

Securities Code 3487



# CRE Logistics REIT

## Financial Results Briefing for the 15th Fiscal Period

Ended December 2023 (July 1, 2023 to December 31, 2023)

February 16, 2024  
CRE REIT Advisers, Inc.

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## Glossary

Term	Definition
Appraisal value	The appraisal value or an investigated value as of the end of the period is stated based on the Certificate of Incorporation of CRE REIT and the Regulation on Accountings of Investment Corporations (Cabinet Office Order No.47 of 2006 including subsequent revisions)
Unrealized gains	(Appraisal value) - (Book value) as of the end of the period
LTV	(Outstanding balance of interest-bearing debt) / (Total Assets)
LTV based on appraisal value	(Outstanding balance of interest-bearing debt) / (Total assets + Unrealized gains)
NAV	Net assets + Unrealized gains - Total amount of distributions
NAV per unit	(Net assets + Unrealized gains - Total amount of distributions) / Total number of investment units outstanding
Acquisition price	The purchase agreement price for each of the trust beneficiary rights stated in the sales agreement and does not include national and local consumption taxes or sales commission and other expenses that are incurred in the acquisition
NOI yield	Ratio of actual NOI of the portfolio assets to their acquisition price
Appraisal NOI yield	Ratio of the appraisal NOI of each asset to the acquisition price of each asset (based on the relevant real estate appraisal report with valuation dated as of the end of the period)
Occupancy ratio	The ratio of the leased area to the leasable area
CRE	CRE, INC.
CRE Group	CRE, INC. and its subsidiaries and affiliates

- This material is not a disclosure material under the Financial Instruments and Exchange Act, the Act on Investment Trusts and Investment Corporations or the Securities Listing Regulations of the Tokyo Stock Exchange.
- The purpose of this material is to provide information and not to offer, solicit the purchase of or sell certain products. When you make an investment, please do so at your own discretion and risk.
- The market price of investment securities of CRE REIT will be affected by the demand and supply of investors at an exchange and will fluctuate under the influence of the interest rate environment, economic conditions, the real estate market conditions and other factors surrounding the market. Accordingly, the investment securities may possibly not be sold at a higher price than the acquisition price, and investors could suffer a loss as a result.
- The investment securities of CRE REIT need to be purchased and sold through a securities company with which you undertake business. At that time, please read the contents of the document provided before concluding the contract (or a prospectus) carefully.
- While this material contains forward-looking statements and results forecasts, these statements do not guarantee the future results and financial conditions of CRE REIT.
- Unless otherwise noted, in this material, monetary amounts and energy amounts are rounded down to the nearest indicated unit, and areas, numbers of years and ratios are rounded off to the nearest indicated unit. Any average or ratio pertaining to assets is the weighted average based on the acquisition price, unless otherwise noted.

# 1. Highlights



LogiSquare Kawagoe

The property is in a good location close to National Route 254, National Route 16, which are major trunk roads, and National Route 17 Shin-Omiya Ageo Road. In addition, the property is located in the exclusive industrial district in Kawagoe Industrial Park and is operable 24 hours a day.

# Summary

## Key Indicators

- **NAV per unit increased by 0.9%** due to appraisal value increase and expansion of unrealized gains.
- **DPU for the FP 2023/12 reached 3,820 yen (vs forecast: +35 yen )** due to the full-period contribution of the two properties acquired in the FP 2023/6 and appropriate cost control, the highest ever for CRE REIT excluding the FP 2022/12 when a gain on sale was recorded.

## Growth Strategy

- **Annual rent growth rate for contracts expiring in 2021-2024 is +1.0%.**
- Profit structure is less susceptible to the effects of inflation, as **utilities, repairs and capital expenditures remain stable.**

## Financial Management

- **LTV declined to 44.1%** at the end of FP 2023/12. The LTV is aimed to control at 43-45%.
- Control the funding cost appropriately by borrowing with floating interest rates.
- Effective use of cash in hand and flexible financial management.

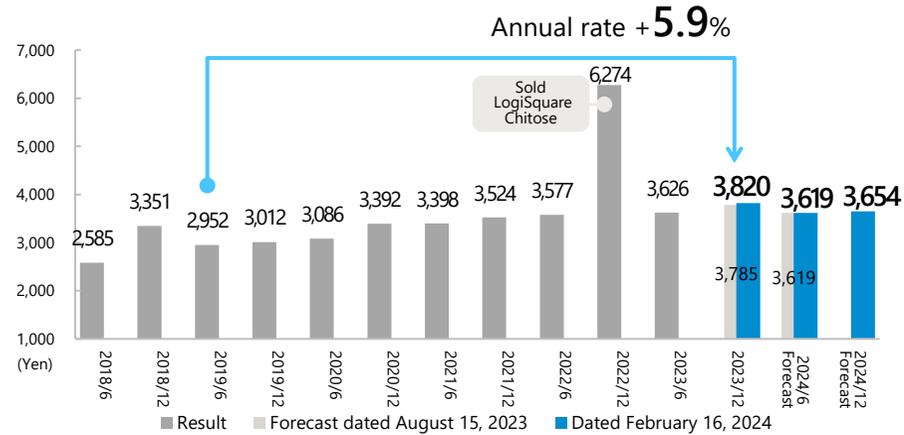
## ESG

- 83.6% of the properties are equipped with solar power, which contribute to **generate approximately 75% of the total energy consumption by renewable energy.**
- Promoted green finance, with **green loans and green bonds accounting for 57.3% of interest-bearing debt.**

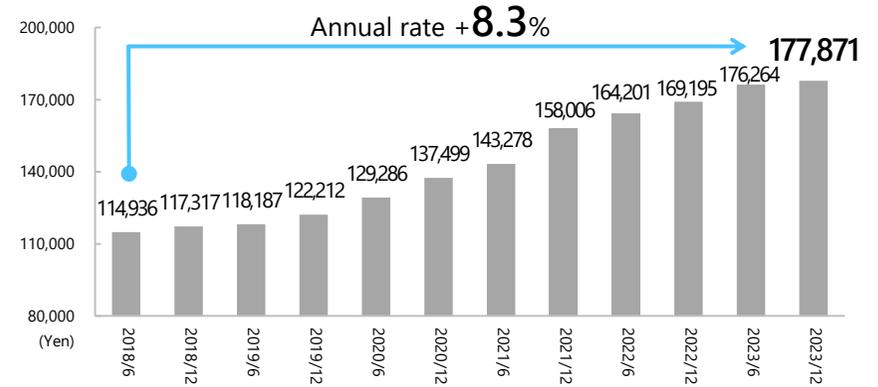
1. Highlights

# Increasing DPU and NAV per Unit While Lowering LTV

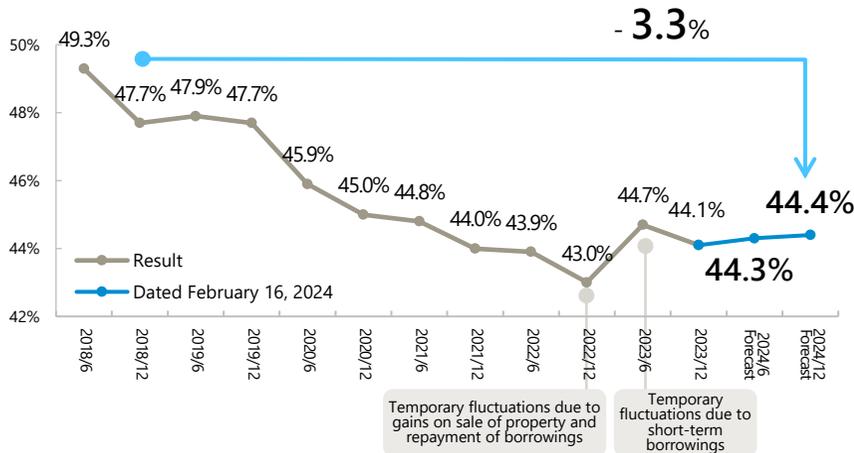
## DPU



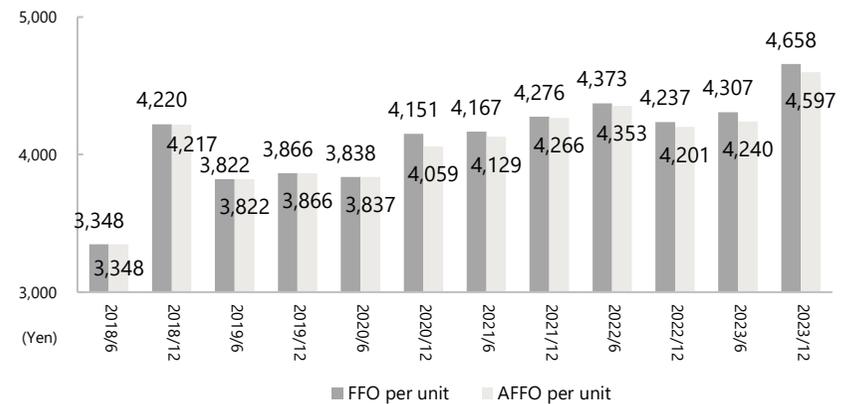
## NAV per unit



## LTV

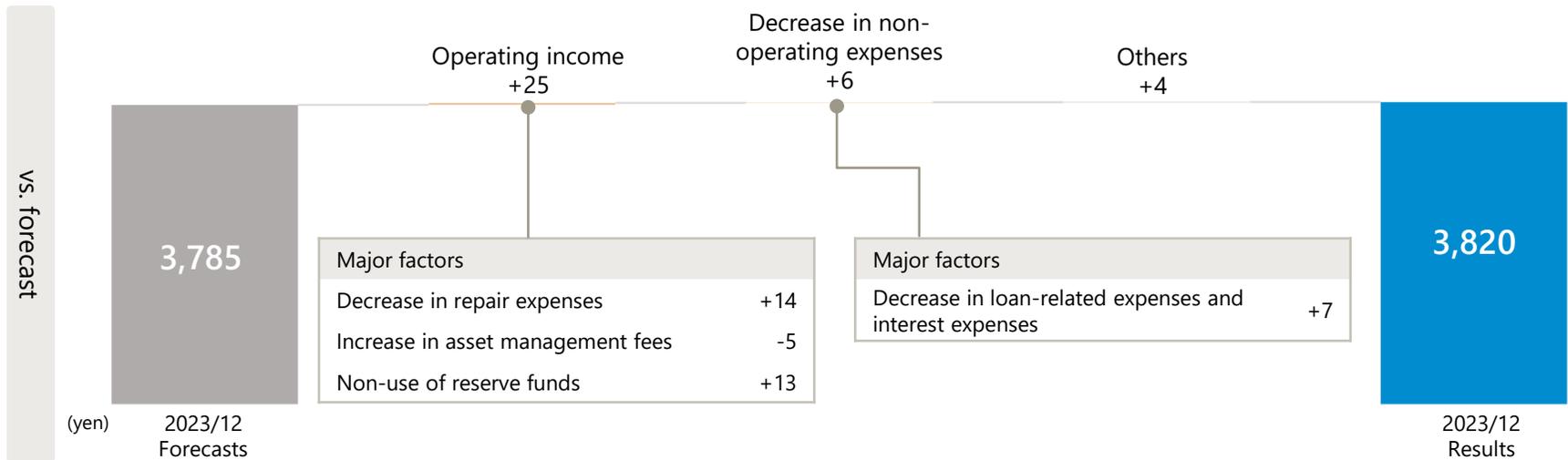
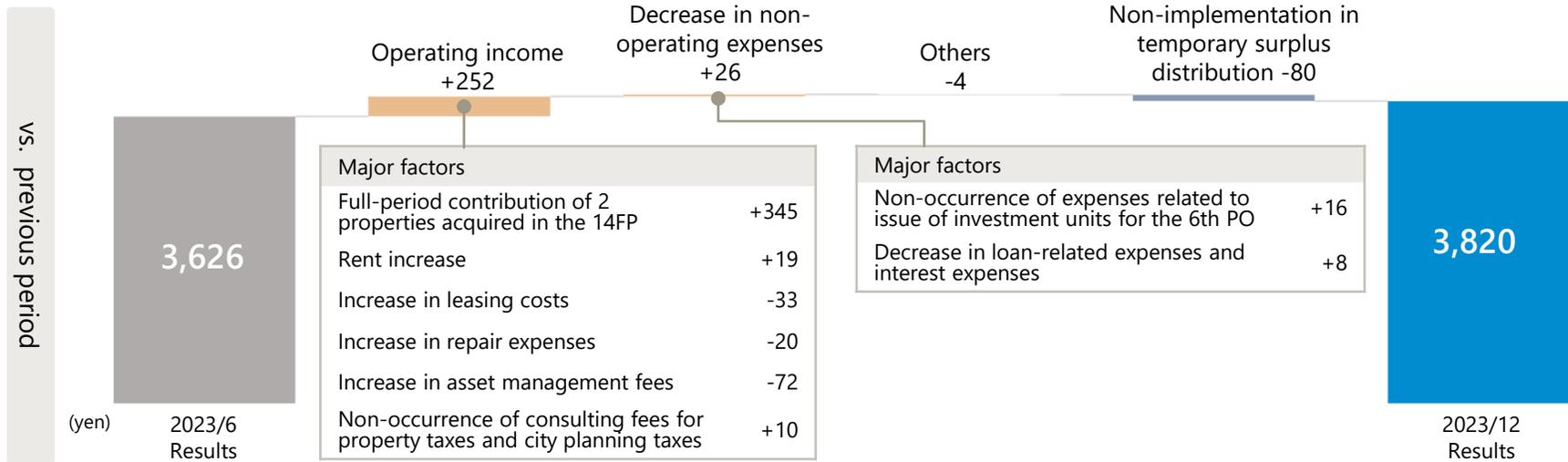


## FFO/AFFO per unit

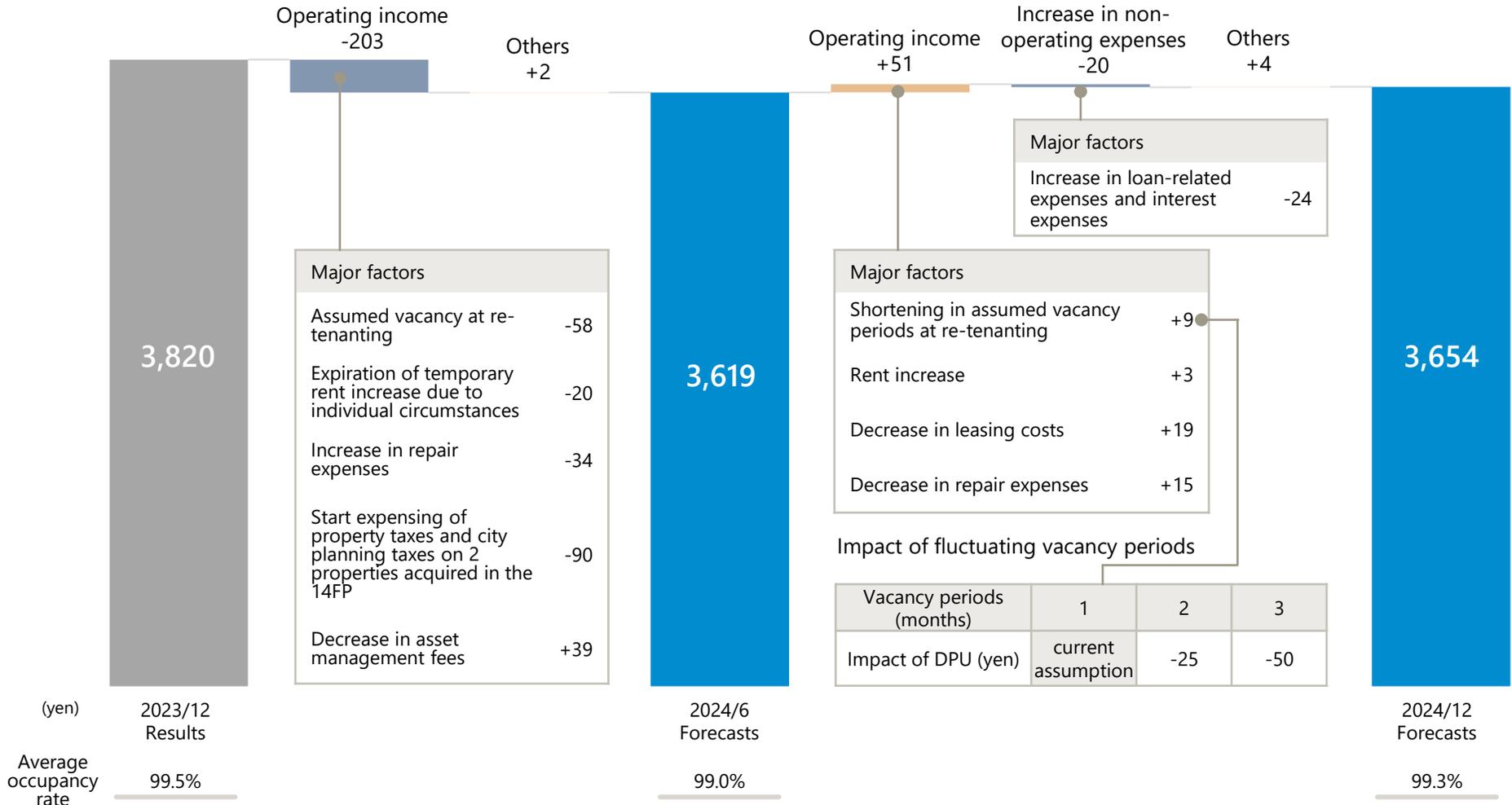


1. FFO per unit = (Net income - Gain/Loss on the property sale + Depreciation) / Total number of investment units outstanding  
 AFFO per unit = (Net income - Gain/Loss on the property sale + Depreciation - Capital expenditures) / Total number of investment units outstanding

# DPU Results for FP 2023/12



# DPU Forecasts for FP 2024/6 and FP 2024/12





## 2. Clear Growth Strategy to Improve the Unitholder Value Continuously

LogiSquare Yashio

The property has excellent access to expressways, situated approximately 3.8 km from Soka IC (Tokyo Gaikan Expressway) and approximately 4.0 km from Yashio-minami IC (Misato Route of the Metropolitan Expressway) and also provides access to all major expressways via the Tokyo Gaikan Expressway.

# Growth Strategy Corresponding to the Changes in the External Environment

Recognitions of the external environment

- Inflation may not be temporary.
- Rise in long-term interest rates and possibility of further rise in the future.

Asset

## Raise Net Cash Flow

- Maximize operating revenues by increasing rents and avoiding vacancies
- Appropriate control of rental expenses and capital expenditures

Debt

## Control debt costs and ensure financial stability

- Control the increase in debt costs by borrowing with floating interest rates considering of the balance between economic conditions and risks carefully
- Promote stable funding through medium-term and long-term borrowings and secure liquidity in hand for flexible operations.

