



Consolidated Results for First Three Quarters of Fiscal Year ending July 31, 2023 (August 1, 2022 to April 30, 2023)

June 12, 2023

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Fiscal 2023: Revision to Full-Year Consolidated Performance Forecast (announced on March 15, 2023)

- Logistics investment business and asset management business are moving in favorable direction, and after giving serious thought to future business results, which include other businesses as well, upwardly revised the performance forecasts for business profit to 7 billion yen (up 7.7% from the initial plan) and net income to 3.6 billion yen (up 12.5% from the initial plan).
- In logistics investment business, plan has changed and only two *LogiSquare* properties are to be sold. Anticipated segment profit ratio could surpass 27%, markedly higher than the initially projected level above 16%.
- In asset management business, asset management fees for the period are planned to increase, while in private placement activity, fee income through fund formation and sale of properties is likely to decrease year on year. On segment basis, current forecast indicates lower sales and lower income, but with formation of additional private funds not originally planned, income perspective now more positive, with year-on-year increase in sight.

The breakdown of segment income has been changed. Please refer to the next page. (Millions of yen)

	Initial plan at the beginning of the term	Revised plan	Differences
Net sales	61,800	51,900	(9,900)
Operating profit	6,350	6,700	350
EBITDA	7,020	7,400	380
Business profit*1	6,500	7,000	500
Recurring profit	5,000	5,650	650
Net income	3,200	3,600	400
Earnings per share (Yen)	¥106.79	¥122.60	¥15.81

Note1: Sales for each reporting segment represent sales to external customers.

Note2: Change in the breakdown of segment income due to change in the allocation method of expenses.

Note3: The additional investment in EnBio Holdings, Inc. is expected to post an amount equivalent to negative goodwill as “equity in income of affiliates”, but the amount will be determined through further review and if a necessary matters to be disclosed arise, such matters will be promptly disclosed.

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

	Initial plan at the beginning of the term	Revised plan	Differences
Net sales	61,800	51,900	(9,900)
Real estate management business	29,800	28,400	(1,400)
Logistics investment business	30,850	22,200	(8,650)
Asset management business	1,150	1,300	150
Other operations	—	—	—
Segment income	6,350	6,700	350
Real estate management business	2,580	2,380	(200)
Logistics investment business	4,980	5,100	120
Asset management business	680	840	160
Other operations	—	—	—
Adjustment	(1,890)	(1,620)	270

Adjustment of segment income

- We scrutinized the adjustment of segment income again and reviewed each segment income.
No change in sales and profits.

	Initial plan at the beginning of the term	Revised plan (March 15, 2023)		(Millions of yen)
Segment income	6,350	6,700		6,700
Real estate management business	2,580	2,580		2,380
Logistics investment business	4,980	6,000	(200)	5,100
Asset management business	680	850	(900)	840
Adjustment	(1,890)	(2,730)	(10)	(1,620)
			1,110	

Performance Highlights

First Three Quarters

Net sales	¥43,109 million	(YOY - 15.0%/Rate of progress*2 83.1%)
Business profit*1	¥6,931 million	(YOY - 29.3%/Rate of progress*2 99.0%)

*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 revised targets announced on March 15, 2023

Business Highlights

- Logistics investment business: Sold *LogiSquare* Shiroi and *LogiSquare* Hirakata
- Real estate management business: Expected decrease in profit compared to the previous year due to (1) downward swing in earnings of LIP subsidiaries, (2) postponement of sale of small warehouses to sell them directly to a private REIT to be formed in fiscal 2024 and others.
- Asset management business: Progress on track.
- Overseas business: Favorable logistics facility development in Vietnam and Indonesia. Ground-breaking ceremonies at Quang Ngai and Nghe An projects in Vietnam.
- Group: Additional investment in EnBio Holdings, Inc. (19%→34%) (May 10, 2023)
Plans to increase photovoltaic panel output to 100 MW.

Note) The additional investment in EnBio Holdings, Inc. is expected to post an amount equivalent to negative goodwill as “equity in income of affiliates”, but the amount will be determined through further review and if a necessary matters to be disclosed arise, such matters will be promptly disclosed.

Stock Business

Real Estate Management Business

Master lease operating rate

96.1%

(YOY -1.5 point)

Asset Management Business

Changes in Assets under Management (AUM)

273.6 billion

(YOY +33.8 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

More than **¥200 billion**

Finances

Net debt/equity ratio

(Upper limit at end of year: 2.5 times)

0.92 times

Interest-bearing debt

¥65.4 billion

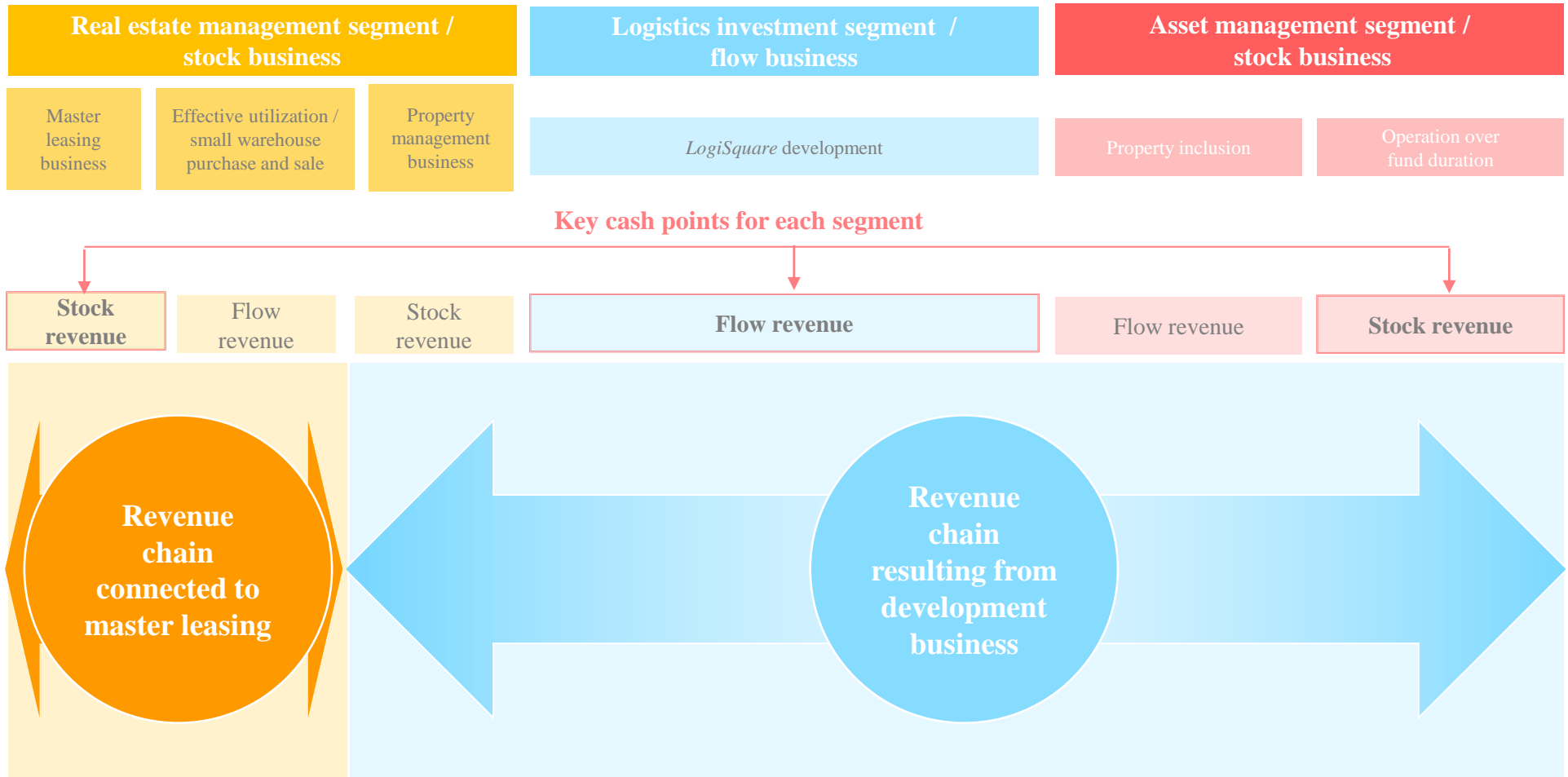
* See page 18 for details

CRE's Revenue Structure

Our Picture of the Revenue Structure: Two Key Revenue Chains

Three segments coordinate operations organically to form revenue chains with high growth potential

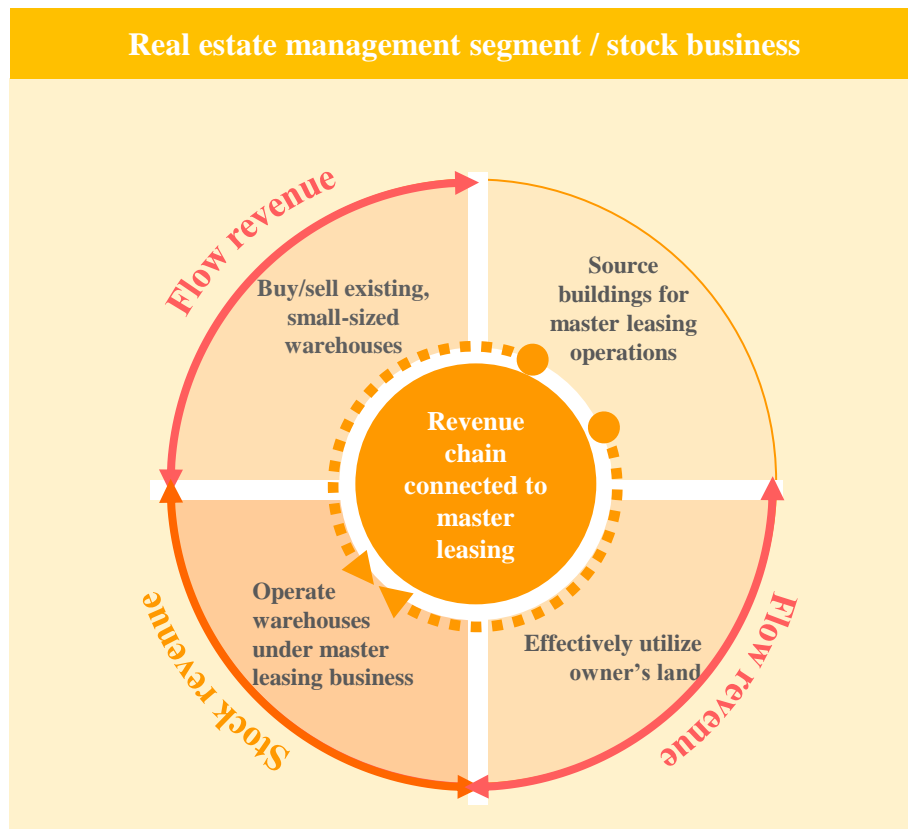
- Revenue chain that leads to rental profit for master leasing business
- Revenue chain resulting from development business



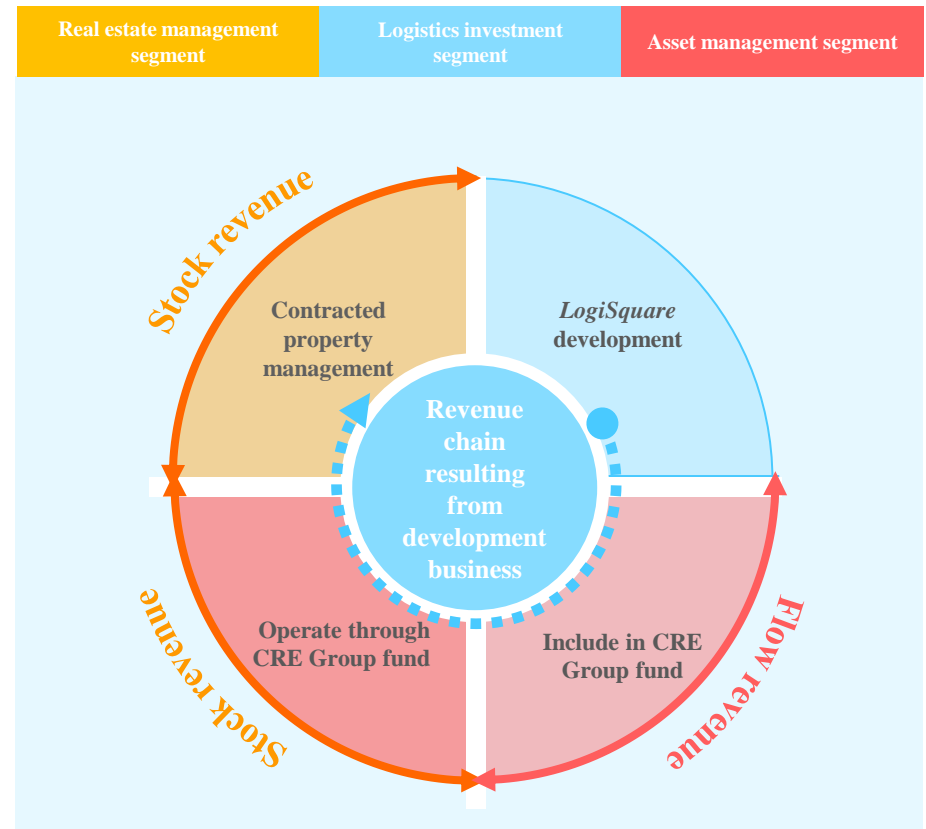
Two Major Revenue Chains

Understanding of revenue chains described on next page 

- **Revenue chain connected to master leasing**
Through purchase of small, existing buildings and efficient utilization of new land, gradually increase master leasing floor space
(Stable revenue base expansion)



- **Revenue chain resulting from development business**
Include development properties in CRE Group's real estate fund and constantly secure asset management and property management fees
(Flow business is growth driver of stock revenue)



Revenue Chain Resulting from Development Business (Understanding)

