

# **Consolidated Results for First Three Quarters of Fiscal Year ending July 31, 2021 (August 1, 2020 to April 30, 2021)**

June 11, 2021



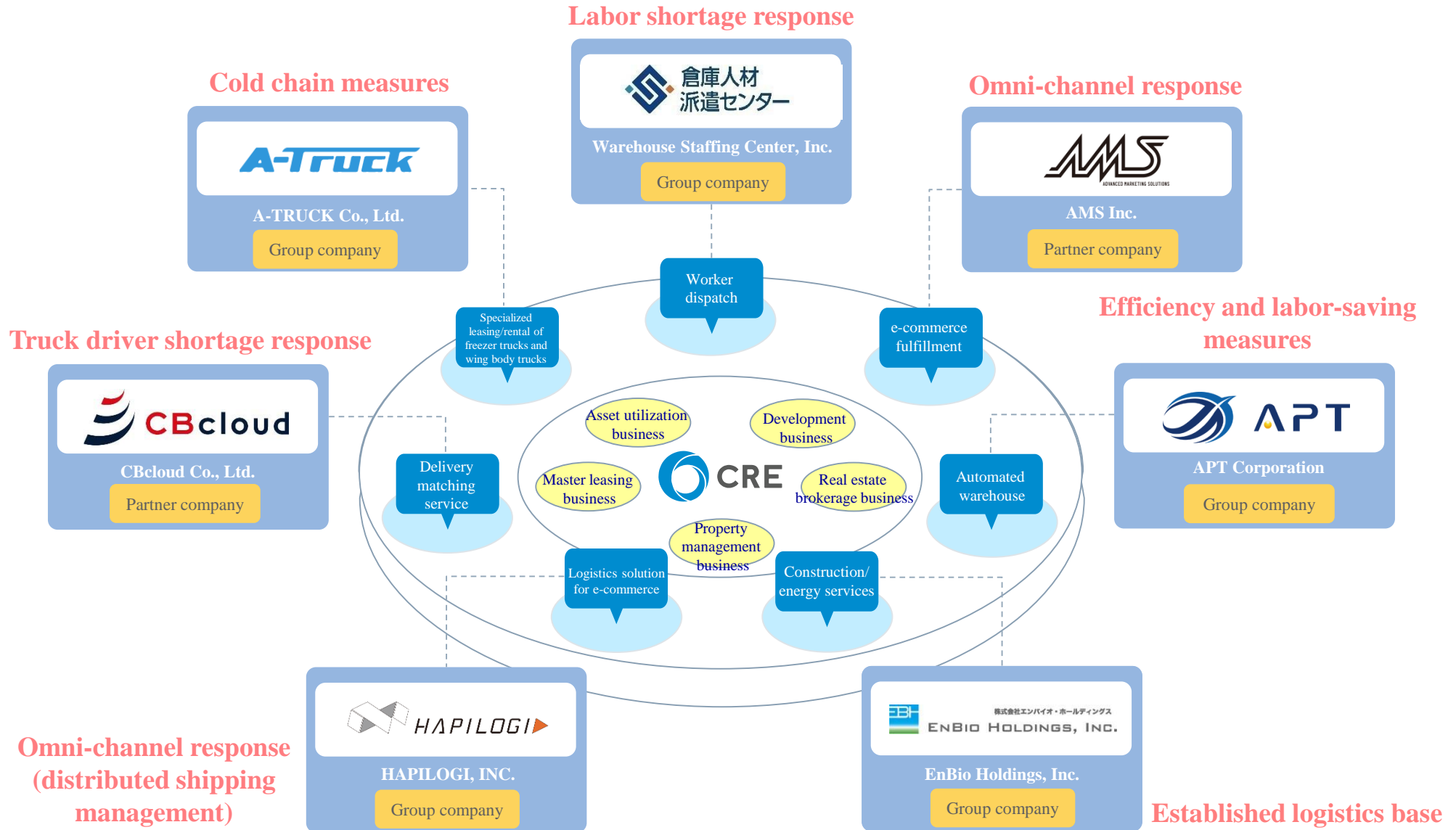
Code: 3458

Listing: First Section of the Tokyo Stock Exchange

## No.1 corporate group with **Logistics Infrastructure Platform** that connects people and things of our world




# Logistics Infrastructure Platform

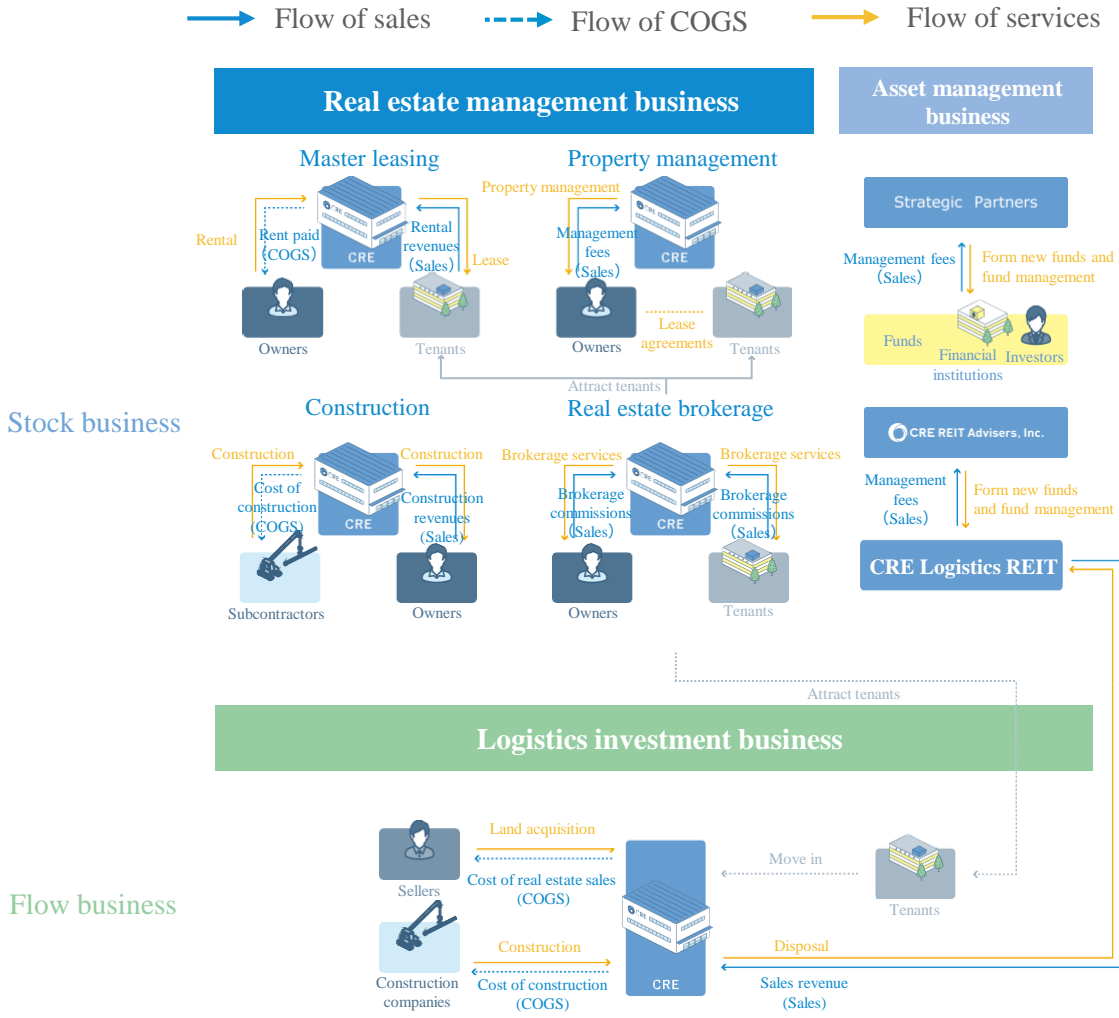


BRAIN WAVE Co., Ltd. changed name to HAPILOGI, INC. on November 1, 2020.

# Classification of Group Companies

<p><b>Consolidated subsidiaries</b></p>	 <p>Distribution platform business</p>	 <p>Self-storage business in Thailand</p>	 <p>Asset manager CRE Logistics REIT, Inc.</p>	<p>Strategic Partners</p> <p>Asset management business for privately placed funds</p>	<p>CRE Asia</p>
<p><b>Equity method affiliates</b></p>	 <p>Soil remediation-related activities</p>	<p>Sembcorp Infra Services</p> <p>Logistics facility leasing and development in Vietnam</p>	 <p>Specialized leasing/rental of freezer trucks and wing body trucks</p>	<p>株式会社土地再生投資 Land Revitalization Investment</p> <p>Brownfield remediation</p>	 <p>Automated warehouse</p> <p>Note: Included in consolidated accounting from third quarter.</p>
<p><b>Investment targets</b></p>	 <p>Delivery matching service</p>	 <p>e-commerce fulfillment</p>	 <p>Worker dispatch</p>	 <p>Property management business focusing on self-storage</p>	

# CRE Group's Main Business



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## Topics (As of June 11, 2021)

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- Signed purchase agreement on property for logistics facility development in Ogori, Fukuoka Prefecture<sup>1</sup>
- Began development of three-building *LogiSquare* Fujimino large logistics facility<sup>3</sup>
- Notice regarding capital loans<sup>3</sup>
- Established local representative to develop logistics facilities in Indonesia<sup>2</sup>

Announced

1: March 26, 2021 2: May 20, 2021 3: May 24, 2021

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# **Summary of Consolidated Results for First Three Quarters of Fiscal 2021**



# Consolidated Results for First Three Quarters of Fiscal 2021

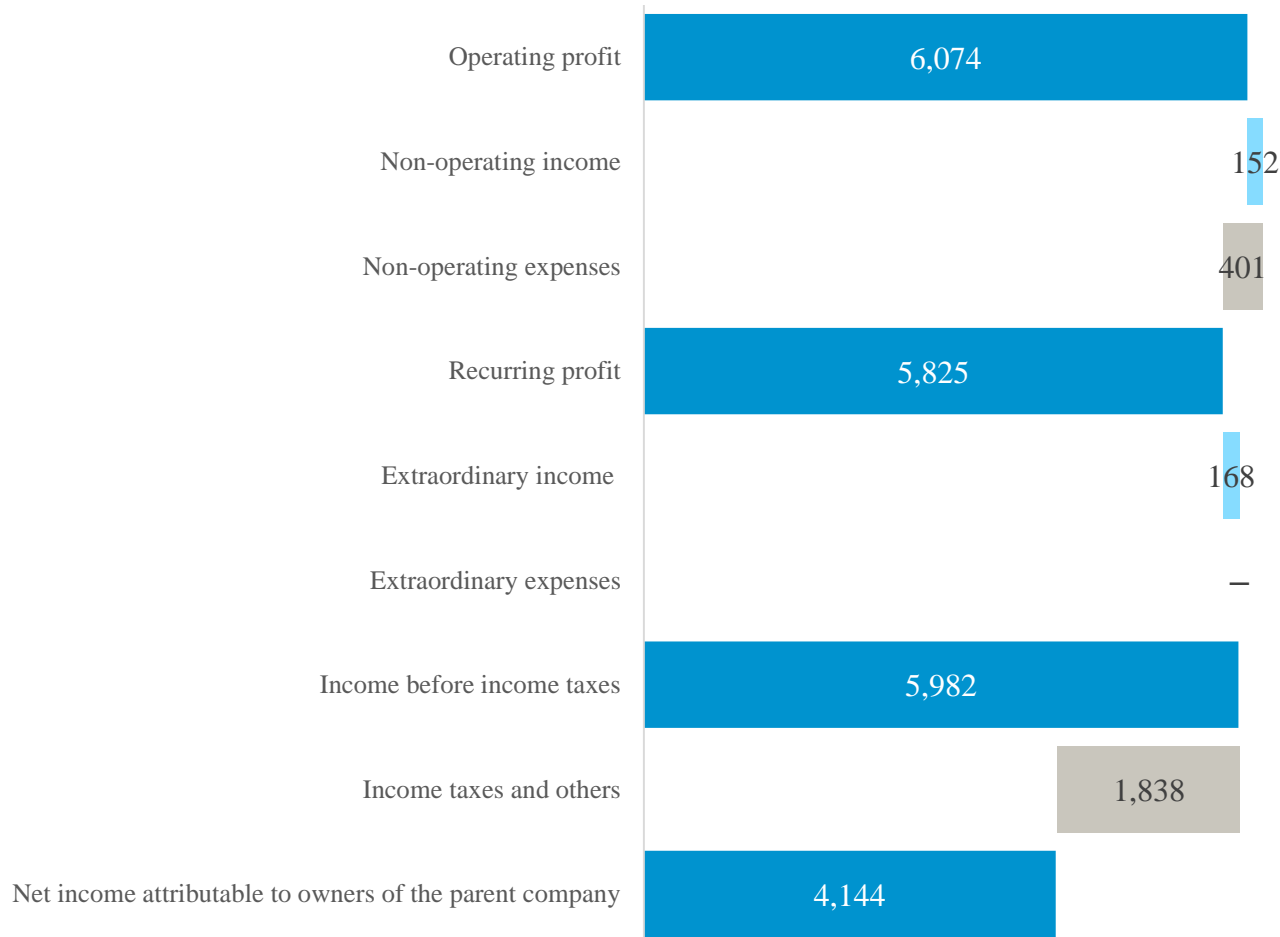
- *LogiSquare Kawagoe II, LogiSquare Kobe Nishi, LogiSquare Saiyama Hidaka* (80% of quasi co-ownership interest) sold in the second quarter.
- On a profit basis, full-year targets already met and surpassed. Anticipate selling, general and administrative expenses to hold at previous year's level in fourth quarter along with cost burden on completed development projects under ownership.

(Millions of yen)

	Fiscal 2020 First Three Quarters	Fiscal 2021 First Three Quarters	YOY change (%)	Revised targets for Fiscal 2021 (Disclosed March 15, 2021)	Progress (%)
Net sales	17,617	40,933	132.4%	46,100	88.8%
Gross profit	3,878	9,034	132.9%	—	—
Selling, general and administrative expenses	2,701	2,959	9.6%	—	—
Amortization of goodwill	177	177	0.0%	—	—
Operating profit	1,176	6,074	416.2%	5,000	121.5%
Recurring profit	1,069	5,825	444.7%	4,500	129.4%
Net income	794	4,144	421.6%	2,900	142.9%
Earnings per share	¥31.57	¥151.27	379.2%	¥105.97	142.7%

# Breakdown of Profit

(Millions of yen)



## Breakdown of non-operating income / expenses

Non-operating income	
Equity in income of affiliates	123
Non-operating expenses	
Financing costs, etc.	370

# Results for Each Reporting Segment

- Real estate management business: Steady increase in master leasing rental revenues, which represents stock revenue. Sold Company-owned buildings to CRE master leasing fund. (First quarter)
- Logistics investment business: Higher sales and profit reflects sale of *LogiSquare Kawagoe II*, *LogiSquare Kobe Nishi*, *LogiSquare Saiyama Hidaka* (80% of quasi co-ownership interest). Sold renovated buildings to CRE master leasing fund. (First quarter)
- Asset management business: Booked favorable performance fees from CRE Logistics REIT during quarter, in addition to arrangement fees through formation of CRE master lease fund, leading to higher sales and profit

(Millions of yen)

