



Photo: LogiSquare Ichinomiya

Consolidated Results for the First Quarter of the Fiscal Year Ending July 31, 2024 (August 1, 2023 to July 31, 2024)

December 13, 2023



Photo: LogiSquare Atsugi I

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Q1 FY07/24 Performance Highlights

Performance highlights

Net sales	¥6,534 million (-3.3% YoY / rate of progress of 9.6%)
Business profit ^{*1}	-¥107 million (—% YoY / rate of progress of —%)

*1 Business profit = Operating profit + Equity in earnings of affiliates + Goodwill amortization (consolidated subsidiaries/equity method affiliates) + Profit (loss) from business investments

Performance highlights by business

All businesses are performing according to plan, so there are no changes to our full-year forecast.

We anticipate a return to profitability in Q2.

- Logistics Investment: In terms of properties to be sold in FY07/24, *LogiSquare* Itami is scheduled to be sold in December (Q2), and *LogiSquare* Atsugi I, *LogiSquare* Ichinomiya, *LogiSquare* Fukuoka Ogoori, and *LogiSquare* Kakegawa in 2H. Tenants have been fully secured for all properties, so there are no changes to our sales plan.
- Real Estate Management: The master lease occupancy rate recovered to the 97% level. Despite a decline in sales driven by lower contract work income and other factors, profit climbed on the back of profit distributions from the Logistics Investment business, mainly benefitting from *LogiSquare* tenant introductions.
- Asset Management: Sales rose in tandem with growth in AUM, but profit fell due to an increase in SG&A expenses.
- Overseas: Made steady progress with logistics facility development in Vietnam and Indonesia. Recognized equity in losses of affiliates due to up-front investments.

Other topics

- Shareholder returns: Resolved to pay a special interim dividend of 25 yen per share.

* Our shareholder return policy is listed on page 29.

FY07/24 Performance Forecast

- Operating income and EBITDA are expected to be +4.9% and +4.8% YoY, respectively.
- Business profit is expected to remain mostly unchanged from the previous year, mainly due to up-front investments in the development of logistics facilities in the overseas business.
- Performance in Q1 was in line with plan, so our full-year forecast is unchanged.

(Millions of yen)

	FY07/23 results (cons.)	FY07/24 forecast (cons.)	YoY change	
			Amount	%
Net sales	52,159	67,900	15,740	30.2%
Operating profit	7,147	7,500	352	4.9%
EBITDA	7,729	8,100	370	4.8%
Business profit _※ <small>Figures in () exclude 449 million yen due to the effect of goodwill revaluation in connection with the additional investment in EnBio Holdings Inc.</small>	8,023 (7,573)	7,500	-523 (-73)	-6.5% (-1.0%)
Recurring profit	6,697	6,050	-647	-9.7%
Net income	4,387	3,800	-587	-13.4%
Earnings per share (Yen)	¥149.41	¥129.88	-¥19.53	-13.1%

* Business profit = Operating profit + Equity in earnings of affiliates + Goodwill amortization (consolidated subsidiaries/equity method affiliates)+ Profit (loss) from business investments

FY07/24 Performance Forecast by Segment

(Millions of yen)

	FY07/23 results (cons.; post-reclassification)	FY07/24 forecast (cons.)	YoY change	
			Amount	%
Net sales	52,159	67,900	15,740	30.2%
Real Estate Management	23,322	23,130	-192	-0.8%
Logistics Investment	25,129	40,120	14,990	59.7%
Asset Management	1,531	1,560	28	1.9%
Overseas	36	10	-26	-72.6%
Other operations	2,139	3,080	940	43.9%
Segment profit	7,700	7,380	-320	-4.2%
Real Estate Management	1,757	1,780	22	1.3%
Logistics Investment	5,716	6,370	653	11.4%
Asset Management	962	910	-52	-5.4%
Overseas	-100	-310	-209	—
Other operations	372	-60	-432	—
Adjustments	-1,007	-1,310	-302	—

Note 1: The segment structure was revised in FY07/24, and the FY07/23 results have been restated to reflect the new segment structure.

Note 2: Segment sales represent sales to external customers.

Note 3: Segment profit = Operating profit + Equity in earnings of affiliates

- **Real Estate Management**

Accelerate acquisition of existing properties to increase floor space under management

Improve profitability by optimizing tenant rents

*The purchase and sale of small and medium-sized facilities have been transferred to the Logistics Investment segment.

- **Logistics Investment**

- **Large properties:**

Forecast only includes properties for which tenants have been secured

LogiSquare Itami to be sold in December (contract signed)

For the sale of *LogiSquare* Atsugi I, Ichinomiya, Fukuoka Ogoori, and Kakegawa, the average cap rate is set with reference to the implied cap rate for CRE

Logistics REIT

No change to outlook on market environment

- **Small and Medium-sized properties:**

Plan to sell properties to a private REIT (to be formed)

- **Asset Management**

Expand AUM in conjunction with property sales in the Logistics Investment segment

Plan to form a private REIT targeting small and medium-sized properties in 2H.

- **Overseas**

Expand investment in logistics facility development in Vietnam and Indonesia

- **Other operations**

Profit decreased due to the absence of negative goodwill recorded in the previous fiscal year

Q1 FY07/24 Financial Results

Recurring revenue businesses

Real Estate Management

Master lease occupancy rate

97.3%

(+0.5pp YoY)

Asset Management

Assets under management (AUM)

¥281.4 billion

(±¥0.0 billion YoY; FY07/26 target: ¥450 billion)

Non-recurring revenue businesses

Logistics Investment

Pipeline projects in the Second Medium-Term Management Plan
(includes sold projects)

More than ¥210 billion

Pipeline projects in the next medium-term management plan
(includes undisclosed projects)

Approx. ¥100 billion

Finances

Net debt/equity ratio

(Upper limit at end of year: 2.5 times)

1.59 times

Interest-bearing debt

¥81.4 billion

* See page 12-14 for details

Consolidated Summary of Q1 FY07/24

- Operations are proceeding according to plan. We have secured tenants for all development properties in the Logistics Investment business. We plan to sell properties in Q2 (*LogiSquare* Itami) and 2H (*LogiSquare* Atsugi I, *LogiSquare* Ichinomiya, *LogiSquare* Fukuoka Ogoori, and *LogiSquare* Kakegawa).
- In Q1, the provision for bonuses grew (impact of roughly 94 million yen) and personnel expenses increased. In addition, SG&A expenses climbed YoY in part due to the recognition of a provision of allowance for doubtful accounts in connection with investees (impact of about 80 million yen).
- Non-operating expenses rose YoY as a result of factors such as equity in losses of affiliates accompanying up-front investments in the Overseas business.

(Millions of yen)

	Q1 FY07/23 results	Q1 FY07/24 results	FY07/24 full-year plan
Net sales	6,758	6,534	67,900
Gross profit	1,375	1,316	–
Selling, general and administrative expenses	1,131	1,401	–
(Amortization of goodwill)	53	53	–
Operating profit	244	-85	7,500
EBITDA	385	54	8,100
Business profit*	377	-107	7,500
Recurring profit	90	-448	6,050
Net income	32	-423	3,800
Earnings per share (Yen)	¥1.10	¥-14.47	¥129.88

	Q1 FY07/23 results	Q1 FY07/24 results	FY07/24 full-year plan
Net sales	6,758	6,534	67,900
Real Estate Management	6,063	5,702	23,130
Logistics Investment	–	–	40,120
Asset Management	270	271	1,560
Overseas	3	4	10
Other operations	420	556	3,080
Segment profit	316	-160	7,380
Real Estate Management	471	481	1,780
Logistics Investment	-62	-209	6,370
Asset Management	158	136	910
Overseas	-16	-134	-310
Other operations	17	-82	-60
Adjustments	-251	-353	-1,310

* Business profit = Operating profit + Equity in earnings of affiliates + Goodwill amortization (consolidated subsidiaries/equity method affiliates)+ Profit (loss) from business investments

Note 1: The segment structure was revised in FY07/24, and the FY07/23 results have been restated to reflect the new segment structure.

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Note 3: Segment profit = Operating profit + Equity in earnings of affiliates

Earnings Models

Two Earnings Models

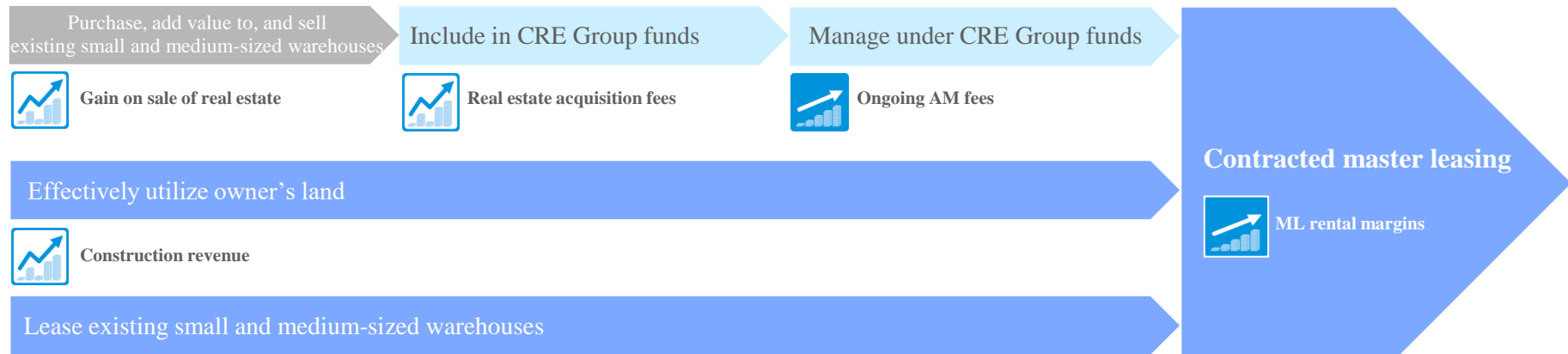
- Three segments organically collaborate to realize two earnings models.



Development business earnings model *A numerical visualization appears on the next slide.



Master lease business earnings model: Secure rental margins



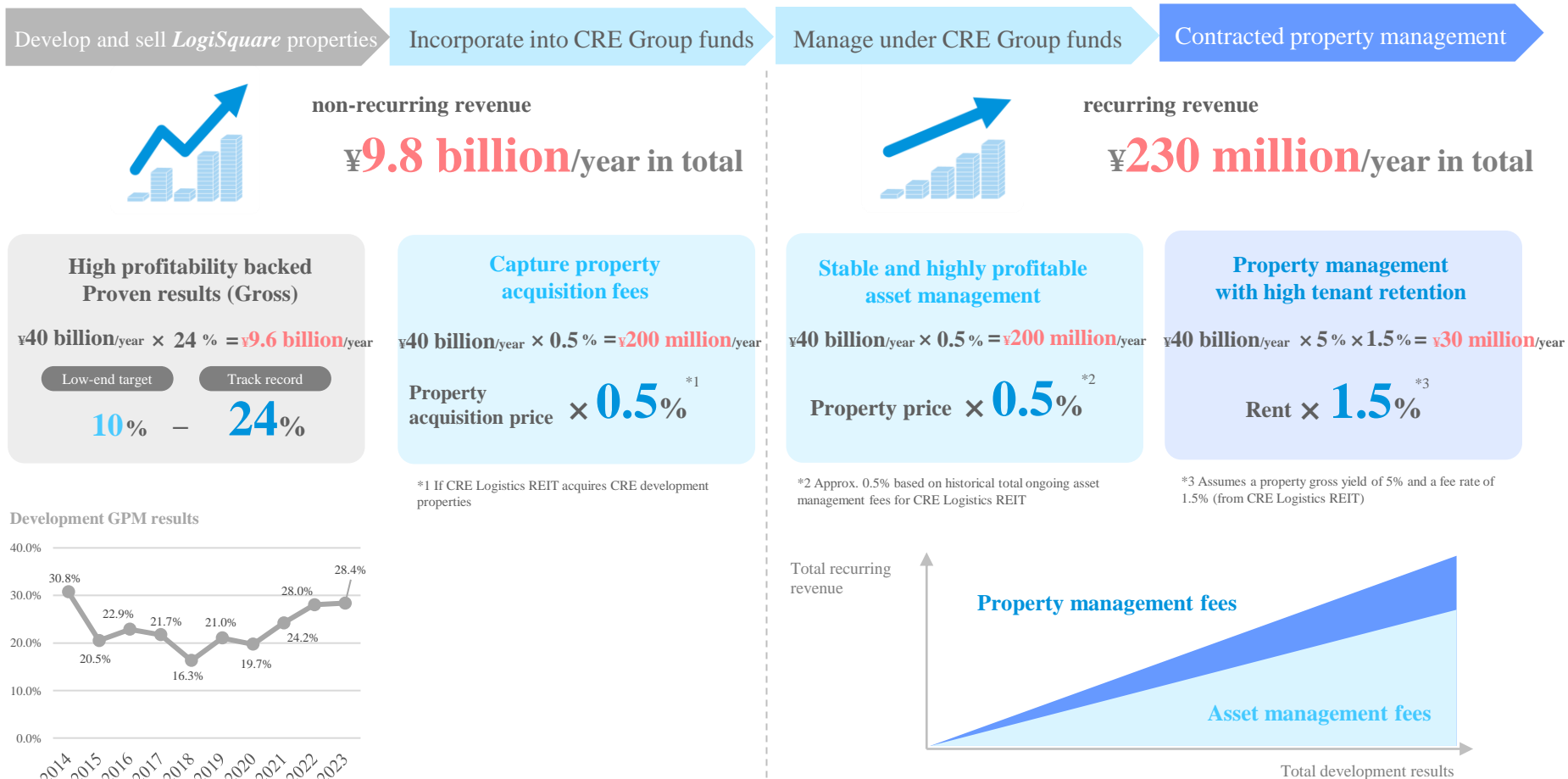
Two Earnings Models

- We have established a business model that transforms high-margin development projects (non-recurring revenue) into highly replicable recurring revenue streams.

