

September 2, 2020

To All Concerned Parties

Name of REIT Issuer:
CRE Logistics REIT, Inc.
2-10-1, Toranomom, Minato-ku, Tokyo, Japan
Tsuyoshi Ito, Executive Director
(TSE Code: 3487)
Asset Management Company
CRE REIT Advisers, Inc.
Tsuyoshi Ito, President
Person of Contact:
Hirohisa Toda, Head of Corporate Planning
Tel: +81-3-5575-3600

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

CRE logistics REIT, Inc. (hereinafter "CRE REIT") hereby announces that it has decided today to issue its first series of unsecured investment corporation bonds ("Green Bonds" or "CRE Green Bonds") and repay borrowings, before the maturity, based on the revised shelf registration statement on August 21, 2020 and the resolution of the CRE REIT Board of Directors at their meeting held on August 21, 2020, as announced in the "Notice Concerning Submission of Revised Shelf Registration Statement for Issuance of Green Bonds" on August 21, 2020. Details are as follows.

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

(1) Name	The first series of unsecured investment corporation bonds from CRE Logistics REIT, Inc. (pari-passu conditions among specified investment corporation bonds) (Green bonds) (hereinafter the "Green Bonds")
(2) Total amount to be issued	2,000 million yen
(3) Format of bonds	Investment corporation bond certificates will not be issued for the Green Bonds pursuant to the provisions of the Act on Book-Entry Transfer of Corporate Bonds and Shares.
(4) Amount to be paid	100 yen per 100 yen of each investment corporation bond
(5) Amount to be redeemed	100 yen per 100 yen of each investment corporation bond
(6) Interest rate	0.530% per annum
(7) Amount of each investment corporation bond	100 million yen
(8) Offering method	Offering to the general public
(9) Application period	Wednesday, September 2, 2020
(10) Payment date	Tuesday, September 8, 2020
(11) Security and guarantee	There is no security or guarantee for the Green Bonds, and no

- particular assets are reserved for the Green Bonds.
- (12) Redemption method and due date The total amount of the Green Bonds will be redeemed on September 8, 2025.
 CRE REIT may retire by repurchasing the Green Bonds at any time after the day following the payment date, unless otherwise provided for by the book-entry transfer institution.
- (13) Interest payment date The last day of March and the last day of September every year
 (If the interest payment date is a day that is not a bank business day, interest will be paid in advance on the previous business day.)
- (14) Financial covenants A negative pledge clause is established.
- (15) Rating acquired A – Rating and Investment Information, Inc.
- (16) Fiscal agent, issuing agent and paying agent Mizuho Bank, Ltd.
- (17) Underwriters SMBC Nikko Securities Inc. (Green Bond structuring agent (Note 1)), Nomura Securities Co., Ltd., and Mizuho Securities Co., Ltd.

Japan Credit Rating Agency, Ltd. (“JCR”) in their third-party evaluation of the issuance structure of the Green Bonds (green finance framework (Note 2)) has assigned CRE REIT a “Green 1 (F),” rating, the highest in the JCR Green Finance Framework Evaluation (Note 3).

(Note 1) “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.

(Note 2) Regarding the green finance framework, please refer to the CRE REIT website below and the "Notice Concerning Submission of Revised Shelf Registration Statement for Issuance of Green Bonds" on August 21, 2020.
<https://cre-reit.co.jp/ja/finance/greenfinance.html>

(Note 3) The JCR Green Finance Framework Evaluation is a third-party evaluation of an issuer or borrower's policy for the issuance of green bonds or the borrowing of green loans (green finance policy) based on the 2018 Green Bond Principles formulated by the International Capital Market Association (ICMA), the Green Loan Principles formulated by the Loan Market Association (LMA) and the Asia Pacific Loan Market Association (APLMA) and the 2020 Green Bond Guidelines and the 2020 Green Loan and Sustainability Linked Loan Guidelines formulated by the Ministry of the Environment. In this evaluation, JCR conducts a Greenness Evaluation to assess whether the projects stated in the issuer or borrower's green finance policy qualify as green projects, and assess how much of the proceeds are allocated to the green projects, and also assess the issuer or borrower's systems for management, operations and transparency. The JCR Green Finance Framework Evaluation is released as an overall evaluation of the results of these assessments. To differentiate the JCR Green Finance Framework Evaluation from individual bond and borrowing evaluations, the JCR Green Finance Framework Evaluation is indicated by adding an (F) to the tail end of the evaluation symbol. The CRE REIT JCR Green Finance Framework Evaluation is posted on the following JCR website.
<https://www.jcr.co.jp/greenfinance/>