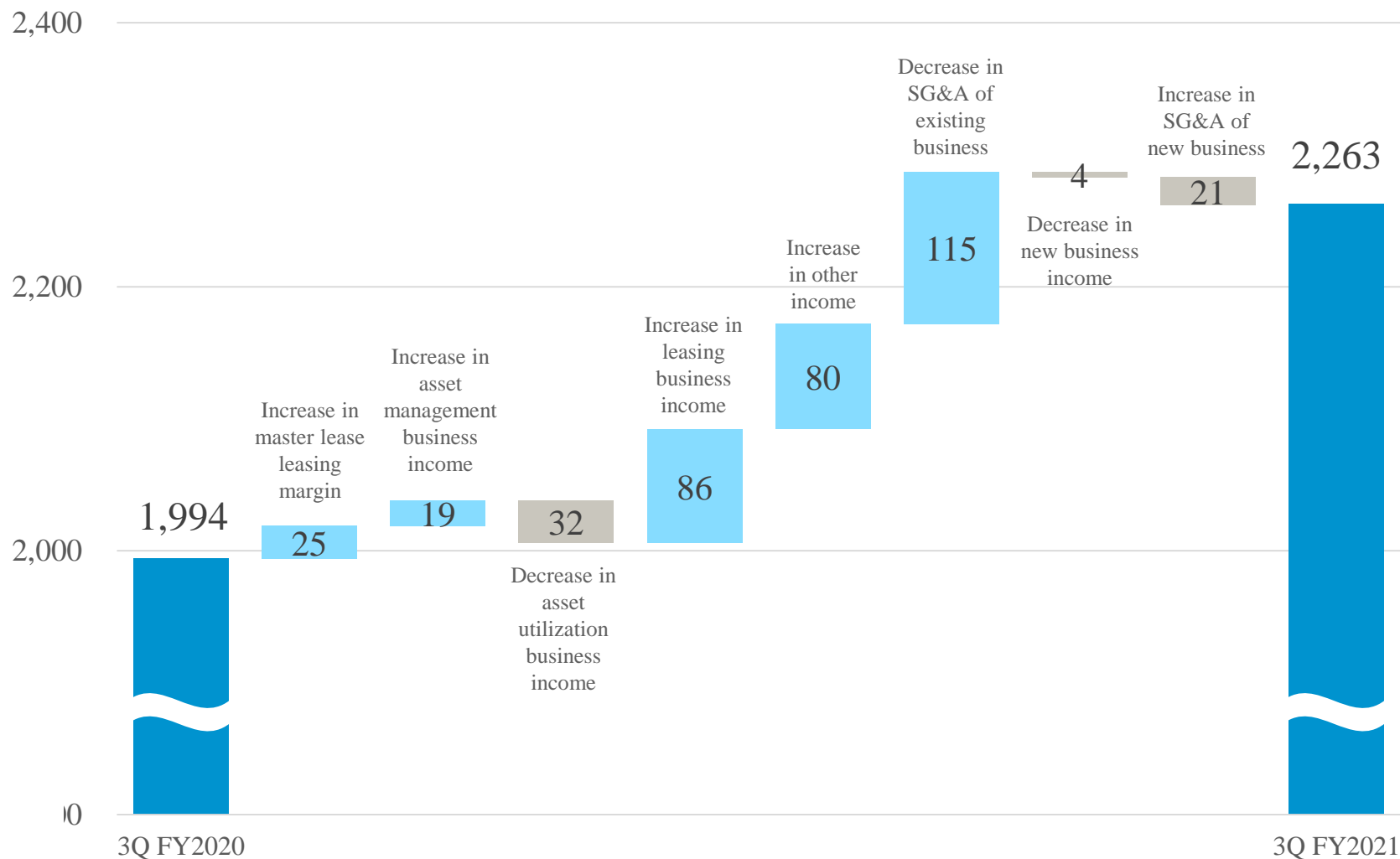
	Fiscal 2020 First Three Quarters	Fiscal 2021 First Three Quarters	YOY change (%)
Net Sales	17,617	40,933	132.4%
Real estate management business	16,833	18,383	9.2%
Logistics investment business	47	21,815	—
Asset management business	718	732	2.0%
Other operations	17	3	(82.9%)
Operating profit (Segment income)	1,176	6,074	416.2%
Real estate management business	1,573	1,822	15.8%
Logistics investment business	(142)	4,628	—
Asset management business	420	441	4.9%
Other operations	4	3	(31.8%)
Adjustment	(679)	(820)	—

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

# 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* Osaka Katano, *LogiSquare* Miyoshi II and four small-sized warehouses
- Key components of real estate for sale in process: *LogiSquare* Astugi I, *LogiSquare* Hirakata and BTS (build-to-suit)-type warehouse in Toyama

(Millions of yen)

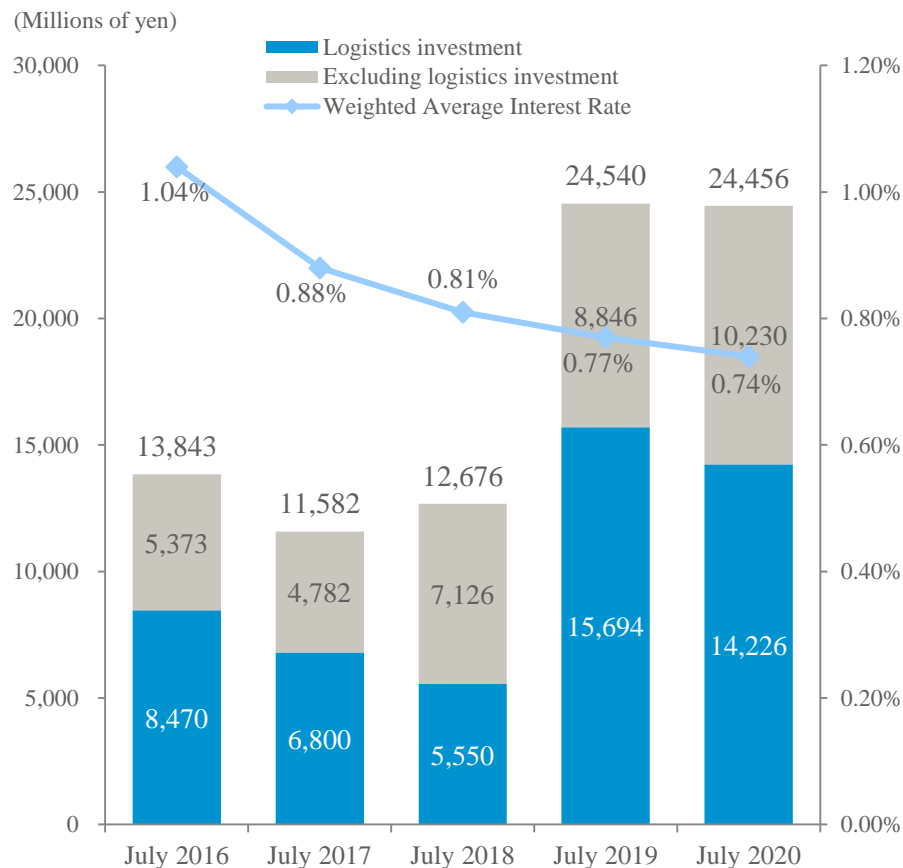
	As of July 31, 2020	As of April 30, 2021	YOY change (%)		As of July 31, 2020	As of April 30, 2021	YOY change (%)
<b>Total assets</b>	<b>70,142</b>	<b>77,556</b>	<b>7,413</b>	<b>Total liabilities</b>	<b>50,138</b>	<b>50,712</b>	<b>573</b>
Current Assets	49,324	56,609	7,285	Current liabilities	28,038	10,966	(17,072)
(Key components)				(Key components)			
Cash and deposits	14,466	12,644	(1,821)	Short-term loans payable, etc.※1	10,752	2,632	(8,119)
Accounts receivable-trade	485	478	(6)	Accounts payable – trade	11,994	3,362	(8,631)
Real estate for sale	20,395	23,327	2,932	Fixed liabilities	22,099	39,745	17,645
Real estate for sale in process	8,715	7,082	(1,633)	(Key components)			
Fixed assets	20,818	20,918	99	Long-term loans payable, etc.※2	13,703	30,257	16,553
(Key components)				Lease and guarantee deposits received	7,115	7,652	537
Tangible fixed assets	4,561	4,552	(9)	<b>Total net assets</b>	<b>20,004</b>	<b>26,843</b>	<b>6,839</b>
Intangible fixed assets	1,441	1,393	(48)	Common stock	2,240	3,071	831
Investments and other fixed assets	14,815	14,971	156	Capital surplus	3,612	5,031	1,419
<Lease and guarantee deposits>	<6,218>	<6,531>	312	Earned surplus	14,170	17,727	3,557
<b>Total assets</b>	<b>70,142</b>	<b>77,556</b>	<b>7,413</b>	<b>Total liabilities and net assets</b>	<b>70,142</b>	<b>77,556</b>	<b>7,413</b>

※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

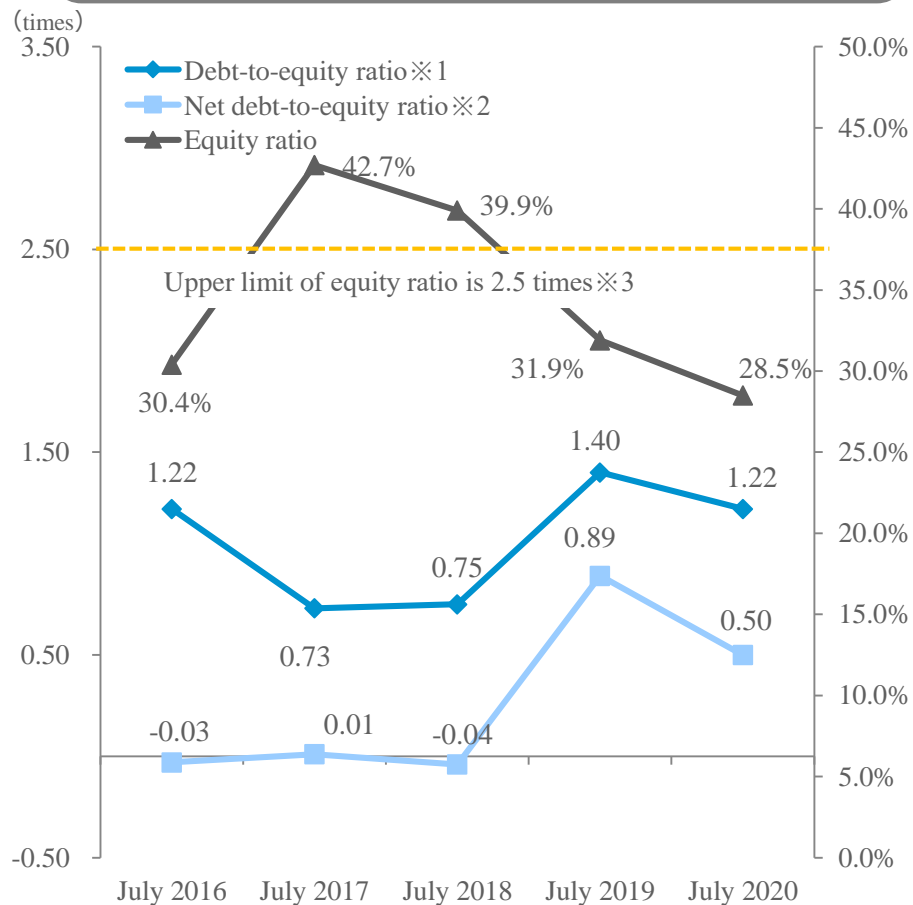
# Financial Position (as of July 31, 2020)

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



(Number)	July 2016	July 2017	July 2018	July 2019	July 2020
Funding sources	15	15	20	24	23

## Key Indicators (Consolidated Basis)



※1 Debt-to-equity ratio  
= interest-bearing debt (short-term loans payable + long-term loans payable) / equity capital

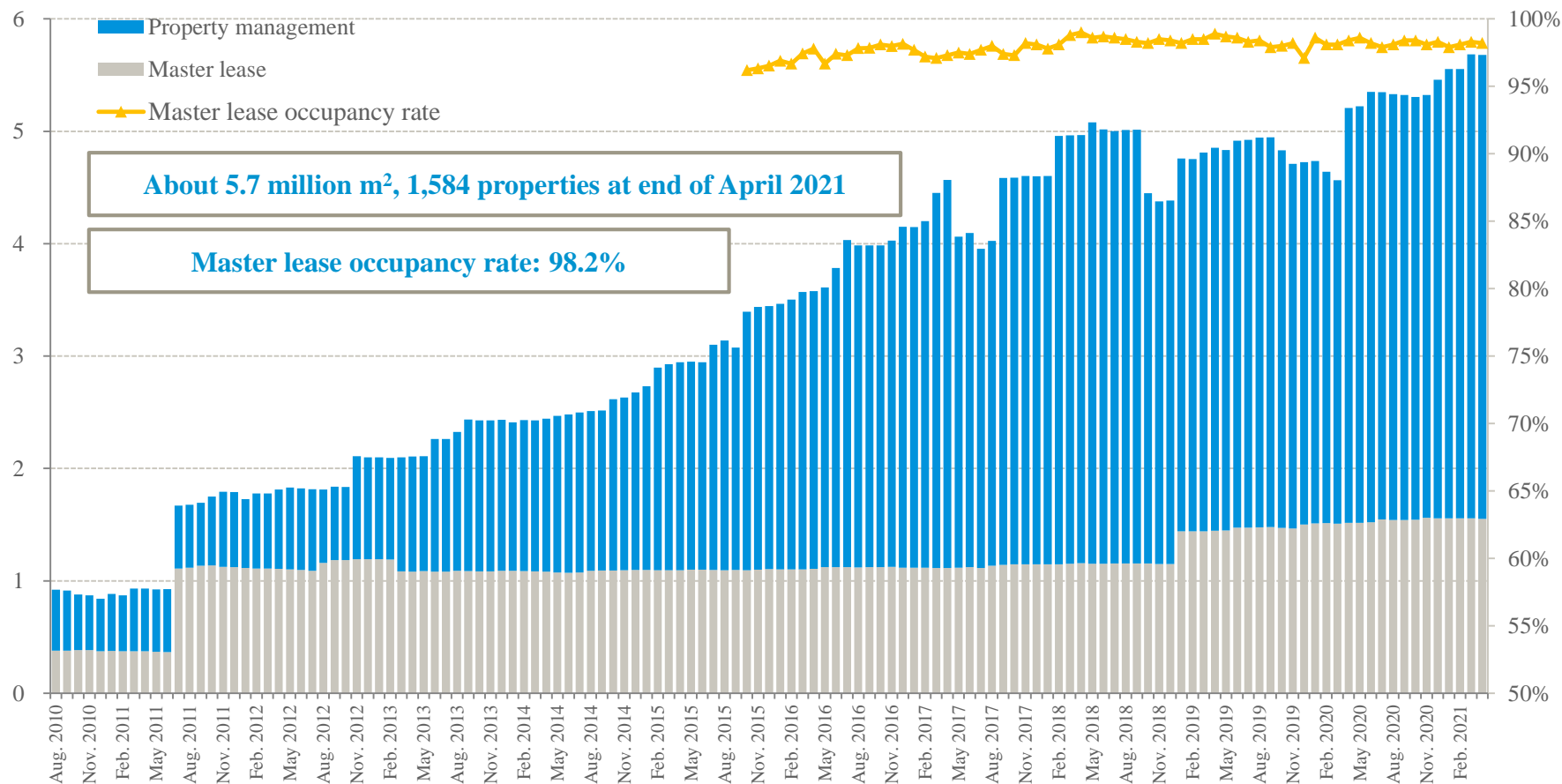
※2 Net debt-to-equity ratio  
= (interest-bearing debt (short-term loans payable + long-term loans payable) - cash and deposits) / equity capital

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

# Real Estate Management Business: Floor Space under Management

## Change in Floor Space under Management

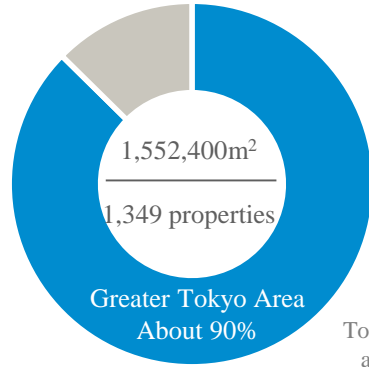
Million square meters



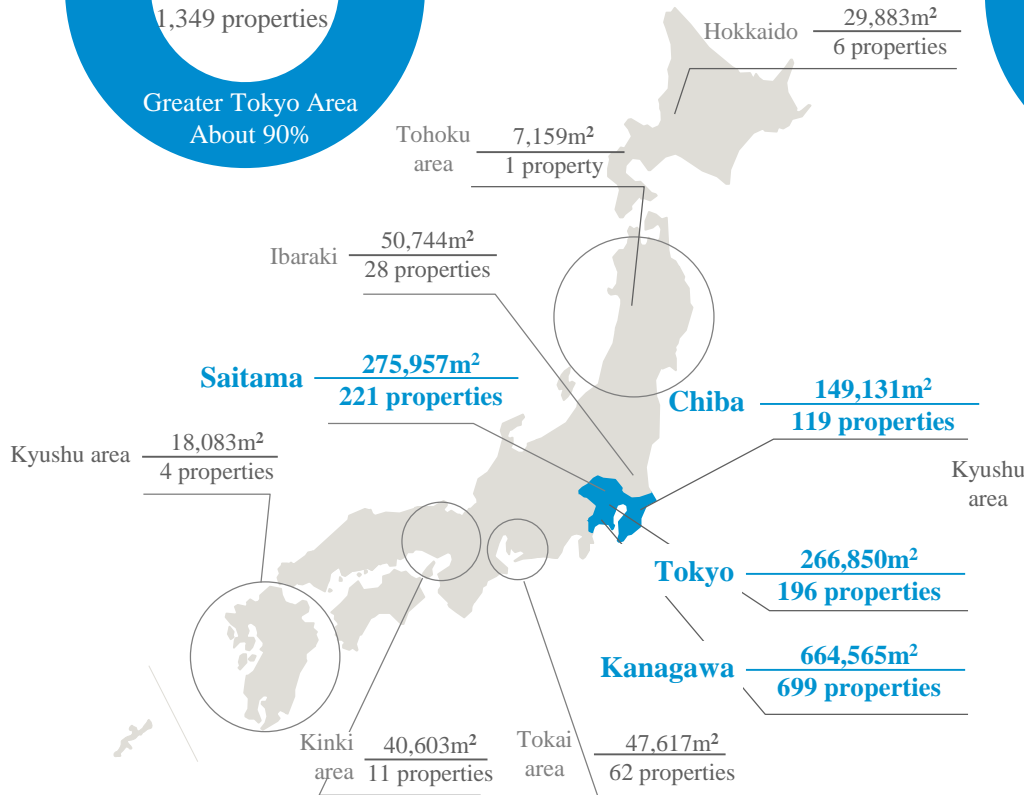
Note: Calculation method changed, effective March 2013

