



Photo: LogiSquare Osaka Katano



Photo: LogiSquare Itami



Photo: LogiSquare Sayama Hidaka

**Consolidated Results for First Quarter
of Fiscal Year ending July 31, 2023
(August 1, 2022 to July 31, 2023)**

December 12, 2022

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

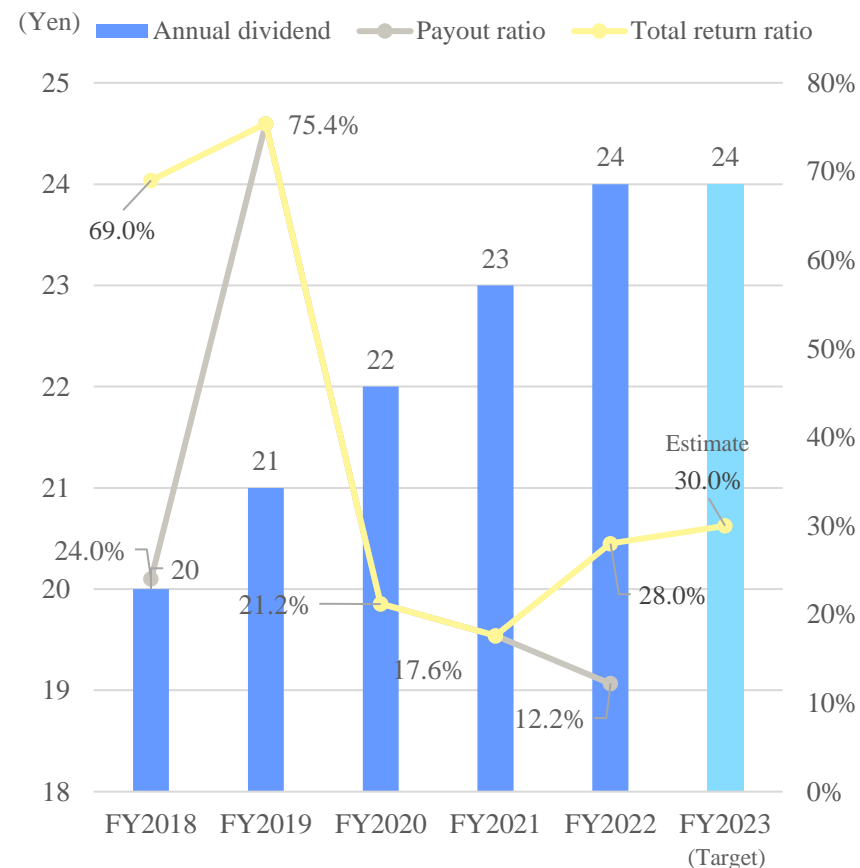
- Dividends: Total amount reached ¥719 million (¥24 per share)
- Treasury stock buyback
 - September 2022 Upper limit of ¥1 billion
 - Completed buyback of 580,000 shares, at ¥886 million

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.

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Performance Highlights:

Net sales	¥6,758 million	(YOY (78.0)%/Rate of progress 10.9%)
Business profit* ¹	¥377 million	(YOY (94.1)%/Rate of progress 5.8%)

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

Business Highlights

- All building sales in logistics investment business expected to occur in second half of fiscal 2023 so rate of progress is low but still on track.
- Logistics investment business: Anticipate sale of three properties in second half of fiscal 2023. Brisk tenant leasing activity.
- Real estate management business: No plans to sell buildings in first quarter, causing sales and profit to decline year on year.
- 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.

Stock Business

Real Estate Management Business

Master lease operating rate

97.0 %

(YOY -0.6 point)

Asset Management Business

Changes in Assets under Management (AUM)

¥242.9 billion

(YOY +31 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

About **¥190 billion**

Finances

Net Debt/Equity Ratio

(Upper limit at end of year: 2.5 times)

1.06 times

Interest-bearing debt

¥65.3 billion

* See page 13 for details

Consolidated Summary of Fiscal 2023 First Quarter

- Low rate of progress in first quarter because property sales in logistics investment business planned for second half. Results still on track.

(Millions of yen)

	Fiscal 2022 First Quarter Actual	Fiscal 2023 First Quarter Actual	Fiscal 2023 Initial Plan
Net sales	30,743	6,758	61,800
Gross profit	7,121	1,375	–
Selling, general and administrative expenses	1,333	1,131	–
(Amortization of goodwill)	64	53	–
Operating profit	5,787	244	6,350
EBITDA	5,920	385	7,020
Business profit*1	6,446	377	6,500
Recurring profit	5,551	90	5,000
Net income	4,151	32	3,200
Earnings per share (Yen)	¥150.38	¥1.10	¥106.79

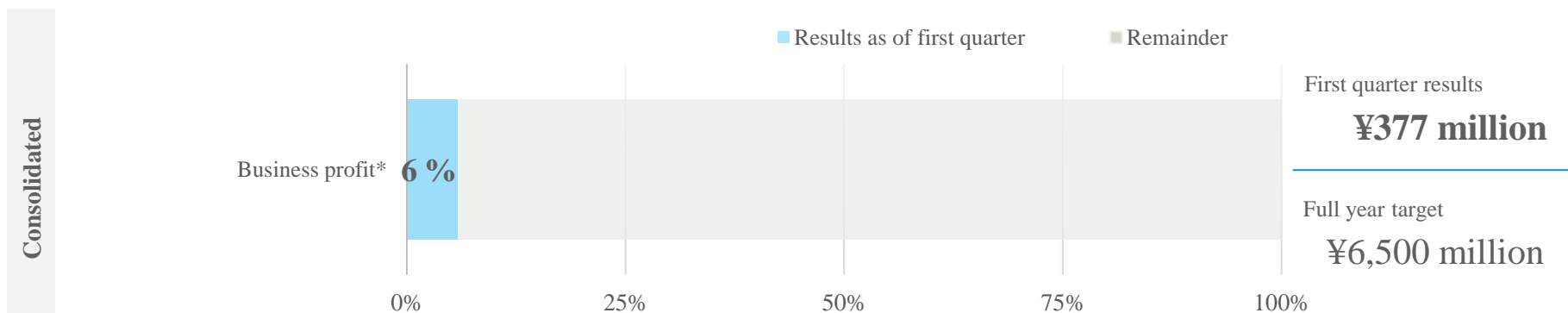
	Fiscal 2022 First Quarter Actual	Fiscal 2023 First Quarter Actual	Fiscal 2023 Initial Plan
Net sales	30,743	6,758	61,800
Real estate management business	7,944	6,479	29,800
Logistics investment business	22,439	4	30,850
Asset management business	357	273	1,150
Other operations	2	1	–
Segment income	5,787	244	6,350
Real estate management business	949	456	2,580
Logistics investment business	4,997	(49)	4,980
Asset management business	261	161	680
Other operations	0	0	–
Adjustment	(421)	(324)	(1,890)

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

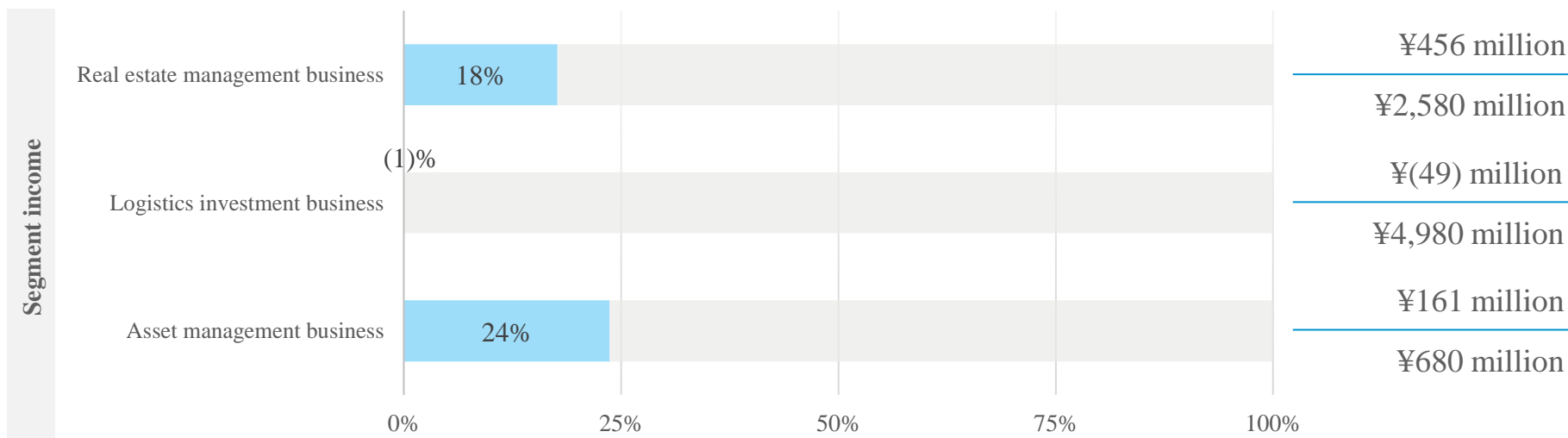
*1: Business profit = Operating profit + Equity in earnings of affiliates + Goodwill amortization (consolidated subsidiaries/equity method affiliates)+ Profit (loss) from business investments

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

- Business profit of ¥377 million and rate of progress toward target at 5.8%.



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



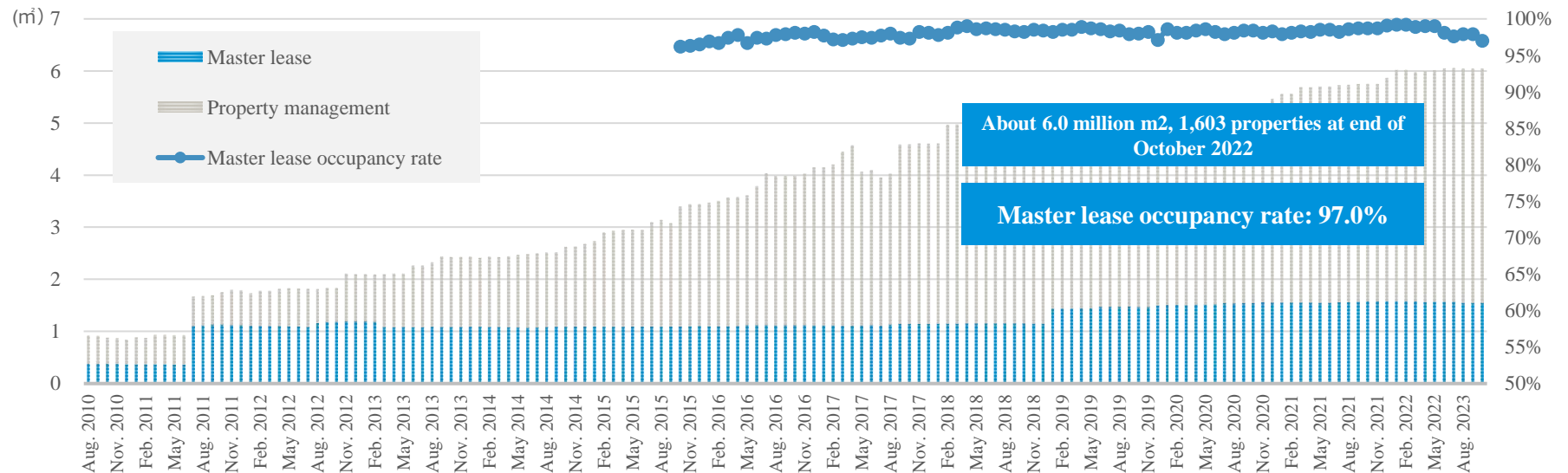
First quarter saw no planned sales of properties, leading to drop in sales and income year on year.

