



**Consolidated Results for Fiscal 2022
(August 1, 2021 to July 31, 2022)**

September 12, 2022

Outlook

Last year, CRE announced its Second Medium-Term Management Plan, showcasing business profit of ¥12 billion by fiscal 2026—about twice the level posted in fiscal 2021. Fiscal 2022, ended July 31, 2022, was the first year of the new plan and saw business profit hit ¥10,991 million—22% higher than expected—against the backdrop of still-strong logistics real estate sales and leasing markets. Currently, demand for logistics real estate remains solid but we understand aspects, such as the rising price of land due to overheated investment in logistics real estate as well as the soaring cost of construction materials, that necessitate a cautious attitude toward new investment.

In the logistics investment business, which is a flow business, we will put the final touches on an extensive development pipeline. We will focus on large-scale projects—Saitama Fujimino and Kyotanabe—but shift to an emphasis on investment in new projects after fiscal 2026. We will draw on the strength of the Group’s development business and focus management resources into medium-term projects with an eye to continuously high development profit. In the leasing market, the supply of medium- and large-sized logistics real estate is expected to remain at a high level in fiscal 2022 and fiscal 2023. Still early in fiscal 2023, we have already reached 50% confirmed occupancy for *LogiSquare* Itami and secured a tenant for *LogiSquare* Shiroy. We have received informal consent from a potential tenant for *LogiSquare* Hirakata as well, and leasing demand is favorable. On the cost front, about 80% of perspective of construction costs on properties scheduled for sale in fiscal 2022 and 2023 have already been agreed upon, so the risk of rising prices is limited. The sale of each property is scheduled for the second half of the fiscal year.

In the stock business, with the flow business as the growth driver, we expect the assets under management to climb steadily higher. In the master leasing business, at the heart of the real estate management business, core stock may temporarily decrease due to redevelopment of managed properties and a replacement of assets (sales of solar power generation systems). Despite this, the master lease occupancy rate is good and should lead to stable revenues.

We share CRE performance forecasts with investors and announce our expectations for business profit to be achieved in each fiscal year. We expect business profit to reach and presumably exceed ¥12 billion in the last year of the current medium-term management plan, as average business profit between fiscal 2022 and fiscal 2026 doubles that of the average during the previous medium-term management plan. Business profit for fiscal 2023 is likely to come in at ¥6.5 billion—with progress stalling a little as we consolidate our business foundation. We also change policy to enhance return to shareholders. Our goal is a total return ratio of 30%, with an eye toward aggregate return to shareholders of ¥7 billion during the period of second medium-term business plan. We have decided to abolish shareholder incentives from the viewpoint of fair return profits to our shareholders.

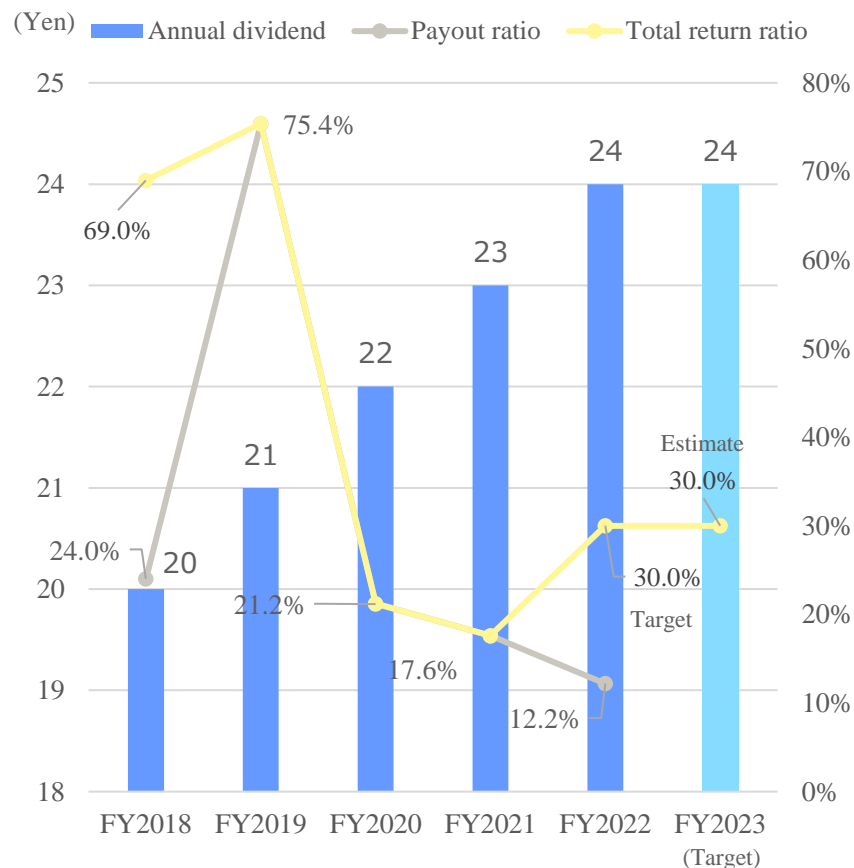
I ask for your continued support of the CRE Group and your encouragement as we move forward together.

Tadahide Kameyama, Representative Director and President

Changes in Basic Policy on Return to Shareholders

- Not limiting its source of funds for return to shareholders to the stock business, given growth in the logistics investment business, CRE will revise the target ratio for total return to shareholders to 30%, combining dividends and acquisition of treasury stock—share buybacks.
- Paralleling this change, we will pay a dividend of ¥24 per share for fiscal 2022 and plan to execute a share buyback with an upper limit of ¥1 billion, which will bring total return to shareholders to 30%.
- We intend to maintain the dividend at ¥24 per share for fiscal 2023 as well. This will be complemented by agile share buyback activity and robust return to shareholders. Dividends and the share buyback ratio may change, depending on future stock price.

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	¥62,734 million	(YOY +31.9%/Compared with revised targets* ² 1.8%)
Business profit* ¹	¥10,991 million	(YOY +76.6%/Compared with revised targets* ² 5.7%)

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

*2: Ratio compared with the revised targets announced on March 14, 2022.

Business Highlights

- Net sales and business profit exceeded revised targets.
- Logistics investment business: Superhigh profitability (about 28%), as scheduled property sales wrapped up.
- Real estate management business: Solid master lease activity and brisk sales of buildings to funds
- Asset management business: Favorable growth in assets under management (AUM) for CRE Logistics REIT, and progress in formation of private funds
- Overseas business: Favorable logistics facility development in Vietnam and Indonesia.

Stock Business

Real Estate Management Business

Master lease operating rate

97.6 %

(YOY (0.6)pt)

Asset Management Business

Changes in Assets under Management (AUM)

¥239.8 billion

(YOY +39.8 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

About **¥190 billion**

Finances

Net debt/equity ratio

(Upper limit at end of year: 2.5 times)

0.51 times

Interest-bearing debt

¥55.2 billion

* See page 14 for details

Consolidated Summary of Fiscal 2022

- All segments showed year-on-year increases in sales and profits. Achieved record high profit.
- Recognized impairment losses, on software at one consolidated subsidiary and on fixed assets at another consolidated subsidiary.
- One-time amortization of goodwill in consolidated subsidiary.

