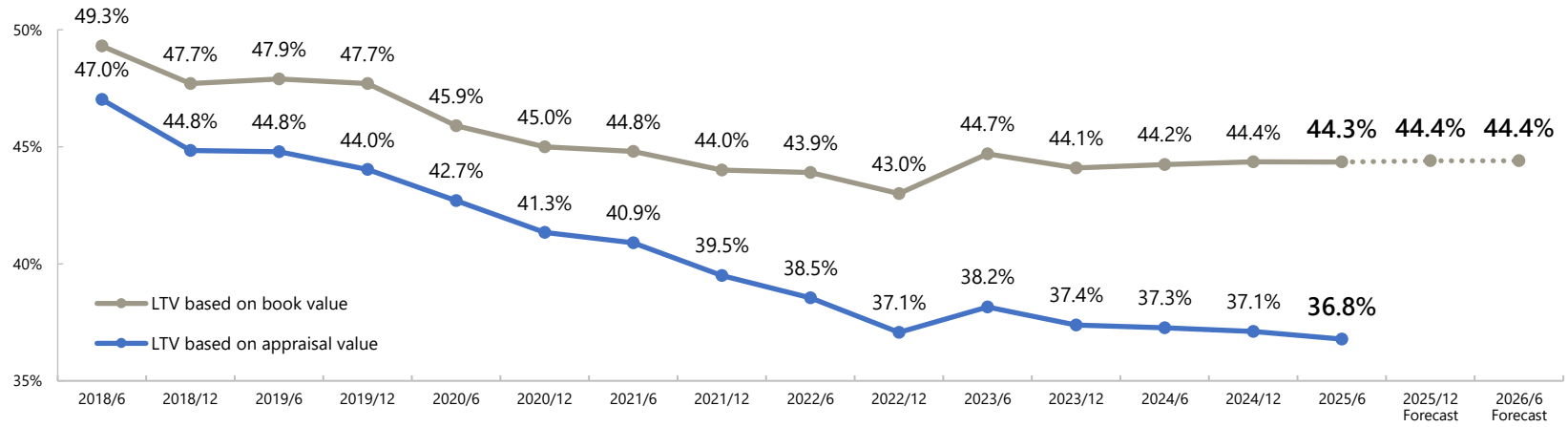
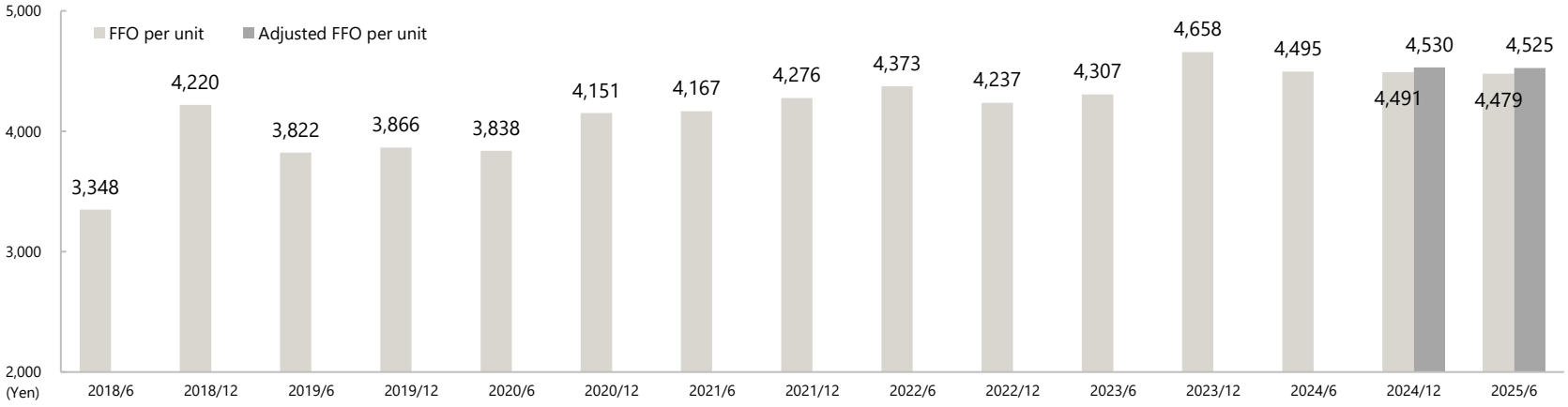
Trends in each indicator (2) LTV and FFO/AFFO per unit

LTV



FFO per unit



(Note) Adjusted FFO = net income + depreciation - gain on sales of real estate properties + management fee from gain on sales(*)
(*) When gain on sales are recorded, EPU-linked management fees are larger than in normal periods.

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Highlights on the 18th FP

DPU

18th FP Results (2025/6)	3,823 yen (vs forecast: +41 yen, +1.1%)
19th FP Forecasts (2025/12)	3,816 yen (vs previous forecast: +34 yen, +0.9%)
20th FP Forecasts (2026/6)	3,843 yen

NAV per unit

18th FP Results (2025/6)	183,247 yen (vs previous FP: +2,270 yen, +1.3%)

Portfolio

Portfolio size	21 properties	158 billion yen
Occupancy rate	End of the Period 99.6%	Average 99.6%
Average remaining lease term	2.9 years	
Average property age	6.9 years	

Asset

	18th FP (2025/6)	Compared to 17th FP
Appraisal value	184,501 mn yen	+98 mn yen
Unrealized gains	32,512 mn yen	+1,353 mn yen
Unrealized gains ratio	21.4%	+1.1%
Repair expense	40 mn yen	+13 mn yen
Capital expenditure	174 mn yen	-55 mn yen

Debt

	18th FP (2025/6)	Compared to 17th FP
Interest-bearing debt	70,119 mn yen	-700 mn yen
LTV based on book value	44.3%	-0.0%
LTV based on appraisal value	36.8%	-0.3%
Ratio of fixed interest debt	81.8%	-0.2%
Ratio of long-term debt	100.0%	—%
Average borrowing interest rate	0.862%	+0.121%

Equity

	18th FP (2025/6)	Compared to 17th FP
Net assets per unit	134,511 yen	-328 yen
NAV	113,356 mn yen	+401 mn yen
NAV per unit	183,247 yen	+2,270 yen
Total number of investment units outstanding	618,598 units	-5,542 units

1. As of June 30, 2025

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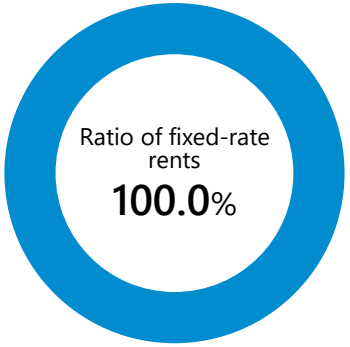
High-Quality Portfolio (1) Stable Cash Flow

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.

Ratio of fixed-term lease contracts

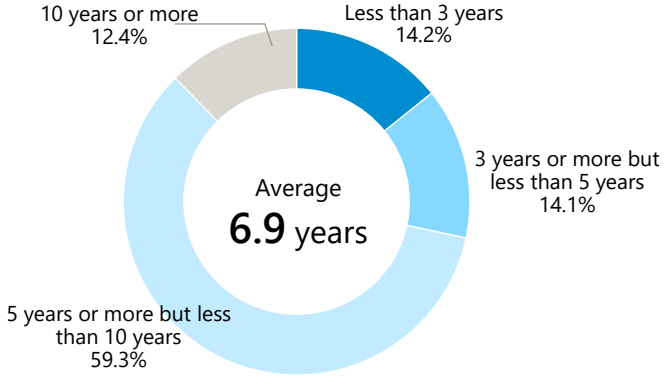
Ratio of fixed-rate rents



1. Only "Ratio of fixed-term lease contracts" is based on leased area.

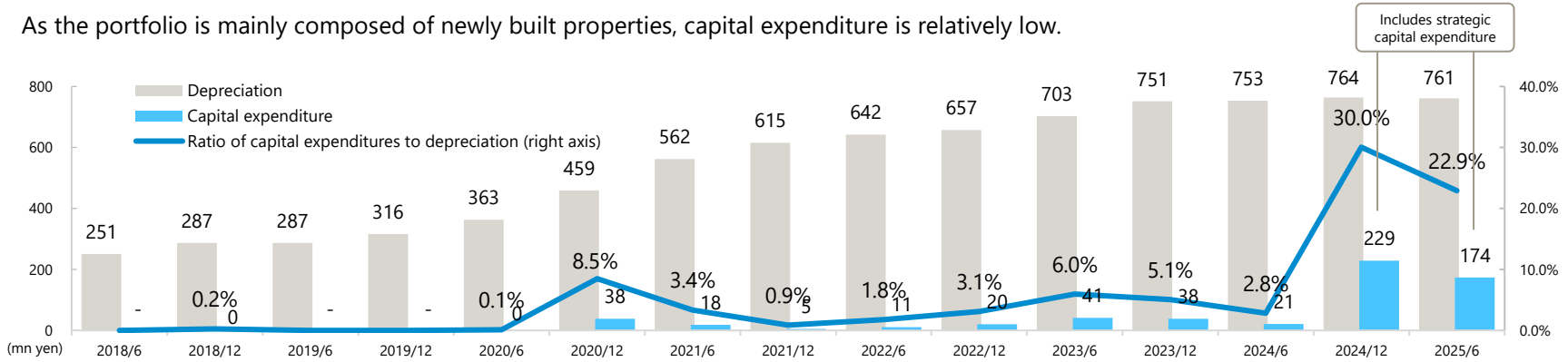
Inclusion of newly built properties

Property age



Capital expenditure remains low

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



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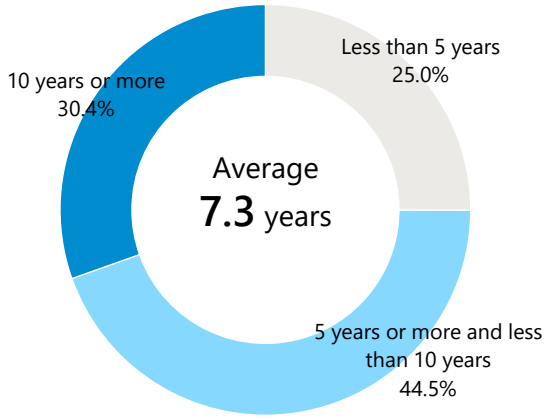
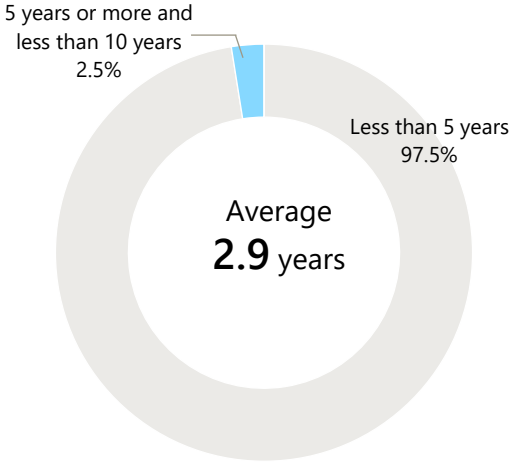
High-Quality Portfolio (2) Long Term Lease Contracts