Rate of progress toward initial target



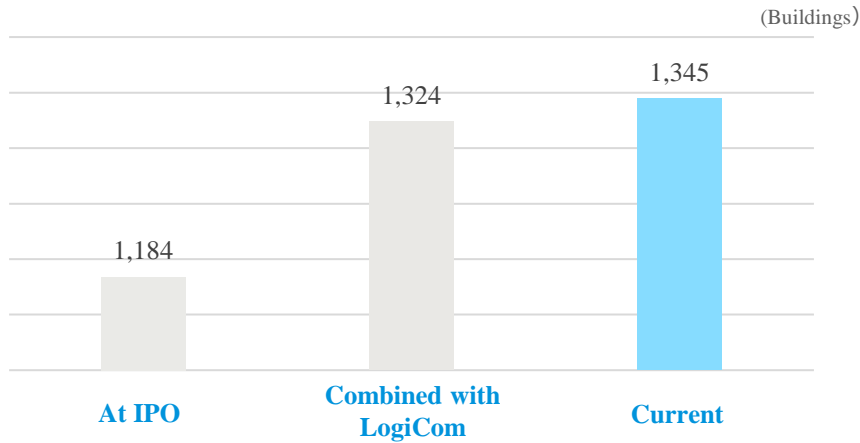
- Master lease occupancy rate was good, and rental income trended upward.
- Slight increase in inventory, year on year, with leasing income on master leases down.
- Booked revenue from sale of buildings to CRE Master Lease Fund 3 in fiscal 2022.

Key ratio: Changes in managed properties



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

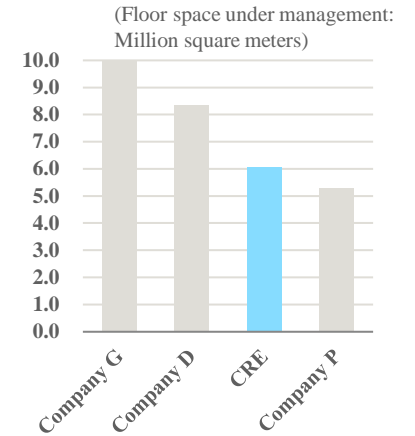
Change in Master Lease Properties



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

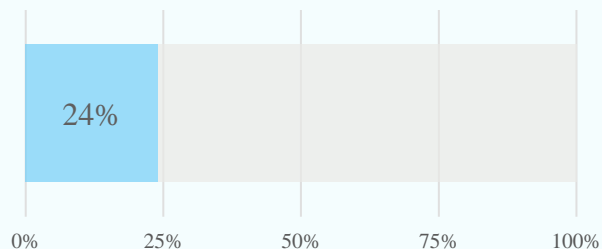
2.6%

Turnover

6.5%

Progress on track.

Rate of progress toward initial target



Public offering (CRE Logistics REIT)

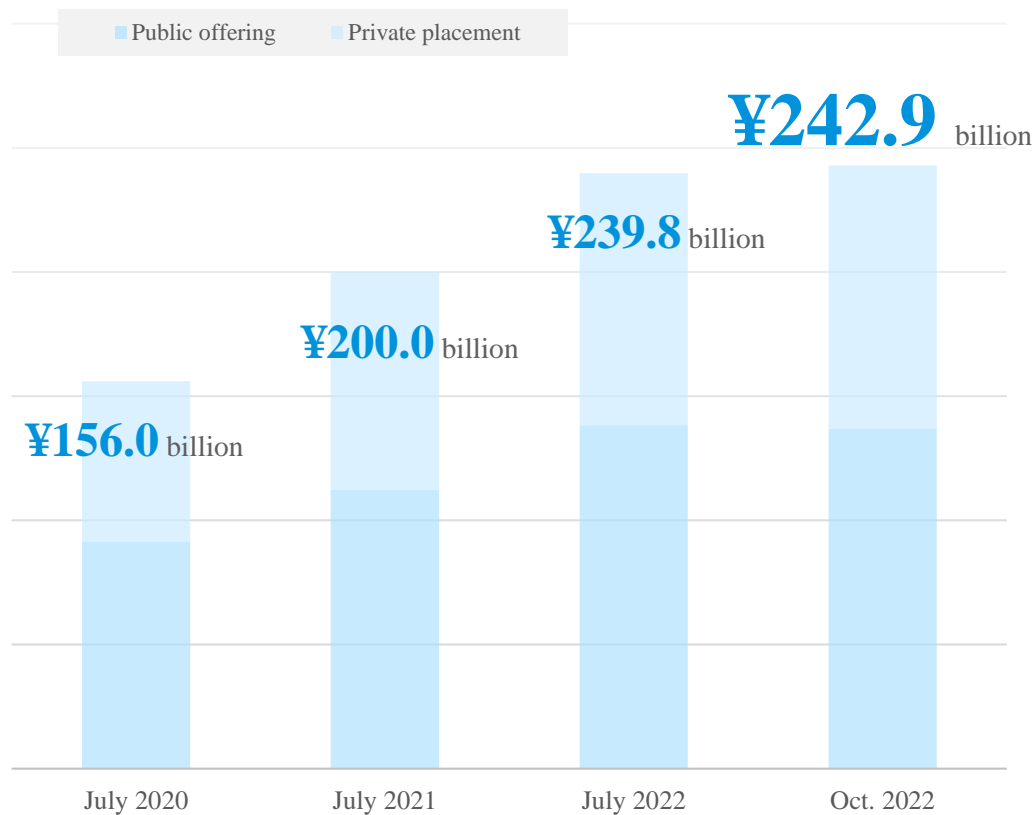
- Asset balance decreased due to sale of *LogiSquare Chitose*.
- Secured preferential negotiating rights on *LogiSquare Shiroy* and *LogiSquare Hirakata*.

Privately placed funds

- Formed Self-Storage Specialized Fund 2 in September 2022.
- Sourcing to form CRE Master Lease Fund 5 moving forward.

Key Indicator: Change in AUM

Asset balance increased ¥3.1 billion from fiscal 2022 year-end.



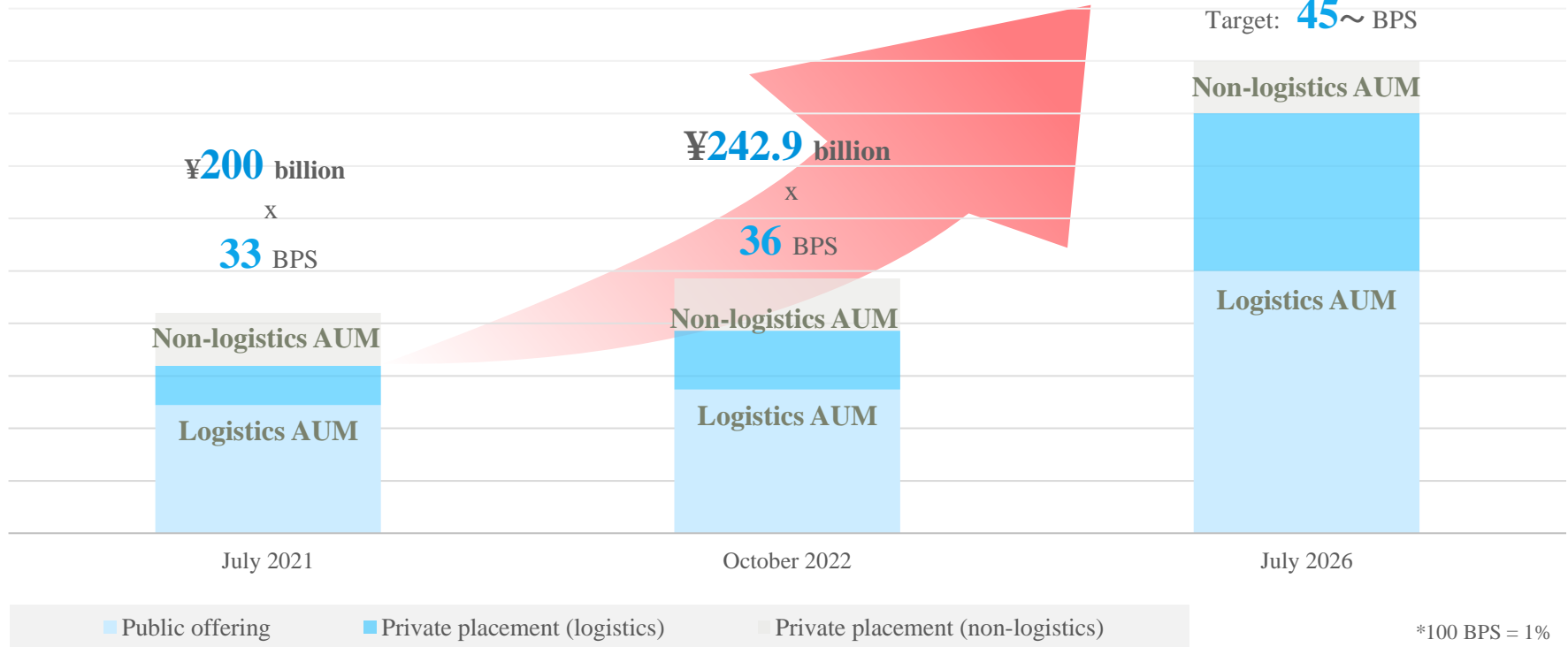
Aim — Double assets under management (AUM) x Higher rate of return

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.

$$\text{AM fees} = \text{AUM} \times \text{AM rate of return}$$

Target: ¥450 billion
X
Target: 45~ BPS



* 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

UPDATE

Self-storage fund

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

Fund 2 formed in September 2022 (comprises eight buildings)