(Millions of yen)

	Fiscal 2021 Actual	Fiscal 2022 Actual	Revised forecast (Mar. 14, 2022)
Net sales	47,556	62,734	61,600
Gross profit	10,310	15,717	—
Selling, general and administrative expenses	4,537	5,534	—
(Amortization of goodwill)	236	258	—
Operating profit	5,772	10,182	9,300
EBITDA	6,288	10,767	10,000
Business profit*1	6,224	10,991	10,400
Recurring profit	5,313	9,187	8,200
Net income	3,574	5,775	5,600
Earnings per share (Yen)	¥130.40	¥196.82	¥190.82

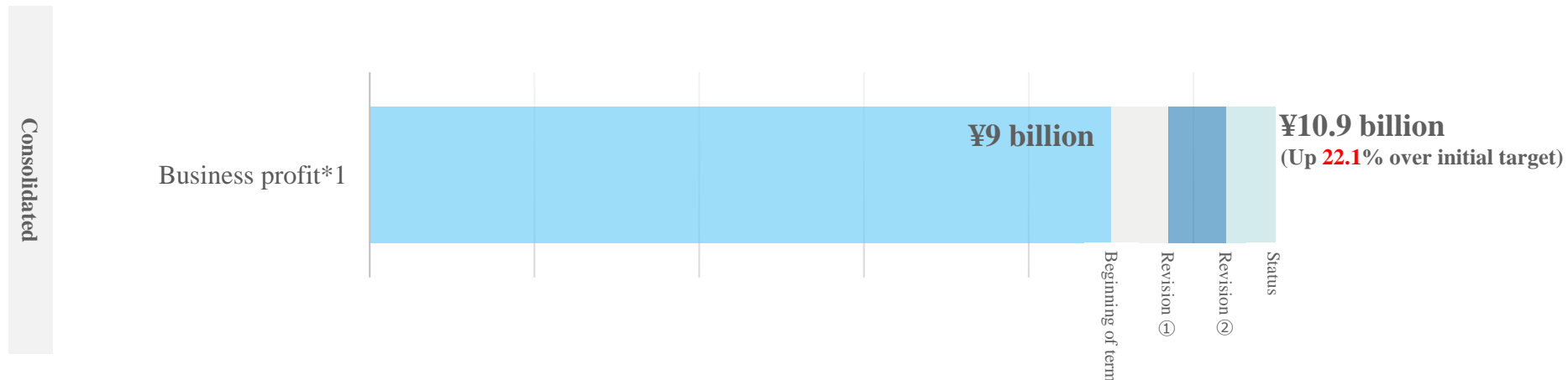
	Fiscal 2021 Actual	Fiscal 2022 Actual	Revised forecast (Mar. 14, 2022)
Net sales	47,556	62,734	61,600
Real estate management business	24,274	28,058	27,600
Logistics investment business	22,252	33,260	32,650
Asset management business	1,024	1,408	1,350
Other operations	4	7	—
Segment income	5,772	10,182	9,300
Real estate management business	2,055	2,892	2,100
Logistics investment business	4,359	7,796	7,760
Asset management business	538	847	840
Other operations	5	2	—
Adjustment	(1,185)	(1,356)	(1,400)

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

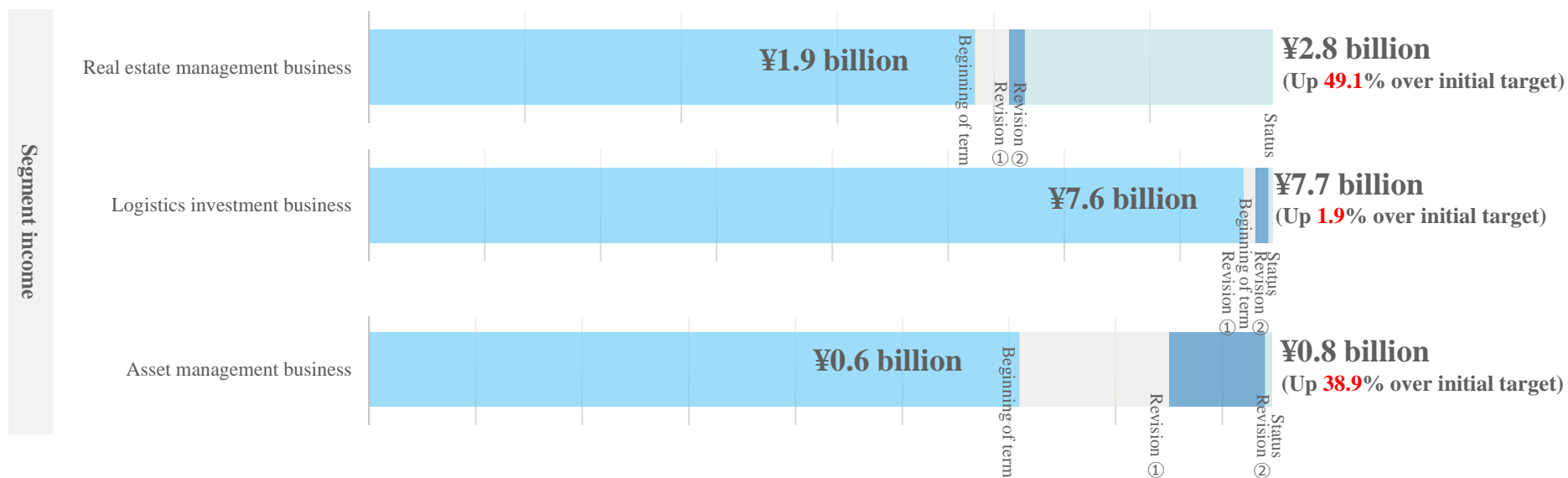
*1: Business profit = Operating profit + Equity in earnings of affiliates + Goodwill amortization (consolidated subsidiaries/equity method affiliates)+ Profit (loss) from business investments

Initial Targets, Revised Targets and Status of Business Profit and Segment Income

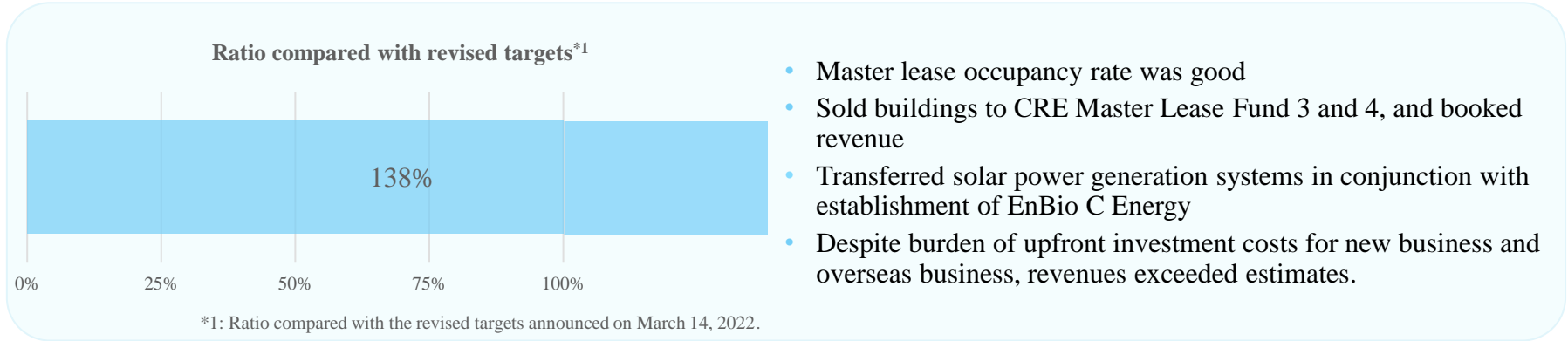
- Against a favorable business backdrop, **business profit hit ¥10.9 billion.**
(Up 22.1% over initial target and up 5.7% over revised target announced March 14, 2022)



