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To All Concerned Parties

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Notice Concerning Revision of Forecasts of Operating Results for the Period ending June 30, 2020 and Forecasts of Operating Results for the Period ending December 31, 2020

CRE Logistics REIT, Inc. (hereinafter “CRE REIT”) announces revision of its operating results forecast for the fiscal period ending June 30, 2020, which CRE REIT announced on August 13, 2019 in the “Summary of Financial Results for the 6th Fiscal Period Ended June 30, 2019,” and a new operating results forecast for the fiscal period ending in December 2020. The operating results forecast for the fiscal period ended December 31, 2019 remains unchanged.

1. Revision of operating results forecast for fiscal period ending June 30, 2020: (From January 1, 2020 to June 30, 2020)

	Operating revenue (Million yen)	Operating income (Million yen)	Ordinary income (Million yen)	Net income (Million yen)	Distributions per unit (including surplus distributions) (Yen)	Distributions per unit (excluding surplus distributions) (Yen)	Surplus distributions per unit (Yen)
Previous forecast (A)	1,591	825	691	690	3,029	2,664	365
Revised forecast (B)	2,024	1,133	947	946	3,040	2,726	314
Amount increase/ decrease (B-A)	433	308	256	256	11	62	-51
Rate of increase/ decrease	+27.2%	+37.4%	+37.0%	+37.1%	+0.4%	+2.3%	-14.0%

(Reference) Fiscal period ending June 30, 2020: Expected total number of investment units issued and outstanding at the end of the period: 347,250 units; Expected net income per unit: 2,726 yen

2. Operating results forecast for fiscal period ending December 31, 2020 (From July 1, 2020 to December 31, 2020)

	Operating revenue (Million yen)	Operating income (Million yen)	Ordinary income (Million yen)	Net income (Million yen)	Distributions per unit (including surplus distributions) (Yen)	Distributions per unit (excluding surplus distributions) (Yen)	Surplus distributions per unit (Yen)
Fiscal period ending December 2020	2,122	1,194	1,021	1,020	3,263	2,940	323

(Reference) Fiscal period ending December 31, 2020: Expected total number of investment units issued and outstanding at the end of the period: 347,250 units; Expected net income per unit: 2,939 yen

(Note 1) The results forecasts above are calculated based on the assumptions outlined in the attached “Assumptions Underlying the Operating Results Forecasts for the Fiscal Period Ending June 30, 2020 and the Fiscal Period Ending December 31, 2020.” Actual operating revenue, operating income, ordinary income, net income, distribution per unit (including surplus distributions), distribution per unit (excluding surplus distributions) and surplus distributions per unit may vary due to differences from assumptions as a result of future acquisitions or disposal of real estate, etc., fluctuations in rent income due to changes in lessees, etc., changes in the operating environment such as the occurrence of unexpected repairs, fluctuations in interest rates, the actual number of issuances and issue value of new investment units to be decided, or the issuance of new investment units. Moreover, these forecasts do not guarantee the amounts of distributions and surplus distributions.

(Note 2) Forecasts may be modified if there is expected to be a noticeable discrepancy with the above forecasts.

(Note 3) All amounts are rounded down and percentages are calculated to the second decimal place with fractions less than .05 being rounded down and .05 and more being rounded up. The same applies hereinafter.

3. Reason for the revision

As a result of the issuance of new investment units announced in the “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” and the acquisition of assets announced in “Notice Concerning Acquisition of Trust Beneficiary Rights to Real Estate in Japan and Leasing,” both of which were announced on January 7, 2020, the assumptions underlying the operating results forecast for the fiscal period ending June 30, 2020 announced on August 13, 2019 in the “Summary of Financial Results for the 6th Fiscal Period Ended June 30, 2019” have been changed, and differences of 10% or more and 30% or more have become likely to arise in the expected amount of operating revenue and the expected amount of ordinary income and net income. Accordingly, the forecasts for the operating results and distributions for the fiscal period ending June 30, 2020 have been revised and new forecasts have been disclosed for the fiscal period ending December 31, 2020.