Development business earnings model (numerical visualization)

In case of development project worth ¥40 billion/year

*Target of at least ¥200 billion in total over the 5-year period / 5 years = ¥40 billion



Status of Each Business

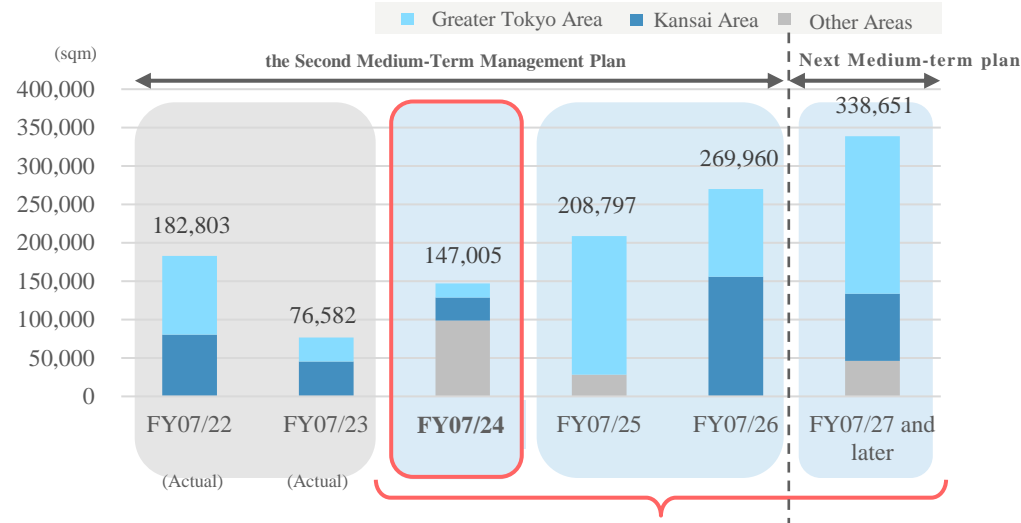
—Non-recurring Revenue Business

Non-recurring Revenue Business | Logistics Investment: Pipeline

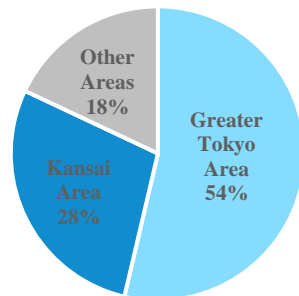
Made steady progress on pipeline expansion;
Target over ¥200 billion under the Second Medium-Term Management Plan

Invested in properties in the Greater Tokyo area
and Kansai area in a balanced manner

Floor space sold/to be sold in each fiscal year
under the Second Medium-Term Management Plan



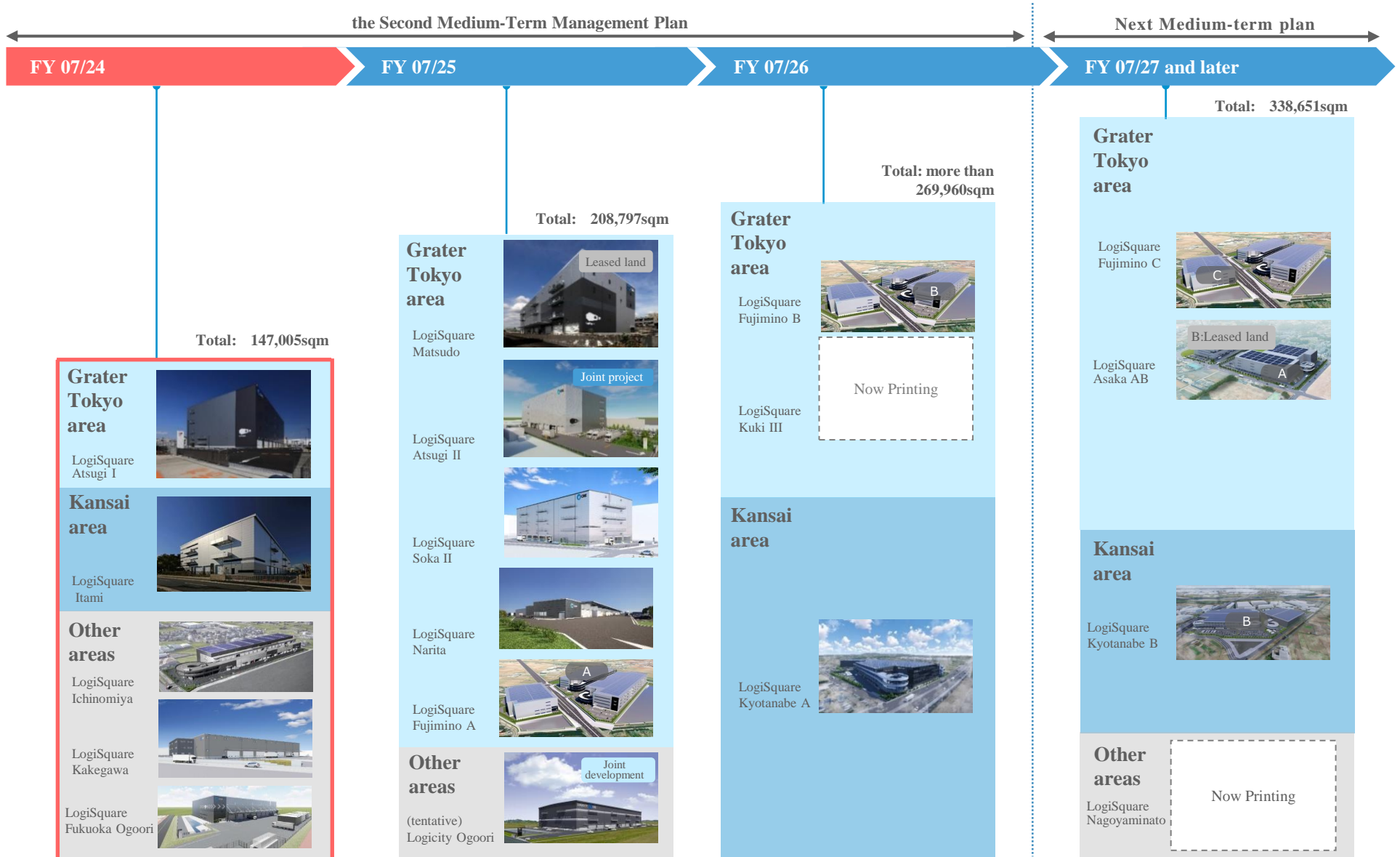
Pipeline projects by area from FY07/24



Note: Timing of sales may change, depending on construction progress and leasing conditions.

Timing of sale	Property name	Area	sqm	Confirmed, either officially or informally
FY 07/22	LogiSquare Miyoshi II	Greater Tokyo	18,136	—
	LogiSquare Osaka Katano	Kansai	80,536	—
	LogiSquare Sayama Hidaka	Greater Tokyo	84,132	—
Total: 182,803				
FY 07/23	LogiSquare Shiroi Joint project	Greater Tokyo	30,820	—
	LogiSquare Hirakata	Kansai	45,762	—
Total: 76,582				
FY 07/24 (planned)	LogiSquare Itami	Kansai	29,977	100%
	LogiSquare Atsugi I	Greater Tokyo	18,238	100%
	LogiSquare Ichinomiya	Other	60,641	100%
	LogiSquare Fukuoka Ogoori	Other	(planned) 23,914	100%
	LogiSquare Kakegawa	Other	(planned) 14,235	100%
Total: 147,005				
FY 07/25 (planned)	LogiSquare Matsudo Leased land	Greater Tokyo	15,643	
	LogiSquare Fujimino A	Greater Tokyo	(planned) 112,294	6%
	LogiSquare Soka II	Greater Tokyo	(planned) 16,099	
	LogiSquare Narita	Greater Tokyo	(planned) 17,974	100%
	LogiSquare Atsugi II Joint project	Greater Tokyo	(planned) 18,423	100%
	(tentative)Logicity Ogoori Joint development	Other	(planned) 28,364	100%
Total: 208,797				
FY 07/26 (planned)	LogiSquare Fujimino B	Greater Tokyo	(planned) 114,083	
	LogiSquare Kyotanabe A	Kansai	(planned) 155,878	15%
	LogiSquare Kuki III	Greater Tokyo	undecided	
Total: more than 269,960				
FY 07/27 and later (planned)	LogiSquare Asaka A	Greater Tokyo	(planned) 96,000	
	LogiSquare Asaka B Leased land	Greater Tokyo	(planned) 65,498	
	LogiSquare Fujimino C	Greater Tokyo	(planned) 43,283	
	LogiSquare Kyotanabe B	Kansai	(planned) 87,534	
	LogiSquare Nagoyaminato	Other	(planned) 46,337	
Total: 338,651				

Non-recurring Revenue Business | Pipeline to be sold after FY07/24



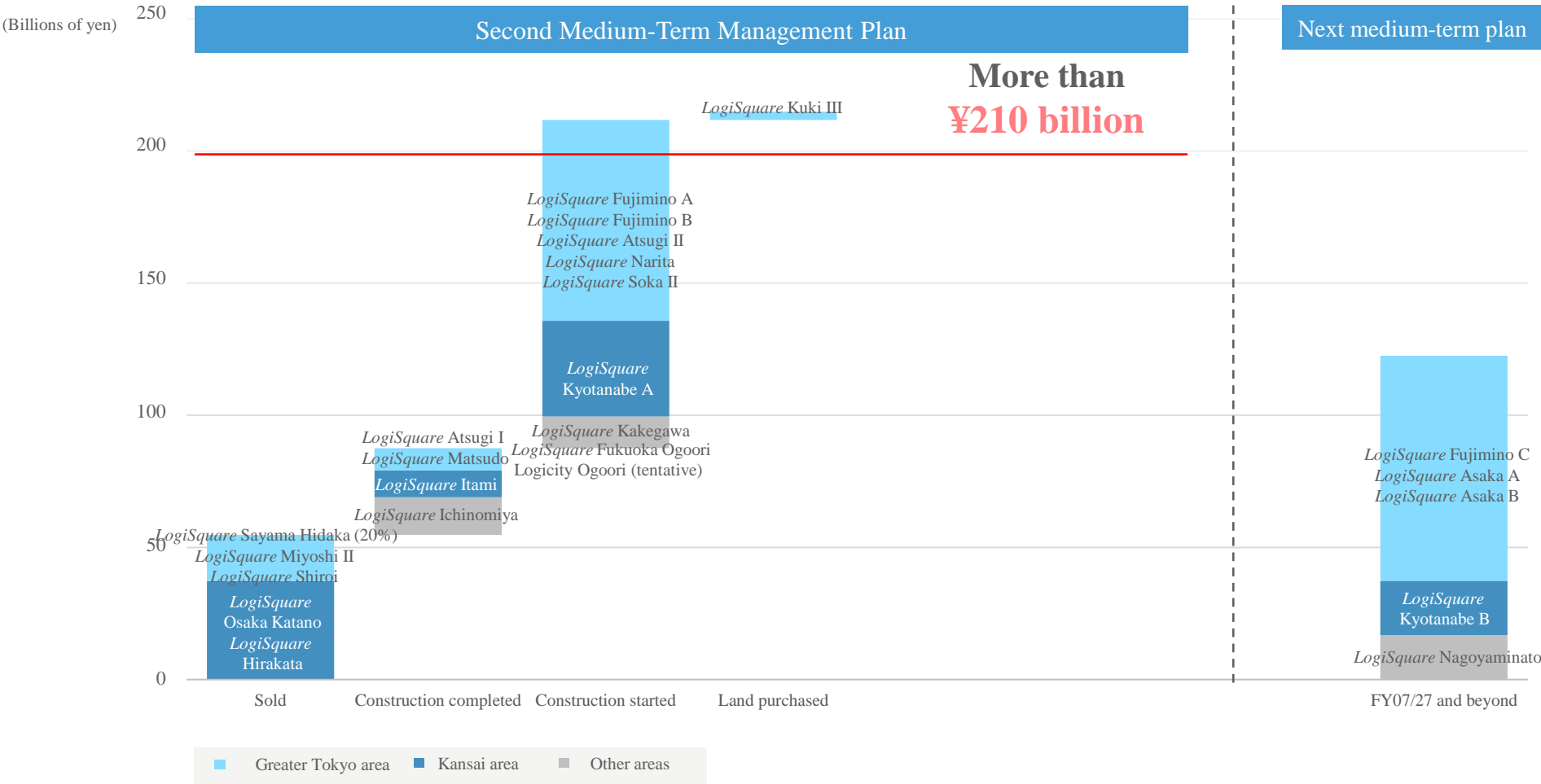
Note: Timing of sales may change, depending on construction progress and leasing conditions.

Non-recurring Revenue Business | Logistics Investment

Five properties to be sold in FY07/24:

LogiSquare Itami, LogiSquare Atsugi I, LogiSquare Ichinomiya, LogiSquare Fukuoka Ogoori, and LogiSquare Kakegawa
The announced pipeline balance has expanded to over ¥210 billion, exceeding the commitments of the 2nd Mid-Term Management Plan.
 Pipeline acquisitions for the next mid-term plan and beyond also remained solid, accumulating up to 100 billion yen.