Equity

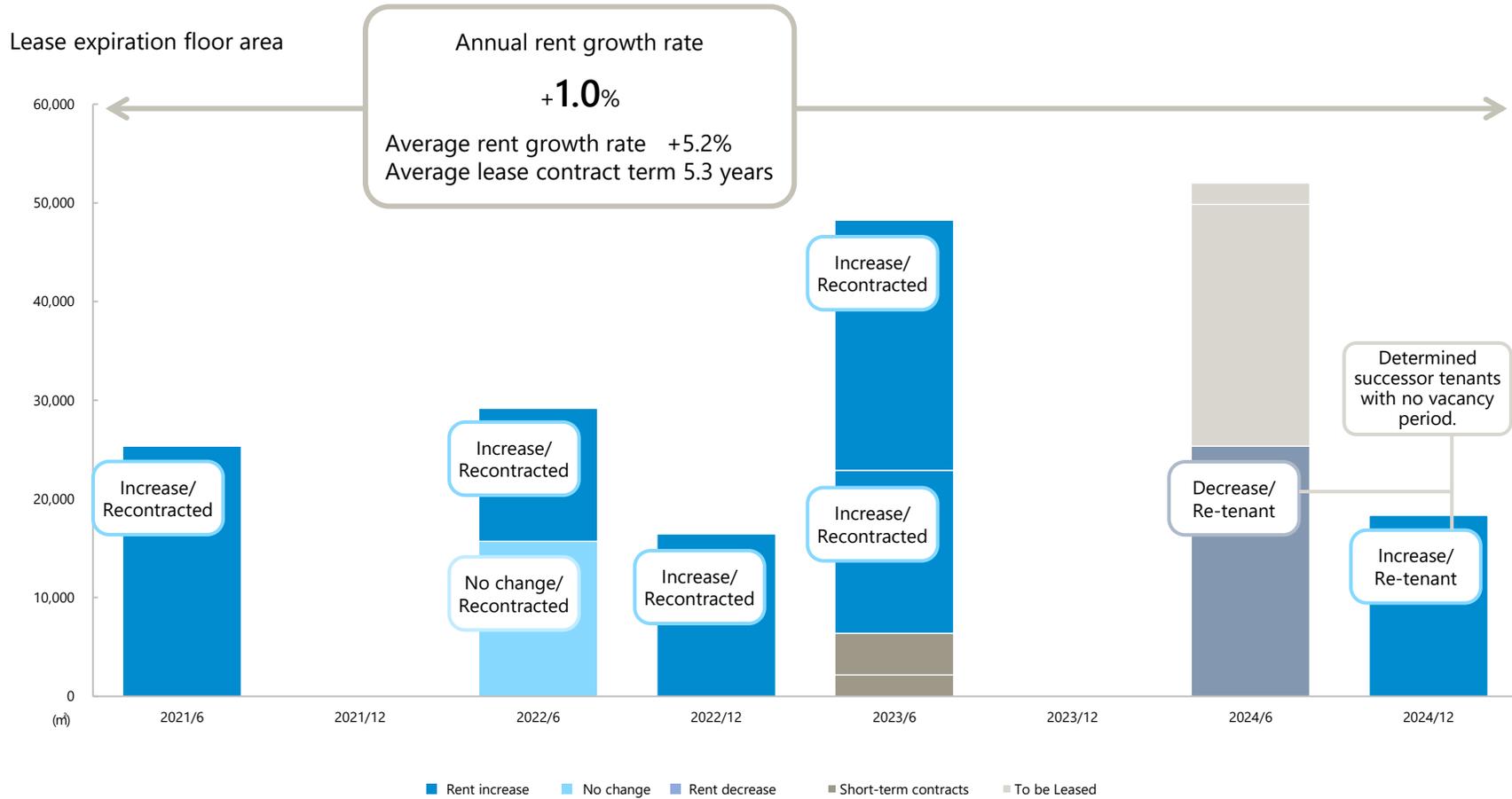
## Financing considering cost of capital

- Conduct a public offering at a unit price level that can increase NAV per unit and DPU in order to increase unitholder value
- Promote shortening the preparation time for public offerings, which takes 2-3 months

**Aim for continuous growth in NAV per unit and DPU**

# Raise NCF (1) Maximize Operating Revenues

## Steady rent increases on expiring contracts

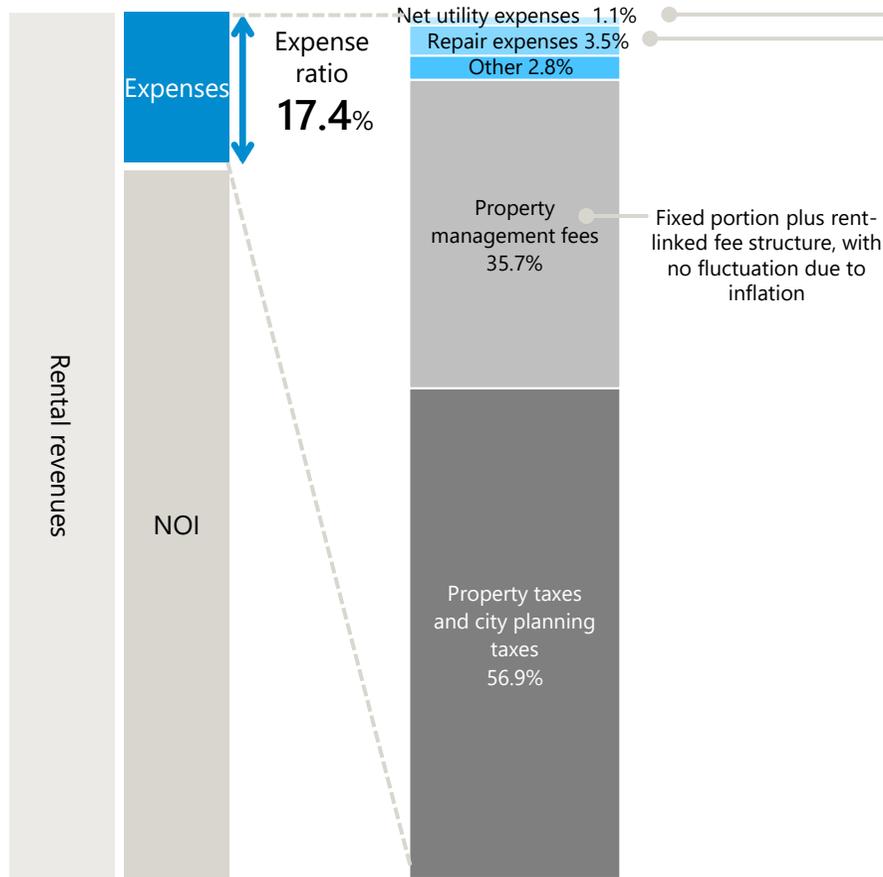


1. Increase/decrease in rent is determined by rental revenue per fiscal period due to changes in rent and common area charges after the expiration of contracts made (calculated based on the actual rent after taking into account actual reductions due to granting free rent, etc.)  
 2. One of the rent increases in FP 2023/6 was excluded from the calculation of the rent growth rate because the rent was higher than the market rent due to individual circumstances with the current tenant. In addition, short-term contracts and those under leasing activities are not taken into account.  
 3. Rent decrease in FP 2024/6 is due to individual circumstances with the current tenant, who is scheduled to move out after the expiration of the contract with a higher-than-market rent, and as a result of concluding a contract with the successor tenant at the same rent level as the market rent.

# Raise NCF (2) Appropriate Control of Rental Expenses and CAPEX

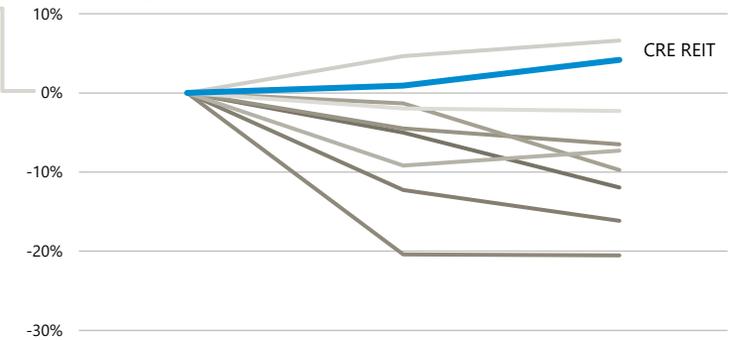
## Inflation resistance structure

Breakdown of CRE REIT's rental expenses for FP 2023/12



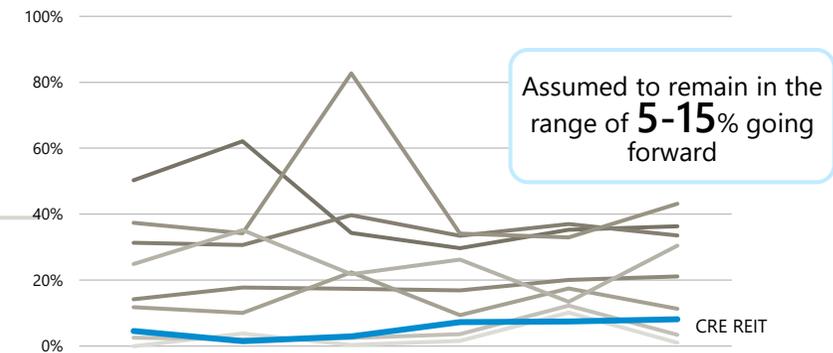
## Utilities profit/loss ratio remained almost constant

Range of fluctuation in utilities profit/loss ratio for the last three years of listed logistics REITs



## Repair and capital expenditures remained low

Ratio of repair and capital expenditures to depreciation for the last six fiscal period of listed logistics REITs

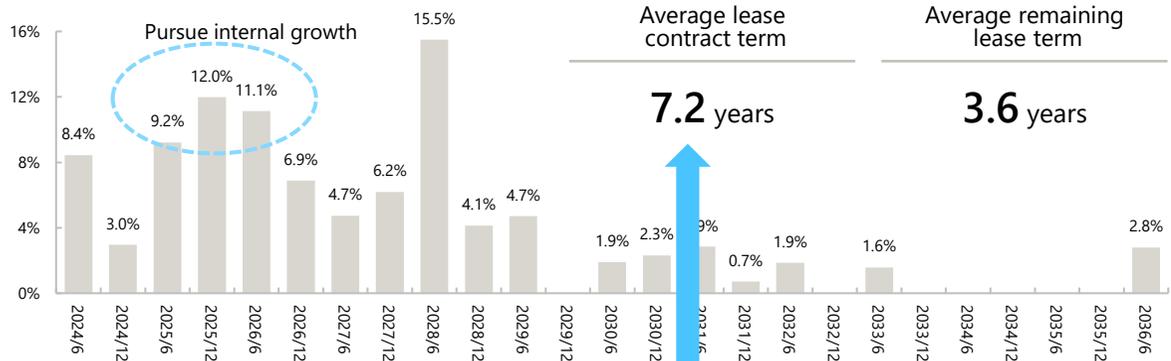


1. The expense ratio is calculated by excluding properties before the property taxes and city planning taxes is expensed. In addition, utilities expenses are netted and calculated as follows.  
 Expense ratio = (rental expenses - depreciation - utility expenses - (utility revenues - utility expenses)) / (rental revenues - utility revenues)

2. Data of other REITs are prepared by the Asset Manager based on disclosed materials of listed REITs.

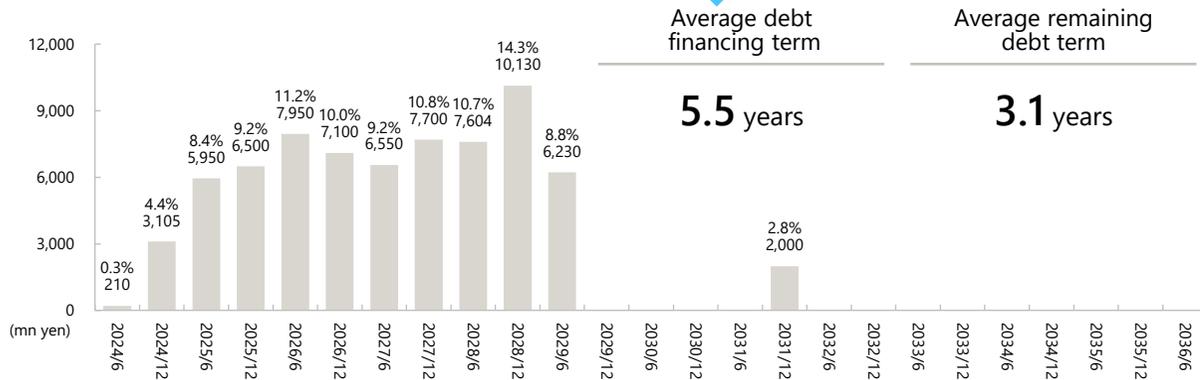
# Approach to the Duration of Asset and Debt

Diversification of lease expirations (based on leased area, as of December 31, 2023)



Currently, the standard lease contract term is five years, and is expected to gradually become shorter. CRE REIT aims to lengthen the debt financing term, while controlling the increase in debt costs.

Diversification of interest-bearing debt maturities (as of January 1, 2024)



## Flexible operations without insisting on CPI-linked clauses

**Reasons**

- Increase adherence by making the contract tenant-friendly.
- Since the contract term has become shorter, **currently, 5 years is the standard.** Opportunities for rent increases are increasing.

**Distribution of lease start date and lease term**

Legend: ● Ended contracts ● Within the contract term or before the start

## Approach to interest-bearing debt

- Promote stable funding through medium-term and long-term borrowing.
- Control the increase in debt costs by borrowing with floating interest rates considering carefully of the balance between economic conditions and risks.
- Continue policy of operating LTV at 43-45%.

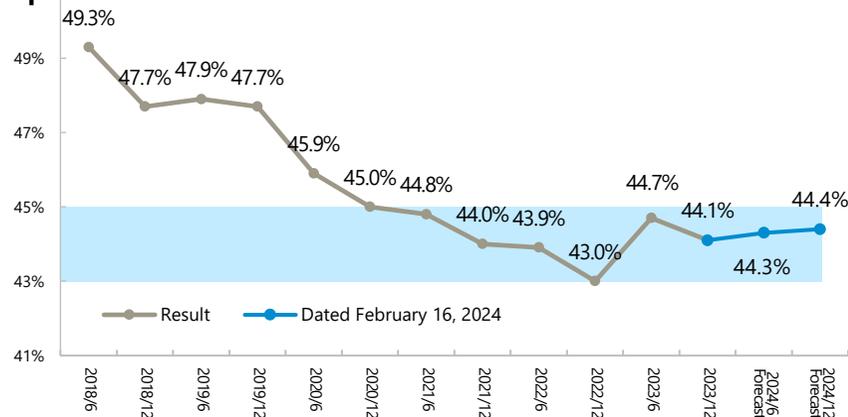
# Control Debt Costs and Ensure Financial Stability

## Promote debt cost control and financial stability

Ratio of long-term debt	Ratio of fixed interest debt	Average borrowing interest rate
<b>99.2%</b>	<b>81.2%</b>	<b>0.624%</b>
LTV based on appraisal value	Credit ratings (R&I)	Credit ratings (JCR)
<b>37.4%</b>	<b>A (Stable)</b>	<b>A+ (Stable)</b>

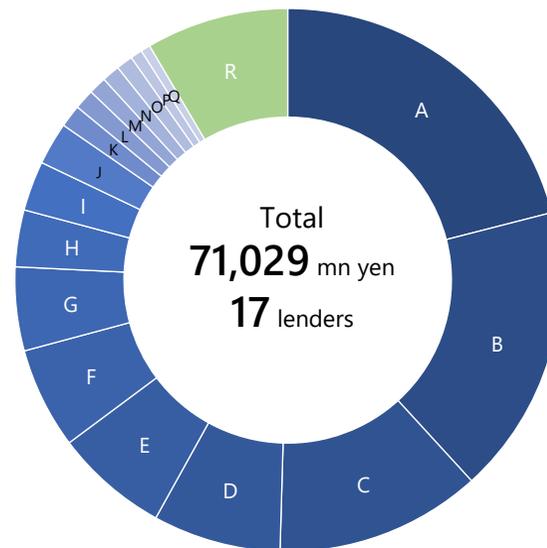
1. LTV based on appraisal value is as of the end of December 2023, others are as of the end of January 2024.

## Operate LTV at 43-45%



## Diversify interest-bearing debt sources

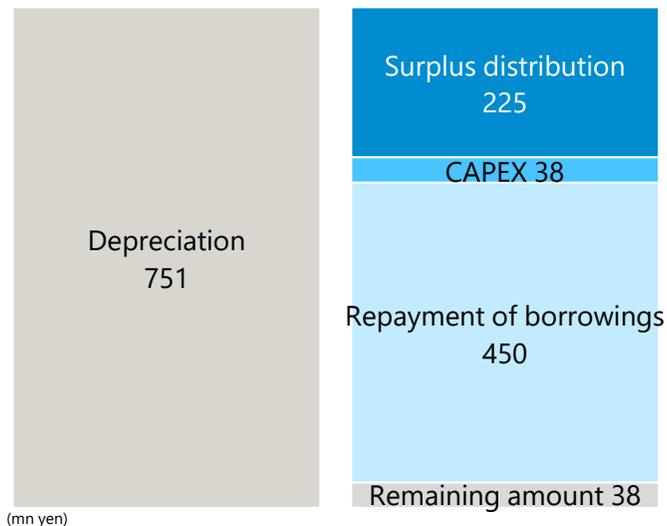
Breakdown of interest-bearing debt sources (as of January 31, 2024)



A Sumitomo Mitsui Banking Corporation	21.0%	J The Bank of Fukuoka, Ltd.	2.5%
B Mizuho Bank, Ltd.	17.2%	K The Hyakujushi Bank, Ltd.	1.3%
C Development Bank of Japan Inc.	12.2%	L The Yamaguchi Bank, Ltd.	1.2%
D Resona Bank, Limited	7.6%	M The Shizuoka Bank, Ltd.	1.1%
E MUFG Bank, Ltd.	6.8%	N The Yamanashi Chuo Bank, Ltd.	1.1%
F Sumitomo Mitsui Trust Bank, Limited	6.0%	O JAPAN POST BANK Co., Ltd.	1.0%
G The Nishi-Nippon City Bank, Ltd.	5.0%	P The Bank of Toyama, Ltd.	0.7%
H SBI Shinsei Bank, Limited	3.4%	Q The Chiba Bank, Ltd.	0.6%
I Aozora Bank, Ltd.	3.0%	R Green bond	8.4%

# Effective Use of Cash in Hand

## Breakdown of cash in hand utilization for FP 2023/12



- Ongoing cash surplus distribution (equivalent to 30% of depreciation)
- Strategic capital expenditures causing NOI increase
- Repayment of borrowings
- Buyback of investment units
- Acquisition of properties

## Future options for use of cash in hand

	DPU	LTV	NOI
Buyback of investment units	↑	↑	—
Buyback of investment units and repayment of borrowings	↑	—	—
Capital expenditures to improve tenant adhesion and increase rents	↑	—	↑

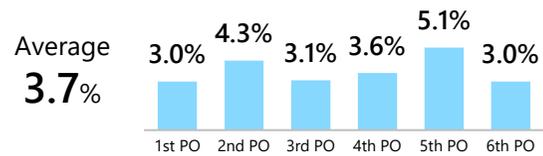
# Financing Considering Cost of Capital

## CRE REIT's Approach to Public Offerings and Property Acquisitions

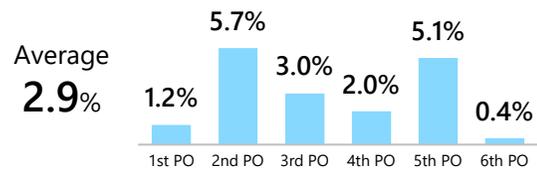
- 1. CRE REIT will acquire properties without dilution of NAV per unit and DPU for the improvement of unitholder value.**  
NAV per unit and DPU increased in each of the 1st through the 6th public offerings. CRE REIT plans to maintain this approach moving forward.
- 2. Achieve flexible external growth, with consideration for investment unit price, including utilizing the bridge function and shortening the preparation time for public offerings.**  
CRE REIT acquired three properties from leasing company at IPO and one property from leasing company at 1st public offering. The timing of property sales by the sponsor and acquisitions by CRE REIT can be adjusted.
- 3. Acquisition of medium-sized properties and acquisition of quasi-co-ownership interests using cash in hand is also possible.**  
Availability to invest in properties with a total floor area of 5,000m<sup>2</sup> or larger allows the acquisition of properties that cost several billion yen using retained cash in hand from accumulated depreciation.

### Acquisition of property without dilution of DPU and NAV per unit

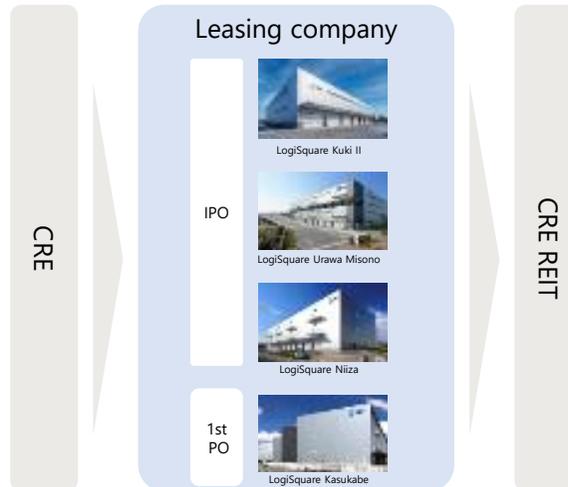
#### Stabilized DPU growth rate at PO



#### NAV per unit growth rate at PO



### Timely external growth utilizing the bridge function



### Acquisition of property using only cash in hand

Cash in hand **3,877** mn yen

- Acquisition of LogiSquare Sayama Hidaka (20%)  
Acquisition price **3,612** mn yen
- Sale of LogiSquare Chitose  
Book value **1,290** mn yen
- Repayment of borrowings **1,200** mn yen

1. "NAV per unit growth rate at PO" is the ratio of NAV per unit after each PO to NAV per unit as of the end of the most recent fiscal period of each PO.