# Real Estate Management Business: Floor Space under Management by Area

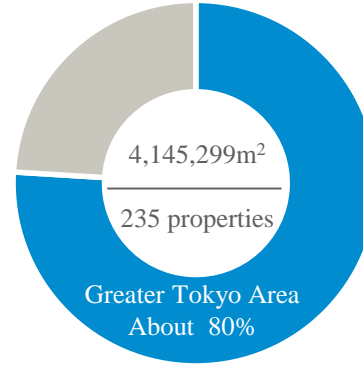
## Master Lease



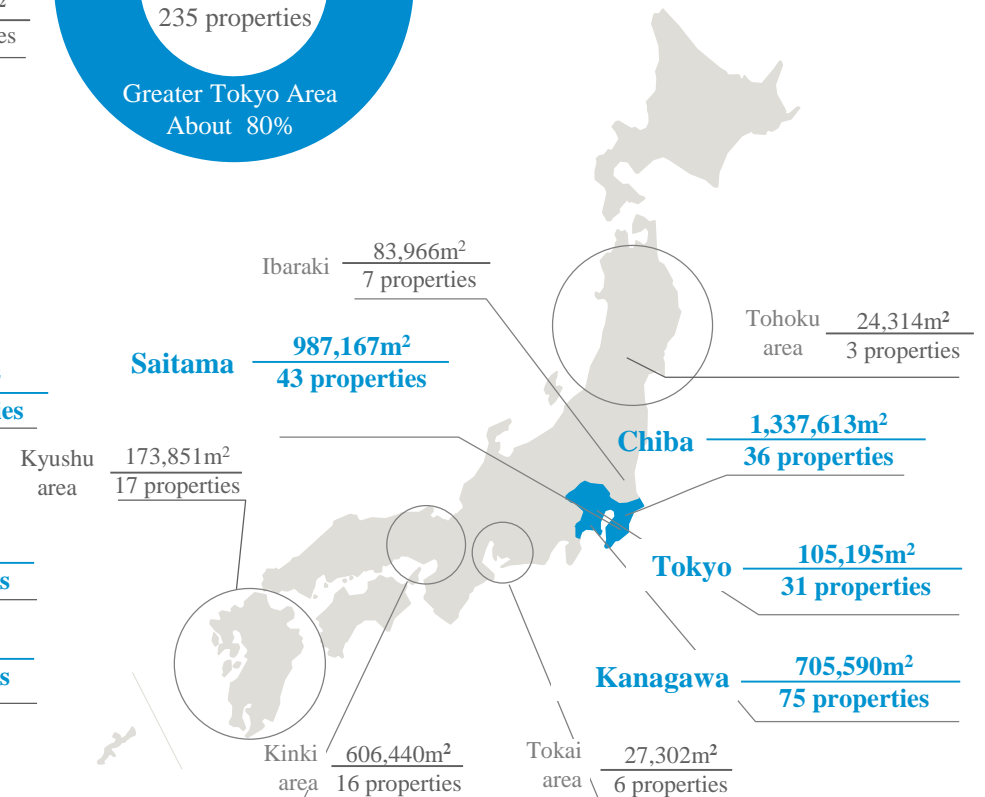
Average floor space: About 1,200m<sup>2</sup>



## Property Management



Average floor space: About 17,600m<sup>2</sup>

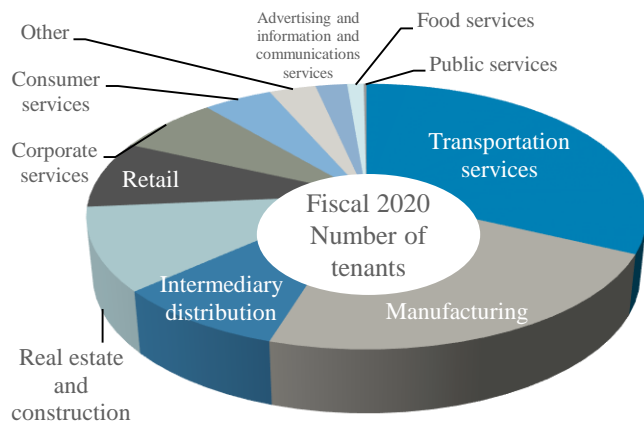


As of April 30, 2021



# Diverse Customer Base and Position among Property Management Companies

## Tenant Composition in Master Lease



## Main Customers for Property Management

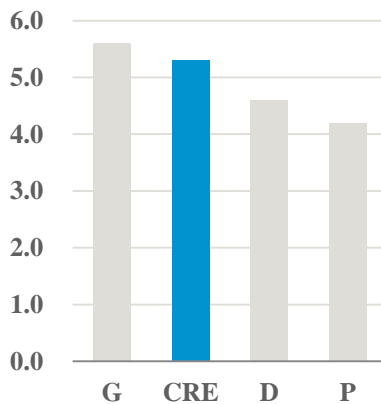
- LaSalle LOGIPOINT REIT
- LaSalle REIT Advisors K.K.
- Star Asia Investment Corporation
- Star Asia Investment Management Co., Ltd.
- Kenedix Retail REIT Corporation
- Kenedix Real Estate Fund Management, Inc.
- United Urban Investment Corporation
- Japan REIT Advisors Co., Ltd.
- Japan Logistics Fund, 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.
- 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 Home Convenience 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 Information Service Co., Ltd.
- ML Estate Company, Limited
- Strategic Partners Co., Ltd.

## Position among Property Management Companies

Ranking in floor space under management of property management company.

**#2**

Floor space under management (Million square meters)

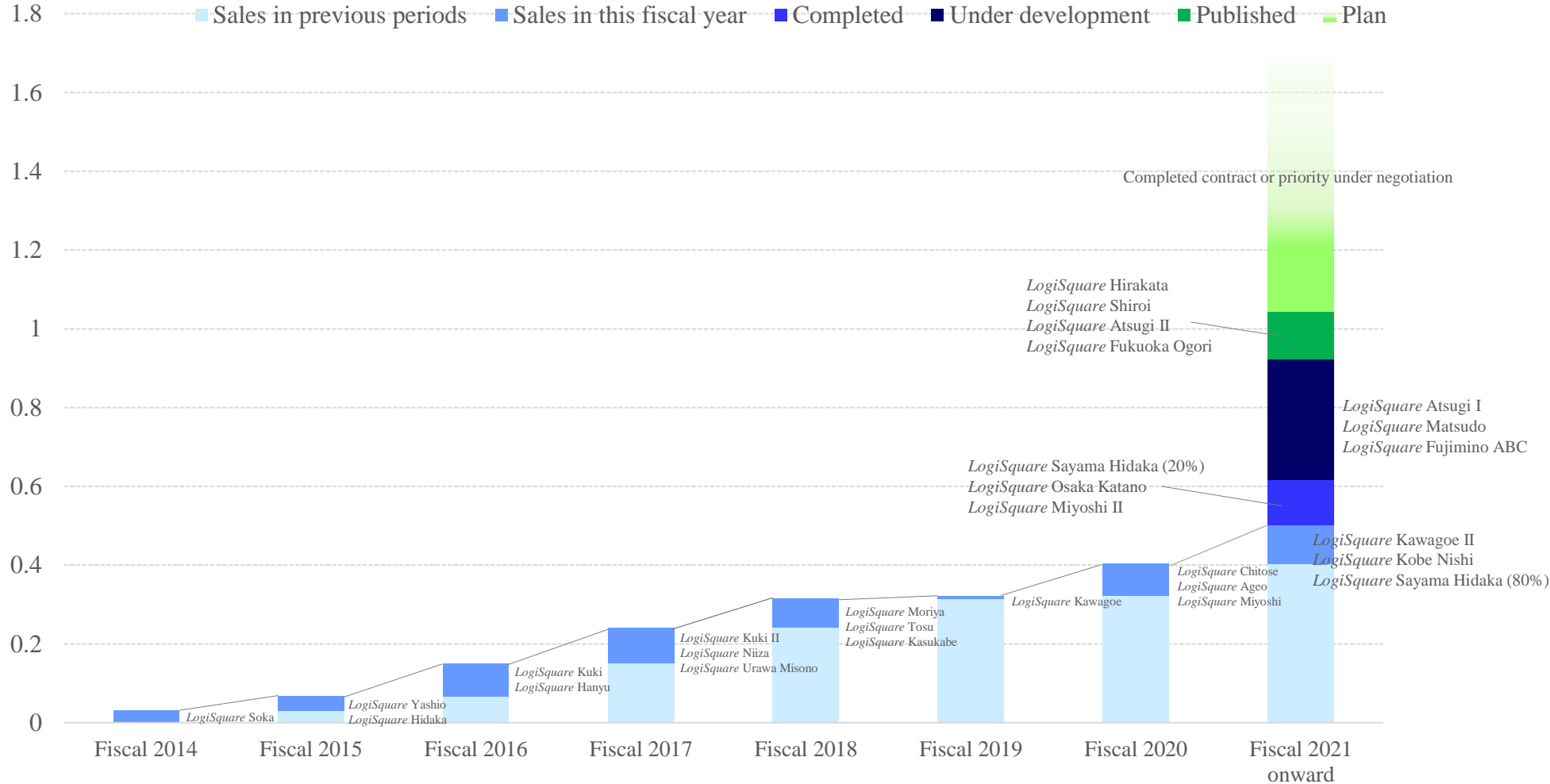


As of April 30, 2021

# Logistics Investment Business: Development Projects

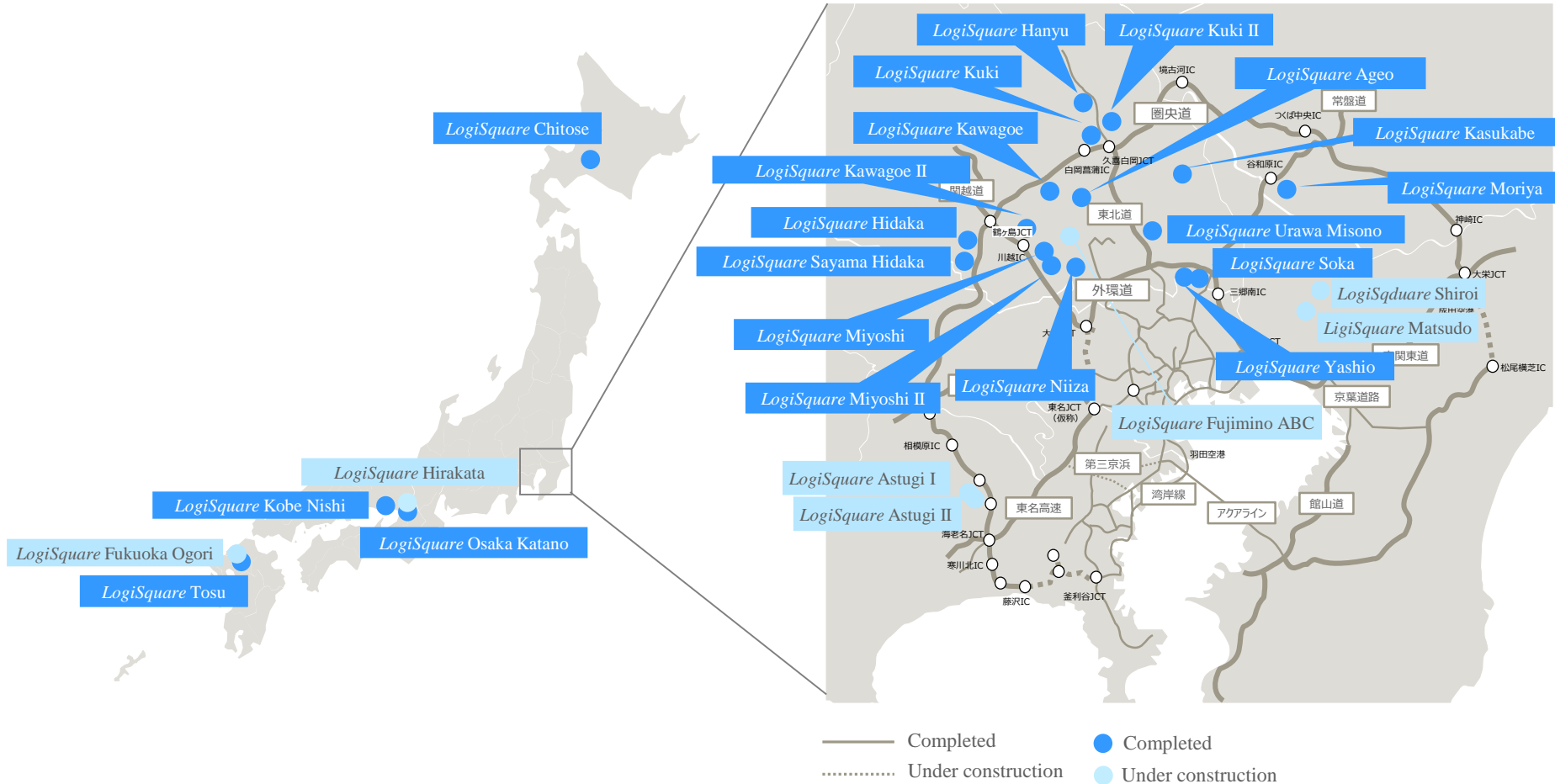
## Extensive Development Pipeline

(Million square meters)



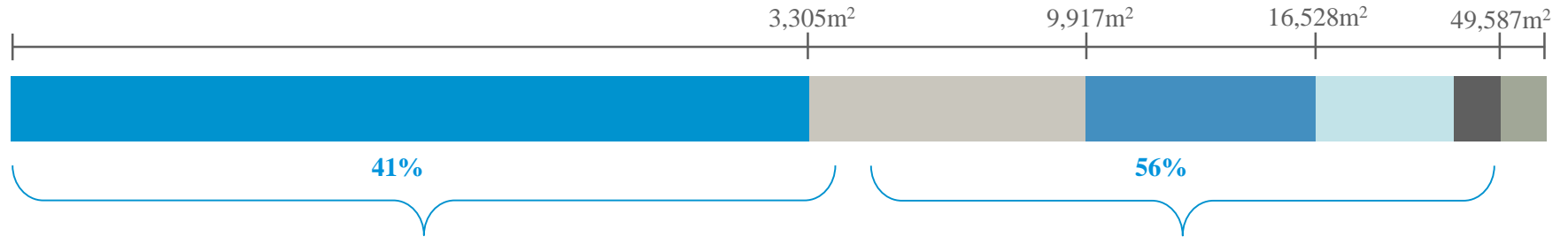
# Logistics Investment Business: Development Projects

## Highly Convenient Locations



# Reference: Domestic Logistics Facilities' Utilization Status and CRE's Business Areas

## Current Utilization Status



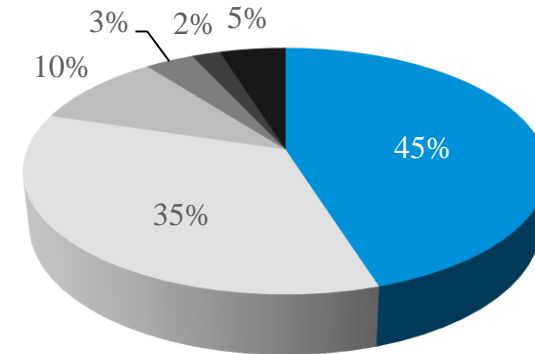
### Main areas in CRE's master lease business

<Per-location available area>

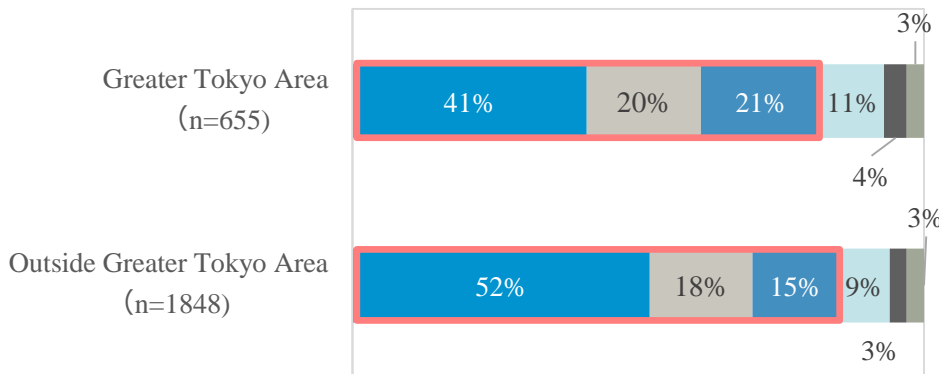
- Less than 3,305m<sup>2</sup>
- 3,305m<sup>2</sup> to under 9,917m<sup>2</sup>
- 9,917m<sup>2</sup> to under 16,528m<sup>2</sup>
- 16,528m<sup>2</sup> to under 33,057m<sup>2</sup>
- 33,057m<sup>2</sup> to under 49,586m<sup>2</sup>
- More than 49,587m<sup>2</sup>

### Main areas in CRE's logistics investment business

<CRE's floor space under master lease composition>



- Less than 660m<sup>2</sup>
- More than 660m<sup>2</sup> but less than 1,320m<sup>2</sup>
- More than 1,320m<sup>2</sup> but less than 1,980m<sup>2</sup>
- More than 1,980m<sup>2</sup> but less than 2,640m<sup>2</sup>
- More than 2,640m<sup>2</sup> but less than 3,300m<sup>2</sup>
- More than 3,300m<sup>2</sup>



Note 1: "n" is the number of utilized properties.

