

**Consolidated Results for
First Two Quarters of Fiscal Year
ending July 31, 2022
(August 1, 2021 to January 31, 2022)**

March 14, 2022



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Fiscal 2022 First Two Quarters | Highlights

Performance Highlights: First Two Quarters

| | | |
|-------------------------------|-----------------|---|
| Net sales | ¥37,194 million | (YOY +7.0%/Rate of progress* ² 60.4%) |
| Business profit* ¹ | ¥6,836 million | (YOY +11.8%/Rate of progress* ² 76.0%) |

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

*2: Progress ratio compared to the initial targets at the beginning of term

Business Highlights of First Two Quarters

- Achieved record-high net sales and business profit on front-half basis.
- Achieved higher sales in all segments, reflecting favorable business environment.
- Logistics investment business: Agreement with Sankyu Inc., a logistics company, to promote joint development projects at Osaka Yumeshima
- Logistics investment business: Sale of *LogiSquare* Miyoshi II for core bridge fund (third quarter, March 1)
- Asset management business: Began formation of flagship fund (open-end core fund), to follow on from REIT

Fiscal 2022 First Two Quarters | Highlights

Performance Highlights: Full-Year Outlook

- Considering that currently favorable business results should continue going forward, management made another upward revision to the full-year performance forecast.
- Return-on-equity (ROE) and earnings per share (EPS) should rise even after the capital increase

| | Disclosed at start of fiscal year | Previously revised | Newly revised |
|-------------------------------|-----------------------------------|--------------------------------|---------------------------------------|
| Operating profit | ¥8,600 million* ¹ → | ¥8,800 million* ² → | ¥9,300 million (+¥500 million +5.7%) |
| E B I T D A | — | — | ¥10,000 million |
| Business profit* ³ | ¥9,000 million* ¹ → | ¥9,700 million* ² → | ¥10,400 million (+¥700 million +7.2%) |
| Net income | ¥5,000 million* ¹ → | ¥5,600 million* ² → | ¥5,600 million |
| R O E | 17.1%* ¹ → | 17.7%* ² → | 17.7% |
| E P S | ¥182.05* ¹ → | ¥191.12* ² → | ¥190.82 (-¥0.3 -0.2%) |

*1: Performance forecast at start of fiscal year, announced on September 9, 2021 *2: Revised performance forecast for full-year, announced on December 13, 2021

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

Stock Business

Real Estate Management Business

Master lease operating rate

99.2 %

(YOY +1.0%)

Asset Management Business

Changes in Assets under Management (AUM)

¥225.1 billion

(YOY +25.1 billion/ targets on fiscal 2026, ending July 31, 2026, ¥450 billion)

Flow Business

Logistics investment business

Pipeline noted in Second Medium-Term Management Plan
(includes sold and undisclosed amounts)

More than **¥200 billion**

Of which, pipeline already disclosed

*From next fiscal year, sale of properties is estimated to be around 10% of gross profit

About **¥150 billion**

Finances

Net debt/equity ratio

(Upper limit at end of year: 2.5 times)

0.42 times

Interest-bearing debt

¥41.1 billion

* See page 13 for details

Consolidated Summary of Fiscal 2022 First Two Quarters

- Higher year-on-year sales for all segments. Record high operating profit and business profit on an aggregate first two-quarter basis.
- SG&A expenses up due to business expansion as well as change in provision for bonuses at fiscal year-end to in-term allocation matched to business progress, effective from the first quarter of fiscal 2022

(Millions of yen)

| | Fiscal 2021 First two quarters Actual | Fiscal 2022 First two quarters Actual | Fiscal 2022 Initial Plan |
|--|--|--|-----------------------------|
| Net sales | 34,752 | 37,194 | 61,600 |
| Gross profit | 7,839 | 8,686 | — |
| Selling, general and administrative expenses | 1,985 | 2,579 | — |
| (Amortization of goodwill) | 118 | 129 | — |
| Operating profit | 5,853 | 6,106 | 8,600 |
| EBITDA | 6,100 | 6,365 | — |
| Business profit*1 | 6,112 | 6,836 | 9,000 |
| Recurring profit | 5,684 | 5,656 | 7,600 |
| Net income | 4,032 | 4,168 | 5,000 |
| Earnings per share (Yen) | ¥147.37 | ¥145.06 | ¥182.05 |

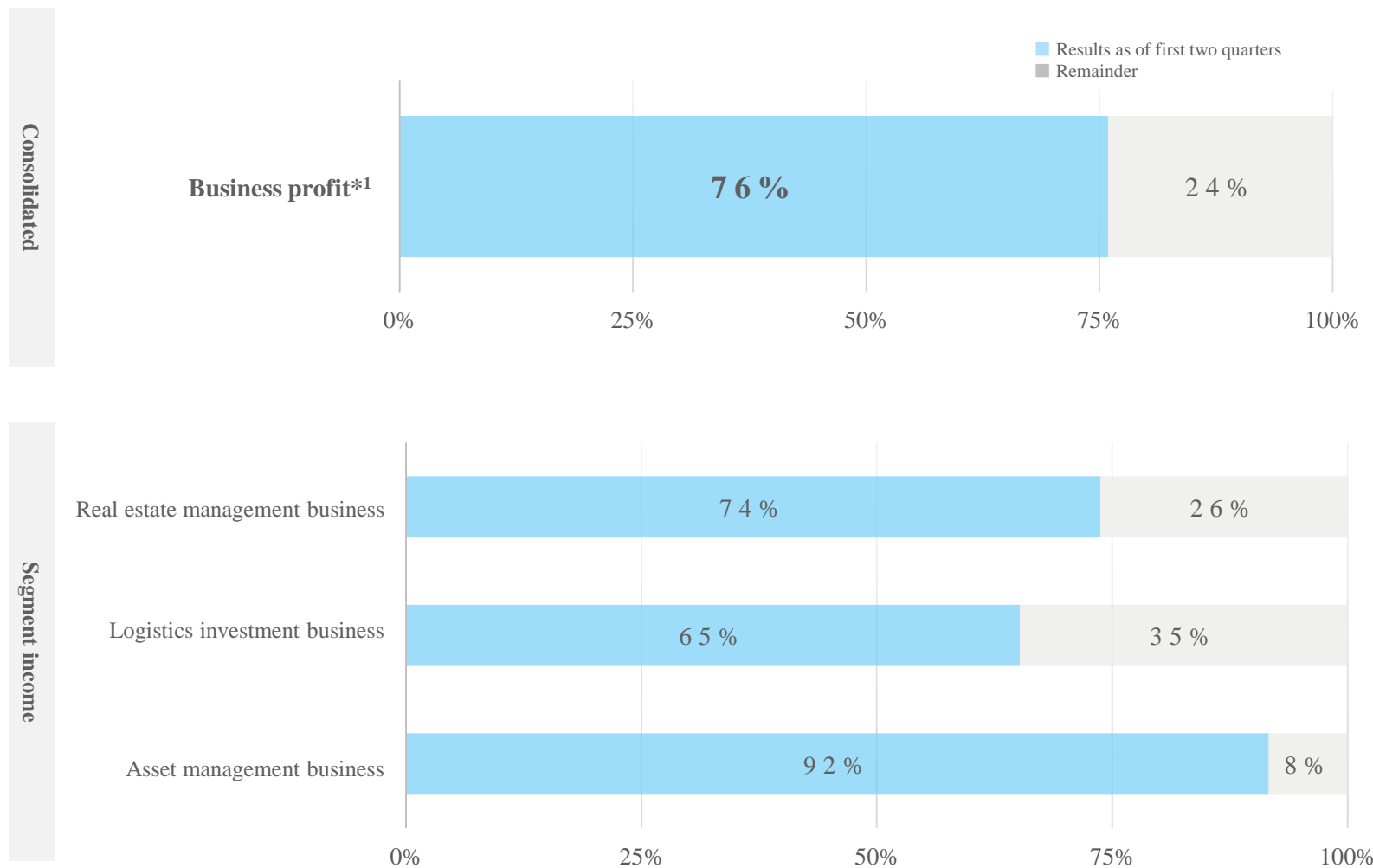
| | Fiscal 2021 First two quarters Actual | Fiscal 2022 First two quarters Actual | Fiscal 2022 Initial Plan |
|---------------------------------|--|--|-----------------------------|
| Net sales | 34,752 | 37,194 | 61,600 |
| Real estate management business | 12,581 | 13,657 | 28,850 |
| Logistics investment business | 21,626 | 22,740 | 31,650 |
| Asset management business | 542 | 792 | 1,100 |
| Other operations | 2 | 4 | — |
| Segment income | 5,853 | 6,106 | 8,600 |
| Real estate management business | 1,138 | 1,431 | 1,940 |
| Logistics investment business | 4,884 | 4,987 | 7,650 |
| Asset management business | 346 | 559 | 610 |
| Other operations | 1 | 1 | — |
| Adjustment | (517) | (873) | (1,600) |

Note: Sales for each reporting segment represent sales to external customers.

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

Status of Business Profit and Segment Income Compared with Targets Set at Beginning of Year

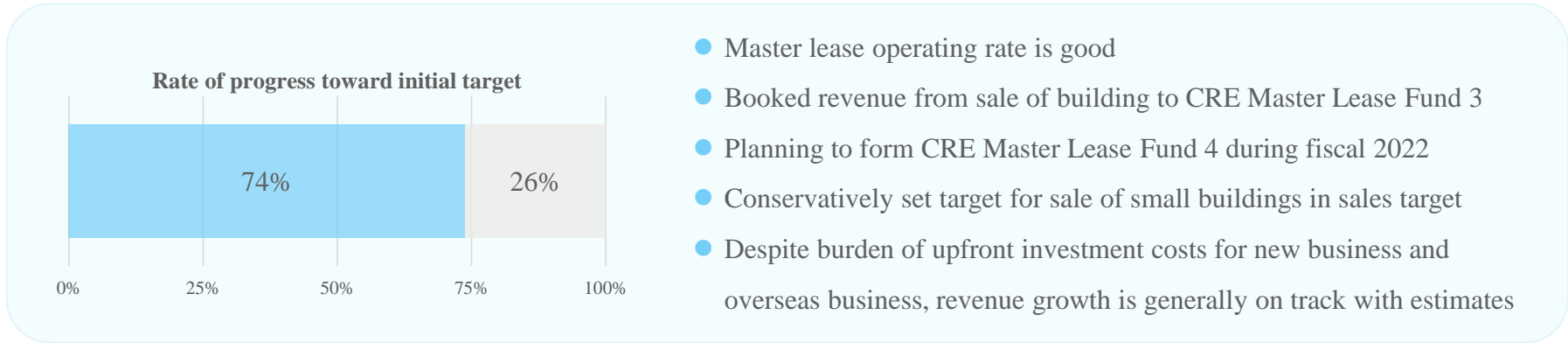
- Amid favorable business environment, business continues to progress in positive direction, leading to **business profit of ¥6.8 billion and rate of progress*² toward target at 76%**.