# Rich Pipeline Enabling Future External Growth

Aiming for continuous distributions growth in cooperation with CRE Group

Pipeline

19 properties / Total floor area 949,125 m<sup>2</sup>

## Properties with exclusive negotiation rights



LogiSquare Ichinomiya  
 (1) Sep. 2023  
 (2) 60,641m<sup>2</sup>  
 (3) Ichinomiya-shi, Aichi



LogiSquare Matsudo  
 (1) May 2023  
 (2) 15,642m<sup>2</sup>  
 (3) Matsudo-shi, Chiba



LogiSquare Fukuoka Ogori  
 (1) Feb. 2024  
 (2) 23,913m<sup>2</sup>  
 (3) Ogori-shi, Fukuoka



LogiSquare Narita  
 (1) May 2024  
 (2) 17,973m<sup>2</sup>  
 (3) Narita-shi, Chiba

## Properties under development or developed by CRE



LogiSquare Atsugi I  
 (1) Mar. 2023  
 (2) 18,236m<sup>2</sup>  
 (3) Aikawa-machi, Kanagawa



LogiSquare Fujimino A,B,C  
 (1) A: Jan. 2024 (2)A:112,340m<sup>2</sup>  
 B: Oct. 2024 B:114,083m<sup>2</sup>  
 C: 2025 C: 43,283m<sup>2</sup>  
 (3) Fujimino-shi, Saitama



LogiSquare Kakegawa  
 (1) Jan. 2024  
 (2) 14,236m<sup>2</sup>  
 (3) Kakegawa-shi, Shizuoka



LogiSquare Kyotanabe A,B  
 (1) A: Feb. 2025 (2)A:155,878m<sup>2</sup>  
 B: 2026 B: 87,534m<sup>2</sup>  
 (3) Kyotanabe-shi, Kyoto



LogiSquare Atsugi II  
 (1) Mar. 2024  
 (2) 18,422m<sup>2</sup>  
 (3) Atsugi-shi, Kanagawa



LogiSquare Asaka A,B  
 (1) A: 2026 (2)A: 96,000m<sup>2</sup>  
 B: 2026 B: 65,500m<sup>2</sup>  
 (3) Asaka-shi, Saitama



LOGICITY Ogori (tentative)  
 (1) July 2024  
 (2) 28,364m<sup>2</sup>  
 (3) Ogori-shi, Fukuoka

4 properties  
 77,080m<sup>2</sup>

(1)Completion date (planned) (2)Total floor area (planned) (3)Location

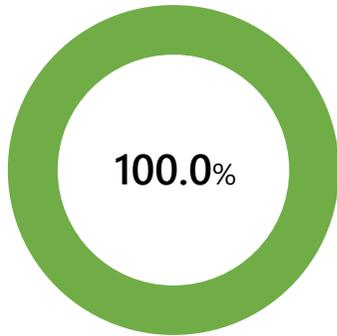
1. As of January 31, 2024, CRE REIT has not engaged in specific negotiations with the CRE Group companies regarding the pipeline nor does it have any plan to acquire from the pipeline at the present time or guarantee any future acquisition from the pipeline.

2. "LOGICITY Ogori (tentative)" is a property jointly developed by CRE and Fukuoka Jisho Co., Ltd.

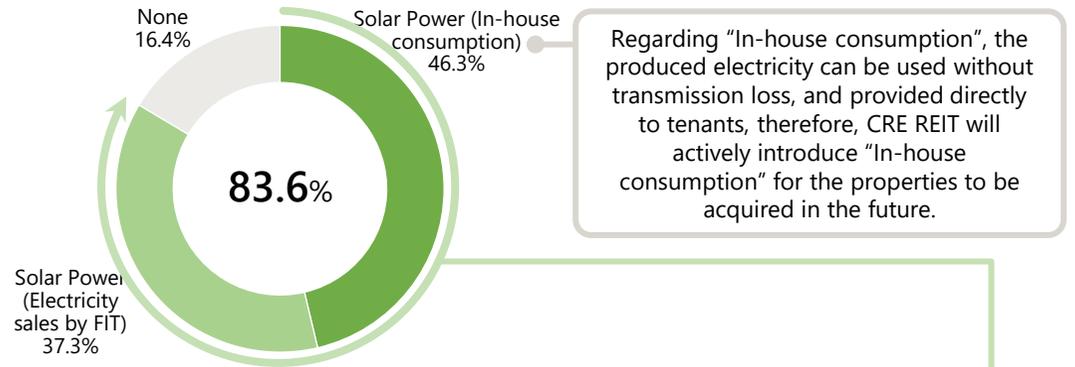
# Promoting ESG Efforts – Environment (1)

100.0% of portfolio are composed of Green Buildings

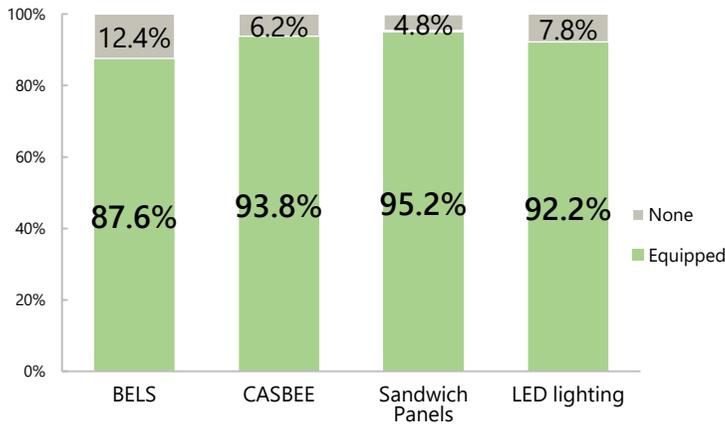
First in J-REIT



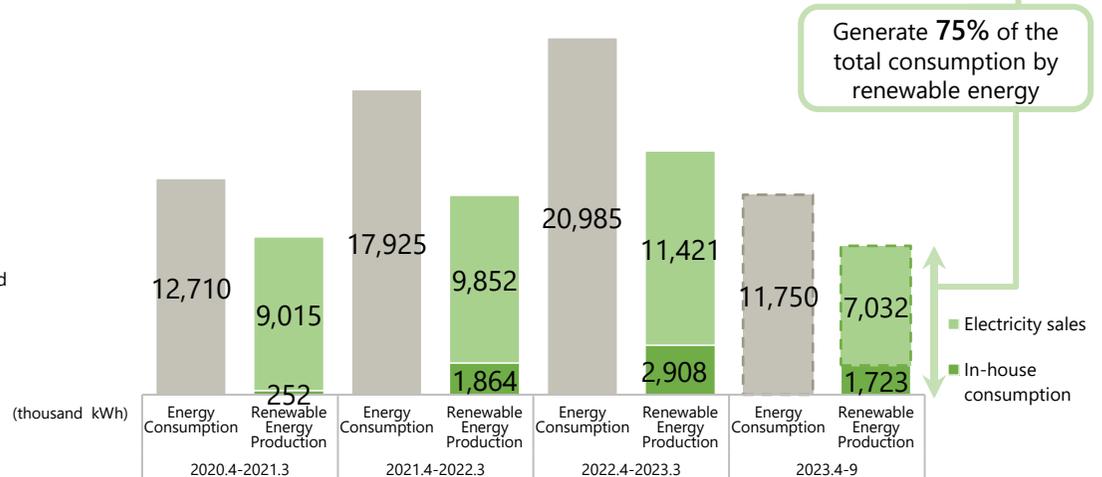
Over 80% of portfolio have installed solar power



Percentage of environmental certifications and installation of equipment



Electricity consumption and energy production of held assets

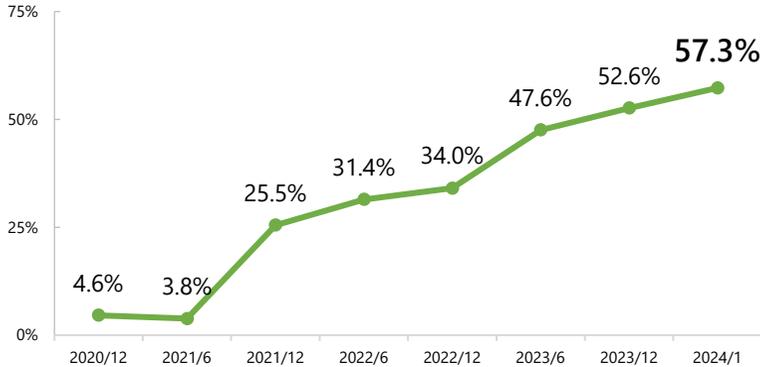


1. Based on total floor area.  
2. CRE REIT leases roof top space and the lessees produce renewable energy by installing solar panels.

# Promoting ESG Efforts – Environment (2)

## Promote green finance

Percentage of green loans and green bonds



Status of green equity offerings

	Payment date	Amount of raised funds
5th public offering	Sep. 15, 2021	13,147 mn yen
6th public offering	Apr. 3, 2023	9,546 mn yen

## Awarded 4 Stars at GRESB 2023



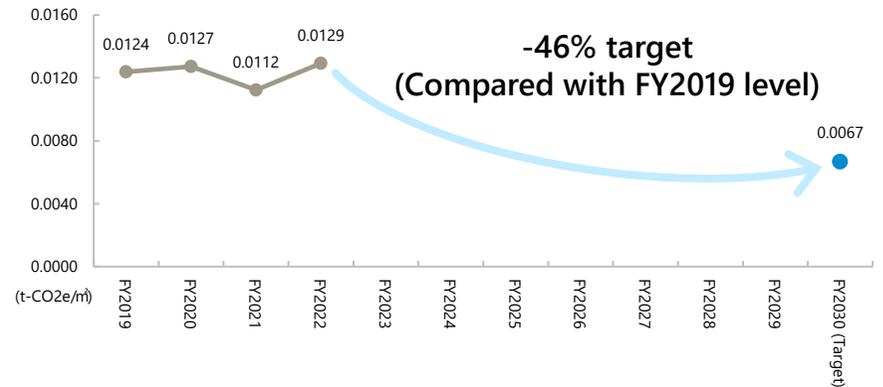
Real Estate Assessment	<b>4 Stars</b>
Public Disclosure	<b>A</b>

## Disclosed in line with TCFD recommendations and announced targets and results



Newly disclosed qualitative scenario analysis, goals, etc. (announced on Aug. 15, 2022)

Greenhouse gas emissions (intensity)



Coverage rate for environment-related data

Target	Maintain 100% until the FY 2027	FY 2022 Result	<b>100%</b>
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Percentage of green building certifications acquired (based on total floor area)

Target	At least 95% by the FY 2027	FY 2022 Result	<b>100%</b>
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1. "FY" is the 12 months that begins on April 1 of that year.

2. The eligibility criteria for green buildings in CRE REIT are DBJ Green Building Certification (5 Stars or 4 Stars), CASBEE Certification (S Rank or A Rank), or BELS evaluation (5 Stars or 4 Stars), and properties that have acquired or renewed, or will acquire or renew any of the relevant certifications will fall under the green buildings.



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3  
2  
1

LogiSquare 株式会社



### 3. Financial Results and Forecasts

LogiSquare Niiza

Situated around 3km from JR Niiza Kamotsu Terminal Station with excellent access to the city center, LogiSquare Niiza encourages modal shift initiatives.

# Highlights on the 15th FP

## DPU

15th FP Results (2023/12)	3,820 yen (vs forecast: +35 yen, +0.9%)
16th FP Forecasts (2024/6)	3,619 yen
17th FP Forecasts (2024/12)	3,654 yen

## NAV per unit

15th FP Results (2023/12)	177,871 yen (vs previous FP: +1,606 yen, +0.9%)
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## Portfolio

Portfolio size	21 properties 159 billion yen	
Occupancy rate	End of the Period 100.0%	Average 99.5%
Average remaining lease term	3.6 years	
Average property age	5.4 years	

## Asset

	15th FP (2023/12)	Compared to 14th FP
Appraisal value	184,060 mn yen	+520 mn yen
Unrealized gains	28,974 mn yen	+1,233 mn yen
Unrealized gains ratio	18.7%	+0.9%
Repair expense	23 mn yen	+12 mn yen
Capital expenditure	38 mn yen	-3 mn yen

## Debt

	15th FP (2023/12)	Compared to 14th FP
Interest-bearing debt	71,029 mn yen	-1,470 mn yen
LTV	44.1%	-0.6%
LTV based on appraisal value	37.4%	-0.8%
Ratio of fixed interest debt	81.7%	+4.4%
Ratio of long-term debt	99.7%	+2.0%
Average borrowing interest rate	0.609%	+0.036%

## Equity

	15th FP (2023/12)	Compared to 14th FP
Net assets per unit	135,530 yen	-165 yen
NAV	111,649 mn yen	+1,008 mn yen
NAV per unit	177,871 yen	+1,606 yen
Total number of investment units outstanding	627,700 units	- units

# Results for the 15th Fiscal Period

Unit: million yen

	14th FP (2023/6) Results (A)	15th FP (2023/12) Forecasts (B)	15th FP (2023/12) Results (C)	vs. 14th FP (C) - (A)	vs. Forecast (C) - (B)
Rental revenues	4,239	4,537	4,525	+285	-12
Rental expenses (excluding depreciation)	772	837	813	+40	-23
NOI	3,466	3,700	3,711	+245	+11
Depreciation	703	752	751	+48	-0
Net rental revenues (NOI - Dep.)	2,763	2,948	2,960	① +196	⑤ +11
General and administrative expenses, etc.	433	476	471	② +38	⑥ -4
Operating income	2,330	2,472	2,488	+158	+16
Non-operating income	4	—	1	③ -3	+1
Non-operating expenses	333	320	316	④ -16	⑦ -4
Ordinary income	2,001	2,151	2,173	+171	+21
Net income	2,000	2,150	2,172	+171	+22
Distributions per unit (yen)	3,626	3,785	3,820	+194	+35
Earnings per unit (yen)	3,187	3,426	3,461	+274	+35
OPD per unit (yen)	439	359	359	-80	—
Average occupancy rate	99.5%	99.5%	99.5%	—%	—%

vs. 14th FP

- ① Net rental revenues +196
  - Full-period contribution of 2 properties acquired in the 14FP +216
  - Rent increase +12
  - Increase in leasing costs -21
  - Increase in repair expenses -12
- ② General and administrative expenses, etc. +38
  - Increase in asset management fees +45
  - Non-occurrence of consulting fees for property taxes and city planning taxes -6
- ③ Non-operating income -3
  - Non-occurrence of refund of property taxes and city planning taxes -4
- ④ Non-operating expenses -16
  - Non-occurrence of expenses related to issue of investment units for the 6th PO -10
  - Decrease in loan-related expenses and interest expenses -5

vs. Forecast

- ⑤ Net rental revenues +11
  - Decrease in repair expenses +9
- ⑥ General and administrative expenses, etc. -4
  - Increase in asset management fees +3
  - Non-use of reserve funds -8
- ⑦ Non-operating expenses -4
  - Decrease in loan-related expenses and interest expenses -4

## Forecasts for the 16th and 17th Fiscal Periods

Unit: million yen

	15th FP (2023/12) Results (A)	16th FP (2024/6) Forecasts (B)	Difference (B) - (A)	17th FP (2024/12) Forecasts (C)	Difference (C) - (B)
Rental revenues	4,525	4,478	-46	4,498	+19
Rental expenses (excluding depreciation)	813	901	+88	885	-16
NOI	3,711	3,577	-134	3,612	+35
Depreciation	751	753	+2	760	+6
Net rental revenues (NOI - Dep.)	2,960	2,823	<sup>1</sup> -136	2,852	<sup>3</sup> +28
General and administrative expenses, etc.	471	462	<sup>2</sup> -8	458	-4
Operating income	2,488	2,360	-127	2,393	+32
Non-operating income	1	—	-1	—	—
Non-operating expenses	316	313	-3	326	<sup>4</sup> +13
Ordinary income	2,173	2,047	-126	2,066	+19
Net income	2,172	2,046	-126	2,065	+19
Distributions per unit (yen)	3,820	3,619	-201	3,654	+35
Earnings per unit (yen)	3,461	3,259	-202	3,291	+32
OPD per unit (yen)	359	360	+1	363	+3
Average occupancy rate	99.5%	99.0%	-0.6%	99.3%	+0.3%

### 16th FP

- Net rental revenues -136
  - Assumed vacancy at re-tenancing -37
  - Expiration of temporary rent increase due to individual circumstances -12
  - Increase in repair expenses -21
  - Start expensing of property taxes and city planning taxes on 2 properties acquired in the 14FP -56
- General and administrative expenses, etc. -8
  - Decrease in asset management fees -24

### 17th FP

- Net rental revenues +28
  - Shortening in assumed vacancy periods at re-tenancing +6
  - Rent increase +2
  - Decrease in leasing costs +11
  - Decrease in repair expenses +10
- Non-operating expenses +13
  - Increase in loan-related expenses and interest expenses +15

1. "Expiration of temporary rent increase due to individual circumstances" is due to individual circumstances with the current tenant, who is scheduled to move out after the expiration of the contract with a higher-than-market rent, and as a result of concluding a contract with the successor tenant at the same rent level as the market rent.



## 4. Market Environment

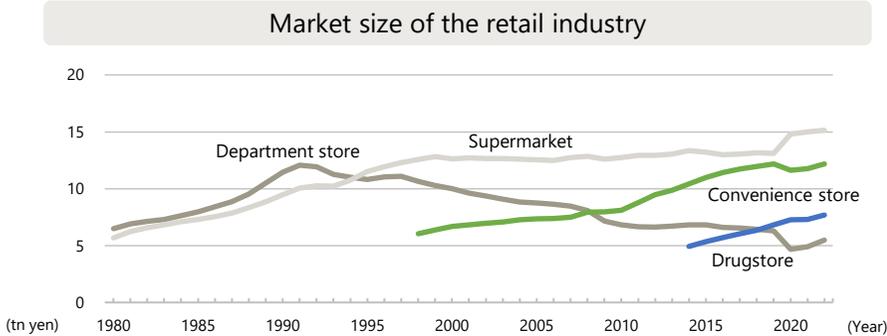
LogiSquare Kasukabe

The property is in close vicinity to National Route 16 and National Route 4 (Koshigaya-Kasukabe Bypass), which are major highways, and is located around 1.8 km from the Showa Interchange, where these two national routes intersect.

# The Background of Solid Demand for Rental Logistics Facilities (1)

## 1. Market size expansion of convenience stores and drugstores

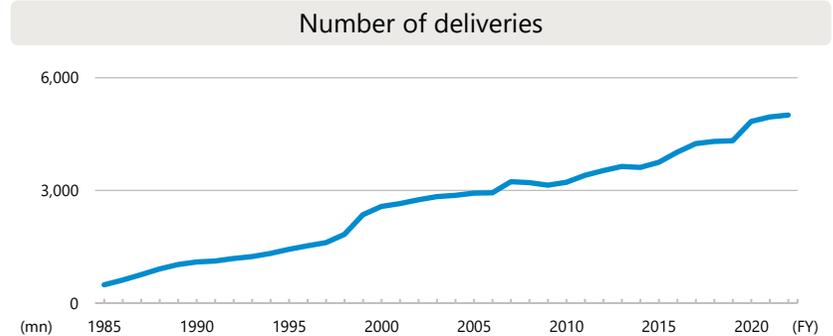
- Convenience stores and drugstores are open for long hours and have small storage capabilities, requiring multiple small-lot shipments per day.
- The increase in the number of smaller stores and shorter delivery times led to optimization of distribution channels and streamlining and efficiency of logistics.



Source: Prepared by the Asset Manager based on Dynamic Statistics of Commerce by the Ministry of Economy, Trade and Industry

## 2. Internet shopping flourishes

- The number of deliveries to individual customers has increased due to the growing popularity of Internet shopping.
- In addition to the traditional storage function, logistics facilities are now also required to be able to collect and deliver goods for frequent shipment and distribution processing, such as packaging and wrapping.



Source: Prepared by the Asset Manager based on Delivery Service Record by the Ministry of Land, Infrastructure, Transport and Tourism

## 3. Aging logistics facilities

- Construction of new warehouses peaked during the period of high economic growth and the economic bubble, and the facilities built in those periods, which are now 40-50 years old are considered to have reached the end of their service lives.
- Assuming that the floor area of properties over 50 years old, which is considered the life span of a logistics facility, has been lost, the net floor area of logistics facilities has turned negative since 2017.



Assuming that the floor area is lost after 50 years of the construction, the net floor area of logistics facilities is negative.

Source: Prepared by the Asset Manager based on the Japan Construction Starts Report by the Ministry of Land, Infrastructure, Transport and Tourism and the Statistical Yearbook of Construction by the Ministry of Construction

# The Background of Solid Demand for Rental Logistics Facilities (2)

## 4. Market size expansion of third-party logistics (3PL)

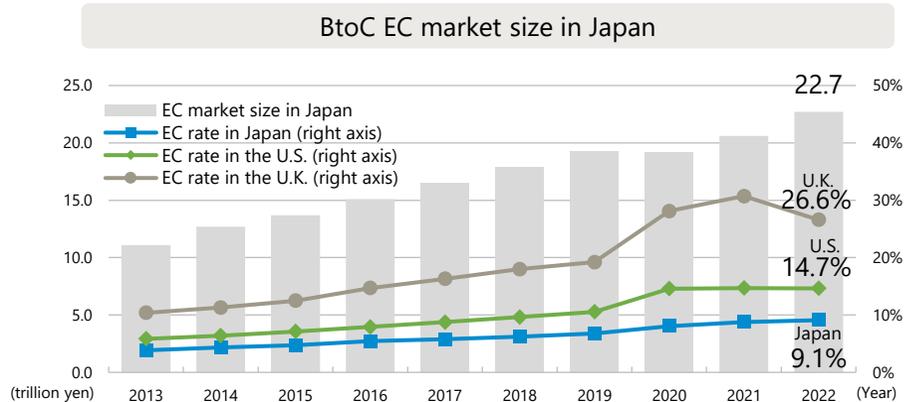
- The market for 3PL is growing as companies are increasingly outsourcing their logistic operation comprehensively.



Source: Prepared by the Asset Manager based on "The monthly Logistics Business September 2023" issued by Rhinos Publications, Inc.

## 5. Room for expansion of e-commerce (EC) market size

- While the EC market is expanding year by year, the EC rate in Japan is low compared with the U.S. and U.K. and there is still much room for expansion.