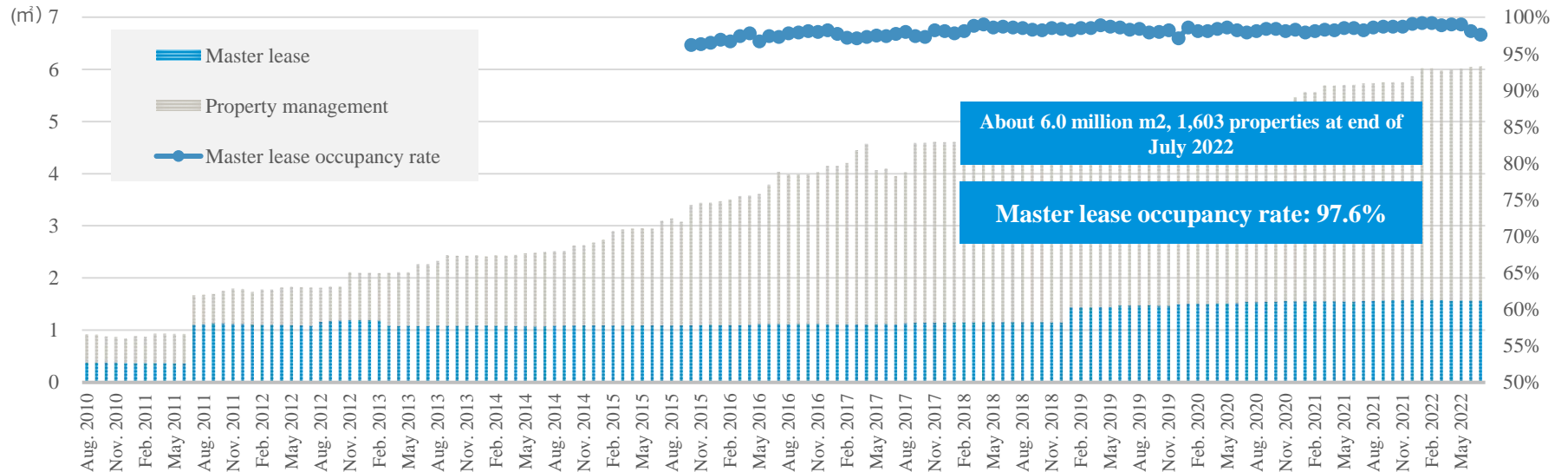
*1: Business profit = Operating profit + Equity in earnings of affiliates + Goodwill amortization (consolidated subsidiaries/equity method affiliates)+ Profit (loss) from business investments



Year-on-year improvement reflecting solid master lease activity and contribution from sale of building to Master Lease Fund 3 and 4

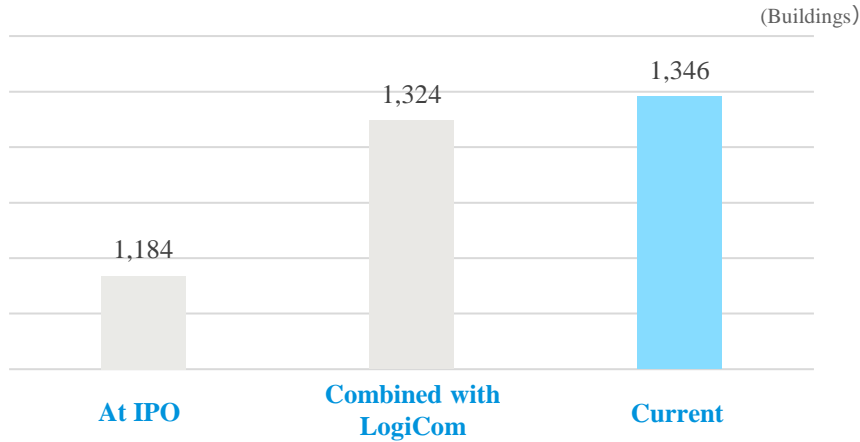


Key ratio: Changes in managed properties



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

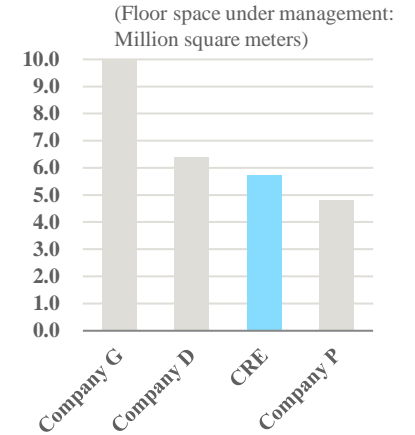
Change in Master Lease Properties



Position among Property Management Companies

No. 3

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



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

Rent Occurring as Old Tenants Replaced by New Tenants

2021–2022

Change in rent due to tenant turnover

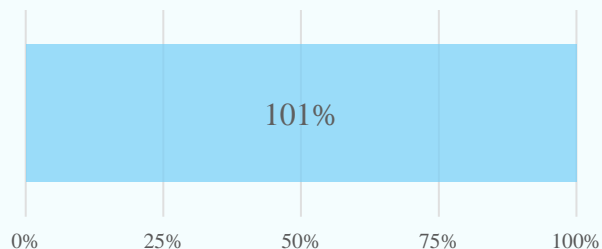
2.6%

Turnover

6.5%

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

Ratio compared with revised targets*1



*1: Ratio compared with the revised targets announced on March 14, 2022.

Public offering (CRE Logistics REIT)

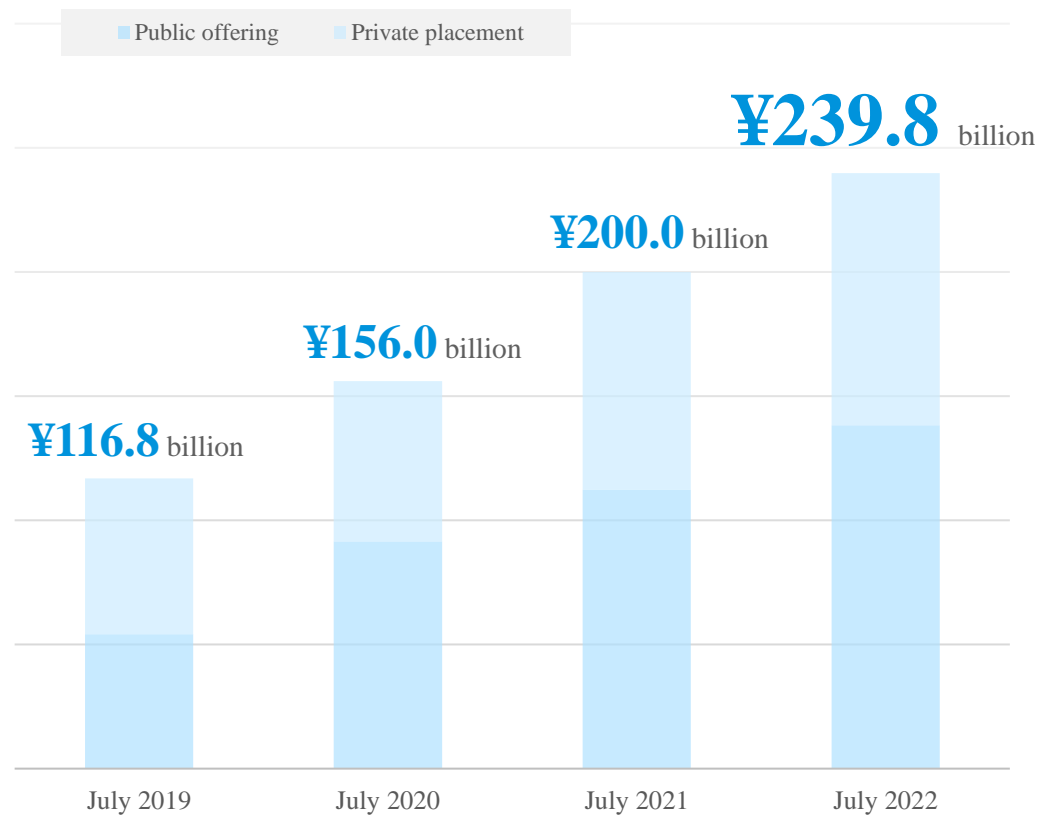
- Expanded asset scale, AUM to ¥130 billion