Key indicator: Pipeline projects under the Second Medium-Term Management Plan

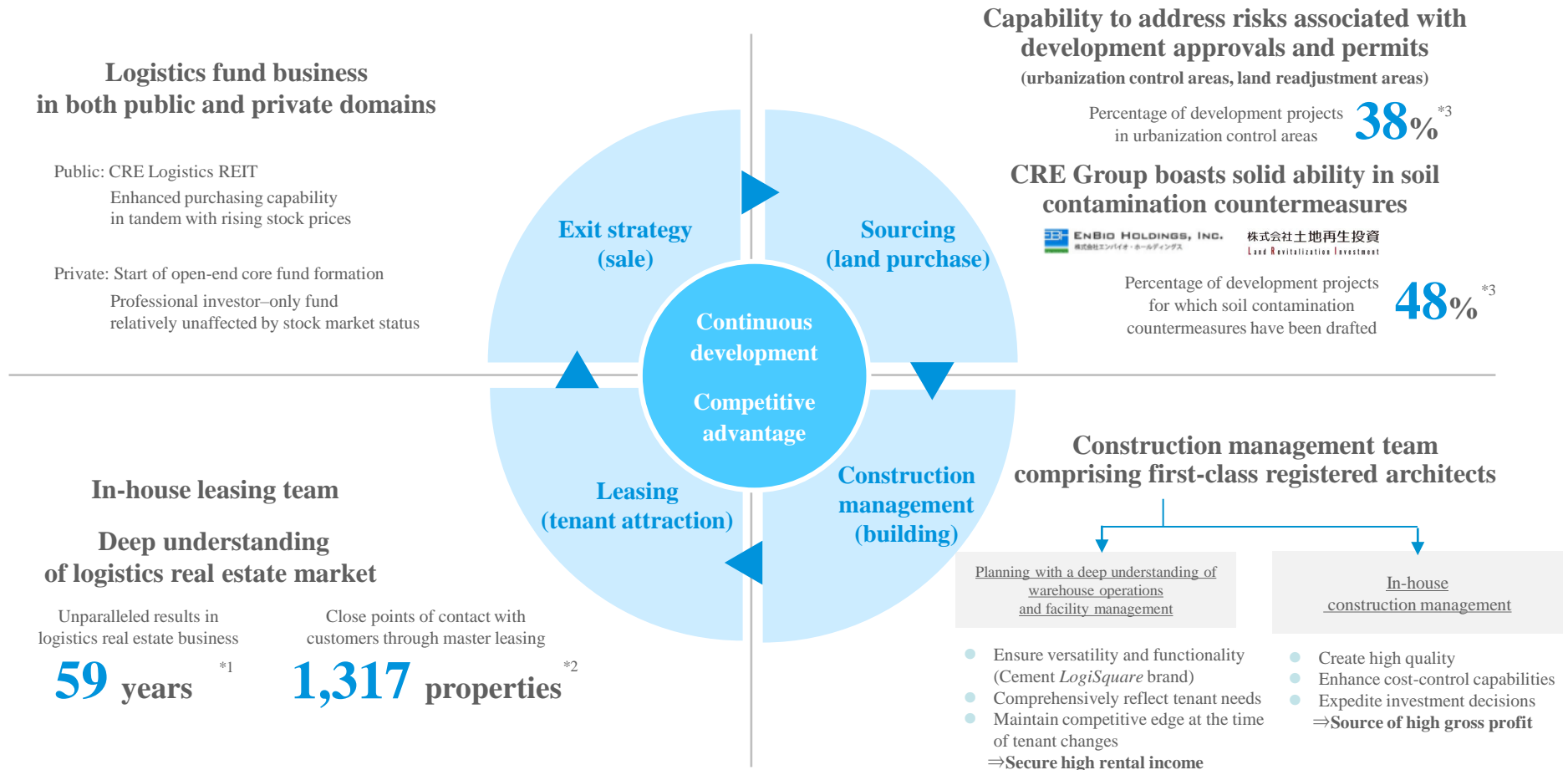


Non-recurring Revenue Business | Logistics Investment

Continuous development is made possible by CRE Group's competitive advantage.



Competitive advantages in each phase of development



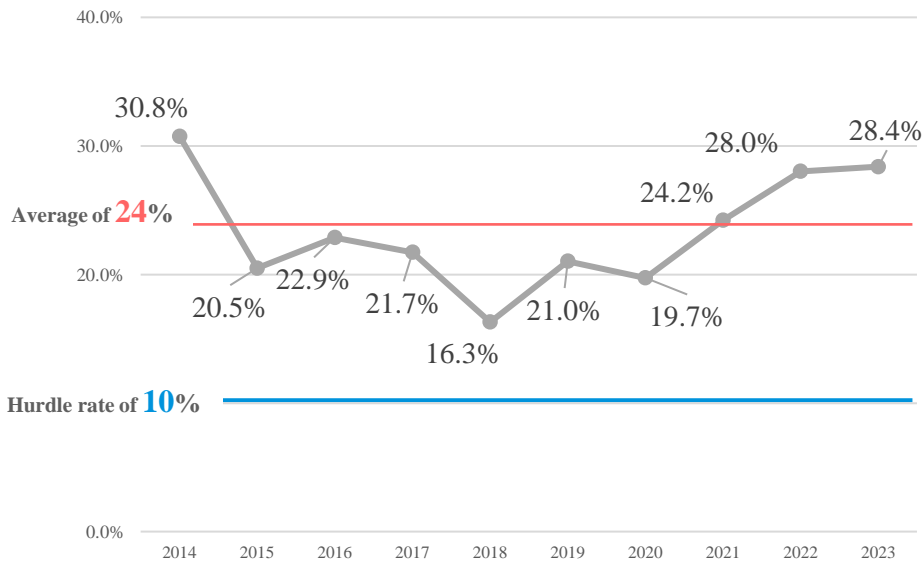
*1 Tenko Soken Co., Ltd., established in 1964 *2 As of October 31, 2023 *3 Based on 26 completed properties, up to LogiSquareIchinomiya

Reference: Development GPM

- High development GPM

Development GPM historical average

About **24%**



Reference: Investment to exit

Reference case: *LogiSquareOsaka Katano*

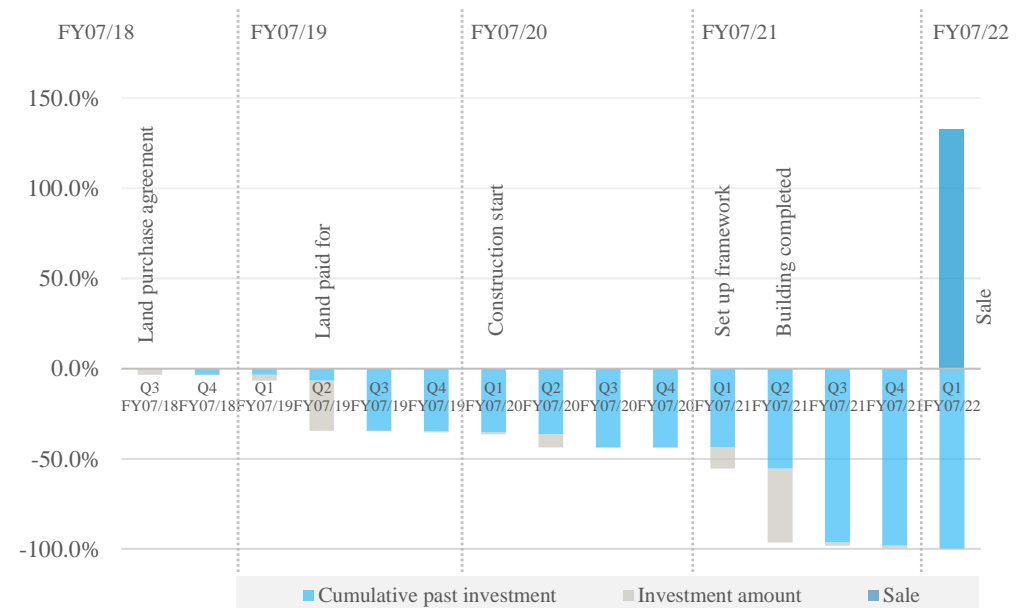
- Realized high IRR through tail-heavy capital investment

Non-leveraged IRR

About **19%^{*1}**

Leveraged IRR

More than **50%^{*1}**



Note: The above illustrates investment and recovery assuming total costs at 100% (excluding tax).; **Does not include asset management fees or property management fees received from CRE Logistics REIT after sale.**

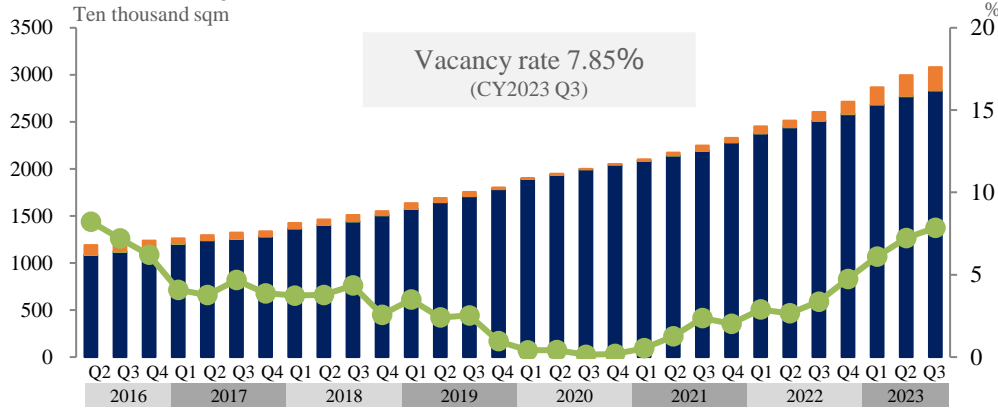
*1 On a cash basis. Excludes property tax, city planning tax, and consumption tax. Leverage assumes loan-to-value ratio of 75% and 1.5% interest rate prepayment.

Rental market

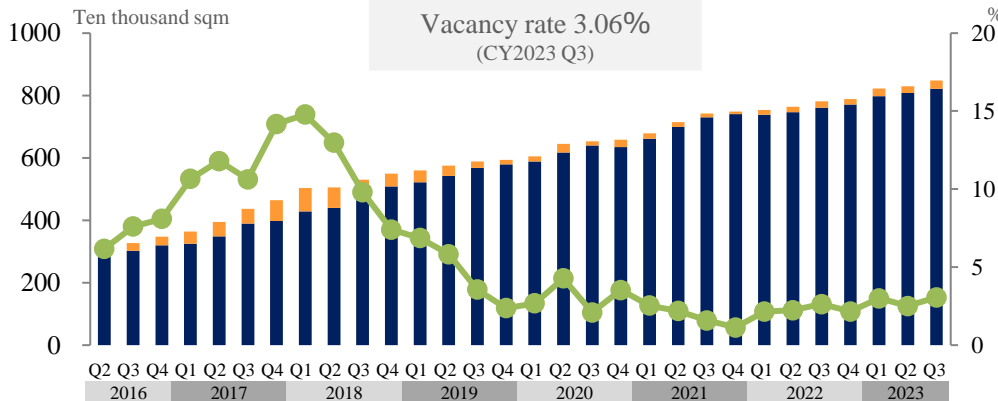
- In the Greater Tokyo area, demand was robust, but vacancy rates rose as it took longer to reach full occupancy.
- In the Kansai area, demand was firm, but vacancy rates rose slightly due to an increase in new supply.

■ Stock amount and vacancy rate

Greater Tokyo area



Kansai area



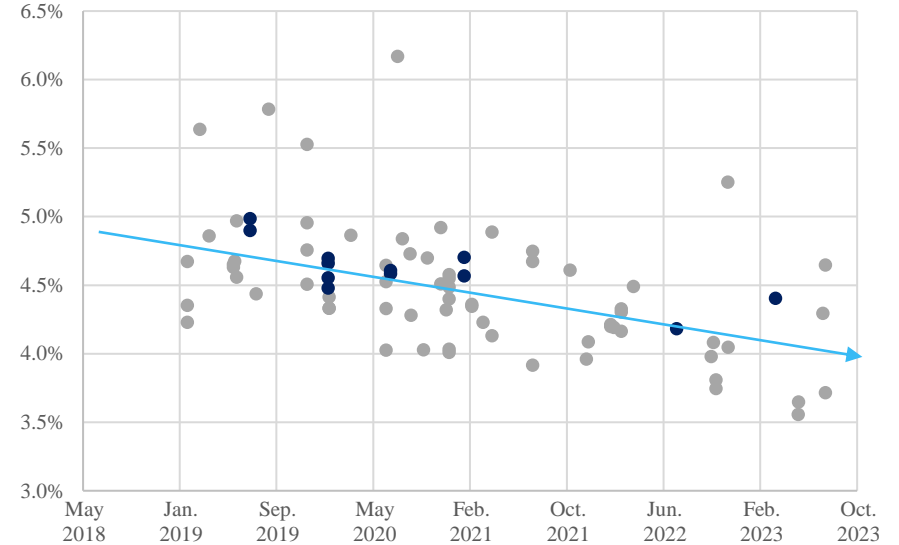
Source: "Market Report on Warehouses and Logistics Properties (β version) Ver. 202309" published by CRE, Inc.

Trading market

- Downtrend in cap rate continues.