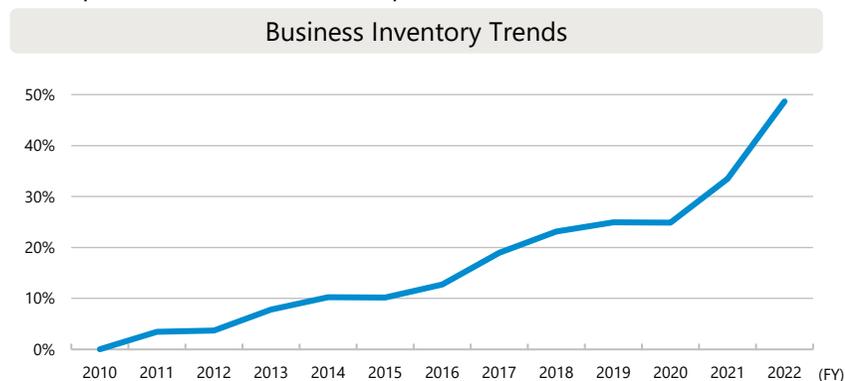


Source: Prepared by the Asset Manager based on Market Research on E-commerce by the Ministry of Economy, Trade and Industry, and data of the United States Census Bureau (U.S.) and Office for National Statistics (U.K.).

Note: The ratio of the EC market size to the amount of all commercial transactions (the commercial transaction market size). The EC rate in Japan refers to the value in the field of product sales.

## 6. Increase in business inventories

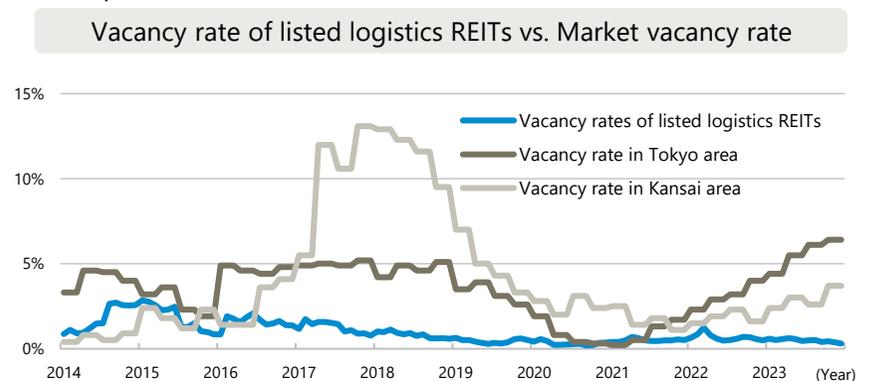
- Business inventories have increased after the 2011 Great East Japan Earthquake and the coronavirus pandemic.



Source: Prepared by the Asset Manager based on "Financial Statements Statistics of Corporations by Industry" issued by Ministry of Finance, indexed based on FY 2010.

## Reference: Vacancy rates of listed logistics REITs

- Vacancy rates of listed logistics REITs have remained stable and low compared to the overall market.



Source: Prepared by the Asset Manager based on websites of listed logistics REITs and "Industrial Market Research October 2023" of K.K. Ichigo Real Estate Service.

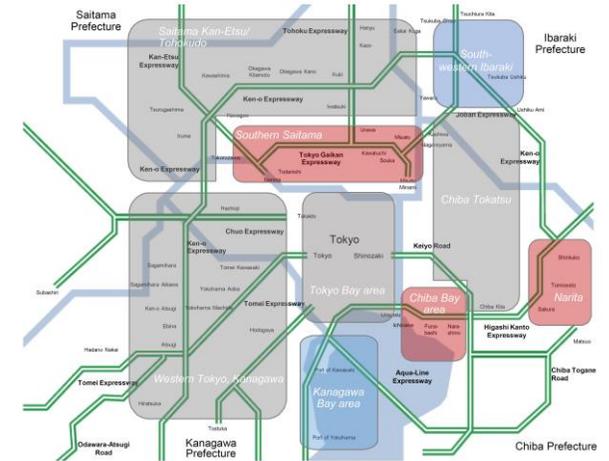
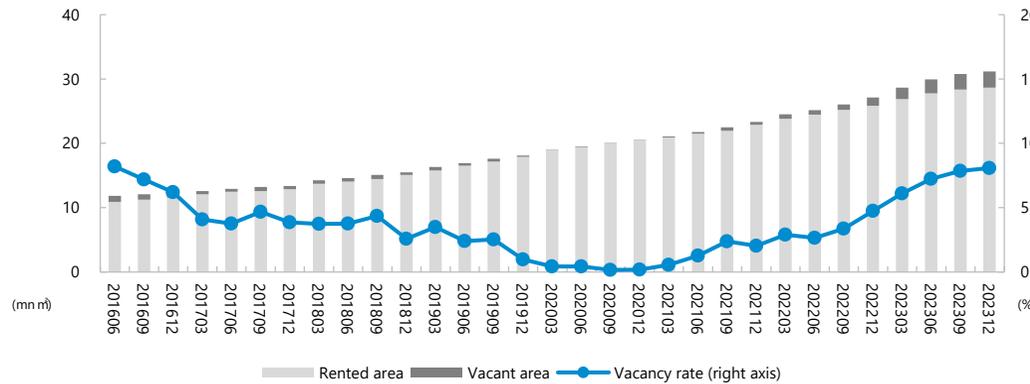
# Market Trends (1) Tokyo Metropolitan Area and Kansai Area

-  Vacancy rate: Less than 5%
-  Vacancy rate: 5% or more and less than 10%
-  Vacancy rate: 10% or more

## Tokyo Metropolitan Area

Vacancy rate: **8.08%** QoQ: **Slightly Deteriorated**

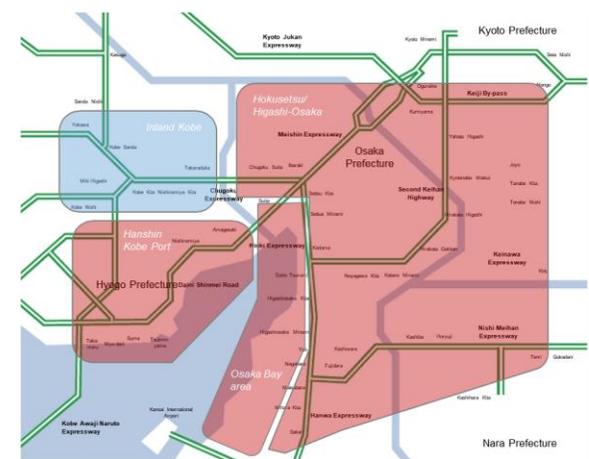
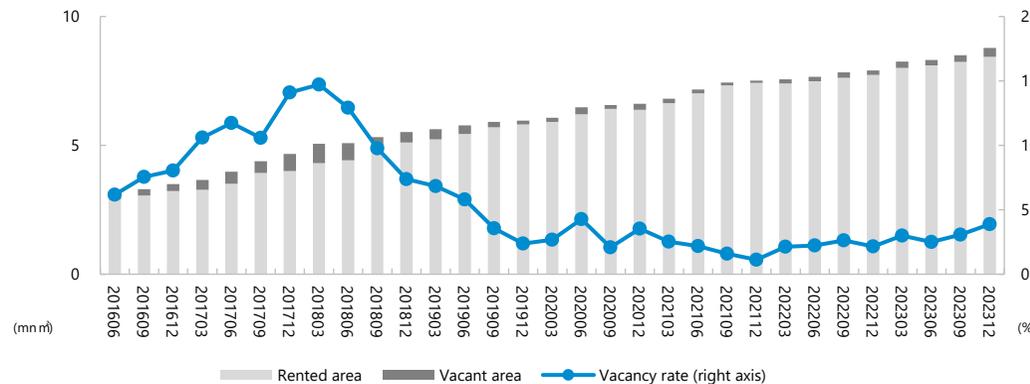
New supply and existing properties are polarizing.  
Vacancy rate increased slightly.



## Kansai Area

Vacancy rate: **3.88%** QoQ: **Slightly Deteriorated**

Vacancy rate increases despite strong new supply and total demand.

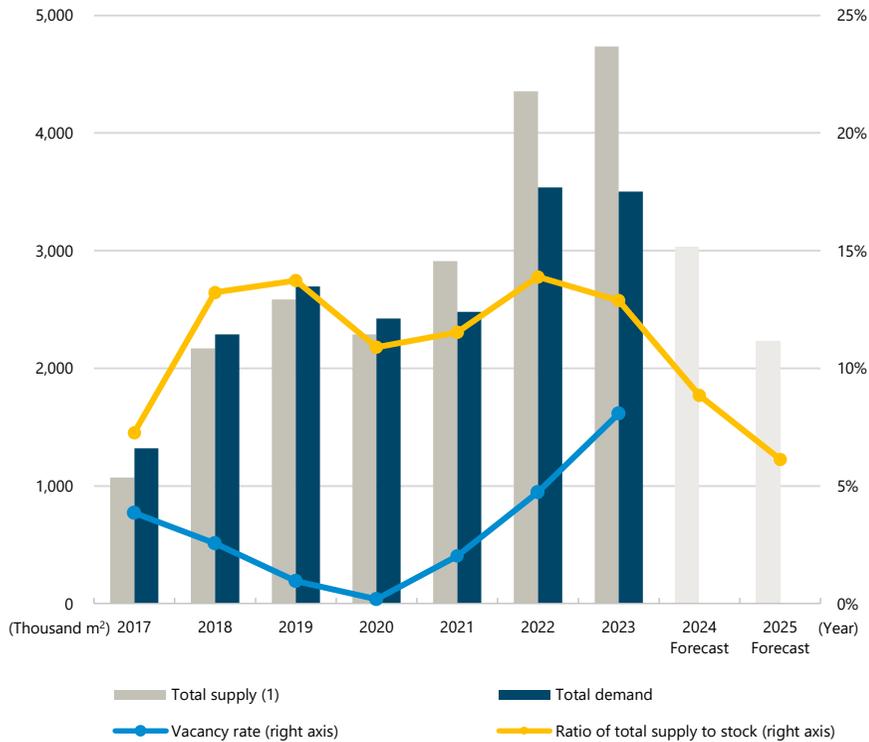


Source: Prepared by the Asset Manager based on data from "Market Report on Warehouses and Logistics Properties December 2023" of CRE, Inc.  
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# Market Trends (2) Tokyo Metropolitan Area and Kansai Area

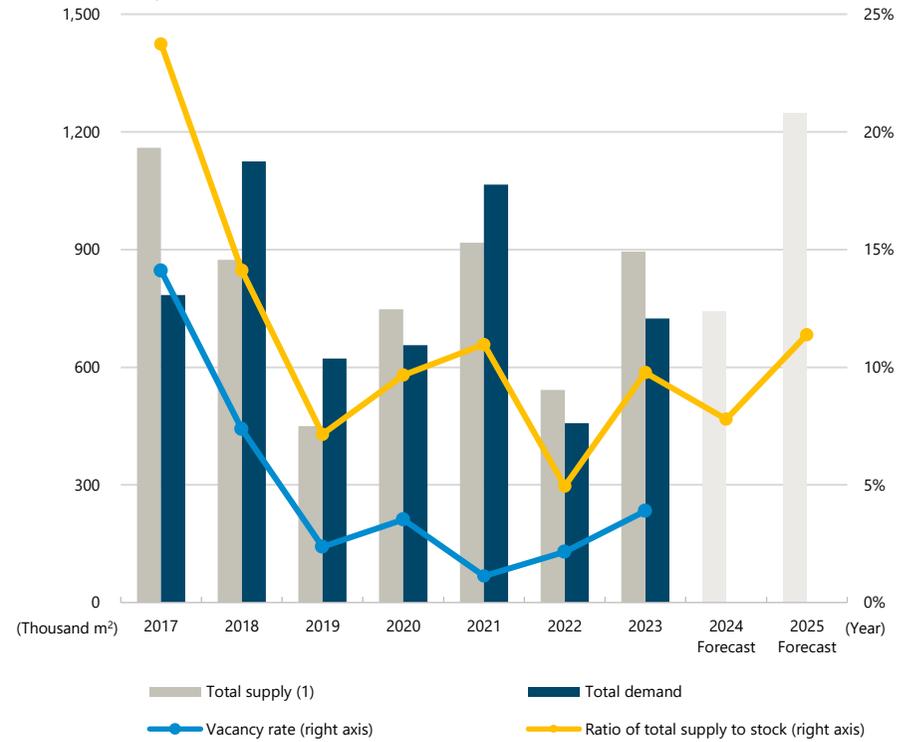
## Tokyo Metropolitan Area

- Supply is expected to peak in 2022 and 2023 and decline from 2024.
- Vacancy rates bottomed out in 2020, but demand increased as supply grew.



## Kansai Area

- Supply has been suppressed since 2018, but is expected to increase through 2025.
- Although the market was smaller than in the Tokyo metropolitan area, the increase in supply in recent years has expanded the market, and the impact on the stock in 2025 will be smaller than the peak in 2017.



1. For 2024-2025, the forecast is new supply only, not including supply from existing properties.

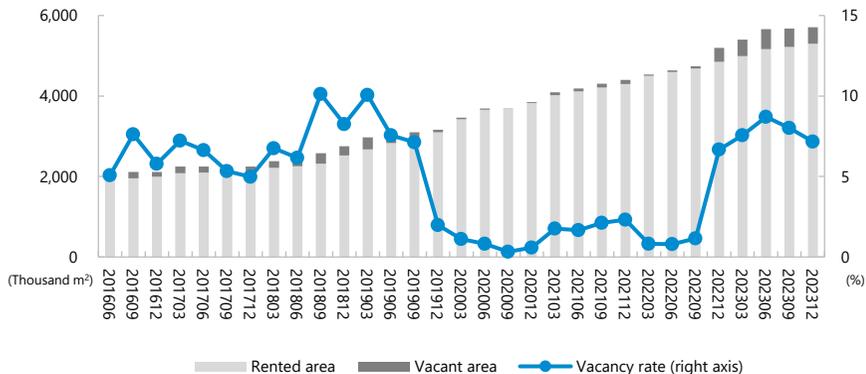
2. Prepared by the Asset Manager based on data from CRE, Inc.

# Market Trends (3) Each Area of Tokyo Metropolitan Area

## Saitama Kan-Etsu/ Tohokudo Area

Kuki	Hanyu	Kuki II	Kawagoe	Kasukabe
Mizuho A	Mizuho B	Ageo	Sayama Hidaka	Kawagoe II

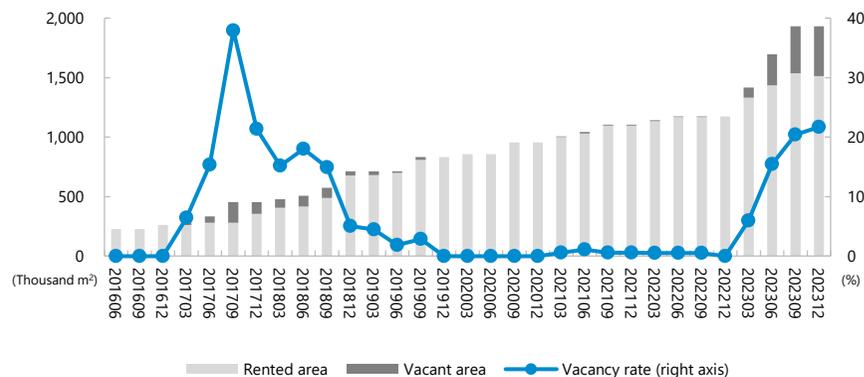
Vacancy rate: **7.17%** QoQ: **Slightly Improved**



## Southwestern Ibaraki Area

Moriya

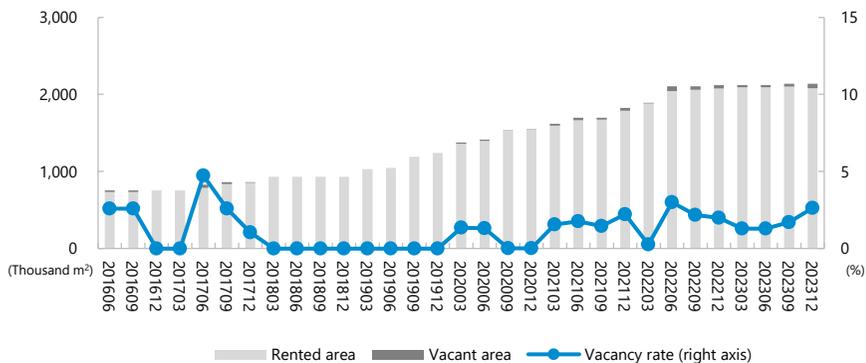
Vacancy rate: **21.68%** QoQ: **Deteriorated**



## Southern Saitama Area

Urawa Misono	Niiza	Soka	Yashio	Miyoshi
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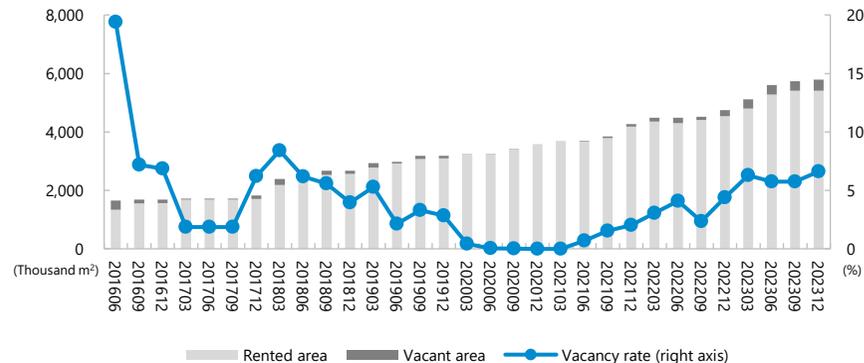
Vacancy rate: **2.63%** QoQ: **Slightly Deteriorated**



## Chiba Tokatsu Area

Shiroi

Vacancy rate: **6.62%** QoQ: **Slightly Deteriorated**



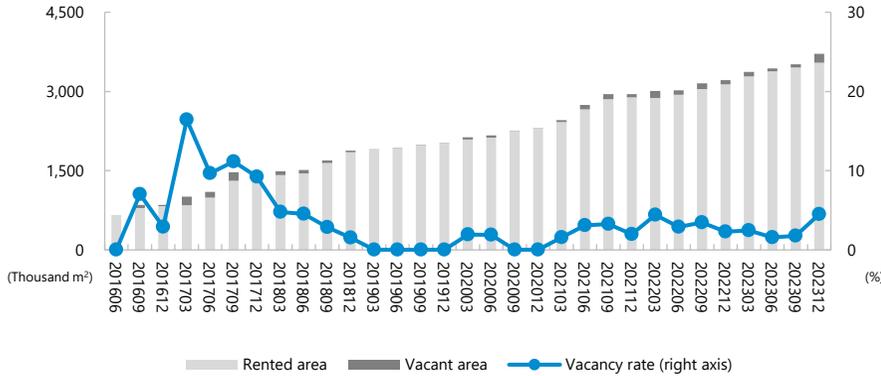
Source: Prepared by the Asset Manager based on data from "LogiSquare Market Report on Warehouses and Logistics Properties December 2023" of CRE, Inc.