Note 2: Responses received from 118 companies in the Greater Tokyo Area and 159 outside the Greater Tokyo Area.

Note 3: Available area is actually floor area in use, not total floor area of logistics facilities.

As of April 30, 2021

Source: Sumitomo Mitsui Trust Research Institute Co., Ltd.

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## Revisions to Business Forecasts

# Revisions to Consolidated Results Forecasts for Fiscal 2021

(Millions of yen)

	Revised targets for Fiscal 2021 (Disclosed March 15, 2021)	Initial targets for Fiscal 2021 (Announced September 11, 2020)	Differences		Fiscal 2020 (Actual)
			Amount	%	
Net Sales	46,100	54,700	(8,600)	(15.7%)	41,194
Real estate management business	23,600	27,100	(3,500)	(12.9%)	22,563
Logistics investment business	21,600	26,600	(5,000)	(18.8%)	17,645
Asset management business	900	1,000	(100)	(10.0%)	966
Other operations	—	—	—	—	19
Operating profit (Segment income)	5,000	5,000	0	0.0%	4,228
Real estate management business	1,500	2,200	(700)	(31.8%)	2,163
Logistics investment business	4,200	3,700	500	13.5%	2,521
Asset management business	450	500	(50)	(10.0%)	503
Other operations	—	—	—	—	3
Adjustment	(1,150)	(1,400)	250	—	(964)
Recurring profit	4,500	4,500	0	0.0%	4,049
Net income	2,900	2,900	0	0.0%	2,611
Earnings per share	¥105.97	¥105.88	¥0.09	0.1%	¥103.72
Dividend per share	¥23.00	¥23.00	¥0.00	0.0%	¥22.00
Return on equity	13.5%	12.6%	—	0.9p	13.9%

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

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# **Medium-Term Management Plan (Fiscal 2019 to Fiscal 2021)**

# Three-Year Strategies

	Real estate management business	Logistics investment business	Asset management business
Strategies	<ul style="list-style-type: none"> <li>• Maintain existing earnings base, then drive results higher</li> <li>• Promote reconstruction of master leasing properties</li> <li>• Expand business related to property management</li> <li>• Further strengthen real estate brokerage capabilities</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen ability to purchase development sites               <ul style="list-style-type: none"> <li>➢ Expand investment areas</li> <li>➢ Medium- and long-term development of sites</li> <li>➢ Joint development</li> <li>➢ Soil contaminated sites</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Expand AUM</li> <li>• Cultivate investor base</li> <li>• Formation of self-storage funds</li> <li>• Formation of small warehouse funds</li> </ul>
Implementation	<ul style="list-style-type: none"> <li>• Brought LogiCom, Inc. under consolidation in December 2018 → Absorbed LogiCom, Inc. in August 2020</li> </ul>	<ul style="list-style-type: none"> <li>• Started construction on <i>LogiSquare</i> Kobe Nishi in June 2019</li> <li>• Plan to start construction on <i>LogiSquare</i> Osaka Katano in November 2019</li> <li>• Fujimino project</li> </ul>	<ul style="list-style-type: none"> <li>• ¥97.1 billion in AUM at CRE Logistics REIT</li> <li>• Formation of small- and medium-sized warehouse funds in April 2019</li> </ul>
Overseas business			
Strategies	<ul style="list-style-type: none"> <li>• Promote leasing and development business for logistics facilities in VSIP Hai Phong Integrated Township and Industrial Park in Vietnam</li> <li>• Promote self-storage business and investment in real estate-related business in Thailand</li> </ul>		
Implementation	<ul style="list-style-type: none"> <li>• Started construction on VSIP Hai Phong Warehouse III in August 2019 → Completed in April 2020</li> </ul>		



# Ongoing Strategy: Enhanced Lineup of Our Products (Real Estate Management Business)

Large amount

## Effective land utilization and profit-making properties

- Idle land utilization and reconstruction
- Change to more profitable real estate

Minimum investment size: Several hundreds of million yen

## Securitized product backed by sub-divided real estate investment

- Installation of photovoltaic power generation equipment at logistics properties
- Allocated to small lots in accordance with Act on Specified Joint Real Estate Ventures

Minimum investment size: Several million yen

## Investment units in listed REITs

Minimum investment size: ¥100 thousand

## Unlisted real estate investment products

Minimum investment size: ¥10 thousand

Small amount

## Results in fiscal 2020



## Formation of private fund



LogiSquare Niiza Solar Power Plant  
Power output: 898.56kW

 **CRE Logistics REIT**

Listed on February 7, 2018

## Business development in crowdfunding market

 **CRE** | CRE Funding powered by FUEL

募集前		
CRE物流ファンド1号厚木愛川		
0%		
予定利回り	予定運用期間	募集金額
3.0%	約12ヶ月	1,000万円

# Ongoing Strategy: Strengthen Soil Contaminated Site Sourcing (Logistics Investment Business)

## Capital and Business Alliance



**CRE**



株式会社エンバイオ・ホールディングス

**ENBIO HOLDINGS, INC.**

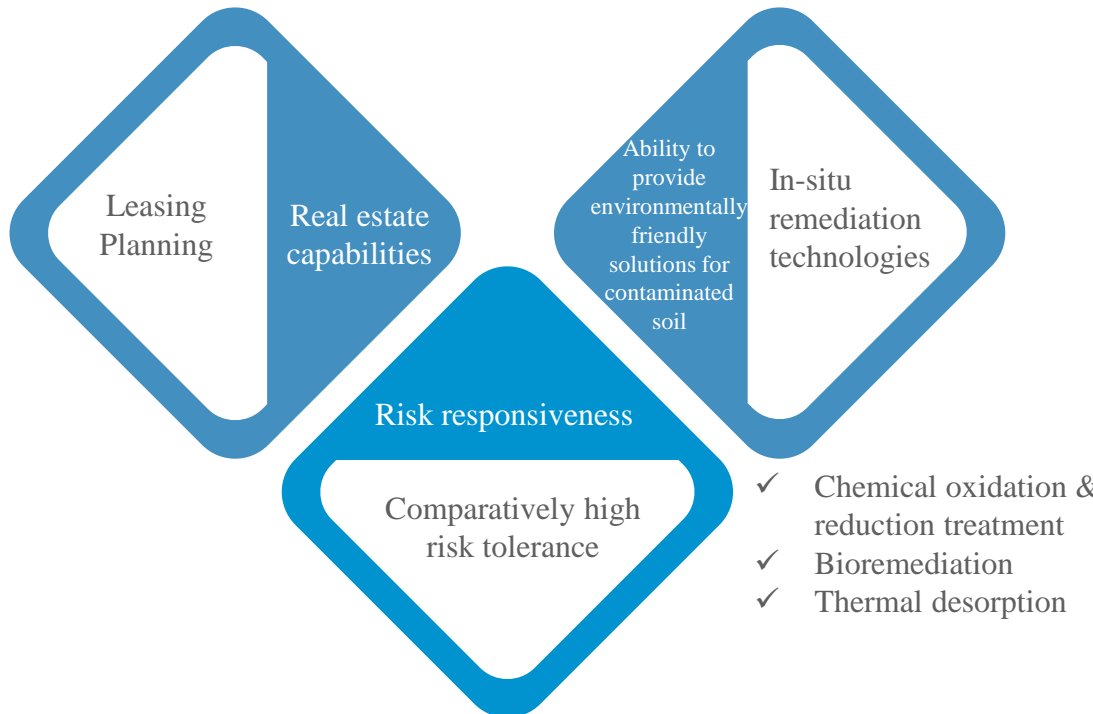
Code: 6092

Listing: Tokyo Stock Exchange Mothers market

Investment stake of about 20% as of December 2018



Established new company through joint investment  
**Land Revitalization Investment, Ltd.**



### The second project

Location	Kamiechi, Atsugi-shi, Kanagawa
Lot area	About 10,032m <sup>2</sup>
Total floor area	18,000m <sup>2</sup> -20,000m <sup>2</sup> (scheduled)
Construction start	Spring of 2023
Completion	Summer of 2024

### The third project

Location	Naka, Shiroy-shi, Chiba
Lot area	About 16,792m <sup>2</sup>
Total floor area	20,000m <sup>2</sup> -33,000m <sup>2</sup> (scheduled)
Construction start	November, 2021 (scheduled)
Completion	November, 2022 (scheduled)



# Ongoing Strategy: Strengthen Self-Storage Business (Real Estate Management Business and Asset Management Business)

## Future Strategies

- 1 Self-storage development (Self-storage brand Keep It )
- 2 Expand floor space under management by Japan Personal Storage Co., Ltd. (Joint venture with Palma Co., Ltd. (hereafter referred to as JPS))
- 3 Formation of funds focusing on self-storage

## Future Image



# Ongoing Strategy: Formation of medium- and small-sized warehouse funds (Real Estate Management Business and Asset Management Business)

- Formation of fund No.1 in April 2019
- Formation of fund No.2 in September 2020



# Ongoing Strategy: Active Investment in Vietnam (Overseas Business)

## Development Plan in Vietnam



Singapore government-affiliated company  
Sembcorp Development Ltd.

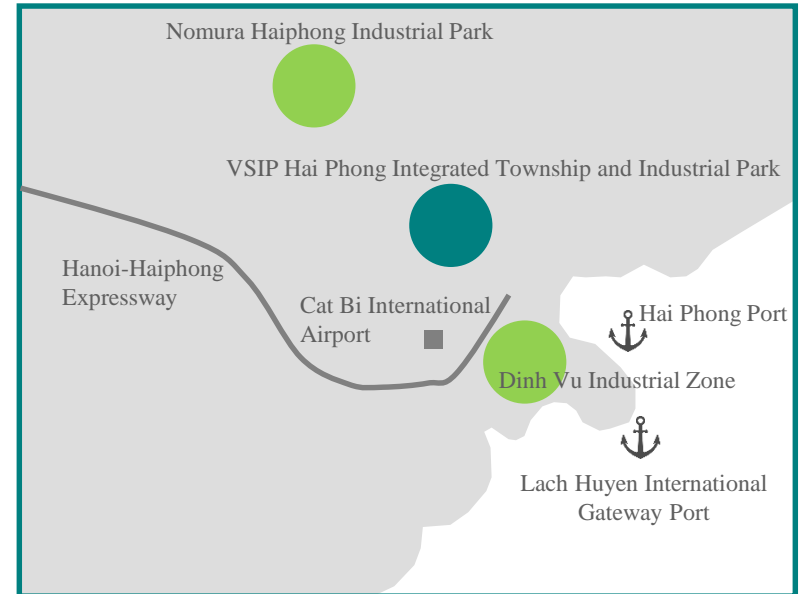


CRE

Acquisition of new shares through third-party allotment  
(30% of outstanding shares)

Sembcorp Infra Services Pte. Ltd. → CRE Asia

Sembcorp Infra Services Hai Phong



	Sembcorp Logistics Park A (Hai Phong) phase 1	Sembcorp Logistics Park A (Hai Phong) phase 2
Lot area	47,083m <sup>2</sup> (Phase1+2)	
Structure	1F	1F
Total floor area	15,000m <sup>2</sup>	14,279m <sup>2</sup>

Sembcorp Logistics Park B (Hai Phong)	
Lot area	About 23,840m <sup>2</sup>
Structure	1F (scheduled)
Total floor area	About 14,286m <sup>2</sup>
Start	August 2019
<b>Completion</b>	<b>April 2020</b>



Development plan (VSIP Hai Phong Warehouse IV (tentative)) (Phase4)	
Lot area	About 29,215m <sup>2</sup>
Structure	1F (scheduled)
Total floor area	About 17,529m <sup>2</sup>
Start	Beginning of 2021 (scheduled)
Completion	End of 2021 (scheduled)

# Reference) The Agility Emerging Markets Logistics Index 2021 – Overall Ranking

Ranking	Country	Overall Scores and Ranking	Domestic Logistics Opportunities	International Logistics Opportunities	Business Fundamentals	YOY Change
1	China	8.86	8.81	9.72	7.14	0
2	India	7.33	8.19	7.16	5.95	0
3	Indonesia	6.30	6.61	6.11	6.05	1
4	UAE	6.29	5.63	5.59	9.06	-1
5	Malaysia	6.15	5.41	5.87	8.24	0
6	Saudi Arabia	5.95	5.35	5.53	8.04	0
7	Mexico	5.91	5.33	6.70	5.46	1
8	Vietnam	5.67	5.04	6.41	5.44	3
9	Qatar	5.67	5.38	4.84	7.97	-2
10	Turkey	5.61	5.22	6.06	5.50	0
11	Thailand	5.55	5.18	5.69	6.04	-2
12	Chile	5.51	4.86	5.19	7.50	0
13	Russia	5.40	5.13	5.56	5.64	0
14	Oman	5.29	4.96	4.86	6.85	0
15	Bahrain	5.26	4.99	4.69	6.97	0

Source: Agility Emerging Markets Logistics Index 2021

\*This report ranks 50 leading emerging markets, based on criteria that makes the countries attractive to logistics providers, freight forwarders, shipping lines, air cargo carriers and distributors.

# Perspective on Earnings

## Build Circular Stock and Flow Business Structure

- Emphasize earnings from stock business

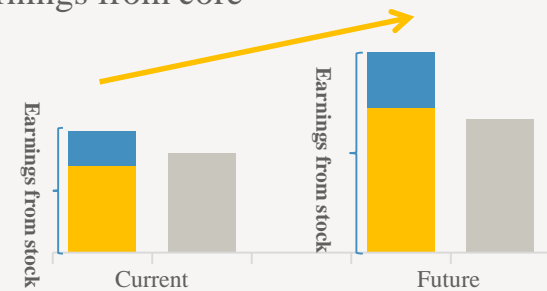
### Grow core stock

- Cover selling, general and administrative expenses with earnings from core stock income

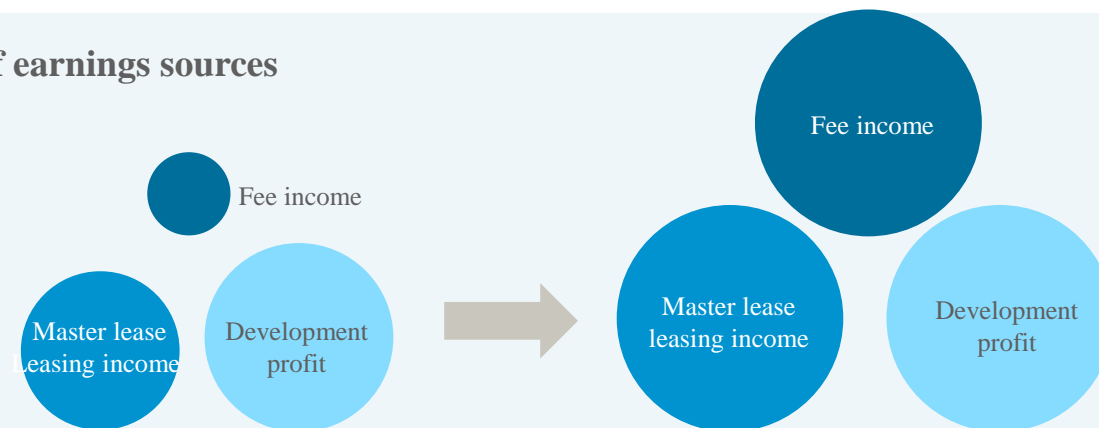
Earnings from core stock = Master lease leasing income + Property management fees + Building maintenance fees + Repairs/maintenance/improvement projects + Management fees during asset management period

Earnings from stock = Income from real estate management business + Income from asset management business