*Of properties held in listed REITs, appraisal NOI yield of logistics facilities in the Greater Tokyo area at the time of acquisition

● NCF yield based on acquisition prices ● CRE Logistics REIT



Source: SMBC Nikko Securities

Status of Each Business —Recurring Revenue Business

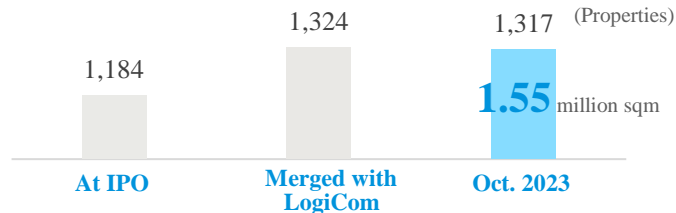
Recurring Revenue Business | Real Estate Management

Pillar of Recurring Revenue businesses

Master lease

- Purchase existing small- and medium-sized warehouses and sell them to the CRE Group funds; make effective use of land (warehouse construction); lease existing small- and medium-sized warehouses to increase the number of properties under contract and expand the floor space under management
- Plan to form a private REIT for small- and medium-sized warehouses in FY07/24. Aim to expand its business foundation by taking on master lease contracts for properties in the fund (see page 21).

Number of master lease properties



Rents (2022–2023)

- Rents paid by new tenants continue to surpass those paid by previous occupants.

Rent changes **+4.5%** Turnover **4.0%**

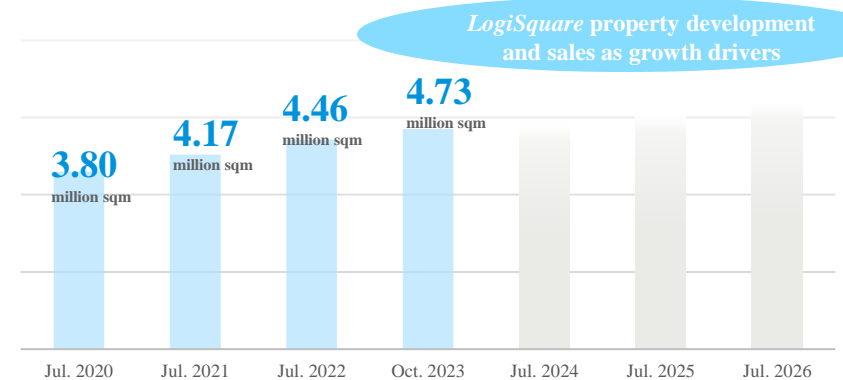
CRE ranks No. 3^{*1} among property management companies focused on logistics facilities with approx. **6.28 million sqm^{*2} in floor space under management**

Close points of contact with customers that support Logistics Investment and Asset Management

Property management

- Develop *LogiSquare* properties and sell them to the CRE Group funds to increase the floor space under management while improving profitability
- Revenue from contract management expected to grow by approximately 27% over three years (from FY07/23 to FY07/26)

Key indicator: Floor space under management



*1 Source: *Gekkan Property Management* (November 2023 issue) *2 As of October 31, 2023

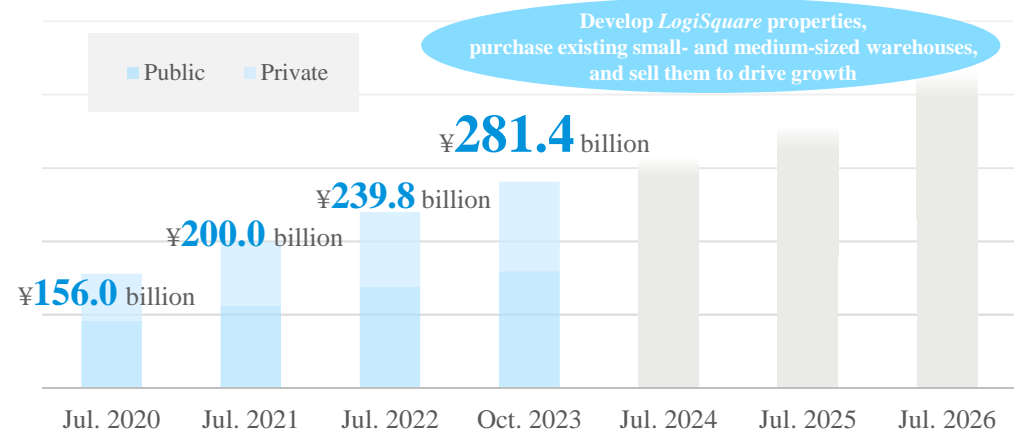
Recurring Revenue Business | Asset Management

Aim: Double assets under management (AUM) x Improve fee rates

Asset Management

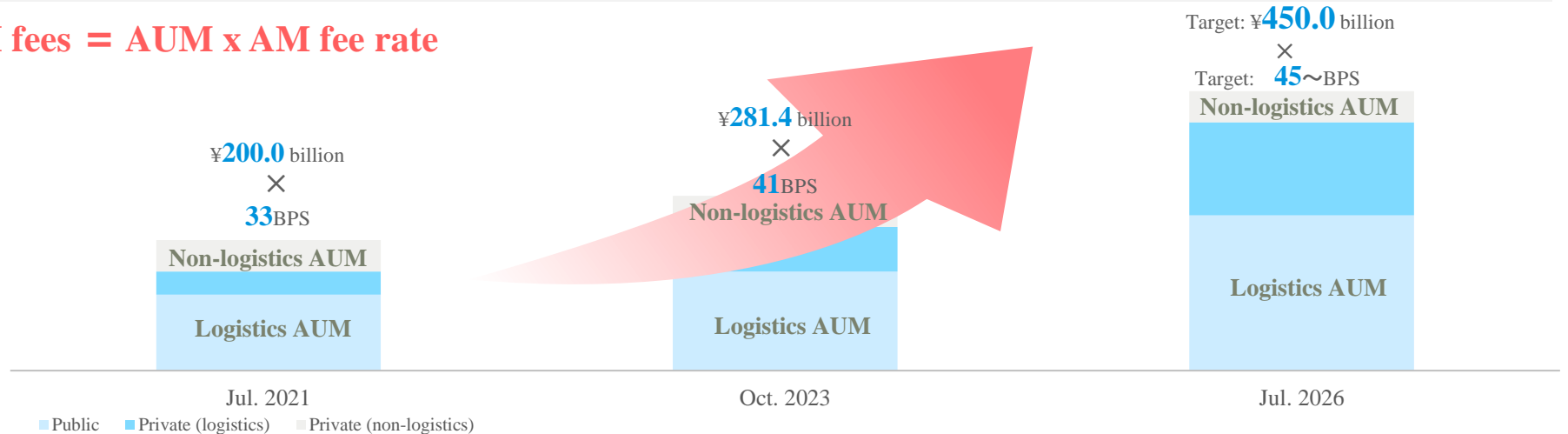
- Develop *LogiSquare* properties and purchase existing small- and medium-sized warehouses, and sell them to the CRE Group funds to increase the number of properties under management and AUM.
- Improve AM fee income by providing appropriate services to fund investors, centered on logistics facilities
- In addition to CRE Logistics REIT, diversify funds under operation, including funds for small- and medium-sized warehouses and self-storage

Key indicator: AUM



AUM and average AM fee rate by asset class

AM fees = AUM x AM fee rate



Aim to diversify logistics-focused funds in the private domain to increase AM fee income

Initiative for formation of private REIT

Our Second Medium-Term Management Plan calls for the formation of a private REIT for small- and medium-sized warehouses. To this end, we will establish a real estate investment corporation (tentatively called CRE Industrial Asset REIT) and aim to start operations from next spring or later.

We plan to add to the fund small- and medium-sized warehouses for which we will perform master leasing, which will contribute to the expansion of our Recurring revenue business base.



Features

- **Virtually indefinite** funds similar to J-REITs
- Aim to expand the scale by adding properties
- As unlisted fund, **not easily affected by stock market status**
- Investor base consists primarily of institutional investors in Japan.

Aim to diversify logistics-focused funds in the private domain to increase AM fee income

Open-end core fund

Formed the first bridge fund with a target of ¥50–100 billion.

Included *LogiSquareMiyoshi II* on March 1, 2022.



Features

- **Virtually indefinite** funds similar to J-REITs
- Long-term, stable operation policy (core)
- As unlisted fund, **not easily affected by stock market status**
- Investor base consists primarily of major institutional investors in Japan

Self-storage fund

With self-storage demand expected to grow going forward, set up a self-storage-focused fund in December 2021.

Seven properties added in July 2023, for a total of 54 properties.



Features

- Specialize in self-storage facilities
- Aim to expand the scale by adding properties
- As unlisted fund, **not easily affected by stock market status**
- Investor base consists primarily of overseas major institutional investors

Status of Each Business —Overseas Business

Overseas Business

Accelerate investment in Vietnam and Indonesia.

We plan to invest a total of ¥8 billion under the Second Medium-Term Management Plan.

The Overseas business will be made into a separate segment from FY07/24 to clarify the positioning of the business.

Sembcorp Logistics Park (Hai Duong)



Sembcorp Logistics Park (Quang Ngai) Park B



Vietnam

- Warehouse development

Thailand

- Self-storage

Indonesia

- Scheduled completion of BTS-type logistics facility (Cikarang, city in suburbs of Jakarta)

Warehouse development status in Vietnam

	Development property name/project name	Lease floor area	Completed
In operation /Construction completed	Sembcorp Logistics Park A (Hai Phong) Block 1	Approx. 15,000sqm	July 2015
	Sembcorp Logistics Park A (Hai Phong) Block 2	Approx. 14,300sqm	September 2017
	Sembcorp Logistics Park B (Hai Phong)	Approx. 13,200sqm	April 2020
	Sembcorp Logistics Park (Hai Duong)	Approx. 13,200sqm	April 2022
	Sembcorp Logistics Park (Quang Ngai) Park B	Approx. 14,000sqm	August 2023
	Sembcorp Logistics Park (Quang Ngai) Park A *2 buildings	Approx. 19,600sqm	October 2023
Planned for the future	Sembcorp Logistics Park (Nghe An) *3 buildings	Approx. 39,400sqm (planned)	December 2023 (planned)

Total: 10 buildings, approx. 128,700sqm

Warehouse development status in Indonesia

	Development property name/project name	Lease floor area	Completed
Planned for the future	BTS-type logistics facility (Cikarang) *2 buildings	Approx. 40,000sqm (planned)	1st bldg.: December 2023 (planned) 2nd bldg.: July 2024 (planned)
	Multi-tenant-type logistics facility (Cakung)	Approx. 101,000sqm (planned)	1st floor: Autumn 2024 (planned) 2nd floor: Summer 2025 (planned)
	Multi-tenant-type logistics facility (Narogong) *2 buildings	Approx. 65,000sqm (planned)	1st bldg.: Spring 2024 (planned) 2nd bldg.: Spring 2025 (planned)

Total: 5 buildings, approx. 206,000sqm

Recognition of and Response to Challenges Related to Equity Valuation

Recognition of and Response to Challenges Related to Equity Valuation

Challenges

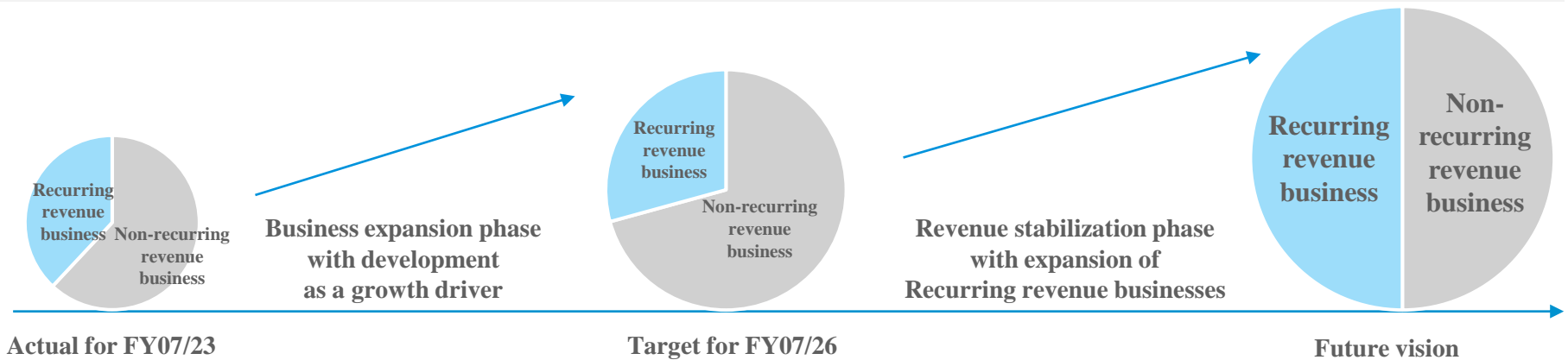
- Presenting a highly transparent growth scenario
- Reducing earnings volatility
- Making proactive shareholder returns

Responses

- ▶ Continuously update business profit forecasts
- ▶ Stabilize earnings by expanding Recurring revenue
- ▶ Continue to invest in growth and achieve a high total return ratio*

*30% (minimum) to 50% (target) under the Second Medium-Term Management Plan

Recurring revenue and Non-recurring revenue businesses: Business scale illustration



Business Profit **¥7.57 billion**※

¥14~15 billion

Multiple **×5.4** Market cap / Business profit

Market cap = **¥40.5 billion** As of July 31, 2023

**Aim to improve equity valuation
by expanding profitability**

**Aim to improve multiple valuation
by increase in Recurring Revenue business ratio**

※ excluding 449 million yen due to the effect of goodwill revaluation in connection with the additional investment in EnBio Holdings Inc.