Privately placed funds

- Formation of CRE Master Lease Fund 4 completed
- Formation of Core Bridge Fund 1 completed
- Self-storage specialized fund formation

Key Indicator: Change in AUM

Property acquisition for CRE Logistics REIT moving forward, with asset balance up **¥39.8 billion** over end of fiscal 2021



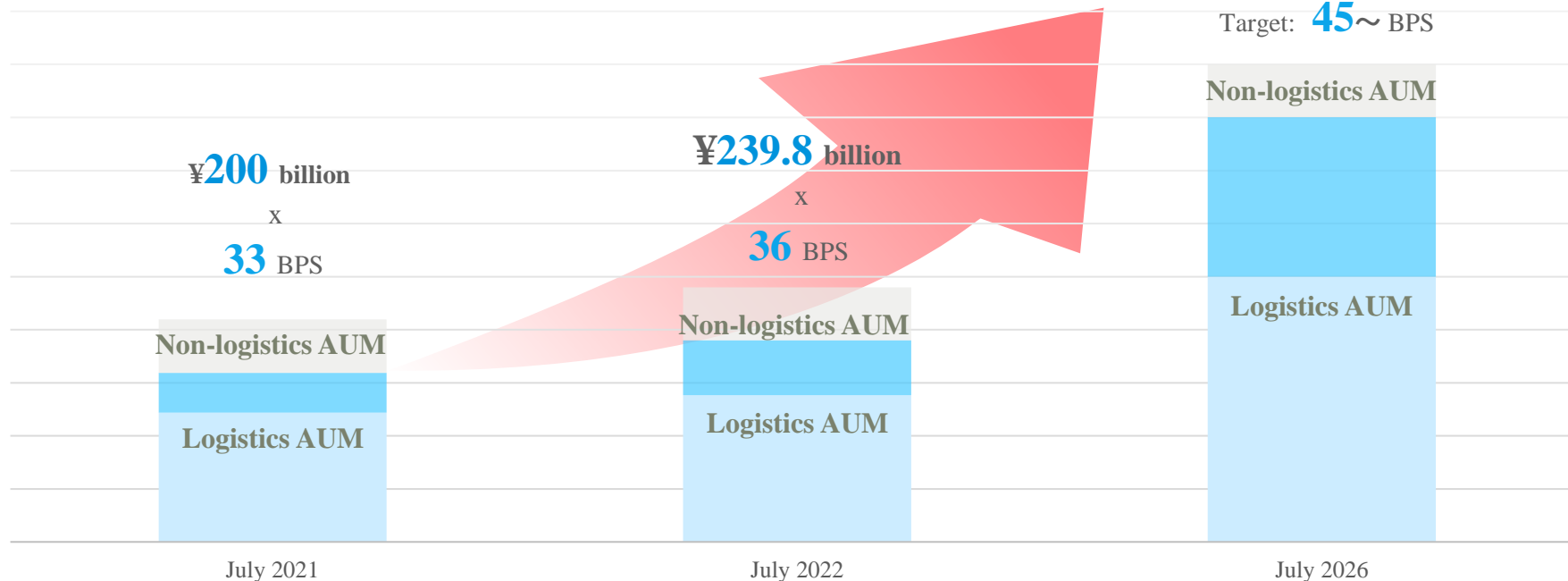
Aim — Double assets under management (AUM) x Higher rate of return

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

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

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

Target: ¥450 billion
X
Target: 45~ BPS



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

*100 BPS = 1%

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

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

NEW

Open-end core fund

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

LogiSquare Miyoshi II will be included on March 1



Features

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

NEW

Self-storage fund

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

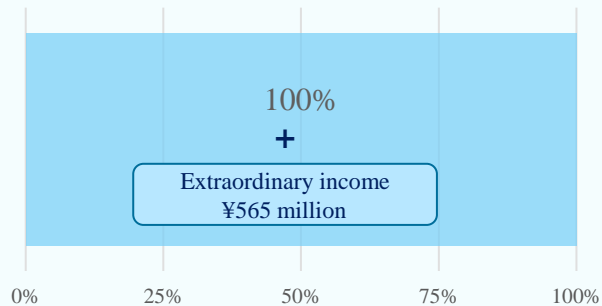


Features

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

Highest segment profit ratio at 23.4% since listing

Ratio compared with revised targets*1

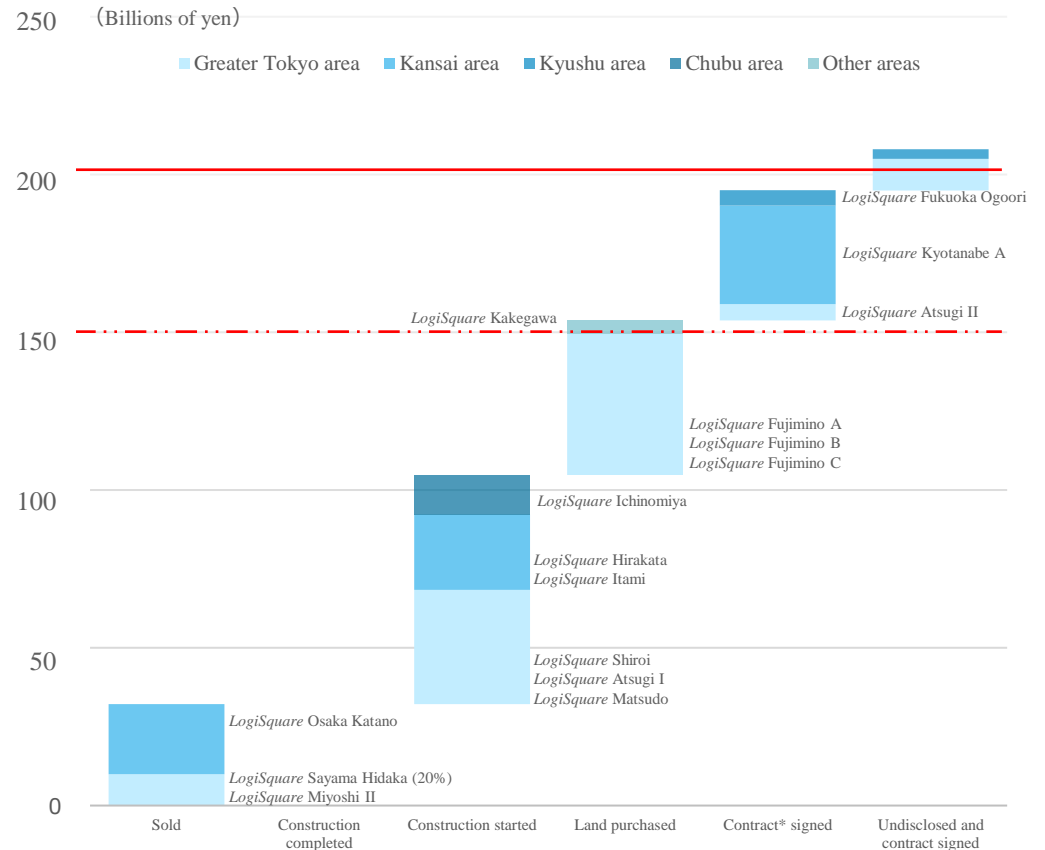


*1: Ratio compared with the revised targets announced on March 14, 2022.