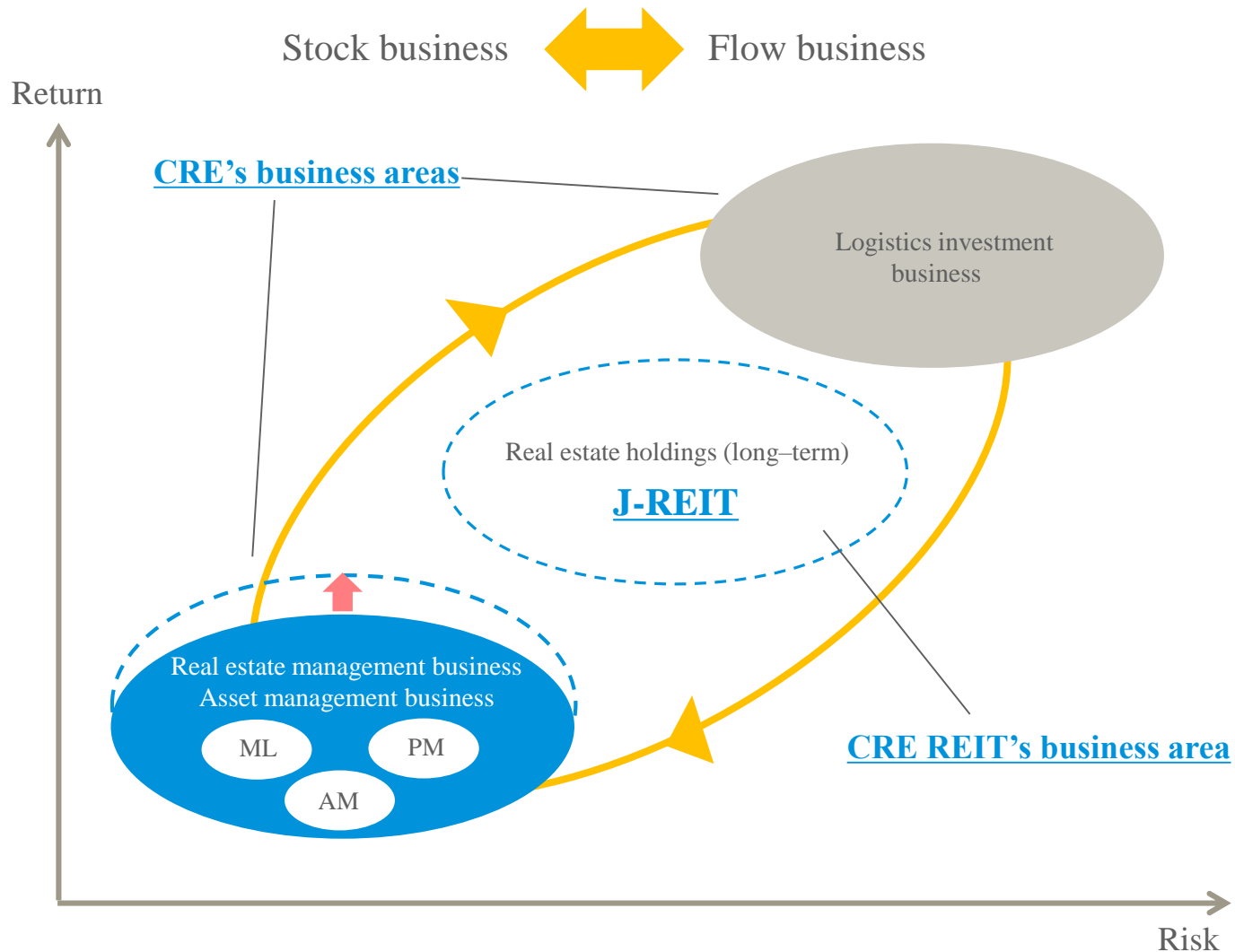
■ Earnings from core stock ■ Earnings from stock ■ Selling, general and administrative expenses



### Diversification of earnings sources

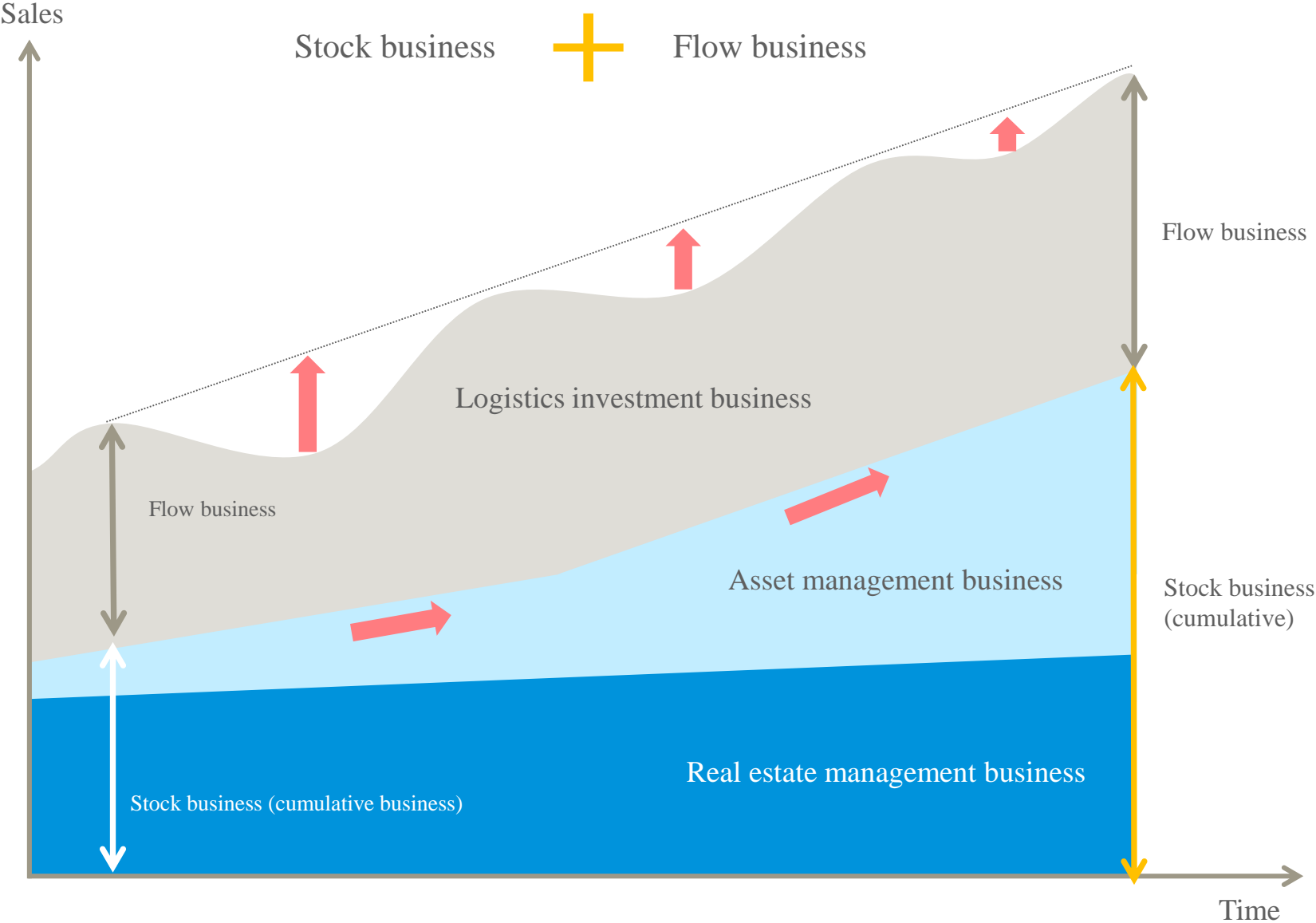


# Build Circular Stock and Flow Business Structure





# Profit Structure that Builds Profit from Flow Business on to Profit from Stock Business



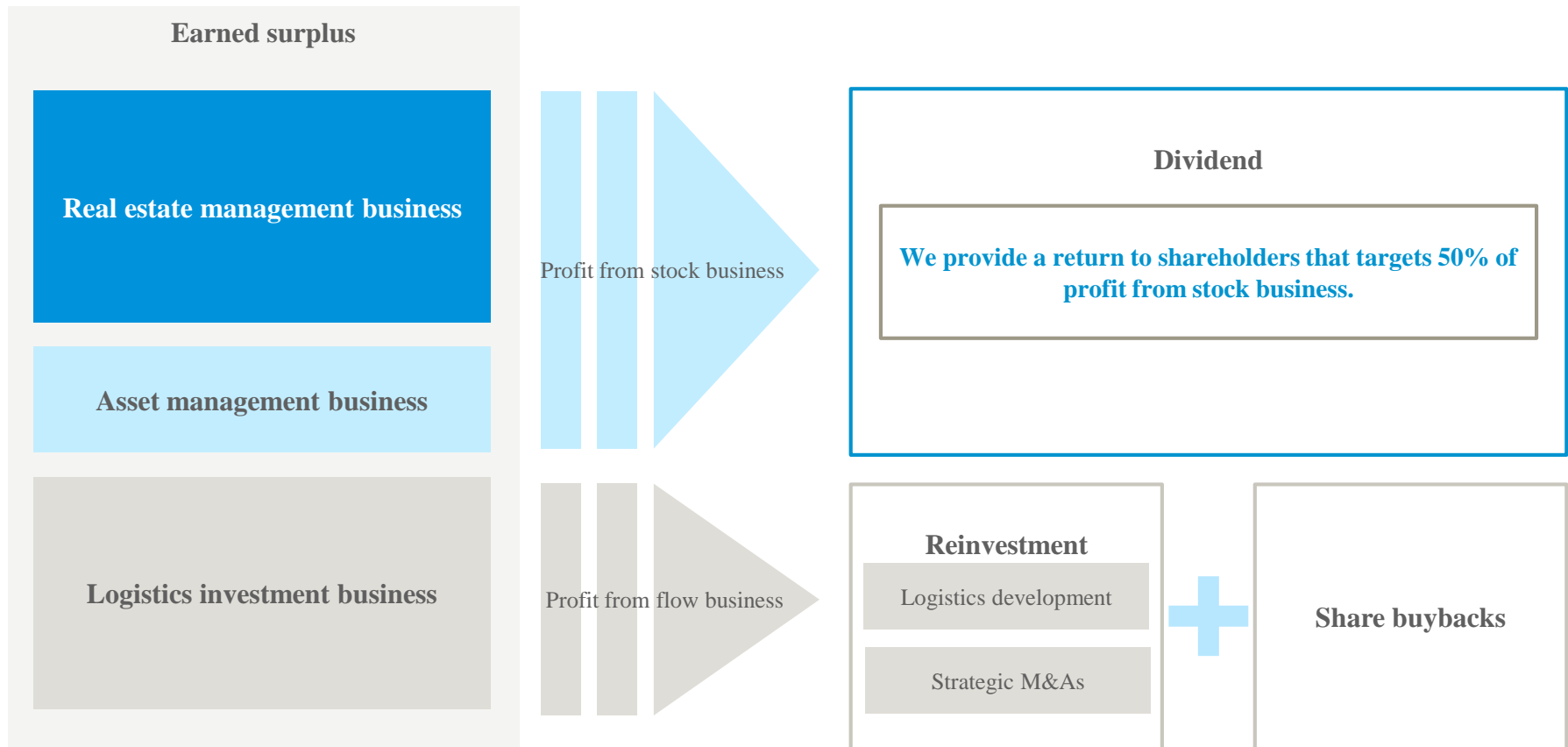
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# Return to Shareholders

# Return Profits to Shareholders in Line with Growth in Stock Business

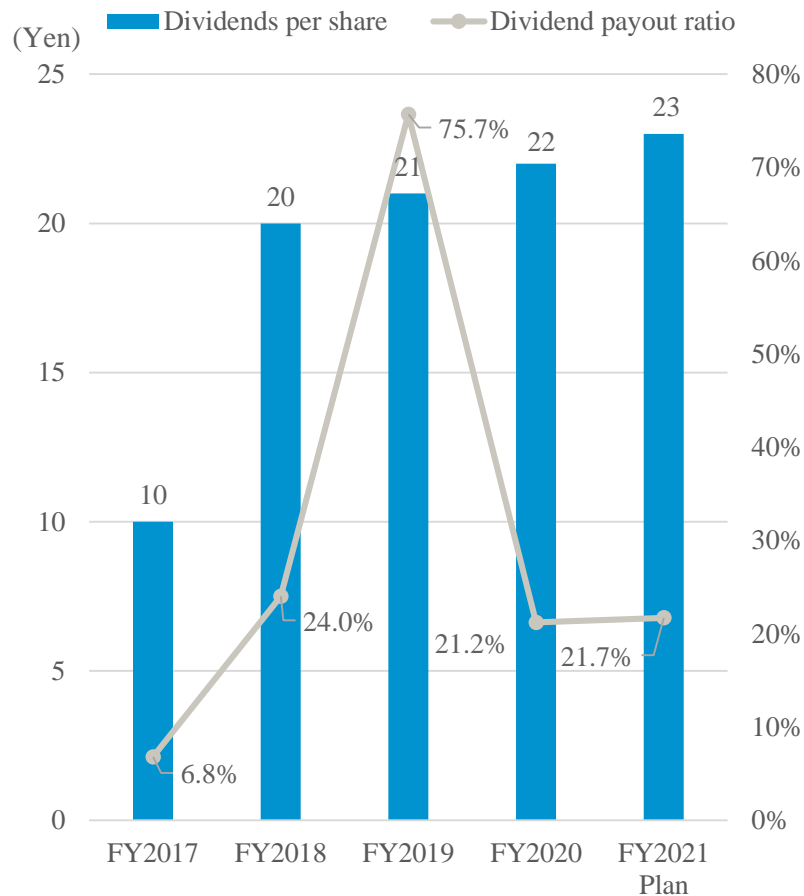
- We will draw on earned surplus from the stock business to distribute dividends to shareholders and will strive to steadily increase dividend payments commensurate with continuous growth.
- We reinvest earned surplus from the flow business into logistics development and M&As to strengthen the stock business, or to purchase treasury stock.

## Capital Strategies



# Return to Shareholders

Changes in dividends per share and dividend payout ratio



Consolidated dividend per share

Fiscal 2021 (plan)

**¥23** per share

YOY **+¥1** (Up 4.5%)

More than 50% of profit from stock business

Note: Based on total number of shares issued (excluding treasury stock) as of July 31, 2020.

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

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# Long-Term Management Strategy

# Long-Term Management Strategy: Entire Picture

## Creating a Connected Future through Logistics Real Estate Business



**Plan 1: Sustainable corporate growth by strengthening stock business**

**Plan 2 : Establish corporate system to maintain growth**

**Plan 3 : Return profits to shareholders in line with growth in stock business**

Source: Long-term management strategy announced on September 12, 2016

# Plan 1: Sustainable corporate growth by strengthening stock business

**Sustained growth of real estate management business and asset management business—both stock businesses—will underpin stable management base resilient to changing business conditions**