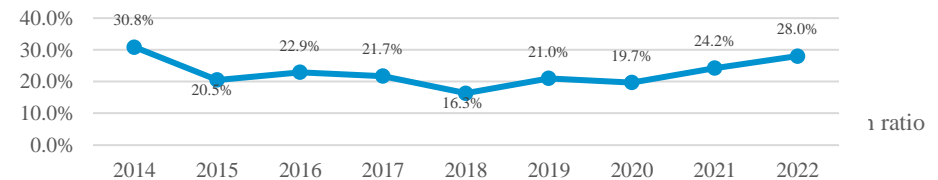
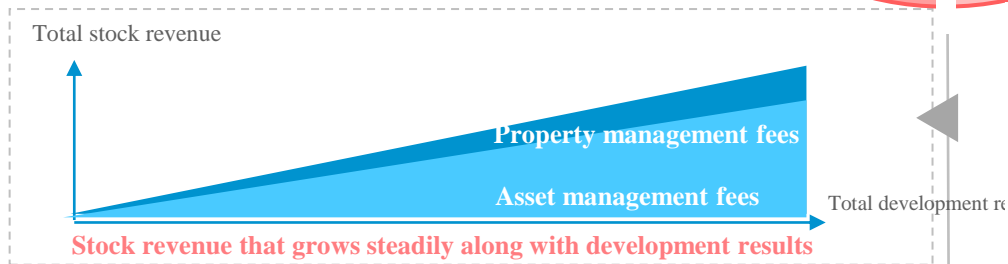
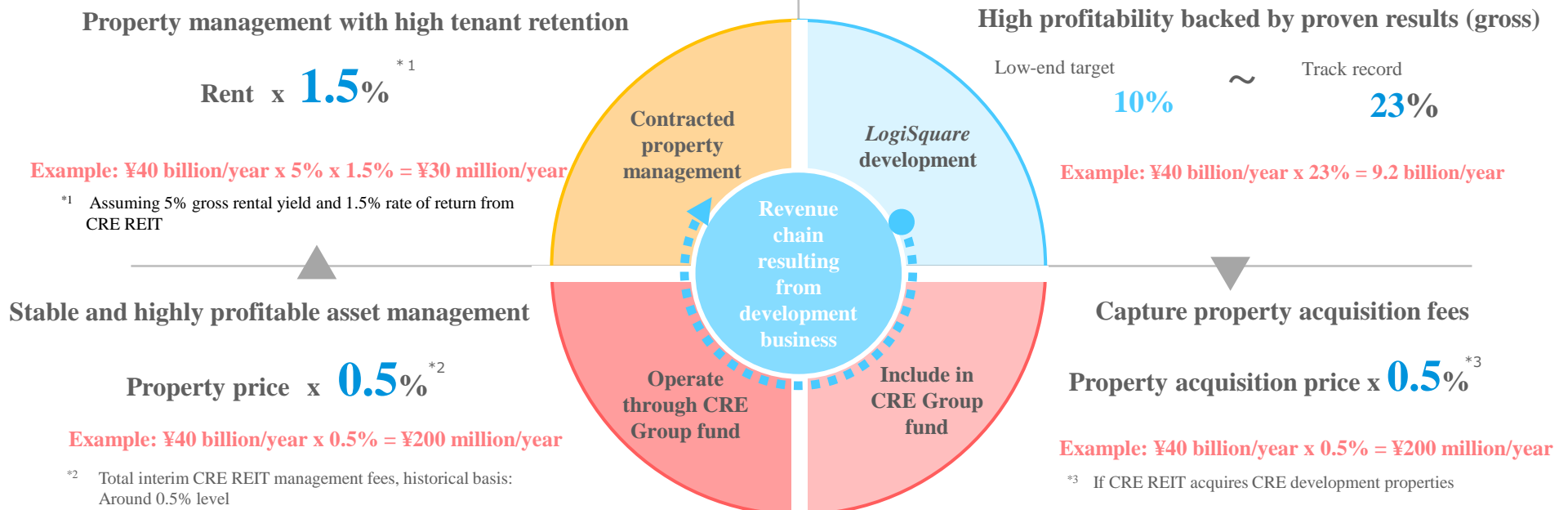
Establish business model that translates high-profit development business (flow revenue) into high-repeatability stock revenue

Revenue model: In the case of ¥40 billion/year* development

*Five-year, cumulative development goal above ¥200 billion ÷ 5 years = ¥40 billion

Annually accumulating **stock revenue** Total: **¥230 million/year**

High-profit **flow revenue** total: **¥9.4 billion/year**



Development business boasts track record of high gross margin ratio

Consolidated Summary of Fiscal 2023 First Three Quarters

- Completed the sale of buildings to be sold this fiscal year in the logistics investment business. The segment income is expected to exceed the initial plan.
- Impacted by posting performance bonuses, with selling, general and administrative expenses rising year on year. Selling, general and administrative expenses for the full year is nearly in line with plans.
- Booked ¥27 million loss on valuation of investment securities

(Millions of yen)

	Fiscal 2022 First three quarters Actual	Fiscal 2023 First three quarters Actual	Fiscal 2023 revised plan		Fiscal 2022 First three quarters Actual	Fiscal 2023 First three quarters Actual	Fiscal 2023 revised plan
Net sales	50,706	43,109	51,900	Net sales	50,706	43,109	51,900
Gross profit	13,010	10,843	—	Real estate management business	20,183	19,697	28,400
Selling, general and administrative expenses	3,918	4,234	—	Logistics investment business	29,431	22,293	22,200
(Amortization of goodwill)	193	159	—	Asset management business	1,084	1,115	1,300
Operating profit	9,092	6,608	6,700	Other operations	5	4	—
EBITDA	9,514	7,006	7,400	Segment income	9,092	6,608	6,700
Business profit*1	9,799	6,931	7,000	Real estate management business	2,247	1,493	2,380
Recurring profit	8,339	6,038	5,650	Logistics investment business	7,491	5,475	5,100
Net income	5,964	4,081	3,600	Asset management business	746	698	840
Earnings per share (Yen)	¥204.71	¥138.81	¥122.60	Other operations	2	0	—
				Adjustment	(1,397)	(1,059)	(1,620)

Note1: Sales for each reporting segment represent sales to external customers.

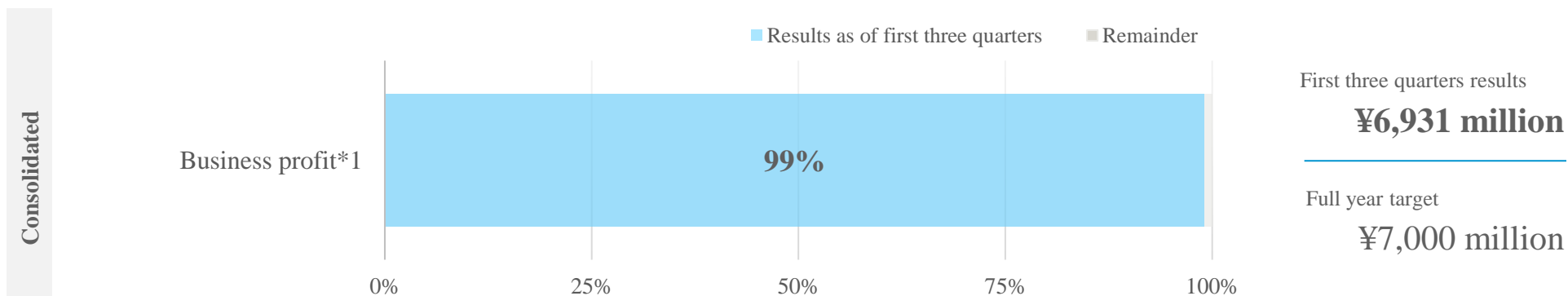
Note2: Change in the breakdown of segment income due to change in the allocation method of expenses.

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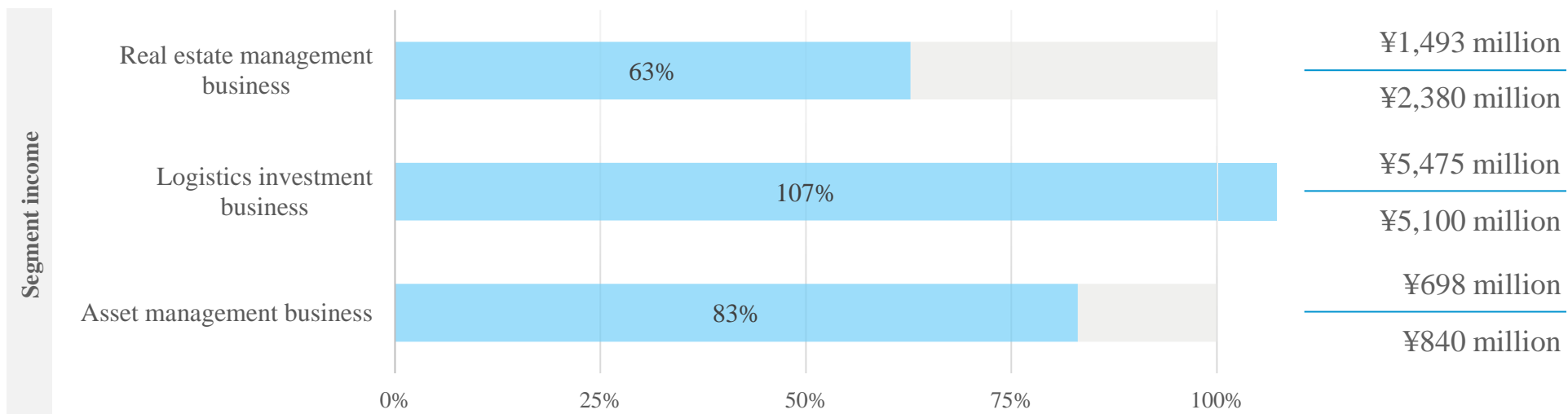
*1: Business profit = Operating profit + Equity in earnings of affiliates + Goodwill amortization (consolidated subsidiaries/equity method affiliates)+ Profit (loss) from business investments

Status of Business Profit and Segment Income Compared with Revised Targets

- **Business profit of ¥6,931 million**, underpinning rate of progress toward revised target of **99.0%**.



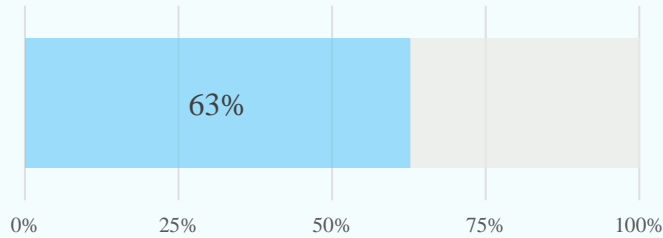
*1: Business profit = Operating profit + Equity in earnings of affiliates + Goodwill amortization (consolidated subsidiaries/equity method affiliates)+ Profit (loss) from business investments



Stock Business | Real Estate Management Business

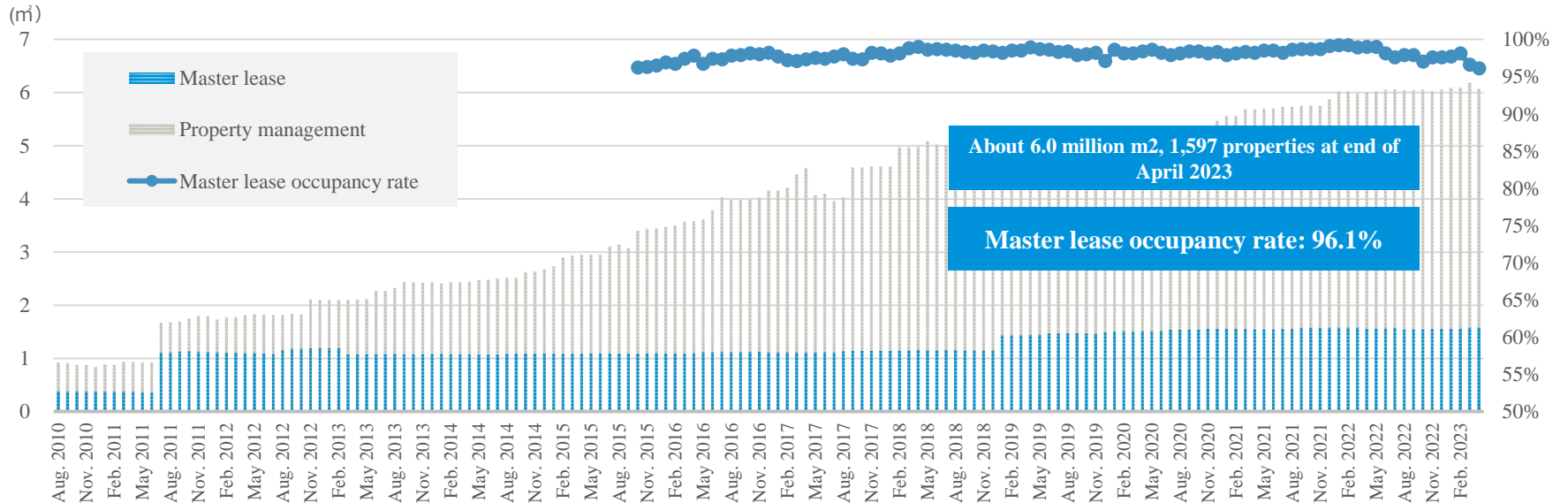
Decrease in profit compared to initial plan due to (1) downward swing in earnings of LIP subsidiaries, (2) postponement of sale of small warehouses in order to sell them directly to a private REIT to be formed in fiscal 2024, and others.