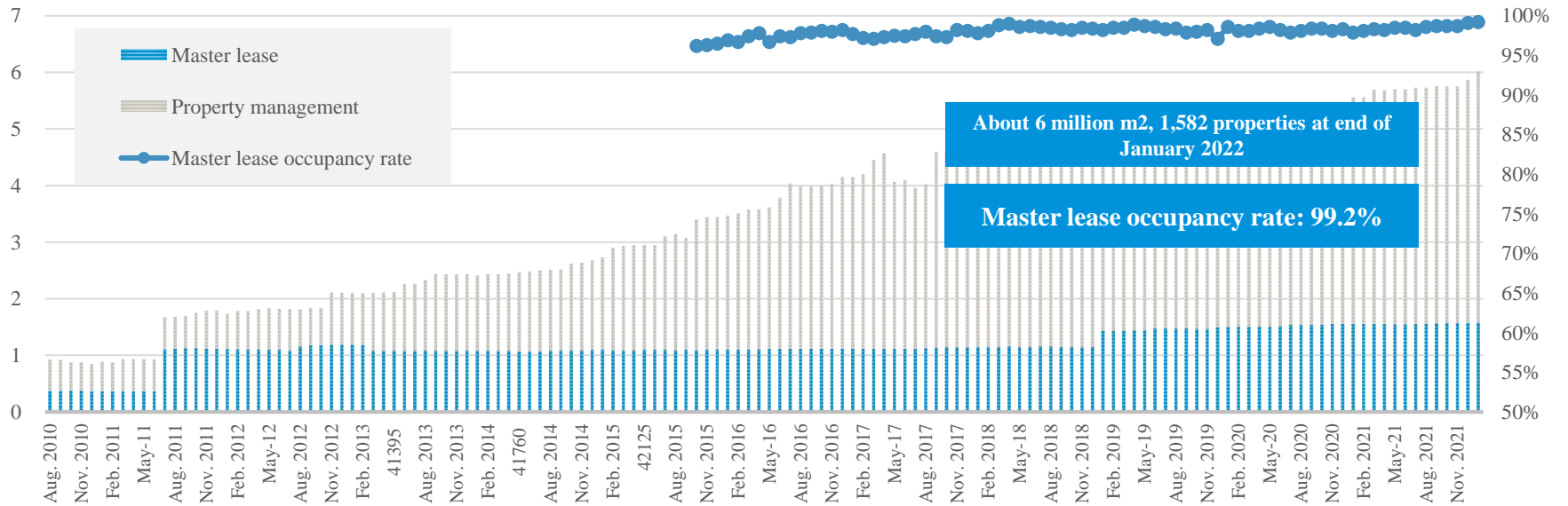
*1: Business profit = Operating profit + Equity in earnings of affiliates + Goodwill amortization (consolidated subsidiaries/equity method affiliates)+ Profit (loss) from business investments

*2: Progress ratio compared to the initial targets at the beginning of term

Year-on-year improvement reflecting solid master lease activity and contribution from sale of building to Master Lease Fund 3

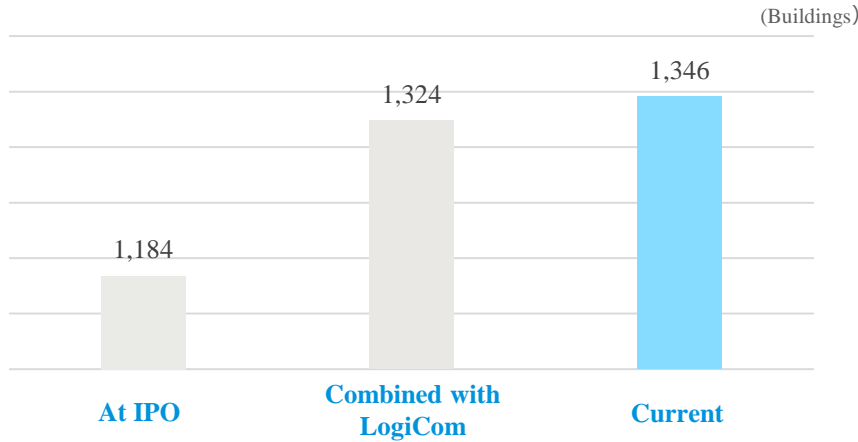


Key ratio: Changes in managed properties



Close points of contact with customers supporting logistics investment business and asset management business

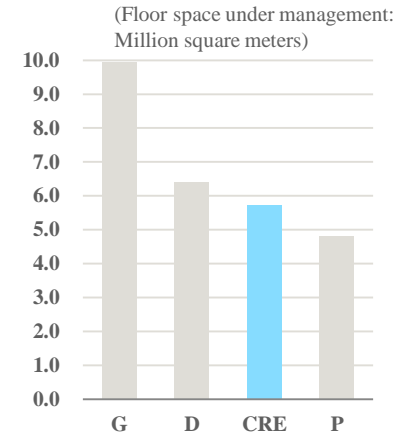
Change in Master Lease Properties



Position among Property Management Companies

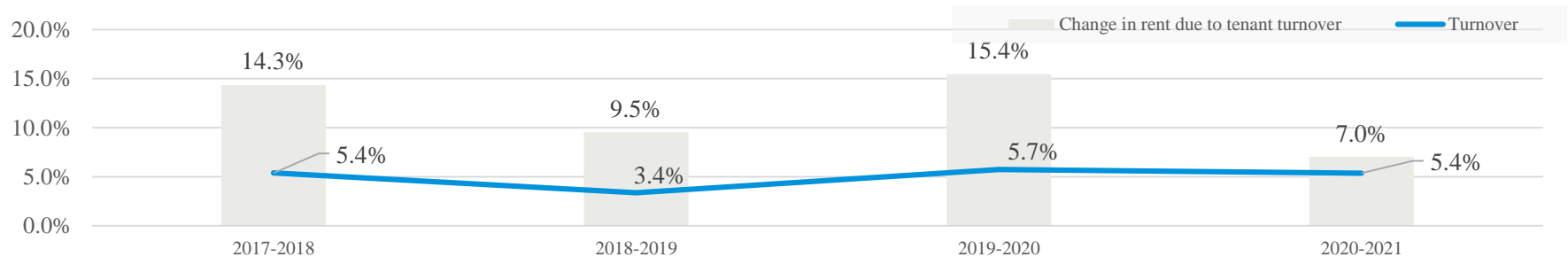
No. 3

*Ranking by floor space under management for logistics facility-focused property management companies, compiled by CRE from November 2021 edition of monthly *Property Management* magazine.



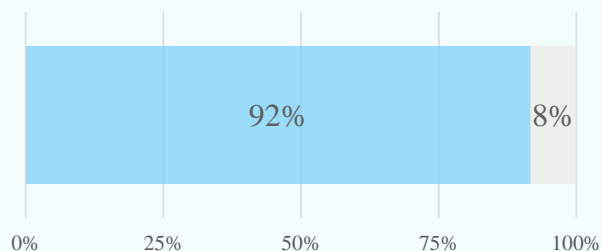
Rent from replacement tenants also on the rise in master lease business

Change in Rent Occurring as Old Tenants Replaced by New Tenants



Higher sales and income year on year, thanks to acquired fees through asset allocation to funds in both public offering and privately placed funds

Rate of progress toward initial target



Public offering (CRE Logistics REIT)

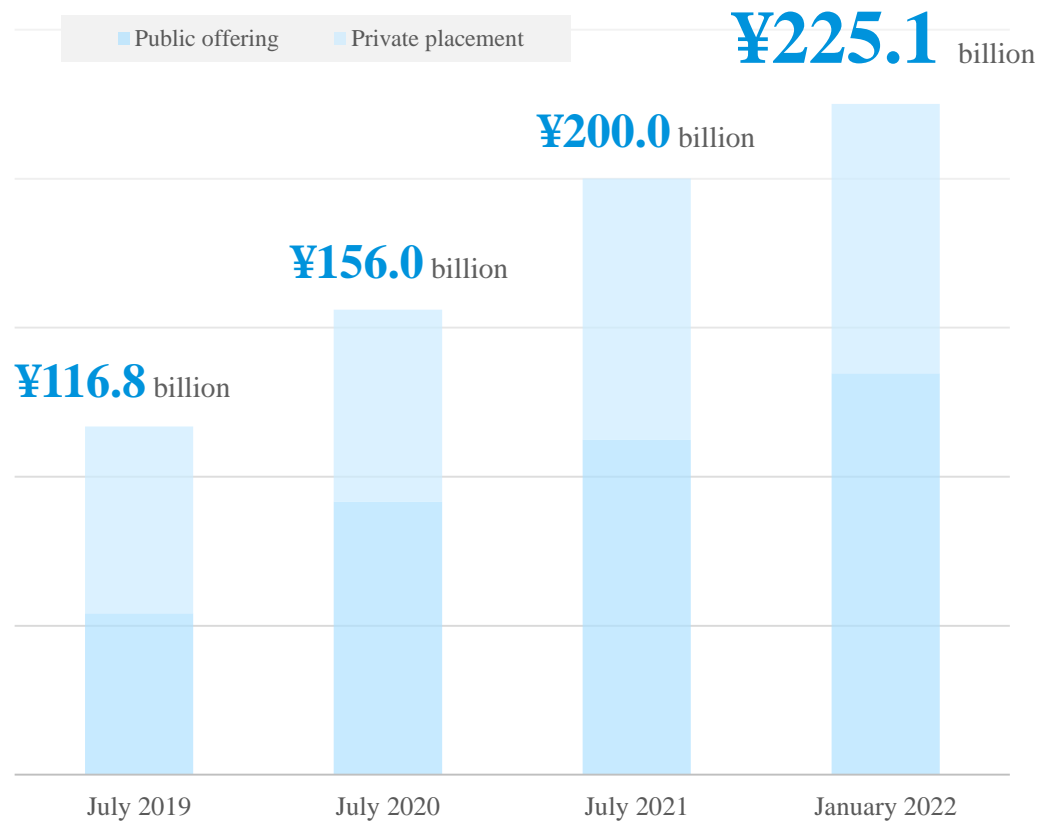
- Expanded asset scale, AUM to ¥130 billion

Privately placed funds

- Formation of CRE Master Lease Fund 3 completed
- Self-storage specialized fund formation (planned)

Key Indicator: Change in AUM

Property acquisition for CRE Logistics REIT moving forward, with asset balance up **¥25.1 billion** over end of fiscal 2021



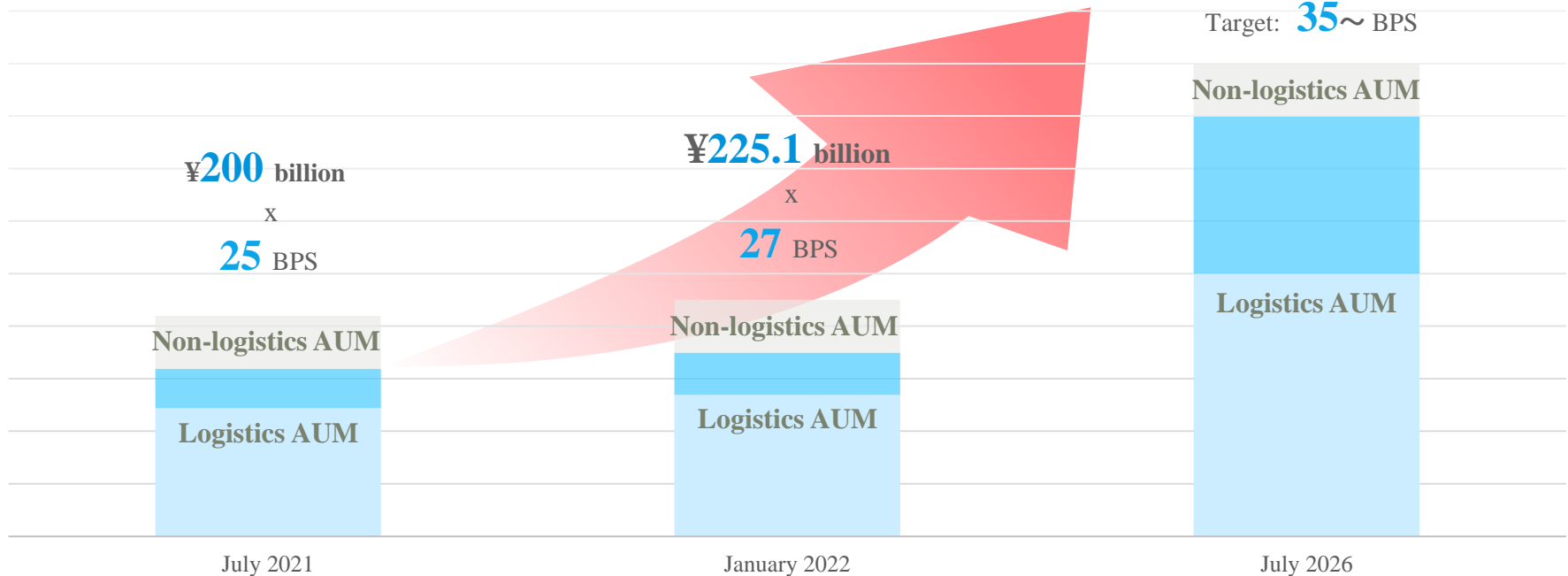
Aim — Double assets under management (AUM) x Higher rate of return

Change in AUM and change in average asset management rate of return by asset class

- Improve asset management (AM) rate of return by boosting the percentage of logistics facilities in the asset mix to achieve higher growth in returns.

AM fees = AUM x AM rate of return

Target: **¥450** billion
 X
 Target: **35~** BPS



■ Public offering ■ Private placement (logistics) ■ Private placement (non-logistics)

*100 BPS = 1%

* Private placement (logistics) covers bridge funds to CRE Logistics REIT, separate accounts, open-end core funds and other investments

Intend to diversify logistics-related funds in private placement domain and lift asset management fees

NEW

Open-end core fund

Formed first bridge fund with target of around ¥100 billion.

LogiSquare Miyoshi II will be included on March 1



Features

- **Virtually indefinite** (open-ended) **funds** similar to J-REITs
- Long-term, stable operation policy (core)
- As unlisted fund, **not easily affected by stock market status**
- Investors are primarily domestic and international large institutional investors

NEW

Self-storage fund

With self-storage demand expected to grow going forward, set up self-storage specialized fund in December 2021. Comprises 22 self-storage sites.