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

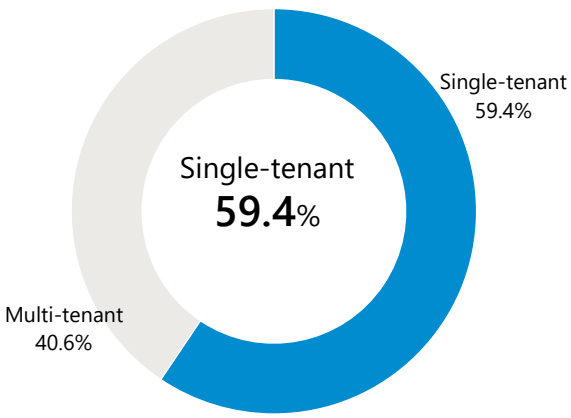
Lease contract term



Remaining lease term



Tenant composition



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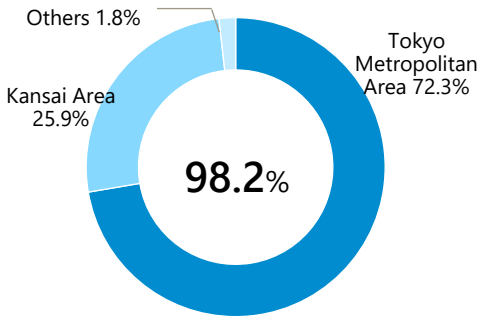
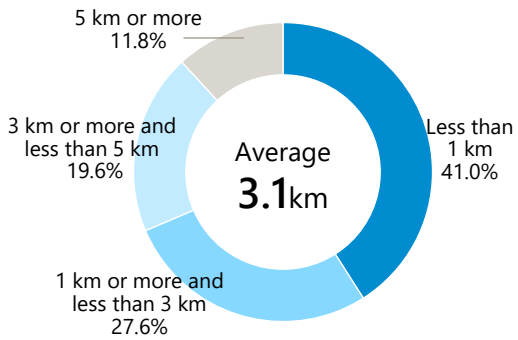
High-Quality Portfolio (3) Good Location

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

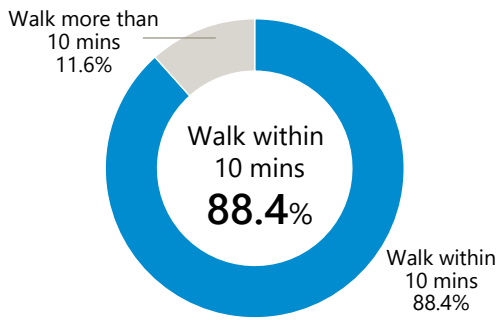
Ratio in Tokyo Metropolitan and Kansai area



Distance to an interchange

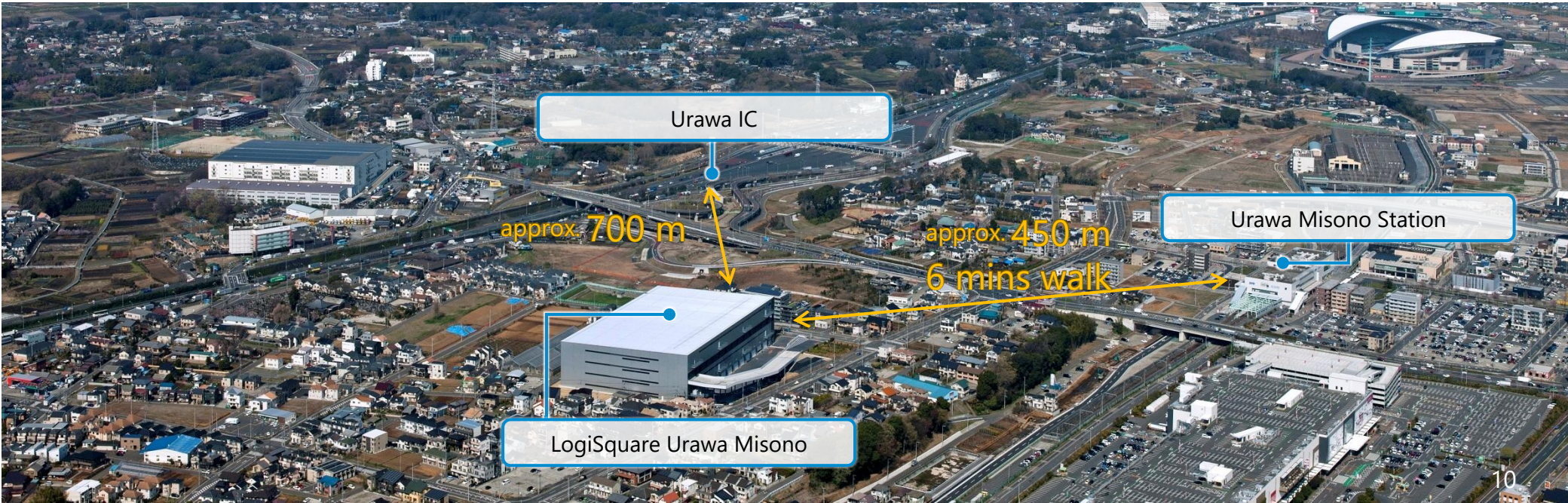


Walking distance from public transportation facilities



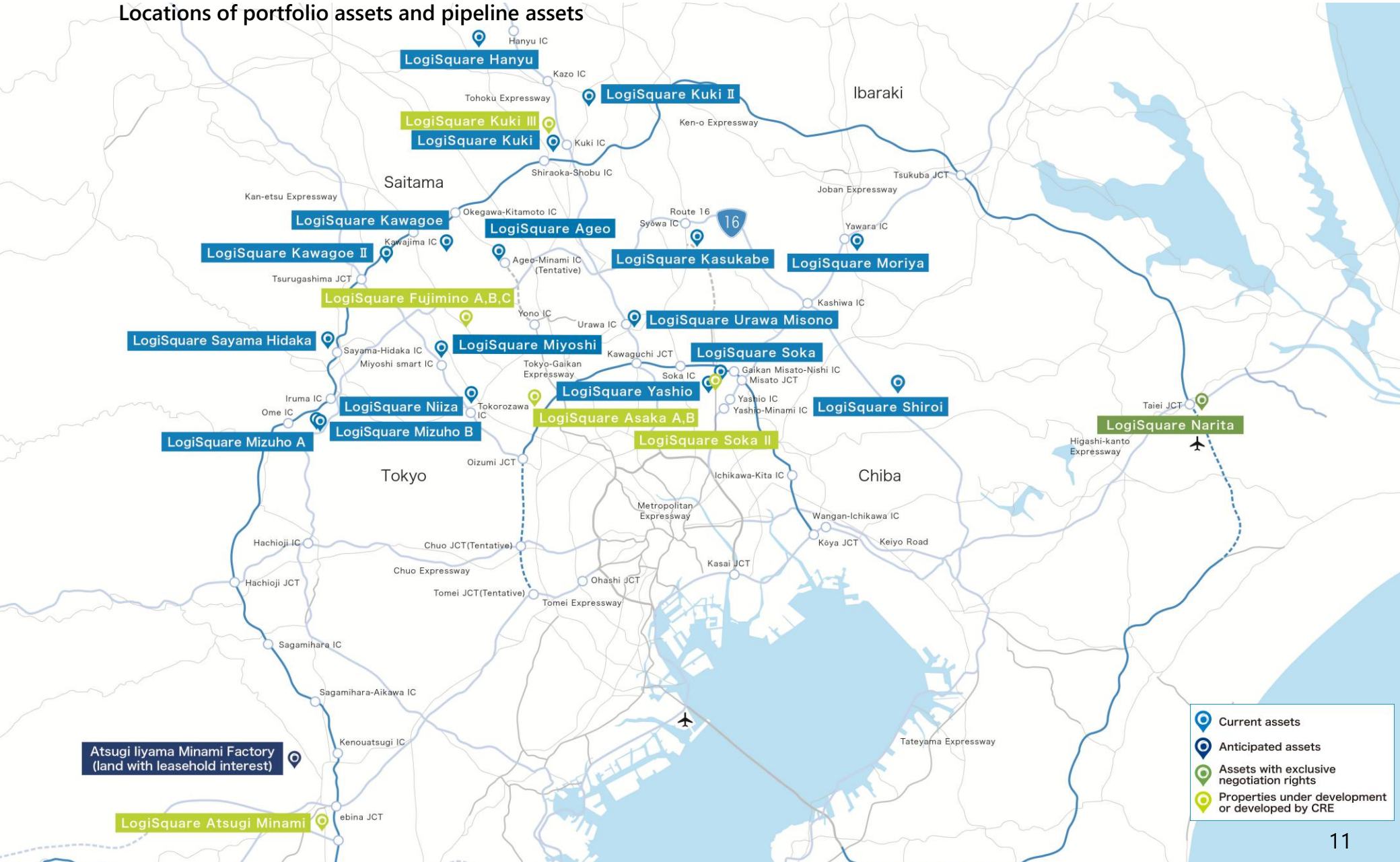
Example: LogiSquare Urawa Misono

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.



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	12,400	5.1	40,907.13	9.1	1	100.0	CRE
M-2	LogiSquare Hanyu	Hanyu-shi, Saitama	6,830	7,680	4.9	33,999.61	9.0	1	100.0	CRE
M-3	LogiSquare Kuki II (quasi-co-ownership interests 35%)	Kuki-shi, Saitama	727	871	5.2	4,028.93	8.4	1	100.0	CRE
M-4	LogiSquare Urawa Misono	Saitama-shi, Saitama	13,060	15,900	4.7	48,738.29	8.3	3	100.0	CRE
M-5	LogiSquare Niiza	Niiza-shi, Saitama	6,960	8,420	4.9	25,355.82	8.3	1	100.0	CRE
M-6	LogiSquare Moriya	Moriya-shi, Ibaraki	6,157	8,300	5.7	32,904.90	8.2	2	100.0	CRE
M-7	LogiSquare Kawagoe	Kawagoe-shi, Saitama	1,490	1,790	5.1	7,542.56	7.4	1	100.0	CRE
M-8	LogiSquare Kasukabe	Kasukabe-shi, Saitama	4,900	6,000	5.1	21,315.54	7.1	1	100.0	CRE
M-9	LogiSquare Soka	Soka-shi, Saitama	8,109	9,780	4.6	28,817.59	12.0	1	100.0	CRE
M-10	LogiSquare Yashio	Yashio-shi, Saitama	5,073	7,030	5.2	19,068.60	11.4	1	100.0	CRE
M-11	LogiSquare Mizuho A	Mizuho-machi, Tokyo	2,794	3,220	4.9	13,755.16	18.4	1	100.0	CRE
M-12	LogiSquare Mizuho B	Mizuho-machi, Tokyo	3,584	4,080	4.7	16,016.37	18.4	1	100.0	CRE
M-13	LogiSquare Ageo	Ageo-shi, Saitama	4,908	5,810	4.8	19,142.84	6.2	2	100.0	CRE
M-14	LogiSquare Miyoshi	Miyoshi-machi, Saitama	11,700	13,800	4.7	37,931.49	5.1	1	100.0	CRE
M-15	LogiSquare Sayama Hidaka	Hanno-shi, Saitama	17,678	19,000	4.1	73,728.44	5.1	8	96.4	CRE
M-16	LogiSquare Kawagoe II	Kawagoe-shi, Saitama	3,244	3,720	4.8	14,281.38	6.0	1	100.0	CRE
M-17	LogiSquare Shiroi	Shiroi-shi, Chiba	7,415	7,870	4.4	28,503.11	2.6	1	100.0	CRE
K-1	LogiSquare Kobe Nishi	Kobe-shi, Hyogo	3,479	4,070	5.0	16,006.20	5.2	1	100.0	CRE
K-2	LogiSquare Osaka Katano	Katano-shi, Osaka	22,370	24,100	4.3	76,393.17	4.5	5	100.0	CRE
K-3	LogiSquare Hirakata	Hirakata-shi, Osaka	15,091	16,500	4.2	42,875.27	2.5	1	100.0	CRE
O-1	LogiSquare Tosu	Tosu-shi, Saga	2,823	4,160	6.3	16,739.40	7.4	1	100.0	CRE
21 properties Total/Average			158,153	184,501	4.7	618,051.80	6.9	36	99.6	–

1. As of June 30, 2025. For properties with quasi-co-ownership interests, calculations are based on the figures equivalent to the quasi-co-ownership interests of each property.