Rate of progress toward revised target



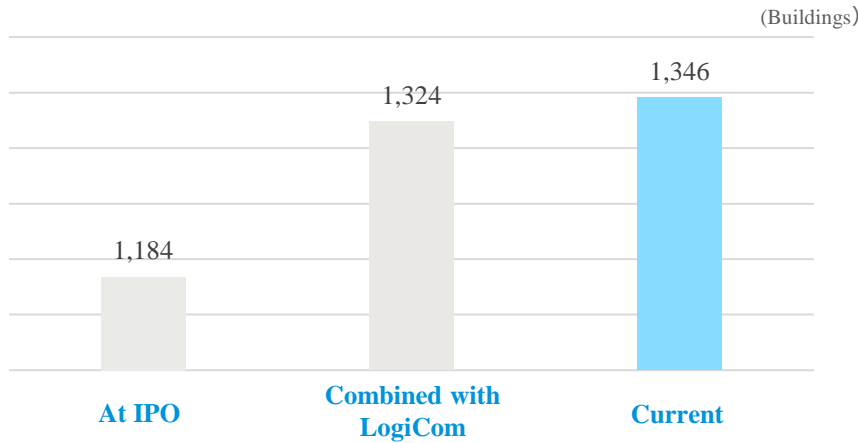
- Although year on year, occupancy rate is lower, tenant needs are strong and occupancy rates are expected to recover at the end of the fiscal 2023.
- In fiscal 2022, booked revenue from sale of buildings to CRE Master Lease Fund 3. The sale of buildings planned in fiscal 2023 was changed and postponed from to “CRE Master Lease Fund 5” to “a private REIT scheduled to be formed in fiscal 2024”.
- Planned sale of self-storage in 4th Quarter.

Key ratio : Changes in managed properties



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

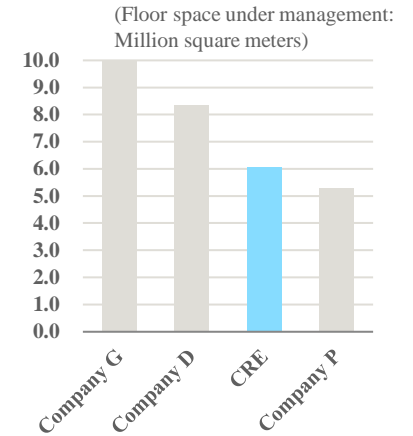
Change in Master Lease Properties



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 2022 edition of monthly *Property Management* magazine.



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

Rent Occurring as Old Tenants Replaced by New Tenants

2021–2022

Change in rent due to tenant turnover

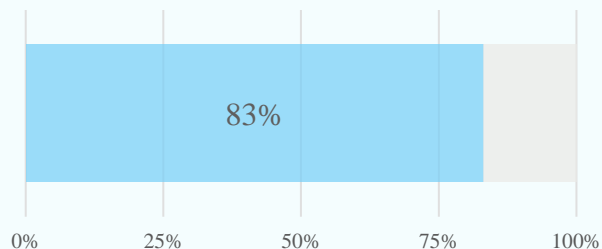
+2.6%

Turnover

6.5%

Progress on track.

Rate of progress toward revised target



Public offering (CRE Logistics REIT)

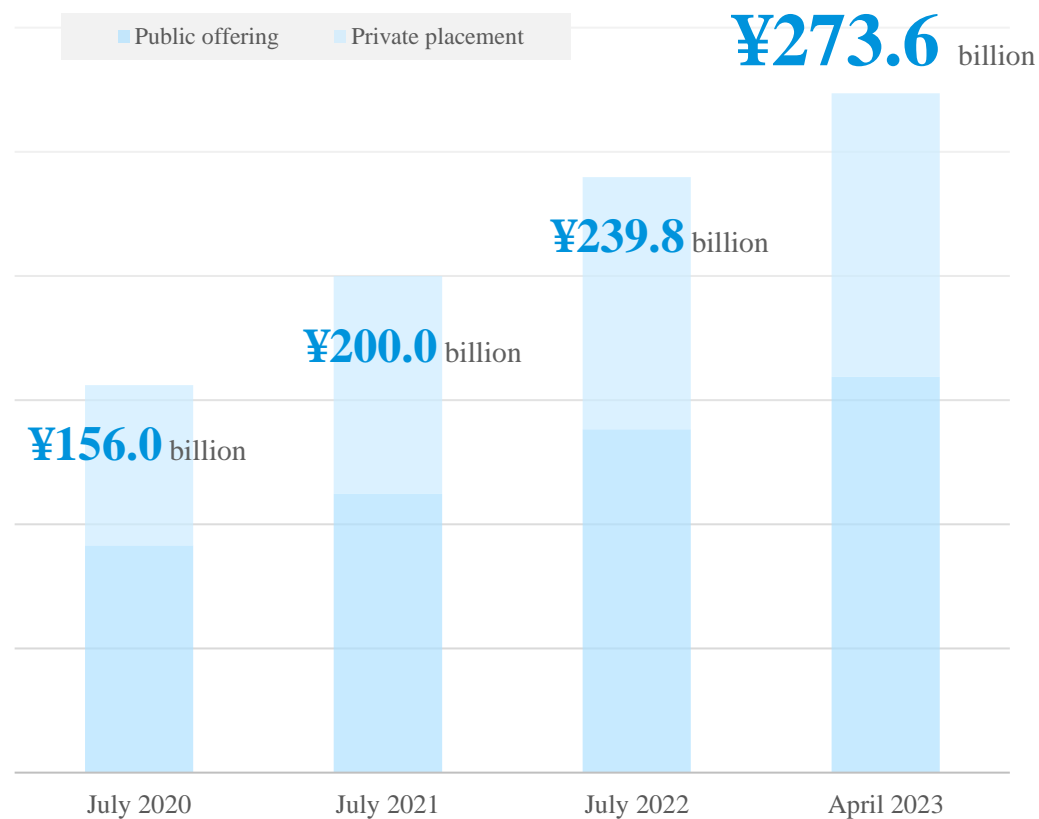
- Acquisition of *LogiSquare* shiroi and *LogiSquare* Hirakata.
- AUM is over 150 billion yen..

Privately placed funds

- Formed Self-Storage Specialized Fund 2 in September 2022.
- Sourcing to form open-end core fund.
- Aiming to form a private REIT for small warehouses.

Key Indicator: Change in AUM

Asset balance increased ¥33.8 billion from fiscal 2022 year-end.

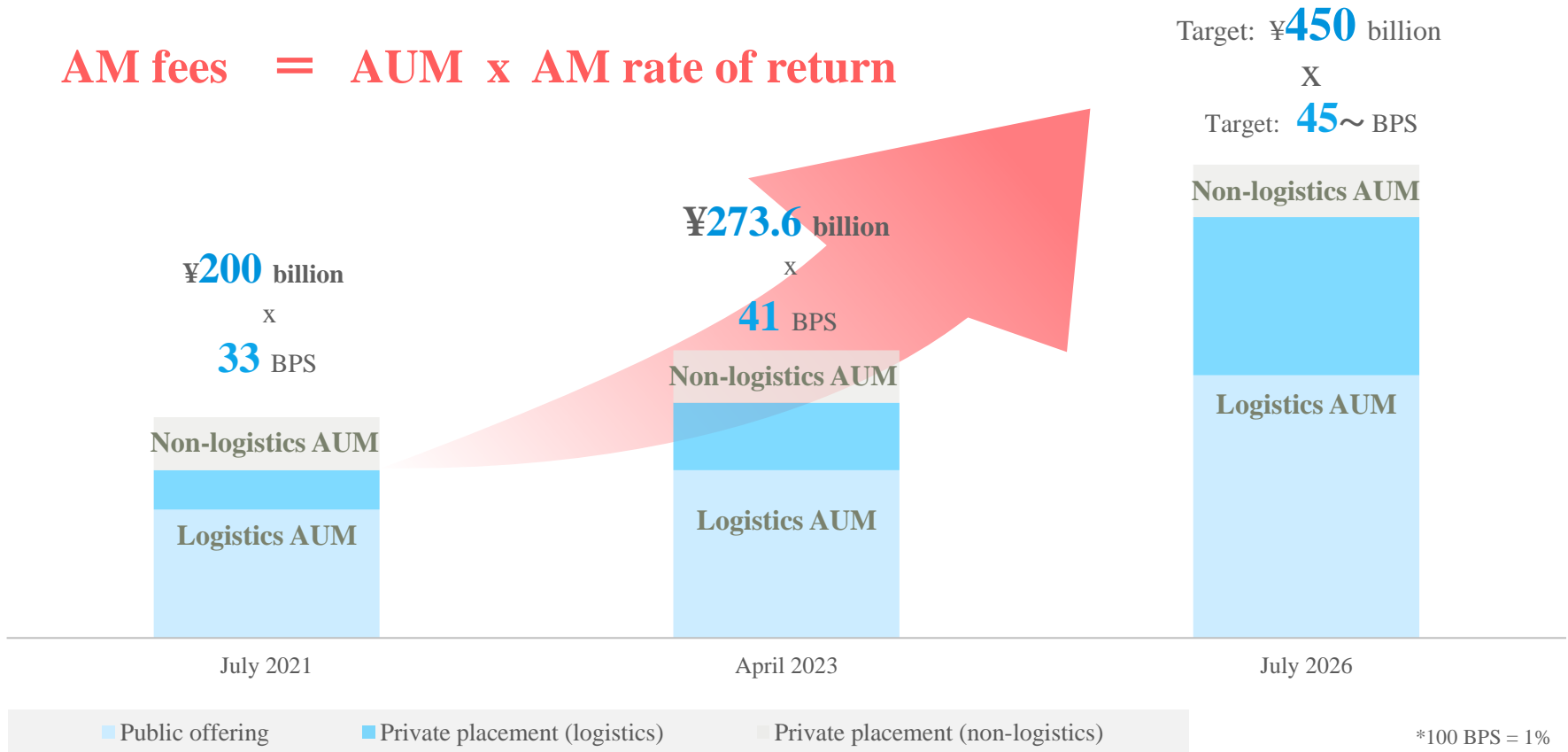


Aim — Double assets under management (AUM) x Higher rate of return

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



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

Note: Calculation method for management fees received from CRE Logistics REIT was reviewed, and amounts were recalculated.

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

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

Self-storage fund

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

Ten properties added in May 2023 for total of 47 properties in fund.



Features

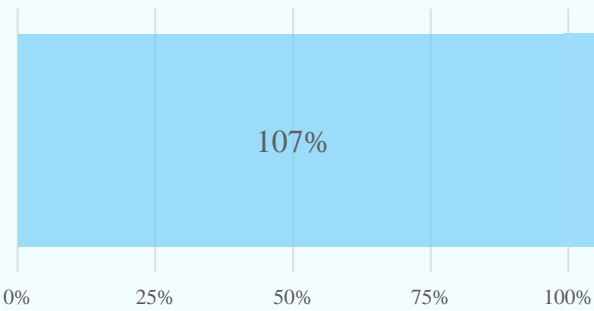
- Specific to self-storage facilities
- Aim to add properties and expand scale of fund
- As unlisted fund, **not easily affected by stock market status**
- Investors are overseas large institutional investors

Intended to sell three properties in fiscal 2023 but plan changed to two.

Pipeline already disclosed in Second Medium-Term Management Plan expanded beyond ¥200 billion commitment.

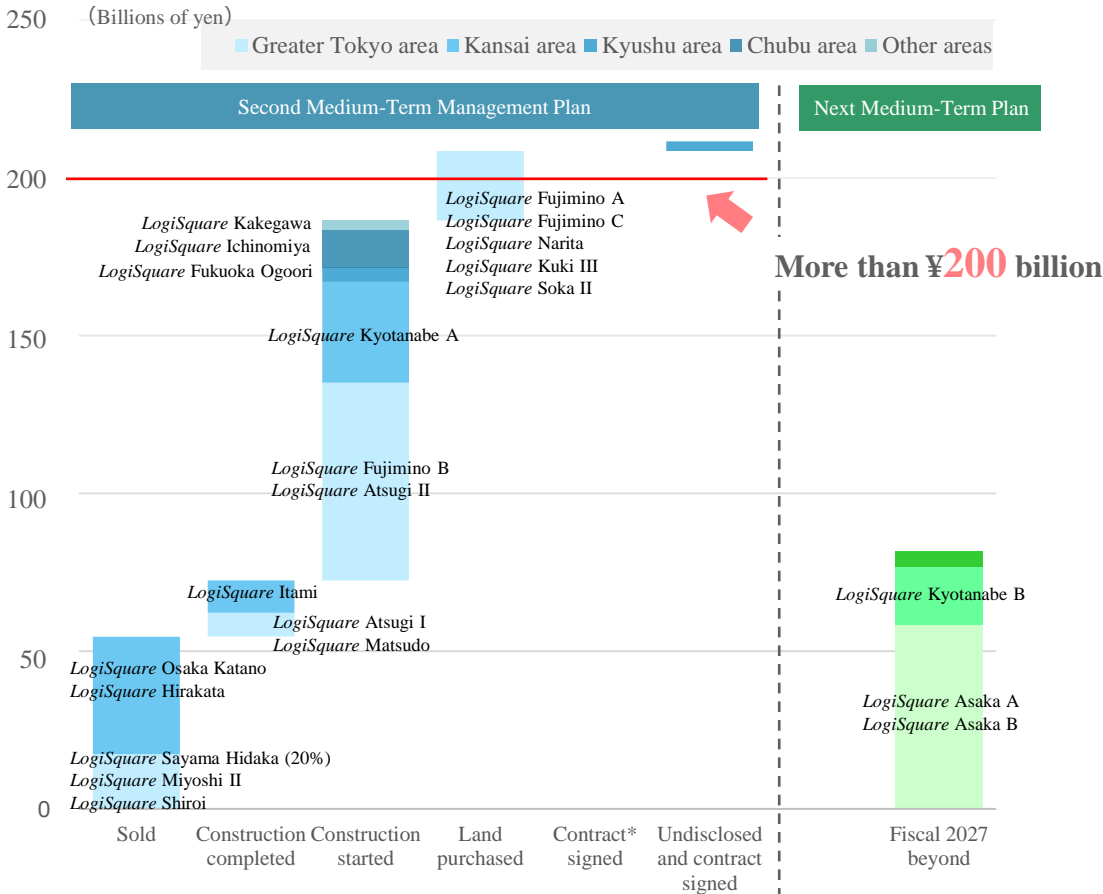
Moving steadily ahead on acquisition of development sites for next medium-term management plan and beyond.