# Market Trends (4) Other Each Area

## Hokusetsu Higashi-Osaka Area

Osaka Katano Hirakata

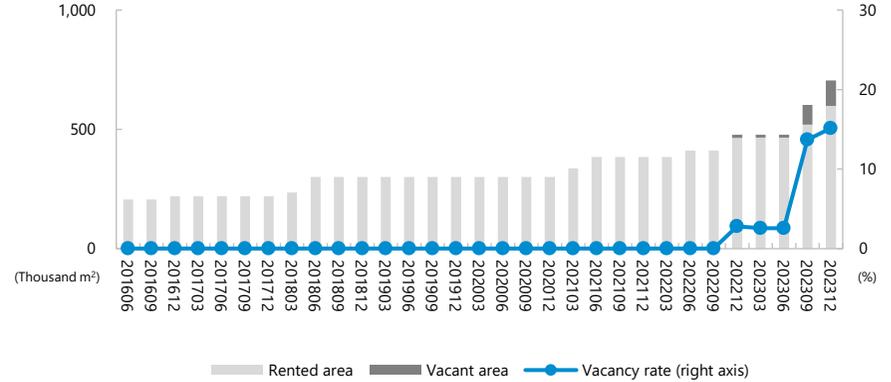
Vacancy rate: **4.51%** QoQ: **Deteriorated**



## Tosu Area

Tosu

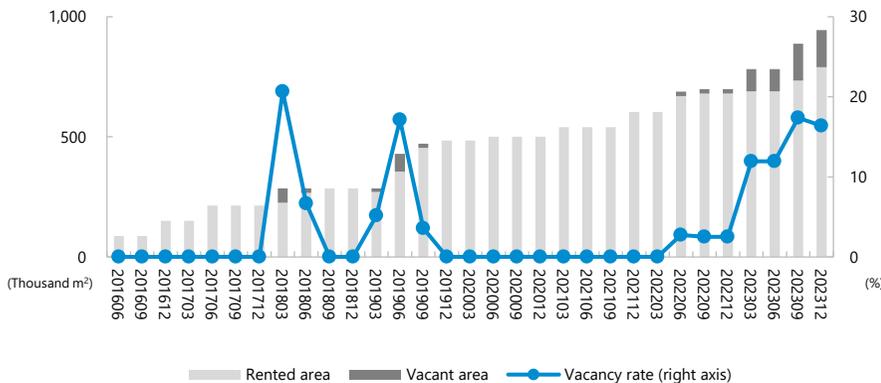
Vacancy rate: **15.15%** QoQ: **Deteriorated**



## Inland Kobe Area

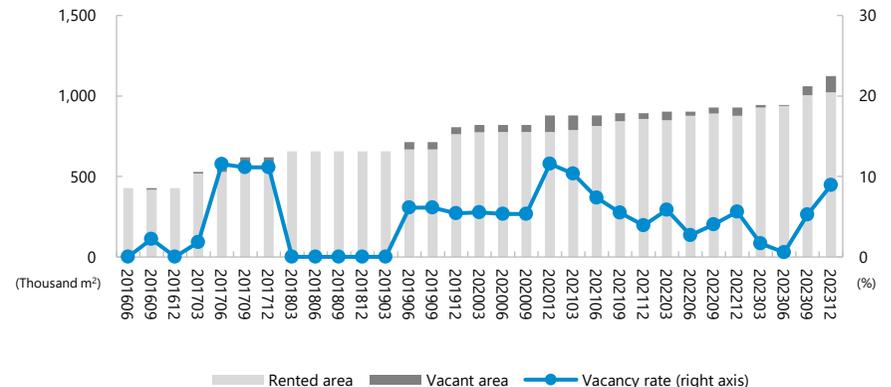
Kobe Nishi

Vacancy rate: **16.37%** QoQ: **Improved**



## Northern Nagoya Area

Vacancy rate: **8.93%** QoQ: **Deteriorated**

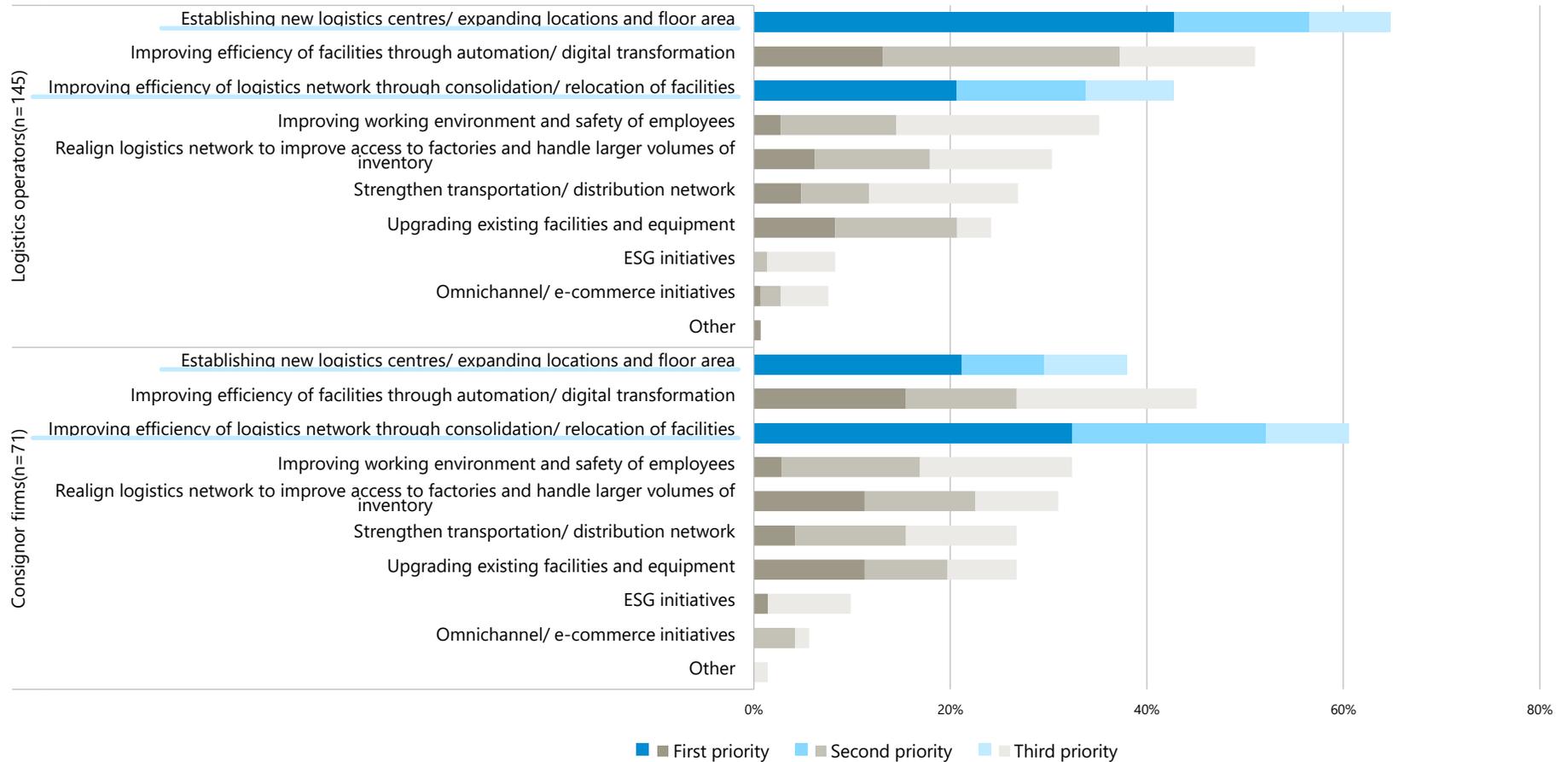


Source: Prepared by the Asset Manager based on data from "LogiSquare Market Report on Warehouses and Logistics Properties December 2023" of CRE, Inc.

# Rising Demand for Rental Logistics Facilities

## - Rising Importance of Logistics Network Strategy

Priority measures of logistics operators and consignor firms for next three years



Survey period: March 2, 2023 to March 15, 2023  
 Survey targets: Companies in Japan that use logistics facilities (owned or leased)  
 Source: Prepared by the Asset Manager based JAPAN 2023 LOGISTICS OCCUPIER SURVEY from CBRE, INC.

## 5. Characteristics of CRE Logistics REIT, Inc.



LogiSquare Kasukabe

The property is used by Koizumi Logistics Service Corp., a company that conducts the planning, manufacture and sale of lighting fixtures and furniture, under the Koizumi Sangyo Corp. Group. It is used as the base for the company's operations to cover east Japan. Products of the Koizumi Sangyo Corp. Group are used for lighting in the entire building.

# Characteristics/Advantages of CRE REIT

Characteristics

1. Portfolio focused on LogiSquare
2. Long-term, stable asset management
3. Clear external growth strategy

## High-quality portfolio

(1) Stable cash flow	Occupancy rate 100.0%	Ratio of fixed-term leases 99.6%	Ratio of fixed rent 100.0%
(2) Long-term contracts with diverse tenants	Average lease contract term 7.2 years	Average remaining lease term 3.6 years	Ratio of single-tenant facilities 59.8%
(3) Good location	Ratio of Tokyo Metropolitan and Kansai area 98.2%	Average mileage to interchange 3.1 km	Ratio of properties within 10 mins' walk of public transportation 87.6%

Advantages

## Our sponsor is real estate company specializing in logistics properties

(1) Leasing capability	Companies that have concluded lease contracts with CRE directly 1,019 companies	Master lease occupancy rate of logistics real estate 96.8%	Holding of private viewings, including for other listed REITs
(2) Property management (PM) capability	Managed floor area 1,595 properties 6.1 million m <sup>2</sup>	PM entrusted by other companies 64%	Ranking for PM company focusing on logistics facilities 3rd place
(3) Development capability	<ul style="list-style-type: none"> <li>• Requests obtained from tenants through day-to-day management and leasing activities are fully reflected in facility development.</li> <li>• Has been developing suitable properties for REIT since 2006 when real estate securitization first appeared in Japan.</li> </ul>		

## Capable of flexibly acquiring properties, taking into consideration investment unit price

- Can leverage the bridge function. Acquired three properties at the time of the IPO and one property following the first follow-on offering by leveraging the bridge function.
- In position to acquire the properties on the scale of hundreds of millions to billions of yen and quasi-co-ownership interests using cash in hand.
- Rich pipeline of 19 properties with total floor area of 949 thousand m<sup>2</sup>.

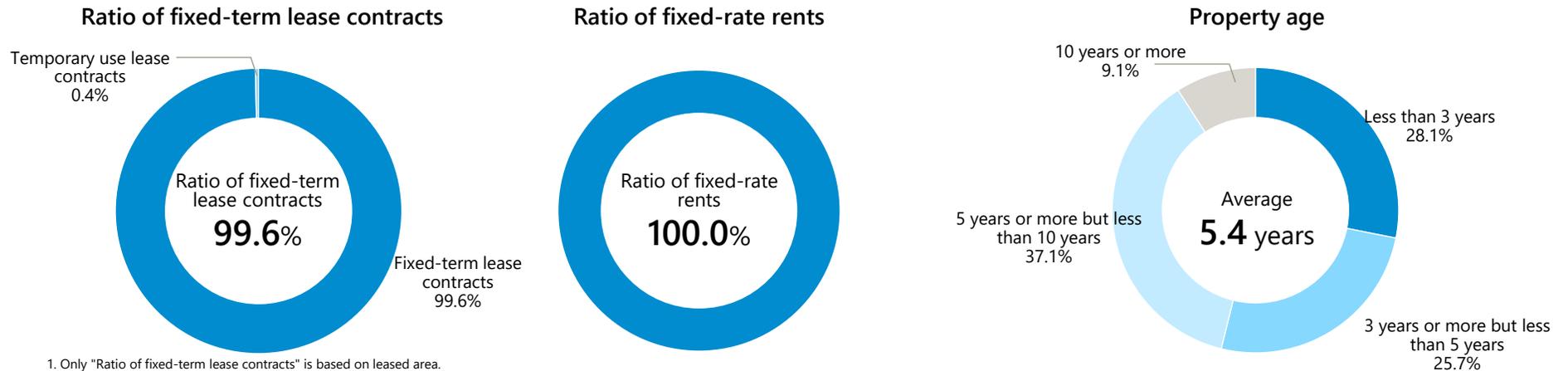
1: Data of CRE are as of the end of July 2023. Produced by the Asset Manager based on data provided by CRE. Figures include data relating to property management of other real estate besides logistics facilities and master leases.  
 2: "PM entrusted by other companies" is area managed by CRE less area relating to PM contracts with CRE REIT and area relating to properties in which CRE is involved as master lessee (area managed under PM contracts with other listed logistics REITs and private funds, etc.) as a ratio of the total area managed by CRE.

# High-Quality Portfolio (1) Stable Cash Flow

## Form of contract that enables stable operation

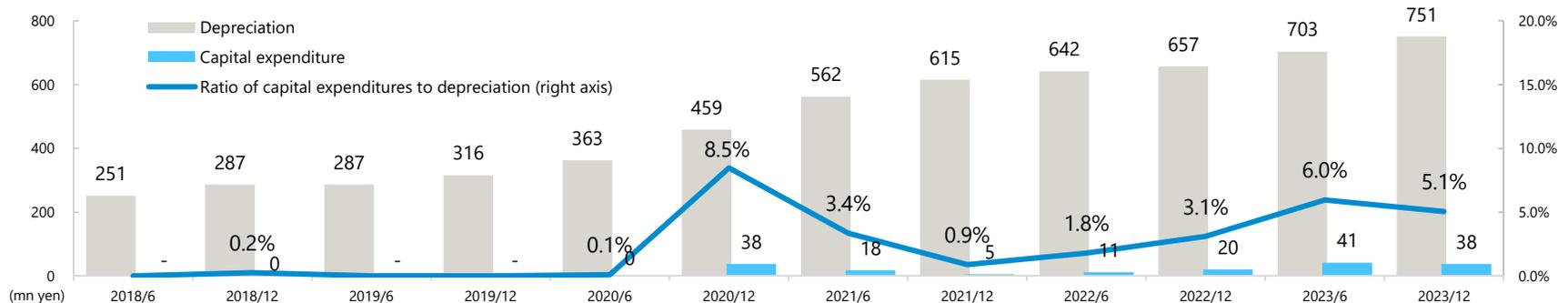
- In many cases, tenants who cancel early before the end of the contract term are required to pay the equivalent of rent for the whole remaining lease term as a penalty for breach of contract.
- Intention for renewal or termination is ascertained a year before the expiry of a contract.

## Inclusion of newly built properties



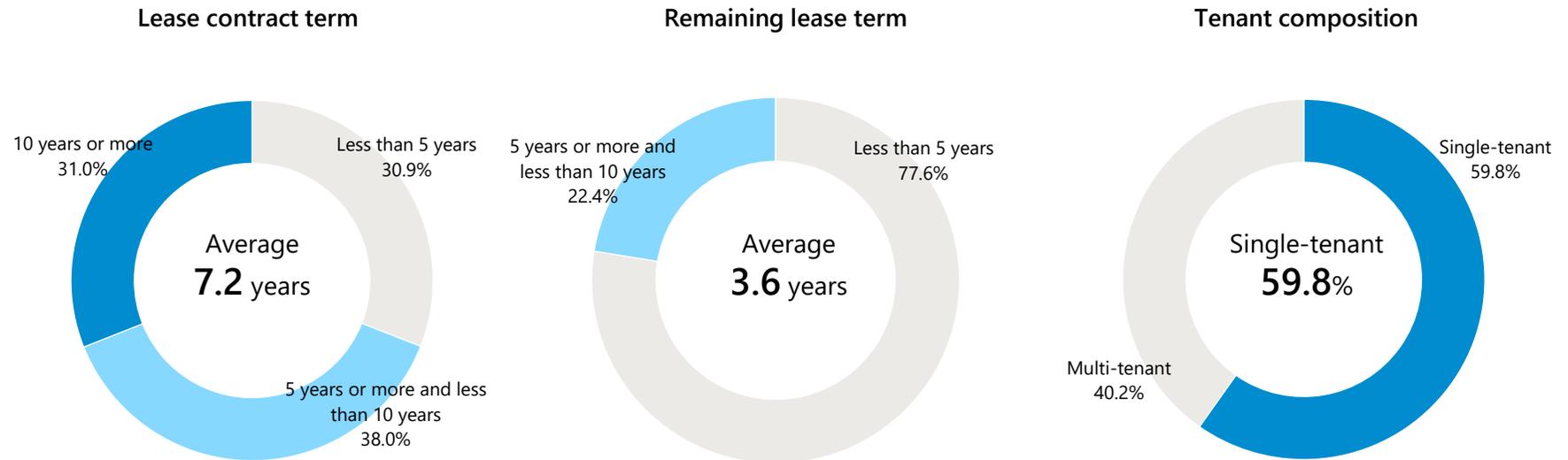
## Capital expenditure remains low

- As the portfolio is mainly composed of newly built properties, capital expenditure is relatively low.



## High-Quality Portfolio (2) Long Term Lease Contracts

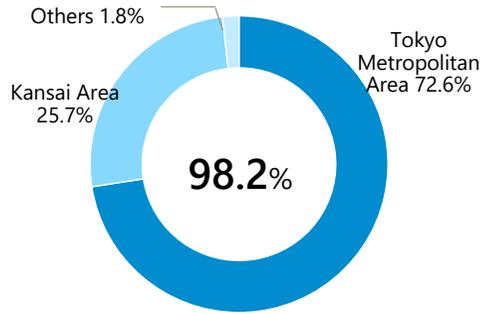
Contribution to the stability of portfolio based on long-term contracts that take into consideration tenant business plans.



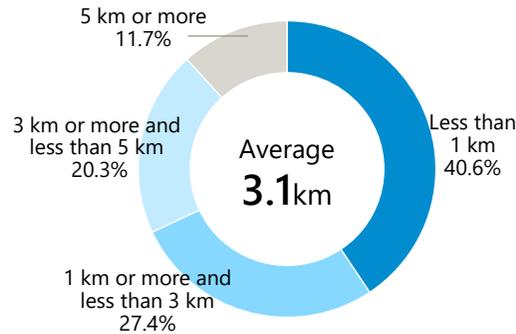
# High-Quality Portfolio (3) Good Location

Properties are mostly located in a place suited for logistics where strong demand is expected, meeting tenants' needs to secure labour.

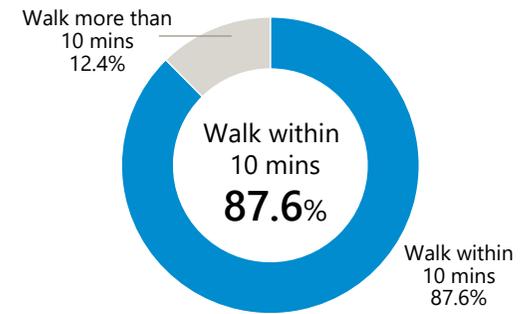
Ratio in Tokyo Metropolitan and Kansai area



Distance to an interchange

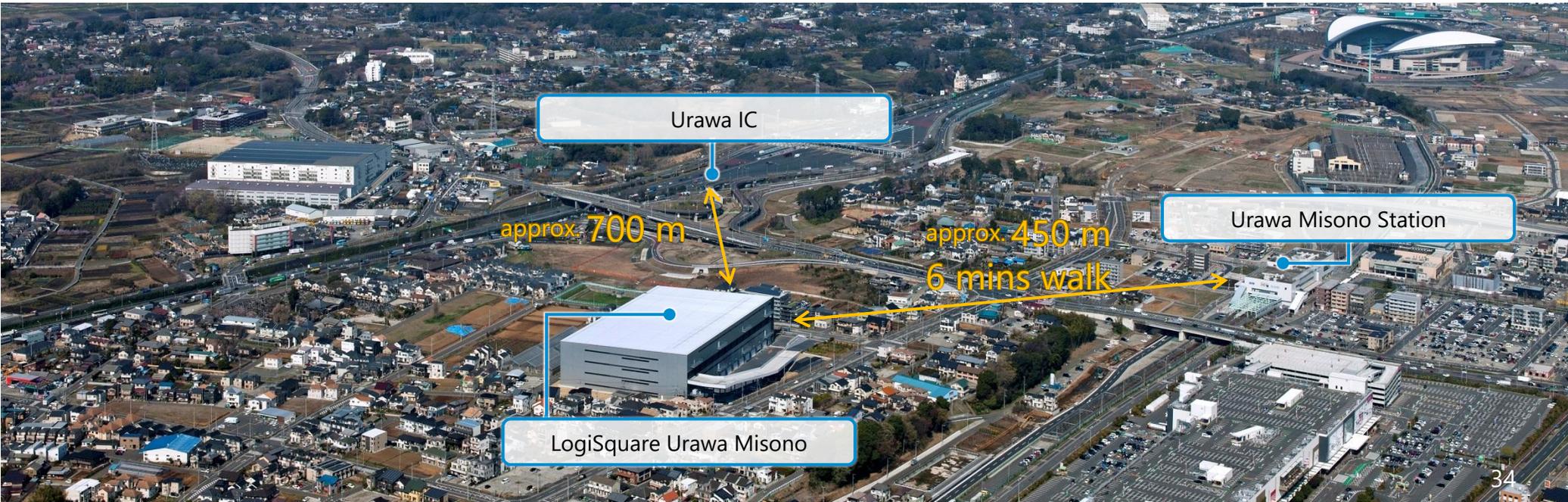


Walking distance from public transportation facilities



Example: LogiSquare Urawa Misono

The property is located approximately 700 m from Urawa IC (Tohoku Expressway) and approximately 450 m and a 6 minutes walk from Urawa Misono Station on the Saitama Rapid Railway Line. A large-scale community development project is underway in the surrounding area, which will become a potential advantage in securing employees because of the convenience in their commutes.



# Features of LogiSquare

LogiSquare is the brand name of high-quality logistics facilities developed by CRE to meet tenant needs.

Semi-flexible pavement is used to inhibit rutting.

Sandwich panels are used on exterior walls to reduce heating and cooling loads and to give the exterior an attractive appearance.



Facility has roof spraying system that uses well water to reduce the internal temperature.

The facility has a total of 44 truck berths on the first and third floors to allow the docking of up to 44 large trucks simultaneously.



Truck berths are large enough to fit a whole 40ft container truck.



Rest area with wooden deck

The facility has truck berths on the first and third floors. To prevent congestion and accidents, the facility is designed to separate traffic flows and equipped with dedicated gates for the first/second floor tenants and the third/fourth floor tenants, respectively.

1. The logistics facility shown above is an example of the features of LogiSquare. Not all facilities held by CRE REIT have the features shown above.