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Overview of Appraisal Value

No.	Property name	Acquisition month and year	Acquisition price (mn yen)	Book value at the end of the 18th FP (mn yen)	At the end of the 18th FP		At the end of the 17th 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	8,640	12,400	3.9	11,700	3.9	+700	—	3,759	43.5
M-2	LogiSquare Hanyu	Jul. 2016	6,830	6,047	7,680	4.3	7,670	4.3	+10	—	1,632	27.0
M-3	LogiSquare Kuki II (quasi-co-ownership interests 35%)	Feb. 2018	727	663	871	4.2	1,743	4.2	-871	—	207	31.3
M-4	LogiSquare Urawa Misono	Feb. 2018	13,060	12,231	15,900	3.8	15,900	3.8	—	—	3,668	30.0
M-5	LogiSquare Niiza	Feb. 2018	6,960	6,480	8,420	4.0	8,440	4.0	-20	—	1,939	29.9
M-6	LogiSquare Moriya	Feb. 2018	6,157	5,688	8,300	4.1	8,130	4.2	+170	-0.1	2,611	45.9
M-7	LogiSquare Kawagoe	Jul. 2019	1,490	1,426	1,790	4.0	1,790	4.0	—	—	363	25.5
M-8	LogiSquare Kasukabe	Jul. 2019	4,900	4,680	6,000	3.9	6,000	3.9	—	—	1,319	28.2
M-9	LogiSquare Soka	Feb. 2020	8,109	8,069	9,780	3.6	9,870	3.6	-90	—	1,710	21.2
M-10	LogiSquare Yashio	Feb. 2020	5,073	5,119	7,030	3.6	7,020	3.6	+10	—	1,910	37.3
M-11	LogiSquare Mizuho A	Feb. 2020	2,794	2,785	3,220	4.0	3,220	4.0	—	—	434	15.6
M-12	LogiSquare Mizuho B	Feb. 2020	3,584	3,574	4,080	4.0	4,070	4.0	+10	—	505	14.1
M-13	LogiSquare Ageo	Jul. 2020	4,908	4,750	5,810	3.9	5,860	3.9	-50	—	1,059	22.3
M-14	LogiSquare Miyoshi	Jul. 2020	11,700	11,223	13,800	3.9	13,700	3.9	+100	—	2,576	23.0
M-15	LogiSquare Sayama Hidaka	Jan. 2021 80% July 2022 20%	17,678	17,146	19,000	3.7	18,900	3.7	+100	—	1,853	10.8
M-16	LogiSquare Kawagoe II	Jan. 2021	3,244	3,150	3,720	4.0	3,720	4.0	—	—	569	18.1
M-17	LogiSquare Shiroi	Apr. 2023	7,415	7,329	7,870	4.1	7,870	4.1	—	—	540	7.4
K-1	LogiSquare Kobe Nishi	Jan. 2021	3,479	3,395	4,070	4.2	4,050	4.2	+20	—	674	19.9
K-2	LogiSquare Osaka Katano	Sep. 2021	22,370	21,921	24,100	4.0	24,100	4.0	—	—	2,178	9.9
K-3	LogiSquare Hirakata	Apr. 2023	15,091	15,075	16,500	3.8	16,500	3.8	—	—	1,424	9.5
O-1	LogiSquare Tosu	Apr. 2018	2,823	2,587	4,160	4.1	4,150	4.1	+10	—	1,572	60.8
End of 18th FP Total / Average		—	158,153	151,988	184,501	—	184,403	—	+98	—	32,512	21.4

1. As of June, 2025. For properties with quasi-co-ownership interests, calculations are based on the figures equivalent to the quasi-co-ownership interests of each property.

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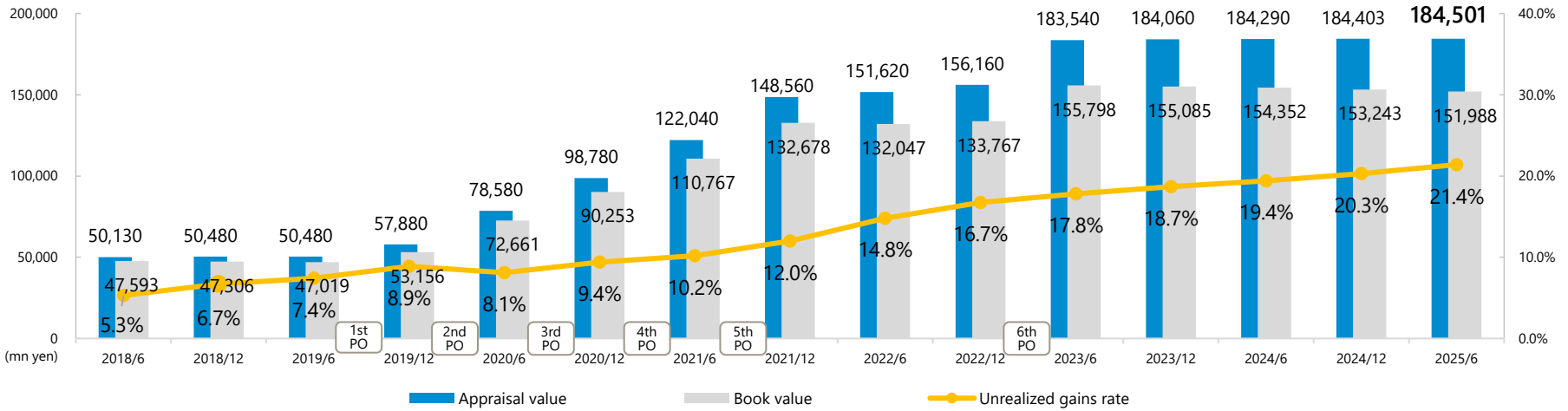
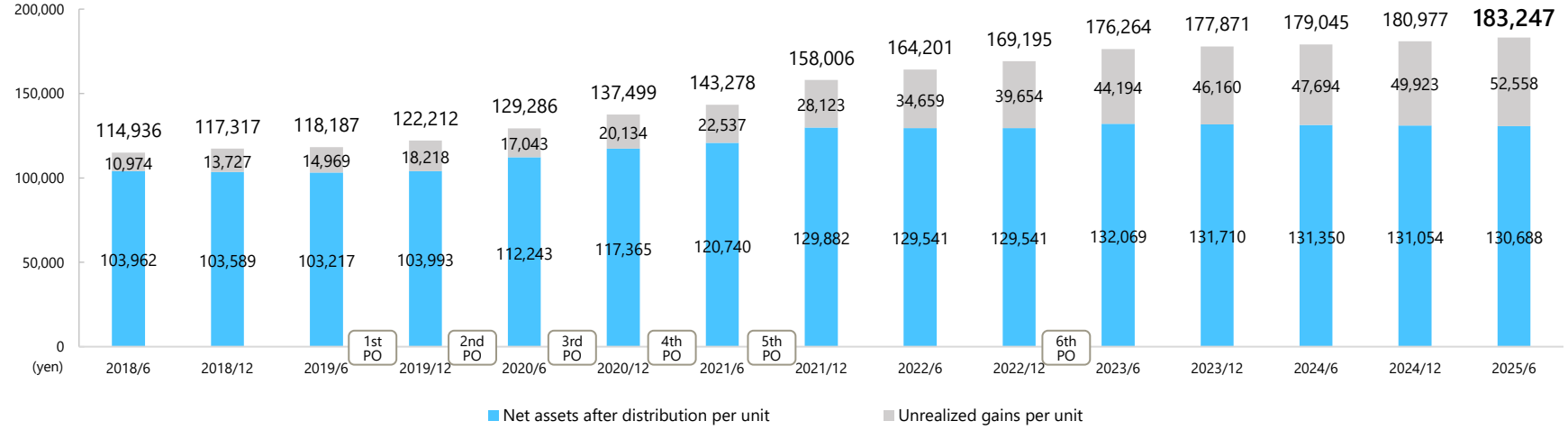
Overview of Appraisal Value

Appraisal value / Unrealized gains rate



NAV per unit



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2. Financial Statements

(1) Balance Sheet

(Thousands of yen)

	As of December 31, 2024	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	1,737,930	1,480,005
Cash and deposits in trust	4,078,695	4,076,689
Operating accounts receivable	197,745	203,167
Prepaid expenses	132,371	130,521
Income taxes receivable	—	165
Total current assets	6,146,742	5,890,550
Non-current assets		
Property, plant and equipment		
Buildings in trust	78,998,978	78,678,476
Accumulated depreciation	(7,376,517)	(8,040,202)
Buildings in trust, net	71,622,461	70,638,274
Structures in trust	3,456,488	3,441,773
Accumulated depreciation	(272,009)	(295,678)
Structures in trust, net	3,184,479	3,146,094
Tools, furniture and fixtures in trust	27,057	40,258
Accumulated depreciation	(9,109)	(12,338)
Tools, furniture and fixtures in trust, net	17,948	27,919
Land in trust	78,419,090	78,176,590
Total property, plant and equipment	153,243,979	151,988,878
Intangible assets		
Other	942	740
Total intangible assets	942	740
Investments and other assets		
Investment securities	10,500	10,500
Long-term prepaid expenses	213,192	187,273
Deferred tax assets	13	13
Leasehold and guarantee deposits	10,000	10,000
Total investments and other assets	233,705	207,787
Total non-current assets	153,478,628	152,197,406
Deferred assets		
Investment unit issuance expenses	10,255	6,153
Investment corporation bond issuance costs	23,306	19,709
Total deferred assets	33,561	25,862
Total assets	159,658,932	158,113,819

(Thousands of yen)

	As of December 31, 2024	As of June 30, 2025
Liabilities		
Current liabilities		
Operating accounts payable	304,728	440,812
Current portion of investment corporation bonds	2,000,000	2,000,000
Current portion of long-term borrowings	10,100,000	12,450,000
Accrued expenses	405,687	417,764
Income taxes payable	819	689
Consumption taxes payable	145,484	138,982
Advances received	803,137	804,733
Other	33,252	51,052
Total current liabilities	13,793,109	16,304,034
Non-current liabilities		
Investment corporation bonds	4,000,000	4,000,000
Long-term borrowings	54,719,000	51,669,000
Leasehold and guarantee deposits received in trust	2,938,315	2,892,212
Other	49,466	39,744
Total non-current liabilities	61,706,782	58,600,956
Total liabilities	75,499,891	74,904,991
Net assets		
Unitholders' equity		
Unitholders' capital	84,318,685	84,318,685
Deduction from unitholders' capital (Note 2)	(2,369,961)	(3,322,836)
Unitholders' capital, net	81,948,723	80,995,849
Surplus		
Unappropriated retained earnings (undisposed loss)	2,210,317	2,212,979
Total surplus	2,210,317	2,212,979
Total unitholders' equity	84,159,041	83,208,828
Total net assets (Note 1)	84,159,041	83,208,828
Total liabilities and net assets	159,658,932	158,113,819

The accompanying notes are an integral part of these financial statements.

