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To All Concerned Parties

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Notice Concerning Submission of Revised Shelf Registration Statement for
Issuance of Green Bonds

CRE Logistics REIT, Inc. (hereinafter "CRE REIT") hereby announces that it has today submitted the revised shelf registration statement for the issuance of the (undecided) series of unsecured bonds of CRE Logistics REIT, Inc. (pari passu conditions among specified investment corporation bonds) (Green bonds) (hereinafter the "Green Bonds") (also called the "CRE Green Bonds") to the Director-General of the Kanto Local Finance Bureau. Details are as follows.

1. Content of the revised shelf registration statement for issuance of the Green Bonds

Today, CRE REIT submitted the revised shelf registration statement for investment corporation bonds to the Director-General of the Kanto Local Finance Bureau to enable CRE REIT to issue the Green Bonds. For the issuance of the Green Bonds, CRE REIT will appoint SMBC Nikko Securities Inc. (Green Bond structuring agent), Nomura Securities Co., Ltd., and Mizuho Securities Co., Ltd. as the lead managing underwriters to examine whether the issuance of the Green Bonds is possible and issue terms such as an interest rate.

The entire amount of the proceeds from the Green Bonds is to be appropriated for funds to acquire specified assets that meet the eligibility criteria (stated in "3. Overview of green finance framework" below) (hereinafter the "Green Qualifying Assets") or repay borrowings required to acquire the Green Qualifying Assets.

(Note) "Green Bond structuring agent" is one who supports the issuance of green bonds in formulation of a green bond framework and advises on acquiring second-party opinions.

2. Purpose and background of the issuance of the Green Bonds

CRE, Inc. (hereinafter "CRE"), the sponsor of CRE REIT, establishes a management philosophy of "Ei (Eternal), Toku (Virture) and Kan (Cycle)" for the CRE Group to realize (1) "Ei" that indicates an attitude of constantly contributing to social development, (2) "Toku" to act for the betterment of others and society, and (3) "Kan" to value connections with society and aim

to create a circular society of the future. As part of a policy that considers the environment, CRE acquires the BELS evaluation in the development stage of logistics facilities and develops properties taking into account the environment, for example, by installing solar panels, introducing LED lighting and using exterior wall panels with high environmental performance in its development properties. CRE is also able to contribute to local communities by creating jobs through the development of logistics facilities.

CRE REIT believes that the acquisition of environmentally conscious logistics facilities will lead to the sustainable growth of society and sets a policy of acquiring properties to compose the majority of its portfolio with the Green Qualifying Assets (based on the acquisition value). CRE REIT will also actively consider the introduction of additional equipment that is deemed to contribute to environmental improvement, not only to acquire environmentally conscious logistics facilities.

As one of the measures to enhance its financing methods, CRE REIT is considering financing through the issuance of green bonds and will submit the revised shelf registration statement for the issuance of the Green Bonds this time to grasp the level of expectations for the environment, social, governance (ESG) as a financing method through dialogues with many institutional investors with an interest in ESG in the process of financing and reflect its content on the asset management.

3. Overview of a green finance framework

To conduct green financing including the issuance of the Green Bonds, CRE REIT has formulated a green finance framework (hereinafter the "Green Finance Framework") in accordance with the Green Bond Principles 2018 (Note 1), the Green Bond Guidelines 2020 (Note 2), the Green Loan Principles (Note 3) and the Green Loan and Sustainability Linked Loan Guidelines 2020 (Note 4).

For the content of the Green Finance Framework, refer to the following.

Content of the Green Finance Framework:

(1) Use of the proceeds from green finance

CRE REIT will appropriate the proceeds from the Green Bonds or green loans for funds to acquire specified assets that will meet the eligibility criteria in (2) below (the Green Qualifying Assets) or refinance borrowings required for acquiring the Green Qualifying Assets.

(2) Eligibility criteria

Assets that meet the eligibility criteria are assets that have already acquired or updated or will acquire or update any of the certifications of the following third-party assessment bodies.

- (i) Five or four stars in the DBJ Green Building certification
- (ii) Rank S or A in the CASBEE Certification for Buildings (New Construction) of the CASBEE for Real Estate Certification
- (iii) Five or four stars in the BELS Certification

(3) Evaluation and selection process of projects

Projects for which the proceeds from green finance will be used are evaluated and selected after the person in charge in the Corporate Planning Department of CRE REIT Advisers, Inc., the asset management company of CRE REIT (hereinafter the "Asset Management Company"), examined the conformity to the eligibility criteria and consulted with the Investment Management Department that is in charge of the acquisition of properties.

For the implementation of green finance, the person in charge in the Corporate Planning Department of the Asset Management Company will create a plan, which will be deliberated and approved by the Investment Committee and resolved by the Board of Directors through confirmation by the representative director and president of the Asset Management Company and approved by the resolution of the Board of Directors of CRE REIT.

(4) Management of proceeds

Proceeds from green finance will be appropriated for funds to acquire the Green Qualifying Assets or refinance the funds promptly or without delay after the financing. Until the appropriation of the proceeds is determined, the proceeds will be managed in cash or cash equivalents.