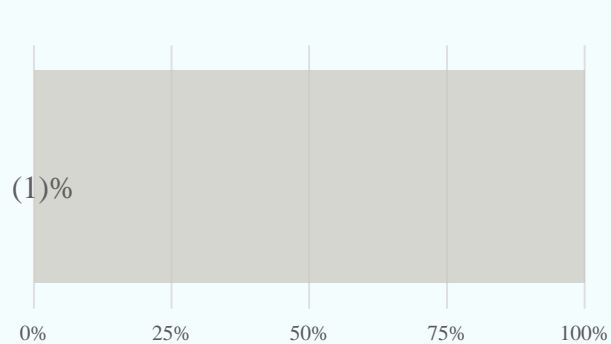


Features

- 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

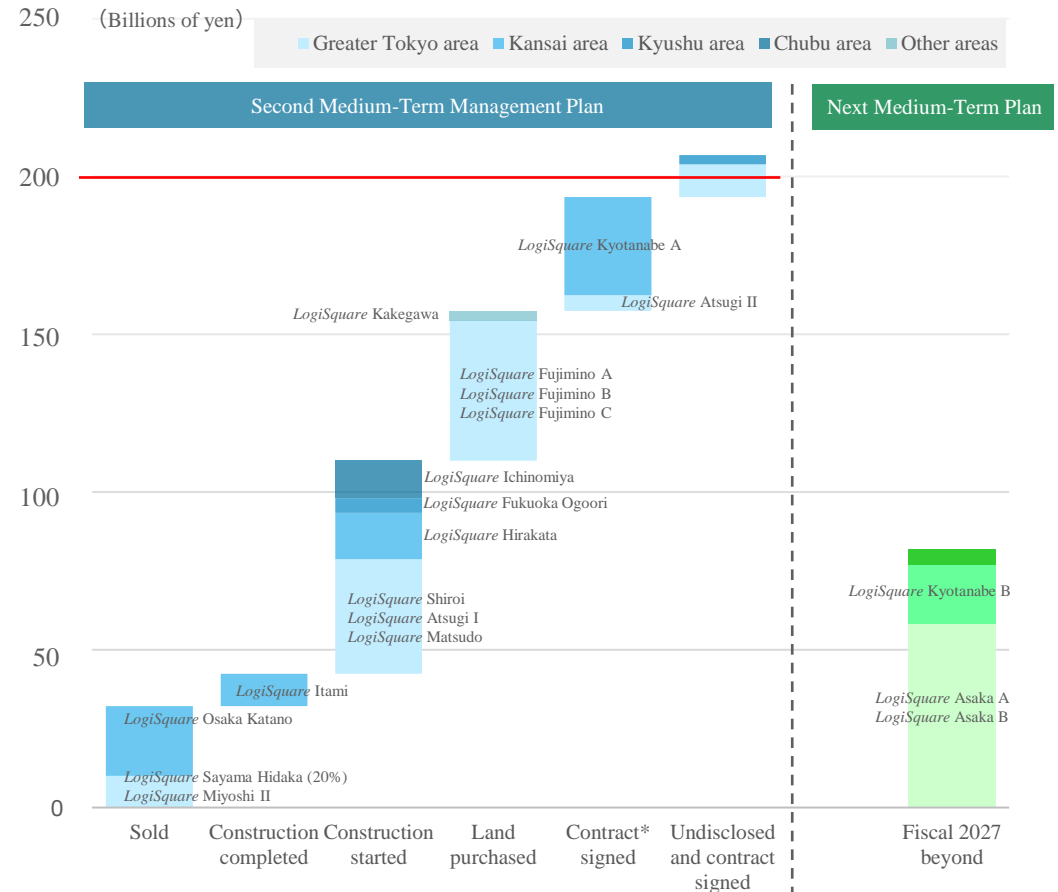
Expect to sell all three buildings in second half of fiscal 2023. Leasing activities brisk. Preferential negotiating rights on two properties (*LogiSquare Shiroi* and *LogiSquare Hirakata*, with confirmed tenants) granted to CRE Logistics REIT. Moving steadily ahead on acquisition of development sites for next medium-term management plan and beyond.

Rate of progress toward initial target



- *LogiSquare Itami* completed
- Progress on buildings planned for sale in fiscal 2023
 - Confirmed tenant ratio of 50% for *LogiSquare Itami*
 - Confirmed tenant ratio of 100% for *LogiSquare Shiroi*
 - Informal agreements with potential tenants, for 100% occupancy at *LogiSquare Hirakata*

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



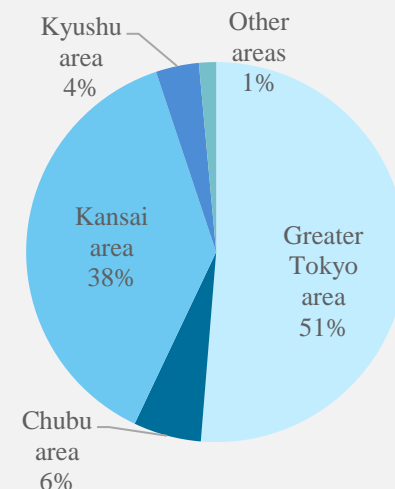
* Contract: Land sale contract / Acquisition of preferential negotiating rights

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 Itami Area : Itami, Hyogo Floor space : 29,978m ² <small>Confirmed tenant ratio of 50%</small>	Started September 2021	Completion November 2022			
LogiSquare Shiroi Area : Shiroi, Chiba Floor space : 30,808m ² <small>Confirmed tenant ratio of 100%</small>	Started December 2021	Completion December 2022 (estimated)	Scheduled for sale in fiscal 2023		
LogiSquare Hirakata Area : Hirakata, Osaka <small>Informal agreements with potential tenants, for 100% occupancy</small> Floor space : 45,842m ²	Started October 2021	Completion January 2023 (estimated)			
LogiSquare Atsugi I Area : Aikawa, Kanagawa Floor space : 18,236m ²	Started April 2022	Completion March 2023 (estimated)			
LogiSquare Matsudo Area : Matsudo, Chiba Floor space : 15,642m ²	Started May 2022	Completion May 2023 (estimated)			
LogiSquare Ichinomiya Area : Ichinomiya, Aichi Floor space : 60,641m ² <small>Confirmed tenant ratio of 50%</small>		Started August 2022	Completion September 2023 (estimated)		
LogiSquare Fukuoka Ogoori Area : Ogoori, Fukuoka Floor space : 23,913m ² <small>Confirmed tenant ratio of 100%</small>		Started December 2022	Completion February 2024 (estimated)		
LogiSquare Fujimino A, B, C Area : Fujimino, Saitama Floor space : 112,295/116,319/43,283m ²	Started July 2022	Start March 2023 (estimated)	Completion January 2024 (estimated)	Completion October 2024 (estimated)	Completion 2025 (estimated)
LogiSquare Atsugi II Area : Atsugi, Kanagawa Floor space : 19,000m ²		Start Spring of 2023 (estimated)	Completion Summer of 2024 (estimated)		
LogiSquare Kakegawa Area : Kakegawa, Shizuoka Floor space : 14,200m ² <small>Confirmed tenant ratio of 100%</small>		Start February 2023 (estimated)	Completion January 2024 (estimated)		
LogiSquare Kyotanabe A Area : Kyotanabe, Kyoto Floor space : 160,530m ² <small>Confirmed tenant ratio of 15%</small>		Start April 2023 (estimated)		Completion February 2025 (estimated)	

Area distribution across pipeline



* 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

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}

1,345 properties^{*2}

Familiar with regional characteristics

(Urbanization control areas, land readjustment areas)

Percentage of development projects in urbanization control areas **45%**^{*3}

CRE Group boasts solid ability in soil contamination countermeasures



Percentage of development projects for which soil contamination countermeasures have been drafted **40%**^{*3}

Construction management team comprising first-class registered architects



Planning that is well aware of warehouse operation and facility management

Bring construction management in-house

- 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**

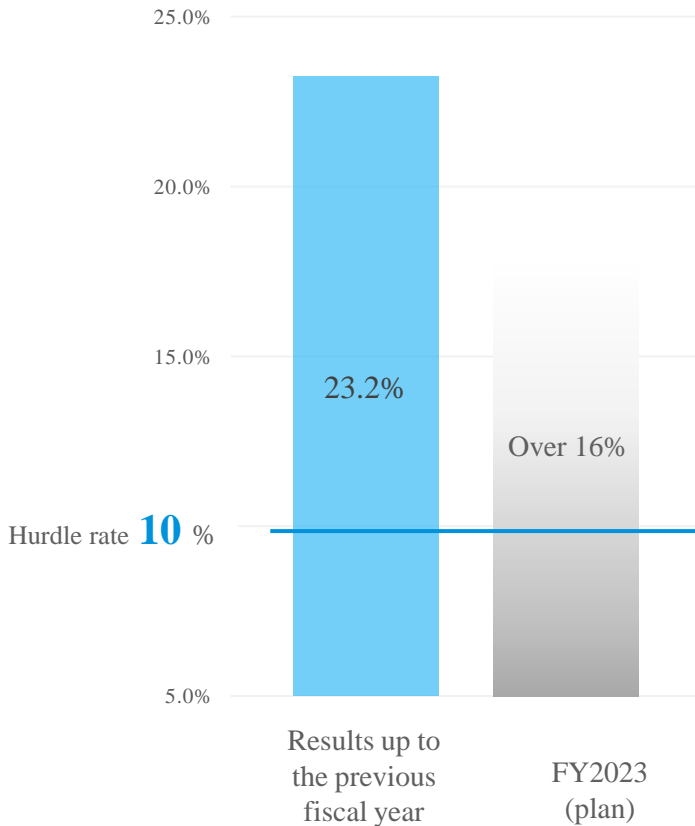
*1 Tenko Soken Co., Ltd., established in 1964 *2 As of end of October 2022 *3 Based on 20 completed properties, up to LogiSquare Miyoshi II

Flow Business | Logistics Investment Business

Track Record—From Investment to Exit

Change in segment gross profit margin

- Set conservatively, taking into account uncertainty in development business.