(2) Statement of Income

(Thousands of yen)

	Fiscal period ended December 31, 2024	Fiscal period ended June 30, 2025
Operating revenue		
Leasing business revenue (Note 1)	4,342,812	4,363,370
Other leasing business revenue (Note 1)	165,018	141,139
Gain on sales of real estate properties (Note 2)	171,481	203,187
Total operating revenue	4,679,312	4,707,697
Operating expenses		
Expenses related to leasing business (Note 1)	1,647,062	1,640,250
Asset management fees	415,460	412,403
Asset custody fees	2,650	2,644
Administrative service fees	20,895	20,090
Remuneration for directors (and other officers)	4,500	4,500
Other operating expenses	39,879	38,718
Total operating expenses	2,130,448	2,118,607
Operating income	2,548,864	2,589,089
Non-operating income		
Interest income	468	2,392
Reversal of distributions payable	197	187
Miscellaneous income	177	—
Total non-operating income	843	2,579
Non-operating expenses		
Interest expenses	233,062	271,732
Interest expenses on investment corporation bonds	20,390	20,390
Borrowing related expenses	73,601	73,274
Amortization of investment unit issuance expenses	5,093	4,102
Amortization of investment corporation bond issuance costs	3,597	3,597
Other	2,969	4,940
Total non-operating expenses	338,714	378,037
Ordinary income	2,210,993	2,213,631
Income before income taxes	2,210,993	2,213,631
Income taxes - current	890	890
Income taxes - deferred	1	0
Total income taxes	892	890
Net income	2,210,101	2,212,741
Retained earnings brought forward	215	237
Unappropriated retained earnings (undisposed loss)	2,210,317	2,212,979

The accompanying notes are an integral part of these financial statements.

(3) Statement of Unitholders' Equity

Fiscal period ended December 31, 2024

	Unitholders' equity				
	Unitholders' capital			Surplus	
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital, net	Unappropriated retained earnings (undisposed loss)	Total surplus
Balance at beginning of period	84,318,685	(1,644,075)	82,674,610	2,067,859	2,067,859
Changes during period					
Distributions in excess of earnings		(225,972)	(225,972)		
Dividends of surplus				(2,067,643)	(2,067,643)
Net income				2,210,101	2,210,101
Acquisition of own investment units					
Cancellation of own investment units		(499,914)	(499,914)		
Total changes during period	–	(725,886)	(725,886)	142,457	142,457
Balance at end of period	84,318,685 (Note 1)	(2,369,961)	81,948,723	2,210,317	2,210,317

(Thousands of yen)

	Unitholders' equity		Total net assets
	Own investment units	Total unitholders' equity	
Balance at beginning of period	–	84,742,469	84,742,469
Changes during period			
Distributions in excess of earnings		(225,972)	(225,972)
Dividends of surplus		(2,067,643)	(2,067,643)
Net income		2,210,101	2,210,101
Acquisition of own investment units	(499,914)	(499,914)	(499,914)
Cancellation of own investment units	499,914	–	–
Total changes during period	–	(583,428)	(583,428)
Balance at end of period	–	84,159,041	84,159,041

The accompanying notes are an integral part of these financial statements.

Fiscal period ended June 30, 2025

	Unitholders' equity				
	Unitholders' capital			Surplus	
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital, net	Unappropriated retained earnings (undisposed loss)	Total surplus
Balance at beginning of period	84,318,685	(2,369,961)	81,948,723	2,210,317	2,210,317
Changes during period					
Distributions in excess of earnings		(152,914)	(152,914)		
Dividends of surplus				(2,210,079)	(2,210,079)
Net income				2,212,741	2,212,741
Acquisition of own investment units					
Cancellation of own investment units		(799,960)	(799,960)		
Total changes during period	–	(952,874)	(952,874)	2,661	2,661
Balance at end of period	84,318,685 (Note 1)	(3,322,836)	80,995,849	2,212,979	2,212,979

(Thousands of yen)

	Unitholders' equity		Total net assets
	Own investment units	Total unitholders' equity	
Balance at beginning of period	–	84,159,041	84,159,041
Changes during period			
Distributions in excess of earnings		(152,914)	(152,914)
Dividends of surplus		(2,210,079)	(2,210,079)
Net income		2,212,741	2,212,741
Acquisition of own investment units	(799,960)	(799,960)	(799,960)
Cancellation of own investment units	799,960	–	–
Total changes during period	–	(950,212)	(950,212)
Balance at end of period	–	83,208,828	83,208,828

The accompanying notes are an integral part of these financial statements.

(4) Statement of Cash Distributions

(Yen)

	Fiscal period ended December 31, 2024	Fiscal period ended June 30, 2025
I. Unappropriated retained earnings	2,210,317,173	2,212,979,078
II. Surplus cash distributions		
Deduction from unitholders' capital	152,914,300	152,175,108
III. Distributions	2,362,994,040	2,364,900,154
(Distributions per unit)	(3,786)	(3,823)
Of which, earnings distributions	2,210,079,740	2,212,725,046
(Earnings distributions per unit)	(3,541)	(3,577)
Of which, distributions in excess of earnings	152,914,300	152,175,108
(Distributions in excess of earnings per unit)	(245)	(246)
IV. Retained earnings carried forward	237,433	254,032
Method of calculating distributions	Under the distribution policy established in Paragraph 1, Article 39 of the certificate of incorporation of CRE REIT, the distribution amount shall exceed the amount equivalent to 90% the profit available for distributions provided for in Article 67-15 of the Act on Special Measures Concerning Taxation. Based on this policy, CRE REIT decided to distribute 2,210,079,740 yen, the maximum integral multiple of the total number of investment units outstanding, 624,140, which does not exceed the unappropriated retained earnings. Based on the cash distribution policy established in Paragraph 2, Article 39 of the certificate of incorporation of CRE REIT, CRE REIT continuously distributes cash in excess of profit (contribution refunds that fall under distributions accompanying a decrease in capital under tax law) in every period. Under this policy, CRE REIT has decided to distribute 152,914,300 yen, approximately 20.0% of depreciation, as distributions in excess of earnings (contribution refunds that fall under distributions accompanying a decrease in capital under tax law).	Under the distribution policy established in Paragraph 1, Article 39 of the certificate of incorporation of CRE REIT, the distribution amount shall exceed the amount equivalent to 90% the profit available for distributions provided for in Article 67-15 of the Act on Special Measures Concerning Taxation. Based on this policy, CRE REIT decided to distribute 2,212,725,046 yen, the maximum integral multiple of the total number of investment units outstanding, 618,598, which does not exceed the unappropriated retained earnings. Based on the cash distribution policy established in Paragraph 2, Article 39 of the certificate of incorporation of CRE REIT, CRE REIT continuously distributes cash in excess of profit (contribution refunds that fall under distributions accompanying a decrease in capital under tax law) in every period. Under this policy, CRE REIT has decided to distribute 152,175,108 yen, approximately 20.0% of depreciation, as distributions in excess of earnings (contribution refunds that fall under distributions accompanying a decrease in capital under tax law).

Note: CRE REIT is able to distribute an amount determined by CRE REIT, not exceeding amounts specified in laws and regulations (including rules set forth by the Investment Trusts Association) as cash in excess of earnings if CRE REIT deems it appropriate for the purpose of maintaining stable distribution or reducing the tax payments of CRE REIT.

(5) Statement of Cash Flows

(Thousands of yen)

	Fiscal period ended December 31, 2024	Fiscal period ended June 30, 2025
Cash flows from operating activities		
Income before income taxes	2,210,993	2,213,631
Depreciation	764,985	761,717
Amortization of investment unit issuance expenses	5,093	4,102
Amortization of investment corporation bond issuance costs	3,597	3,597
Interest income	(468)	(2,392)
Interest expenses	253,452	292,122
Decrease (increase) in operating accounts receivable	(33,410)	(5,422)
Decrease (increase) in prepaid expenses	3,716	1,849
Increase (decrease) in operating accounts payable	(64,968)	83,940
Increase (decrease) in accrued expenses	27,678	181
Increase (decrease) in consumption taxes payable	41,792	(6,501)
Increase (decrease) in advances received	48,050	1,596
Decrease (increase) in long-term prepaid expenses	35,521	25,918
Decrease in property, plant and equipment in trust due to sale	573,314	668,011
Other, net	(801)	7,374
Subtotal	3,868,546	4,049,727
Interest received	468	2,392
Interest paid	(245,964)	(280,227)
Income taxes paid	(988)	(1,019)
Net cash provided by (used in) operating activities	3,622,060	3,770,873
Cash flows from investing activities		
Payments into time deposits	—	(1,200,000)
Acquisition of property, plant and equipment in trust	(105,852)	(122,283)
Repayments from leasehold and guarantee deposits received in trust	(168,943)	(61,014)
Proceeds from leasehold and guarantee deposits received in trust	163,370	14,911
Proceeds from restricted deposits	84,471	30,507
Payments into restricted deposits	(81,685)	(7,455)
Net cash provided by (used in) investing activities	(108,638)	(1,345,334)
Cash flows from financing activities		
Repayments of short-term borrowings	(350,000)	—
Proceeds from long-term borrowings	3,455,000	4,900,000
Repayments of long-term borrowings	(3,105,000)	(5,600,000)
Payments of acquisition of own investment units	(500,039)	(800,160)
Distributions paid	(2,293,290)	(2,362,258)
Net cash provided by (used in) financing activities	(2,793,329)	(3,862,418)
Net increase (decrease) in cash and cash equivalents	720,092	(1,436,879)
Cash and cash equivalents at beginning of period	3,627,375	4,347,467
Cash and cash equivalents at end of period (Note 1)	4,347,467	2,910,588

The accompanying notes are an integral part of these financial statements.

(6) Notes to Financial Statements

[Notes on going concern assumption]

Not applicable.

[Summary of significant accounting policies]

Basis of presentation

The financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and their related accounting regulations. They are also in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain aspects as to the application and disclosure requirements from the International Financial Reporting Standards ("IFRS").

The financial statements have been reformatted and translated into English from the financial statements of CRE REIT prepared in accordance with Japanese GAAP. In preparing these financial statements, certain reclassifications and modifications have been made to the financial statements issued domestically in order to present them in a format which is more familiar to readers outside Japan.

As permitted by the regulations under the Financial Instruments and Exchange Act of Japan, amounts of less than one thousand yen have been omitted. As a result, the totals shown in the accompanying financial statements do not necessarily agree with the sums of the individual amounts.