Projected Business Profit for Each Fiscal Year

- Revised profit plans for each segment and updated projected business profit* for each fiscal year when announcing the FY07/23 results

*Properties expected to be sold in each fiscal year are listed on page 12

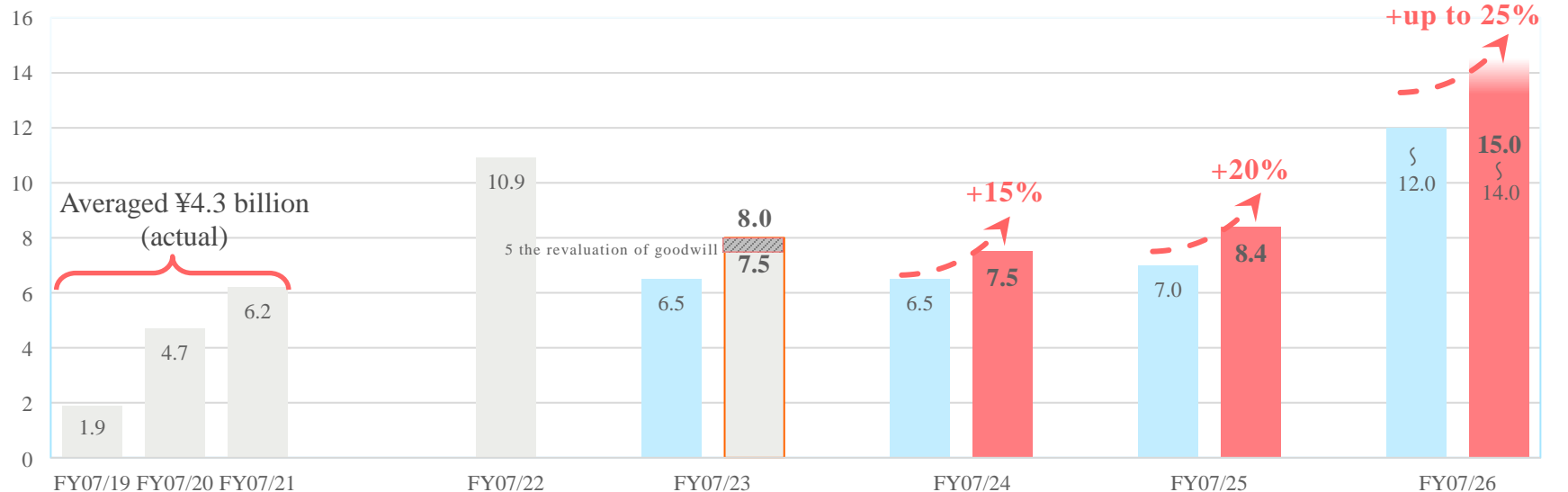
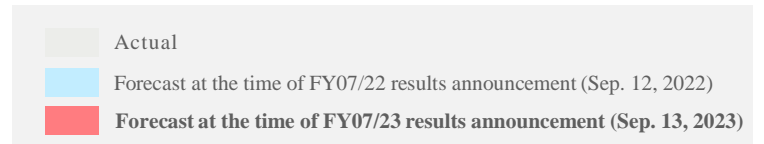
*Business profit = Operating profit + Equity in earnings of affiliates + Goodwill amortization (consolidated subsidiaries/equity method affiliates)
+ Profit (loss) from business investments

Business profit (actual/forecast) under the Second Medium-Term Management Plan

Estimated average business profit under the Second Medium-Term Management Plan

• At the time of the FY07/22 financial results announcement: **¥8.6 billion**

• At the time of the FY07/23 financial results announcement: **Max ¥10 billion**



First Medium-Term Management Plan

Second Medium-Term Management Plan

Investment Plan to Support business Growth

Investment(actual/forecast) under the Second Medium-Term Management Plan

(100 Millions of yen)

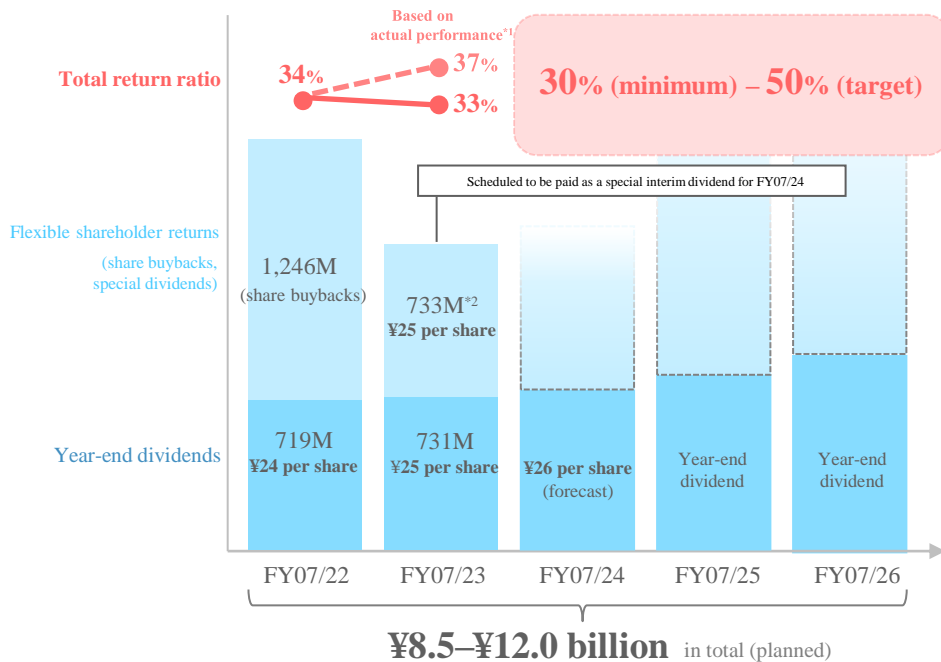
	FY07/22 FY07/23 actual	FY07/24-FY07/26 forecast	Total in 5 years
Logistics Investment	700	1,990	2,690
Asset Management	5	50	55
Overseas	15	65	80
New businesses	5	5※ <small>*Funds for executing M&A are not included.</small>	10
total	725	2,110	2,835

Shareholder Returns: Stable Dividend and Flexible Shareholder Returns

Shareholder return policy

- Aim for a total shareholder return ratio of 50%, with a minimum of 30% for each fiscal year
- In addition to year-end dividends, implement flexible shareholder returns (share buybacks or special dividends) depending on business performance and market trends
- Plan to implement a progressive dividend policy for year-end dividends
- Consider to accelerate shareholder returns on future earnings, depending on the situation

Envisioned shareholder returns under the Second Medium-Term Management Plan (FY07/22–FY07/26)



Shareholder returns under the Second Medium-Term Management Plan

¥8.5 – ¥12.0 billion in total (planned)

*When we announced our FY07/23 results (September 13, 2023), we revised up our total shareholder return target from the ¥7.0bn disclosed at the time of our FY07/22 results announcement (September 12, 2022).

Our calculation formula for the total return ratio

$$\frac{(\text{Year-end dividend for fiscal } n) + (\text{Interim dividend for fiscal } n+1) + (\text{Amount of share buybacks for fiscal } n+1)}{\text{Profit attributable to owners of parent for fiscal } n}$$

*1 The figure is calculated based on net income excluding the 449 million yen impact of the revaluation of goodwill due to the additional investment in EnBio Holdings, Inc.












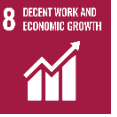


*2 The total amount of interim dividends for FY07/24 is calculated based on the total number of issued shares (excluding treasury stock) as of December 13, 2023. The amount may vary depending on the total number of issued shares as of the record date (January 31, 2024).

Initiatives to Realize Sustainable Society

Initiatives to Realize Sustainable Society

We will contribute to the realization of a sustainable society by addressing priority issues (materiality).

Identified priority issues (materiality)

		Key SDGs
E	Realize sustainable environment <ul style="list-style-type: none"> Switch to 100% green power by installing solar power generation systems at <i>LogiSquare</i> development properties Develop overseas power generation and water supply businesses (Middle East area) through group companies Obtain environmental certifications for <i>LogiSquare</i> development properties: Building-Housing Energy-efficiency Labelling System (BELS) and Comprehensive Assessment System for Built Environment Efficiency (CASBEE) At CRE Logistics REIT, pursue Global Real Estate Sustainability Benchmark (GRESB) registration, implement green finance Implement soil and groundwater contamination countermeasures 	     
	Grow and develop together with local communities <ul style="list-style-type: none"> Collaborate to preserve history (assist excavations) Create local employment through warehouse development Participate in welfare activities Sponsor courses at universities: Sophia University, Meiji University 	  
S	Create environment where diverse human resources can thrive <ul style="list-style-type: none"> Promote diversity Advance workstyle reform Develop and train human resources with a focus on self-fulfillment 	   
	Enhance corporate governance to secure trust of society <ul style="list-style-type: none"> Address corporate governance issues Ensure thorough compliance, strengthen practices Reinforce risk management 	

Initiatives to Realize Sustainable Society

EnBio Holdings, Inc. (equity method affiliate; hereinafter “EBH”) initiatives

● Switch to 100% green power at *LogiSquare* development properties

For *LogiSquare* properties to be developed in the future, plan to install solar power generation systems for consumption and purchase renewable energy from EnBio C Energy, Inc. (a subsidiary of EBH), switching to 100% green power.

Going forward, develop businesses with an eye toward establishing a scheme to mutually share renewable energy among *LogiSquare* properties and supplying renewable energy to third-party facilities managed by the CRE Group.

● Develop power generation and water supply businesses overseas (Middle East area)

- Build solar power plants in Dubai and Jordan. Use the solar power generation to pump groundwater and supply it to the region.
- Build a biomass power plant in Turkey. Effectively use biomass resources that are disposed of.

Topics

- From November 2023, EnBio C Energy started operating rooftop solar power generation systems at *LogiSquare* Hirakata (sold) and *LogiSquare* Shiroy (sold).
- Enbio C Energy is currently constructing a rooftop solar power generation system at *LogiSquare* Miyoshi II (sold).



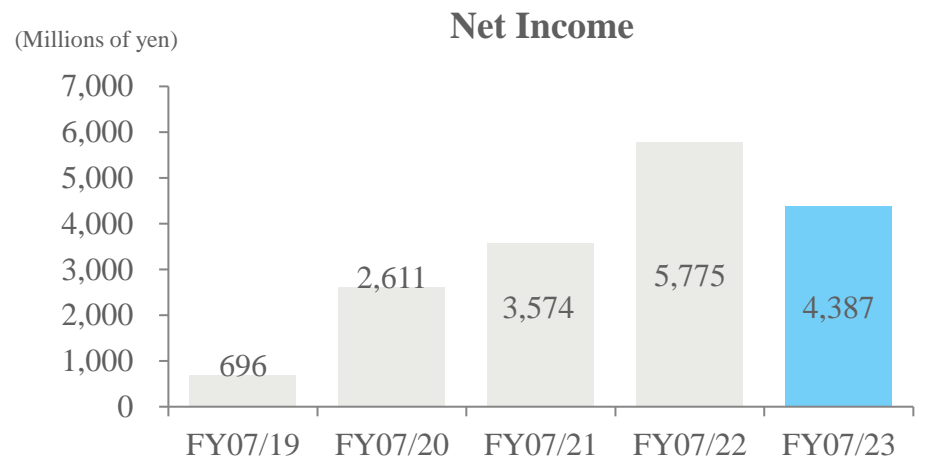
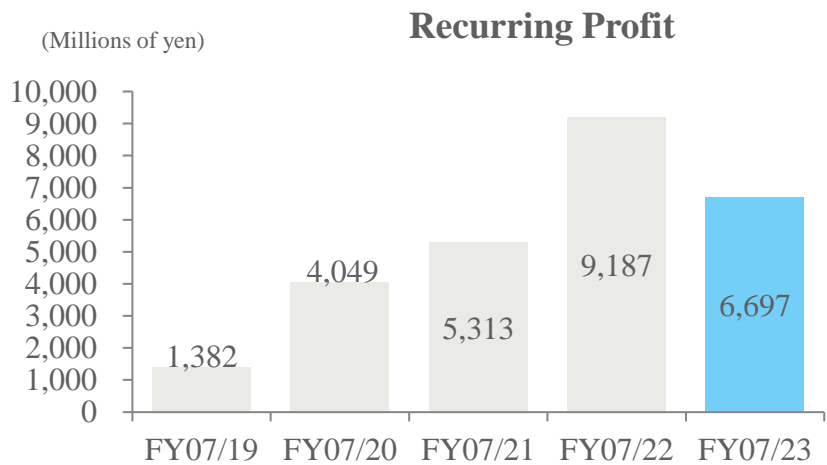
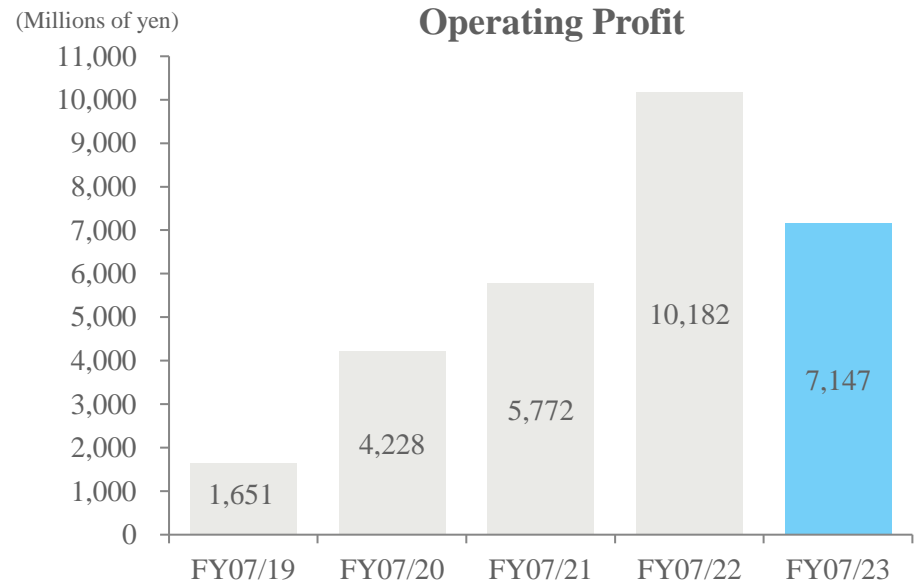
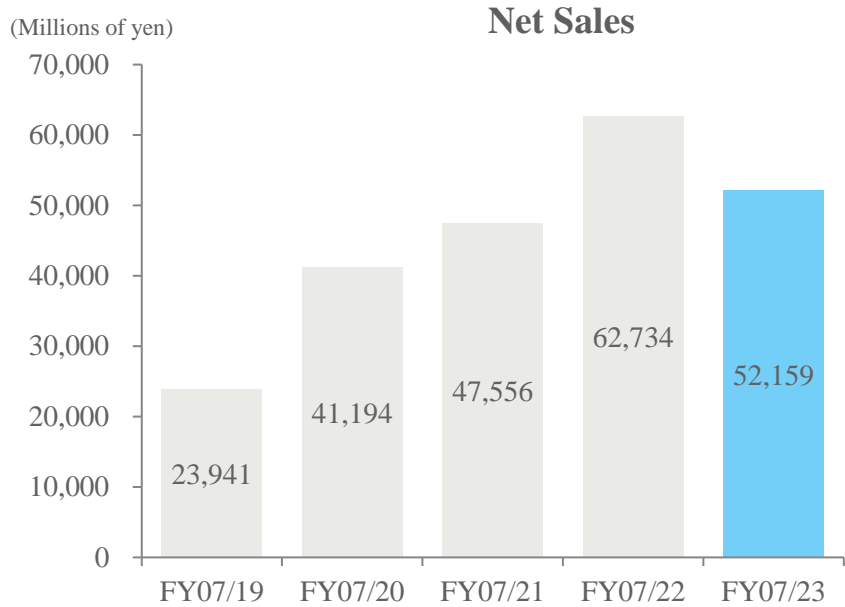
Solar power plant in Sabha, Mafraq (Jordan)