1

Expand revenue and income in real estate management

2

Expand AUM

3

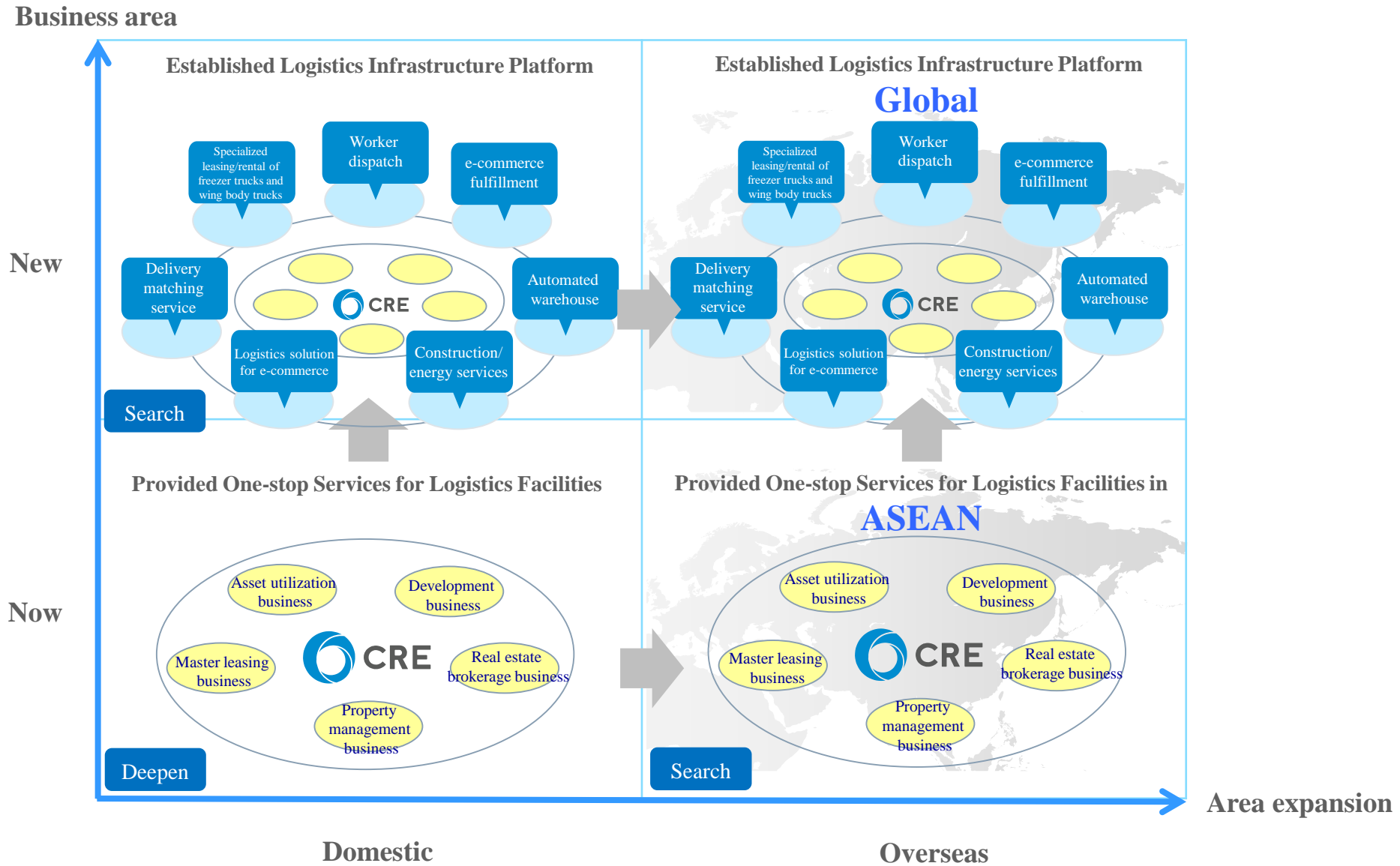
Strengthen area expansion

4

Expand business size and reinforce competitiveness through M&A

Source: Long-term management strategy announced on September 12, 2016

# Underpinning Long-Term Management Strategy





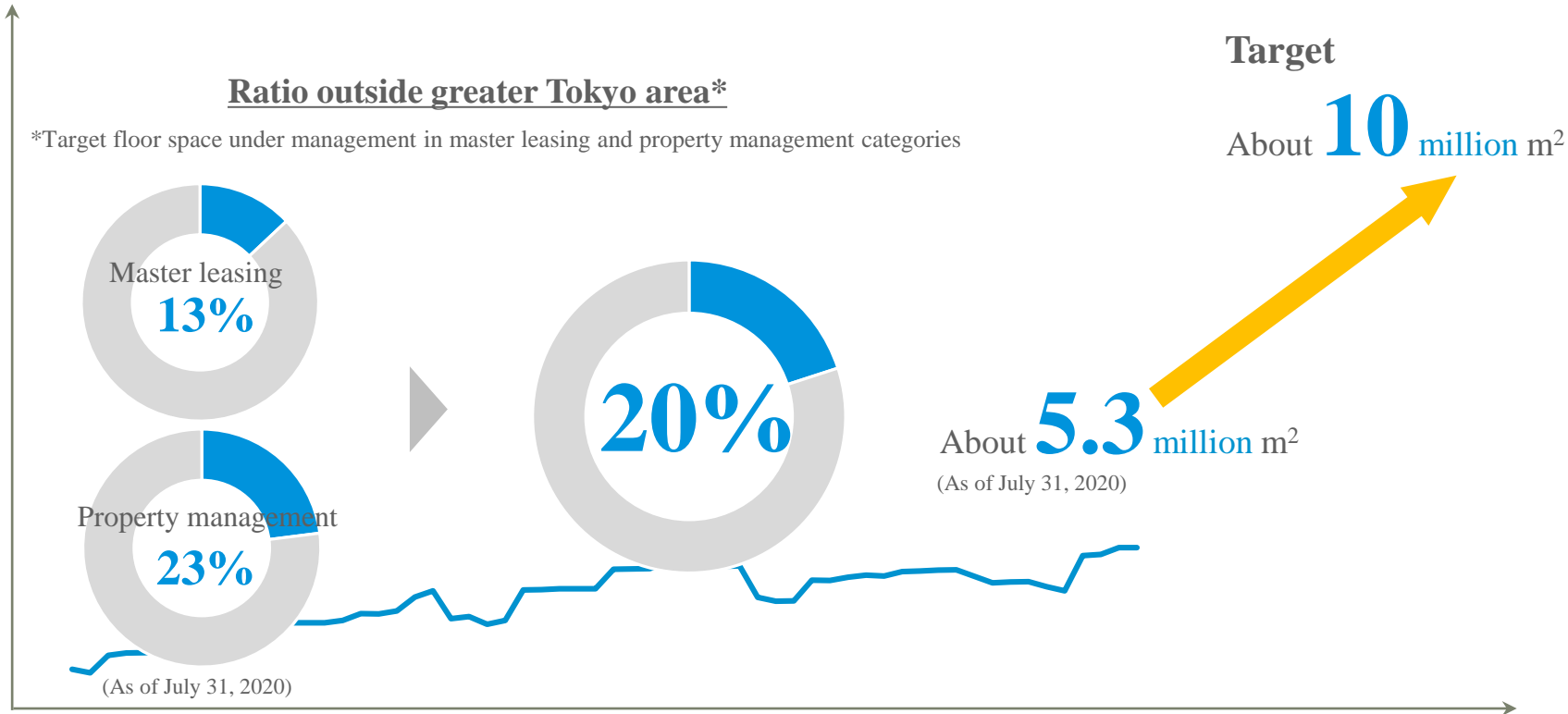
# Long-Term Strategy in Real Estate Management Business

## Expansion in Floor Space under Management

Results in fiscal 2020

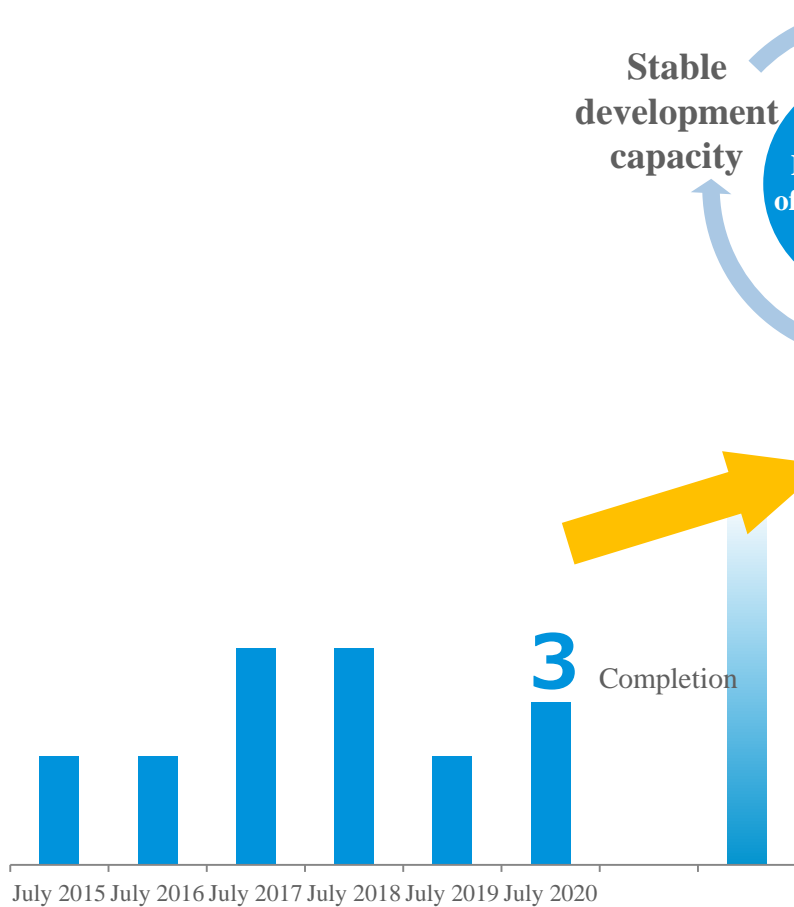
Increase in floor space under management of master lease operations

Up about **5%** from the end of July 2019



# Long-Term Strategies in Logistics Investment Business and Asset Management Business after REIT Listing

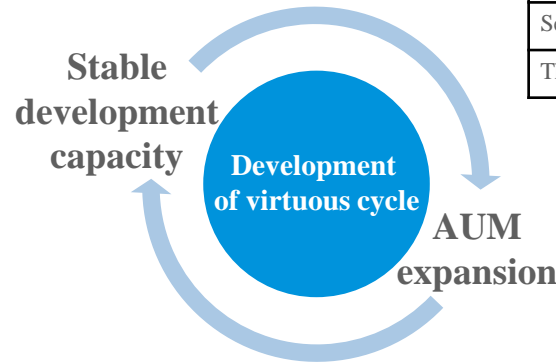
## Logistics Real Estate Development



## Change in Assets under Management (AUM)

- Public offerings executed in three consecutive REIT accounting periods.

	Total issue price
First public offering in July 2019	3.3 billion yen
Second public offering in January 2020	12.5 billion yen
Third public offering in July 2020	11.2 billion yen

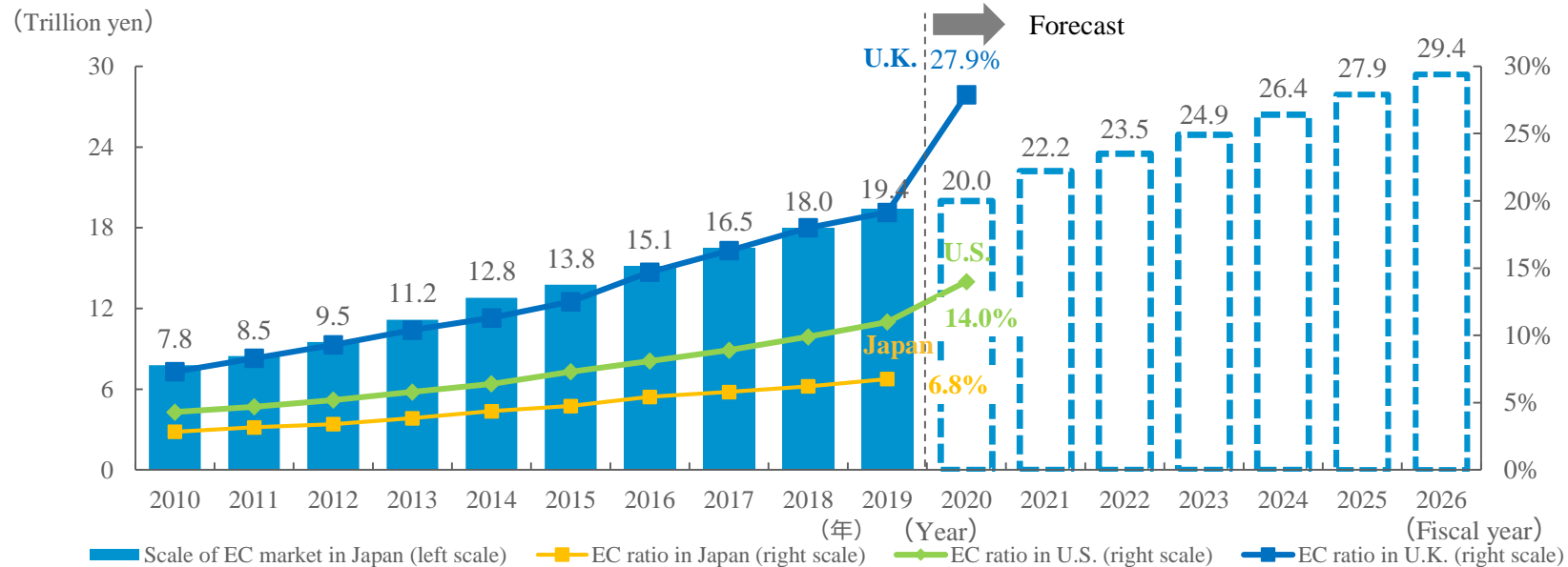


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# Logistics Real Estate Market

# e-commerce Market Expansion

## Changes in Scale of B2C e-commerce Market (EC) and Forecast



Source: Prepared by CRE, using B2C market scale and Japan's EC ratio data from Ministry of Economy, Trade and Industry; predictions by Nomura Research Institute for forecasts from 2020 and later; U.S. EC ratio data from U.S. Census Bureau and U.K. EC ratio data from Office for National Statistics.

\*E-commerce market scale to all business transactions. EC ratio for B2C e-commerce indicates value for sectors selling products as opposed to services.

## Net Freight Flow and Small Cargo Flow for Personal Use

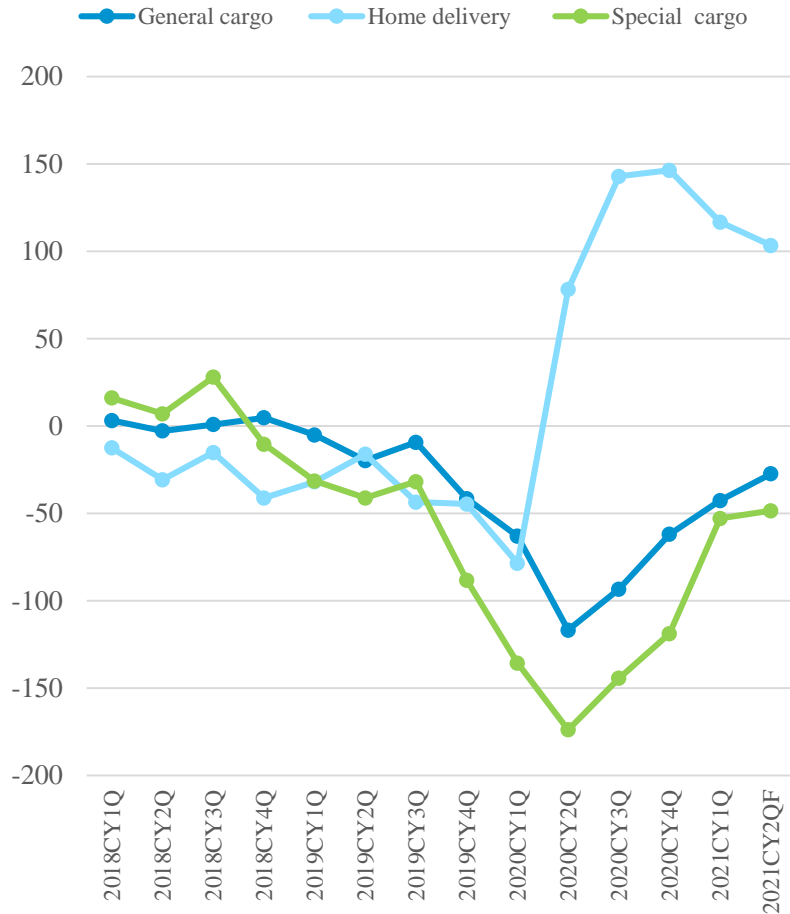
(Three-day research)	Weight (tons)		Number	
	2010	2015	2010	2015
Net freight flow	23,412,000	22,171,000	24,616,000	22,608,000
Mixed cargo, such as home-delivered packages	869,219	731,834	15,561,281	12,564,392
For personal use	6,940	10,104	1,420,025	1,308,670
(Ratio for personal use)	0.8%	1.4%	9.1%	10.4%
Ratio of home-delivered packages for personal use to total	0.03%	0.05%	5.77%	5.79%

Note: The Net Freight Flow Census targets cargo shipped by mining industry, manufacturing industry, wholesale business and warehousing business and does not include shipments by retailing industry or individuals.

Source: Prepared by or with slight revision by CRE, using data from Ministry of Land, Infrastructure and Transport's "2010 Net Freight Flow Census" and "2015 Net Freight Flow Census".

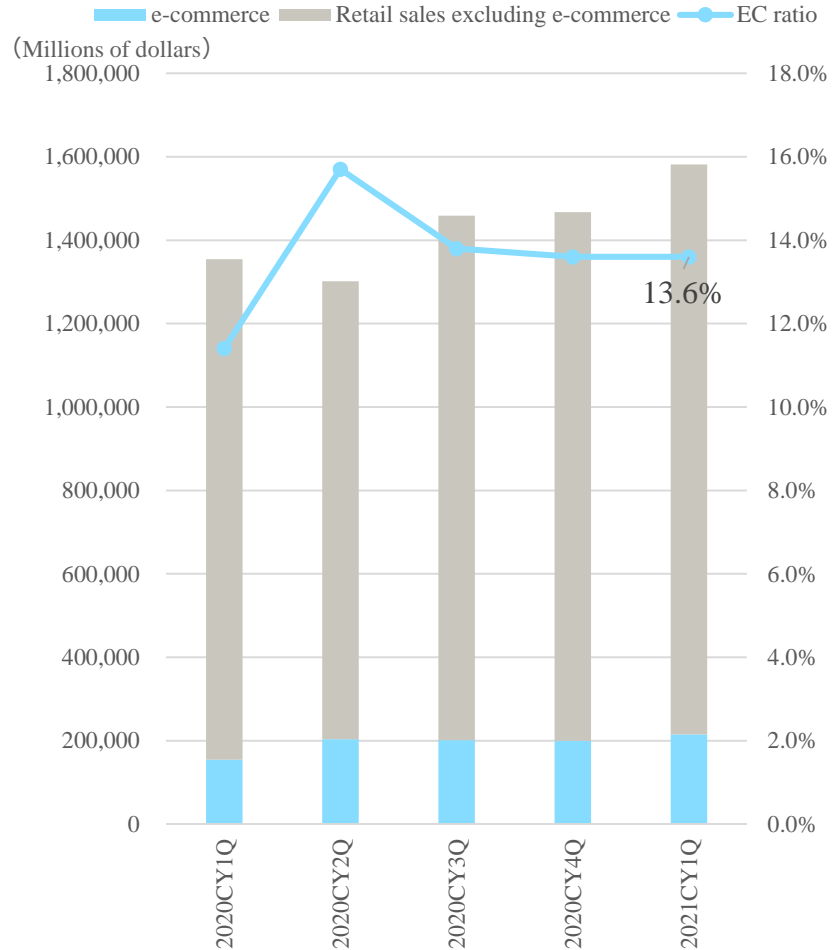
# Steady Performance in e-commerce Market after COVID-19

## Changes in Domestic Judgment Criteria (Transport Volume)



Source: Prepared by CRE, using data of business confidence in trucking industry (flash report) from Japan Trucking Association.