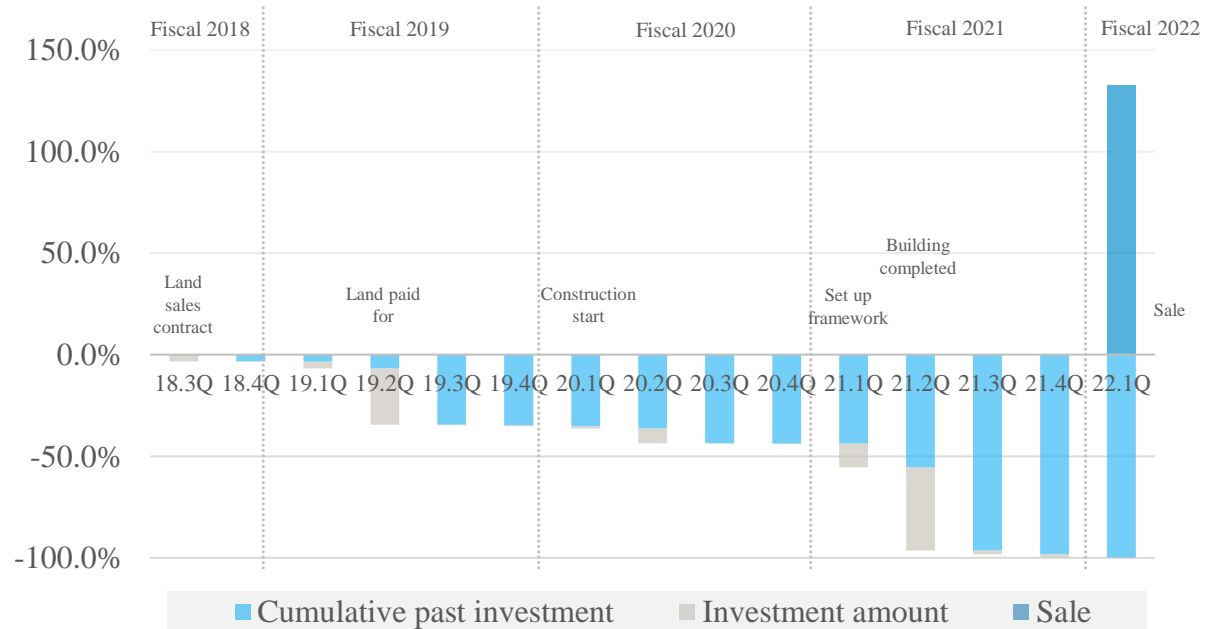
Reference: Investment to exit process

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

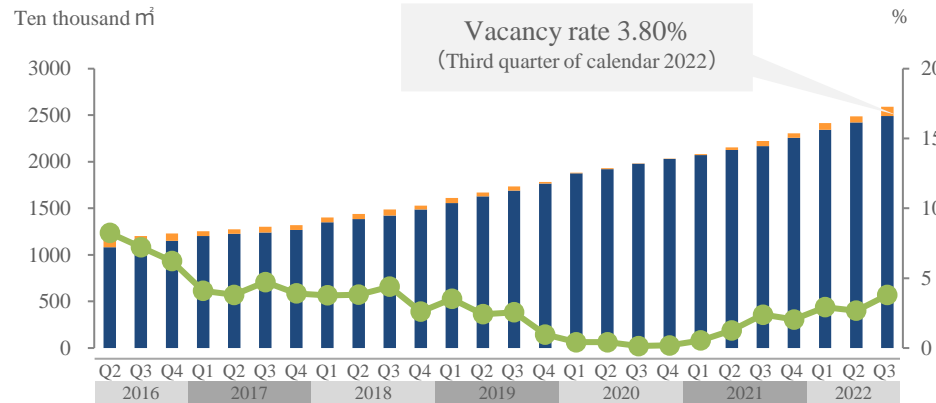
Flow Business | Logistics Real Estate Market Environment

Rental market

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

■ Amount of stock and vacancy rate

Greater Tokyo area



Kansai area



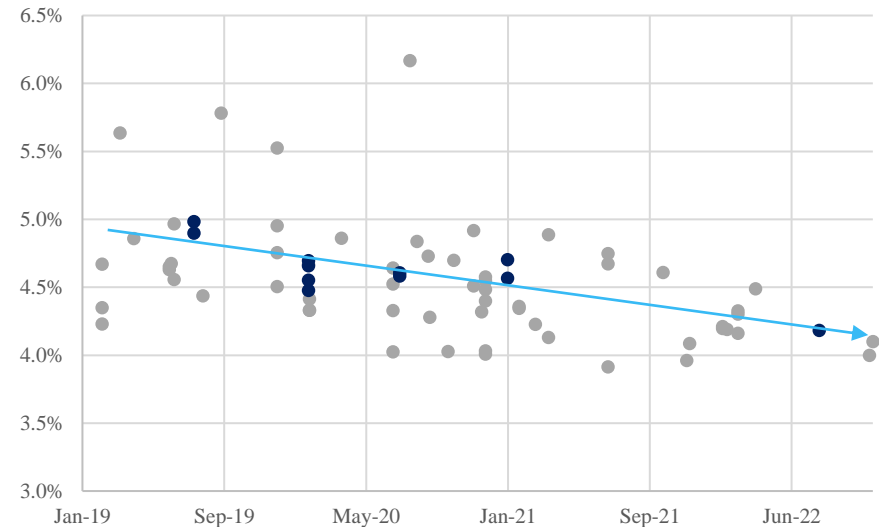
Source : "Market Report on Warehouses and Logistics Properties (β version) Ver. 202209" Published by CRE, Inc.

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 (completed in April 2022)
- Future plans

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



SEMBCORP LOGISTICS PARK IN VSIP QUANG NGAI Park A & B

Thailand

- Self-storage

Indonesia

- Established representative office for warehouse development
- Started construction of BTS-type logistics facility (Cikarang, city in suburbs of Jakarta)





SEMBCORP LOGISTICS PARK IN VSIP NGHE AN

Measures to Support Sustainable Society

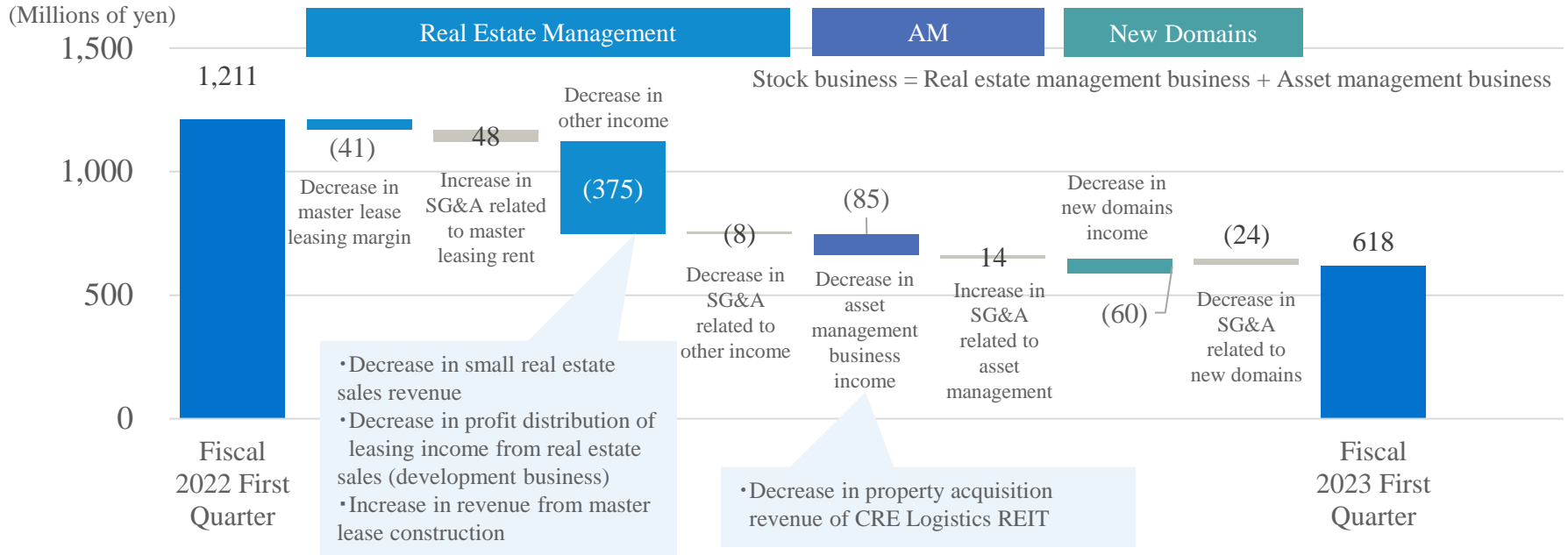
Through initiatives addressing materiality (priority issues), CRE will contribute to the realization of a sustainable society.

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

Despite favorable shift in core stock, no revenues associated with sale of real estate were planned during first quarter, causing stock business to decrease substantially overall.



Core stock (Gross profit)



Full-Year Targets for Fiscal 2023

- Positioned fiscal 2023 as staging ground to solidify business foundation on way toward business profit of ¥12 billion. 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, decided not to make any changes to performance forecast at present time.
- In logistics investment business, three *LogiSquare* properties are to be sold. Anticipated segment profit ratio above 16%, but fiscal 2022 set extremely high precedent, and lower sales and lower income are in forecast. Nevertheless, for two properties (*LogiSquare* Shiroi and *LogiSquare* Hirakata), where tenants are confirmed, CRE will sell at prices higher than initially planned, and strive to boost segment profit ratio.
- 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 goal is to form additional private funds not originally planned, which should buoy segment income to a year-on-year par.

(Millions of yen)

	Fiscal 2022 (Actual)	Fiscal 2023 (Forecast)	YOY Change			Fiscal 2022 (Actual)	Fiscal 2023 (Forecast)	YOY Change	
			Amount	YOY				Amount	YOY
Net sales	62,734	61,800	(934)	(1.5)%	Net sales	62,734	61,800	(934)	(1.5)%
Operating profit	10,182	6,350	(3,832)	(37.6)%	Real estate management business	28,058	29,800	1,741	6.2%
EBITDA	10,767	7,020	(3,747)	(34.8)%	Logistics investment business	33,260	30,850	(2,410)	(7.2)%
Business profit*1	10,991	6,500	(4,491)	(40.9)%	Asset management business	1,408	1,150	(258)	(18.4)%
Recurring profit	9,187	5,000	(4,187)	(45.6)%	Other operations	7	—	—	—
Net income	5,775	3,200	(2,575)	(44.6)%	Segment income	10,182	6,350	(3,832)	(37.6)%
Earnings per share (Yen)	¥196.82	¥106.79	¥(90)	(45.7)%	Real estate management business	2,892	2,580	(312)	(10.8)%
					Logistics investment business	7,796	4,980	(2,816)	(36.1)%
					Asset management business	847	680	(167)	(19.7)%
					Other operations	2	—	—	—
					Adjustment	(1,356)	(1,890)	(533)	—

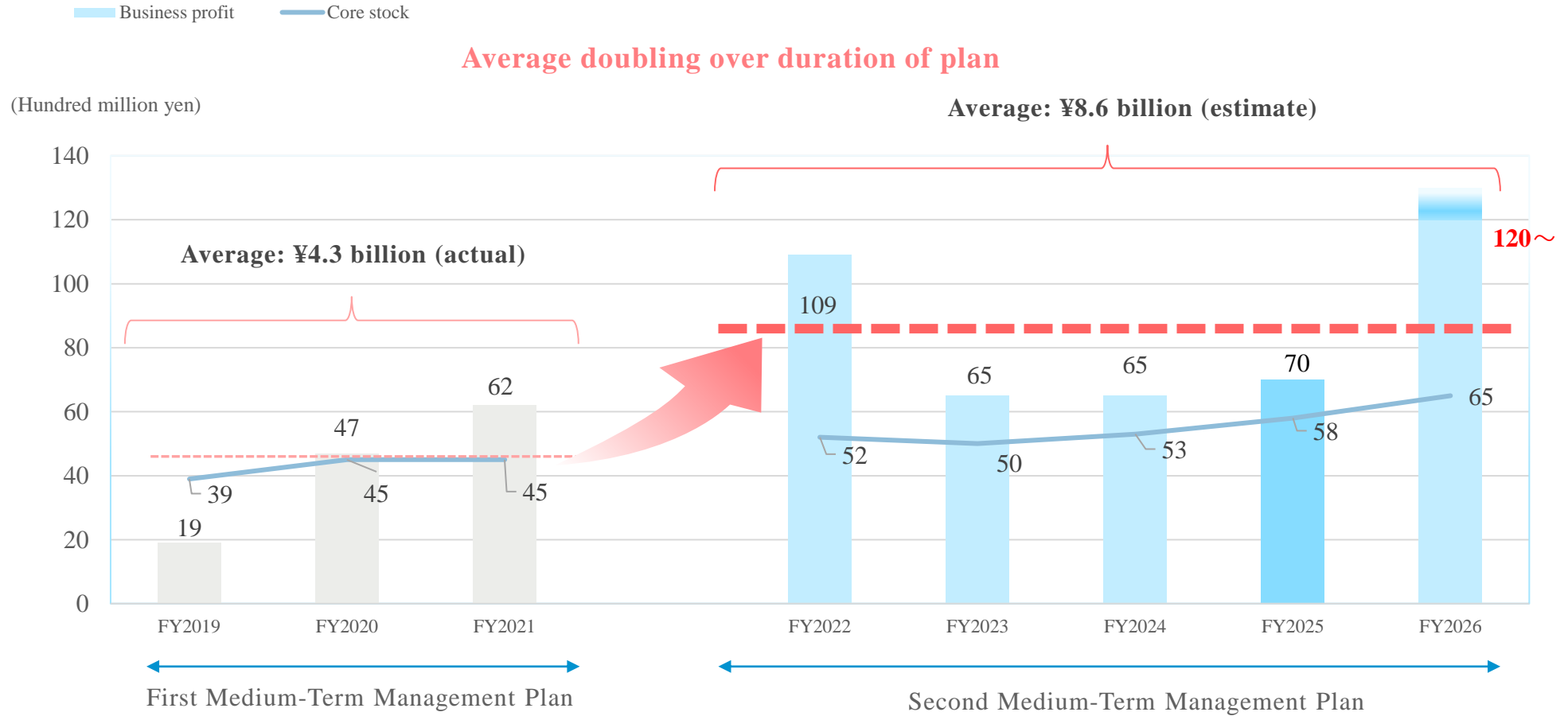
Note: Sales for each reporting segment represent sales to external customers.