Rate of progress toward revised target



- *LogiSquare* Itami, *LogiSquare* Shiroi, *LogiSquare* Hirakata, *LogiSquare* Matsudo completed.
- Sold *LogiSquare* Shiroi, *LogiSquare* Hirakata.
- Brisk leasing of buildings planned for sale in fiscal 2024.

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 **commitment in Second Medium-Term Management Plan.**
Investment with good balance between Greater Tokyo area and Kansai area.

Fiscal 2023 sold	Fiscal 2024 planned sales	Fiscal 2025 planned sales	Fiscal 2026 planned sales	Area distribution across pipeline
76,582m ²	162,648m ²	165,365m ²	More than 276,612m ²	
Greater Tokyo area 30,820m ²	Greater Tokyo area 15,643m ²	Greater Tokyo area 112,294m ²	Greater Tokyo area 114,083m ²	
 100%	 Leased land	 A	 B	Plan to sell after fiscal 2027
Kansai area 45,762m ²	Chubu area 60,641m ²	Greater Tokyo area 16,099m ²	Kansai area 160,529m ²	
 100%	 100%		 15%	Greater Tokyo area Total 161,498m²
Kansai area 29,977m ²	Kyushu area 23,914m ²	Greater Tokyo area 17,974m ²	Greater Tokyo area Undecided	
 50%	 100%	 Now Printing	 Now Printing	 B: Leased land
Greater Tokyo area 18,238m ²	Other areas 14,235m ²	Greater Tokyo area 18,998m ²	Greater Tokyo area 43,283m ²	Kansai area 87,534m ²
 100%	 100%		 C	 B

○% : Confirmed, either officially or informally

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

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

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

59 years^{*1}

1,346 properties^{*2}

Abilities to respond to risk for approvals and permits of the relevant authorities related to development

(Urbanization control areas, land readjustment areas)

Percentage of development projects in urbanization control areas **36%**^{*3}

CRE Group boasts solid ability in soil contamination countermeasures



Percentage of development projects for which soil contamination countermeasures have been drafted **46%**^{*3}

Construction management team comprising first-class registered architects



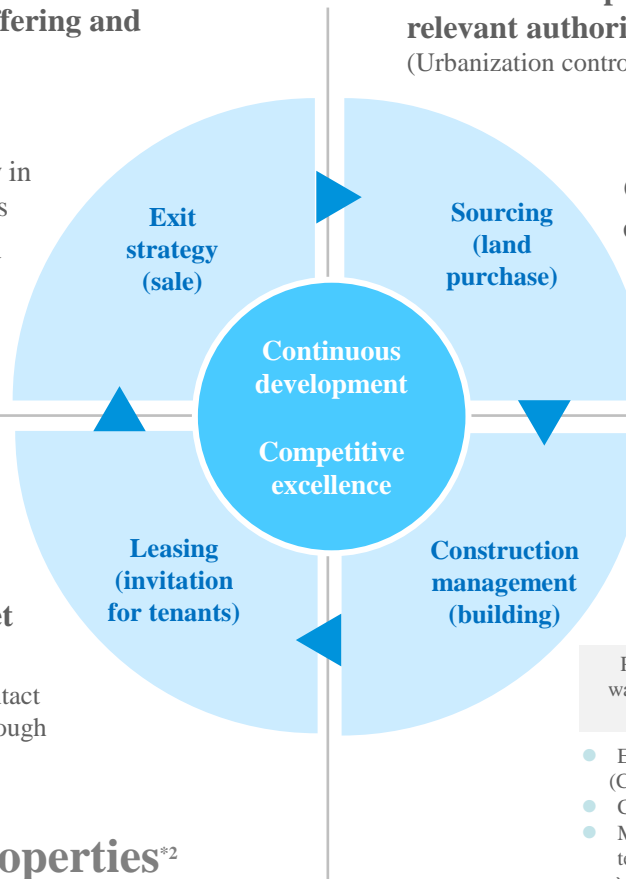
Planning that is well aware of warehouse operation and facility management

- Ensure versatility and functionality (Cement LogiSquare brand)
- Comprehensively reflect tenant needs
- Maintain competitive edge at re-tenanting stage

⇒ **Secure high rental income**

Bring construction management in-house

- Create high quality
 - Enhance cost-control capabilities
 - Expedite investment decisions
- ⇒ **Source of high gross profit**



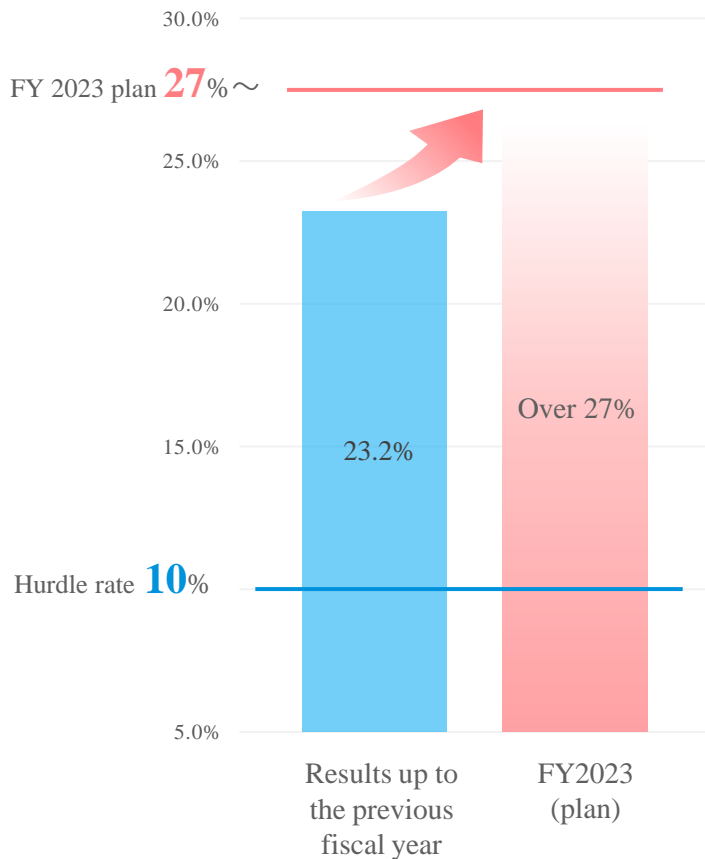
*1 Tenko Soken Co., Ltd., established in 1964 *2 As of end of April 2023 *3 Based on 25 completed properties, up to LogiSquare Matsudo

Flow Business | Logistics Investment Business

Track Record—From Investment to Exit

Change in segment gross profit margin

- Change in anticipated gross profit margin paralleling revision to performance forecast



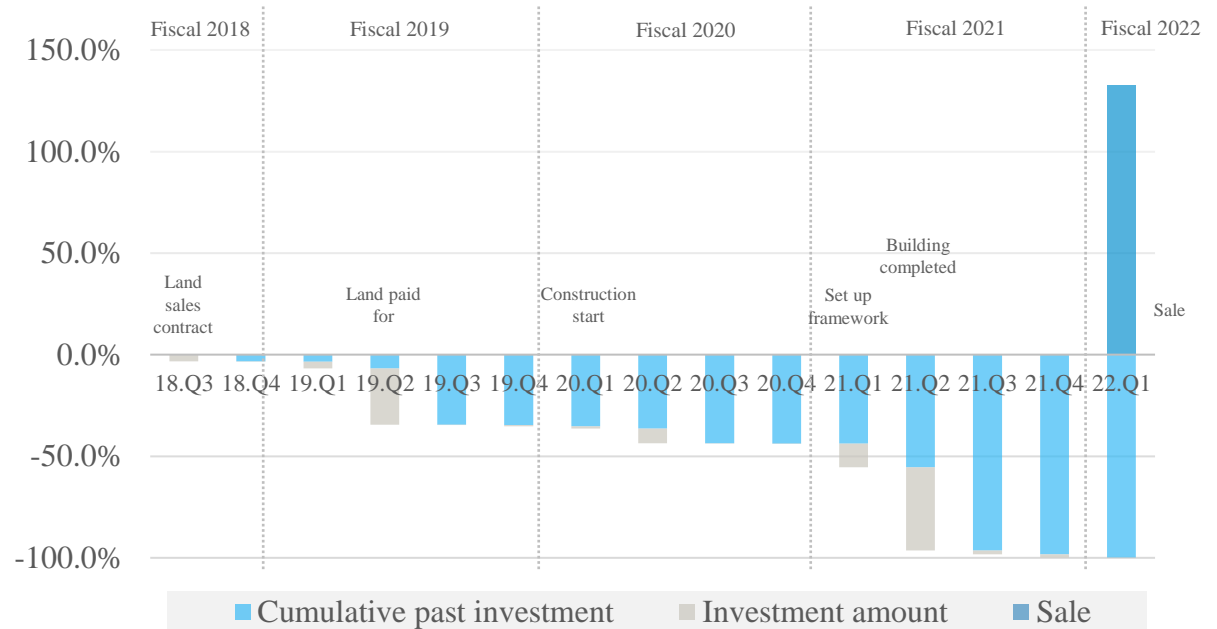
Reference: Investment to exit process

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

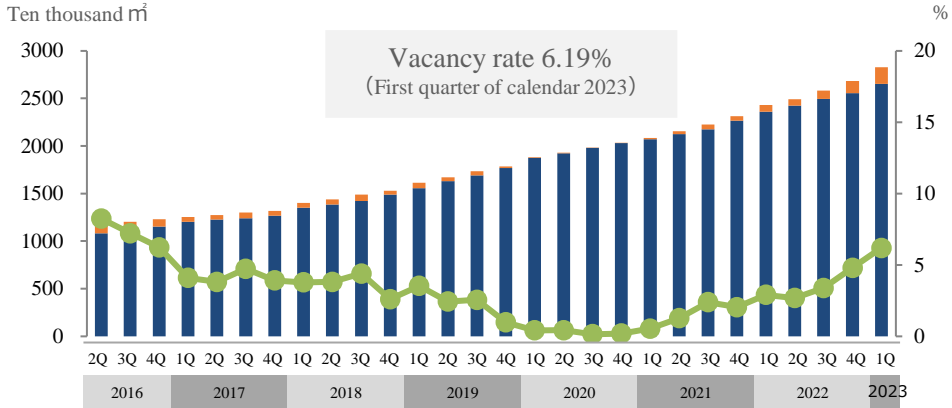
Flow Business | Logistics Real Estate Market Environment

Rental market

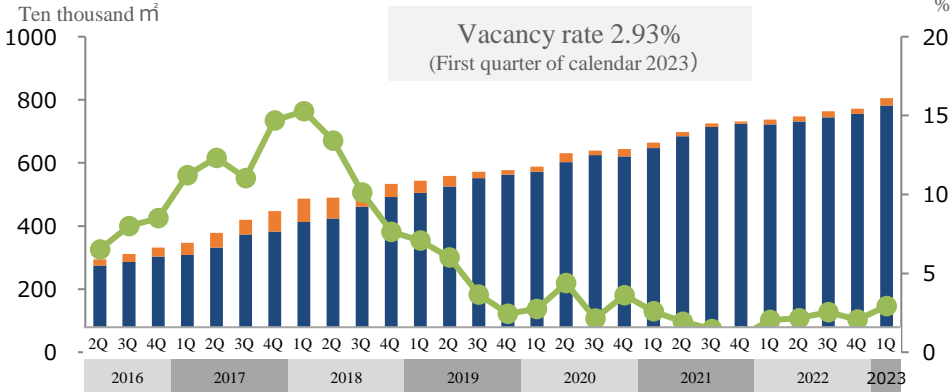
- Even though demand remained brisk, vacancy rate increased in Greater Tokyo area and slightly improved in Kansai area.

■ Amount of stock and vacancy rate

Greater Tokyo area



Kansai area



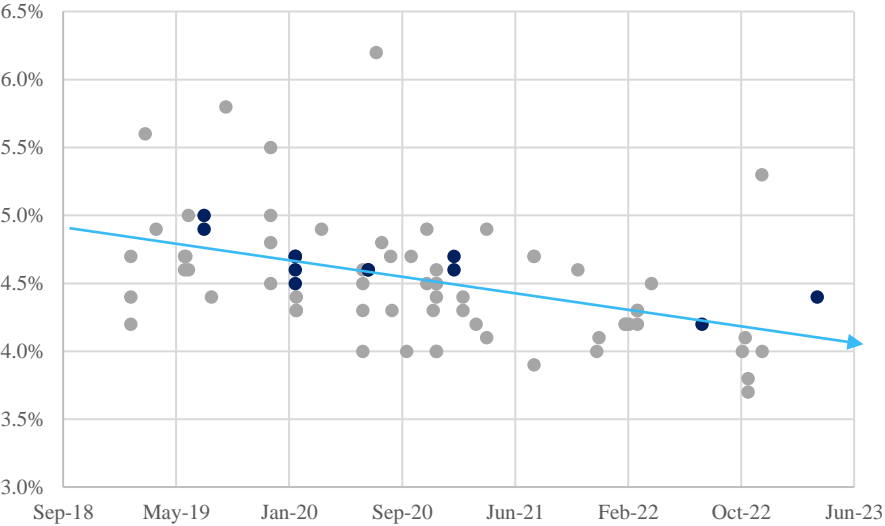
Source : "Market Report on Warehouses and Logistics Properties (β version) Ver. 202212" Published by CRE, Inc.

Trading Market

- Downtrend in CAP rate continues.