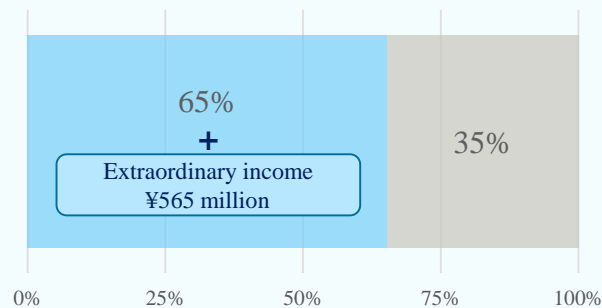


Features

- Specific to self-storage facilities
- Aim to add properties and expand scale of fund
- As unlisted fund, **not easily affected by stock market status**
- Investors are overseas large institutional investors

Sale of *LogiSquare* Osaka Katano to CRE Logistics REIT generated profit. Segment profit ratio at 22%

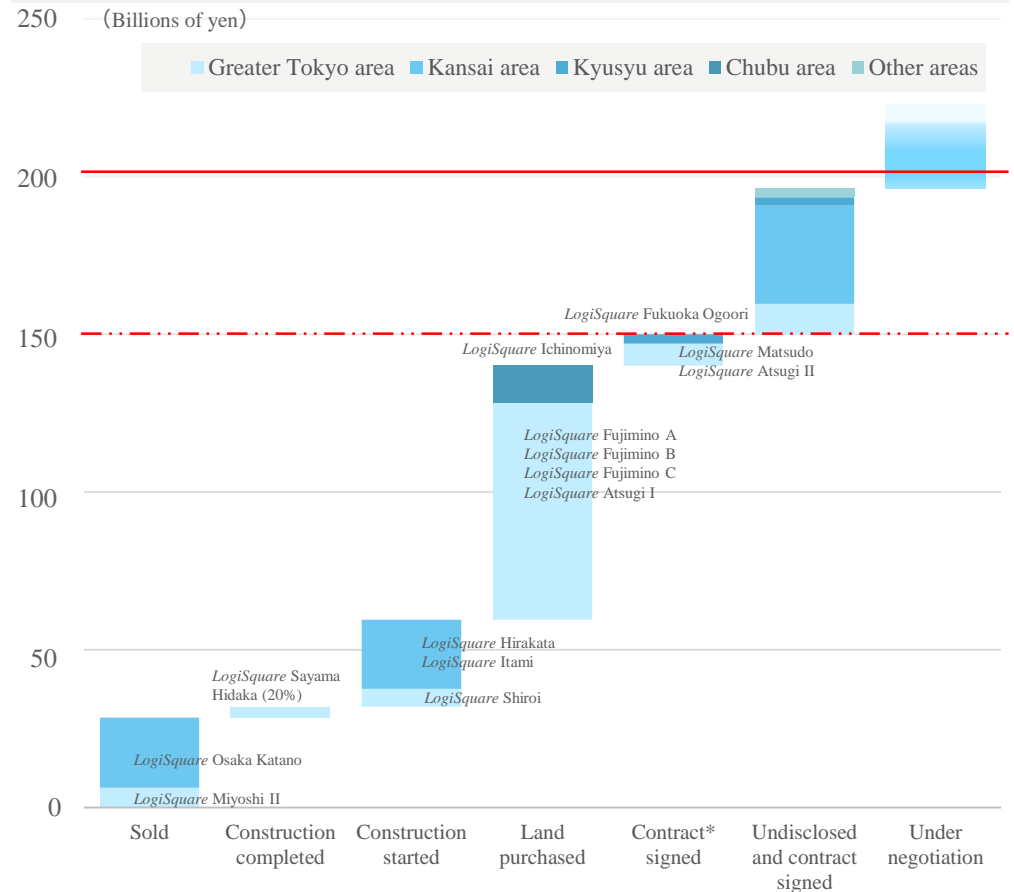
Rate of progress toward initial target



*Extraordinary income of ¥565 million paralleling development of facilities is not included in segment profit.

- Booked higher-than-expect gross profit on *LogiSquare* Osaka Katano thanks to cost reduction effect
- Includes rental income from completed buildings in possession
- Booked ¥565 million in extraordinary income paralleling development
- Progress on buildings to be sold during fiscal 2022
LogiSquare Miyoshi II (18,136m²) sold March 1
LogiSquare Sayama-Hidaka (84,132m²), 20% will be sold in fiscal 2022

Key Indicator: Pipeline described in Second Medium-Term Management Plan

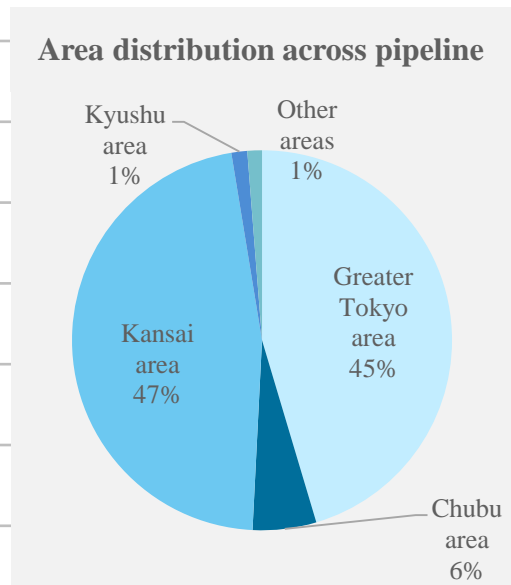


* Contract: Land sale contract / Acquisition of preferential negotiating rights

Flow Business | Logistics Investment Business : Pipeline

Steady progress on pipeline with sales to surpass ¥200 billion by the end of fiscal 2026. Investment with good balance between Greater Tokyo area and Kansai area

| Name of property | Schedule | | | | |
|--|------------------|---------------------------------|--------------------|--------------------|-------------------|
| | Fiscal 2022 | Fiscal 2023 | Fiscal 2024 | Fiscal 2025 | Fiscal 2026 |
| LogiSquare Sayama-Hidaka (20%) Area : Hanno, Saitama Floor space : 73,728.25m ² (14,475.69m ²) | Completed | Fiscal 2022 sales target | | | |
| LogiSquare Miyoshi II Area : Miyoshi, Saitama Floor space : 18,135m ² | Completed | Sold | | | |
| LogiSquare Itami Area : Itami, Hyogo Floor space : 29,967.30m ² | Started | Development | Completion | | |
| LogiSquare Shiroi Area : Shiroi, Chiba Floor space : 30,400m ² | Started | Development | Completion | | |
| LogiSquare Hirakata Area : Hirakata, Osaka Floor space : 45,083m ² | Started | Development | Completion | | |
| LogiSquare Atsugi I Area : Aikawa, Kanagawa Floor space : 18,200m ² | Start | Development | Completion | | |
| LogiSquare Matsudo Area : Matsudo, Chiba Floor space : 15,654m ² | Start | Development | Completion | | |
| LogiSquare Fukuoka Ogoori Area : Ogoori, Fukuoka Floor space : 18,000~24,000m ² | | | Start | Development | Completion |
| LogiSquare Ichinomiya Area : Ichinomiya, Aichi Floor space : 63,000m ² | | Start | Development | Completion | |
| LogiSquare Fujimino A, B, C Area : Fujimino, Saitama Floor space : 114,256/115,040/43,893m ² | | Start | Development | Completion | |
| LogiSquare Atsugi II Area : Atsugi, Kanagawa Floor space : 18,000~20,000m ² | | | Start (BTS) | Development | Completion |
| LogiSquare Atsugi II Area : Atsugi, Kanagawa Floor space : 18,000~20,000m ² | | | Start | Development | Completion |



* Only properties developed in Japan are listed.

CRE Group's competitive excellence facilitates continuous development



Competitive excellence at every development phase

Logistics fund business in both public offering and private placement domains

Public offering: CRE Logistics REIT
 Enhance purchasing capability in tandem with rising stock prices

Private placement: Start of open-end core fund formation
 Professional investor-only fund relatively unaffected by stock market status

Familiar with regional characteristics
 (Urbanization control areas, land readjustment areas)

Percentage of development projects in urbanization control areas **45%***

CRE Group boasts solid ability in soil contamination countermeasures



Percentage of development projects for which soil contamination countermeasures have been drafted **40%***

Set up in-house leasing team

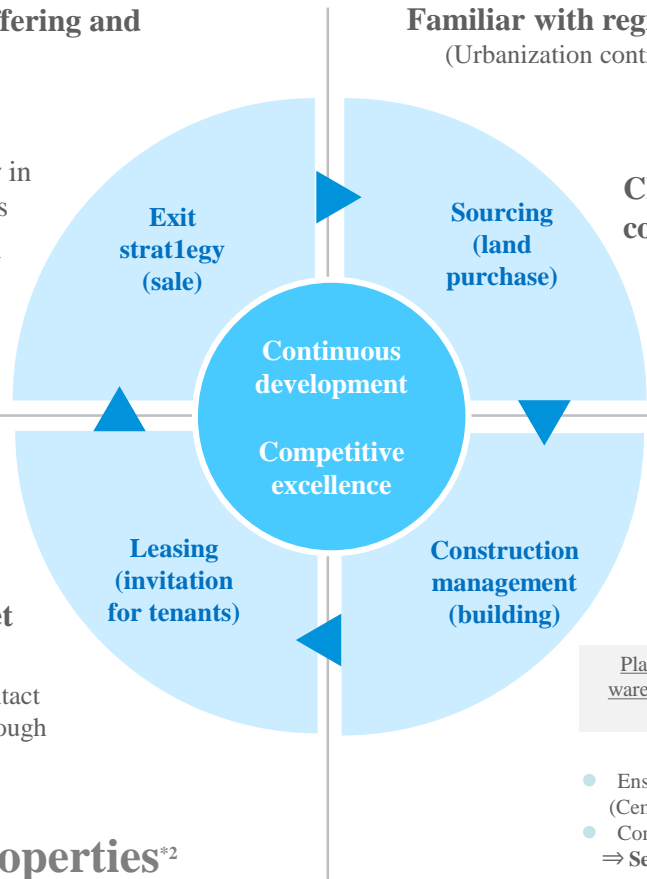
Familiar with logistics real estate market

Unparalleled results in logistics real estate business

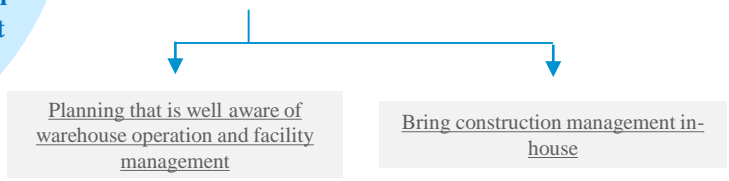
Close points of contact with customers through master leasing

58 years*

1,346 properties*



Construction management team comprising first-class registered architects



- Ensure versatility and functionality (Cement LogiSquare brand)
- Comprehensively reflect tenant needs ⇒ **Secure high rental income**
- Create high quality
- Enhance cost-control capabilities
- Expedite investment decisions ⇒ **Source of high gross profit**

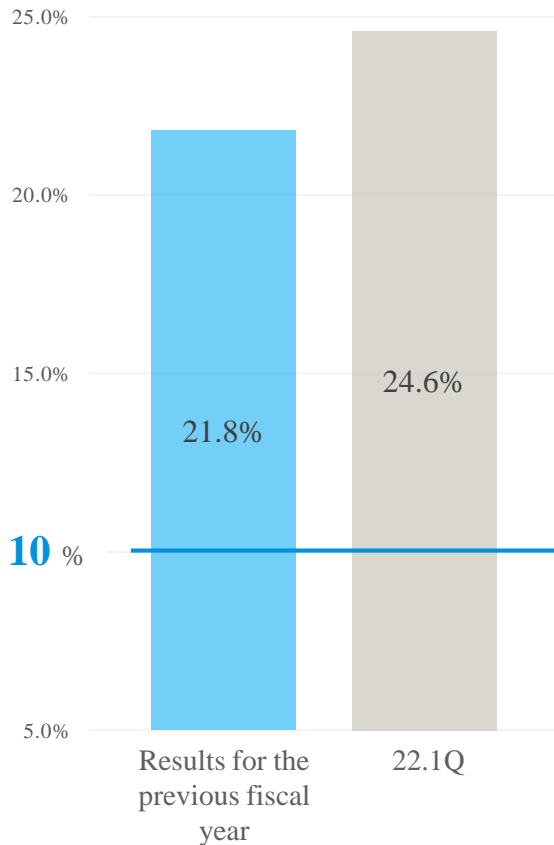
*1 Tenko Soken Co., Ltd., established in 1964 *2 As of end of January 2022 *3 Based on 20 completed properties, up to LogiSquare Miyoshi II