1. Asset valuation standards and valuation method	Securities Available-for-sale securities Securities without market prices Stated at cost determined by the moving average method.
2. Depreciation method for non-current assets	(1) Property, plant and equipment (including assets in trust) The straight-line method is used. The useful lives of major property, plant and equipment are as stated below. Buildings: 2 years to 80 years Structures: 10 years to 80 years Tools, furniture and fixtures: 3 years to 15 years (2) Intangible assets The straight-line method is used. (3) Leased assets Leased assets under finance lease transactions that do not transfer ownership of the leased assets to the lessees are capitalized and depreciated by the straight-line method over the lease term with no residual value. (4) Long-term prepaid expenses The straight-line method is used.
3. Accounting for deferred assets	(1) Investment unit issuance expenses Amortized in equal amounts over three years. (2) Investment corporation bond issuance costs Amortized in equal amounts over the period until redemption.
4. Standards for recognition of revenues and expenses	(1) Accounting standard for revenue recognition The contents of major performance obligations concerning revenue arising from contracts with customers of CRE REIT and the general timing to satisfy such performance obligations (general timing to recognize the revenue) are as follows. 1. Sale of real estate, etc. With regard to sale of real estate, etc., revenue is recorded when the buyer (customer) obtains control of the real estate, etc. as a result of CRE REIT fulfilling the delivery obligation set forth in the contract pertaining to the sale of real estate. 2. Utilities income With regard to utilities charges, revenue is recorded in accordance with the supply of electricity, water, etc. to the lessee (customer) based on the lease agreement of the real estate, etc. and the supplementary agreement. As to utilities charges in cases where CRE REIT is acting as an agent, the net amount derived by deducting the amount to be paid to other parties supplying the electricity, water, etc. from the amount received by CRE REIT as utilities charges for the electricity, water, etc. supplied by those other parties is recognized as revenue. (2) Accounting for fixed asset taxes, etc.

	Of the amount of fixed asset taxes, city planning taxes, depreciable asset taxes, etc. imposed on real estate owned that was assessed and determined, the amount corresponding to the relevant calculation period is expensed as Expenses related to leasing business. The amount corresponding to fixed asset taxes for the first calendar year that CRE REIT incurred for the acquisition of real estate or trust beneficiary interests in real estate is not expensed, but is included in the acquisition cost of the real estate. There was no fixed asset tax included in the acquisition costs for real estate in the previous and the current fiscal period.
5. Hedge accounting method	(1) Hedge accounting method Deferral hedge accounting is used. Special treatment is used for interest rate swaps meeting the requirements for special treatment. (2) Hedging methods and hedged transactions Hedging instruments: Interest rate swap transactions Hedged items: Interest on loans (3) Hedging policy CRE REIT conducts derivative transactions to hedge the risks set forth in its certificate of incorporation based on rules specifying the basic policy for risk management. (4) Methods of assessing hedge effectiveness The evaluation of the effectiveness of interest rate swaps is omitted because they meet the requirements for special treatment.
6. Scope of cash (cash and cash equivalents) in a statement of cash flows	Cash (cash and cash equivalents) in the statement of cash flows consist of cash on hand, cash in trust, deposits held on call with banks, deposits in trust, and other short-term highly liquid investments with a maturity of three months or less from the acquisition date with an insignificant risk of changes in value.
7. Other matters that become the basis of preparing financial statements	Accounting for trust beneficiary interests in real estate For trust beneficiary interests in real estate, all trust assets and liabilities as well as all income generated and expenses incurred for trust properties are recorded in the applicable accounts in the balance sheet and the statement of income. The following material items among assets in trust posted in the trust accounts are listed separately on the balance sheet. (i) Cash and deposits in trust (ii) Buildings in trust, structures in trust, tools, furniture and fixtures in trust, and land in trust (iii) Leasehold and guarantee deposits received in trust

[Notes on new accounting standards not yet applied]

Accounting Standard for Leases, Etc.

- "Accounting Standard for Leases" (ASBJ Statement No. 34, September 13, 2024, ASBJ)
- "Implementation Guidance on Accounting Standard for Leases" (ASBJ Guidance No. 33, September 13, 2024, ASBJ), etc.

1. Overview

As part of its efforts to ensure consistency between Japanese GAAP and international accounting standards, the ASBJ reviewed the Accounting Standard for Leases to recognize assets and liabilities for all leases held by a lessee, with international accounting standards taken into consideration. Accordingly, the ASBJ issued the Accounting Standard for Leases, etc. that adopts the key provisions of IFRS 16 that is based on the single accounting model. The revision aims to be more simple and user-friendly, eliminating the requirement to revise non-consolidated financial statements that implement IFRS 16 in accordance with the Accounting Standard for Leases, etc.

Regarding the method for allocating the lease expenses in the lessee's accounting treatment, using the same approach as IFRS 16, a single accounting model is applied. As a result, the lease expenses are recorded through a combination of the depreciation associated with the right-of-use assets and the amount equivalent to the interest on the lease liabilities for all leases regardless of whether the lease is a finance lease or an operating lease.

2. Scheduled date of adoption

CRE REIT will adopt the Accounting Standard, etc. from the beginning of the December 2027 period.

3. Impact of the adoption of the Accounting Standard, etc.

The impact from the application of the "Accounting Standard for Leases," etc. on the financial statements is currently under evaluation.

[Notes to the balance sheet]

*1. Minimum net asset value specified in Paragraph (4), Article 67 of the Act on Investment Trusts and Investment Corporations

(Thousands of yen)

As of December 31, 2024	As of June 30, 2025
50,000	50,000

*2. Status on cancellation of own investment units

	As of December 31, 2024	As of June 30, 2025
Total units of cancellation	3,560 units	9,102 units
Total amount of cancellation	499,914 thousand yen	1,299,874 thousand yen

Note: The number of investment units cancelled during the period under review was 5,542 units, and the amount cancelled was 799,960 thousand yen.

[Notes to the statement of income]

*1. Breakdown of net revenue in the real estate leasing business

(Thousands of yen)

	Fiscal period ended December 31, 2024	Fiscal period ended June 30, 2025
A. Revenue in the real estate leasing business		
Leasing business revenue		
Rent revenue	4,159,402	4,176,948
Common-area charge income	183,410	186,421
Subtotal	4,342,812	4,363,370
Other leasing business revenue		
Utilities income	138,508	114,173
Other revenues	26,510	26,965
Subtotal	165,018	141,139
Total revenue in the real estate leasing business	4,507,831	4,504,509
B. Expenses in the real estate leasing business		
Expenses related to leasing business		
Management commissions	236,794	252,854
Utilities expenses	147,461	123,414
Taxes and public dues	443,060	440,855
Non-life insurance expenses	12,646	12,989
Repair expense	26,782	40,157
Depreciation	764,783	761,515
Other expenses related to leasing business	15,533	8,463
Total expenses in the real estate leasing business	1,647,062	1,640,250
C. Net revenue in the real estate leasing business (A-B)	2,860,769	2,864,259

*2. Breakdown of gain on sales of real estate properties

Fiscal period ended December 31, 2024

LogiSquare Kuki II (quasi co-ownership interest ratio 30%)

(Thousands of yen)

Revenue from sales of real estate properties	747,000
Cost of properties	573,314
Other related expenses	2,204
Gain on sales of real estate properties	171,481

Fiscal period ended June 30, 2025

LogiSquare Kuki II (quasi co-ownership interest ratio 35%)

(Thousands of yen)

Revenue from sales of real estate properties	871,500
Cost of properties	668,011
Other related expenses	301
Gain on sales of real estate properties	203,187

[Notes to statement of unitholders' equity]

*1. Total number of authorized investment units and total number of investment units issued and outstanding

	Fiscal period ended December 31, 2024	Fiscal period ended June 30, 2025
Total number of authorized investment units	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	624,140 units	618,598 units

[Notes to statement of cash flows]

*1. Cash and cash equivalents at end of fiscal period and their relationship with the amounts of items listed in the balance sheet

(Thousands of yen)

	Fiscal period ended December 31, 2024	Fiscal period ended June 30, 2025
Cash and deposits	1,737,930	1,480,005
Cash and deposits in trust	4,078,695	4,076,689
Restricted deposits (Note)	(1,469,157)	(1,446,106)
Time deposits with maturity of more than three months	–	(1,200,000)
Cash and cash equivalents	4,347,467	2,910,588

Note: Deposits and deposits in trust withheld to return leasehold and guarantee deposits received from tenants

[Notes to lease transactions]

Operating lease transactions (lessor side)

Outstanding lease charges

(Thousands of yen)

	Fiscal period ended December 31, 2024	Fiscal period ended June 30, 2025
Due within 1 year	7,997,531	8,128,987
Due after 1 year	17,130,929	16,545,674
Total	25,128,461	24,674,661

[Notes to financial instruments]

1. Matters related to the status of financial instruments

(1) Policy for financial instruments

CRE REIT finances the acquisition of new working assets by issuing investment units, borrowing funds from financial institutions, issuing investment corporation bonds, or using other means.

CRE REIT carefully uses surplus funds, taking into account safety and liquidity and fully considering the market environment and financing conditions. Derivative trading is used to hedge the risk of interest-rate fluctuations in financing such as borrowing or other risks while speculative transactions are avoided.

(2) Details of financial instruments, their risks, and risk management system

Deposits are made from CRE REIT's surplus funds, which are exposed to credit risks such as the bankruptcy of the financial institution to which the funds are deposited. CRE REIT controls credit risks by limiting deposit terms to short terms and depositing funds only at financial institutions with high credit ratings.

Borrowings and investment corporation bonds are used to finance primarily the acquisition of trust beneficiary interests in real estate and funds required for the operation of CRE REIT. Among them, floating-rate borrowings are exposed to the risk of interest-rate fluctuations, and CRE REIT uses derivative trading as hedging instruments. Derivative trading is an interest-rate swap, and CRE REIT hedges the risk of interest-rate fluctuations by, in effect, fixing the interest expenses in the floating-rate financing. Details about the hedge accounting method, hedged items, hedging policy, and the method of assessing hedge effectiveness are provided in the earlier section, "5. Hedge accounting method," in the table "Notes on matters related to significant accounting policies."

Leasehold and guarantee deposits received from tenants are money deposited by tenants and exposed to liquidity risk caused by tenants' vacation before contract expiration. CRE REIT controls liquidity risk by having the Asset Manager prepare a cash management schedule and control short-term liquidity.

(3) Supplementary explanation about matters related to the fair value of financial instruments

Certain preconditions apply in the calculation of the fair value of financial instruments, which may vary when different preconditions apply. The amount of derivative trading contracts in the latter section, "Notes to derivative trading." do not directly indicate market risks associated with derivative trading.

2. Matters related to fair value of financial instruments

The following table presents the book value, fair value, and differences between them. "Cash and deposits" and "Cash and deposits in trust" are omitted as they are cash or they are settled in a short span of time and therefore similar in fair value to the book value. The table does not include securities without market prices.

As of December 31, 2024

(Thousands of yen)

	Book value	Fair Value (Note 1)	Difference
(1) Current portion of investment corporation bonds	2,000,000	1,994,000	(6,000)
(2) Current portion of long-term borrowings	10,100,000	10,092,046	(7,953)
(3) Investment corporation bonds	4,000,000	3,867,200	(132,800)
(4) Long-term borrowings	54,719,000	54,154,694	(564,305)
Derivative trading	–	–	–

As of June 30, 2025

(Thousands of yen)

	Book value	Fair Value (Note 1)	Difference
(1) Current portion of investment corporation bonds	2,000,000	1,997,800	(2,200)
(2) Current portion of long-term borrowings	12,450,000	12,439,362	(10,637)
(3) Investment corporation bonds	4,000,000	3,832,200	(167,800)
(4) Long-term borrowings	51,669,000	51,084,150	(584,849)
Derivative trading	–	–	–

Note 1: Method of calculating fair value of financial instruments and matters related to derivative trading

(1) Current portion of investment corporation bonds, (3) Investment corporation bonds

Investment corporation bonds are recorded at reference values published by the Japan Securities Dealers Association.

(2) Current portion of long-term borrowings, (4) long-term borrowings

Given that the fair value of these items is close to their book value because interest rates are renewed after certain periods of time, they are recorded at book value. Long-term borrowings with floating rates that are subject to the special accounting treatment for interest-rate swaps are calculated by discounting the combined total of principal and interest treated as unified with the Interest-rate swap by a reasonably estimated discount rate applicable to similar borrowings.