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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

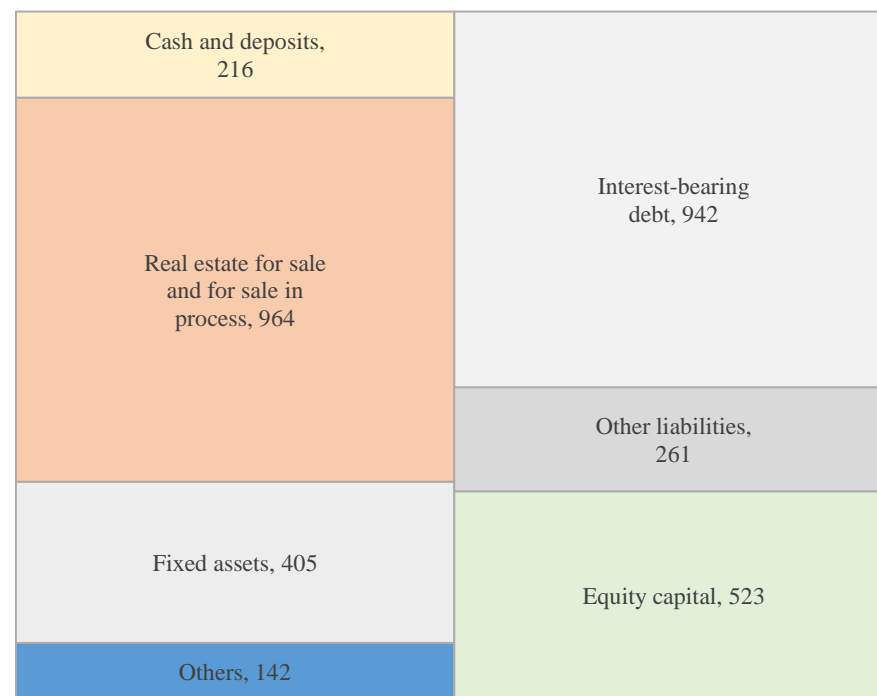
800

600

400

200

0



(Hundred million yen)

At July 31, 2022 (actual)

Net D/E: 0.51 times

1,200

1,000

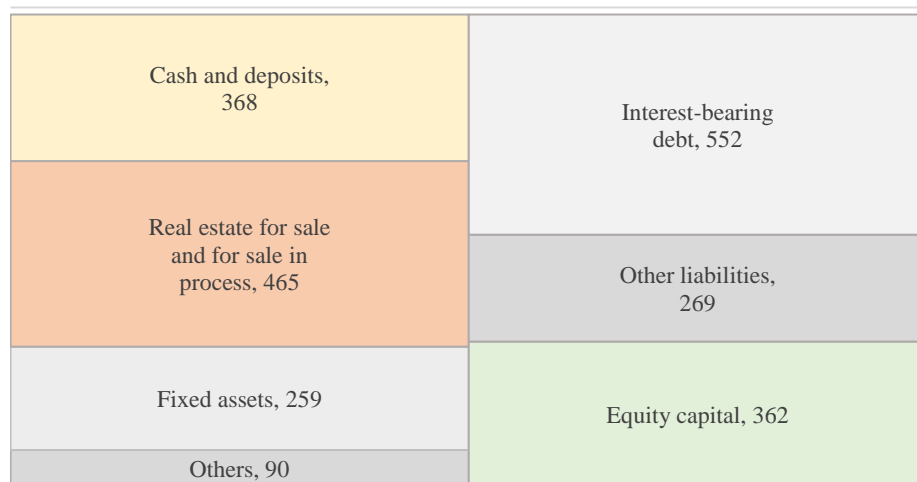
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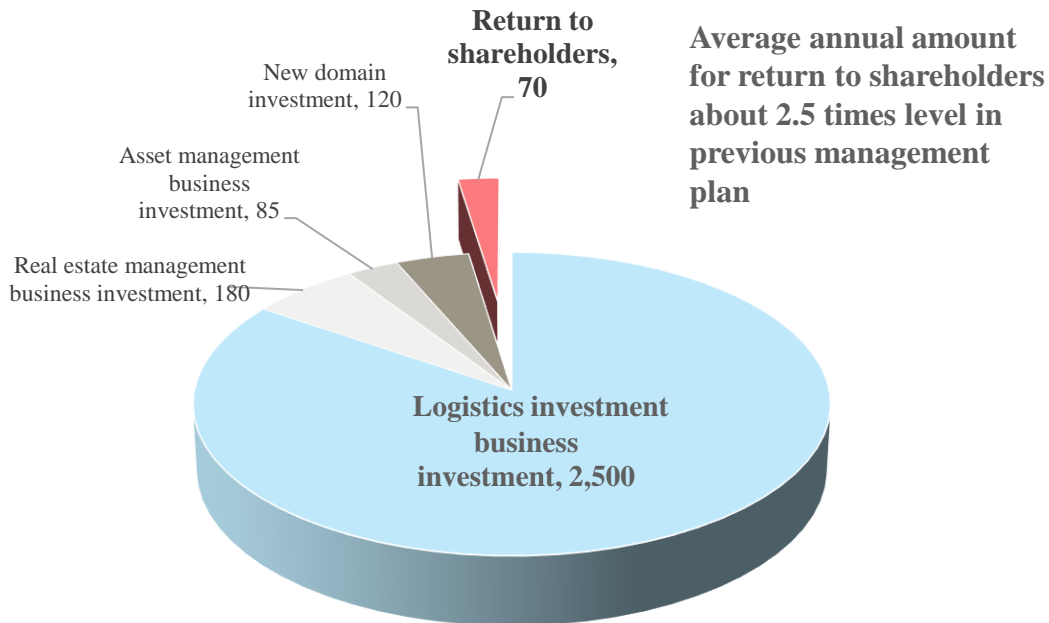
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Emphasizing Balance of Investment, Financial Stability and Return to Shareholders

Capital allocation during Second Medium-Term Management Plan

(Hundred million yen)



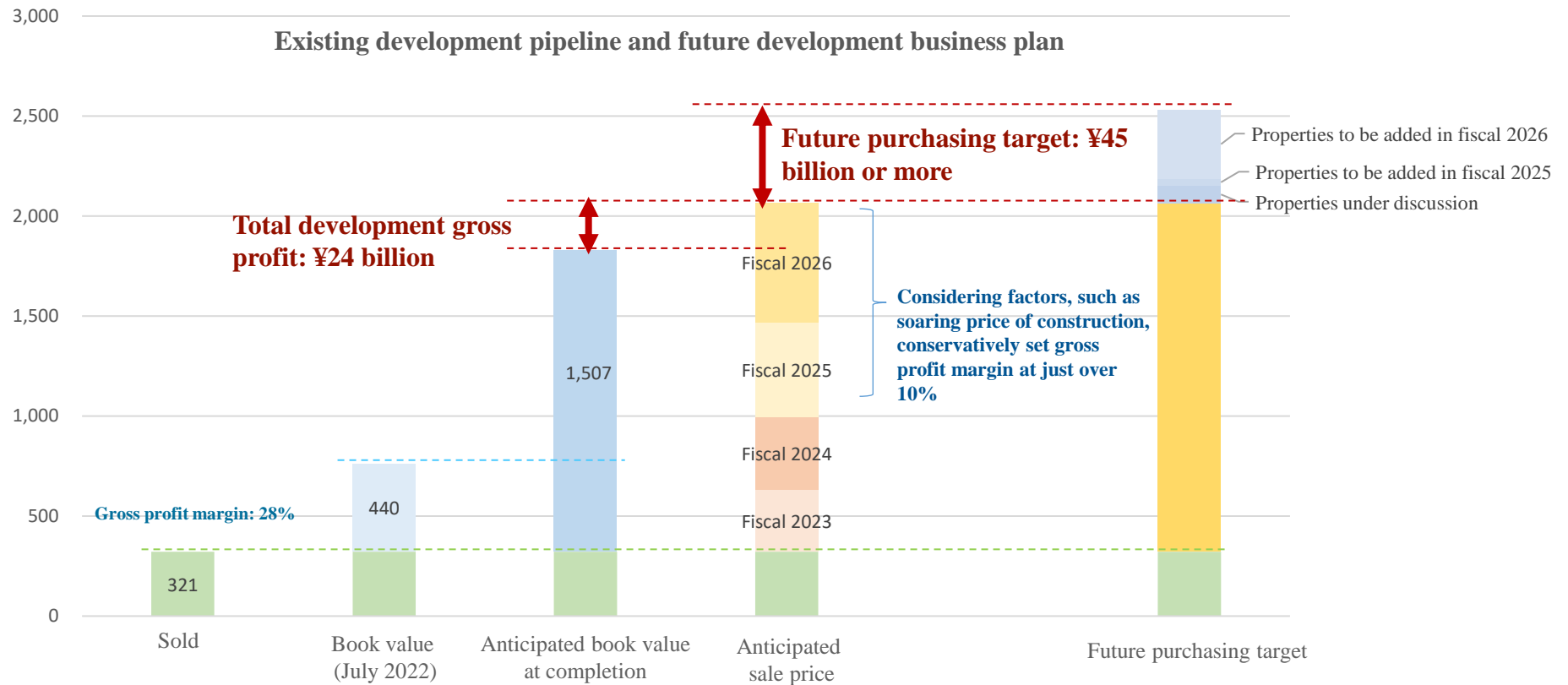
Note: Breakdown of invested capital between fiscal 2023 and fiscal 2026. However, return to shareholders includes return using fiscal 2026 revenues as source of funds.