2. Reason for the issuance

CRE REIT will issue Green Bonds at this time to promote the acquisition of environmentally conscious logistics facilities and enhance financing methods by expanding the base of investors interested in ESG investment. For more details, please refer to the "Notice Concerning Submission of Revised Shelf Registration Statement for Issuance of Green Bonds" on August 21, 2020.

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

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

1,983 million yen

(2) Specific use of proceeds and scheduled outlay period

Proceeds will be appropriated for part of funds for the prepayment (hereinafter the "Prepayment") of borrowings of 600 million yen and borrowings of 250 million yen raised as funds to acquire LogiSquare Ageo, LogiSquare Miyoshi and LogiSquare Chitose, which are specified assets, as of September, 16, 2020, that meet the eligibility criteria (Note) (hereinafter the "Green Qualifying Assets"), with January 29, 2021 and July 30, 2021 as the payment dates, respectively, as well as borrowings of 1,150 million yen raised as funds to refinance the funds for acquiring LogiSquare Kuki and LogiSquare Hanyu, which are Green Qualifying Assets, with January 29, 2021 as the payment date.

(Note) For "eligibility criteria" and "Green Qualifying Assets," please refer to the "Notice Concerning Submission of Revised Shelf Registration Statement for Issuance of Green Bonds" on August 21, 2020. The same applies hereinafter.

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

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

- The Echizen Shinkin Bank
- The Kitaosaka Shinkin Bank
- GUNMAMIRAI Shinkumi Bank
- Tokushima Shinkin Bank
- Numazu Shinkin Bank
- The Fuji Shinkin Bank
- Ryobi Shinyo Kumiai

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)

6. Details of the Prepayment

(1) Amount to be repaid

2,000 million yen

(2) Prepayment date

September 16, 2020 (planned)

(3) Funds for prepayment

Approximate net proceeds of 1,983 million yen from the issuance of the Green Bonds will be appropriated. For the difference of about 16 million yen from the total amount to be paid of 2,000 million yen, funds on hand will be appropriated.

(4) Details of borrowings for the Prepayment

(Million yen)

Category	Lender	Loan amount (Million yen)	Drawdown date	Maturity date
Short-term loans payable	Sumitomo Mitsui Banking Corporation	300	2020 July 13	2021 January 29
	Mizuho Bank, Ltd.	300		
	MUFG Bank, Ltd.	1,150	2020 July 31	2021 January 29
Long-term	Sumitomo Mitsui Banking Corporation	250	2020 July 13	2021 July 30
Total		2,000	—	—

(Note) For more details regarding the borrowings for the Prepayment, please refer to the "Notice Concerning Borrowing of Funds (New Borrowing and Refinancing)" on June 29, 2020 and the "Notice Concerning Borrowing of Funds (Partial Cancellation and Reduction and Final Determination of Loan Amounts of Lenders)" on July 9, 2020.

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

(Million yen)

	Before the issuance of the Green Bonds and the Prepayment	After the issuance of the Green Bonds and the Prepayment	Increase or decrease
Short-term loans payable	1,750	—	(1,750)
Long-term loans payable (Note)	41,919	41,669	(250)
Total loans	43,669	41,669	(2,000)
Investment corporation bonds	—	2,000	2,000
Total interest-bearing debt	43,669	43,669	—

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

8. Operating forecasts

The impact of this matter is immaterial, and operating forecasts for the fiscal period ending December 31, 2020 and the fiscal period ending June 30, 2021, announced on August 17, 2020 in the “Summary of Financial Results for the 8th Fiscal Period Ended June 30, 2020” remain unchanged.

9. Other Matters Necessary for Investors to Understand and Assess This Information Properly

Regarding the risks pertaining to the redemption of the Green Bonds, etc., there are no material changes from the content stated in "Part 2. Reference Information, Chapter 2. Complementary information to reference materials, 4. Investment risks" of the supplementary document to the shelf registration statement on September 2, 2020.

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