Flow Business | Logistics Investment Business

Track Record—From Investment to Exit

Change in segment gross profit margin

- Maintain high segment gross profit margin



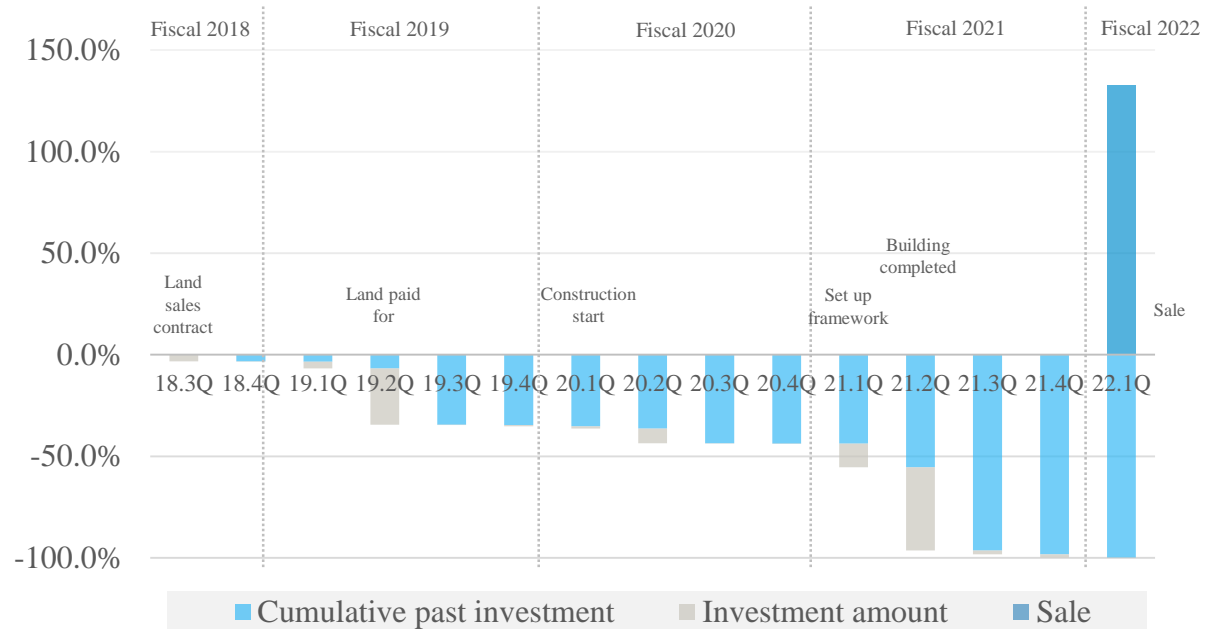
Reference: Investment to exit process

Reference case: *LogiSquare Osaka Katano*

- Realize high investment return ratio through tail-heavy capital investment

Non-leveraged IRR **About 19%*1**
 Leveraged IRR **More than 50%*1**

Weighted average investment period of about one-and-a-half years despite project duration of about three-and-a-half years
 → **High IRR achieved on reciprocal effect of high gross profit margin**



*Capital investment/exit if total cost is 100% (tax excluded)

Does not include asset management fees or property management fees received from CRE Logistics REIT after sale.

*1 Cash basis. Does not include property tax or city planning tax settlement or consumption tax. Leverage assumes loan-to-value ratio of 75% and 1.5% interest rate prepayment

Ripple Effect from Second Public Offering

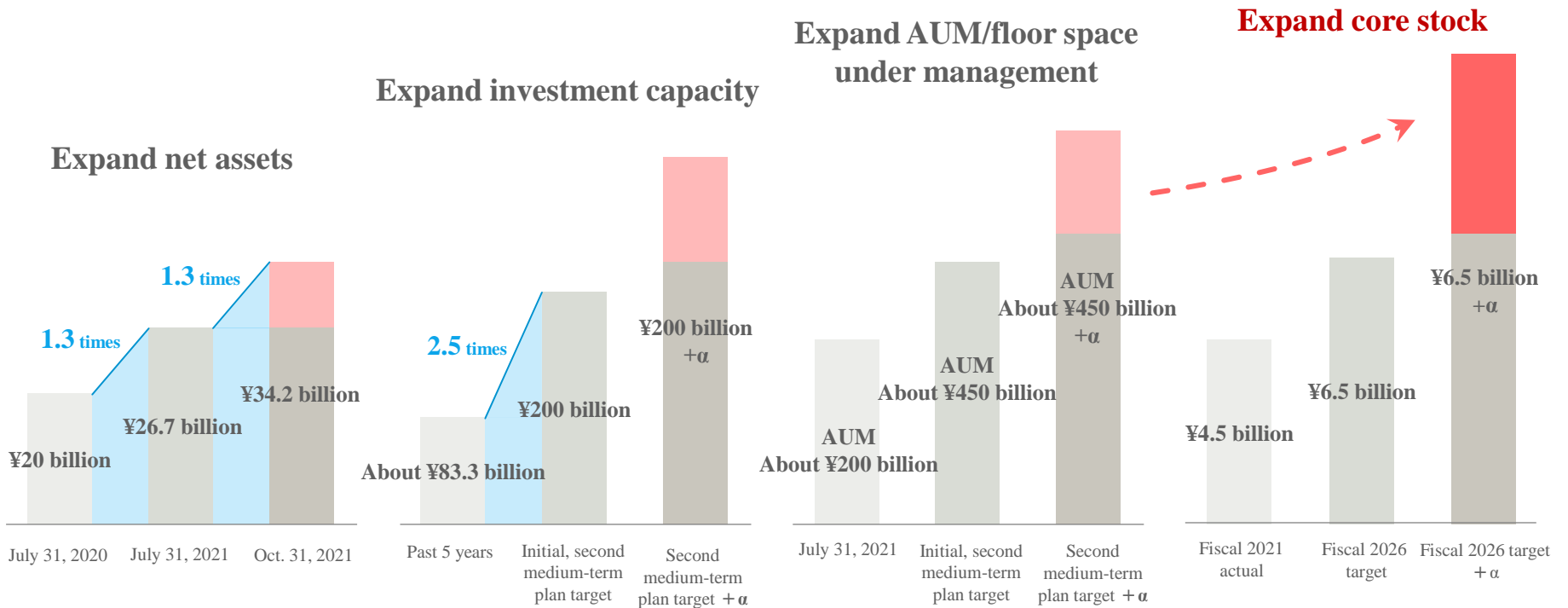
Going forward, we aim to raise capital efficiency and improve ROE by effectively utilizing considerable available liquidity and financial leverage.

Procure about ¥4 billion.
Expand investment capacity.

Potential for further expansion of existing development pipeline of ¥200 billion

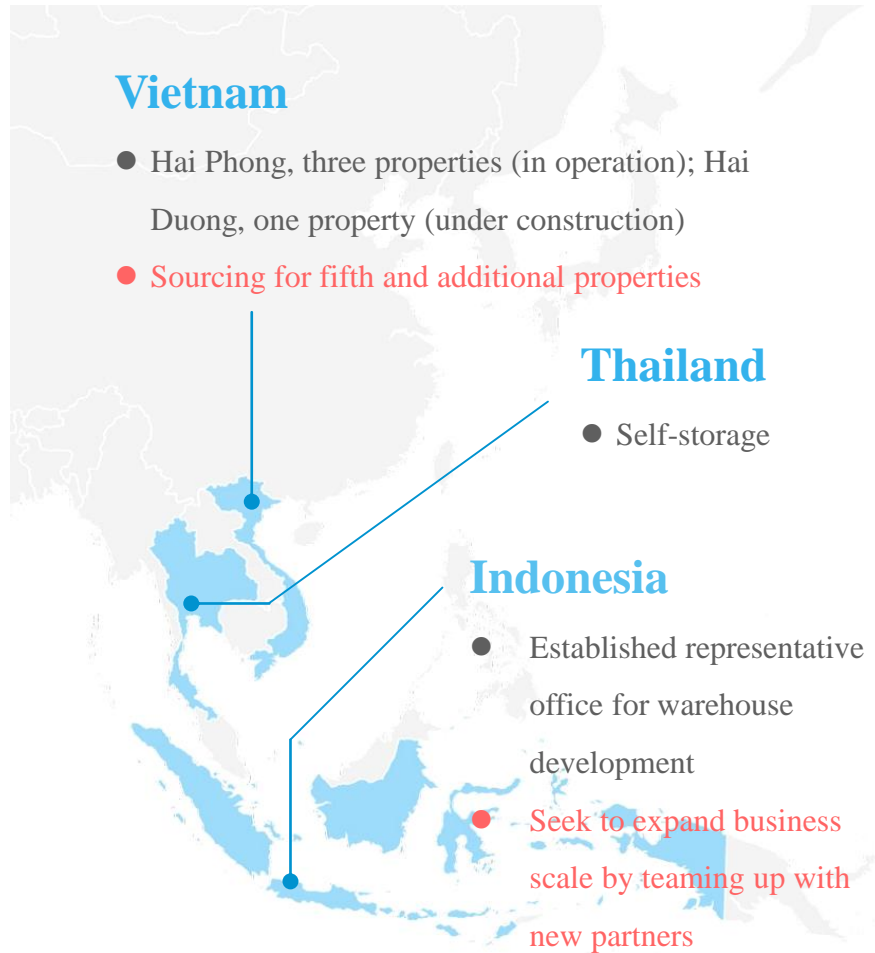
Asset management AUM and real estate management business floor space under management will expand

More resources available for dividends, due to expanded core stock



New Domains

Overseas





New business groups underpinning LIP



Measures to Support Sustainable Society

The CRE Group will implement various measures that contribute to the achievement of sustainable development goals (SDGs).

| Related SDGs | Strategies |
|---|--|
|    | <ul style="list-style-type: none"> ● Use solar power generating systems at facilities (EnBio C Energy) ● Move to 100% renewable energy through installation of solar power panels at development properties ● CRE Logistics REIT acquired “3 Star “and “Green Star “designations in GRESB real estate evaluation and top-level “A” in GRESB disclosure evaluation |
|    | <ul style="list-style-type: none"> ● Obtain environmental assessments for development properties: Building Energy-Efficiency Labeling System (BELS) and Comprehensive Assessment System for Built Environmental Efficiency (CASBEE) ● Install equipment/systems at development properties such as LED lighting, promote use of well water and more greenery around the building(s) ● Prepare measures to deal with soil contamination ● Pursue joint efforts to preserve history (assistance with excavations) |
|    | <ul style="list-style-type: none"> ● Create local employment through warehouse development ● Support for organizations that contribute to society: Backers Terakoya, Kodomo Shokudo (“Children’s Cafeteria”) * ● Sponsor courses at universities: Sofia University, Meiji University* |

*As of January 31, 2022

Revised Full-Year Targets for Fiscal 2022

- Full-year forecast revised upward, reflecting good business performance.
- Logistics investment business completed sale of *LogiSquare* Miyoshi II on March 1. Anticipate sale of remaining portion (20%) at *LogiSquare* Sayama-Hidaka.
- Conservatively set target for sale of small buildings in real estate management business.

(Millions of yen)

| | Initial forecast | Revised forecast (Dec. 13, 2021) | Revised forecast (Mar. 14, 2022) | Differences *2 | | Initial forecast | Revised forecast (Dec. 13, 2021) | Revised forecast (Mar. 14, 2022) | Differences *2 |
|--------------------------|------------------|----------------------------------|----------------------------------|----------------|---------------------------------|------------------|----------------------------------|----------------------------------|----------------|
| Net sales | 61,600 | 62,100 | 61,600 | (500) | Net sales | 61,600 | 62,100 | 61,600 | (500) |
| Operating profit | 8,600 | 8,800 | 9,300 | 500 | Real estate management business | 28,850 | 28,850 | 27,600 | (1,250) |
| EBITDA | — | — | 10,000 | — | Logistics investment business | 31,650 | 31,950 | 32,650 | 700 |
| Business profit*1 | 9,000 | 9,700 | 10,400 | 700 | Asset management business | 1,100 | 1,300 | 1,350 | 50 |
| Recurring profit | 7,600 | 7,800 | 8,200 | 400 | Other operations | — | — | — | — |
| Net income | 5,000 | 5,600 | 5,600 | — | Segment income | 8,600 | 8,800 | 9,300 | 500 |
| Earnings per share (Yen) | ¥182.05 | ¥191.12 | ¥190.82 | ¥(0.3) | Real estate management business | 1,940 | 2,050 | 2,100 | 50 |
| | | | | | Logistics investment business | 7,650 | 7,550 | 7,760 | 210 |
| | | | | | Asset management business | 610 | 750 | 840 | 90 |
| | | | | | Other operations | — | — | — | — |
| | | | | | Adjustment | (1,600) | (1,550) | (1,400) | 150 |