*Of buildings held in listed REITs, appraisal NOI yield at time of purchase for logistics facility in Greater Tokyo area

- NCF yield of acquisition price basis ● CRE Logistics REIT



Source : SMBC Nikko Securities

Overseas

Vietnam

- Hai Phong, three properties (in operation)
- Hai Duong, one property (in operation)
- Future plans

Name (tentative)	Gross floor area (estimated)	Completion target (estimated)
Quang Ngai PJ	35,530m ²	September 2023 (Park A) October 2023 (Park B)
Nghe An PJ	41,270m ²	November 2023



SEMBCORP LOGISTICS PARK IN VSIP QUANG NGAI Park A & B

Thailand

- Self-storage

Indonesia

- Established representative office for warehouse development
- Scheduled completion of BTS-type logistics facility (Cikarang, city in suburbs of Jakarta) in July 2023 (Phase 1), and July 2024 (Phase 2)



SEMBCORP LOGISTICS PARK IN VSIP NGHE AN

Measures to Support Sustainable Society

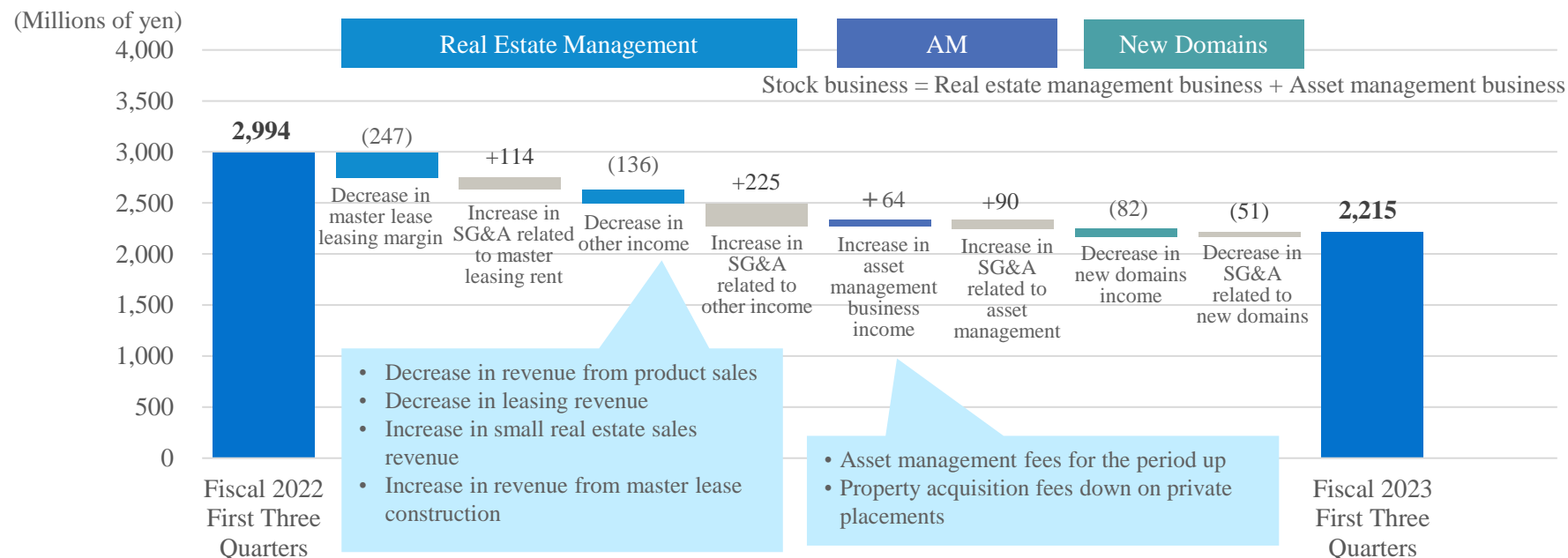
Through initiatives addressing materiality (priority issues), CRE will contribute to the realization of a sustainable society.

Materiality Identified (Priority Issues)

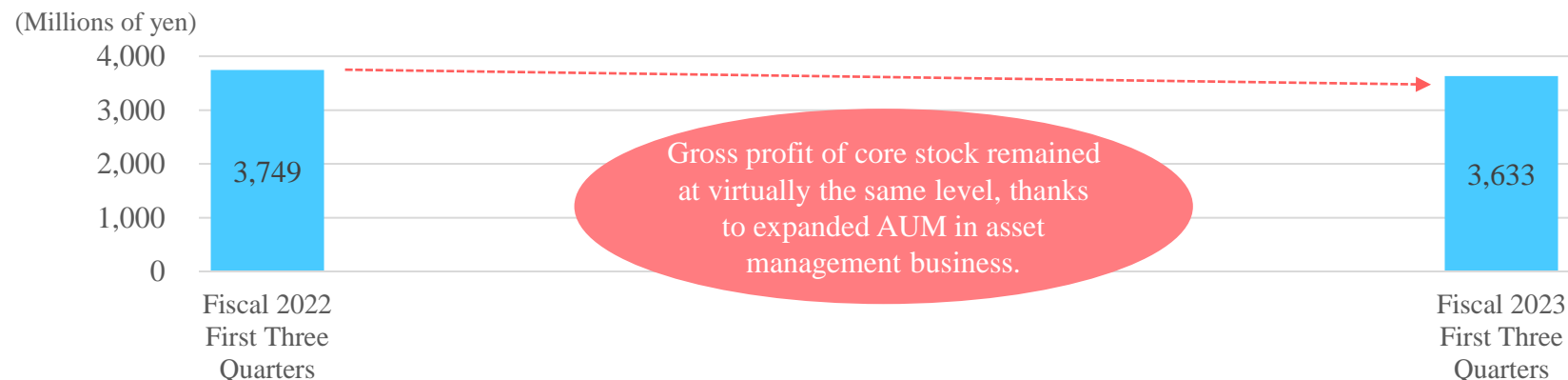
	Realize sustainable environment	Key Related SDGs
E	<ul style="list-style-type: none"> Move to 100% renewable energy through installation of solar power generation systems at <i>LogiSquare</i> development properties Obtain environmental assessments for <i>LogiSquare</i> development properties: Building Energy-Efficiency Labeling System (BELS) and Comprehensive Assessment System for Built Environmental Efficiency (CASBEE) Install equipment/systems, such as LED lighting, promote use of well water and plant more greenery at <i>LogiSquare</i> development properties CRE Logistics REIT pursuing Global Real Estate Sustainability Benchmark (GRESB) registration and implementing green finance Prepare measures to deal with soil contamination 	     
S	Grow and develop along with local communities <ul style="list-style-type: none"> Pursue joint efforts to preserve history (assistance with excavations) Create local employment through warehouse development Participate in employee welfare activities Sponsor courses at universities: Sofia University, Meiji University 	  
	Create environment where diverse human resources can thrive <ul style="list-style-type: none"> Promote diversity Leverage workstyle reform Support career development and training that encourages human resources to fulfill personal objectives 	   
G	Enhance corporate governance, secure trust of society <ul style="list-style-type: none"> Address corporate governance issues Ensure thorough compliance, strengthen practices Reinforce risk management 	

Profit from Stock Business

- Performance bonuses, allocated to corporate expenses in fiscal 2022, were allocated to each segment in fiscal 2023, which caused increase in selling, general and administrative expenses in stock business.



Core stock (Gross profit)



New Basic Policy on Return to Shareholders and Status of Implementation

Set target for total return ratio at around **30%**

Fiscal 2022, ended July 31, 2022: Total return ratio was 28% in most recent fiscal year

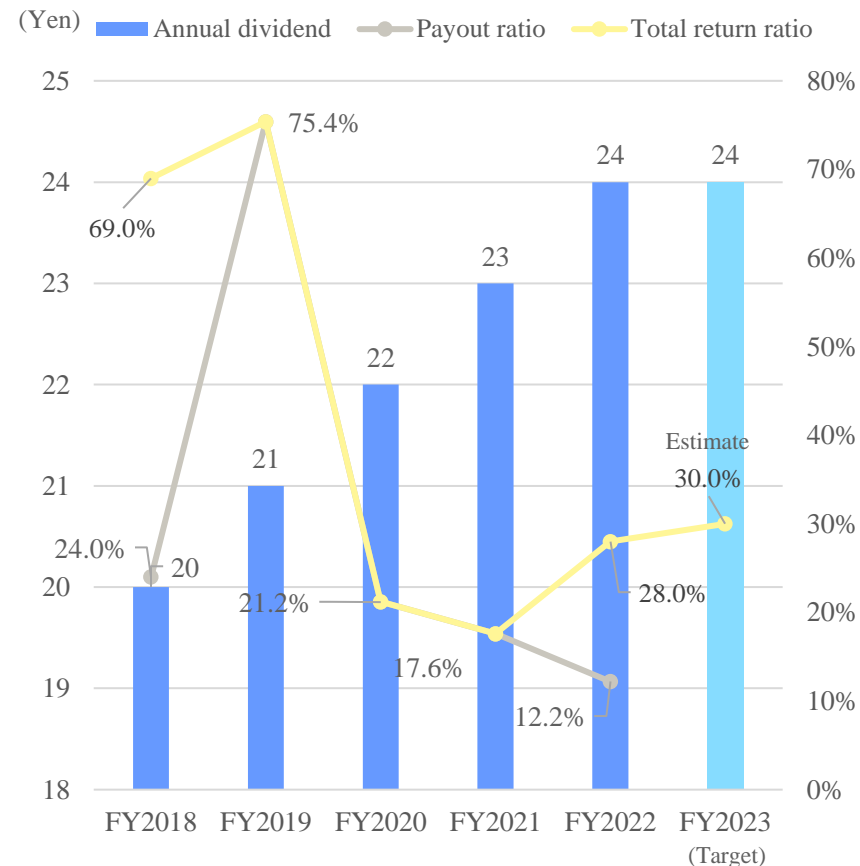
- Dividends: Total amount reached ¥719 million (¥24 per share)
- Treasury stock buyback
 - September 2022 Upper limit of ¥1 billion
 - Completed buyback of 580,000 shares, at ¥886 million

Fiscal 2023, ending July 31, 2023: Target (total return ratio) for current fiscal year set at 30%

- Dividends: ¥24 per share (planned)
- Treasury stock buyback
 - October 2022 Upper limit of ¥360 million
 - Completed buyback of 249,000 shares, at ¥359 million

Going forward, CRE will maintain a robust approach to shareholder returns.

Changes in annual dividend, payout ratio and total return ratio

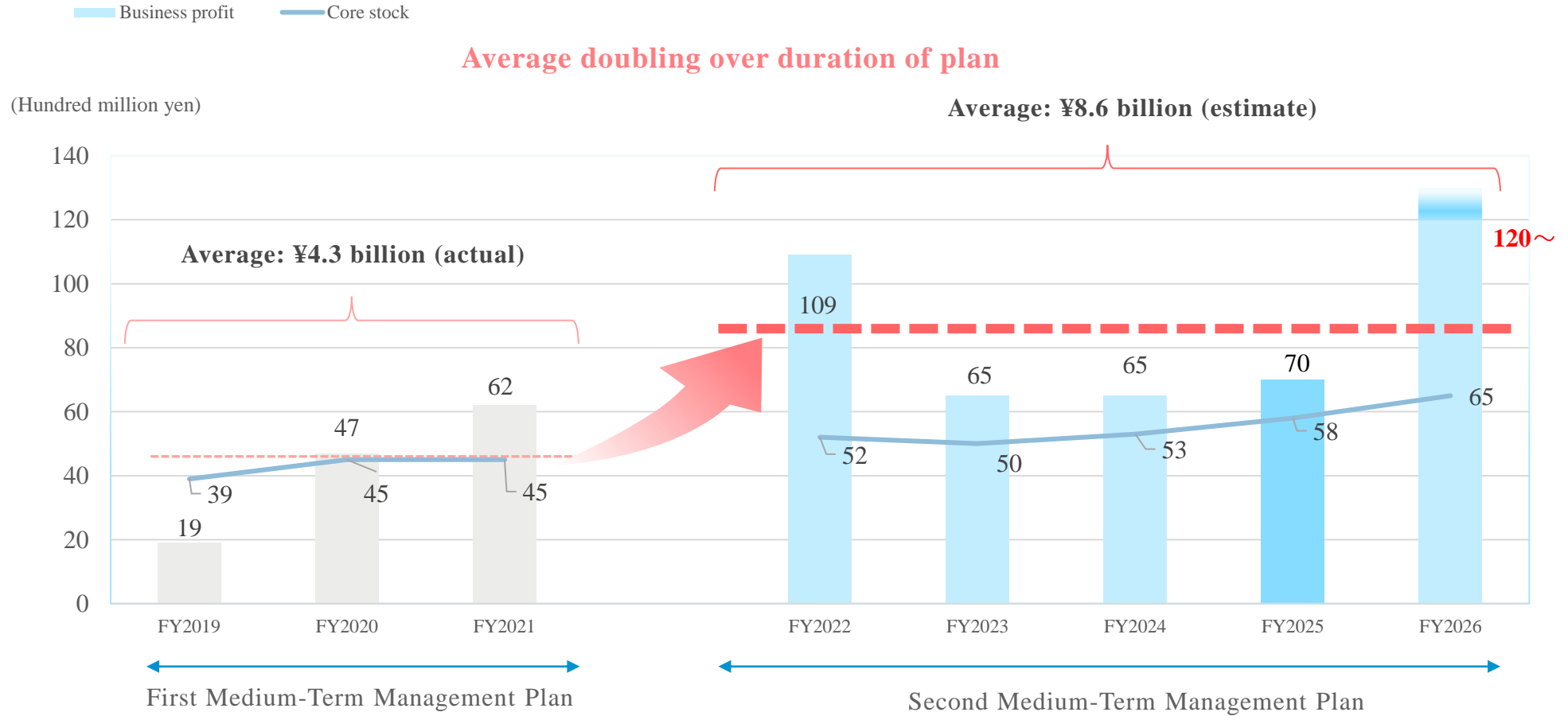


Note: CRE executed a two-for-one stock split twice, once on November 1, 2016, and again on August 1, 2018, and annual dividend amounts noted in the graph above have been retroactively adjusted to reflect these stock splits.

Supplementary Explanation about Second Medium-Term Management Plan

Anticipate Business Profit by Fiscal Year

Planning to grow stable revenue base (core stock), matched to expanding business profit



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

Emphasizing Balance of Investment, Financial Stability and Return to Shareholders

Balance-sheet simulation

- ✓ Utilize strength in development business and focus on high-return investments over medium to long term. Investment shift after fiscal 2026.
- ✓ Use cash on hand and loans. Properly control financial leverage. Upper limit at end of each fiscal year: Net debt-equity ratio under 2.5.
- ✓ Be generous with return to shareholders until next real estate buying opportunity. Looking at total of ¥7 billion over course of Second Medium-Term Management Plan.