Biomass gasification power plant in operation in Goynuk, Bolu Province, northwestern Turkey

Appendix

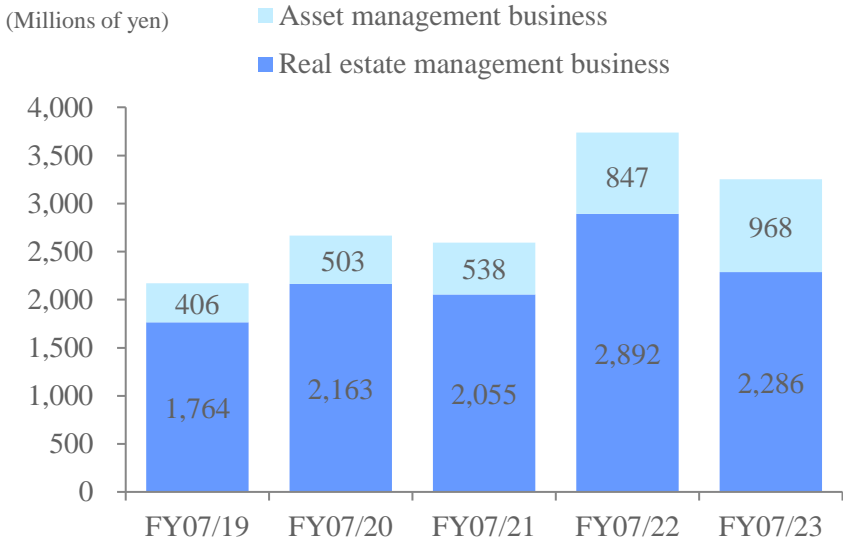
Consolidated Financial Highlights



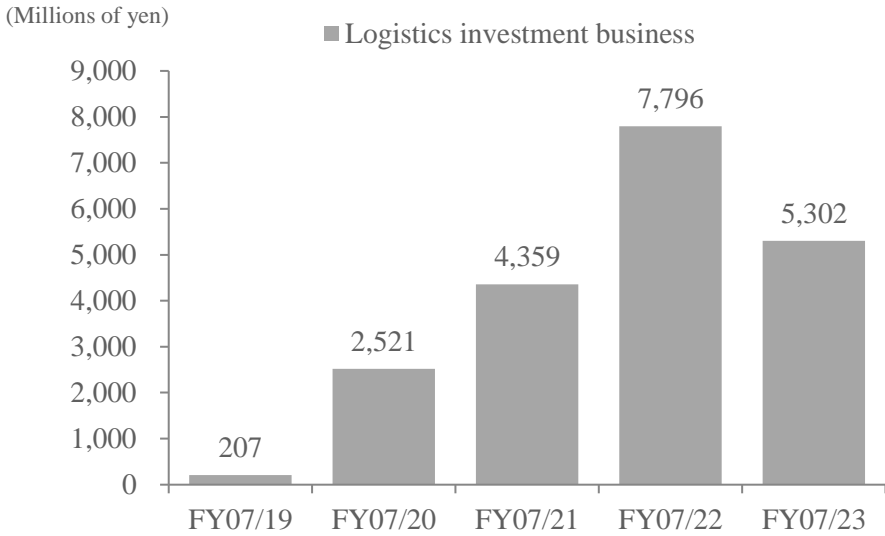
Financial Highlights for Each Reporting Segment

Segment Profit

Recurring revenue Business

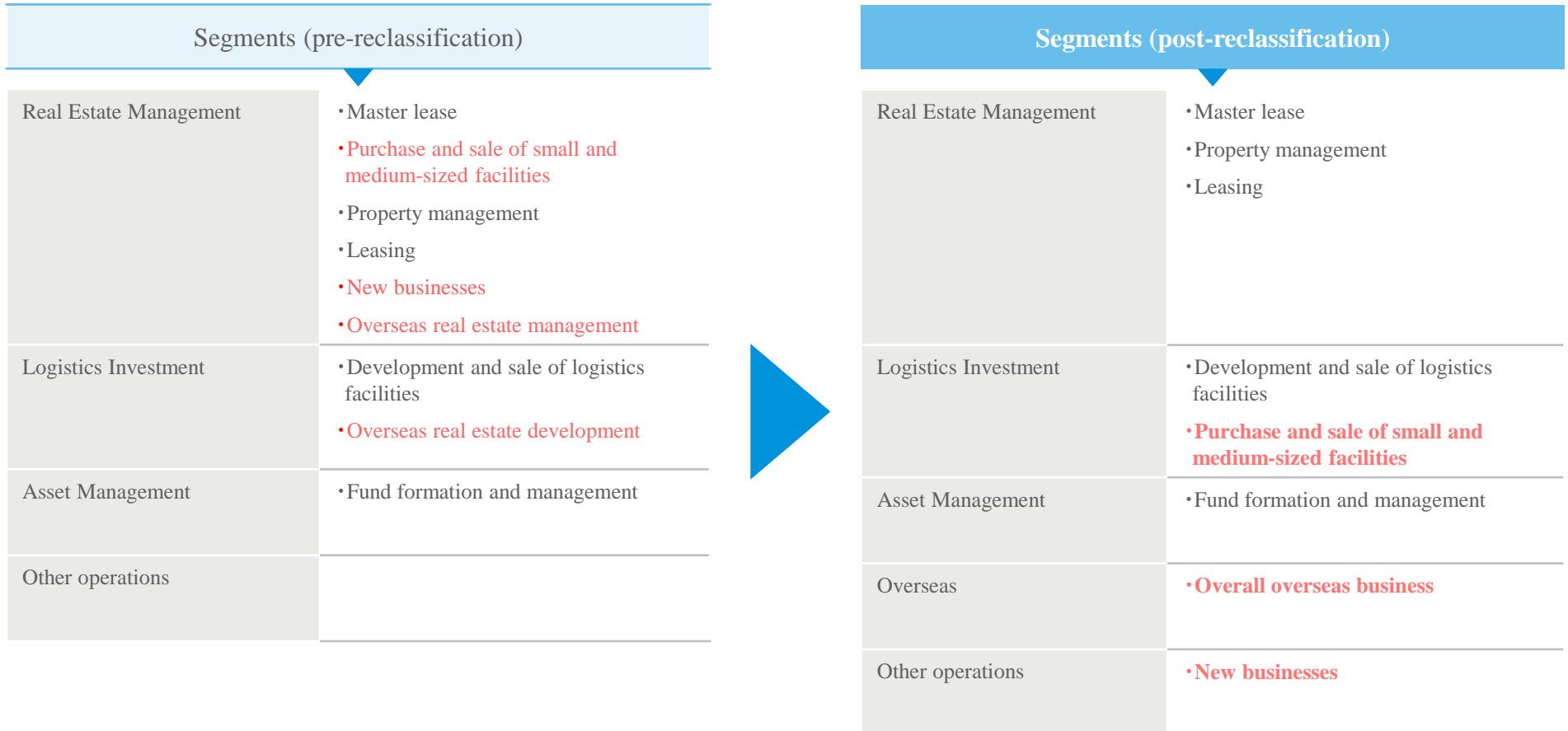


Non-recurring revenue Business



Segment Changes

- From FY07/24, the segment structure will be revised to clarify Recurring revenue and Non-recurring revenue businesses.
- A new Overseas business segment will be established.
- In light of the fact that we use business profit* as a key management indicator, equity method affiliates will be included in segment components.



* Business profit = Operating profit + Equity in earnings of affiliates + Goodwill amortization (consolidated subsidiaries/equity method affiliates)+ Profit (loss) from business investments

Summary of Consolidated Balance Sheets

- Key components of real estate for sale: *LogiSquare* Itami, *LogiSquare* Atsugi I, *LogiSquare* Matsudo, *LogiSquare* Ichinomiya, and small-sized warehouses, etc. Total 7 properties

- Key components of real estate for sale in process: *LogiSquare* Fujimino ABC, *Logicity* Ogoori (tentative), *LogiSquare* Kuki III, *LogiSquare* Fukuoka Ogoori, *LogiSquare* Kakegawa, *LogiSquare* Narita, *LogiSquare* Atsugi II, *LogiSquare* Kyotanabe AB, and *LogiSquare* Soka II, etc. (Millions of yen)

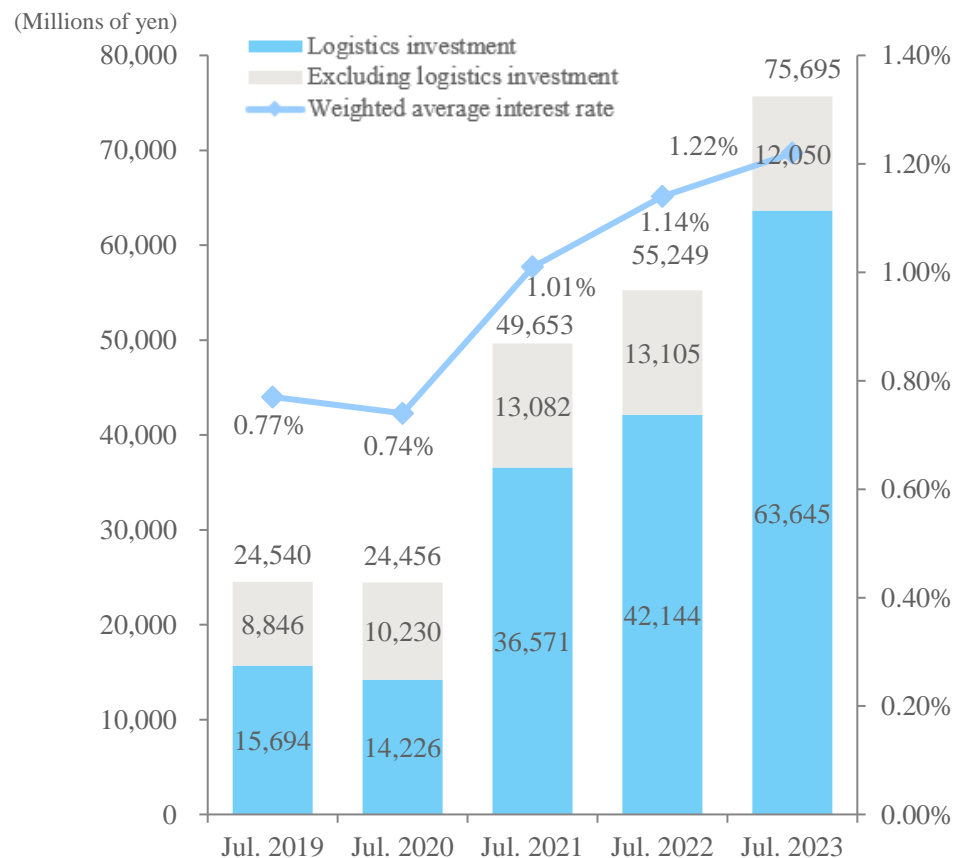
	As of July 31, 2023	As of October 31, 2023	Change		As of July 31, 2023	As of October 31, 2023	Change
Total assets	138,821	139,804	983	Total liabilities	100,344	102,744	2,399
Current Assets	109,658	110,517	859	Current liabilities	35,357	35,187	-170
(Key components)				(Key components)			
Cash and deposits	28,292	22,467	-5,824	Short-term loans payable, etc.*1	20,749	24,257	3,508
Real estate for sale	16,214	26,562	10,347	Fixed liabilities	64,986	67,556	2,570
Real estate for sale in process	58,588	49,960	-8,628	(Key components)			
Fixed assets	29,150	29,276	125	Long-term loans payable, etc.*2	54,946	57,208	2,262
(Key components)				Lease and guarantee deposits received	8,899	9,231	332
Tangible fixed assets	7,467	7,415	-52	Total net assets	38,477	37,060	-1,416
Intangible fixed assets	908	851	-57	Common stock	5,295	5,295	0
Investments and other fixed assets	20,774	21,010	235	Capital surplus	6,008	6,008	0
<Lease and guarantee deposits>	(7,999)	(7,984)	-14	Earned surplus	25,979	24,825	-1,154
Total assets	138,821	139,804	983	Total liabilities and net assets	138,821	139,804	983