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

[Attachment 1]

Assumptions Underlying the Operating Results Forecasts for the Fiscal Period Ending June 30, 2020 and the
Fiscal Period Ending December 31, 2020

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> • 8th Fiscal Period (Ending June 30, 2020): January 1, 2020-June 30, 2020 (182 days) • 9th Fiscal Period (Ending December 31, 2020): July 1, 2020-December 31, 2020 (184 days)
Assets under management	<ul style="list-style-type: none"> • It is assumed that (i) CRE REIT will continue to own real estate trust beneficiary rights in the total of four properties to be acquired on February 3, 2020 pursuant to the resolution of a meeting of the Board of Directors held on January 7, 2020 (“Assets to Be Acquired”) until December 31, 2020, which will be added to the real estate trust beneficiary rights in the total of nine properties held by CRE REIT as of January 7, 2020 (“Assets Currently Held”), and (ii) there will be no changes (acquisition of new properties, disposition of properties held, etc.) until December 31, 2020 except for the acquisition of the Assets to Be Acquired. • In fact, however, there may be changes mainly due to the acquisition of new properties other than the Assets to Be Acquired and the disposal of properties held.
Operating revenue	<ul style="list-style-type: none"> • Real estate leasing business revenues related to the Assets Currently Held are calculated based on lease contracts that are in effect as of January 7, 2020 and historical results. The no lease contract will expire during the fiscal period ending June 30, 2020 and the fiscal period ending December 31, 2020, and all lease contracts will be concluded at a fixed rent. • Real estate leasing business revenues related to the Assets to Be Acquired are calculated based on information on leasing contracts provided by their current owners or beneficiaries. As for the Assets to Be Acquired, the no lease contract will expire during the fiscal period ending June 30, 2020 and the fiscal period ending December 31, 2020, and all lease contracts will be concluded at a fixed rent. • The calculations assume that there will be no delinquencies or defaults on rent payments on the part of tenants.
Operating expenses	<ul style="list-style-type: none"> • Expenses other than depreciation, which are considered to be real estate leasing expenses or main operating expenses, are calculated by taking into consideration change factors such as expenses assumed to be incurred (taxes and public dues, entrusted property management, property insurance, repairs, etc.) based on the historical results for the Assets Currently Held, and for the Assets to Be Acquired, based on information provided by their current owners and lease contracts in effect on January 7, 2020. • Property taxes, city planning taxes and other charges levied on the Assets Currently Held are expected to be 164 million yen in the fiscal period ending June 30, 2020 and the fiscal period ending December 31, 2020. • In general, property taxes, city planning taxes and other charges levied on transacted real estate are settled at the time of acquisition by prorating for the period with the current owners. Because CRE REIT capitalizes the amounts equivalent to such settled amounts on the acquisition costs for properties, property taxes, city planning taxes and other charges levied on the Assets to Be Acquired are not recorded as expenses for the fiscal period ending June 30, 2020 and December 31, 2020. As such, property taxes, city planning taxes and other charges levied on properties for fiscal year 2021 will be booked as expenses from the fiscal period ending June 30, 2021. Property taxes, city planning taxes and other charges levied on the Assets to Be Acquired are expected to 48 million yen for the fiscal period ending June 30, 2021 and following period. Property taxes, city planning taxes and other charges levied on the Assets to Be Acquired, which will be capitalized in acquisition costs,

