

November 11, 2021

For Immediate Release

Name of REIT Issuer:
CRE Logistics REIT, Inc.
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Tsuyoshi Ito, Executive Director
(TSE Code: 3487)

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

CRE logistics REIT, Inc. (“CRE REIT”) hereby announces that it has decided today to issue its 2nd unsecured investment corporation bonds (“Green Bonds”) and repay borrowings, before the maturity, based on the resolution of the CRE REIT Board of Directors at their meeting held on October 26, 2021. Details are as follows.

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

(1) Name	CRE Logistics REIT, Inc. 2nd unsecured investment corporation bonds with supplementary pari passu clause (“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	0.720% per annum
(7) Amount of each investment corporation bond	100 million yen
(8) Offering method	Offering to the general public
(9) Application period	Thursday, November 11, 2021
(10) Payment date	Friday, November 26, 2021
(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 November 26, 2031. 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 May and the last day of November 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 MUFG Bank, Ltd.

(17) Underwriters Mizuho Securities Co., Ltd. and Nomura 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)) has assigned CRE REIT a “Green 1 (F),” rating, the highest in the JCR Green Finance Framework Evaluation.

(Note) Regarding the green finance framework, please refer to the CRE REIT website below.

<https://cre-reit.co.jp/en/esg/greenfinance.html>

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.

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

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

1,984 million yen

(2) Specific use of proceeds and scheduled outlay period

As of November, 30, proceeds will be appropriated for part of funds for the prepayment (“Prepayment”) of borrowings of 1,000 million yen and borrowings of 1,000 million yen raised as funds to acquire LogiSquare Osaka Katano, which are specified assets, that meet the eligibility criteria (Note) (“Green Qualifying Assets”), with September 30, 2022 and also September 30, 2022 as the payment dates.

(Note) Regarding the eligibility criteria, please refer to the CRE REIT website below.

<https://cre-reit.co.jp/en/esg/greenfinance.html>

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).

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|--|-------------------------------|
| • THE AWAJI SHINKIN BANK | • Shizuoka Yaizu Shinkin Bank |
| • Mutual Aid Foundation for Japan Postal Group | • Danyo Shinkumi Bank |
| • ECHIZEN SHINKIN BANK | • Choshi Shinkin Bank |
| • The Saga Kyo-ei Bank, Ltd. | • NUMAZU SHINKIN BANK |
| • The Kita Osaka Shinkin Bank | • THE FUJI SHINKIN BANK |

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 consumption
 - CO2 emissions (or reductions)

6. Details of the Prepayment

(1) Amount to be repaid

2,000 million yen

(2) Prepayment date

November 30, 2021 (planned)

(3) Funds for Prepayment

Approximate net proceeds of 1,984 million yen from the issuance of the Green Bonds will be appropriated. For the difference of about 15 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
Long-term loans payable	Sumitomo Mitsui Banking Corporation	1,000	September 15, 2021	September 30, 2022
	Mizuho Bank, Ltd.	1,000	September 15, 2021	September 30, 2022
Total		2,000	—	—

(Note) For more details regarding the borrowings for the Prepayment, please refer to the “Notice Concerning Borrowing of Funds (including Green Loan)” on September 2, 2021 and the “Notice Concerning Borrowing of Funds (Partial Cancellation and Reduction and Final Determination of Loan Amounts from Lenders)” on September 13, 2021.

7. Status of loans, 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	—	—	—
Long-term loans payable (Note)	59,869	57,869	(2,000)
Total loans	59,869	57,869	(2,000)
Investment corporation bonds	2,000	4,000	2,000
Total interest-bearing debt	61,869	61,869	—

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

8. Future outlook

The impact of this matter is immaterial, and there is no change in the operating forecasts for the fiscal period ending December 31, 2021 and the fiscal period ending June 30, 2022, announced on September 2, 2021 in the “Notice Concerning Revision of Forecasts of Operating Results for the Period ending December 31, 2021 and the Period ending June 30, 2022”.

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 “Chapter 1 Fund Information – Part 1 Fund Status, 3. Investment Risks” of the securities report submitted on September 22, 2021.

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