(Hundred million yen)

At July 31, 2026 (anticipated)

Net D/E: 1.4 times

1,800

1,600

1,400

1,200

1,000

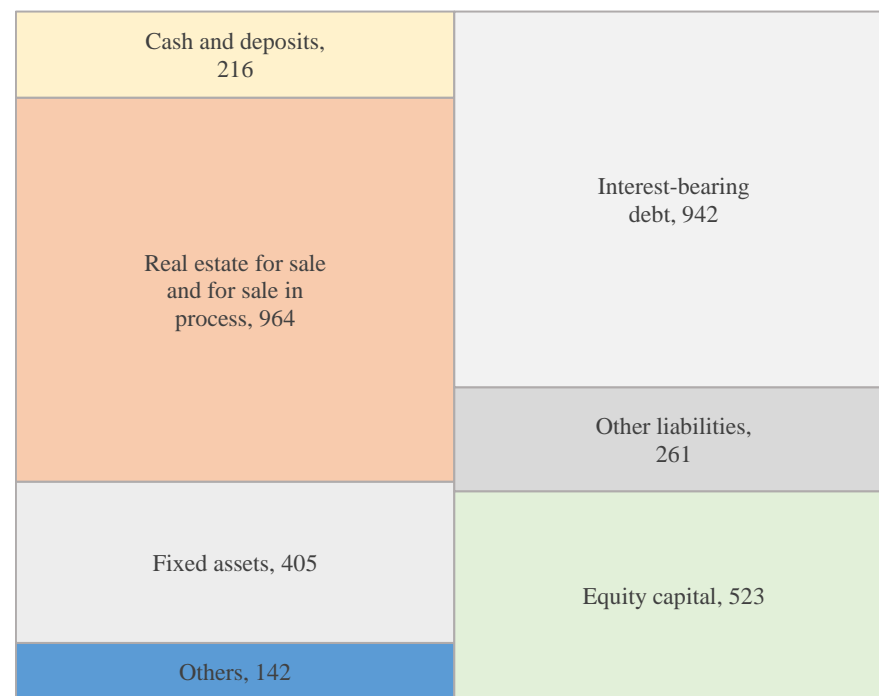
800

600

400

200

0



(Hundred million yen)

At July 31, 2022 (actual)

Net D/E: 0.51 times

1,200

1,000

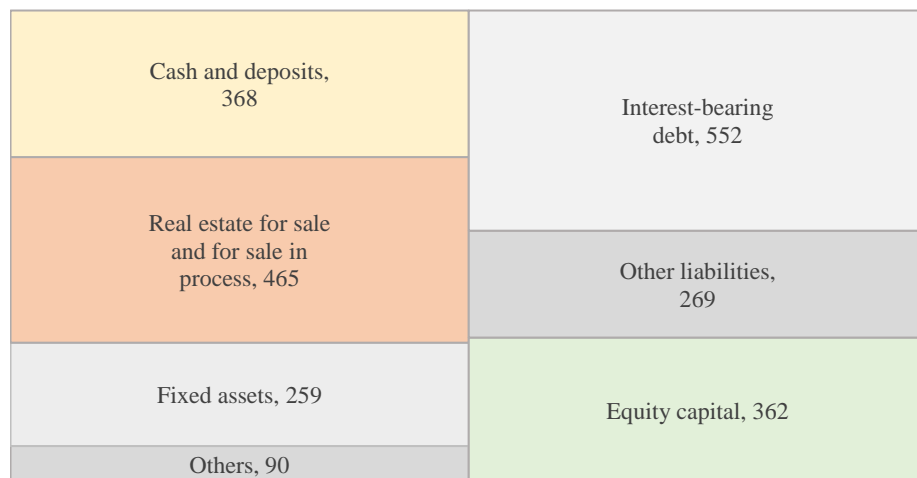
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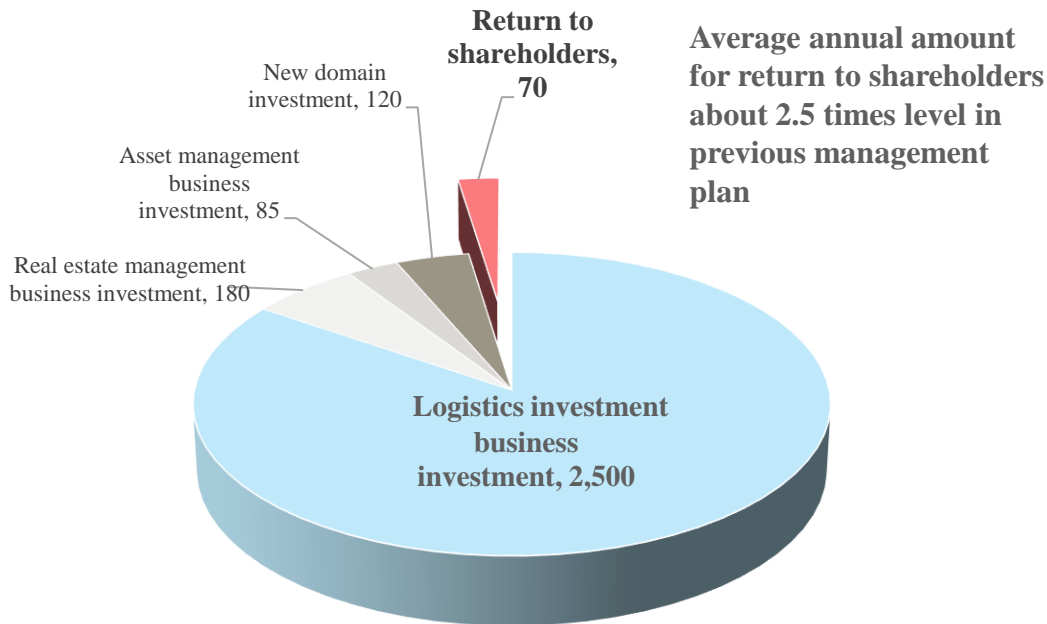
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Emphasizing Balance of Investment, Financial Stability and Return to Shareholders

Capital allocation during Second Medium-Term Management Plan

(Hundred million yen)



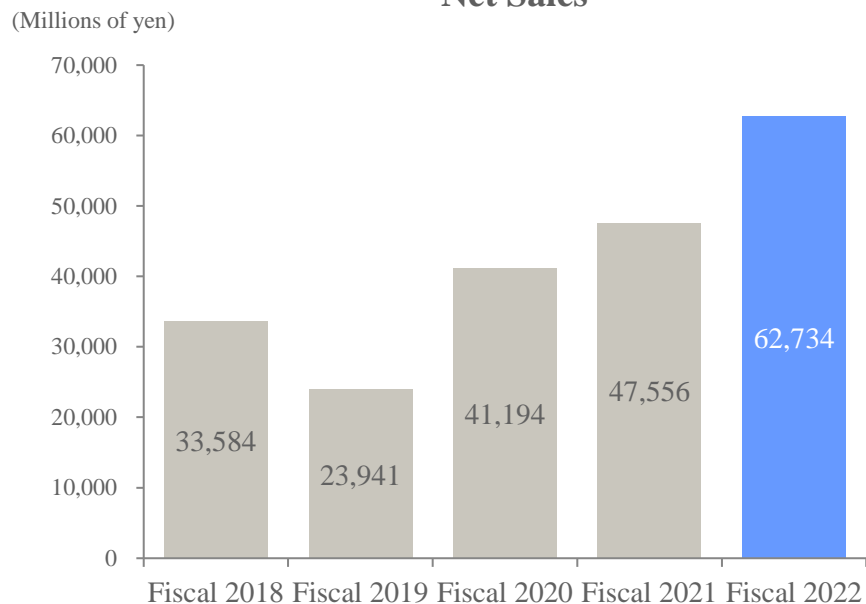
Note: Breakdown of invested capital between fiscal 2023 and fiscal 2026. However, return to shareholders includes return using fiscal 2026 revenues as source of funds.

- ✓ **Logistics investment business**
Build up existing pipeline, now totaling ¥200 billion, by another ¥45 billion
Focus on investment into medium-term projects after 2026, avoid excessive competition
- ✓ **Real estate management business**
Accelerate small warehouse investment primarily for small and medium-sized funds
Rental income from buildings in possession (core stock) ⇒ Create cycle of profit on sale
- ✓ **Asset management business**
Same-boat investment into CRE Logistics REIT
⇒ Maintain level above 3%
Same-boat investment into private funds
- ✓ **New domains**
Overseas: Accelerate investment in Vietnam and Indonesia
Watch for medium-term revenue opportunities
Logistics Infrastructure Platform: Continue M&A activity and investments linked to logistics rental needs
- ✓ **Return to shareholders policy**
Take flexible approach to dividends and share buybacks
Target return to shareholders totaling ¥7 billion for total return ratio of 30%