- ✓ **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%

Development Business Investment Plan

Firmly secure revenue through existing pipeline, focus on risk/return of short-term purchasing

(Hundred million yen)



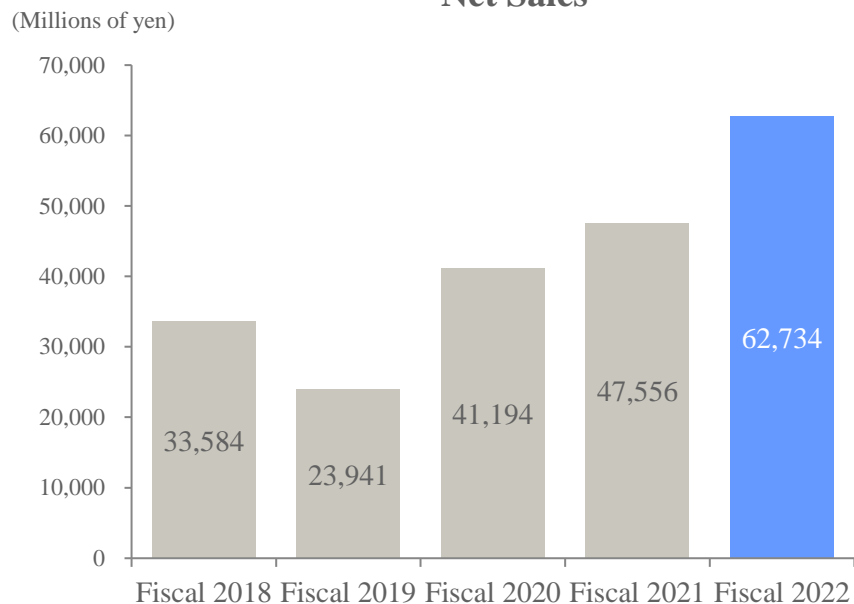
Key risk factors for development business going forward

- Shrinking profit due to skyrocketing construction expenses
⇒ For 80% of properties included in fiscal 2023 and fiscal 2024 sales forecasts, agreements already concluded with regard to perspective of construction costs
- Delay in attracting tenants may push sale of property to a following fiscal year
- Sales may decrease due to disparity between anticipated rent from tenants and actual amount received

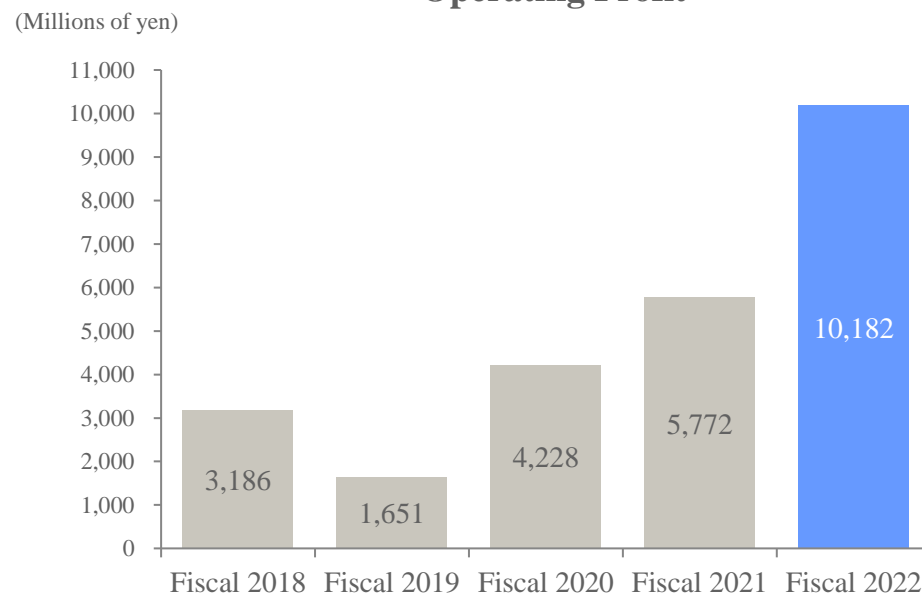
APPENDIX

Consolidated Financial Highlights

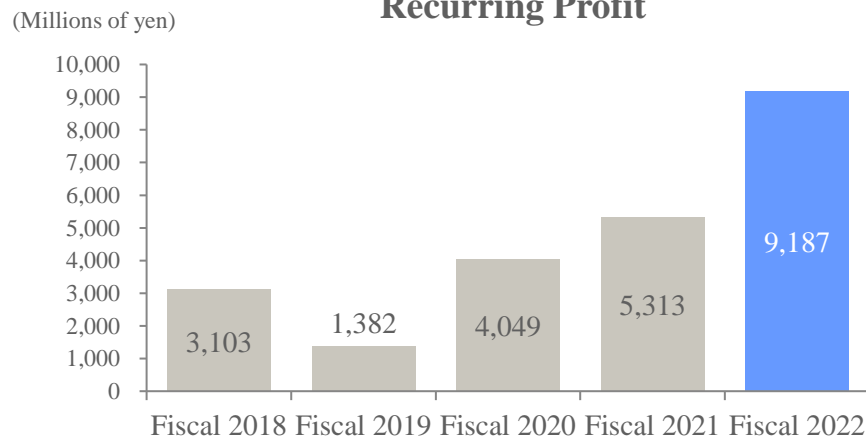
Net Sales



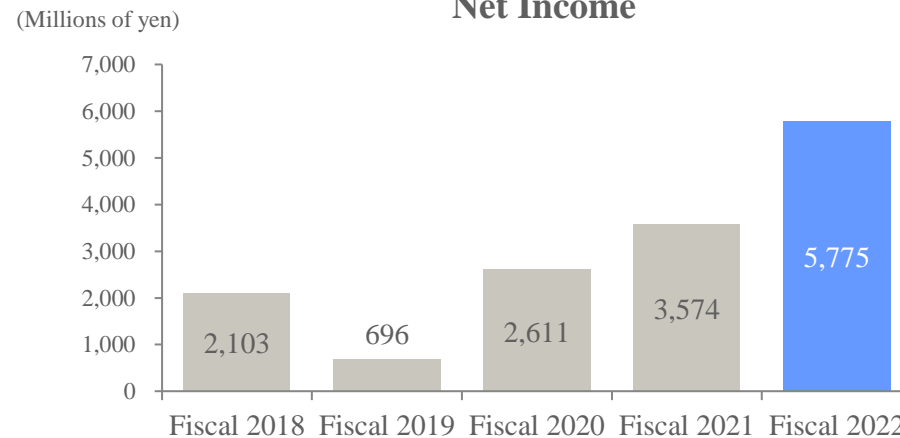
Operating Profit



Recurring Profit



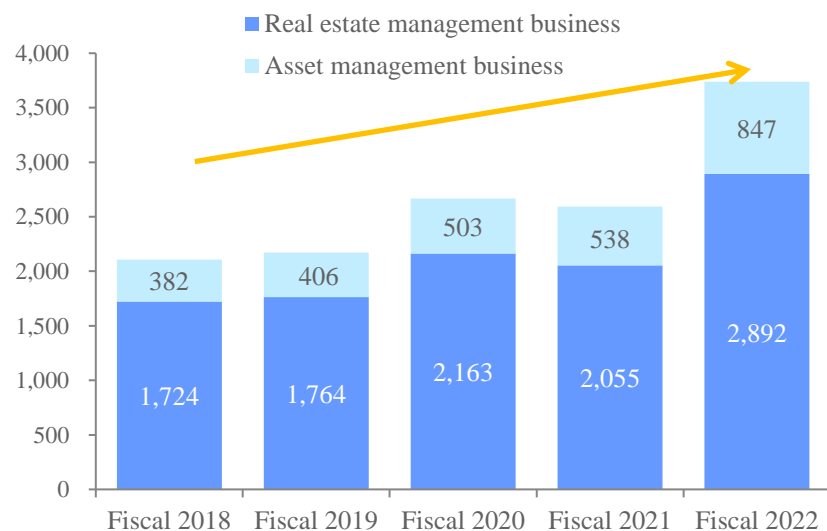
Net Income



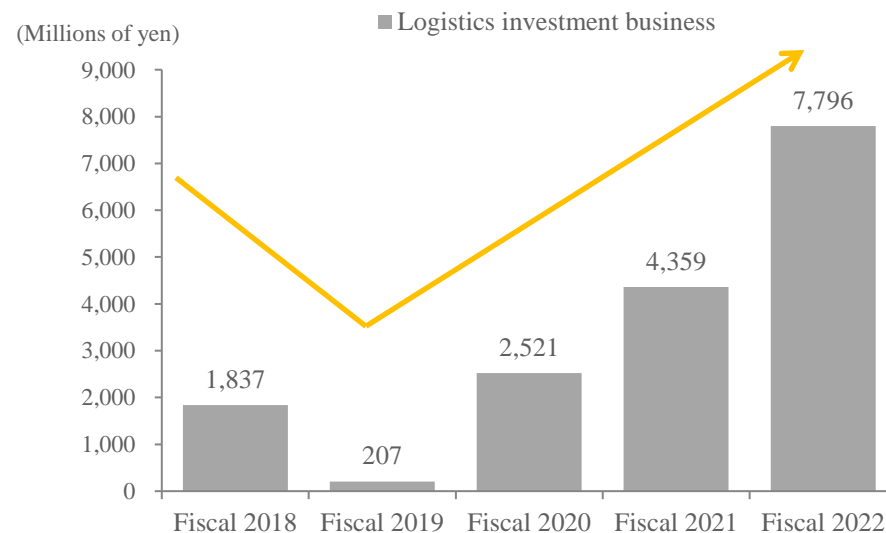
Financial Highlights for Each Reporting Segment

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				
Segment Income	949	481	816	644	2,892	456				
Profit ratio	12.0%	8.4%	12.5%	8.2%	10.3%	7.0%				
Logistics investment business										
Sales	22,439	301	6,690	3,828	33,260	4				
Segment Income	4,997	(9)	2,504	304	7,796	(49)				
Profit ratio	22.3%	(3.3)%	37.4%	8.0%	23.4%	—				
Asset management business										
Sales	357	434	292	323	1,408	273				
Segment Income	261	297	187	100	847	161				
Profit ratio	73.2%	68.5%	64.0%	31.0%	60.2%	59.0%				

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

Summary of Consolidated Balance Sheets

- Key components of real estate for sale: Eleven small-sized warehouses
- Key components of real estate for sale in process: *LogiSquare* Atsugi I, *LogiSquare* Hirakata, *LogiSquare* Fujimino ABC
LogiSquare Itami, *LogiSquare* Shiroy , *LogiSquare* Ichinomiya, *LogiSquare* Matsudo and
LogiSquare Kakegawa

(Millions of yen)