	<p>are expected to total 89 million yen.</p> <ul style="list-style-type: none"> • Depreciation is calculated using the straight line method for both the Assets Currently Held and the Assets to Be Acquired, and it is expected to be 364 million yen in the fiscal period ending June 30, 2020 and 374 million yen in the fiscal period ending December 31, 2020. • Entrusted property management fees are expected to be 98 million yen for the fiscal period ending June 30, 2020 and 103 million yen for the fiscal period ending December 31, 2020.
Non-operating expenses	<ul style="list-style-type: none"> • Non-operating expenses for the fiscal period ending June 30, 2020 are expected to total 185 million yen. This amount will include the payment of 152 million yen for interest and other financing-related expenses, 10 million yen for expenses related to the issuance of investment units, 6 million yen for the depreciation of founding costs, and 11 million yen for the depreciation of investment unit issuance costs. All current borrowings of CRE REIT are based on a fixed interest rate (substantive fixed interest rate due to the conclusion of an interest rate swap agreement) and it is assumed for new borrowings to be made to acquire the Assets to Be Acquired (refer to “Interest-bearing debt” below) that long-term borrowings (excluding borrowings with the period of 1.5 years) will also be based on a fixed interest rate by using an interest rate swap agreement. The amount of interest expenses is calculated based on fixed interest rates for the current borrowings as well as an interest rate estimated from the current interest rate level for new borrowings. • Non-operating expenses for the fiscal period ending December 31, 2020 are expected to be 172 million yen. This amount will include the payment of 154 million yen for interest and other financing-related expenses, 6 million yen for the depreciation of founding costs, and 11 million yen for the depreciation of investment unit issuance costs. For borrowings to be newly made in the fiscal period ending December 31, 2020 (refer to “Interest-bearing debt” below for details), the amount of interest expenses is calculated based on an interest rate estimated from the current interest rate level, taking into account the possibility of future fluctuations in the interest rate.
Interest-bearing debt	<ul style="list-style-type: none"> • It is assumed that total interest bearing debt will be 36,319 million yen for the fiscal period ending June 30, 2020 and 35,219 million yen for the fiscal period ending December 31, 2020. • It is assumed that a total of 9,850 million yen (long-term borrowings of 9,250 million yen and short-term borrowings of 600 million yen) will be newly borrowed on February 3, 2020 from qualified institutional investors stipulated in Article 2, Paragraph 3, Item 1 of the Financial Instruments and Exchange Act. However, the actual amount of borrowing may be changed by the time of the implementation of the borrowing, taking into account factors such as the net proceeds obtained from the new issuance of investment units that was resolved at a meeting of CRE REIT’s Board of Directors held on January 7, 2020. Other details about such new borrowings will be announced after they are determined. • It is assumed that of the long-term borrowings to be made on February 3, 2020, 250 million yen with a borrowing period of 1.5 years will be prepaid in the fiscal period ending June 30, 2020, by using some of funds on hand as a source. • In the fiscal period ending December 31, 2020, while long-term borrowings of 3,700 million yen will become due on July 31, 2020, it is assumed that long-term borrowings of 3,200 million yen and short-term borrowings of 200 million yen will be made. In addition, in the fiscal period ending December 31, 2020, it is assumed that short-term borrowings of 600 million yen to be made on February 3, 2020, and short-term borrowings of 200 million yen to be made on July 31, 2020, will be prepaid using the consumption tax refund and some funds on hand as a source.

	<ul style="list-style-type: none"> The loan-to-value (LTV) ratio is expected to be 47.4% at the end of the fiscal period ending June 30, 2020 and 46.6% at the end of the fiscal period ending December 31, 2020. The following formula is used to calculate the LTV ratio, with numbers rounded off to the first decimal place. $\text{LTV ratio} = \text{Total interest-bearing debt} \div \text{Total assets} \times 100$ The LTV may vary depending on the number and value of the investment units to be issued this time.
Investment units	<ul style="list-style-type: none"> It is assumed that in addition to the total of 259,250 investment units issued and outstanding as of January 7, 2020, 88,000 new investment units will be issued based on a resolution of CRE REIT's Board of Directors adopted at a meeting held on January 7, 2020, and there will be no change to the number of investment units through new issues of investment units by the end of the fiscal period ending December 31, 2020 or by other means, excluding the said issuance. Distributions per unit (excluding surplus distributions) and surplus distributions per unit are calculated based on 347,250 units, or the total of the expected numbers of investment units issued and outstanding at the end of the fiscal periods ending June 30, 2020 and December 31, 2020, respectively.
Distributions per unit (excluding surplus distributions)	<ul style="list-style-type: none"> Distributions per unit (excluding surplus distributions) are calculated in accordance with CRE REIT's policy on the distribution of cash as stipulated in its Articles of Incorporation. Distributions per unit (excluding surplus distributions) may change for a variety of reasons, including changes in CRE REIT's investment assets, changes in leasing revenues due to tenant movements, etc., and/or the occurrence of unforeseen repairs and maintenance, etc.
Surplus distributions per unit	<ul style="list-style-type: none"> Surplus distributions per unit are calculated in accordance with the policies stipulated in CRE REIT's regulations as well as the asset management guidelines provided in the asset management company's internal regulations. The total amount of surplus distributions is expected to be 109 million yen for the fiscal period ending June 30, 2020 and 112 million yen for the fiscal period ending December 31, 2020, with an amount equivalent to 30% of depreciation specified as a benchmark. It is assumed that there will be no specific possibility of significant deterioration in the economic environment, the real estate market condition and CRE REIT's financial conditions. CRE REIT has a policy of continuously implementing surplus distribution every term, in principle, with an amount equivalent to 30% of depreciation as a benchmark. In addition, in cases where distributions per unit are expected to decline temporarily to a certain extent due to the dilution of the investment unit value or a significant financial burden as a result of the procurement of funds through the issuance of new investment units or for other reasons, CRE-REIT may continue to implement a temporary surplus distribution, in addition to the continuous surplus distributions, with a view to standardizing the amount of the distributions per unit. However, this amount shall not exceed the amount equivalent to 60% of depreciation for the relevant business period, including the continuous surplus distributions. In fact, the amount of distributions exceeding earnings (return of contributions) may change due to factors such as the economic environment, trends in the real estate market, the situation surrounding owned assets, and financial conditions, and the surplus distribution of the amount (return of contributions) may not be undertaken as a result.
Other	<ul style="list-style-type: none"> It is assumed that there will be no change in legislation, taxation, accounting standards, listing regulations imposed by the Tokyo Stock Exchange, rules and requirements imposed