# Features of LogiSquare

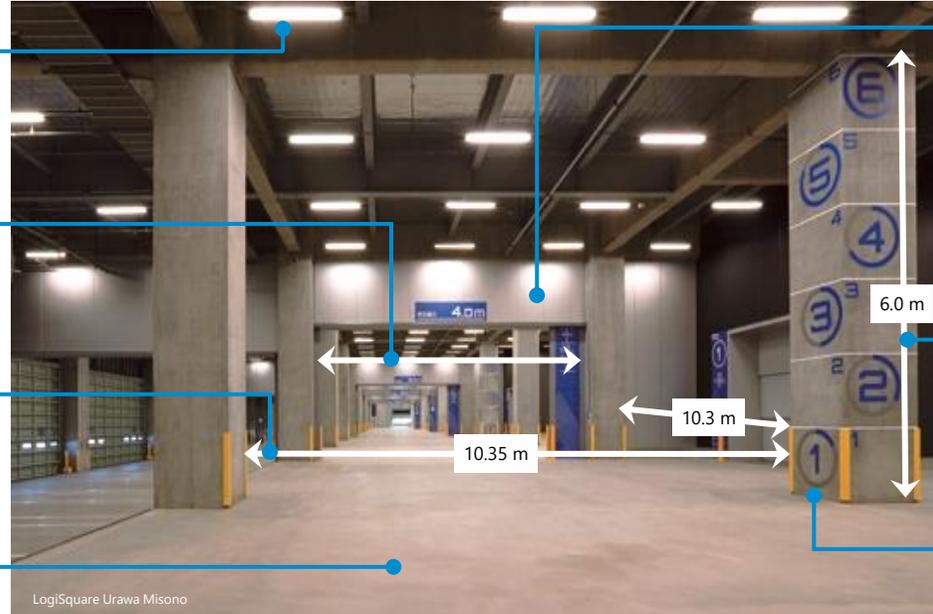
LogiSquare not only improves the efficiency of warehouse operations, creates a pleasant working environment for tenants but helps minimize costs in the future for CRE REIT.

LED lighting throughout helps save energy.

Openings in fire partitions are as wide as possible.

Pillar span 10.3 m × 10.35 m

Floor loading 1.5 t/m<sup>2</sup>



Fireproof partition walls are made of fire-resistant heat-insulating panels that have excellent insulation properties, seismic resistance and an aesthetically pleasing appearance.

The facility has an effective ceiling height of 6.0 m, or 5.5 m even if cooling panels are installed.

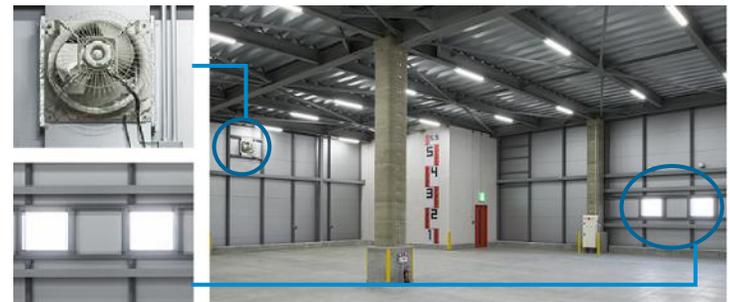
Internal signage is designed to visually communicate warehouse functions.



Interior walls between offices and the warehouse space have windows in them to facilitate communication.



The women's restroom has lockers and designed to make female employees feel comfortable.

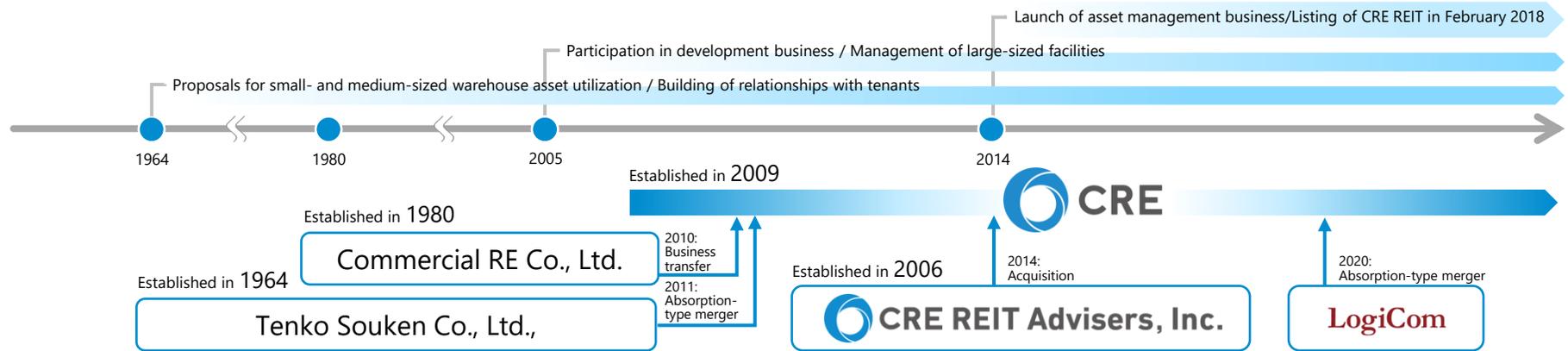


To help minimize costs in the future, the facility already has windows and ventilation built in to ensure compliance with laws and regulations in case it is necessary to expand office areas in the future.

1. The logistics facility shown above is an example of the features of LogiSquare. Not all facilities held by CRE REIT have the features shown above.

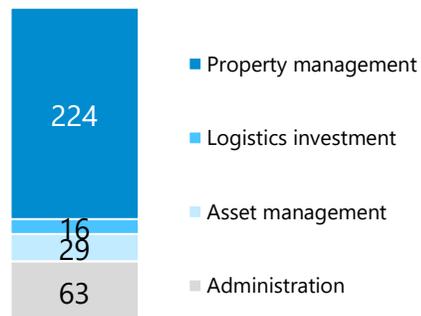
# Our Sponsor is Real Estate Company Specializing in Logistics Properties

The sponsor has a track record of more than 50 years in the field of logistics real estate in Japan.



## Involvement of all employees in logistics properties

Number of employees on a consolidated basis (as of July 31, 2023)

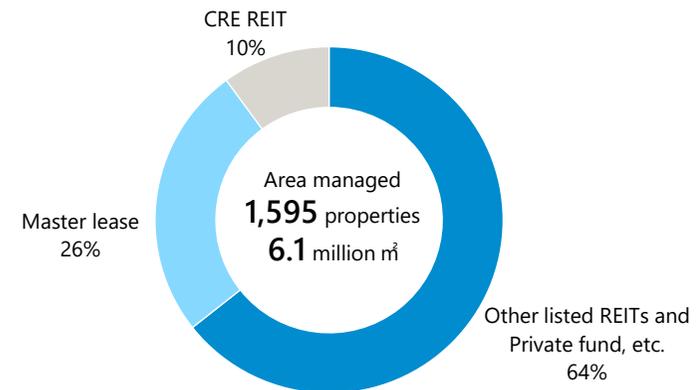


Total 332

Source: Prepared by the Asset Manager based on Annual Report for Fiscal Year ended July, 2023 of CRE, Inc.

## Proven track record in providing services to other companies

CRE REIT can draw on the sponsor's knowhow gained through the management of 6.1 million m<sup>2</sup> floor area

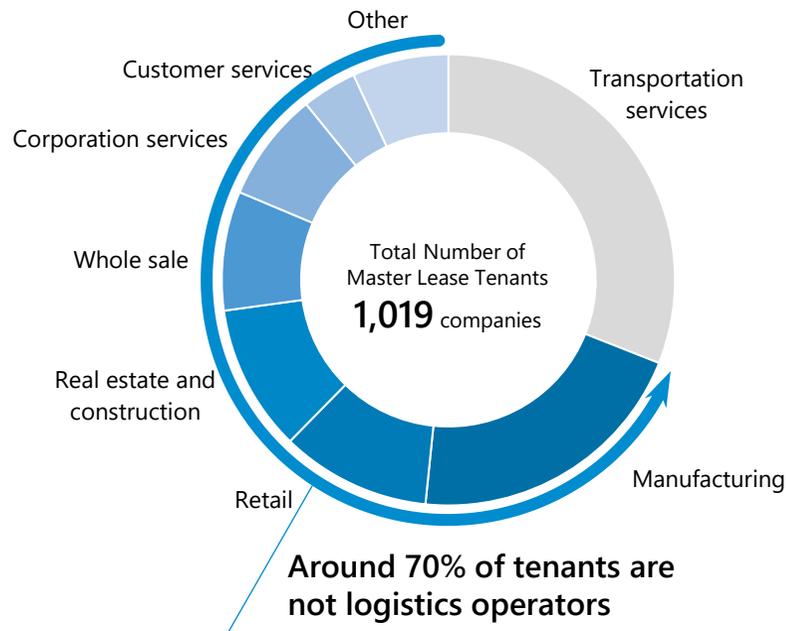


1. As of July 31, 2023. Prepared by the Asset Manager based on information provided by CRE. Includes results under the property managements and master lease agreements for the properties other than logistics facilities.

# CRE's Leasing/Property Management Capability – Strength in Wide Tenant Networks

**Fast grasp of rent trends, including actual rents paid and rent increases and decreases, by entering into contracts directly with a diverse range of tenants, not just logistics service providers.**

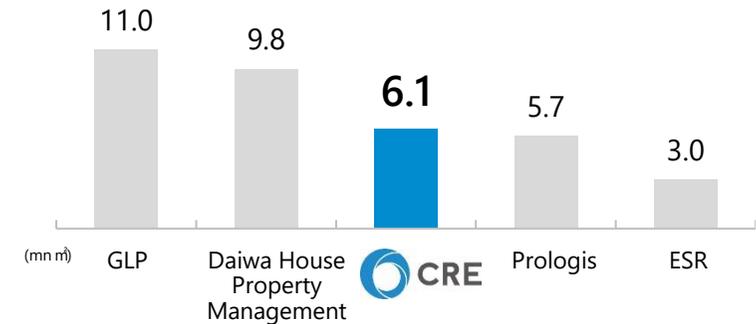
- CRE can gain an understanding of rent levels by entering contracts with tenants directly under master lease arrangements
- CRE builds relationships with tenants from a variety of industries not only logistics operators.



1. As of July 31, 2023. Figures include tenants of properties other than logistics facilities. The classification of tenants is made by the Assets Manager based on hearing surveys at the execution of lease contracts, considering major items and industries of each tenants. Therefore, those ratios may differ from actual ratios.

**Ranks Third Among Logistics Facilities-focusing PM companies**

Top 5 based on the entrusted areas



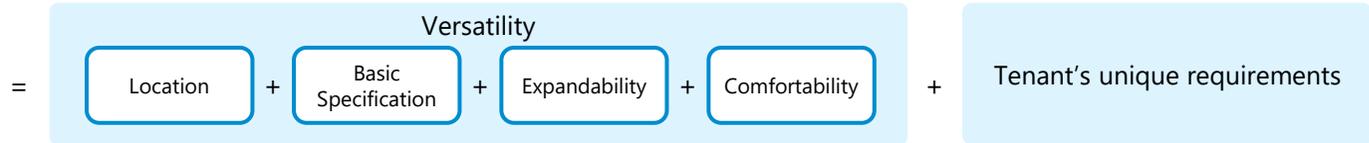
- Major Clients**
- LaSalle LOGIPORT REIT
  - Star Asia Investment Corporation
  - KDX Realty Investment Corporation
  - United Urban Investment Corporation
  - Industrial & Infrastructure Fund Investment Corporation
  - Mitsubishi Estate Logistics REIT Investment Corporation
  - Mitsubishi Jisho Investment Advisors, Inc.
  - Morgan Stanley Capital K.K
  - Mitsui & Co., Realty Management Ltd.
  - Yamato Transport Co. Ltd.
  - TLC REIT Management Inc.
- (No particular order)

1. Prepared by the Asset Manager based on Monthly Property Management Magazine from SOGO UNICOM Co., Ltd. (November 2023 edition). "Logistics facilities-focusing PM companies" refer to property management companies where 70% or more of their entrusted areas are the areas of logistics facilities. "Entrusted areas" include the management areas of real estate other than logistics facilities.  
2. Prepared by the Asset Manager based on CRE Inc.'s Consolidated Results for the First Quarter of the Fiscal Year Ending July 31, 2024.

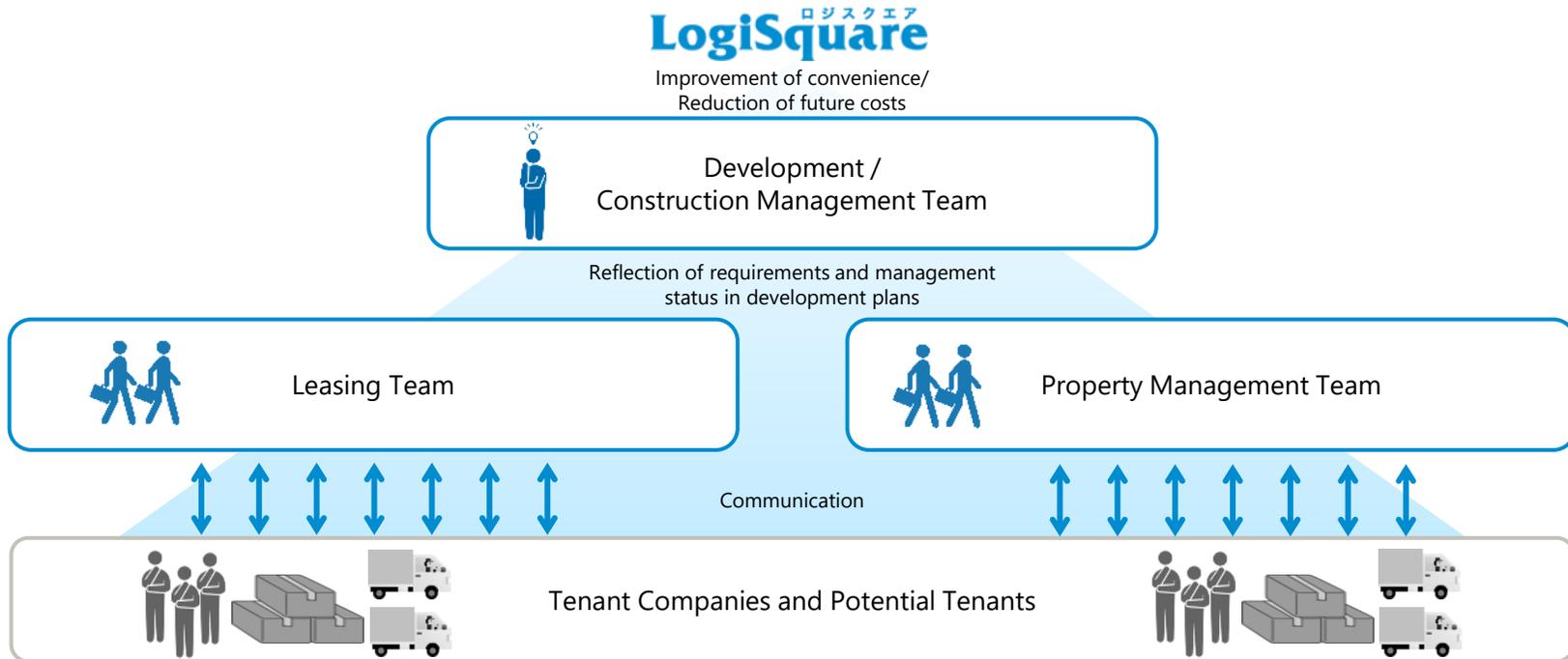
# CRE's Development Capability – Development Ensuring Versatility and Incorporating Tenant Requirements

Realization of Long-term Contracts and Mitigation of Re-tenant Risk by Ensuring Versatility and Incorporating Tenant Requirements

**LogiSquare** ロジスクエア = High-quality logistics facilities developed by CRE to meet tenant needs



Improvement of Convenience by the Full Reflection of the Requirements Learned Through Day-to-Day Management and Leasing Activities in Development Plans

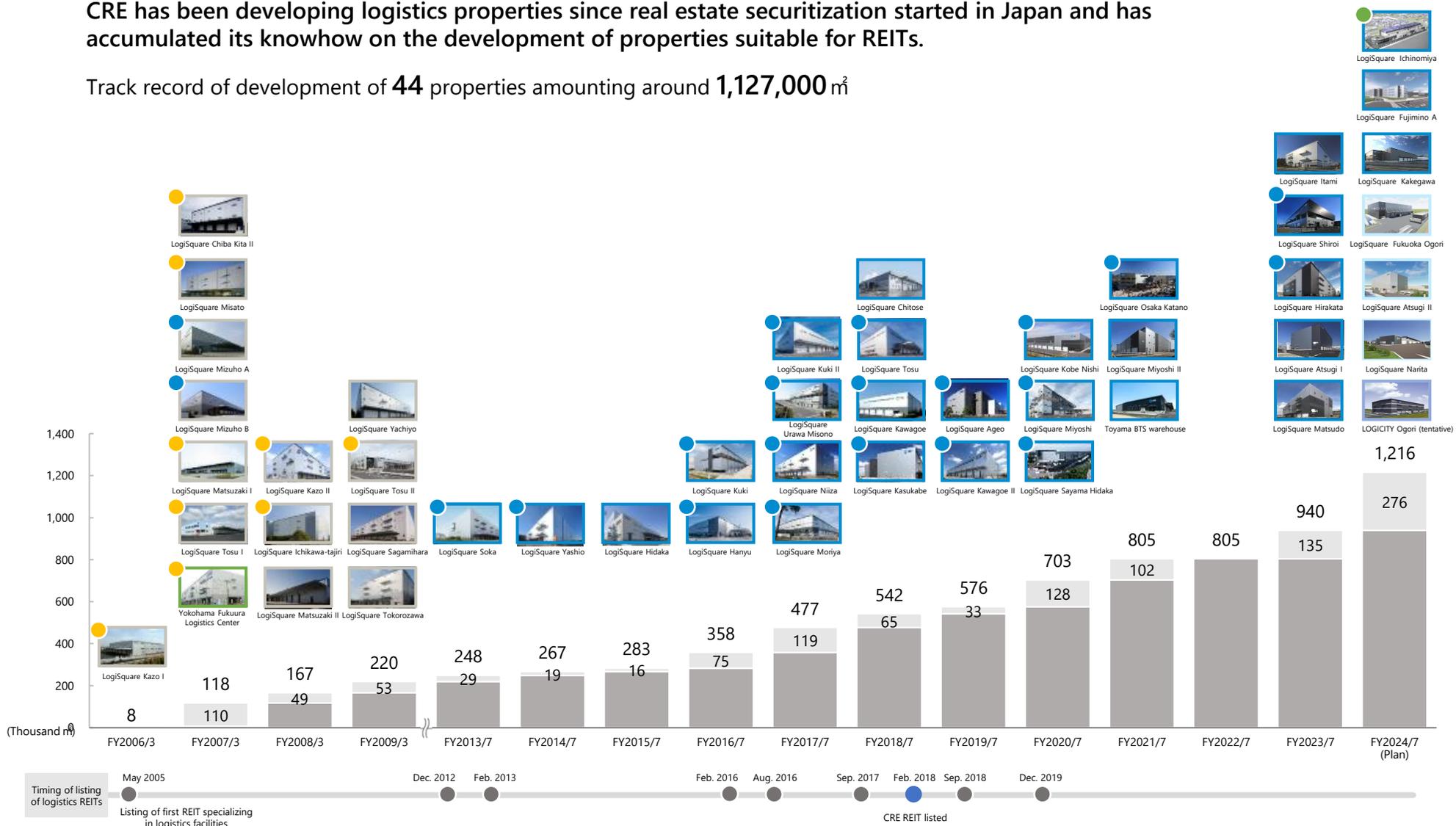


# CRE's Development Capability – Development Since the Start of Real Estate Securitization in Japan

Cumulative total floor area  
 Total floor area of properties developed or to be developed during the period  
 Properties developed by Commercial RE  
 Properties jointly developed by Commercial RE and Kenedix  
 Properties developed by CRE  
 Properties under development by CRE  
 Properties jointly developed by CRE and Fukuoka Jisho  
 Properties held by other REITs  
 Assets owned by CRE REIT  
 Properties with exclusive negotiation rights

CRE has been developing logistics properties since real estate securitization started in Japan and has accumulated its knowhow on the development of properties suitable for REITs.

Track record of development of **44** properties amounting around **1,127,000 m<sup>2</sup>**



The above chart includes assets other than the current assets. CRE REIT is not engaged in any exclusive negotiation with CRE and CRE Subsidiaries, etc. on any of the above assets that are not the current assets, nor does it plan any acquisition of them at the present time or guarantee future acquisition from them. The above chart also includes the properties that have already been sold to third parties. Furthermore, with respect to properties under development by CRE, as of January 31, 2024, the development has not been completed and the pictures, the total floor area and development completion timing are based on plans as of January 31, 2024 and may change in the future. The development completion dates of the above assets are stated as the building completion dates.



# 6. Appendix

LogiSquare Kuki  
The building has received a CASBEE Real Estate Rank A and BELS rating ★★★★★ for its environmental and energy-saving consideration, such as adoption of LED lighting, motion sensors, and water-saving sanitary fixtures throughout the building.

# Promoting ESG Efforts – Environment

## In-house consumption of solar power

Ensure a part of the electricity consumed in facilities from the electricity generated by solar power.



## Human detecting sensors

Promote energy saving by installing human detecting sensors in facilities.



## Installation of water-saving sanitation appliances

Promote the reduction of water usage by installing high-performance water-saving sanitation appliances.



## Installation of roof watering equipment

Contribute to the reduction of temperatures inside warehouses by installing well water-based roof watering equipment.



## Green walls

Green walls have the effect of lowering the surface temperature of buildings and contributes to the reduction of CO<sub>2</sub> in the atmosphere.