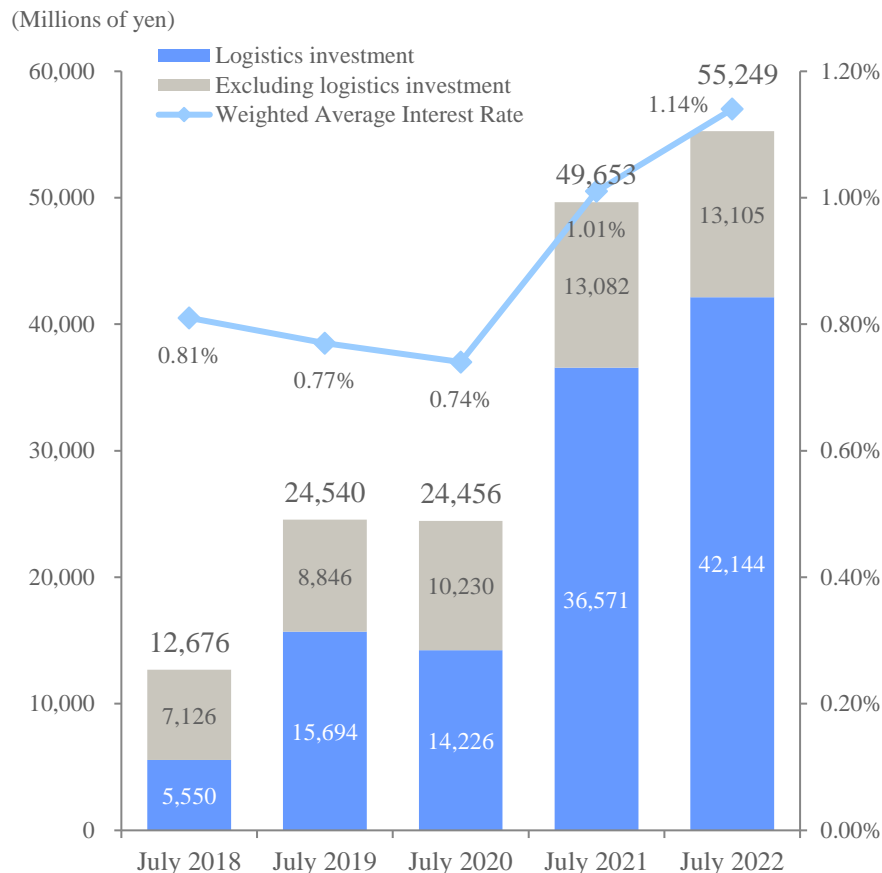
	As of July 31, 2022	As of October 31, 2022	YOY change (%)		As of July 31, 2022	As of October 31, 2022	YOY change (%)
Total assets	118,248	118,628	380	Total liabilities	82,090	84,031	1,941
Current Assets	92,273	92,463	190	Current liabilities	20,695	12,214	(8,481)
(Key components)				(Key components)			
Cash and deposits	36,806	28,734	(8,071)	Short-term loans payable, etc.*1	3,429	3,178	(250)
Real estate for sale	2,555	2,777	221	Fixed liabilities	61,394	71,816	10,422
Real estate for sale in process	43,981	47,579	3,598	(Key components)			
Fixed assets	25,954	26,146	191	Long-term loans payable, etc.*2	51,790	62,188	10,397
(Key components)				Lease and guarantee deposits received	7,975	8,007	32
Tangible fixed assets	7,222	7,550	328	Total net assets	36,157	34,596	(1,560)
Intangible fixed assets	1,052	1,044	(8)	Common stock	5,217	5,218	0
Investments and other fixed assets	17,679	17,551	(128)	Capital surplus	7,177	7,177	0
<Lease and guarantee deposits>	<7,548>	<7,445>	(103)	Earned surplus	22,311	21,625	(686)
Total assets	118,248	118,628	380	Total liabilities and net assets	118,248	118,628	380

*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

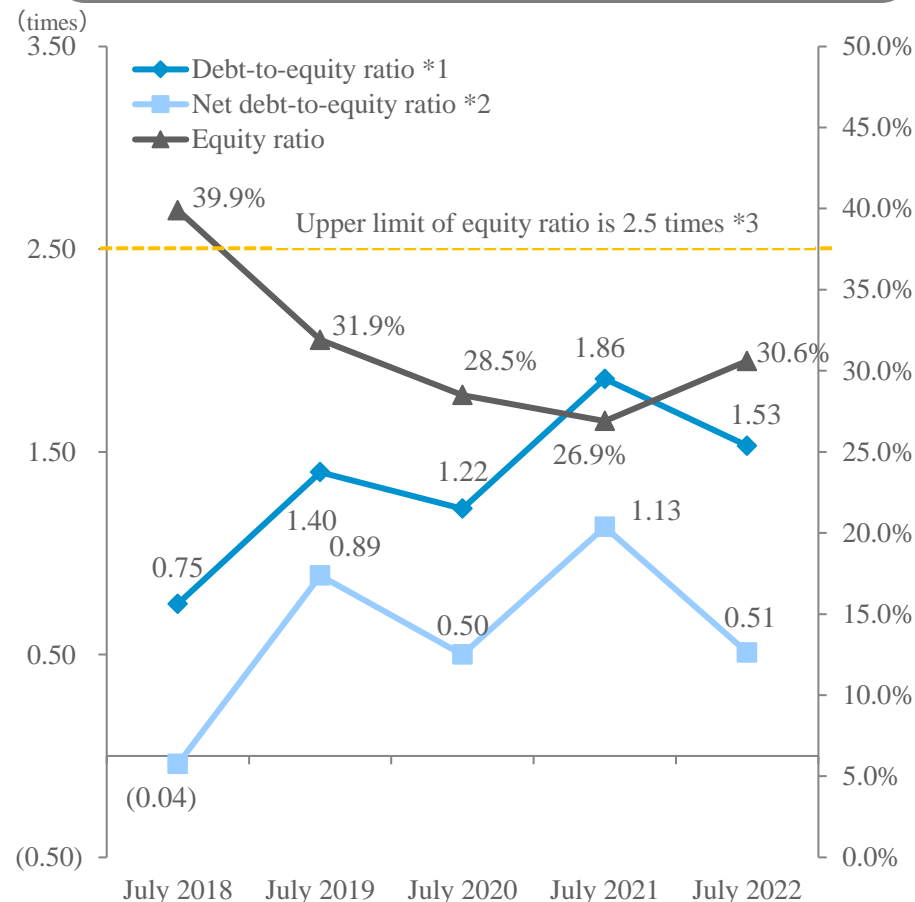
Financial Position (as of July 31, 2022)

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

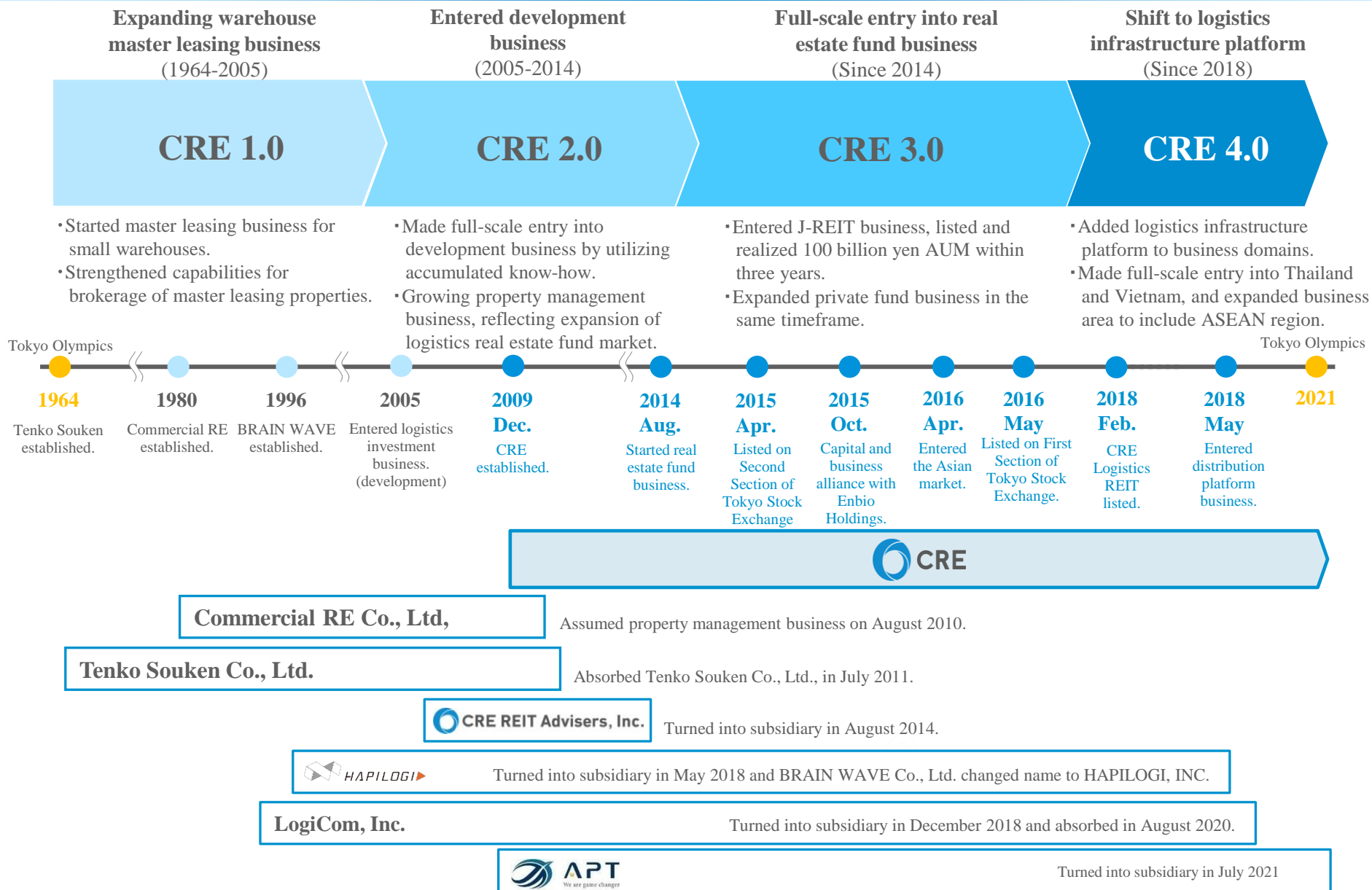
= (interest-bearing debt (short-term loans payable + long-term loans payable) - cash and deposits) / equity capital