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

- All three buildings scheduled for sale in fiscal 2022 were sold
- Booked extraordinary income of ¥565 million, paralleling development
- Started development project *LogiSquare* Kyotanabe, a large-scale logistics facility
- Started development of *LogiSquare* Kakegawa, a logistics facility

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



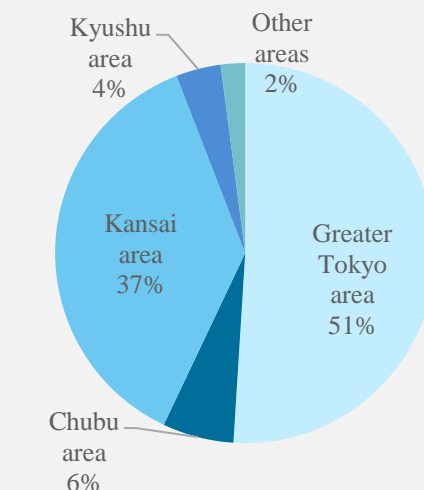
* Contract: Land sale contract / Acquisition of preferential negotiating rights

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 : 29,967m ²	Started September 2021	Completion November 2022 (estimated)	Scheduled for sale		
LogiSquare Shiroi Area : Shiroy, Chiba Floor space : 30,808m ²	Started December 2021	Completion November 2022 (estimated)	Scheduled for sale		
LogiSquare Hirakata Area : Hirakata, Osaka Floor space : 45,842m ²	Started October 2021	Completion January 2023 (estimated)	Scheduled for sale		
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 Fukuoka Ogoori Area : Ogoori, Fukuoka Floor space : 24,144m ²		Start January 2023 (estimated)	Completion February 2024 (estimated)		
LogiSquare Ichinomiya Area : Ichinoiya, Aichi Floor space : 60,641m ²		Started August 2022	Completion September 2023 (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 Kyotanabe A Area : Kyotanabe, Kyoto Floor space : 160,530m ²		Start April 2023 (estimated)		Completion February 2025 (estimated)	
LogiSquare Kakegawa Area : Kakegawa, Shizuoka Floor space : 14,200m ²		Start February 2023 (estimated)	Completion January 2024 (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

1,346 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**

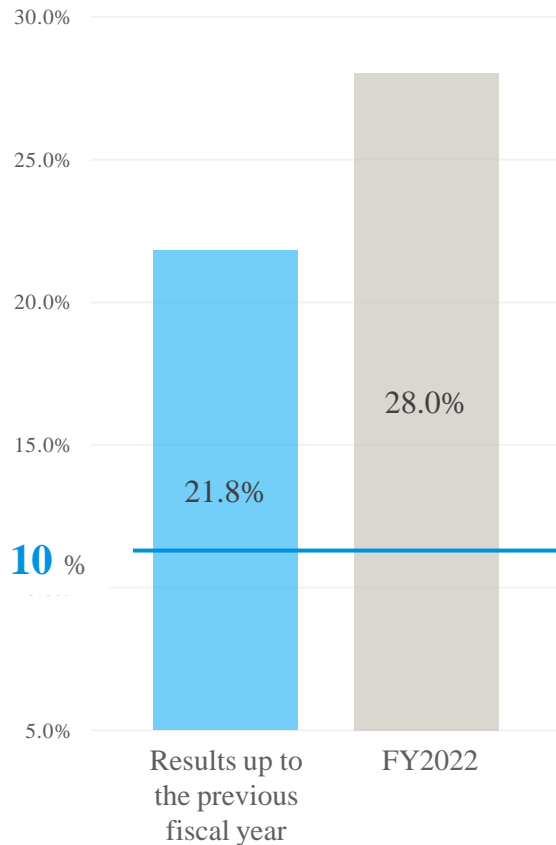
*1 Tenko Soken Co., Ltd., established in 1964 *2 As of end of July 2022 *3 Based on 20 completed properties, up to LogiSquare Miyoshi II

Flow Business | Logistics Investment Business

Track Record—From Investment to Exit

Change in segment gross profit margin

- Maintain high segment gross profit margin



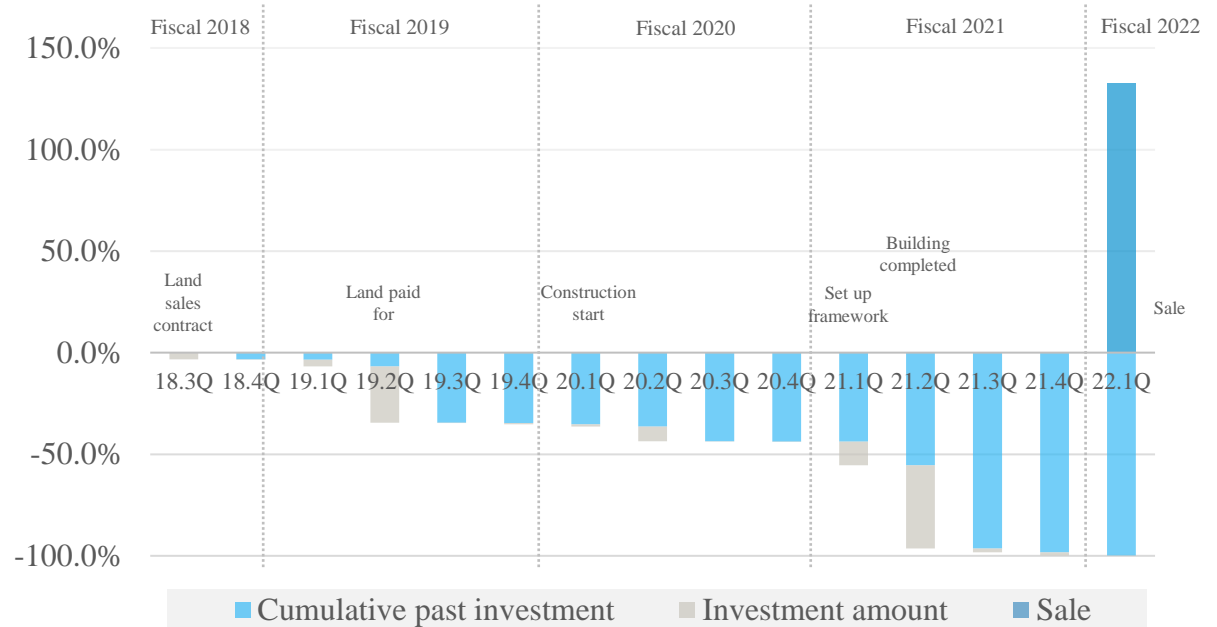
Reference: Investment to exit process

Reference case: *LogiSquare Osaka Katano*

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

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

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



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

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

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

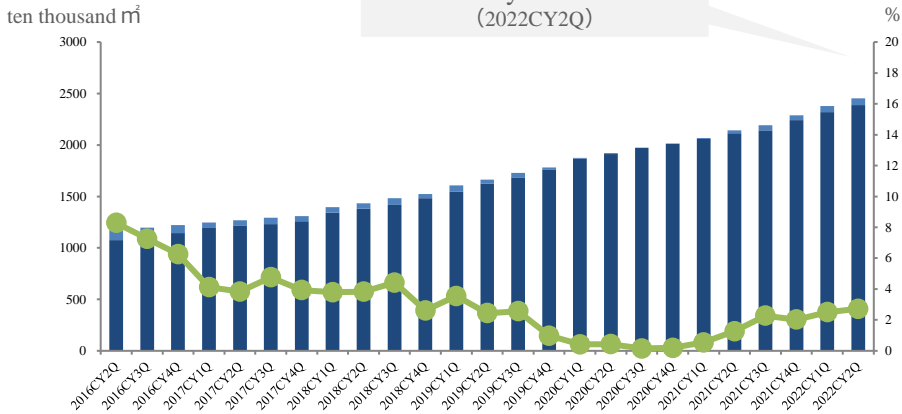
Flow Business | Logistics Real Estate Market Environment