Derivative trading

See the latter section, "Notes to derivative trading."

Note 2: Scheduled repayment amounts of investment corporation bonds and borrowings after the closing date

As of December 31, 2024

(Thousands of yen)

	Due within 1 year	Due after 1 year and within 2 years	Due after 2 year and within 3 years	Due after 3 year and within 4 years	Due after 4 year and within 5 years	Due after 5 years
Investment corporation bonds	2,000,000	—	—	2,000,000	—	2,000,000
Long-term borrowings	10,100,000	15,050,000	14,250,000	15,734,000	9,685,000	—
Total	12,100,000	15,050,000	14,250,000	17,734,000	9,685,000	2,000,000

As of June 30, 2025

(Thousands of yen)

	Due within 1 year	Due after 1 year and within 2 years	Due after 2 year and within 3 years	Due after 3 year and within 4 years	Due after 4 year and within 5 years	Due after 5 years
Investment corporation bonds	2,000,000	—	—	2,000,000	—	2,000,000
Long-term borrowings	12,450,000	13,650,000	15,304,000	14,360,000	8,355,000	—
Total	14,450,000	13,650,000	15,304,000	16,360,000	8,355,000	2,000,000

[Notes to securities]

Not applicable in the previous fiscal period (ended December 31, 2024) and the current fiscal period (ended June 30, 2025).

[Notes to derivative trading]

1. Derivatives not subject to hedge accounting

Not applicable in the previous fiscal period (ended December 31, 2024) and the current fiscal period (ended June 30, 2025).

2. Derivatives subject to hedge accounting

The table below shows the value of contract or the equivalent of the principal set forth in the contract at the closing date using the hedge accounting method.

As of December 31, 2024

(Thousands of yen)

Hedge accounting method	Type of derivative trading	Major hedged item	Contract amount		Fair value	Method of calculating fair value
				Due after a year		
Special accounting treatment for interest-rate swaps	Interest-rate swap transactions floating rate receivable, fixed rate payable	Long-term borrowings	50,299,000	40,199,000	(Note)	—

As of June 30, 2025

(Thousands of yen)

Hedge accounting method	Type of derivative trading	Major hedged item	Contract amount		Fair value	Method of calculating fair value
				Due after a year		
Special accounting treatment for interest-rate swaps	Interest-rate swap transactions floating rate receivable, fixed rate payable	Long-term borrowings	49,599,000	41,699,000	(Note)	—

Note : Because interest-rate swaps subject to special accounting treatment are treated as unified with the long-term borrowings subject to hedging, their fair value is included in the fair value of "current portion of long-term borrowings" and "long-term borrowings" in the earlier section, "2. Matters related to fair value of financial instruments." under "Notes to financial instruments."

[Notes to retirement benefits]

Not applicable in the previous fiscal period (ended December 31, 2024) and the current fiscal period (ended June 30, 2025) due to the absence of retirement benefit plan in CRE REIT.

[Notes to tax effect accounting]

1. Breakdown of deferred tax assets and liabilities by major cause

(Thousands of yen)

	As of December 31, 2024	As of June 30, 2025
Deferred tax assets		
Amount excluded from deductible expenses of accrued enterprise taxes	13	13
Total deferred tax assets	13	13
Net deferred tax assets	13	13

2. Breakdown of major items that caused a significant difference between the effective statutory tax rate and the actual effective income tax rate

	As of December 31, 2024	As of June 30, 2025
Effective statutory tax rate	31.46%	31.46%
(Adjustment)		
Inclusion of distribution paid in deductible expenses	(31.45)%	(31.45)%
Other	0.03%	0.03%
Actual effective income tax rate	0.04%	0.04%

[Notes to share of profit and loss of entities accounted for using the equity method]
Not applicable in the previous fiscal period (from July 1 to December 31, 2024) and the current fiscal period (from January 1 to June 30, 2025) due to the absence of a company affiliated with CRE REIT.

[Notes on transactions with related party]
1. Parent company and major corporate unitholders
Not applicable in the previous fiscal period (from July 1 to December 31, 2024) and the current fiscal period (from January 1 to June 30, 2025)

2. Affiliated companies
Not applicable in the previous fiscal period (from July 1 to December 31, 2024) and the current fiscal period (from January 1 to June 30, 2025)

3. Companies under common control
Not applicable in the previous fiscal period (from July 1 to December 31, 2024) and the current fiscal period (from January 1 to June 30, 2025)

4. Directors and major individual unitholders
Fiscal period ended December 31, 2024

Attributes	Company or other names	Address	Capital or investment (million yen)	Business or occupation	Percentage of voting rights (owned)	Relationships with related parties	Description of transaction	Amount of transaction (thousand yen)	Item	Balance at end of period (thousand yen)
Directors and their relatives	Tsuyoshi Ito	–	–	Executive Director of CRE REIT and President of the Asset Manager	0.2%	Asset management contractor	Payment of asset management fees	415,460	Accrued expenses	323,867

Note 1: The above transaction amounts do not include consumption tax, while the balance at the end of the fiscal period does include consumption tax.
Note 2: The amount of asset management fees is determined based on the conditions specified in the certificate of incorporation of CRE REIT.

Fiscal period ended June 30, 2025

Attributes	Company or other names	Address	Capital or investment (million yen)	Business or occupation	Percentage of voting rights (owned)	Relationships with related parties	Description of transaction	Amount of transaction (thousand yen)	Item	Balance at end of period (thousand yen)
Directors and their relatives	Tsuyoshi Ito	–	–	Executive Director of CRE REIT and President of the Asset Manager	0.3%	Asset management contractor	Payment of asset management fees	412,403	Accrued expenses	324,086

Note 1: The above transaction amounts do not include consumption tax, while the balance at the end of the fiscal period does include consumption tax.
Note 2: The amount of asset management fees is determined based on the conditions specified in the certificate of incorporation of CRE REIT.

[Notes to asset retirement obligations]
Not applicable in the previous fiscal period (from July 1 to December 31, 2024) and the current fiscal period (from January 1 to June 30, 2025)

[Notes to segment information]
Segment information
CRE REIT has only one segment, the real estate leasing business, and the section of segment information is therefore omitted.

Related information
Fiscal period ended December 31, 2024
1. Information about products and services
The statement is omitted because operating revenue from external customers in a single product and service category accounts for more than 90% of operating revenue on the statement of income.
2. Information by geographical area
(1) Operating revenues
The statement is omitted because operating revenue from external customers in Japan accounts for more than 90% of operating revenue in the statement of income.
(2) Property, plant and equipment

The statement is omitted because the amount of property, plant and equipment located in Japan accounts for more than 90% of the amount of property, plant and equipment in the balance sheet.

3. Information about major customers

(Thousands of yen)

Counterparty	Operating revenues	Related segments
Nippon Express Co., Ltd.	(Note)	Real estate leasing business

Note : Information about rents and other items is not provided due to the absence of tenant approval for the disclosure.

Fiscal period ended June 30, 2025

1. Information about products and services

The statement is omitted because operating revenue from external customers in a single product and service category accounts for more than 90% of operating revenue on the statement of income.

2. Information by geographical area

(1) Operating revenues

The statement is omitted because operating revenue from external customers in Japan accounts for more than 90% of operating revenue in the statement of income.

(2) Property, plant and equipment

The statement is omitted because the amount of property, plant and equipment located in Japan accounts for more than 90% of the amount of property, plant and equipment in the balance sheet.

3. Information about major customers

(Thousands of yen)

Counterparty	Operating revenues	Related segments
Nippon Express Co., Ltd.	(Note)	Real estate leasing business

Note : Information about rents and other items is not provided due to the absence of tenant approval for the disclosure.

[Notes to real state such as rental properties]

CRE REIT holds rental logistics facilities principally in the Tokyo metropolitan area and Kansai area for the purpose of generating rental revenues. The amounts of items related to these rental properties posted on the balance sheet, changes in the amounts during the period, and fair value of the properties are presented in the table below.

(Thousands of yen)

		Fiscal period ended December 31, 2024	Fiscal period ended June 30, 2025
Balance sheet amount			
	Balance at beginning of period	154,352,296	153,243,979
	Increase (decrease) during the period	(1,108,317)	(1,255,100)
	Balance at end of period	153,243,979	151,988,878
Fair value at the end of period		184,403,000	184,501,500

Note 1: The amounts in the balance sheet represent the results of deducting the accumulated depreciation from the acquisition costs.

Note 2: Of the changes in the amounts in the previous fiscal period, a major decrease was due to the disposition of a property (LogiSquare Kuki II (quasi co-ownership interest ratio 30%) 573,314 thousand yen) and depreciation (764,783 thousand yen). Of the changes in the amounts in the current fiscal period, a major decrease was due to the disposition of a property (LogiSquare Kuki II (quasi co-ownership interest ratio 35%) 668,011 thousand yen) and depreciation (761,515 thousand yen).

Note 3: Fair value at the end of the period was based on the anticipated disposition price in the case of the properties for which a disposition agreement has been concluded, and the appraisal value or investigation value estimated by external real-property appraisers for other properties.

Profit and loss on operations of rental properties are stated in the earlier section, “Notes to the statement of income.”

[Notes to revenue recognition]

Breakdown information on revenue from contracts with customers

(Thousands of yen)

	Fiscal period ended December 31, 2024	Fiscal period ended June 30, 2025
Revenue from contracts with customers (Note 1)		
Utilities income	138,508	114,173
Sales of real estate properties (Note 2)	171,481	203,187
Other revenues		
Rent revenue	4,159,402	4,176,948
Common-area charge income	183,410	186,421
Other	26,510	26,965
Sales to external customers	4,679,312	4,707,697

Note 1: Rent revenues subject to "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13) and revenue from sales of real estate properties subject to "Practical Guidelines on Accounting by Transferors for Derecognition of Real Estate Securitized by means of Special Purpose Companies" (the transition guidance amendment No. 10 of the Accounting Standards Board of Japan (ASBJ)) are excluded from "Revenue from contracts with customers" as they are not subject to Accounting Standard for Revenue Recognition. The revenue from contracts with customers is mainly revenues from sales of real estate properties and utilities income.

Note 2: Sales of real estate properties are recorded as gain on sales of real estate properties in the statement of income in accordance with Article 48-2 of the Regulations on Accounting of Investment Corporation (Cabinet Office Ordinance No. 47 of 2006), and therefore the amount consists of the proceeds from sales of real estate properties, less the cost of real estate properties sold and other sales expenses.

[Notes to per-unit information]

(Yen)

Fiscal period ended December 31, 2024		Fiscal period ended June 30, 2025	
Net assets per unit	134,840	Net assets per unit	134,511
Net income per unit	3,526	Net income per unit	3,563

Note 1: Net income per unit is calculated by dividing net income by the average number of investment units weighted by the number of days during the period.

Diluted net income per unit is not stated due to the absence of diluted investment units.

Note 2: The basis of calculating net income per unit is presented below.

	Fiscal period ended December 31, 2024	Fiscal period ended June 30, 2025
Net income (thousand yen)	2,210,101	2,212,741
Amount not attributable to common unitholders (thousand yen)	–	–
Net income related to common investment units (thousand yen)	2,210,101	2,212,741
Average number of investment units during period (units)	626,671	621,012

[Notes on significant subsequent events]

1. Acquisition of property

The Board of Directors of CRE REIT, at its meeting held on August 18, 2025, resolved to acquire the following property.