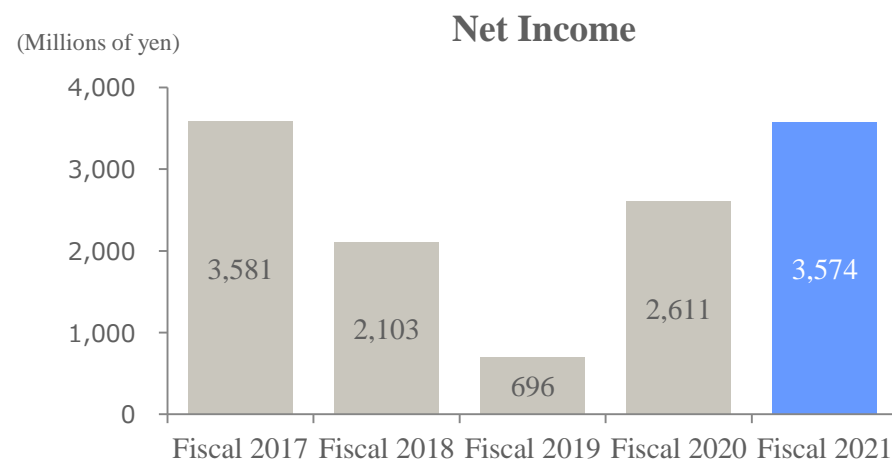
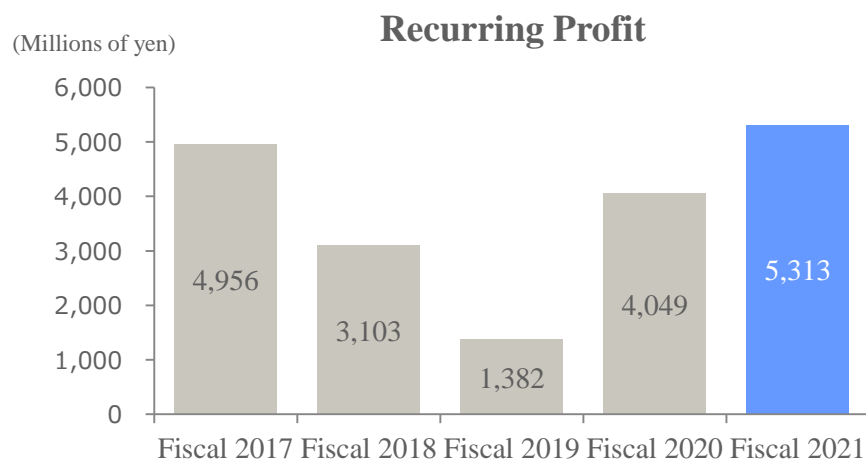
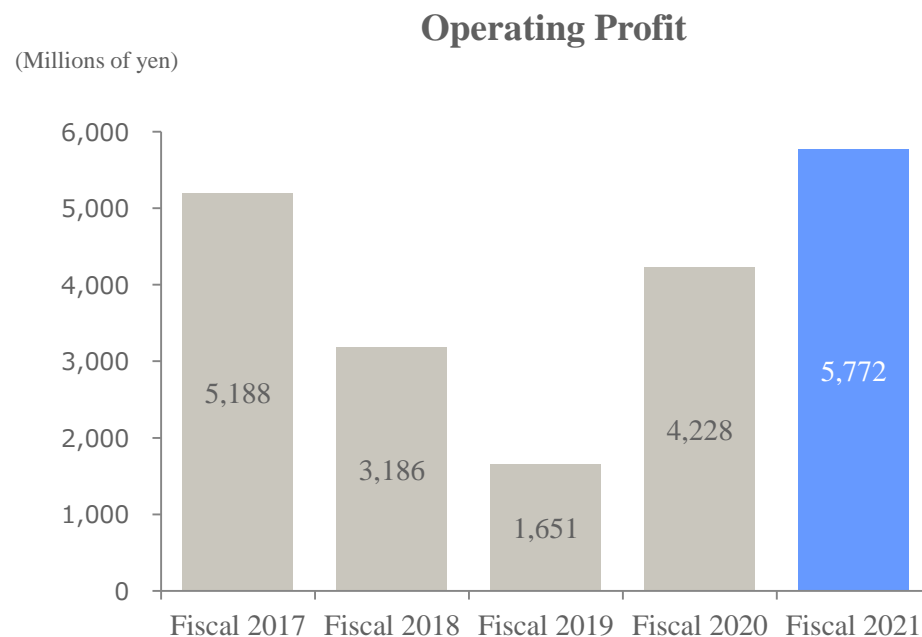
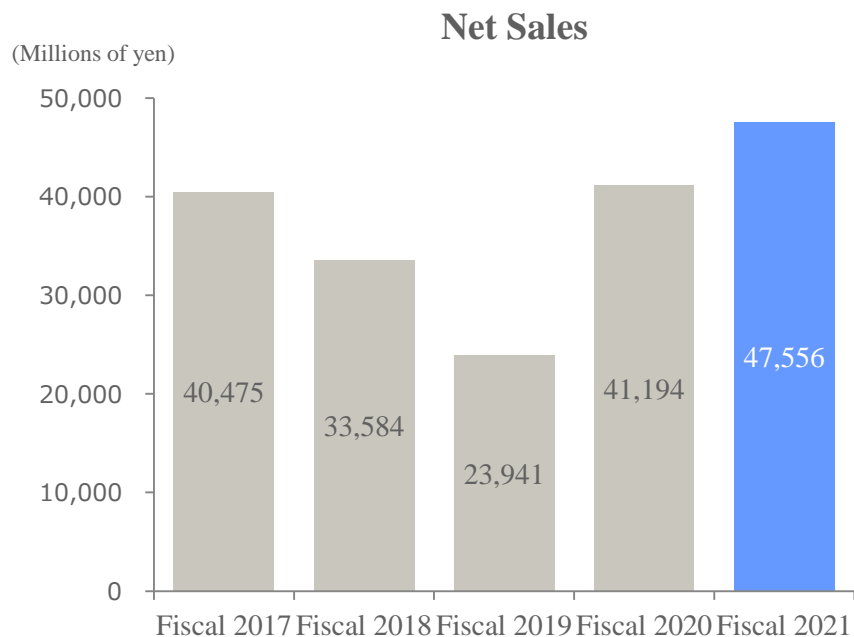
Note: Sales for each reporting segment represent sales to external customers.

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

*2: Difference between revised forecast (December 13, 2021) and revised forecast (March 14, 2022)

APPENDIX

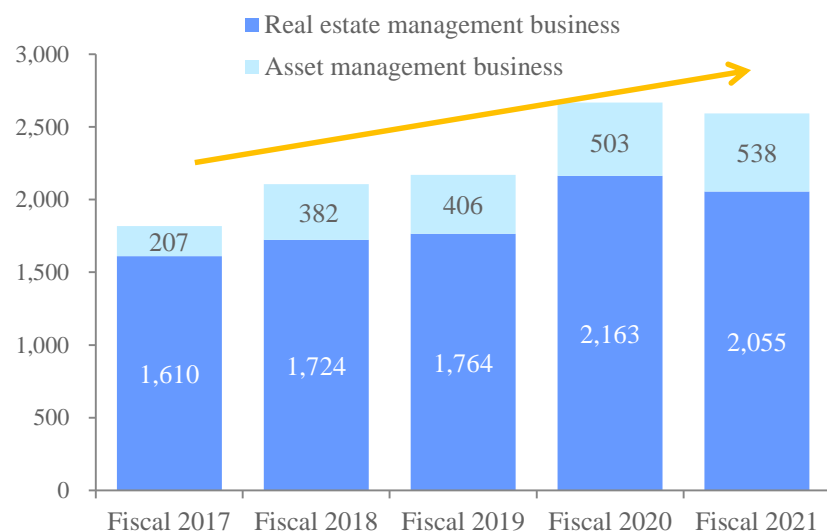
Consolidated Financial Highlights



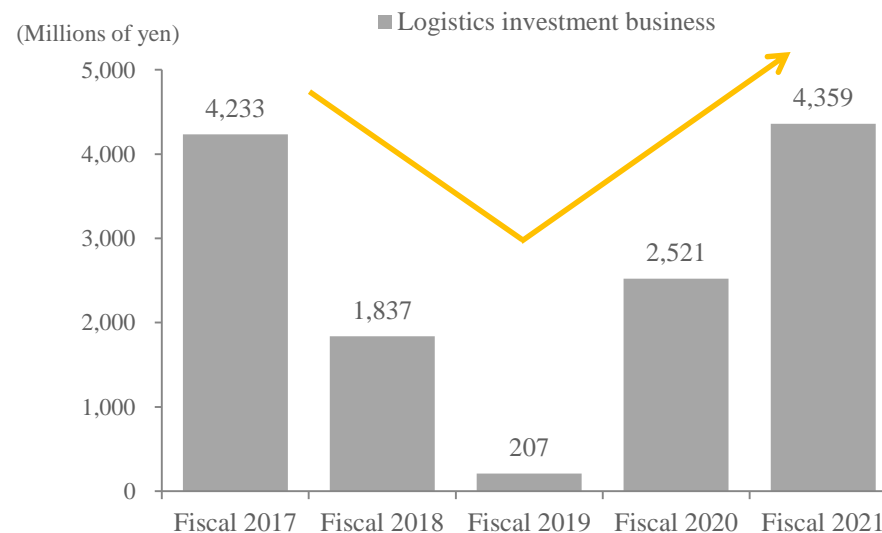
Financial Highlights for Each Reporting Segment

Segment Income

Stock Business



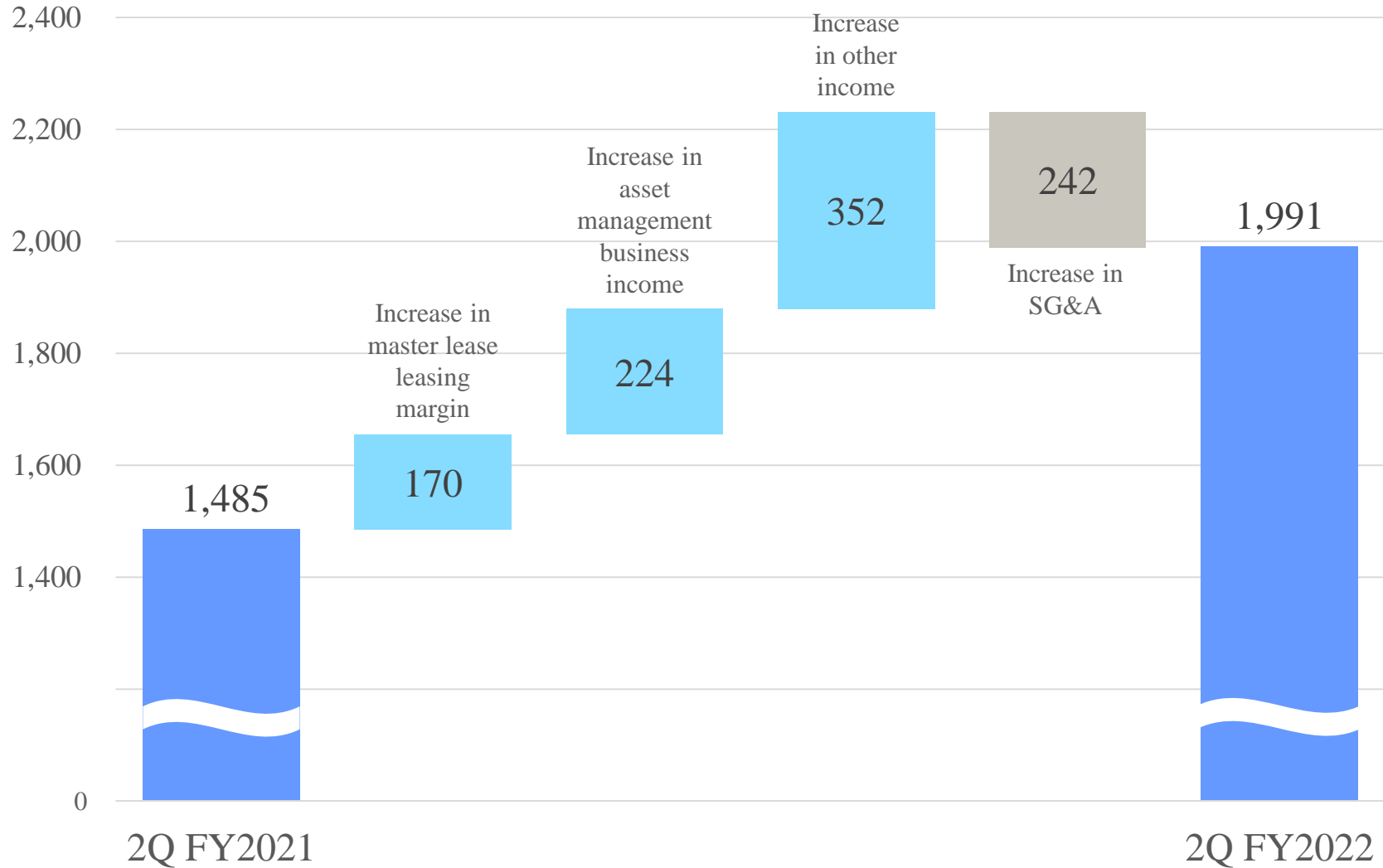
Flow Business



Profit from Stock Business

Stock business = Real estate management business + Asset management business

(Millions of yen)