Rental market

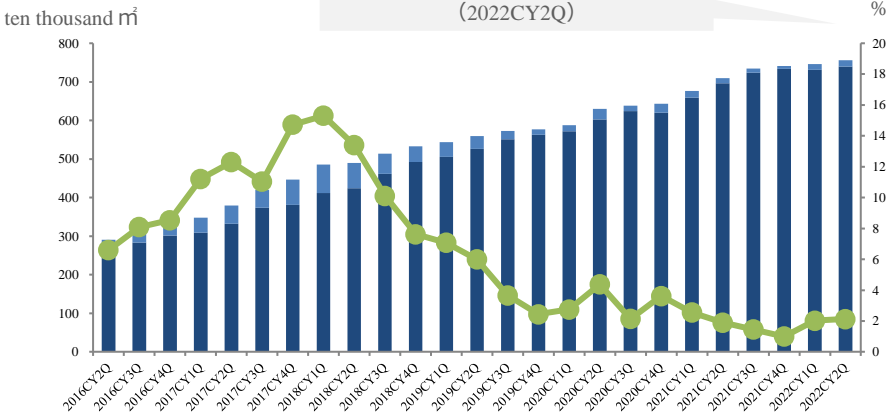
- Brisk demand continues, keeping vacancy rate low, in the 2% range, in both the Greater Tokyo and Kansai areas

■ Amount of stock and vacancy rate

Greater Tokyo area



Kansai area



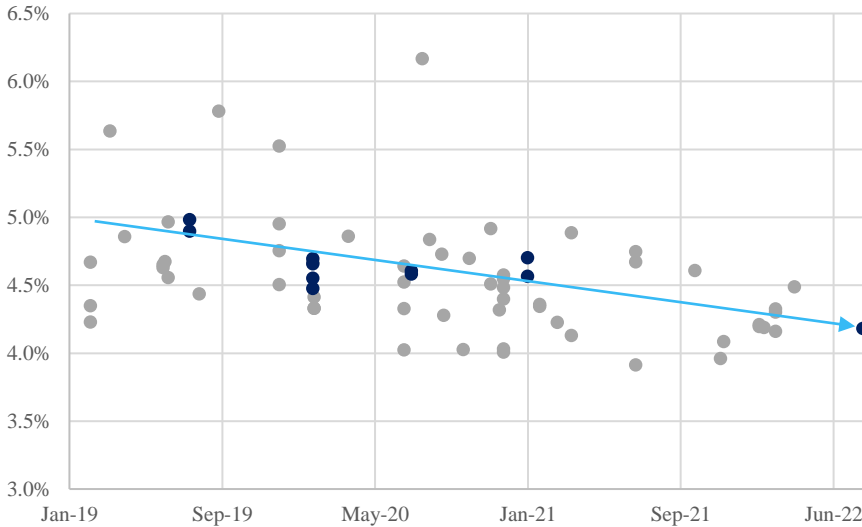
Source : "Market Report on Warehouses and Logistics Properties (β version) Ver. 202206" Published by CRE, Inc.

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

New Domains

Overseas

Vietnam

- Hai Phong, three properties (in operation)
- Hai Duong, one property (completed in April 2022)
- Future plans

Name (tentative)	Gross floor area (estimated)	Completion target (estimated)
Quang Ngai PJ	35,530㎡	December 2023
Nghe An PJ	41,270㎡	December 2023
Bac Ninh II PJ	47,600㎡	2024






Thailand

- Self-storage

Indonesia

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

New business groups underpinning LIP

Consolidated subsidiaries	 <p>Distribution platform business</p>	 <p>Automation solution for warehouses</p>	
Equity method affiliates	 <p>Specialized leasing/rental of freezer trucks and wing body trucks</p>		
Investment targets	 <p>Delivery matching service</p>	 <p>E-commerce fulfillment</p>	 <p>Logistics DX support service</p>  <p>Worker dispatch</p>

Measures to Support Sustainable Society

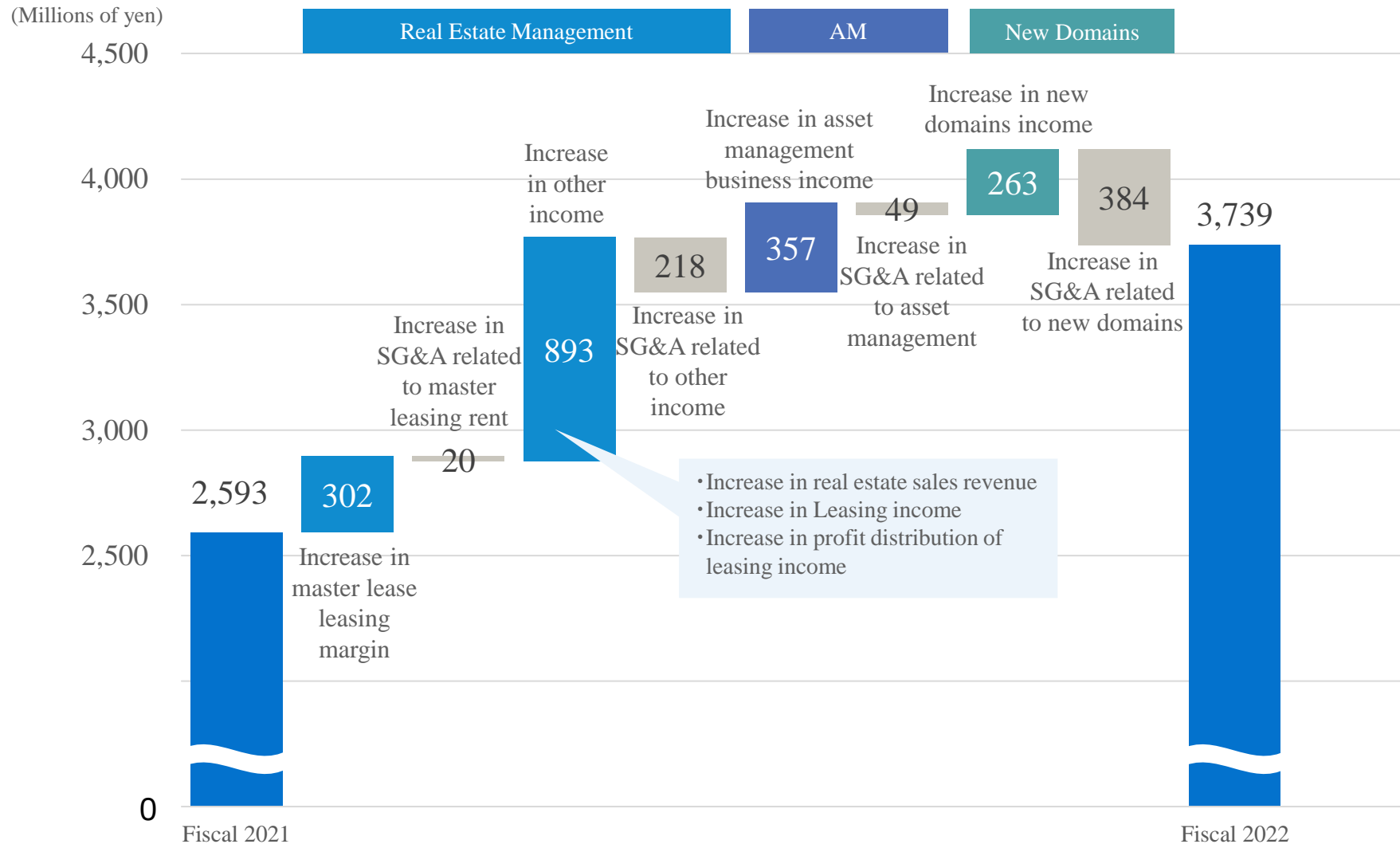
Through initiatives addressing materiality (priority issues), CRE will contribute to the realization of a sustainable society.