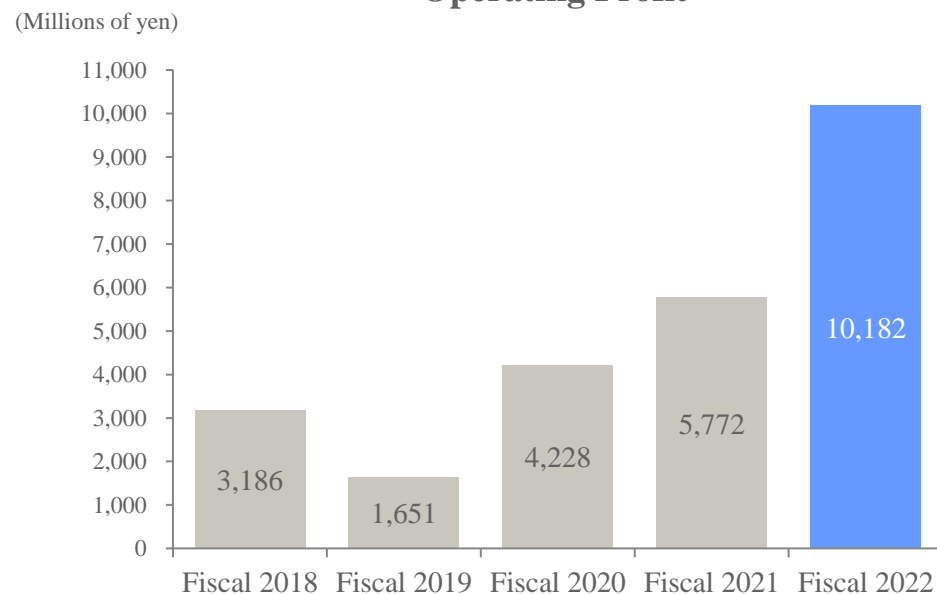
APPENDIX

Consolidated Financial Highlights

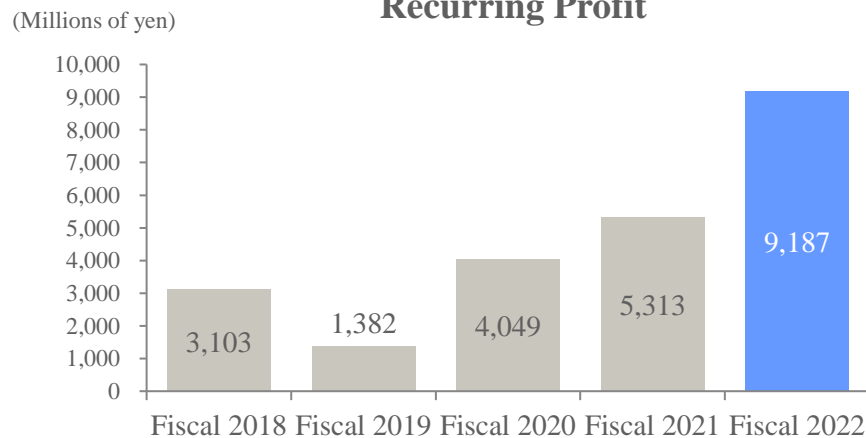
Net Sales



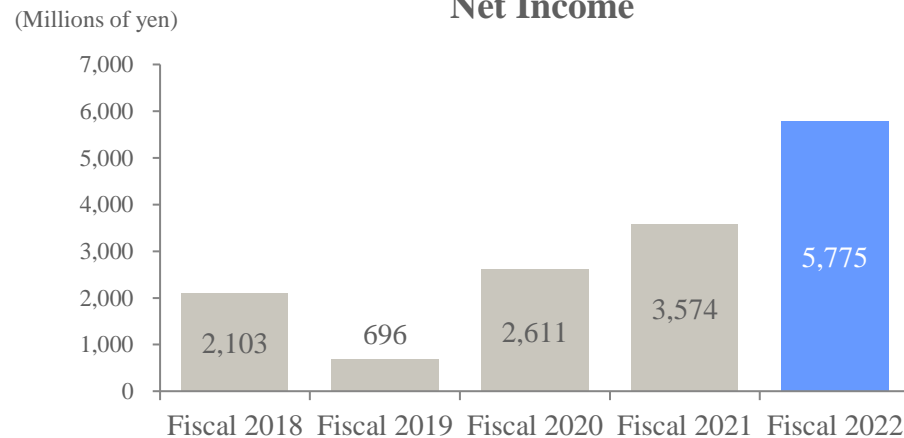
Operating Profit



Recurring Profit



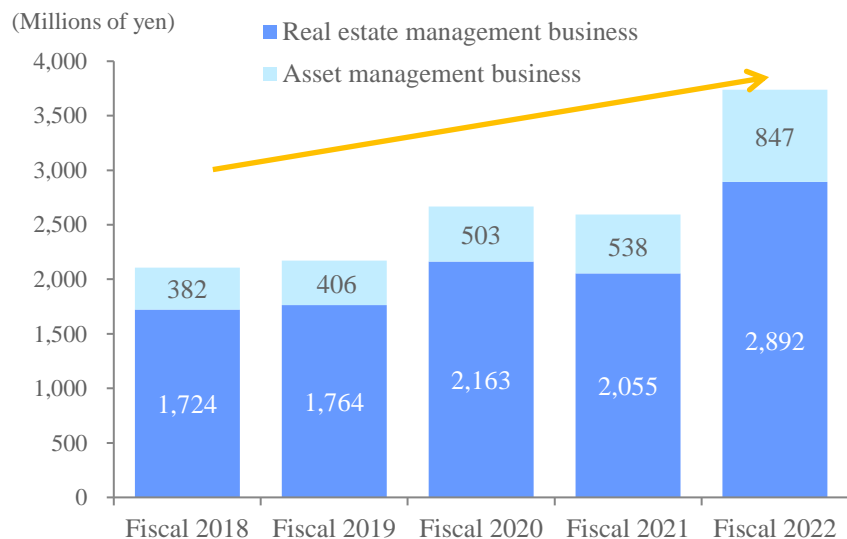
Net Income



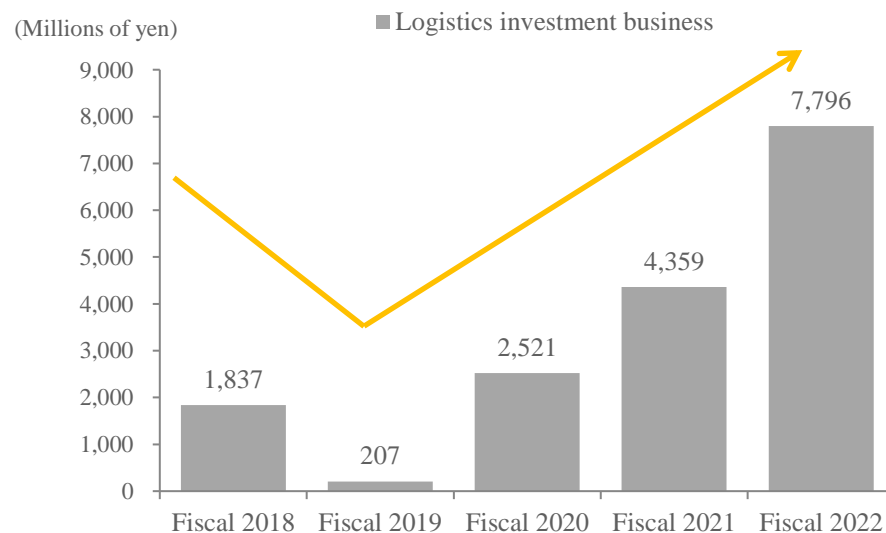
Financial Highlights for Each Reporting Segment

Segment Income

Stock Business



Flow Business



Change in Sales and Segment Income for Each Reporting Segment

	Fiscal 2022					Fiscal 2023				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
(Millions of yen)										
Real estate management business										
Sales	7,944	5,713	6,526	7,874	28,058	6,479	6,383	6,834		
Segment Income	949	481	816	644	2,892	456	615	422		
Profit ratio	12.0%	8.4%	12.5%	8.2%	10.3%	7.0%	9.6%	6.2%		
Logistics investment business										
Sales	22,439	301	6,690	3,828	33,260	4	10	22,277		
Segment Income	4,997	(9)	2,504	304	7,796	(49)	(266)	5,791		
Profit ratio	22.3%	(3.3)%	37.4%	8.0%	23.4%	—	—	26.0%		
Asset management business										
Sales	357	434	292	323	1,408	273	420	420		
Segment Income	261	297	187	100	847	161	305	231		
Profit ratio	73.2%	68.5%	64.0%	31.0%	60.2%	59.0%	72.6%	55.0%		

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

Summary of Consolidated Balance Sheets

- Key components of real estate for sale: *LogiSquare* Itami, *LogiSquare* Atsugi I, and ten small-sized warehouses, etc.
- Key components of real estate for sale in process: *LogiSquare* Fujimino ABC, *LogiSquare* Ichinomiya, *LogiSquare* Matsudo, *LogiSquare* Kuki III, *LogiSquare* Fukuoka Ogoori and *LogiSquare* Kakegawa, *LogiSquare* Narita, *LogiSquare* Atsugi II, *LogiSquare* Kyotanabe AB, and *LogiSquare* Soka II, etc. (Millions of yen)

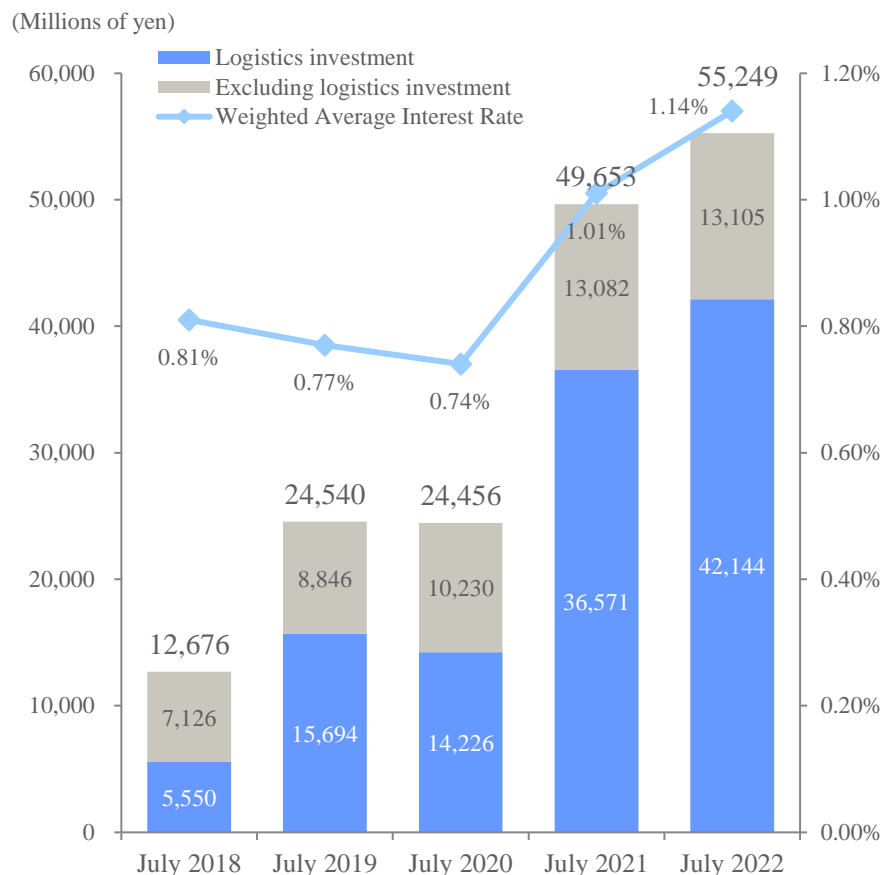
	As of July 31, 2022	As of April 30, 2023	YOY change (%)		As of July 31, 2022	As of April 30, 2023	YOY change (%)
Total assets	118,248	129,417	11,169	Total liabilities	82,090	90,929	8,838
Current Assets	92,273	102,341	10,068	Current liabilities	20,695	17,996	(2,699)
(Key components)				(Key components)			
Cash and deposits	36,806	30,119	(6,686)	Short-term loans payable, etc.*1	3,429	2,462	(966)
Real estate for sale	2,555	15,771	13,215	Fixed liabilities	61,394	72,933	11,538
Real estate for sale in process	43,981	49,916	5,935	(Key components)			
Fixed assets	25,954	27,061	1,106	Long-term loans payable, etc.*2	51,790	62,956	11,165
(Key components)				Lease and guarantee deposits received	7,975	8,745	770
Tangible fixed assets	7,222	7,506	284	Total net assets	36,157	38,488	2,330
Intangible fixed assets	1,052	1,014	(38)	Common stock	5,217	5,294	76
Investments and other fixed assets	17,679	18,540	860	Capital surplus	7,177	6,007	(1,170)
<Lease and guarantee deposits>	<7,548>	<7,965>	417	Earned surplus	22,311	25,673	3,362
Total assets	118,248	129,417	11,169	Total liabilities and net assets	118,248	129,417	11,169

*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

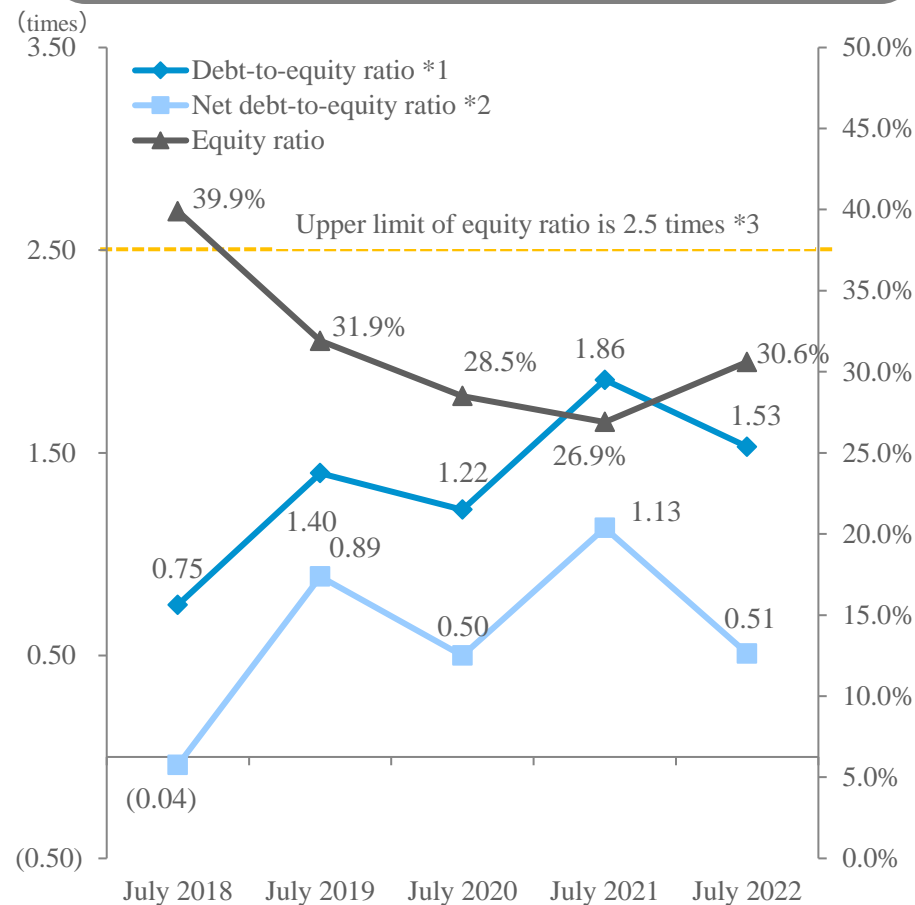
Financial Position (as of July 31, 2022)

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



(Number)	July 2018	July 2019	July 2020	July 2021	July 2022
Funding sources	20	24	23	28	44

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

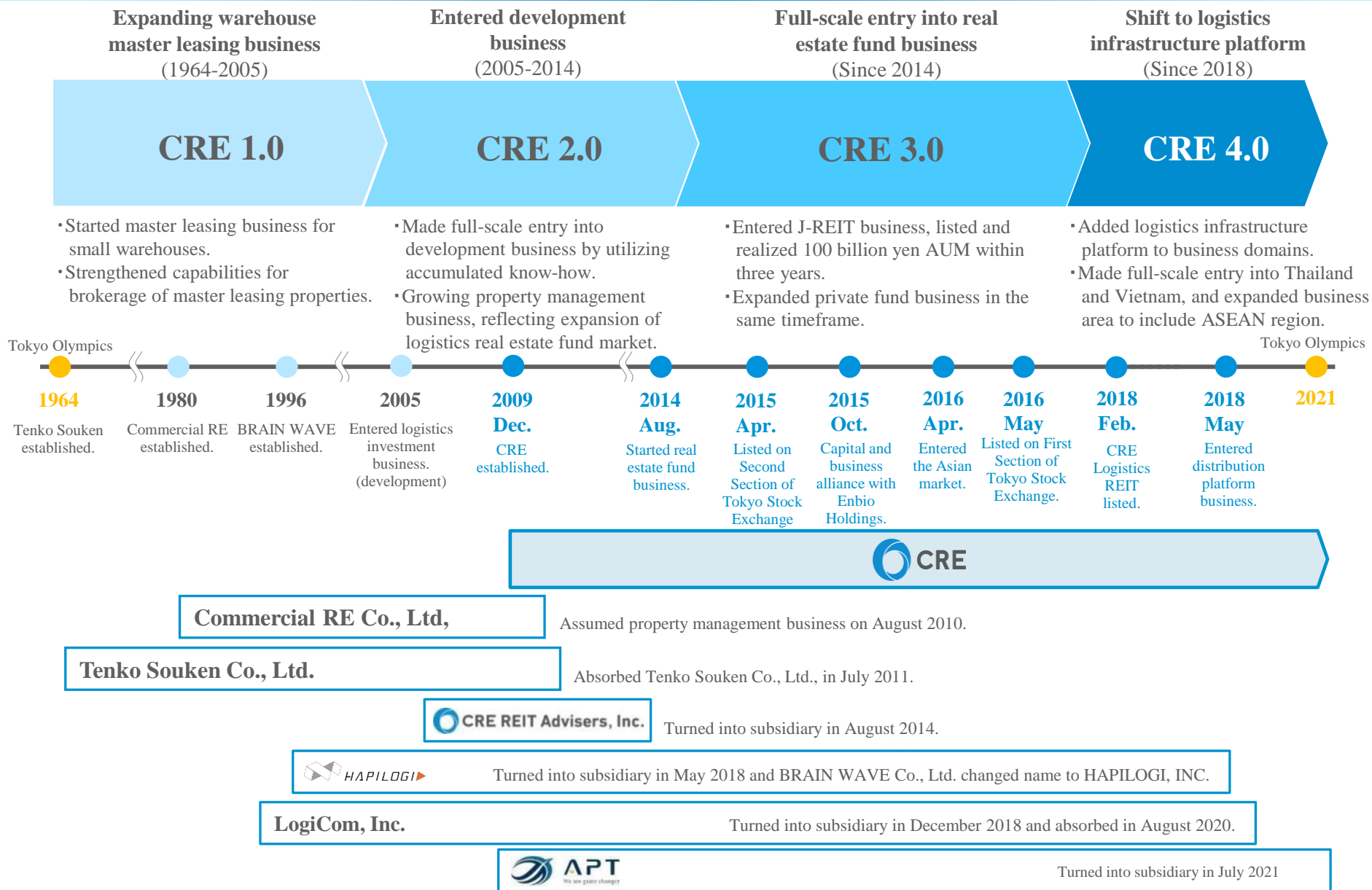
= (interest-bearing debt (short-term loans payable + long-term loans payable) - cash and deposits) / equity capital