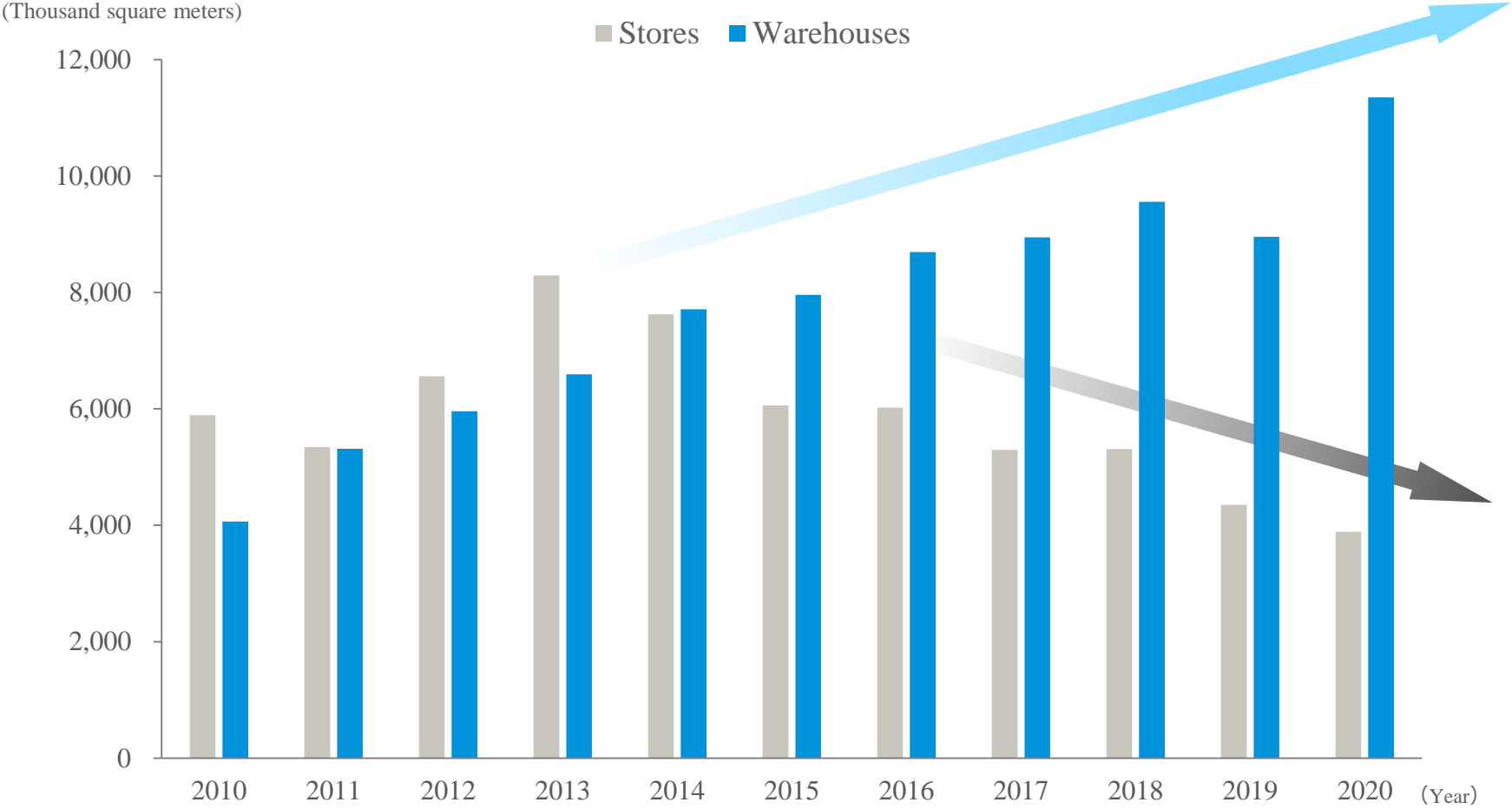
## Retail Market, e-commerce Market and EC ratio in U.S.



Source: Prepared by CRE, using U.S. Census Bureau data on quarterly retail e-commerce sales in second quarter of 2020.

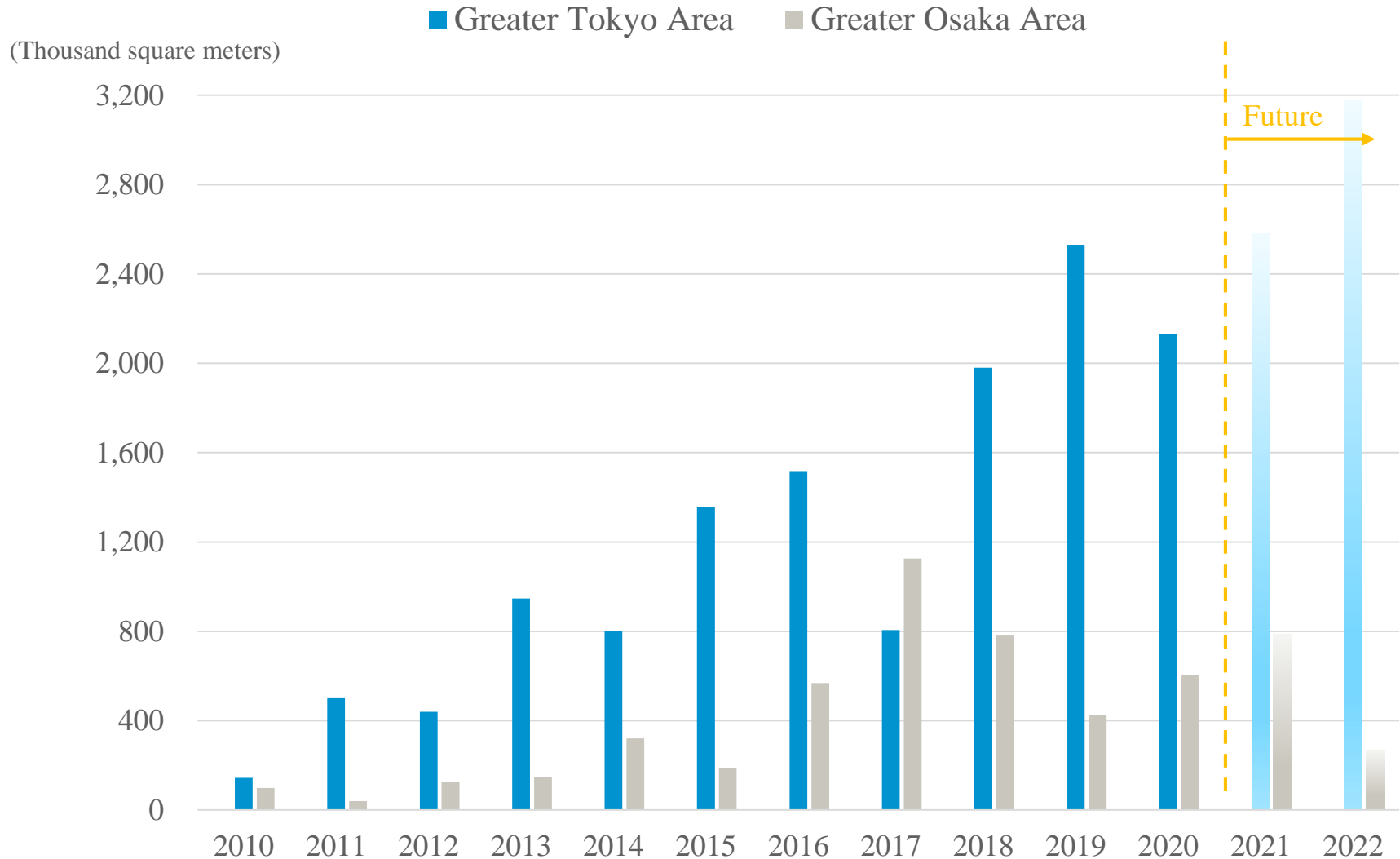
# Change in Floor Space in Warehouse Construction Starts

- Floor space in warehouse construction starts has trended above that of stores since 2014.
- Floor space in warehouse construction starts is approximately 3 times bigger than that of stores in 2020.



Source: Prepared by CRE, based on data (2017) released by Ministry of Land, Infrastructure, Transport and Tourism, on building construction starts

# Annual Completed Floor Space by Area

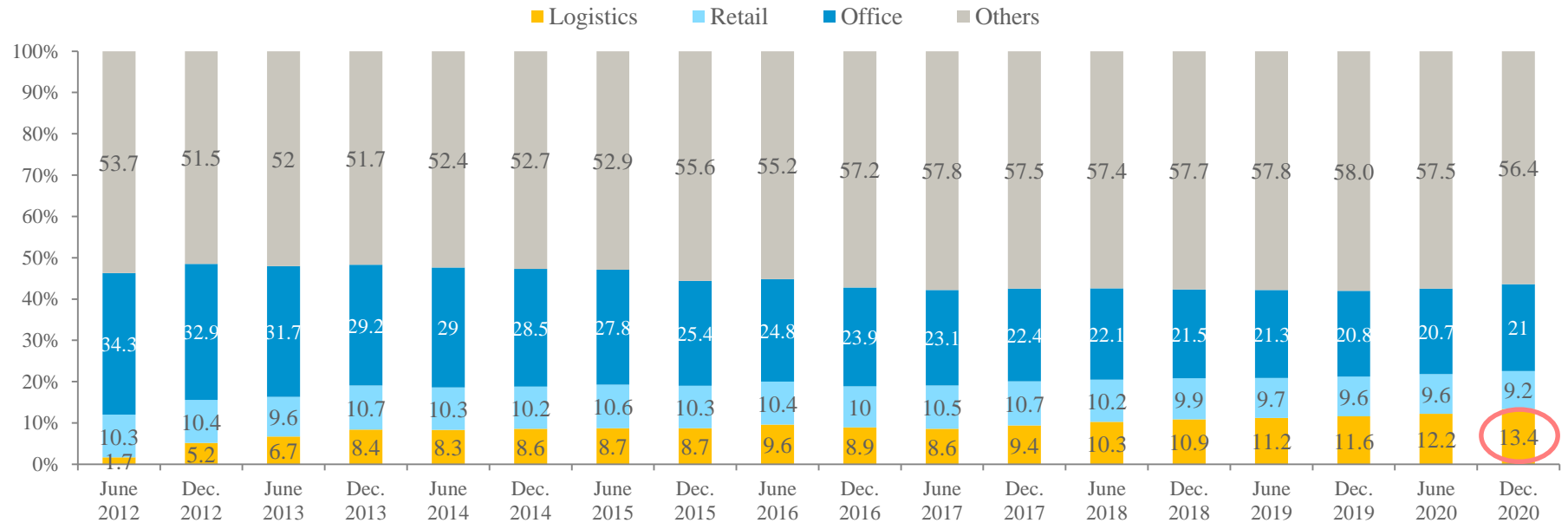


Source: As of April 2021, according to our own research

# Demand for Logistics Properties from Real Estate Finance Market Remains Strong

- Investment in logistics properties, such as warehouses and distribution centers, in J-REIT holdings has grown to a size comparable to that of investment in retail space, and market presence is expanding.

## Asset Size by Use in J-REITs (Acquisition Value Basis) and Regional Investment Strategy



Nov. 2012	Daiwarehouse-REIT listed (shift to complex-type and diversified REIT due to merger in September 2016)	Feb. 2016	LaSalle LOGIPOINT REIT listed	<b>Feb. 2018</b>	<b>CRE Logistics REIT listed</b>
Dec. 2012	GLP J-REIT listed	Aug. 2016	MFLP-REIT listed	Sep. 2018	ITOCHU Advance Logistics Investment Corporation listed
Feb. 2013	Nippon Prologis REIT listed	Sep. 2017	Mitsubishi Estate Logistics REIT listed	Dec. 2019	SOSiLA Logistics REIT listed

Sources: Prepared by CRE, using valuation indicators by Daiwa Securities Co. Ltd.



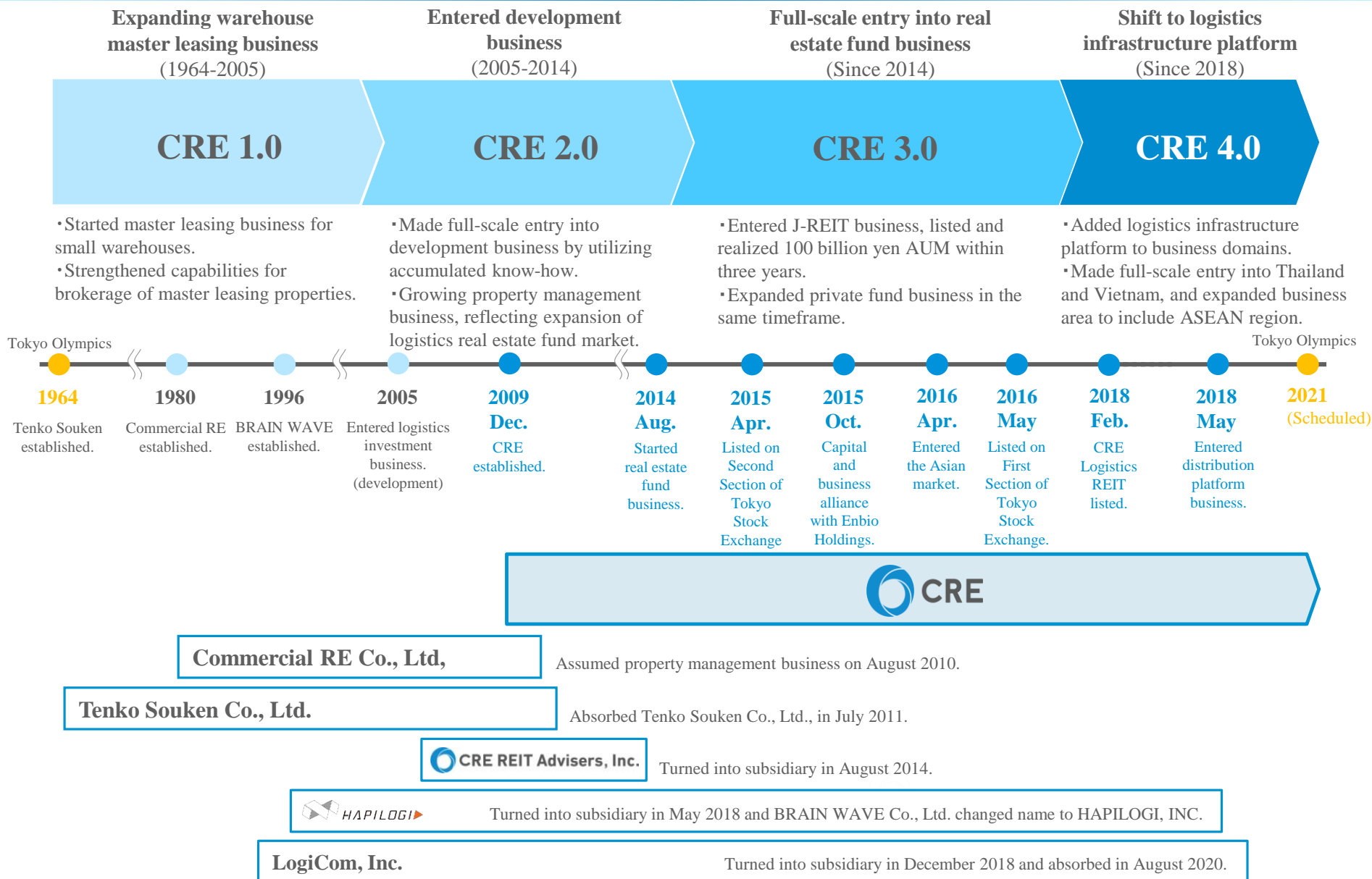
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# APPENDIX

