

July 28, 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 Transfer of Part of Trust Beneficiary Interests in Real Estate in Japan

CRE Logistics REIT, Inc. (hereinafter “CRE REIT”) hereby announces that CRE REIT Advisers, Inc. (hereinafter “the Asset Management Company”), the asset management company to which CRE REIT entrusts the management of its assets, decided to transfer part of the trust beneficial interests in the following asset on July 28, 2020.

1. Overview of the transfer

- | | |
|--|---|
| (1) Name of asset to be transferred: | LogiSquare Tosu (part of the land) |
| (2) Area to be transferred: | 1,079.18 m ² (approximately 6.8% of the site area before the transfer of 15,777.89 m ²) |
| (3) Planned transfer price (Note 1): | 57 million yen |
| (4) Book value (Note 2): | 56 million yen |
| (5) Gain (loss) on transfer (Note 3): | 0 million yen |
| (6) Planned transferee: | National government of Japan |
| (7) Existence of broker: | None |
| (8) Date of determination of transfer: | July 28, 2020 |
| (9) Planned date of agreement: | August 2020 |
| (10) Planned date of transfer: | August 2020 |
| (11) Settlement method: | 70% of the transfer price will be received after transferring the ownership and applying for the registration of cancellation of trust and 30% of the transfer price will be received after completing the surrender, respectively. |

(Note 1) “Planned transfer price” is the sales price set forth in the agreement on sale and purchase of the asset to be transferred. The purchase price does not include national and local consumption taxes or acquisition costs and is rounded down to the nearest million yen. The same applies hereinafter.

(Note 2) “Book value” is the amount as of the end of the fiscal period ended June 30, 2020, and is rounded down to the nearest million yen.

(Note 3) “Gain (loss) on transfer” is the expected amount calculated by deducting the book value from the planned transfer price and rounded down to the nearest million yen.

2. Reasons for the transfer

CRE REIT decided to transfer the site on the east side of LogiSquare Tosu, the acquisition of which was requested by the national government as a road site based on the widening project of National Route 3, which is the frontal road of LogiSquare Tosu, because an agreement was reached on the terms of sales with the national government.

In addition, CRE REIT confirmed that there will be no issue in complying with the floor-area ratio, the building coverage ratio and road diagonal restrictions set forth in the Building Standards Act even after the transfer.

3. Details of the asset to be transferred

Property no.	LogiSquare Tosu	Category		Logistics-related facilities
O-1				
Outline of specified assets				
Type of specified assets	Trust beneficial interest	Overview of trust beneficial interest	Trustee	Mitsubishi UFJ Trust and Banking Corporation
Planned transfer price	¥57,088,622		Trust maturity date	March 31, 2038
Land	Location	975-1, Ochiai, Sonezaki-cho, Tosu-shi, Saga		
	Area to be transferred	1,079.18 m ² (approximately 6.8% of the site area before the transfer of 15,777.89 m ²)		
	Zoning	Quasi-industrial district		
	Building coverage ratio/floor-area ratio	60% (Note)/200%		
	Type of ownership	Proprietary ownership		

(Note) The building coverage ratio was originally 60% but has increased to 70% as a result of applying the easing on the corner lot.

4. Overview of the transferee

(1) Name of planned transferee: National government of Japan

(2) Relationship with CRE REIT and the Asset Management Company:

Neither falls under a person with special interest.

5. 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 June 29, 2020 in the “Notice Concerning Revision of Forecasts of Operating Results for the Period ending December 31, 2020 and Forecasts of Operating Results for the Period ending June 30, 2021,” remain unchanged.

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