Property No.	M-18
Property name	Atsugi Iiyama Minami Factory (Land with Leasehold Interest)
Location	Atsugi-shi, Kanagawa
(Anticipated) Acquisition Price (Note 1)	5,423 million yen
(Anticipated) Acquisition Dates (Note 2)	(1) quasi-co-ownership interest 50.0%: January 9, 2026 2,711 million yen
	(2) quasi-co-ownership interest 50.0%: July 1, 2026 2,711 million yen
Appraisal Value (Note 3)	6,020 million yen
Seller (Note 4)	SMFL MIRAI Partners Company, Limited
Date of Sale and Purchase Agreement	August 18, 2025

Note 1: "(Anticipated) Acquisition Price" is the acquisition price set forth in the agreement on sale and purchase of Atsugi Iiyama Minami Factory (Land with Leasehold Interest) (the "Asset to Be Acquired"). The acquisition price does not include national and local consumption taxes or acquisition costs and is rounded down to the nearest million yen.

Note 2: "(Anticipated) Acquisition Dates" is the date of scheduled sale and purchase set forth in the agreement on sale and purchase of the Asset to Be Acquired. "(Anticipated) Acquisition Dates" and the acquisition ratio are subject to change upon agreement between CRE REIT and the seller.

Note 3: "Appraisal Value" shows the appraisal value stated on the real estate appraisal report with the price as of June 30, 2025.

Note 4: SMFL MIRAI Partners Company, Limited, the seller of the Asset to Be Acquired, is classified as an interested party as defined in the Investment Trusts Act. As such, the Asset Manager has gone through the necessary discussion and resolution procedures in accordance with its regulations on transactions with interested parties.

Note 5: The Sale and Purchase Agreement falls under the category of forward commitments, which are defined in the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." established by the Financial Services Agency as "a postdated sales contract under which payment and delivery shall be made at least one month after the conclusion of the contract, or any other contract similar thereto".

2. Disposition of property

The Board of Directors of CRE REIT, at its meeting held on August 18, 2025, resolved to sell the following property.

Property No.	M-15
Property name	LogiSquare Sayama Hidaka (quasi-co-ownership interest 40.0%)
Location	Hanno-shi, Saitama
(Anticipated) Disposition Price (Note 1)	7,600 million yen
(Anticipated) Disposition Dates (Note 2)	(1) quasi-co-ownership interest 16.5%: June 30, 2026 3,135 million yen
	(2) quasi-co-ownership interest 11.5%: December 25, 2026 2,185 million yen
	(3) quasi-co-ownership interest 12.0%: June 30, 2027 2,280 million yen
Appraisal Value (Note 3)	7,400 million yen
Buyer (Note 4)	SMFL MIRAI Partners Company, Limited
Date of Sale and Purchase Agreement	August 18, 2025

Note 1: "(Anticipated) Disposition Price" is the sale price set forth in the agreement on sale and purchase of LogiSquare Sayama Hidaka (the "Asset for Sale"). The sale price does not include national and local consumption taxes or sale costs and is rounded down to the nearest million yen.

Note 2: "(Anticipated) Disposition Dates" is the date of scheduled sale and purchase set forth in the agreement on sale and purchase of the Asset for Sale."(Anticipated) Disposition Dates" and the sale ratio are subject to change upon agreement between CRE REIT and the buyer.

Note 3: "Appraisal Value" shows the appraisal value stated on the real estate appraisal report with the price as of July 31, 2025.

Note 4: SMFL MIRAI Partners Company, Limited, the buyer of the Asset for Sale, is classified as an interested party as defined in the Investment Trusts Act. As such, the Asset Manager has gone through the necessary discussion and resolution procedures in accordance with its regulations on transactions with interested parties.

Note 5: The Sale and Purchase Agreement falls under the category of forward commitments, which are defined in the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." established by the Financial Services Agency as "a postdated sales contract under which payment and delivery shall be made at least one month after the conclusion of the contract, or any other contract similar thereto".

3. Determination of acquisition of its own investment units

The Board of Directors of CRE REIT, at its meeting held on August 18, 2025, resolved to acquire its own investment units in accordance with Article 80-2 of Act on Investment Trusts and Investment Corporations, as applied pursuant to Article 80-5(2). CRE REIT intends to cancel all acquired investment units by the end of December 2025.

(Reasons for the acquisition of its own investment units)

With the investment unit price remaining at a low level, CRE REIT has continued to consider the use of cash in hand, including the sale proceeds equivalent to the book value, and has determined that returning to unitholders and improving distributions per unit and NAV per unit through the acquisition and cancellation of its own investment units would contribute to improving unitholder value over the medium to long term.

(Details of the acquisition)

・Total acquisition number of investment units:	7,000 units (maximum)
・Total acquisition value of investment units:	800 million yen (maximum)
・Acquisition period:	From August 19, 2025 to November 28, 2025
・Method of acquisition:	Market purchase conducted through the delegation of buying authority to a securities company

(7) Supplementary schedules

1. Schedule of securities

(1) Stocks

(Thousands of yen)

Name	Number of shares	Acquisition price		Fair value		Valuation profit/loss	Remarks
		Unit price	Amount	Unit price	Amount		
Kukishobu Industrial Park Management Center	10,500	1	10,500	1	10,500	-	(Note)
Total	10,500	1	10,500	1	10,500	-	-

Note: The fair value of the unlisted shares is stated at acquisition cost.

(2) Securities other than stocks

Not applicable.

2. Schedule of contract amounts and fair value of derivative transactions and forward exchange transactions

(Thousands of yen)

Classification	Type	Contract amount (Note 1)		Fair value (Note 2)
			Due after a year	
OTC transactions	Interest-rate swap transactions floating rate receivable, fixed rate payable	49,599,000	41,699,000	-
Total		49,599,000	41,699,000	-

Note 1: Contract amounts of interest-rate swaps are presented based on notional amounts.

Note 2: Fair value statement is omitted for those transactions that meet the criteria for special accounting treatment for interest-rate swaps in accordance with the Accounting Standard for Financial Instruments.

3. Schedule of property, plant and equipment

(Thousands of yen)

Types of assets	Balance at the beginning of the period	Increase during the period	Decrease during the period	Balance at the end of the period	Accumulated depreciation or accumulated amortization	Depreciation on for the period	Net balance at the end of the period	Remarks
Buildings in trust	78,998,978	159,634	480,137	78,678,476	8,040,202	732,778	70,638,274	(Note)
Structures in trust	3,456,488	1,487	16,203	3,441,773	295,678	25,483	3,146,094	
Tools, furniture and fixtures in trust	27,057	13,304	103	40,258	12,338	3,252	27,919	
Land in trust	78,419,090	-	242,500	78,176,590	-	-	78,176,590	
Total	160,901,616	174,426	738,943	160,337,098	8,348,219	761,515	151,988,878	

Note: The decrease in buildings in trust, structures in trust, tools, furniture and fixtures in trust and land in trust during the period is primarily attributable to the disposition of LogiSquare Kuki II (quasi co-ownership interest ratio 35%).

4. Schedule of other specified assets

The beneficial interests in real estate trusts are included in "3. Schedules of property, plant and equipment" above.

5. Schedule of investment corporation bonds

(Thousands of yen)

Issue	Issue Date	Balance at the beginning of the period	Decrease during the period	Balance at the end of the period	Interest rate	Maturity date	Use	Collateral
CRE Logistics REIT, Inc. 1st unsecured investment corporation bond with supplementary pari passu clause (Green bond)	September 8, 2020	2,000,000	-	2,000,000	0.530%	September 8, 2025	Repayment of existing borrowings	Unsecured/ unguaranteed
CRE Logistics REIT, Inc. 2nd unsecured investment corporation bond with supplementary pari passu clause (Green bond)	November 26, 2021	2,000,000	-	2,000,000	0.720%	November 26, 2031	Repayment of existing borrowings	Unsecured/ unguaranteed
CRE Logistics REIT, Inc. 3rd unsecured investment corporation bond with supplementary pari passu clause (Green bond)	September 22, 2023	2,000,000	-	2,000,000	0.789%	September 21, 2028	Repayment of existing borrowings	Unsecured/ unguaranteed
Total	-	6,000,000	-	6,000,000	-	-	-	-

Note: The following is the maturity schedule for each year within five years after the balance sheet date.

(Thousands of yen)

	Due within 1 year	Due after 1 year and within 2 years	Due after 2 year and within 3 years	Due after 3 year and within 4 years	Due after 4 year and within 5 years
Investment corporation bonds	2,000,000	-	-	2,000,000	-
Total	2,000,000	-	-	2,000,000	-

6. Schedule of borrowings

(Thousands of yen)

Classification	Lenders	Balance at the beginning of the period	Increase during the period	Decrease during the period	Balance at the end of the period	Average interest rate (Note 2)	Repayment due date	Use	Remarks
Long-term borrowings (Note 1)	Sumitomo Mitsui Banking Corporation	1,100,000	-	1,100,000	-	0.570% (Note 3)	January 31, 2025	(Note 4)	Unsecured/ unguaranteed
	Mizuho Bank, Ltd.	1,100,000	-	1,100,000	-				
	Development Bank of Japan Inc.	850,000	-	850,000	-				
	Sumitomo Mitsui Trust Bank, Limited	800,000	-	800,000	-				
	The Nishi-Nippon City Bank, Ltd.	700,000	-	700,000	-				
	The Bank of Fukuoka, Ltd.	650,000	-	650,000	-				
	Resona Bank, Limited	400,000	-	400,000	-				
	Sumitomo Mitsui Banking Corporation	800,000	-	-	800,000	0.639% (Note 3)	January 30, 2026		
	Mizuho Bank, Ltd.	700,000	-	-	700,000				
	The Nishi-Nippon City Bank, Ltd.	500,000	-	-	500,000				
	Development Bank of Japan Inc.	450,000	-	-	450,000				
	The Bank of Fukuoka, Ltd.	350,000	-	-	350,000				
	Sumitomo Mitsui Trust Bank, Limited	300,000	-	-	300,000				
	Resona Bank, Limited	300,000	-	-	300,000				
	Sumitomo Mitsui Banking Corporation	1,500,000	-	-	1,500,000	0.608% (Note 3)	July 31, 2026		
	Mizuho Bank, Ltd.	1,400,000	-	-	1,400,000				
	Development Bank of Japan Inc.	1,200,000	-	-	1,200,000				
	Sumitomo Mitsui Trust Bank, Limited	800,000	-	-	800,000				
	Resona Bank, Limited	500,000	-	-	500,000				
	SBI Shinsei Bank, Limited	500,000	-	-	500,000				
	The Hyakujushi Bank, Ltd.	500,000	-	-	500,000				
	The Nishi-Nippon City Bank, Ltd.	400,000	-	-	400,000				
	The Bank of Fukuoka, Ltd.	300,000	-	-	300,000				
	Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	0.649% (Note 3)	January 29, 2027		
	Mizuho Bank, Ltd.	850,000	-	-	850,000				
	Resona Bank, Limited	500,000	-	-	500,000				
	The Nishi-Nippon City Bank, Ltd.	200,000	-	-	200,000				
	Sumitomo Mitsui Banking Corporation	900,000	-	-	900,000	0.471% (Note 3)	July 31, 2025		
	Mizuho Bank, Ltd.	800,000	-	-	800,000				
	Development Bank of Japan Inc.	600,000	-	-	600,000				
	MUFG Bank, Ltd.	700,000	-	-	700,000				
	Sumitomo Mitsui Trust Bank, Limited	400,000	-	-	400,000				
	SBI Shinsei Bank, Limited	400,000	-	-	400,000				
	Aozora Bank, Ltd.	400,000	-	-	400,000				
	The Bank of Toyama, Ltd.	300,000	-	-	300,000				