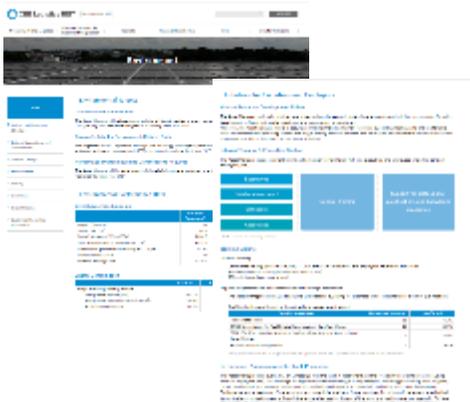
## Soil contamination countermeasures

Enbio Holdings, Inc., a CRE group company, revitalizes old factory sites as the land for logistics facilities by actively utilizing in-situ cleaning methods that decompose underground contaminants without excavating contaminated soil.



# Promoting ESG Efforts – Social (1)

## Enhance ESG content on website



Enhanced the content of the Environment, Social, and Governance pages in December 2023.

## Conduct tenant satisfaction surveys

Conducts a tenant satisfaction survey every year to improve amenities and convenience to the tenants and employees of its facilities.

## Hold educational field trip for nearby elementary school students



The tenant conducted an educational field trip for nearby elementary school students at LogiSquare Osaka Katano in 2023 following 2022.

## Establish a favorable relation between the employees and the Asset Manager

- Quarterly Employee satisfaction survey  
Asset Manager conducts questionnaires on employee engagement four times a year and confirms that the employees are proactively engaging in their work and are motivated to contribute to the organization. If problems are identified, the employees themselves devise and implement improvement measures.

- The president has 1 on 1 meeting with all employees quarterly

The President of the Asset Manager interviews each employee every quarter. These interviews are opportunities to discuss various matters, including target-setting, progress of work and career building.



- Employee turnover rate remains low

FY 2020/7	FY 2021/7	FY 2022/7	FY 2023/7
0.0% (-)	7.7% (1 employee)	0.0% (-)	0.0% (-)

## Promoting ESG Efforts – Social (2)

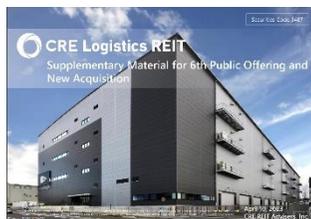
### The business continuity of tenants and the improvements in amenities

- Support for business continuity planning measures
  - Hold logistics facilities located in an inland area where the risk of liquefaction is low.
  - Install power receiving and transforming equipment at elevated locations as a flood control measure.
  - Introduce earthquake early warning systems.
  - Install AEDs.
  - Install emergency power supply systems.
  - Install short circuit isolators in fire alarms to prevent the spread of fires.
- Amenity Improvements
  - Adopt warm-color lighting in entrances and truck berths, etc.
  - Install restrooms for outside drivers.
  - Renovate smoking rooms to respond to the revision to the Health Promotion Act in April 2020.



### Active disclosure to investors

- Rationalize disclosures by correcting information gaps among investors.
  - Promote fair disclosure and the rationalization of disclosure by enhancing supplementary material.
- IR activities in consideration of COVID-19
  - Since March 2020, CRE REIT hold conference calls and web conferences with institutional investors in Japan and overseas to have the same dialogue as usual.



### Efforts for executives and employees

- Support for skill development
  - Encourage employees to acquire qualifications by paying for expenses and bonuses for acquisition of qualifications.

License holders (including those that have passed examinations)

Qualification name	Percentage of staff holding qualification or having passed exam (1)
Real estate broker	73.3%
ARES (Association for Real Estate Securitization) Certified Master	66.7%
CMA (Certified Member Analyst of the Securities Analysts Association of Japan) holder	20.0%
Real estate consulting master	13.3%

1. Calculated with the 15 people involved in the operation of CRE REIT (as of December 31, 2023) as the denominator.

- Improvement of the work environment
  - Refresh and expand the work space by relocating offices.
  - Introduce staggered commuting and working from home as a measure against COVID-19.

### Contribution to regional and social development

- CRE Activities
  - The CRE Group has cooperated with a local government in the excavation of the remains of 74 pit houses from the Middle Jomon Era (about 5,000 years-old), which were discovered during the development of LogiSquare Sayama Hidaka, and has collaborated with the local government in the preservation of archaeological records and tours of the site.
  - Hold a CRE forum for the purpose of sharing logistics issues faced by companies.
- Install fire cisterns to provide tap water that can be used as a firefighting irrigation.
- Cooperate for traffic restrictions during the Saitama International Marathon.



## Promoting ESG Efforts – Governance

### Holding investment units by executives and employees of the sponsor and the Asset Manager

- The sponsor's president holds units of CRE REIT. Many executives and employees of the Asset Manager hold investment units of CRE REIT based on a cumulative investment system and internal regulations.

	Title	Name	Units held
CRE	President	Tadahide Kameyama	722 units
the Asset Manager	President	Tsuyoshi Ito	1,221 units
	Managing Director	Takeshi Oka	80 units
	16 out of 16 employees		209 units

1. As of December 31, 2023. Also, the number of each held unit is rounded down to the nearest unit.

### High independence of the Asset Manager

- The Asset Manager was established as an independent asset management company, and all full-time executives and employees are employed by the Asset Manager. CRE is not involved in their recruitment or personnel evaluation.

Category	Number of persons
Full-time executives	2
Employees	16
(Of which, employees seconded from CRE)	–
Total	18

1. As of December 31, 2023.

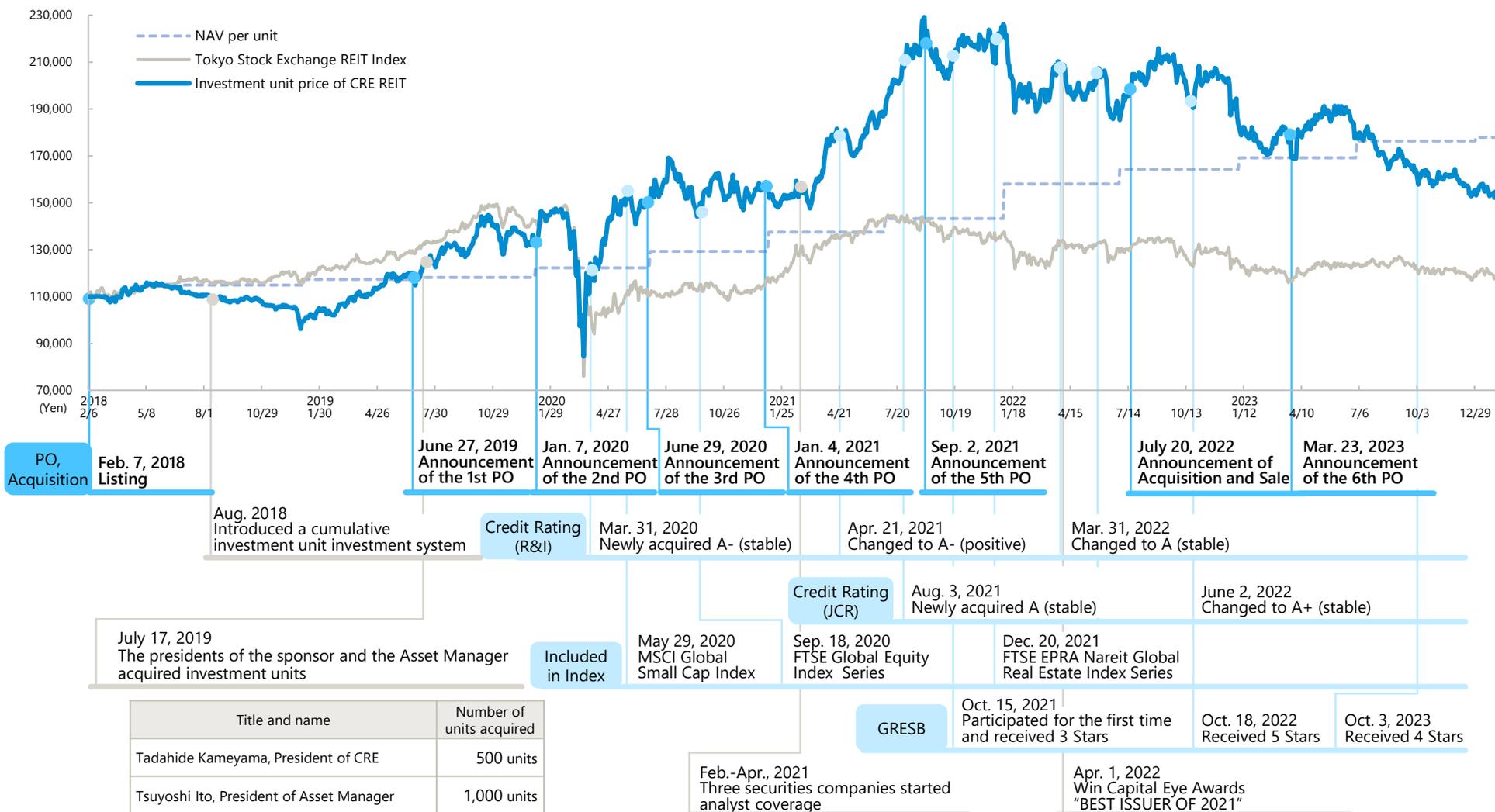
### Revise of asset management fee structure to be more aligned with unitholder's interests

- Amended Articles of Incorporation at the General Meeting of Unitholders held on September 28, 2022 with the following revision of fee structure from the fiscal period ending June 2023.
- By reducing management fee 1 based on total assets and unifying management fees 2 and 3, aim to increase the linkage with earnings per unit.

	Before Revision	After Revision
Management fee 1	Total assets × 0.325% (Upper limit)	<b>Reduce</b> Total assets × 0.3%
Management fee 2	Income before income taxes × 4.0% (Upper limit)	<b>Unify</b> Income before income taxes × Earnings per unit × 0.0019%
Management fee 3	Earnings per unit × 10,000	
Fee on acquisition	Acquisition cost × 1.0% (Upper limit) (0.5% (Upper limit) in case of transactions with interested party)	Acquisition cost × 1.0% (0.5% in case of transactions with interested party)

# Trend in Investment Unit Price

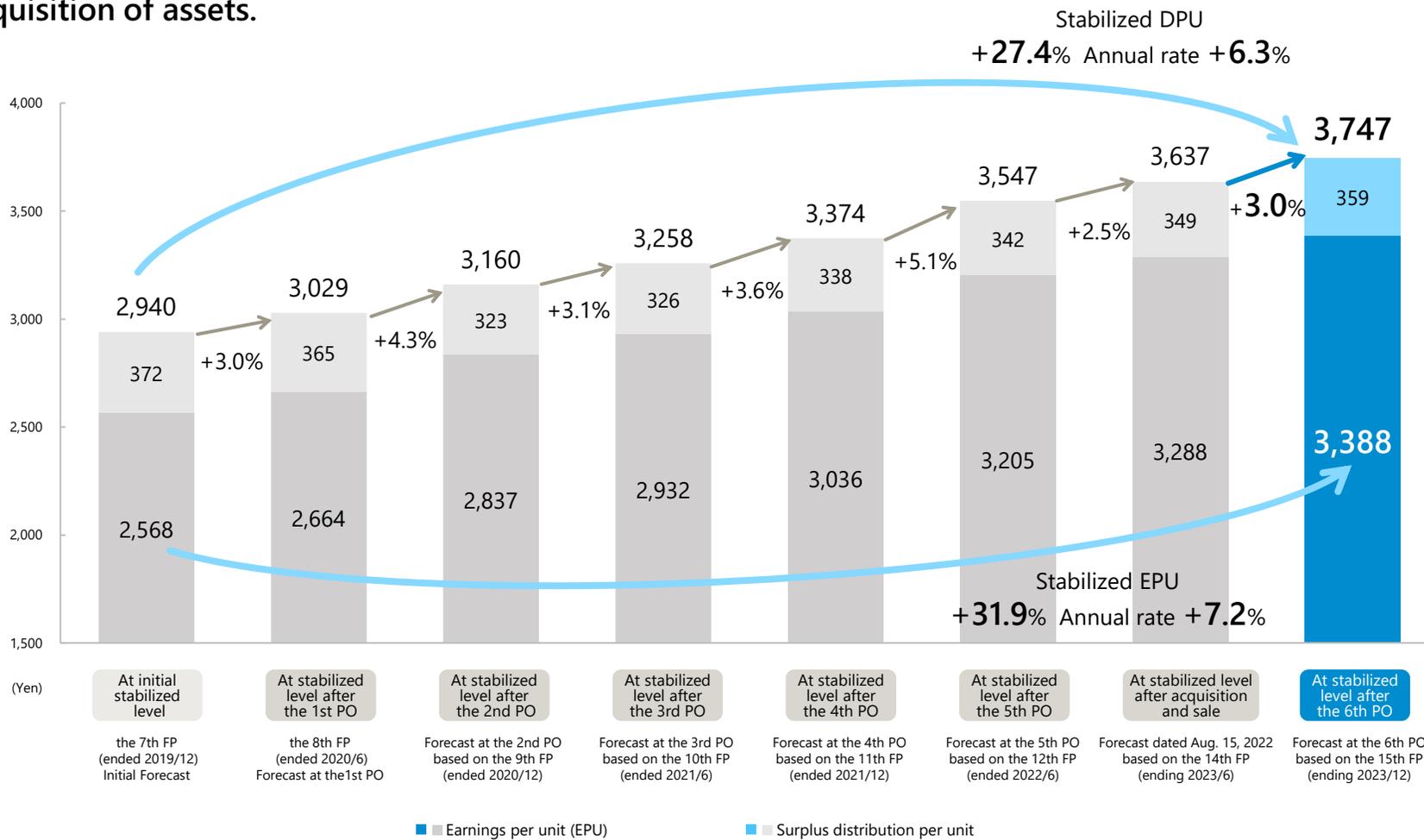
Trend in investment unit price (closing price) (as of February 13, 2024)



1. Trends in the closing price of the Tokyo Stock Exchange REIT Index at Tokyo Stock Exchange, Inc. (hereinafter "TSE") show trends in relativized figures on the assumption that the closing price (1,661.29pt) of the TSE REIT Index on the previous business day of the listing of CRE REIT (February 7, 2018) is the same as the issue price (110,000 yen per unit) of CRE REIT at the time of listing.

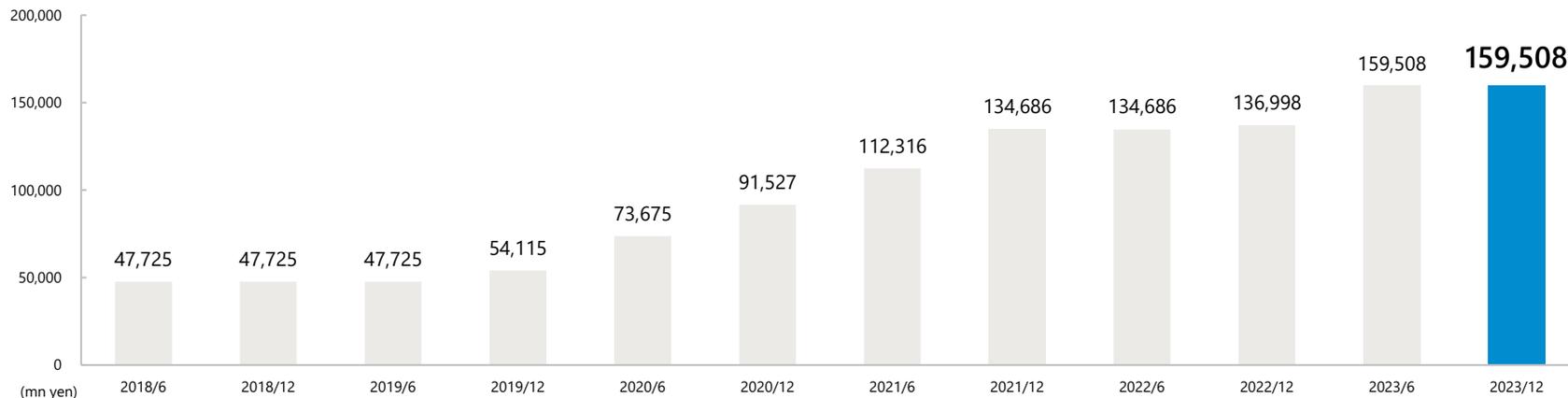
# Realize External Growth that Contributes to Increases in Stabilized DPU

Increase stabilized DPU by an average annual growth rate of 6.3% through six public offerings and acquisition of assets.