# Company Profile

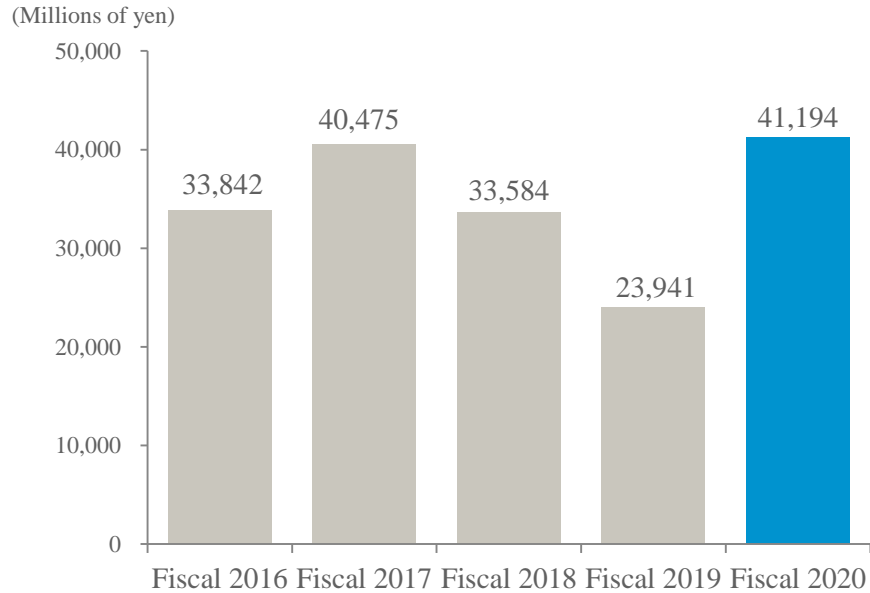
Company name	CRE, Inc.
Representative	Tadahide Kameyama, Representative Director, President
Head office	East Tower 19F, Toranomon Twin Bldg., 2-10-1, Toranomon, Minato-ku, Tokyo
Sales offices	Kanagawa, Osaka, Fukuoka, Singapore, Thailand
Main businesses	Leasing, management, development, brokerage and asset management of logistics facilities
Established	December 22, 2009
Paid-in Capital	¥2,240 million (As of July 31, 2020)
Consolidated net sales	¥41,194 million (Fiscal year ended July 31, 2020)
Number of employees	258 (Consolidated basis / As of April 30, 2021)
Listing	First Section of the Tokyo Stock Exchange Code: 3458
Industry sector	Real estate business

# History

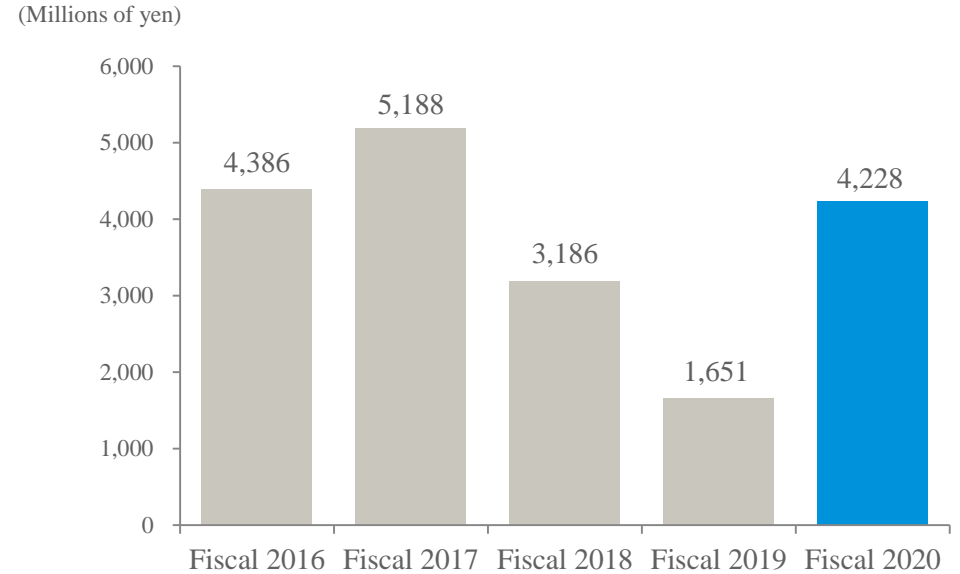


# Consolidated Financial Highlights

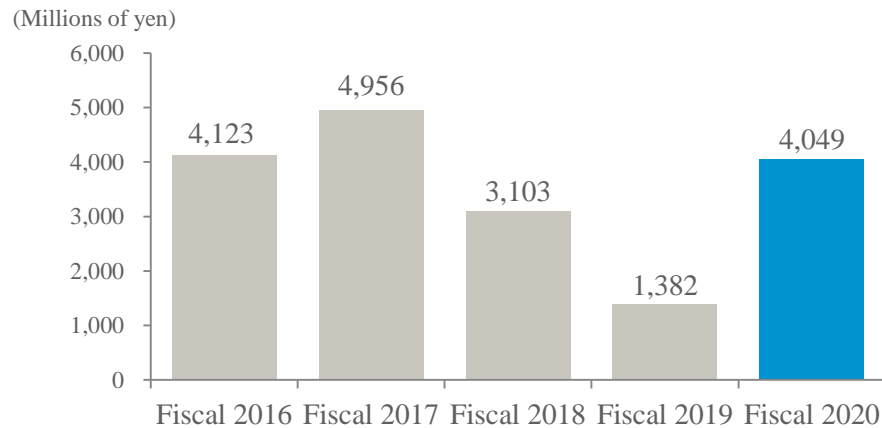
## Net Sales



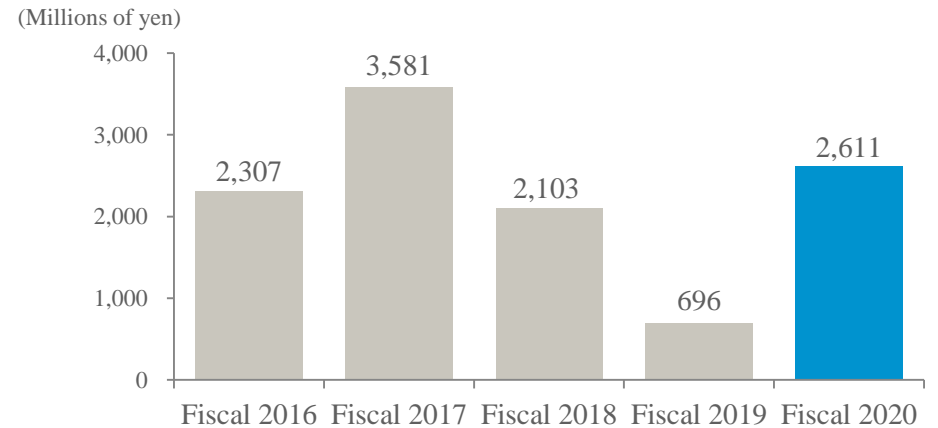
## Operating Profit



## Recurring Profit



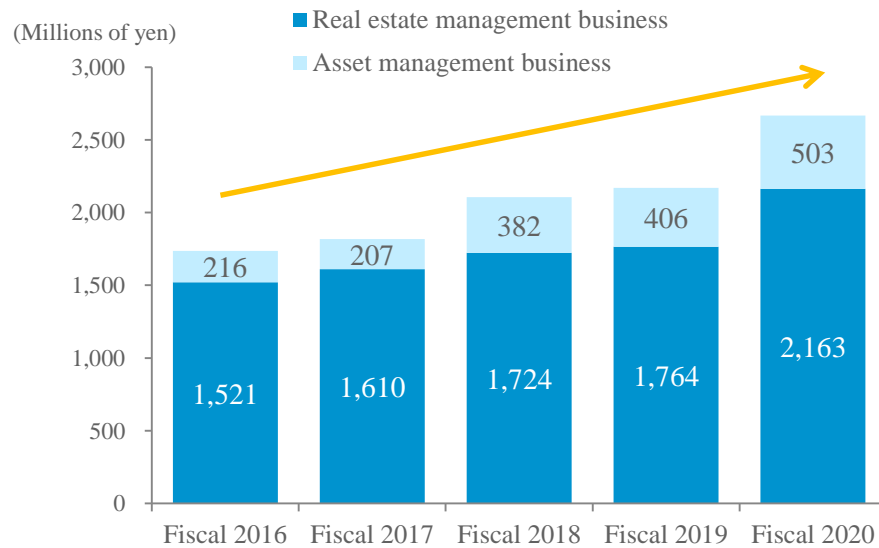
## Net Income



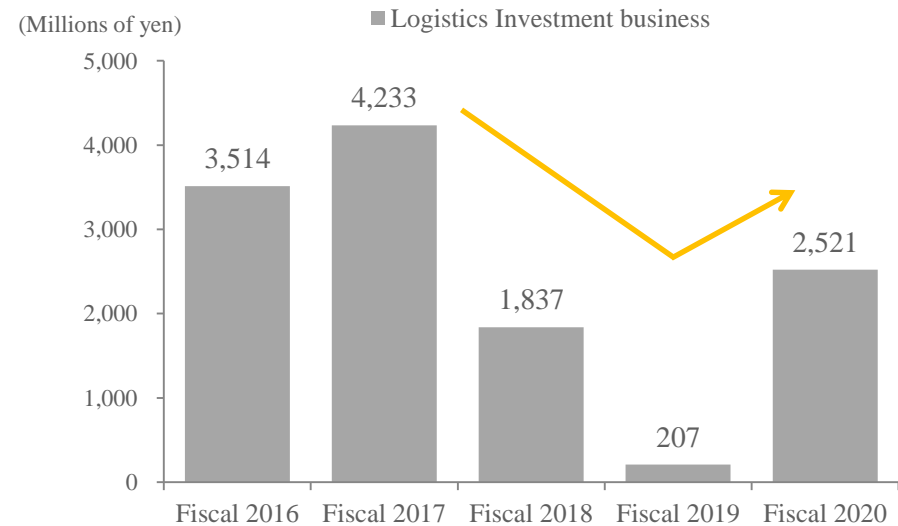
# Financial Highlights for Each Reporting Segment

## Segment Income

### Stock Business



### Flow Business



# Development Projects

Status	Name	Location	Total floor area (m <sup>2</sup> )	Construction start	Completion	
Completed	1	<i>LogiSquare</i> Soka	Soka, Saitama	30,073	June, 2012	June, 2013
Completed	2	<i>LogiSquare</i> Yashio	Yashio, Saitama	19,094	March, 2013	January, 2014
Completed	3	<i>LogiSquare</i> Hidaka	Hidaka, Saitama	17,461	July, 2014	March, 2015
Completed	4	<i>LogiSquare</i> Kuki	Kuki, Saitama	44,374	May, 2015	June, 2016
Completed	5	<i>LogiSquare</i> Hanyu	Hanyu, Saitama	38,856	August, 2015	July, 2016
Completed	6	<i>LogiSquare</i> Kuki II	Kuki, Saitama	11,931	July, 2016	February, 2017
Completed	7	<i>LogiSquare</i> Urawa Misono	Saitama, Saitama	52,374	February, 2016	April, 2017
Completed	8	<i>LogiSquare</i> Niiza	Niiza, Saitama	25,888	May, 2016	April, 2017
Completed	9	<i>LogiSquare</i> Moriya	Moriya, Ibaraki	34,221	August, 2016	May, 2017
Completed	10	<i>LogiSquare</i> Chitose	Chitose, Hokkaido	20,886	April, 2017	December, 2017
Completed	11	<i>LogiSquare</i> Tosu	Tosu, Saga	17,788	June, 2017	February, 2018
Completed	12	<i>LogiSquare</i> Kawagoe	Kawagoe, Saitama	7,540	June, 2017	February, 2018
Completed	13	<i>LogiSquare</i> Kasukabe	Kasukabe, Saitama	22,188	June, 2017	June, 2018
Completed	14	<i>LogiSquare</i> Ageo	Ageo, Saitama	19,521	May, 2018	April, 2019
Completed	15	<i>LogiSquare</i> Kawagoe II	Kawagoe, Saitama	14,787	August, 2018	June, 2019
Completed	16	<i>LogiSquare</i> Kobe Nishi	Kobe, Hyogo	16,050	June, 2019	April, 2020
Completed	17	<i>LogiSquare</i> Miyoshi	Miyoshimachi, Iruma-gun, Saitama	40,754	March, 2019	June, 2020
Completed	18	<i>LogiSquare</i> Sayama Hidaka	Hanno, Saitama	84,132	February, 2019	June, 2020
Completed	19	<i>LogiSquare</i> Osaka Katano	Katano, Osaka	80,536	November, 2019	January, 2021
Completed	20	<i>LogiSquare</i> Miyoshi II	Miyoshimachi, Iruma-gun, Saitama	18,135	November, 2019	March, 2021
Under development	21	<i>LogiSquare</i> Shiroi	Shiroi, Chiba	30,400 (plan)	November, 2021 (plan)	November, 2022 (plan)
Under development	22	<i>LogiSquare</i> Hirakata	Hirakata, Osaka	45,083 (plan)	November, 2021 (plan)	January, 2023 (plan)
Under development	23	<i>LogiSquare</i> Atsugi I	Aikawacho, Kanagawa	18,200 (plan)	April, 2022 (plan)	March, 2023 (plan)
Under development	24	<i>LogiSquare</i> Matsudo	Matsudo, Chiba	15,654 (plan)	Spring of 2022 (plan)	Spring of 2023 (plan)
Under development	25	<i>LogiSquare</i> Fukuoka Ogori	Ogori, Fukuoka	18,000-24,000 (plan)	Summer of 2022 (plan)	Summer of 2023 (plan)
Under development	26	<i>LogiSquare</i> Astugi II	Astugi, Kanagawa	18,000-20,000 (plan)	Spring of 2023 (plan)	Summer of 2024 (plan)
Under development	27	<i>LogiSquare</i> Fujimino A	Fujimino, Saitama	114,256 (plan)	February, 2022 (plan)	August, 2023 (plan)
Under development	28	<i>LogiSquare</i> Fujimino B	Fujimino, Saitama	115,040 (plan)	January, 2023 (plan)	August, 2024 (plan)
Under development	29	<i>LogiSquare</i> Fujimino C	Fujimino, Saitama	43,893 (plan)	January, 2023 (plan)	March, 2024 (plan)

# Stock Information (As of January 31, 2021)

## Issued Shares and Shareholders

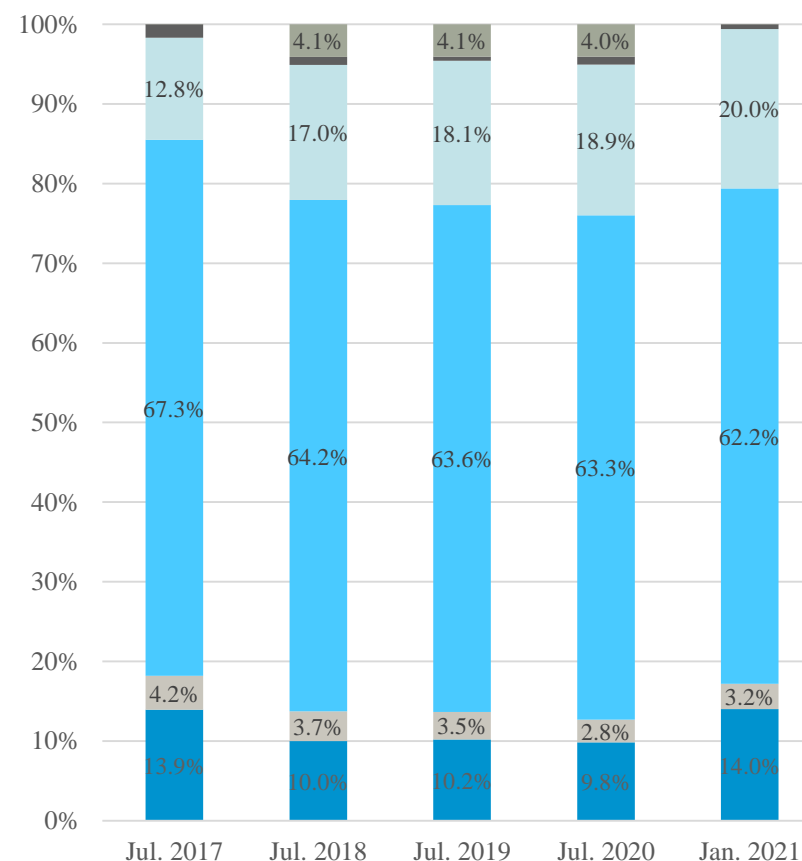
Number of Shares Issued and Outstanding	27,462,600
Number of Shareholders	9,627

## Major Shareholders

Shareholder Name	Number of shares (Thousands)	Shareholding ratio (%)
Kyobashi Kosan, Inc.	12,009	43.73
Kenedix, Inc.	4,127	15.02
GOLDMAN, SACHS & CO. REG	3,224	11.74
GOLDMAN SACHS INTERNATIONAL	1,407	5.12
Kokyo Tatemono Co., Ltd.	559	2.04
NORTHERN TRUST CO. (AVFC) SUB A/C NON TREATY	436	1.59
Syuhei Yamashita	344	1.25
Tsuyoshi Ito	228	0.83
THE BANK OF NEW YORK MELLON 140042	214	0.78
Tokyo Weld Co., Ltd.	200	0.73

## Ratio of Shareholding by Type of Shareholder

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





「つなぐ」未来を創造する

**CRE**

Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.