Classification	Lenders	Balance at the beginning of the period	Increase during the period	Decrease during the period	Balance at the end of the period	Average interest rate (Note 2)	Repayment due date	Use	Remarks
Long-term borrowings (Note 1)	Sumitomo Mitsui Banking Corporation	900,000	-	-	900,000	0.587% (Note 3)	July 30, 2027	(Note 4)	Unsecured/ unguaranteed
	Mizuho Bank, Ltd.	700,000	-	-	700,000				
	Development Bank of Japan Inc.	500,000	-	-	500,000				
	Sumitomo Mitsui Trust Bank, Limited	400,000	-	-	400,000				
	SBI Shinsei Bank, Limited	400,000	-	-	400,000				
	Aozora Bank, Ltd.	600,000	-	-	600,000				
	Sumitomo Mitsui Banking Corporation	936,000	-	-	936,000	0.595% (Note 3)	January 31, 2028		
	Mizuho Bank, Ltd.	785,000	-	-	785,000				
	MUFG Bank, Ltd.	785,000	-	-	785,000				
	JAPAN POST BANK Co., Ltd.	700,000	-	-	700,000				
	Resona Bank, Limited	499,000	-	-	499,000				
	The Nishi-Nippon City Bank, Ltd.	319,000	-	-	319,000				
	Development Bank of Japan Inc.	250,000	-	-	250,000				
	Sumitomo Mitsui Banking Corporation	600,000	-	-	600,000	0.546% (Note 3)	March 31,2027		
	Mizuho Bank, Ltd.	500,000	-	-	500,000				
	The Shizuoka Bank, Ltd.	450,000	-	-	450,000				
	Development Bank of Japan Inc.	350,000	-	-	350,000				
	MUFG Bank, Ltd.	350,000	-	-	350,000				
	The Bank of Fukuoka, Ltd.	250,000	-	-	250,000				
	The Hyakujushi Bank, Ltd.	250,000	-	-	250,000				
	The Yamaguchi Bank, Ltd.	250,000	-	-	250,000				
	Sumitomo Mitsui Trust Bank, Limited	200,000	-	-	200,000				
	SBI Shinsei Bank, Limited	200,000	-	-	200,000				
	Aozora Bank, Ltd.	200,000	-	-	200,000				
	The Bank of Toyama, Ltd.	200,000	-	-	200,000				
	The Yamanashi Chuo Bank, Ltd.	200,000	-	-	200,000				
	Sumitomo Mitsui Banking Corporation	650,000	-	-	650,000	0.576% (Note 3)	September 30,2027		
	Mizuho Bank, Ltd.	550,000	-	-	550,000				
	Development Bank of Japan Inc.	500,000	-	-	500,000				
	SBI Shinsei Bank, Limited	400,000	-	-	400,000				
	Aozora Bank, Ltd.	400,000	-	-	400,000				
	The Yamaguchi Bank, Ltd.	300,000	-	-	300,000				
	Sumitomo Mitsui Trust Bank, Limited	250,000	-	-	250,000				
	The Yamanashi Chuo Bank, Ltd.	250,000	-	-	250,000				
	The Hyakujushi Bank, Ltd.	200,000	-	-	200,000				

Classification	Lenders	Balance at the beginning of the period	Increase during the period	Decrease during the period	Balance at the end of the period	Average interest rate (Note 2)	Repaymentdue date	Use	Remarks
Long-term borrowings (Note 1)	Sumitomo Mitsui Banking Corporation	830,000	-	-	830,000	1.240%	July 31,2028	(Note 4)	Unsecured/ unguaranteed
	Mizuho Bank, Ltd.	650,000	-	-	650,000				
	Development Bank of Japan Inc.	650,000	-	-	650,000				
	MUFG Bank, Ltd.	650,000	-	-	650,000				
	Resona Bank, Limited	550,000	-	-	550,000				
	The Nishi-Nippon City Bank, Ltd.	350,000	-	-	350,000				
	Sumitomo Mitsui Banking Corporation	375,000	-	-	375,000	1.190%	July 31,2028		
	Mizuho Bank, Ltd.	300,000	-	-	300,000				
	Development Bank of Japan Inc.	225,000	-	-	225,000				
	Resona Bank, Limited	200,000	-	-	200,000				
	The Nishi-Nippon City Bank, Ltd.	100,000	-	-	100,000				
	Sumitomo Mitsui Banking Corporation	830,000	-	-	830,000	1.140%	January 31,2028		
	Mizuho Bank, Ltd.	650,000	-	-	650,000				
	Development Bank of Japan Inc.	650,000	-	-	650,000				
	MUFG Bank, Ltd.	650,000	-	-	650,000				
	Resona Bank, Limited	550,000	-	-	550,000				
	Sumitomo Mitsui Banking Corporation	850,000	-	-	850,000	1.039%	March 31,2026		
	Mizuho Bank, Ltd.	700,000	-	-	700,000				
	Development Bank of Japan Inc.	550,000	-	-	550,000				
	Resona Bank, Limited	400,000	-	-	400,000				
	Sumitomo Mitsui Trust Bank, Limited	400,000	-	-	400,000				
	SBI Shinsei Bank, Limited	300,000	-	-	300,000				
	Aozora Bank, Ltd.	300,000	-	-	300,000				
	The Bank of Fukuoka, Ltd.	250,000	-	-	250,000				
	The Yamaguchi Bank, Ltd.	200,000	-	-	200,000				
	The Shizuoka Bank, Ltd.	200,000	-	-	200,000				
	The Yamanashi Chuo Bank, Ltd.	200,000	-	-	200,000				
	The Chiba Bank, Ltd.	200,000	-	-	200,000				
	Sumitomo Mitsui Banking Corporation	800,000	-	-	800,000	0.960% (Note 3)	September 29,2028		
	Mizuho Bank, Ltd.	700,000	-	-	700,000				
	Development Bank of Japan Inc.	400,000	-	-	400,000				
	Resona Bank, Limited	250,000	-	-	250,000				
	Sumitomo Mitsui Trust Bank, Limited	200,000	-	-	200,000				
	SBI Shinsei Bank, Limited	200,000	-	-	200,000				
	Aozora Bank, Ltd.	200,000	-	-	200,000				
	The Yamaguchi Bank, Ltd.	100,000	-	-	100,000				
	The Shizuoka Bank, Ltd.	100,000	-	-	100,000				
	The Yamanashi Chuo Bank, Ltd.	100,000	-	-	100,000				
	The Chiba Bank, Ltd.	200,000	-	-	200,000				

Classification	Lenders	Balance at the beginning of the period	Increase during the period	Decrease during the period	Balance at the end of the period	Average interest rate (Note 2)	Repayment due date	Use	Remarks
Long-term borrowings (Note 1)	MUFG Bank, Ltd.	700,000	-	-	700,000	0.880%	September 30,2027	(Note 4)	Unsecured/ unguaranteed
	Sumitomo Mitsui Banking Corporation	527,000	-	-	527,000	0.909% (Note 3)	January 31,2029		
	Mizuho Bank, Ltd.	527,000	-	-	527,000				
	Development Bank of Japan Inc.	527,000	-	-	527,000				
	Resona Bank, Limited	265,000	-	-	265,000				
	Sumitomo Mitsui Trust Bank, Limited	527,000	-	-	527,000				
	The Nishi-Nippon City Bank, Ltd.	527,000	-	-	527,000				
	Sumitomo Mitsui Banking Corporation	830,000	-	-	830,000	1.055% (Note 3)	January 31,2029		
	Mizuho Bank, Ltd.	650,000	-	-	650,000				
	Development Bank of Japan Inc.	650,000	-	-	650,000				
	Resona Bank, Limited	550,000	-	-	550,000				
	MUFG Bank, Ltd.	650,000	-	-	650,000	1.105%	January 31,2029		
	Sumitomo Mitsui Banking Corporation	927,000	-	-	927,000	1.283% (Note 3)	July 31,2029		
	Mizuho Bank, Ltd.	680,000	-	-	680,000				
	Development Bank of Japan Inc.	525,000	-	-	525,000				
	Resona Bank, Limited	420,000	-	-	420,000				
	The Bank of Fukuoka, Ltd.	200,000	-	-	200,000				
	The Chiba Bank, Ltd.	293,000	-	-	293,000				
	MUFG Bank, Ltd.	410,000	-	-	410,000	1.233%	July 31,2029		
	Sumitomo Mitsui Banking Corporation	-	1,100,000	-	1,100,000	1.556% (Note 3)	January 31,2030		
	Mizuho Bank, Ltd.	-	1,100,000	-	1,100,000				
	Development Bank of Japan Inc.	-	850,000	-	850,000				
	Sumitomo Mitsui Trust Bank, Limited	-	800,000	-	800,000				
	The Bank of Fukuoka, Ltd.	-	650,000	-	650,000				
	Resona Bank, Limited	-	400,000	-	400,000				
	Subtotal	64,819,000	4,900,000	5,600,000	64,119,000	-	-	-	-
Total		64,819,000	4,900,000	5,600,000	64,119,000	-	-	-	-

Note 1: Current portion of long-term borrowings are included in long-term borrowings.
Note 2: Average interest rate is the weighted average of the number of days and outstanding borrowings during the period, rounded to the fourth decimal place.
Note 3: Average interest rates on borrowings with interest-rate swaps used to hedge interest rate risk are stated taking into account the effects of interest-rate swaps.
Note 4: Borrowings are appropriated to acquire the beneficial interests in real estate trust and to refinance.
Note 5: With respect to the above borrowings, the "Loan Agreement" between CRE REIT and each individual financial institution contains a rider that the borrowings from all financial institutions rank pari passu with each other.
Note 6: The following is the maturity schedule for each year within five years after the balance sheet date.

(Thousands of yen)

	Due within 1 year	Due after 1 year and within 2 years	Due after 2 year and within 3 years	Due after 3 year and within 4 years	Due after 4 year and within 5 years
Long-term borrowings	12,450,000	13,650,000	15,304,000	14,360,000	8,355,000

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Independent Auditor's Report

To the Board of Directors of CRE Logistics REIT, Inc.

THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of CRE Logistics REIT, Inc. (the Company), which comprise the balance sheet as at June 30, 2025, and the statement of income, statement of unitholders' equity, statement of cash distributions and statement of cash flows for the six month period then ended, and notes to the financial statements and supplementary schedules.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2025, and its financial performance and its cash flows for the six month period then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to audits of financial statements of public interest entities in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the "Notes on significant subsequent events" in the financial statements, which states the Board of Directors of the company resolved to acquire its own investment units.
Our opinion is not modified in respect of this matter.

Other Information

The other information comprises the information included in the Semi-Annual Report, but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information. In addition, supervisory directors are responsible for overseeing the Company's reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Supervisory Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern.

Supervisory directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the financial statement audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures of the financial statements are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

FEE-RELATED INFORMATION

In connection with our audit of the financial statements for the six month period ended June 30, 2025, the amounts of fees for the audit and the other services charged to the Company by PricewaterhouseCoopers Japan LLC and other PwC Network firms are ¥9.5 million and ¥2.15 million, respectively.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

鶴田 光夫

Mitsuo Tsuruta

Designated Engagement Partner
Certified Public Accountant

藪谷 峰

Takashi Yabutani

Designated Engagement Partner
Certified Public Accountant

September 24, 2025