Summary of Consolidated Balance Sheets

- Key components of real estate for sale: *LogiSquare Sayama Hidaka* (20% of quasi co-ownership interest), *LogiSquare Miyoshi II*, and twelve small-sized warehouses
- Key components of real estate for sale in process: *LogiSquare Atsugi I*, *LogiSquare Hirakata*, *LogiSquare Fujimino ABC*, *LogiSquare Itami*, *LogiSquare Shiroi*, and *LogiSquare Ichinomiya*

(Millions of yen)

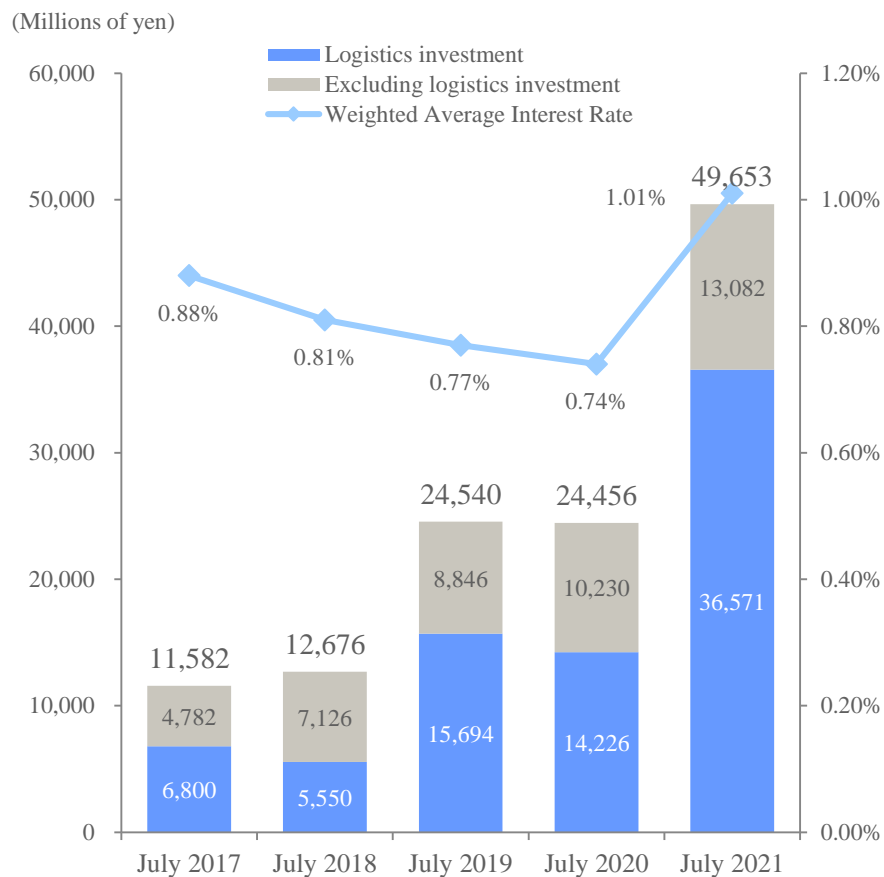
| | As of July 31, 2021 | As of January 31, 2022 | YOY change (%) | | As of July 31, 2021 | As of January 31, 2022 | YOY change (%) |
|------------------------------------|------------------------|---------------------------|-------------------|---|------------------------|---------------------------|-------------------|
| Total assets | 99,041 | 98,331 | (709) | Total liabilities | 72,295 | 63,849 | (8,445) |
| Current Assets | 76,790 | 77,697 | 907 | Current liabilities | 14,975 | 15,884 | 908 |
| (Key components) | | | | (Key components) | | | |
| Cash and deposits | 19,473 | 26,880 | 7,406 | Short-term loans payable, etc.*1 | 2,650 | 3,055 | 404 |
| Real estate for sale | 24,920 | 9,251 | (15,668) | Fixed liabilities | 57,319 | 47,965 | (9,354) |
| Real estate for sale in process | 27,342 | 36,958 | 9,615 | (Key components) | | | |
| Fixed assets | 22,224 | 20,610 | (1,614) | Long-term loans payable, etc.*2 | 47,002 | 38,128 | (8,873) |
| (Key components) | | | | Lease and guarantee deposits received | 7,931 | 8,087 | 155 |
| Tangible fixed assets | 4,565 | 2,750 | (1,815) | Total net assets | 26,746 | 34,482 | 7,735 |
| Intangible fixed assets | 1,630 | 1,563 | (66) | Common stock | 3,071 | 5,217 | 2,146 |
| Investments and other fixed assets | 16,028 | 16,296 | 267 | Capital surplus | 5,031 | 7,177 | 2,146 |
| <Lease and guarantee deposits> | (7,022) | (7,434) | 412 | Earned surplus | 17,157 | 20,704 | 3,546 |
| Total assets | 99,041 | 98,331 | (709) | Total liabilities and net assets | 99,041 | 98,331 | (709) |

*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

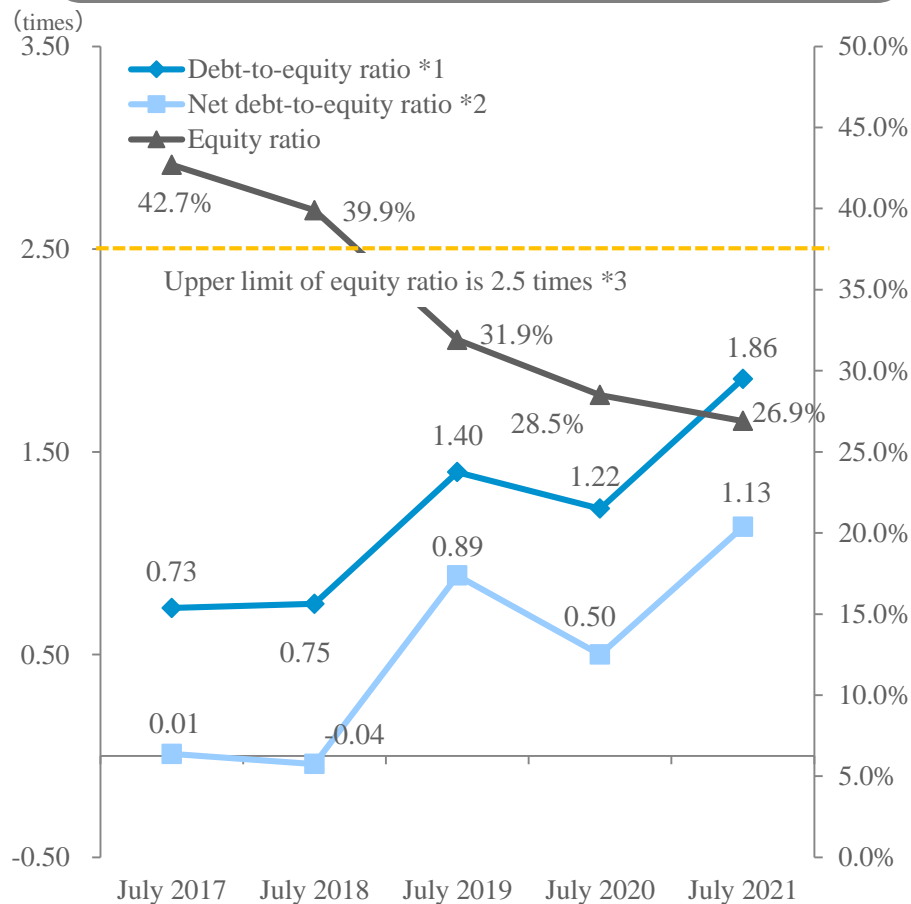
Financial Position (as of July 31, 2021)

Changes in Loan Balance and Changes in Weighted Average Interest Rate (Consolidated Basis)



| (Number) | July 2017 | July 2018 | July 2019 | July 2020 | July 2021 |
|-----------------|-----------|-----------|-----------|-----------|-----------|
| Funding sources | 15 | 20 | 24 | 23 | 28 |

Key Indicators (Consolidated Basis)



*1 Debt-to-equity ratio

= interest-bearing debt (short-term loans payable + long-term loans payable) / equity capital

*2 Net debt-to-equity ratio

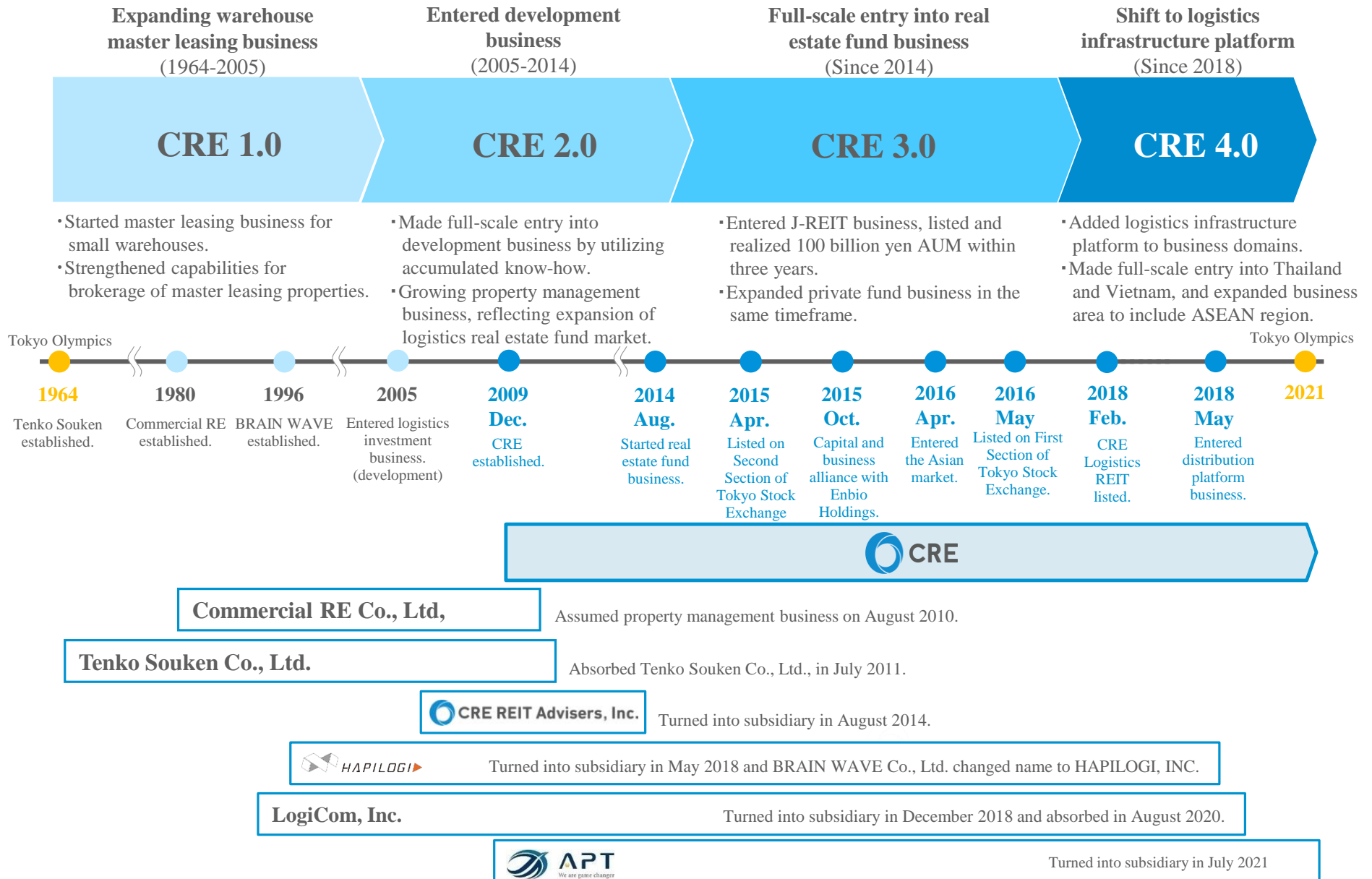
= (interest-bearing debt (short-term loans payable + long-term loans payable) - cash and deposits) / equity capital

*3 CRE's target upper limit of net debt-to-equity ratio is 2.5 times. (Source: Long-term strategy announced September 12, 2016)