	<p>by The Investment Trusts Association, Japan, etc., that will impact the aforementioned forecasts.</p> <ul style="list-style-type: none">• It is assumed that there will be no unforeseen material changes in general economic trends, real estate market conditions, etc.
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[Attachment 2] <Reference>

Estimate of Temporary Factors - Adjusted Income

	Forecasts for the fiscal period ending December 31, 2020 (Announced today)	Temporary factors - adjusted estimates
Operating revenue (Million yen)	2,122	2,122
Operating income (Million yen)	1,194	1,150
Ordinary income (Million yen)	1,021	986
Net income (Million yen)	1,020	985
Distributions per unit (including surplus distributions) (Yen)	3,263	3,160
Distributions per unit (excluding surplus distributions) (Yen)	2,940	2,837
Surplus distributions per unit (Yen)	323	323

Assumptions Underlying Estimate of Temporary Factors - Adjusted Income

The estimate is implemented by making an adjustment based on results forecasts for the fiscal period ending December 31, 2020, announced today.

- It is assumed that operating revenue and real estate leasing expenses (excluding property taxes, city planning taxes and other charges) will be the same amount as the forecasts for the fiscal period ending December 31, 2020.
- As for property taxes, city planning taxes and other charges on the Assets to Be Acquired, it is assumed that 48 million yen, which is the amount expected to generated every period in and after the fiscal period ending June 30, 2020, will be posted as operating expenses.
- As stated in “Interest-bearing debt” in Attachment 1, “Assumptions Underlying the Operating Results Forecasts for the Fiscal Period Ending June 30, 2020 and the Fiscal Period Ending December 31, 2020,” the total amount of borrowings at the end of the fiscal period ending December 31, 2020, is expected to decline 1,100 million yen from the end of the fiscal period ending June 30, 2020, and it is therefore assumed that interest and other financing-related expenses corresponding to these declining borrowings will decrease throughout the period.
- Expenses for the establishment of CRE REIT are capitalized by posting them as organization expenses, which are deferred assets and are amortized for five years. However, as the amortization is expected to end in May 2021, it is assumed that the organization expenses, which were posted for six months in the forecasts for the fiscal period ending December 31, 2020, will be recorded for five months.
- Expenses for the issuance of investment units are capitalized by posing them as investment unit issuance expenses, which are deferred assets and amortized for three years. The amortization of investment unit issuance expenses corresponding to the public offerings at the time of listing is expected to end in January 2021, and it is assumed that investment unit issuance expenses corresponding to the public offerings at the time of listing, which were posted for six months in the forecasts for the fiscal period ending December 31, 2020, will be recorded for one month.
- Consumption tax receivable is expected to be refunded in the fiscal period ending June 30, 2020, and total assets will decline associated with the refund. It is therefore assumed that asset management fees linked to total assets will decrease. In addition, net income will decline due to the generation of property taxes, city planning taxes and other charges on the Assets to Be Acquired, and it is therefore assumed that asset management fees linked to net income and net income per unit will decrease.

The estimate of temporary factors - adjusted income above neither aims to estimate income for a certain calculation period nor has meaning as a forecast of income for a certain calculation period. The estimate of temporary factors - adjusted income is not an indicator stipulated by corporate accounting standards generally accepted as fair and appropriate in Japan (hereinafter “Japan GAAP”) and should not be considered as an alternative indicator for other indicators that are shown according to Japan GAAP. In addition, distributions per unit adjusted for temporary factors do not guarantee the existence of distributions in the future and their amount in any sense. Note that actual income, etc., in the fiscal period ending December 31, 2020, and any other certain calculation period may defer materially from the estimated values stated above.