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

Stock business = Real estate management business + Asset management business



Full-Year Targets for Fiscal 2023

- Progress toward end-target of ¥12 billion in business profit may stall a little as we consolidate our business foundation.
- In logistics investment business, plan is to sell three *LogiSquare* properties. Despite anticipated high segment income margin of 16%, superhigh level in fiscal 2022 will likely result in lower sales and lower income for this segment year on year.
- In asset management business, assets under management, including CRE Logistics REIT, should continue to grow, but in private fund activity, fee income through fund formation and property sales are likely to decrease year on year, pulling segment sales and income down.

(Millions of yen)

	Fiscal 2022 (Actual)	Fiscal 2023 (Forecast)	YOY Change	
			Amount	YOY
Net sales	62,734	61,800	(934)	(1.5)%
Operating profit	10,182	6,350	(3,832)	(37.6)%
EBITDA	10,767	7,020	(3,747)	(34.8)%
Business profit*1	10,991	6,500	(4,491)	(40.9)%
Recurring profit	9,187	5,000	(4,187)	(45.6)%
Net income	5,775	3,200	(2,575)	(44.6)%
Earnings per share (Yen)	¥196.82	¥106.79	¥(90)	(45.7)%

	Fiscal 2022 (Actual)	Fiscal 2023 (Forecast)	YOY Change	
			Amount	YOY
Net sales	62,734	61,800	(934)	(1.5)%
Real estate management business	28,058	29,800	1,741	6.2%
Logistics investment business	33,260	30,850	(2,410)	(7.2)%
Asset management business	1,408	1,150	(258)	(18.4)%
Other operations	7	—	—	—
Segment income	10,182	6,350	(3,832)	(37.6)%
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)	—

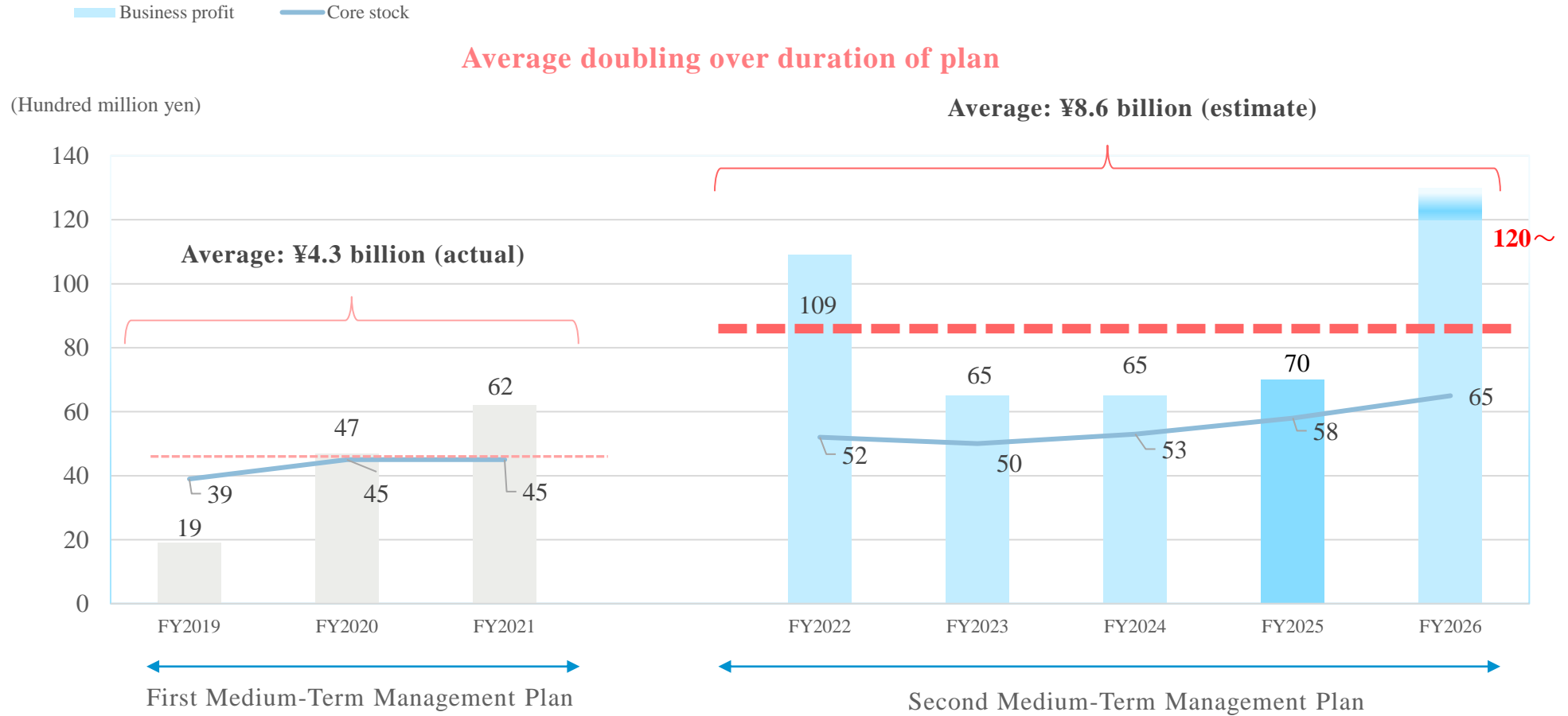
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Supplementary Explanation about Second Medium-Term Management Plan

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

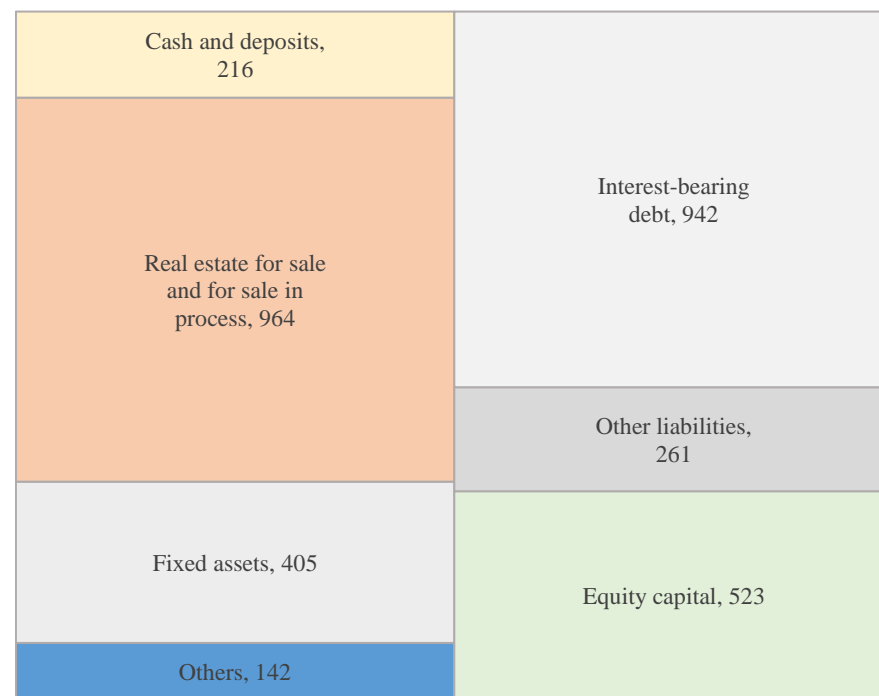
800

600

400

200

0



(Hundred million yen)

