



October 31, 2019

(Translated from the Japanese original)

Company Name: CRE, Inc.
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Stock Listing: First Section of the Tokyo Stock Exchange
Stock Code: 3458
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Notice Regarding Purchase of Real Estate (Logistics Facility Development Property) Trust Beneficiary Rights

The Board of Directors at CRE, Inc. (hereafter, “CRE” and “the Company”) made a decision at its meeting today on the acquisition of trust beneficiary rights on development property in the city of Fujimino, in Saitama Prefecture. Details are provided below.

The Company plans to develop a logistics facility on this property and will then be entrusted with management of the facility when construction is completed.

CRE will push ahead on logistics facility development, with a completion date no earlier than 2022, and additional information will be disclosed when the finer points have been determined.

Details

1. Outline of Assets in Trust

- | | |
|-----------------------------|---|
| (1) Asset type and location | Land in Fujimino, Saitama Prefecture |
| (2) Site area | 123,389m ² (37,325 <i>tsubo</i>) |
| (3) Purpose of acquisition | Reinforce profitability through development of logistics facility and subsequent property management operations |

2. Seller Details

The seller is a domestic operating company. For reasons of confidentiality, CRE is not at liberty to disclose details on the seller or the acquisition amount. However, management will say that the acquisition price is likely to exceed 30% of net assets—¥17,545 million—that CRE reported for fiscal 2019, ended July 31, 2019. A business relationship, for land sales, exists between CRE and the seller, but there are no capital or personnel relationships of note. Moreover, the seller is not affiliated with CRE.

3. Acquisition Schedule

(1) Sign trust beneficiary rights transfer agreement October 31, 2019

(2) Transfer of ownership (planned) October 2020

The land will be transferred gradually between July 2021 and January 2022 after the site has been prepared for construction.

4. Loans

To cover the cost of acquiring the trust beneficiary rights, CRE will take out bank loans. The Company expects the acquisition price to exceed 30% of net assets—¥17,545 million as of fiscal 2019, ended July 31, 2019—but the amount to be borrowed and the lender or lenders have not been determined yet.

5. Outlook

Management expects this building to contribute to fiscal profit or loss from 2023 onward.

END