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

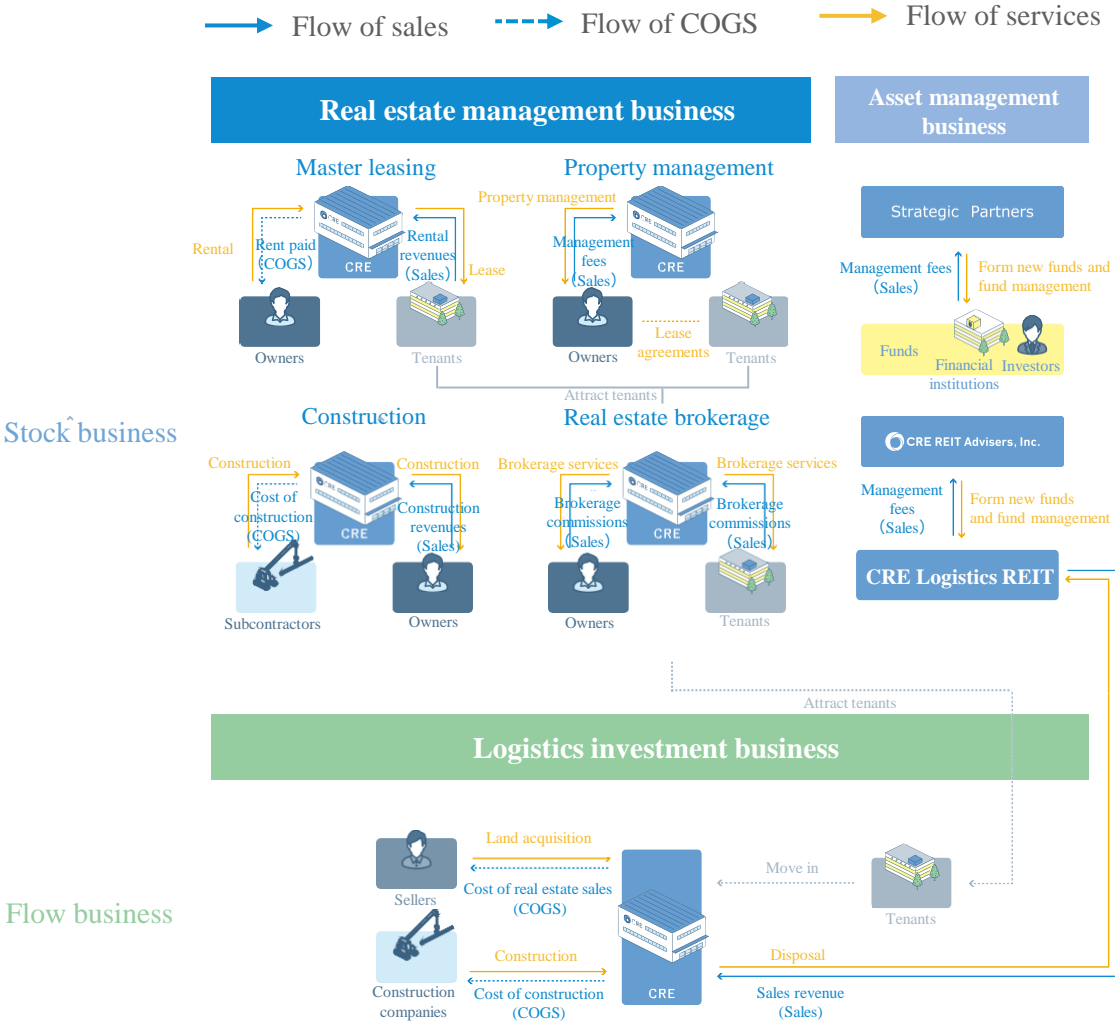
Company Profile

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	In Japan, Nishi-Tokyo, Kanagawa, Osaka, Fukuoka, and overseas, in Singapore, Thailand
Main businesses	Leasing, management, development, brokerage and asset management of logistics facilities
Established	December 22, 2009
Paid-in Capital	¥5,217 million (As of July 31, 2022)
Consolidated net sales	¥62,734 million (Fiscal year ended July 31, 2022)
Number of employees	335 (Consolidated basis / As of April 30, 2023)
Listing	Prime Market of the Tokyo Stock Exchange Code: 3458
Industry sector	Real estate business

History

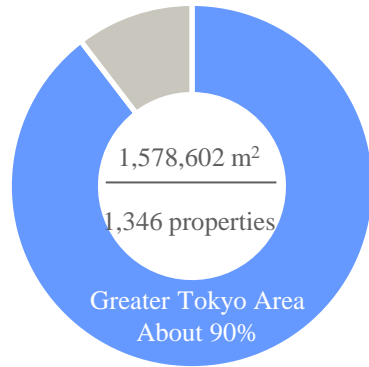


CRE Group's Main Business



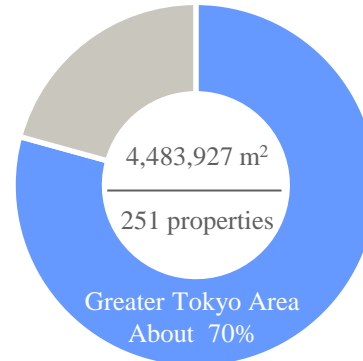
Real Estate Management Business: Floor Space under Management by Area

Master Lease

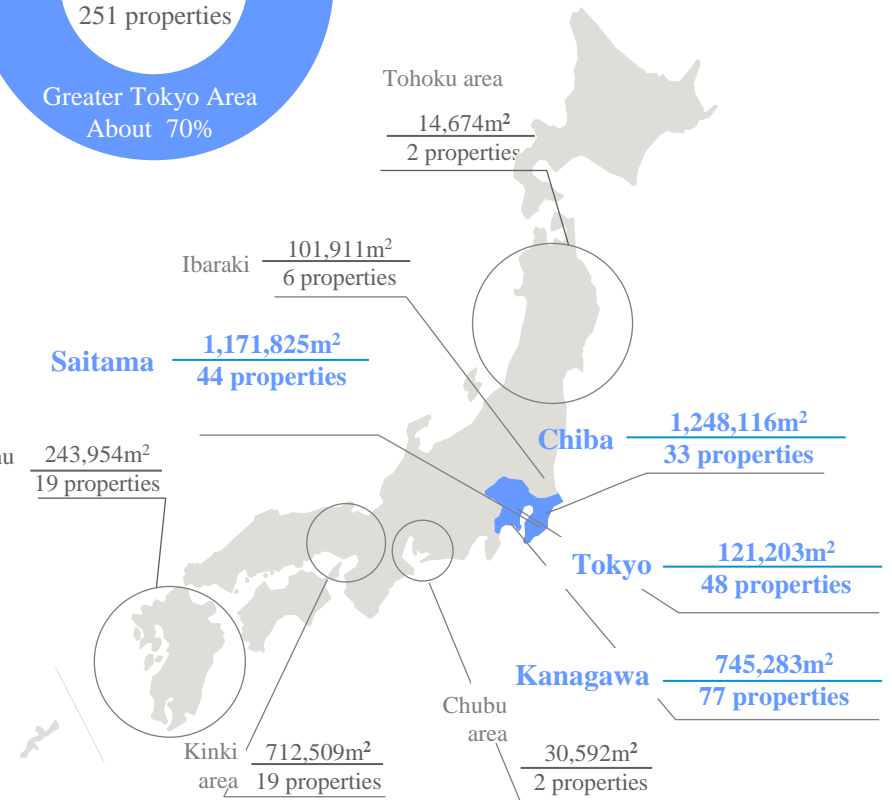
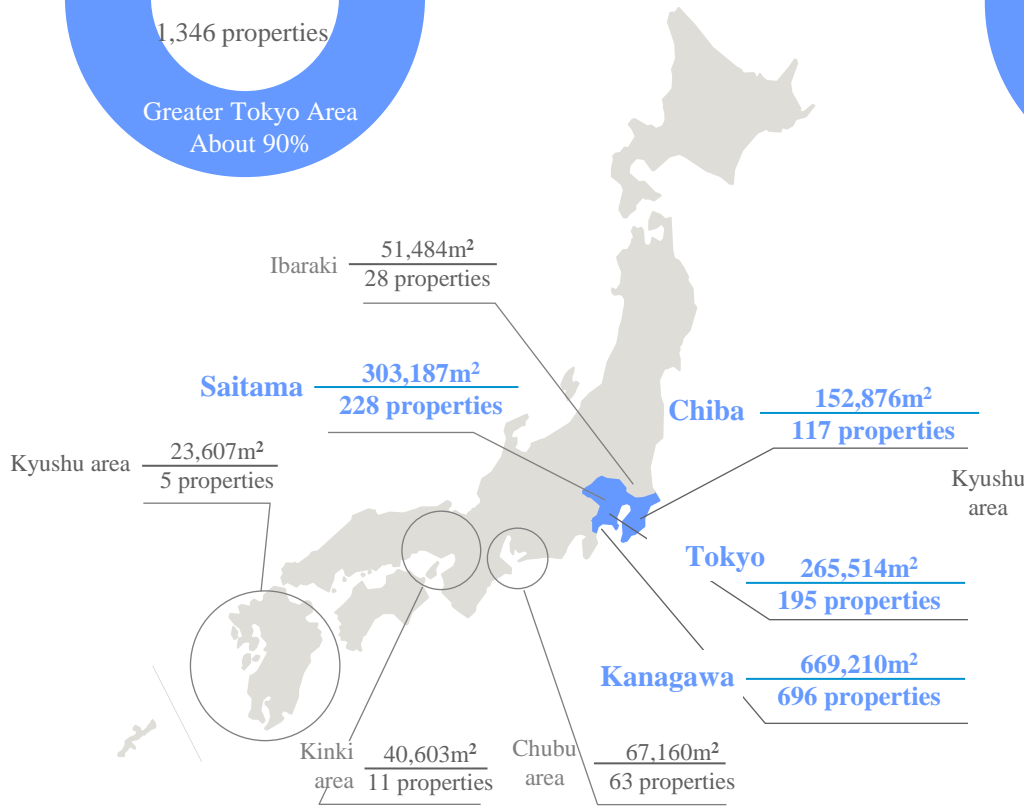


Average floor space:
About 1,200m²

Property Management



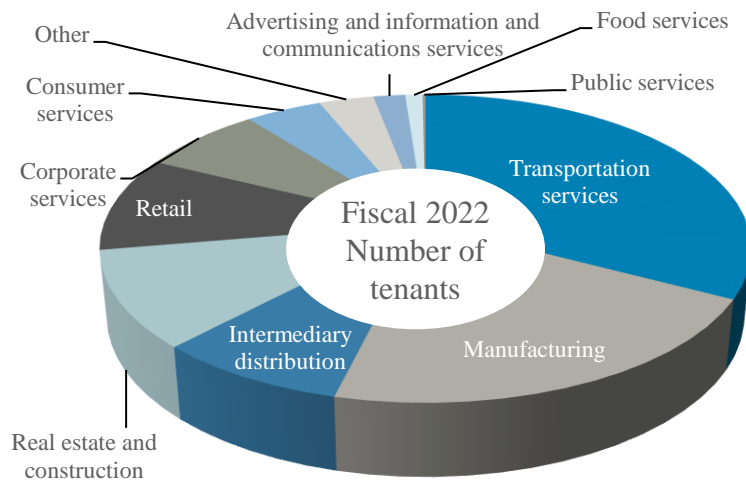
Average floor space:
About 18,000m²



As of April 30, 2023

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.
- Industrial & Infrastructure Fund Investment Corporation
- KJR Management
- Mitsubishi Estate Logistics REIT Investment Corporation
- Mitsubishi Jisho Investment Advisors, Inc.
- CRE Logistics REIT, Inc.
- CRE REIT Advisors, 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.
- URATA CO., LTD.
- Strategic Partners Co., Ltd.

As of April 30, 2023

Logistics Infrastructure Platform

Subsidiaries and affiliates



EnBio C Energy, Inc.



*1 Consolidated subsidiaries *2 Equity method affiliates

From the first two quarters of the Fiscal 2023

Capital and business alliances



Alliances



Stock Information (As of January 31, 2023)

Issued Shares and Shareholders

Number of Shares Issued and Outstanding	30,087,200
Number of Shareholders	6,667

Major Shareholders

Shareholder Name	Number of shares (Thousands)	Shareholding ratio (%)
Kyobashi Kosan, Inc.	11,009	37.64
Kenedix, Inc.	4,485	15.33
GOLDMAN, SACHS & CO. REG	2,193	7.50
NORTHERN TRUST CO. (AVFC) RE HCR00	1,279	4.38
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	3.42
The Master Trust Bank of Japan, Ltd. (Trust Account)	902	3.09
NORTHERN TRUST CO. (AVFC) SUB A/C NON TREATY	631	2.16
GOLDMAN SACHS INTERNATIONAL	601	2.06
Kokyo Tatemono Co., Ltd.	559	1.91

Note: We hold 840,045 shares of treasury stock (2.79% of the number of shares held against the total number of issued shares). This is not included in the major shareholders table above.

Ratio of Shareholding by Type of Shareholder

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