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

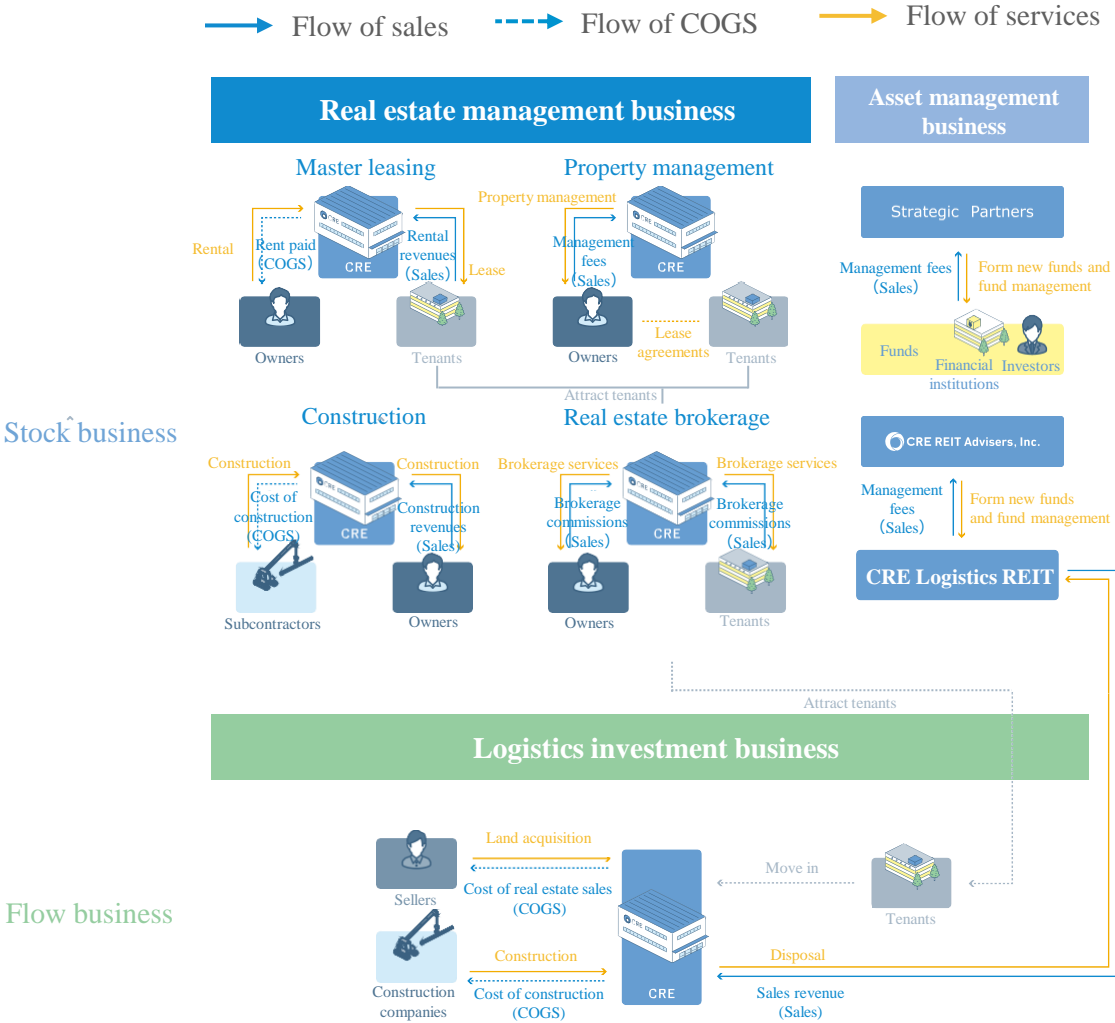
Company Profile

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	313 (Consolidated basis / As of October 31, 2022)
Listing	Prime Market of the Tokyo Stock Exchange Code: 3458
Industry sector	Real estate business

History

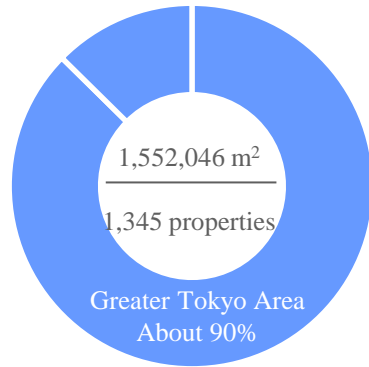


CRE Group's Main Business



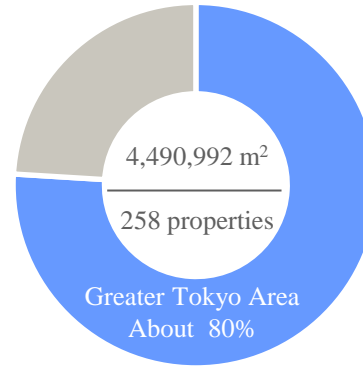
Real Estate Management Business: Floor Space under Management by Area

Master Lease

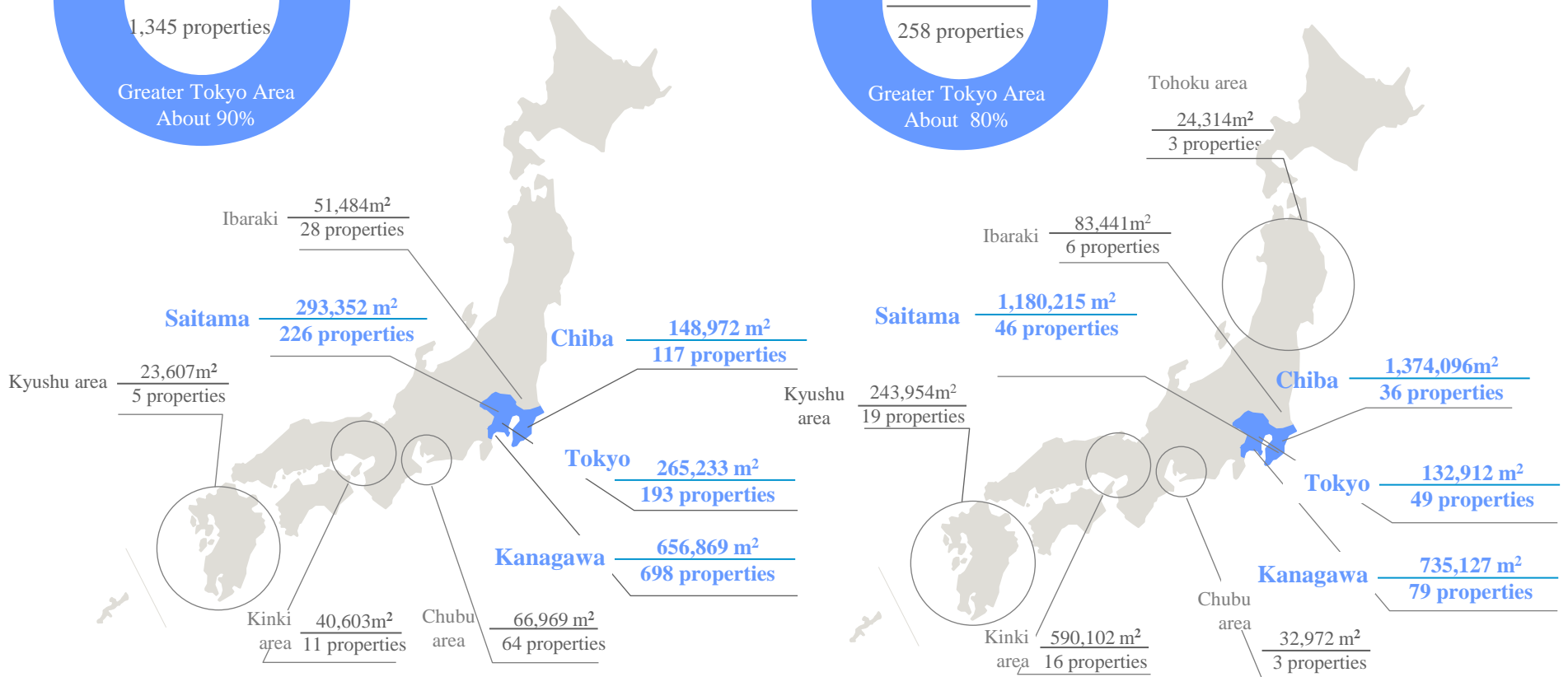


Average floor space:
About 1,200m²

Property Management



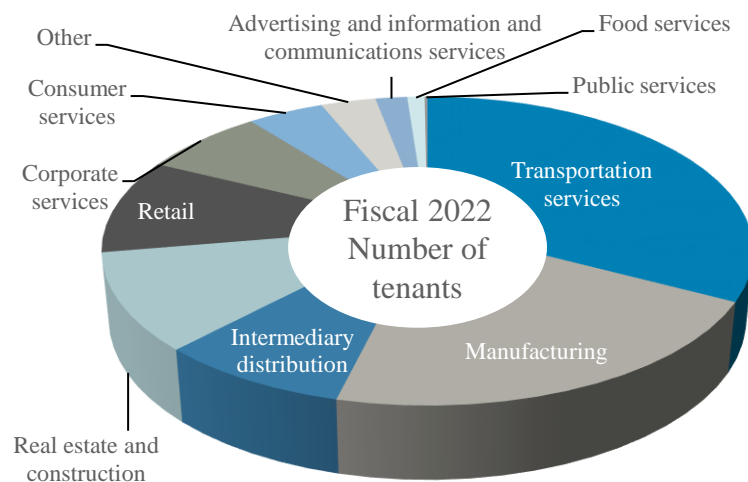
Average floor space:
About 17,400m²



As of October 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
- KJR Management
- 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.
- 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.
- 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
- 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.
- Strategic Partners Co., Ltd.

As of October 31, 2022

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 July 31, 2022)

Issued Shares and Shareholders

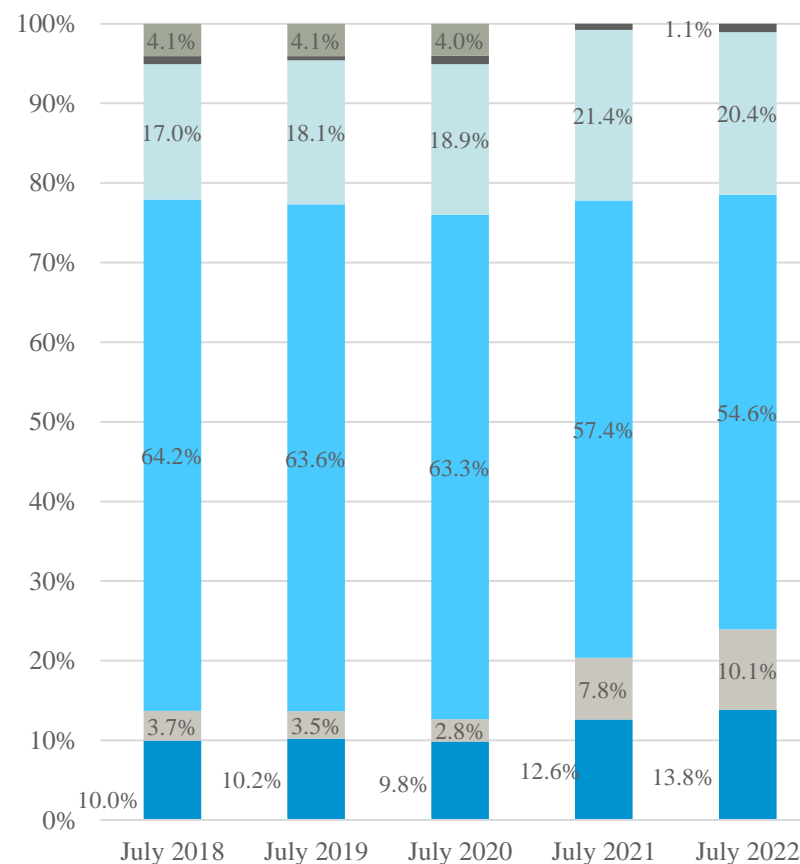
Number of Shares Issued and Outstanding	29,971,800
Number of Shareholders	12,288

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	1,922	6.41
NORTHERN TRUST CO. (AVFC) RE HCR00	1,427	4.76
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)	850	2.84
The Master Trust Bank of Japan, Ltd. (Trust Account)	777	2.59
GOLDMAN SACHS INTERNATIONAL	599	2.00
Kokyo Tatemono Co., Ltd.	559	1.87

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