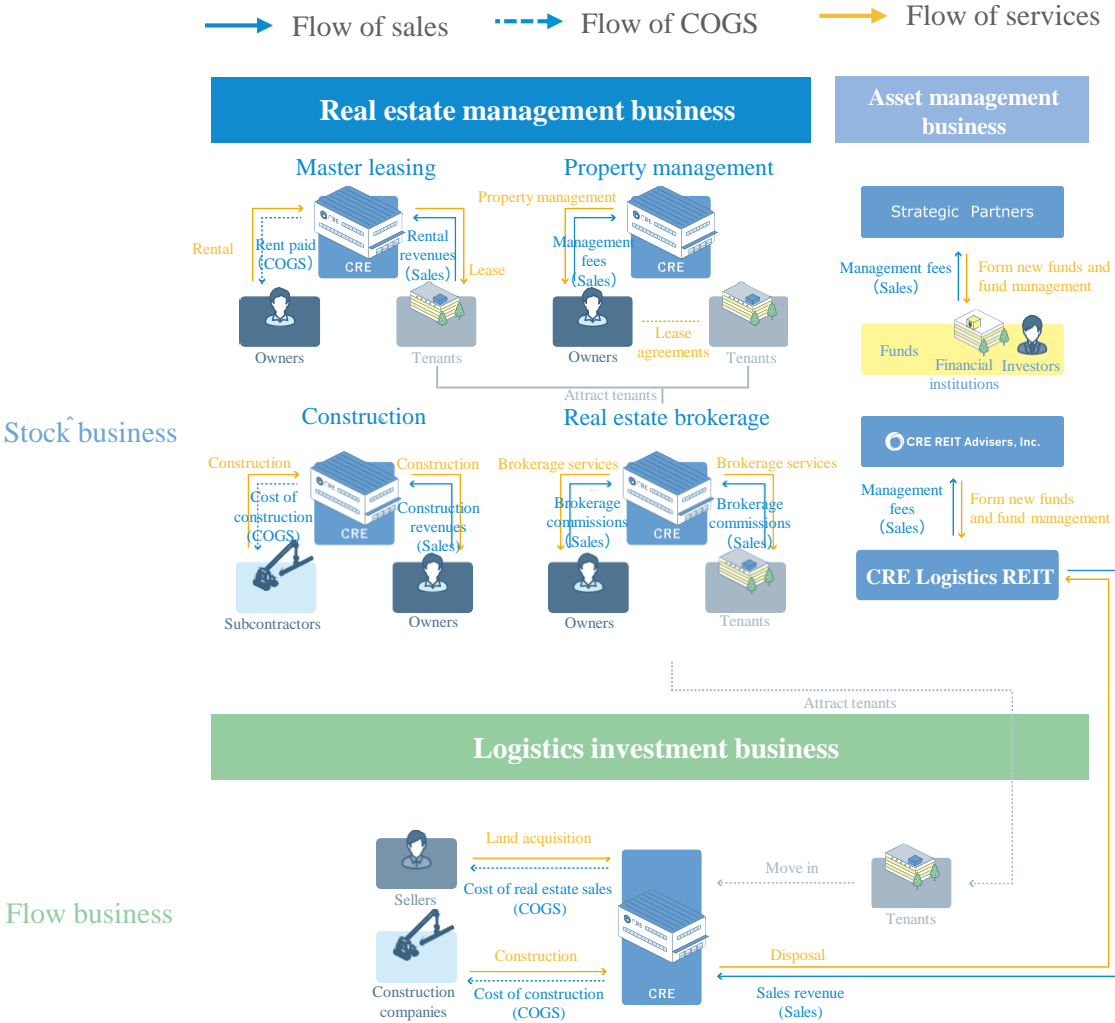
Company Profile

| | |
|------------------------|--|
| Company name | CRE, Inc. |
| Representative | Tadahide Kameyama, Representative Director, President |
| Head office | East Tower 19F, Toranomon Twin Bldg., 2-10-1, Toranomon, Minato-ku, Tokyo |
| Sales offices | Nishitokyo, Kanagawa, Osaka, Fukuoka, Singapore, Thailand |
| Main businesses | Leasing, management, development, brokerage and asset management of logistics facilities |
| Established | December 22, 2009 |
| Paid-in Capital | ¥3,071 million (As of July 31, 2021) |
| Consolidated net sales | ¥47,556 million (Fiscal year ended July 31, 2021) |
| Number of employees | 319 (Consolidated basis / As of January 31, 2022) |
| Listing | First Section of the Tokyo Stock Exchange Code: 3458 |
| Industry sector | Real estate business |

History

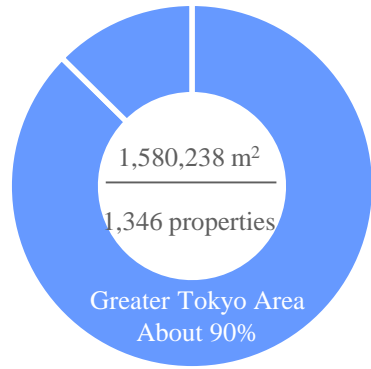


CRE Group's Main Business

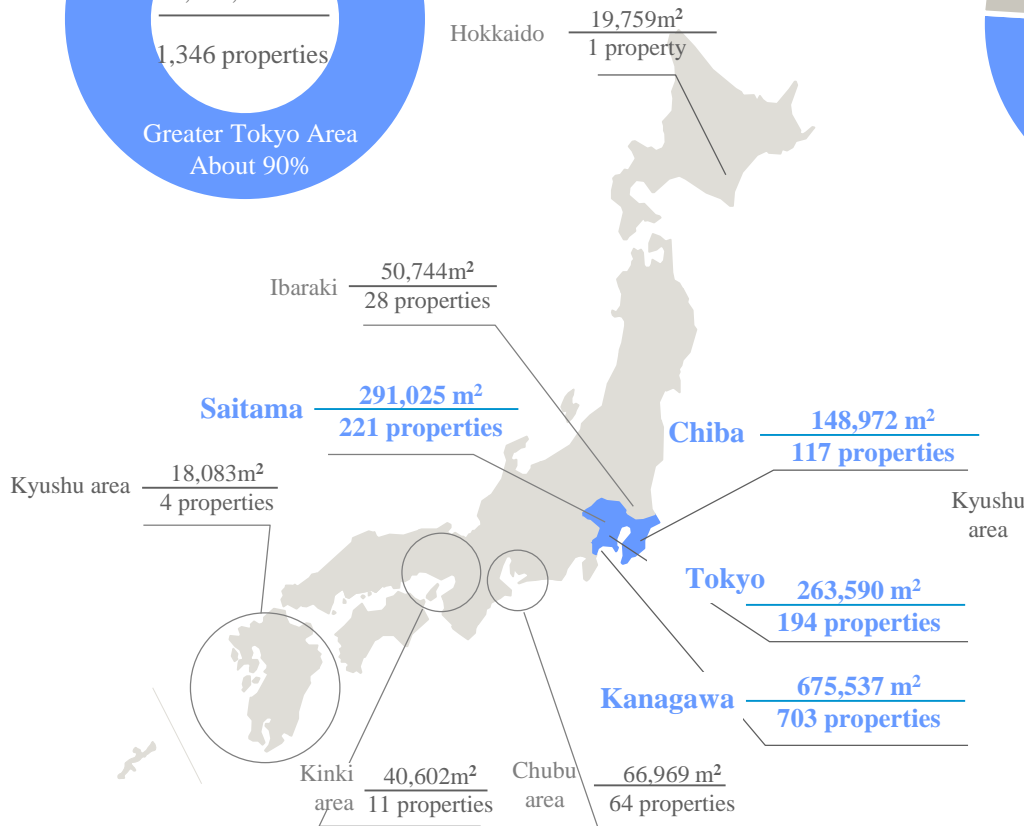


Real Estate Management Business: Floor Space under Management by Area

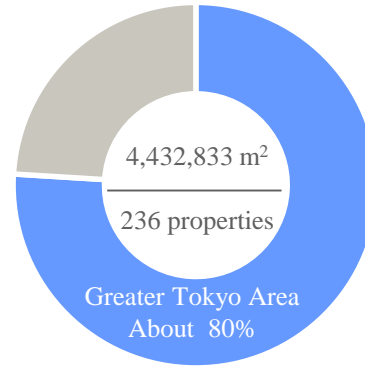
Master Lease



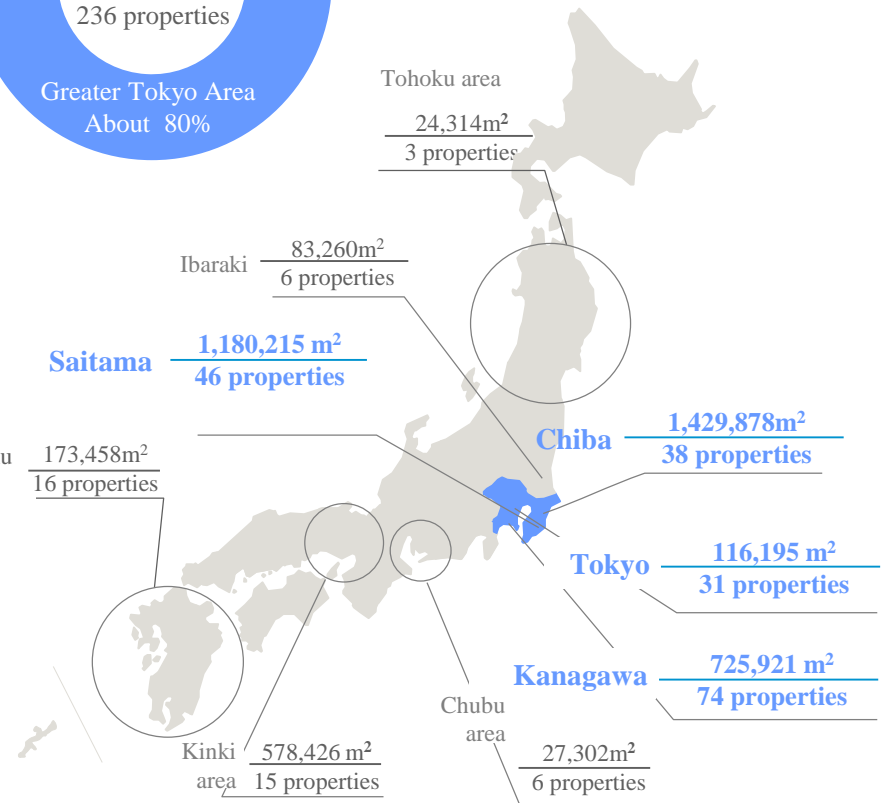
Average floor space:
About 1,200m²



Property Management



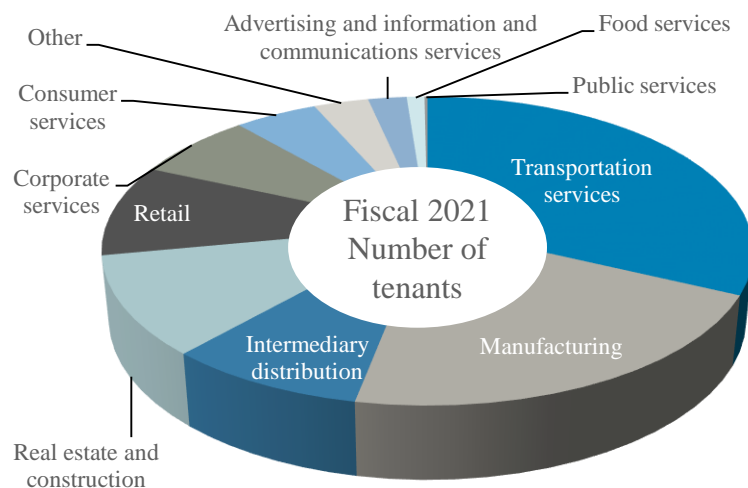
Average floor space:
About 18,800m²



As of January 31, 2022

Diverse Customer Base

Tenant Composition in Master Lease



Main Customers for Property Management

- LaSalle LOGIPORT REIT
- LaSalle REIT Advisors K.K.
- Star Asia Investment Corporation
- Star Asia Investment Management Co., Ltd.
- Kenedix Retail REIT Corporation
- Kenedix Real Estate Fund Management, Inc.
- United Urban Investment Corporation
- Japan REIT Advisors Co., Ltd.
- Japan Logistics Fund, Inc.
- Mitsui & Co., Logistics Partners Ltd.
- Industrial & Infrastructure Fund Investment Corporation
- Mitsubishi Corp.-UBS Realty Inc.
- Mitsubishi Estate Logistics REIT Investment Corporation
- Mitsubishi Jisho Investment Advisors, Inc.
- SOSiLA Logistics REIT, Inc.
- Sumisho Realty Management Co., Ltd.
- CRE Logistics REIT, Inc.
- CRE REIT Advisors, Inc.
- LaSalle Investment Management
- Takara Asset Management Co., Ltd.
- Diamond Realty Management Inc.
- Kokyo Asset Management Co., Ltd.
- Challenger Limited
- Morgan Stanley Capital K.K.
- Daiei Real Estate & Development Co., Ltd.
- Tozai Asset Management Co., Ltd.
- Mitsui & Co., Realty Management Ltd.
- IDERA Capital Management Ltd.
- FORTRESS INVESTMENT GROUP JAPAN
- Ichigo Estate
- Yamato Transport Co. Ltd.
- TAKARA-SANGYO Co., Ltd.
- UIG Asset Management Co., Ltd.
- UNIVERSE DEVELOPMENT Co., Ltd.
- Yasuda Real Estate Logi Lease Co., Ltd.
- ESR REIT Management Ltd.
- TLC REIT Management Inc.
- SUMITOMO CORPORATION
- Kenedix Investment Partners, Inc.
- Daiwa Real Estate Asset Management Co., Ltd.
- Daiwa House Realty Mgt. Co., Ltd.
- ML Estate Company, Limited
- Odakyu Real Estate Co., Ltd.
- Eco Properties, Corp.
- Tokyu Land Capital Management Inc.
- Hulic Co., Ltd.
- Strategic Partners Co., Ltd.