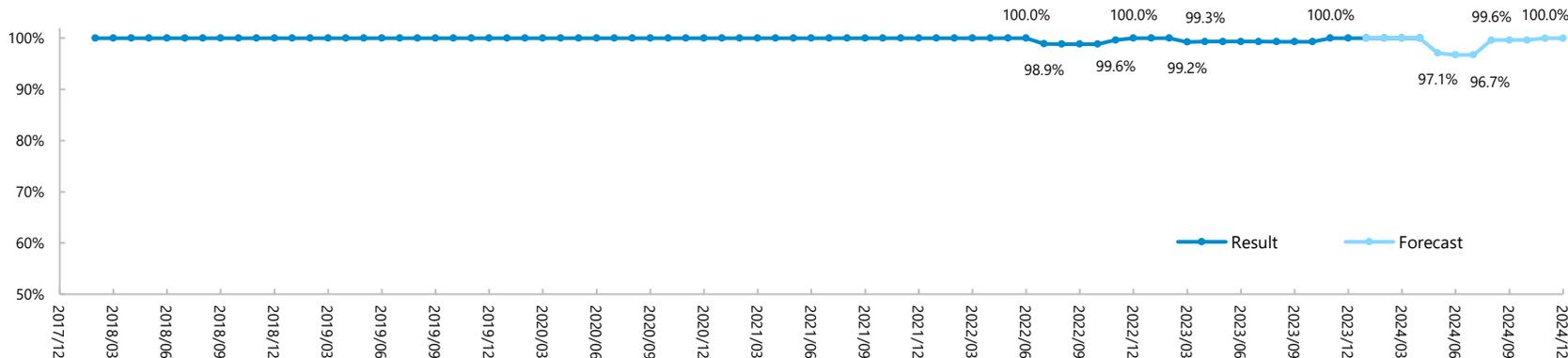


# Trend in Asset Size and Occupancy Rate

## Asset Size

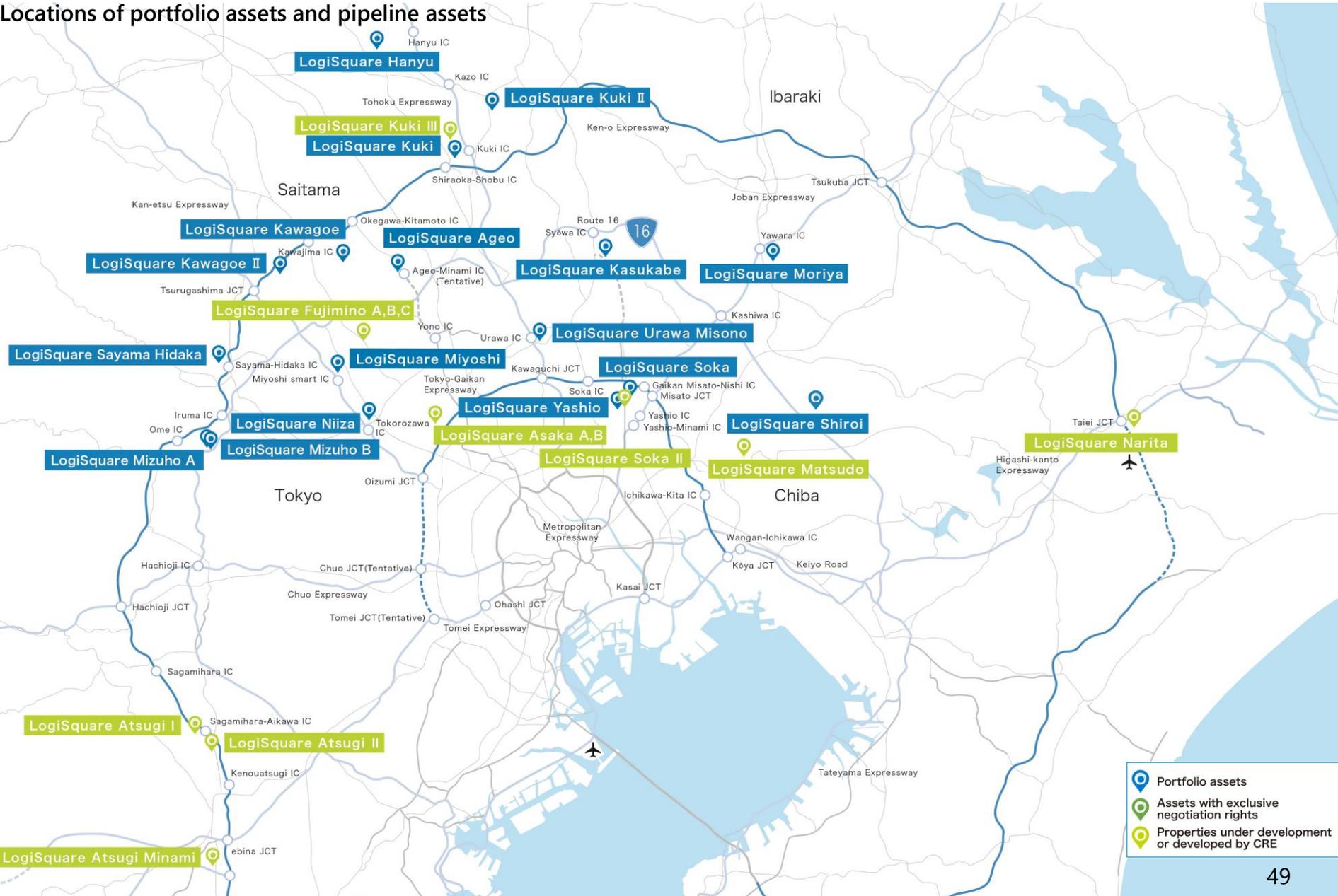


## Occupancy rate

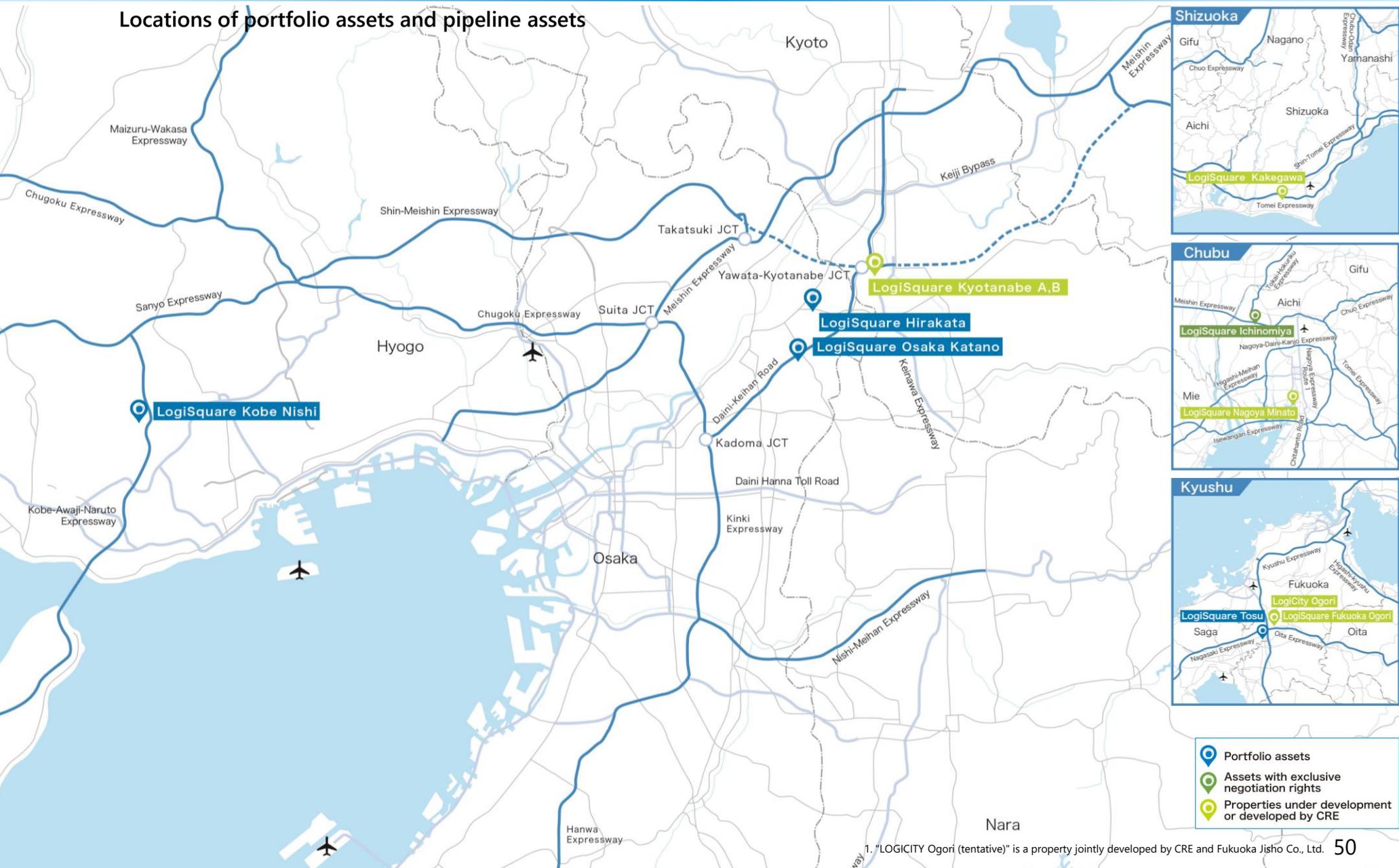


# Portfolio Centered on Metropolitan Areas (1) Tokyo Metropolitan Area

Locations of portfolio assets and pipeline assets



# Portfolio Centered on Metropolitan Areas (2) Kansai Area and Other



# Portfolio List

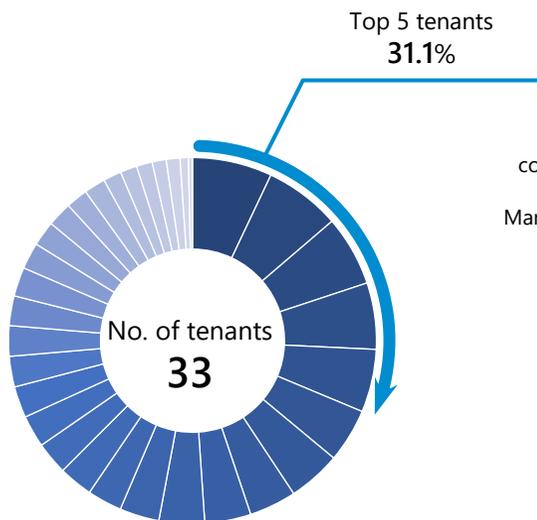
No.	Property name	Location	Acquisition price (mn yen)	Appraisal value (mn yen)	Appraisal NOI yield (%)	Total floor area (㎡)	Age (years)	Number of tenants	Occupancy rate(%)	Developer
M-1	LogiSquare Kuki	Kuki-shi, Saitama	9,759	11,700	4.8	40,907.13	7.6	1	100.0	CRE
M-2	LogiSquare Hanyu	Hanyu-shi, Saitama	6,830	7,700	5.0	33,999.61	7.5	1	100.0	CRE
M-3	LogiSquare Kuki II	Kuki-shi, Saitama	2,079	2,490	5.2	11,511.22	6.9	1	100.0	CRE
M-4	LogiSquare Urawa Misono	Saitama-shi, Saitama	13,060	15,800	4.7	48,738.29	6.8	3	100.0	CRE
M-5	LogiSquare Niiza	Niiza-shi, Saitama	6,960	8,380	4.9	25,355.82	6.8	1	100.0	CRE
M-6	LogiSquare Moriya	Moriya-shi, Ibaraki	6,157	8,000	5.6	32,904.90	6.7	2	100.0	CRE
M-7	LogiSquare Kawagoe	Kawagoe-shi, Saitama	1,490	1,820	5.1	7,542.56	5.9	1	100.0	CRE
M-8	LogiSquare Kasukabe	Kasukabe-shi, Saitama	4,900	6,050	5.1	21,315.54	5.6	1	100.0	CRE
M-9	LogiSquare Soka	Soka-shi, Saitama	8,109	9,830	4.6	28,817.59	10.5	1	100.0	CRE
M-10	LogiSquare Yashio	Yashio-shi, Saitama	5,073	6,460	4.7	19,068.60	9.9	1	100.0	CRE
M-11	LogiSquare Mizuho A	Mizuho-machi, Tokyo	2,794	3,240	4.9	13,755.16	16.9	1	100.0	CRE
M-12	LogiSquare Mizuho B	Mizuho-machi, Tokyo	3,584	4,110	4.8	16,016.37	16.9	1	100.0	CRE
M-13	LogiSquare Ageo	Ageo-shi, Saitama	4,908	5,810	4.6	19,142.84	4.7	2	100.0	CRE
M-14	LogiSquare Miyoshi	Miyoshi-machi, Saitama	11,700	13,700	4.6	37,931.49	3.6	1	100.0	CRE
M-15	LogiSquare Sayama Hidaka	Hanno-shi, Saitama	17,678	19,400	4.3	73,728.44	3.6	5	100.0	CRE
M-16	LogiSquare Kawagoe II	Kawagoe-shi, Saitama	3,244	3,720	4.8	14,281.38	4.5	1	100.0	CRE
M-17	LogiSquare Shiroy	Shiroy-shi, Chiba	7,415	7,940	4.4	28,503.11	1.1	1	100.0	CRE
K-1	LogiSquare Kobe Nishi	Kobe-shi, Hyogo	3,479	3,850	4.7	16,006.20	3.7	1	100.0	CRE
K-2	LogiSquare Osaka Katano	Katano-shi, Osaka	22,370	24,100	4.3	76,393.17	3.0	5	100.0	CRE
K-3	LogiSquare Hirakata	Hirakata-shi, Osaka	15,091	16,100	4.1	42,875.27	1.0	1	100.0	CRE
O-1	LogiSquare Tosu	Tosu-shi, Saga	2,823	3,860	5.9	16,739.40	5.9	1	100.0	CRE
21 properties Total/Average			159,504	184,060	4.6	625,534.09	5.4	33	100.0	–

1. As of December 31, 2023

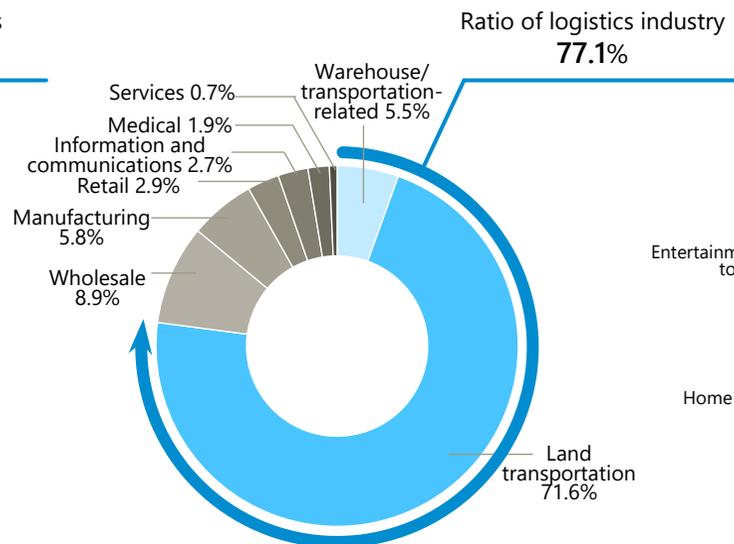
# Portfolio Diversification

More than 70% of the tenants are in the logistics industry and handle a wide variety of products.

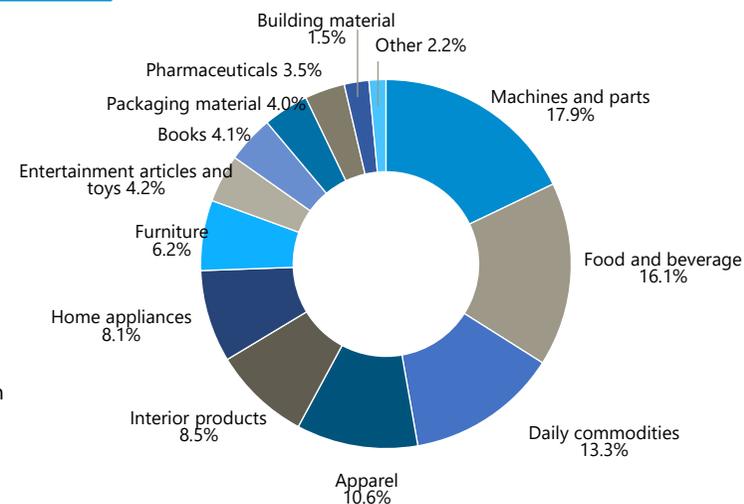
Diversification of tenants



Tenant industries



Products handled by tenants

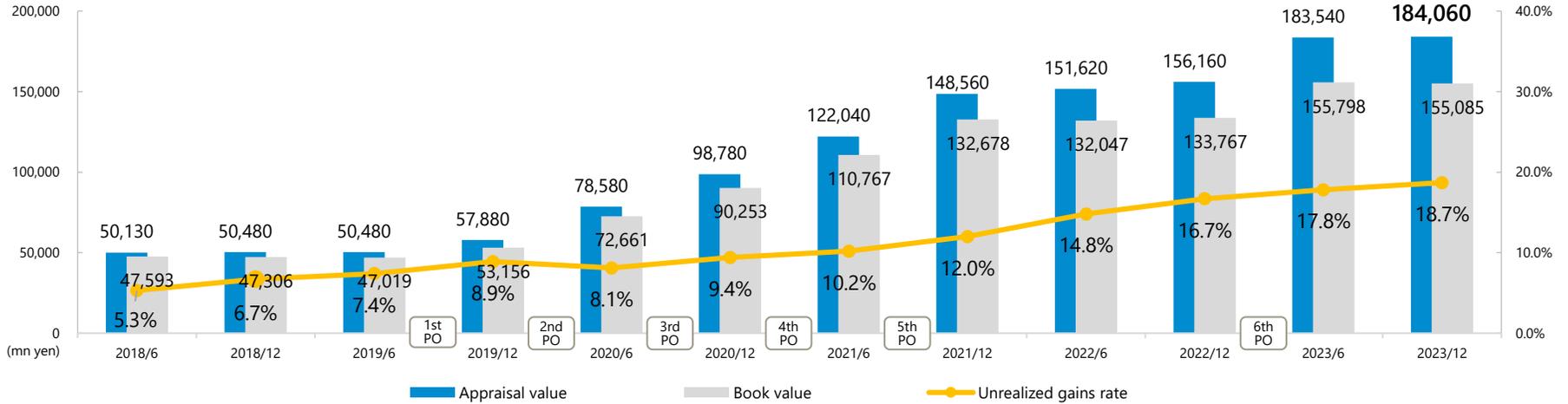


1. Based on leased area.

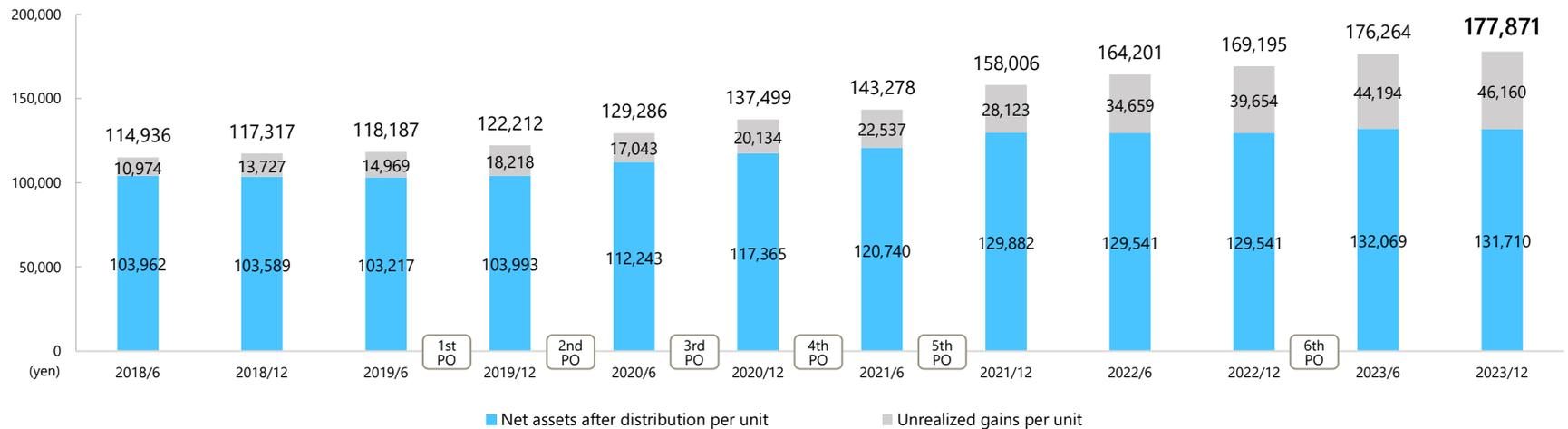
2. The classification in each graph is on visual contact or hearing results, and only major items are stated by Asset manager. Therefore, those ratios may differ from actual ratios.

# Overview of Appraisal Value

## Appraisal value / Unrealized gains rate



## NAV per unit



# Overview of Appraisal Value

No.	Property name	Acquisition month and year	Acquisition price (mn yen)	Book value at the end of the 15th FP (mn yen)	At the end of the 15th FP		At the end of the 14th FP		Changes		Unrealized gains (mn yen)	Unrealized gains rate (%)
					Appraisal value (mn yen)	Direct capitalization rate (%)	Appraisal value (mn yen)	Direct capitalization rate (%)	Appraisal value (mn yen)	Direct capitalization rate (%)		
M-1	LogiSquare Kuki	Jul. 2016	9,759	8,836	11,700	3.9	11,800	3.9	- 100	—	2,863	32.4
M-2	LogiSquare Hanyu	Jul. 2016	6,830	6,178	7,700	4.3	7,700	4.3	—	—	1,521	24.6
M-3	LogiSquare Kuki II	Feb. 2018	2,079	1,940	2,490	4.2	2,490	4.2	—	—	549	28.3
M-4	LogiSquare Urawa Misono	Feb. 2018	13,060	12,431	15,800	3.8	15,800	3.8	—	—	3,368	27.1
M-5	LogiSquare Niiza	Feb. 2018	6,960	6,591	8,380	4.0	8,390	4.0	- 10	—	1,788	27.1
M-6	LogiSquare Moriya	Feb. 2018	6,157	5,792	8,000	4.2	8,010	4.2	- 10	—	2,207	38.1
M-7	LogiSquare Kawagoe	Jul. 2019	1,490	1,447	1,820	4.0	1,830	4.0	- 10	—	372	25.7
M-8	LogiSquare Kasukabe	Jul. 2019	4,900	4,746	6,050	3.9	6,070	3.9	- 20	—	1,303	27.5
M-9	LogiSquare Soka	Feb. 2020	8,109	8,073	9,830	3.6	9,890	3.6	- 60	—	1,756	21.8
M-10	LogiSquare Yashio	Feb. 2020	5,073	5,054	6,460	3.6	6,110	3.6	+ 350	—	1,405	27.8
M-11	LogiSquare Mizuho A	Feb. 2020	2,794	2,809	3,240	4.0	3,260	4.0	- 20	—	430	15.3
M-12	LogiSquare Mizuho B	Feb. 2020	3,584	3,580	4,110	4.0	4,110	4.0	—	—	529	14.8
M-13	LogiSquare Ageo	Jul. 2020	4,908	4,809	5,810	3.9	5,710	3.9	+ 100	—	1,000	20.8
M-14	LogiSquare Miyoshi	Jul. 2020	11,700	11,389	13,700	3.9	13,700	3.9	—	—	2,310	20.3
M-15	LogiSquare Sayama Hidaka	Jan. 2021 80% July 2022 20%	17,678	17,418	19,400	3.7	19,600	3.7	- 200	—	1,981	11.4
M-16	LogiSquare Kawagoe II	Jan. 2021	3,244	3,195	3,720	4.0	3,720	4.0	—	—	524	16.4
M-17	LogiSquare Shiroy	Apr. 2023	7,415	7,441	7,940	4.1	7,930	4.1	+ 10	—	498	6.7
K-1	LogiSquare Kobe Nishi	Jan. 2021	3,479	3,440	3,850	4.2	3,770	4.2	+ 80	—	409	11.9
K-2	LogiSquare Osaka Katano	Sep. 2021	22,370	22,155	24,100	4.0	24,100	4.0	—	—	1,944	8.8
K-3	LogiSquare Hirakata	Apr. 2023	15,091	15,111	16,100	3.8	16,100	3.8	—	—	988	6.5
O-1	LogiSquare Tosu	Apr. 2018	2,823	2,640	3,860	4.1	3,450	4.1	+ 410	—	1,219	46.2
End of 15th FP Total / Average		—	159,504	155,085	184,060	—	183,540	—	+ 520	—	28,974	18.7

# Status of Investors

## Major investors (as of December 31, 2023)

Name	Number of investment units(units)	Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	161,932	25.8
Custody Bank of Japan, Ltd. (Trust Account)	129,790	20.7
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	35,726	5.7
CRE, Inc.	22,550	3.6
JP MORGAN CHASE BANK 385771	11,123	1.8
The Bank of Yokohama, Ltd.	9,772	1.6
STATE STREET BANK WEST CLIENT - TREATY 505234	9,410	1.5
SSBTC CLIENT OMNIBUS ACCOUNT	6,873	1.1
Mitsubishi UFJ Trust and Banking Corporation	6,194	1.0
Kinkisangyou Shinkumi Bank	6,050	1.0
Total	399,420	63.6

## Number of investors by type of owner (as of December 31, 2023)

	Number of investors (person)	Ratio (%)
Individuals/others	10,933	95.2
Financial institutions	69	0.6
Other domestic corporations	235	2.0
Overseas investors	225	2.0
Securities companies	27	0.2
Total	11,489	100.0

## Number of investment units by type of owner

■ Individuals/others ■ Financial institutions ■ Other domestic corporations ■ Overseas investors ■ Securities companies