The portfolio management (management method of ensuring each fiscal period that the total amount of balances of green finance will not exceed the upper limit of green eligible liabilities (the total amount of assets that meet the eligibility criteria (acquisition value) x Total assets LTV) will be applied to the management of the balances of green finance until the green finance is redeemed or repaid, and the management of unappropriated funds in cases where the unappropriated funds arise temporarily from the sale or damage of assets for which the proceeds will be used.

(5) Reporting

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

CRE REIT will also disclose the following items on its website once a year.

- Type and rank of environmental certifications and total floor area of the Green Qualifying Assets
- Specific quantities consumed in the properties meeting the eligibility criteria (limited to those whose figures can be identified on a portfolio basis by CRE REIT,)
 - Water consumption
 - Electricity usage
 - CO₂ emissions (or reductions)

- (Note 1) "Green Bond Principles 2018" is the internationally-recognized guidelines for issuance of green bonds, stipulated by Green Bond Principles Executive Committee, a private organization administered by the International Capital Market Association (ICMA).
- (Note 2) "Green Bond Guidelines 2020" is guidelines established and announced by Ministry of the Environment in March 2017, and revised in March 2020 in consideration of consistency with Green Bond Principles, provide issuers, investors and other market participants with illustrative examples of specific approaches and interpretations which are tailored to Japan's bond market to aid with decision-making regarding green bonds, for the purpose of further increase in issuance of green bonds in the domestic market.
- (Note 3) "Green Loan Principles" is a guideline for financing that restricts applications to the environmental field established by the Loan Market Association (LMA) and the Asia Pacific Loan Market Association (APLMA).
- (Note 4) "Green Loan and Sustainability Linked Loan Guidelines 2020" refers to the guidelines formulated and published by the Ministry of the Environment in March 2020. The guidelines provide examples of concrete responses that can be used by borrowers, lenders, and other officials of relevant organizations when examining concrete responses to green loans, and interpret them in accordance with the characteristics of Japan, in order to further promote green loans in Japan, while giving consideration to the consistency of green loans with the principles of green loans.

4. Evaluations of external institutions

CRE REIT has been assigned "Green 1 (F)," the highest grade in the JCR Green Finance Framework Evaluation (Note 1) with respect to eligibility for the Green Finance Framework, by Japan Credit Rating Agency, Ltd. ("JCR"). For more details on the JCR Green Finance Framework Evaluation, refer to the following website.

JCR Green Finance Framework Evaluation: <https://www.jcr.co.jp/greenfinance/>

In the course of acquiring a third-party evaluation on the Green Finance Framework, Japan Credit Rating Agency, Ltd. (JCR), a supporter of the issuance, has received the subsidy decision notification from the Green Finance Organization about being subject to the delivery of subsidies of the Financial Support Programme for Green Bond Issuance (Subsidy Project) (Note 2) of the Ministry of the Environment.

- (Note 1) "JCR Green Finance Framework Evaluation" is a third-party evaluation on the policy for the issuance of green bonds or the borrowing of green loans (green finance policy) of an issuer or a borrower based on the Green Bond Principles formulated by the ICMA, the Green Loan Principles formulated by the LMA and the APLMA and the Green Bond Guidelines and the Green Loan and Sustainability Linked Loan Guidelines formulated by the Ministry of the Environment. In this evaluation, JCR conducts "Greenness Evaluation" to assess whether the projects stated in the green finance policy of the issuer or the borrower fall under green projects, and assess how much the proceeds are allocated to green projects, as well as "Management, Operation and Transparency Evaluation" to assess the management and operation system and transparency of the issuer or the borrower. Then, as the overall evaluation results of these assessments, the "JCR Green Finance Framework Evaluation" is determined. To differentiate the JCR Green Finance Framework Evaluation from the evaluation of individual bonds and borrowings, the JCR Green Finance Framework Evaluation is indicated by adding (F) to the tail end of the evaluation symbol. The "JCR Green Finance Framework Evaluation" of CRE REIT is posted on the following website of JCR. <https://www.jcr.co.jp/greenfinance/>
- (Note 2) "Financial Support Programme for Green Bond Issuance (Subsidy Project)" is a project to subsidize expenses for support for registered issuance supporters who give an external review and consult on the development of a framework for green bonds, etc. for companies and local public entities that try to issue green bonds, etc. Requirements for green bonds, etc. to be covered are that all proceeds raised in the case of green bonds or 50% or more of the proceeds raised in the case of sustainability bonds are allocated to green projects and all of the following conditions are satisfied at the time of issuance.
- (1) Any of the following applies at the time of issuance of green bonds, etc.
1. Projects that contribute mainly to decarbonization in Japan (renewable energy, energy saving, etc.)
 - Half or more of the amount of the proceeds are used for decarbonization projects in Japan, or half or more of the number of projects are decarbonization projects in Japan

2. Projects with a high decarbonization effect and a high regional revitalization effect
 - Decarbonization effect: Projects for which the amount of subsidy per ton of CO2 reductions in Japan is at or below a certain level.
 - Regional revitalization effect: Projects that are deemed to contribute to regional revitalization in an ordinance or a plan, etc. of a local public entity or projects in which investment from a local public entity is expected.
- (2) It is confirmed by an external review organization by the time of issuance that the framework for green bonds, etc. conforms to the Green Band Guidelines.
- (3) Green bonds, etc. are not green-wash bonds (bonds labeled as green, despite the fact that they have no environmental benefits, or their proceeds have not been appropriately allocated to green projects).

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