*1 Short-term loans payable, etc. = Short-term loans payable + Current portion of long-term loans payable + current portion of bond

*2 Long-term loans payable, etc. = Bond + Long-term loans payable

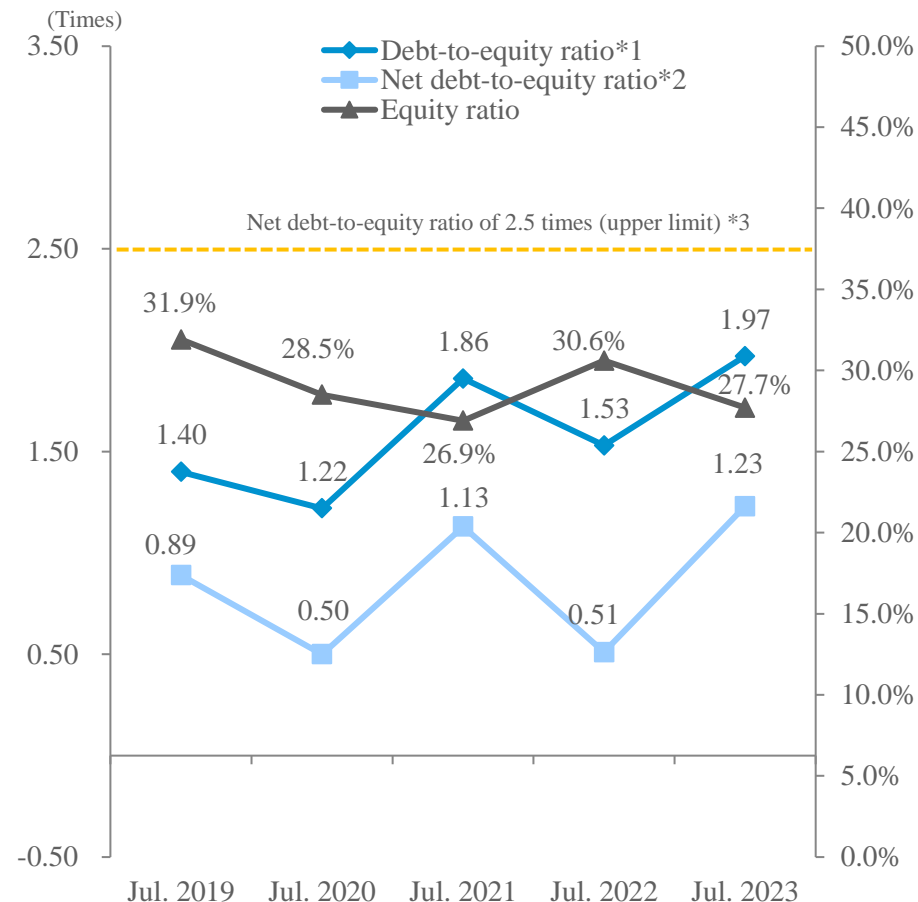
Financial Position (As of July 31, 2023)

Consolidated loan balance and weighted average interest rate



(Number)	Jul. 2019	Jul. 2020	Jul. 2021	Jul. 2022	Jul. 2023
Funding sources	24	23	28	44	44

Consolidated key indicators



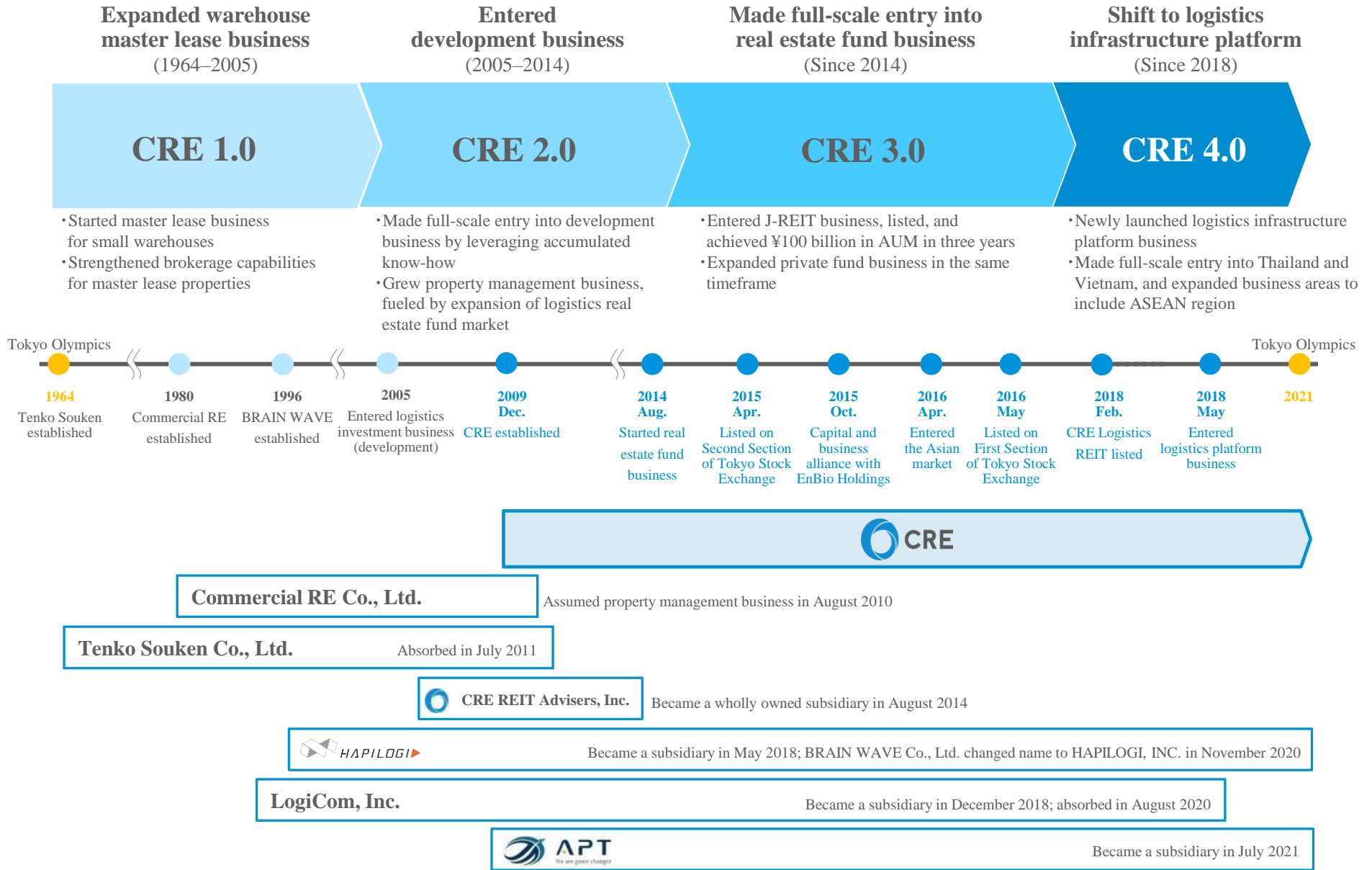
*1 Debt-to-equity ratio = Interest-bearing debt (short-term borrowings, etc. + long-term borrowings, etc.) / Equity capital
 *2 Net debt-to-equity ratio = (Interest-bearing debt [short-term borrowings, etc. + long-term borrowings, etc.] - cash and deposits) / Equity capital

*3 We set the upper limit for net debt-to-equity ratio at about 2.5 times.
 (Source: Long-term strategy announced September 12, 2016)

Company Profile

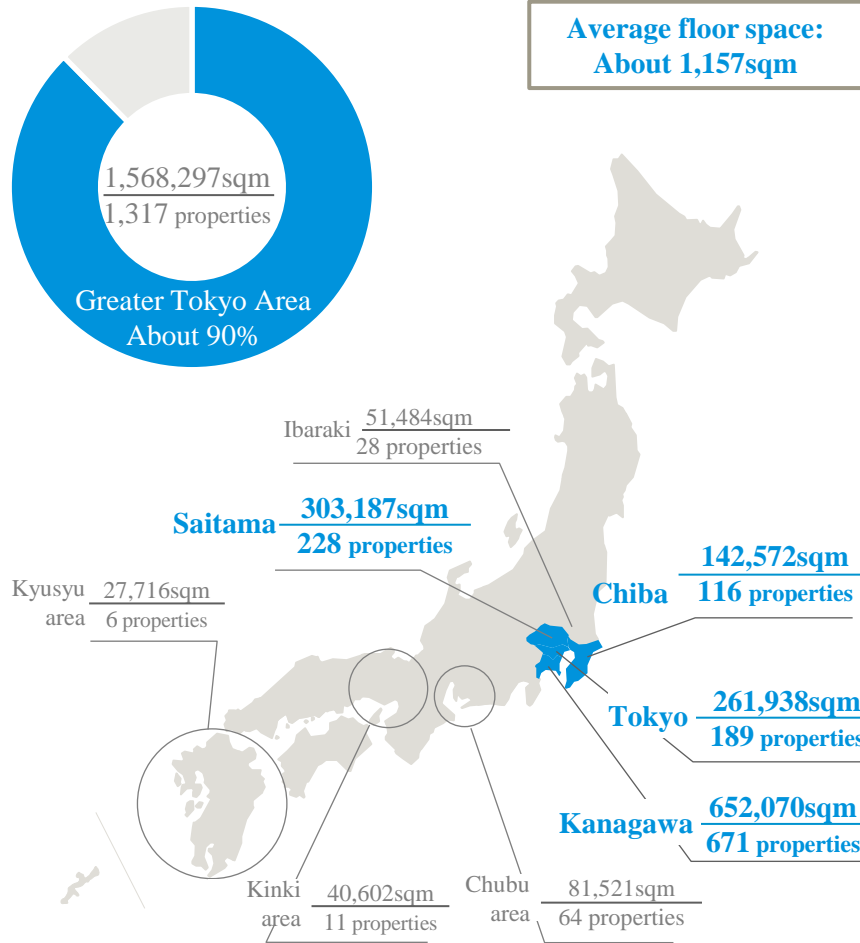
Company name	CRE, Inc.
Representative	Tadahide Kameyama, Representative Director, President
Head office	East Tower 19F, Toranomom Twin Bldg., 2-10-1, Toranomom, Minato-ku, Tokyo
Sales offices	In Japan, Nishi-Tokyo, Kanagawa, Osaka, Fukuoka, and overseas, in Singapore, Thailand
Main businesses	Leasing, management, development, brokerage of, and investment advisory for, logistics facilities
Established	December 22, 2009
Paid-in Capital	¥5,295 million (As of July 31, 2023)
Consolidated net sales	¥52,159 million (FY07/23)
Number of employees	333 (Consolidated basis / As of October 31, 2023)
Listing	Prime Market of the Tokyo Stock Exchange Code: 3458
Industry sector	Real estate business