As of January 31, 2022

Logistics Infrastructure Platform

Subsidiaries and affiliates



EnBio C Energy, Inc.



*1 Consolidated subsidiaries *2 Equity method affiliates

Capital and business alliances



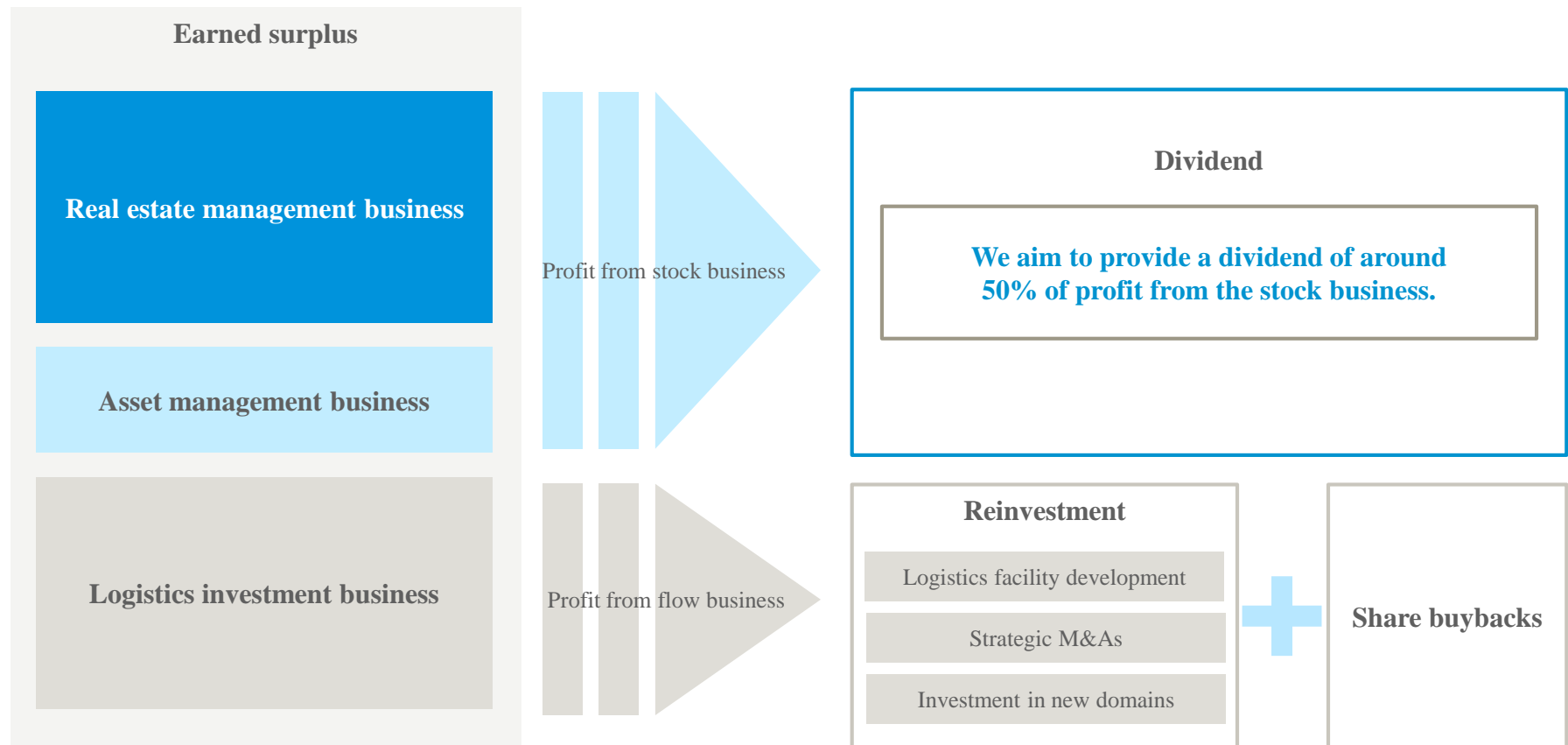
Alliances



Return Profits to Shareholders in Line with Growth in Stock Business

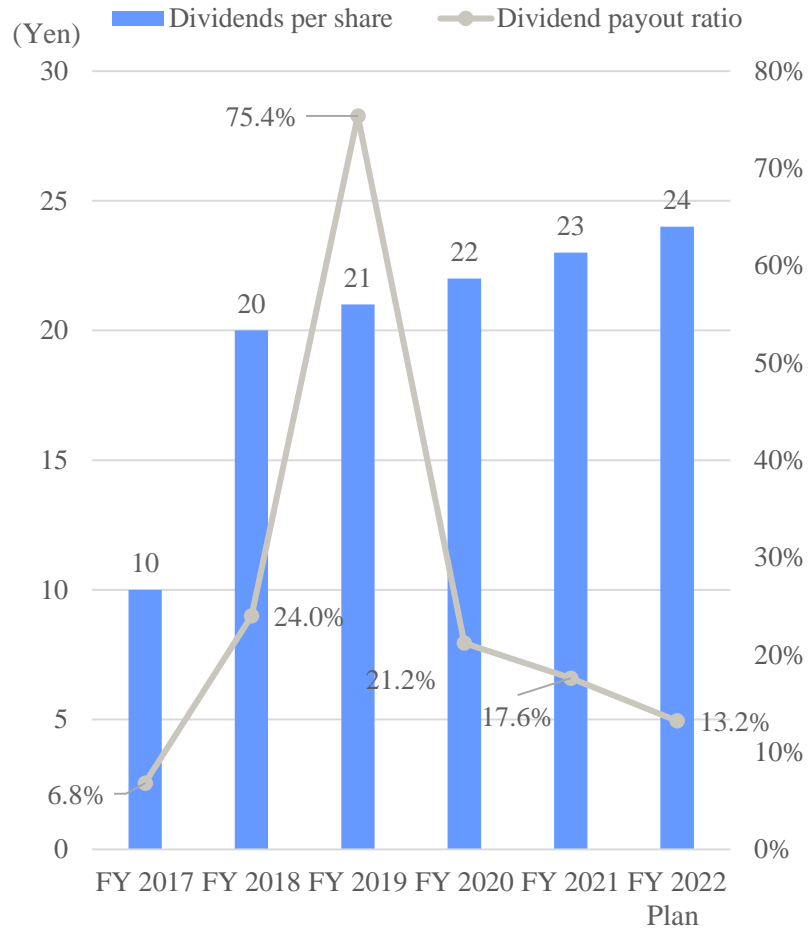
- We will draw on earned surplus from the stock business to distribute dividends to shareholders and will strive to steadily increase dividend payments over the long term commensurate with continuous growth.
- We will reinvest earned surplus from the flow business into logistics facility development, M&As to reinforce the stock business, and new domains to underpin long-term growth, and to purchase treasury stock.

Capital Strategies



Return to Shareholders

Changes in dividends per share and dividend payout ratio



Note: CRE executed a two-for-one stock split twice, once on November 1, 2016, and again on August 1, 2018, and annual dividend amounts noted in the graph above have been retroactively adjusted to reflect these stock splits

Consolidated dividend per share

Fiscal 2022 (plan)

¥24 per share

YOY **+¥1** (Up 4.3%)

Around 50% of profit from stock business

Note: Based on total number of shares issued (excluding treasury stock) as of July 31, 2021.

Stock Information (As of January 31, 2022)

Issued Shares and Shareholders

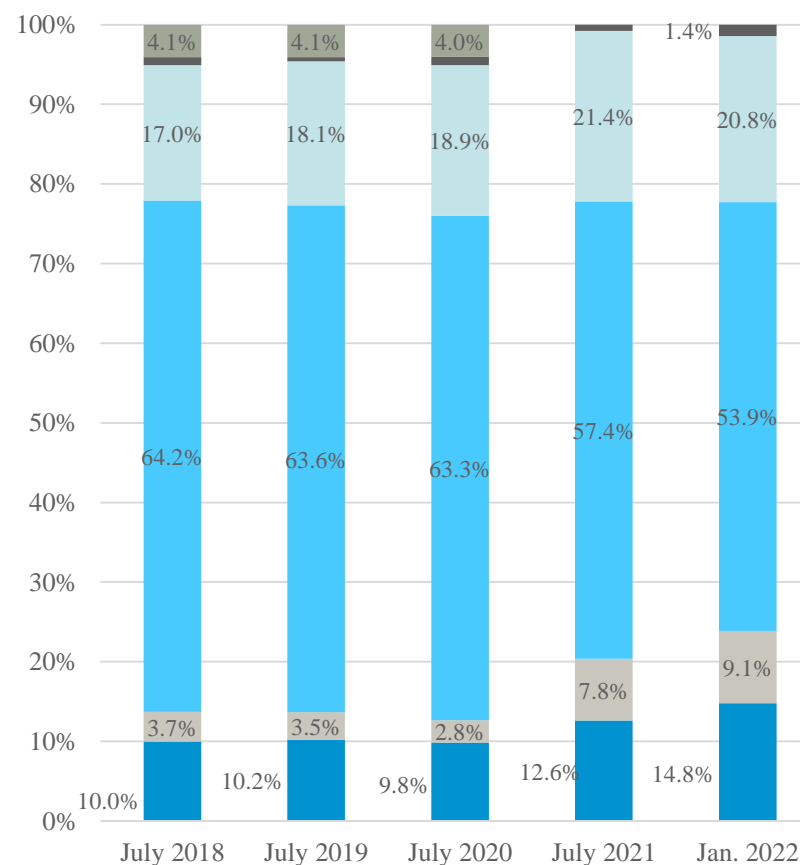
| | |
|---|------------|
| Number of Shares Issued and Outstanding | 27,468,800 |
| Number of Shareholders | 11,638 |

Major Shareholders

| Shareholder Name | Number of shares (Thousands) | Shareholding ratio (%) |
|---|------------------------------|------------------------|
| Kyobashi Kosan, Inc. | 11,009 | 36.74 |
| Kenedix, Inc. | 4,485 | 14.97 |
| GOLDMAN, SACHS & CO. REG | 2,065 | 6.89 |
| NORTHERN TRUST CO. (AVFC) RE HCR00 | 1,135 | 3.79 |
| CITCO TRUSTEES (CAYMAN) LIMITED SOLELY IN ITS CAPACITY AS TRUSTEE OF THE VPL1 TRUST | 1,000 | 3.34 |
| The Nomura Trust and Banking Co., Ltd. (Trust Account 2052257) | 999 | 3.33 |
| Custody Bank of Japan, Ltd. (Trust Account) | 606 | 2.02 |
| GOLDMAN SACHS INTERNATIONAL | 599 | 2.00 |
| Kokyo Tatemono Co., Ltd. | 559 | 1.87 |
| NORTHERN TRUST CO. (AVFC) SUB A/C NON TREATY | 539 | 1.80 |

Ratio of Shareholding by Type of Shareholder

- Individuals and others
- Other Japanese corporations
- Securities companies
- Japanese financial institutions
- Overseas institutions
- Treasury stock



Business Scale CRE Seeks to Achieve in Five Years

Become leading company in logistics real estate domain

Expand business base through reinvestment of profits obtained through flow business

Increase assets under management and floor space under management to lift core stock*¹ income

| | Fiscal 2021 | Fiscal 2026 | Comment |
|------------------------------|----------------------------------|---------------------------------|---|
| Business profit | ¥6.2 billion | ¥12 billion | Double in five years (18% average annual increase) |
| Pipeline | ¥200 billion | ¥350 billion | Fiscal 2026 amount represents pipeline for fiscal 2027 onward |
| Floor space under management | Master leasing : 1,557,942㎡ | Master leasing: 2,000,000㎡ | About 27% higher over span of five years |
| | Property management : 4,165,996㎡ | Property management: 5,290,000㎡ | About 27% higher over span of five years |
| Assets under management | ¥200 billion | ¥450 billion | Double in five years |
| Core stock income | ¥4.5 billion | ¥6.5 billion | About 40% higher over span of five years |
| Average ROE | 15% | Above 15% | |

*1 Core stock = CRE non-consolidated real estate management business revenues (excluding contract work revenue on new buildings and real estate sales revenue) + Asset management business administration fees during term