History

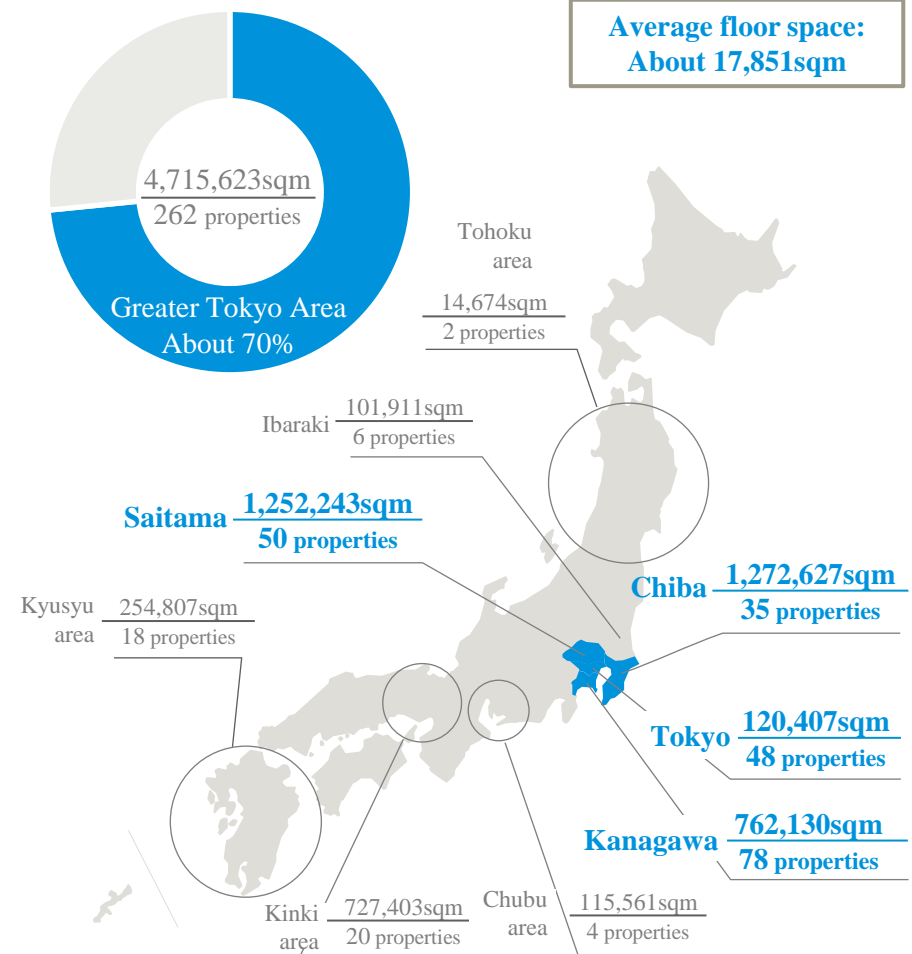


Real Estate Management Business: Floor Space under Management by Area

Master Lease



Property Management



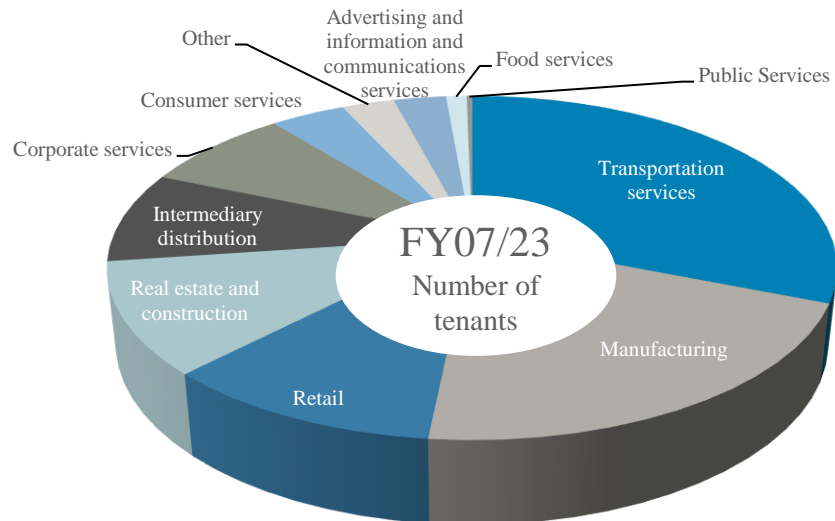
* As of October 31, 2023

* The Greater Tokyo area includes Saitama Prefecture, Chiba Prefecture, Tokyo, and Kanagawa Prefecture.

Floor space under management
Properties under management

Diverse Customer Base

Tenant composition in master lease business



Major customers for property management business

- LaSalle LOGIPORT REIT
- LaSalle REIT Advisors K.K.
- Star Asia Investment Corporation
- Star Asia Investment Management Co., Ltd.
- Kenedix Retail REIT Corporation (now KDX Realty Investment Corporation)
- Kenedix Real Estate Fund Management, Inc.
- United Urban Investment Corporation
- Japan REIT Advisors Co., Ltd.
- Industrial & Infrastructure Fund Investment Corporation
- KJR Management
- Mitsubishi Estate Logistics REIT Investment Corporation
- Mitsubishi Jisho Investment Advisors, Inc.
- CRE Logistics REIT, Inc.
- CRE REIT Advisers, Inc.
- LaSalle Investment Management
- Diamond Realty Management Inc.
- Challenger Limited
- Morgan Stanley Capital K.K.
- Daiei Real Estate & Development Co., Ltd.
- Mitsui & Co., Realty Management Ltd.
- FORTRESS INVESTMENT GROUP JAPAN
- Ichigo Estate
- Yamato Transport Co. Ltd.
- TAKARA-SANGYO Co., Ltd.
- UI JAPAN Ltd.
- Yasuda Real Estate Logi Lease Co., Ltd.
- ESR REIT Management Ltd.
- TLC REIT Management Inc.
- Kenedix Investment Partners, Inc.
- Daiwa Real Estate Asset Management Co., Ltd.
- Daiwa House Realty Mgt. Co., Ltd.
- Tokyu Land Capital Management Inc.
- AXions Co., Ltd.
- NEWBRAIN Co., Ltd.
- Tokyo Tatemono Co., Ltd.
- Star Asia Asset Advisors Co., Ltd.
- JA Mitsui Leasing Tatemono Co., Ltd.
- CBRE K.K.
- Odakyu Real Estate Co., Ltd.
- Real Link International Investment Advisors, Inc.
- Strategic Partners Co., Ltd.

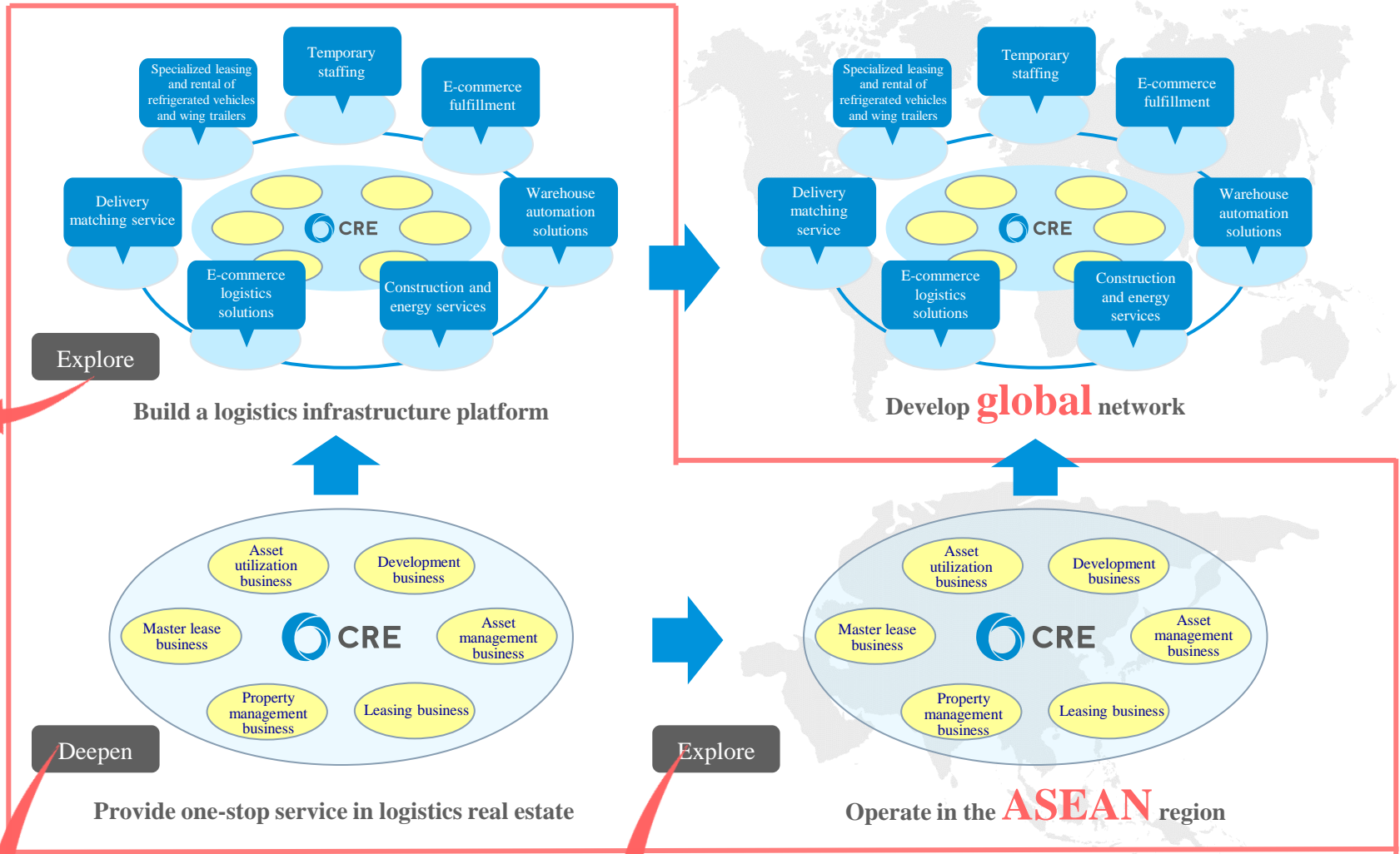
As of October 31, 2023

CRE Group's Business Portfolio Development

Business domains

New

Existing



Further growth

Expansion/monetization

Area development

Logistics Infrastructure Platform (LIP)

Subsidiaries and affiliates



*1 Consolidated subsidiaries *2 Equity method affiliates

Capital and business alliances



Alliances



Stock Information (As of July 31, 2023)

Issued shares and shareholders

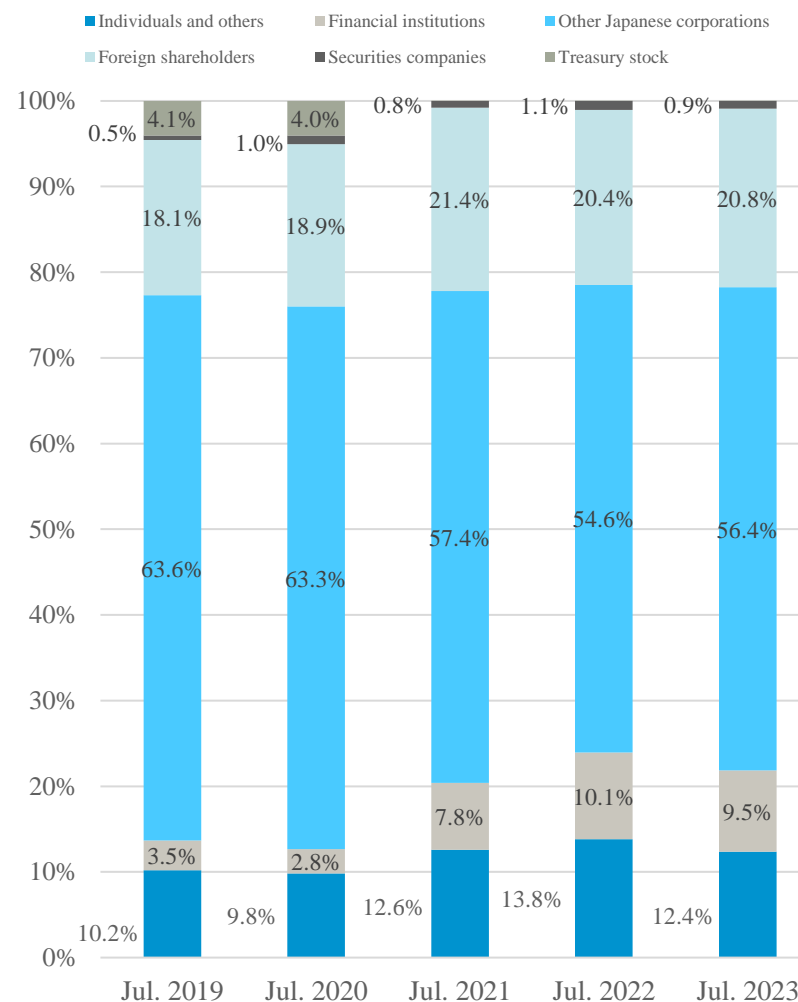
Number of shares issued and outstanding	29,259,200
Number of shareholders	6,038

Major shareholders

Shareholder name	Number of shares (Thousands)	Shareholding ratio (%)
Kyobashi Kosan, Inc.	11,009	37.63
Kenedix, Inc.	4,485	15.33
GOLDMAN, SACHS & CO. REG	2,835	9.69
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,156	3.95
CITCO TRUSTEES (CAYMAN) LIMITED SOLELY IN ITS CAPACITY AS TRUSTEE OF THE VPL1 TRUST	1,000	3.42
The Nomura Trust and Banking Co., Ltd. (Trust Account 2052257)	999	3.41
NORTHERN TRUST CO. (AVFC) SUB A/C NON TREATY CLIENTS ACCOUNT	711	2.43
NORTHERN TRUST CO. (AVFC) RE HCR00	621	2.12
GOLDMAN SACHS INTERNATIONAL	606	2.07
Kokyo Tatemono Co., Ltd.	559	1.91

Note: In addition to the above, CRE owns approx. 2,000 of its own shares, representing 0.008% of the total number of issued shares.

Shareholding by shareholder type



Disclaimer

This material contains forward-looking statements regarding future business performance, development plans, and targets. These statements are projections made by the Company based on information available at the time of preparation and certain subjective assumptions regarding uncertain factors, and involve potential risks and uncertainties, and there can be no assurance that they will be realized in the future as described.

Please note that the actual results may differ from the forecasts in this material due to changes in economic conditions, market trends, and the business environment.

Also note that although every effort has been made to ensure the accuracy of the content of this material, the Company makes no warranty as to the novelty, validity, usefulness, fitness for a particular purpose, functionality, or safety of any matter related to this material.

This material is not intended as a solicitation to invest.

Investors are requested to make investment decisions based on their own judgment.