At July 31, 2022 (actual)

Net D/E: 0.51 times

1,200

1,000

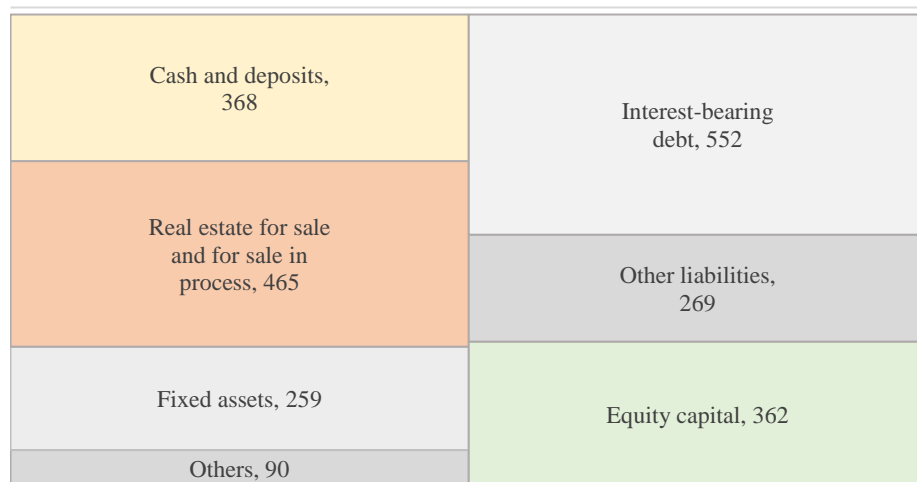
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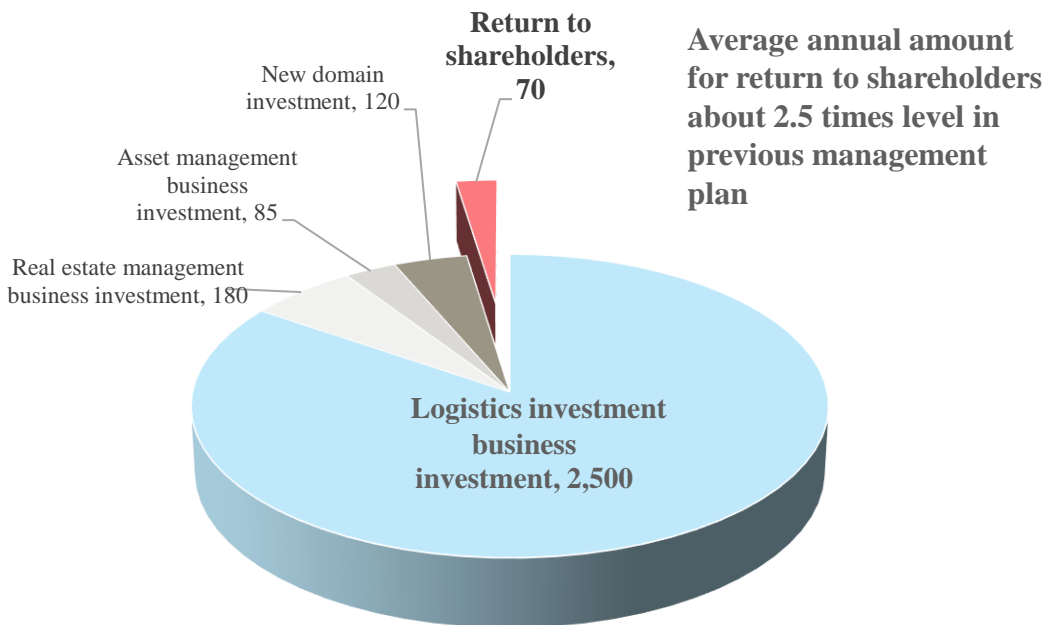
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Emphasizing Balance of Investment, Financial Stability and Return to Shareholders

Capital allocation during Second Medium-Term Management Plan

(Hundred million yen)



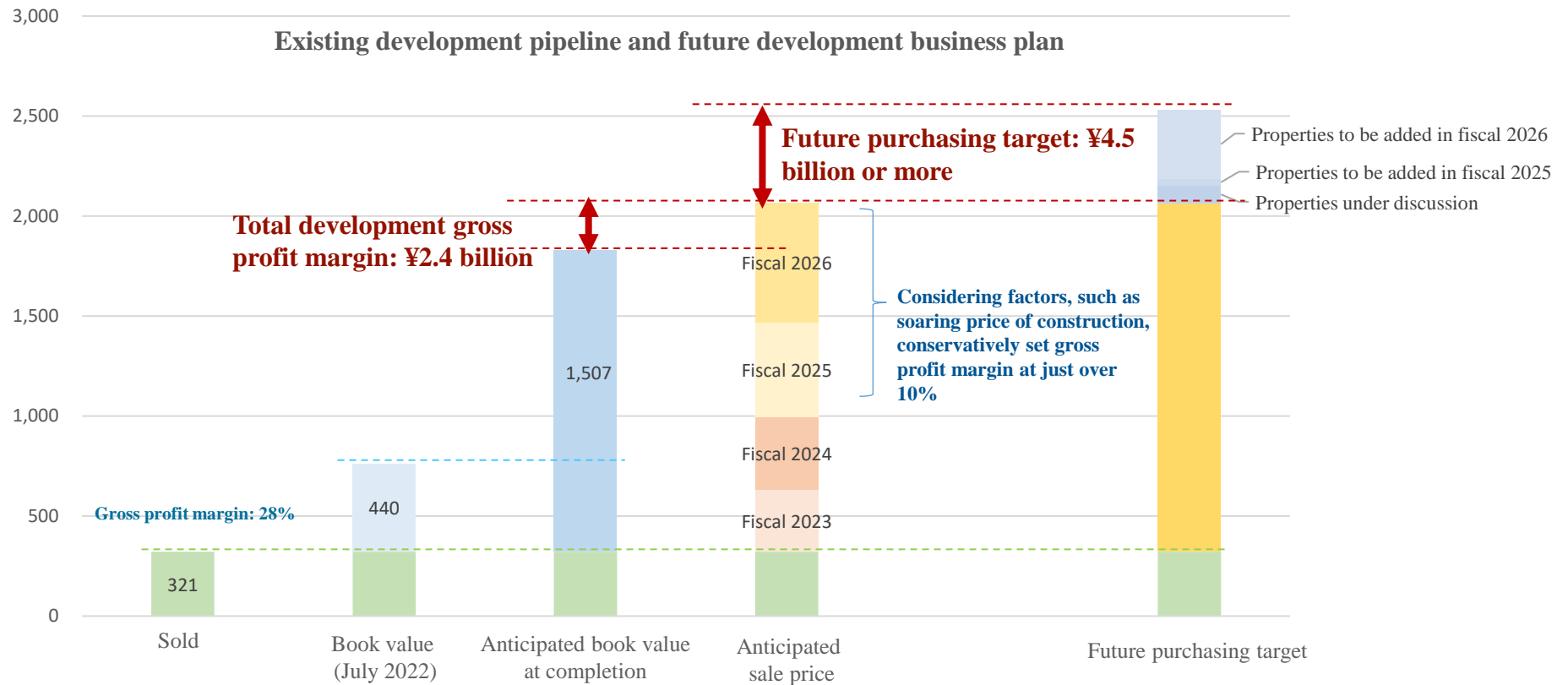
Note: Breakdown of invested capital between fiscal 2023 and fiscal 2026. However, return to shareholders includes return using fiscal 2026 revenues as source of funds.

- ✓ **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)

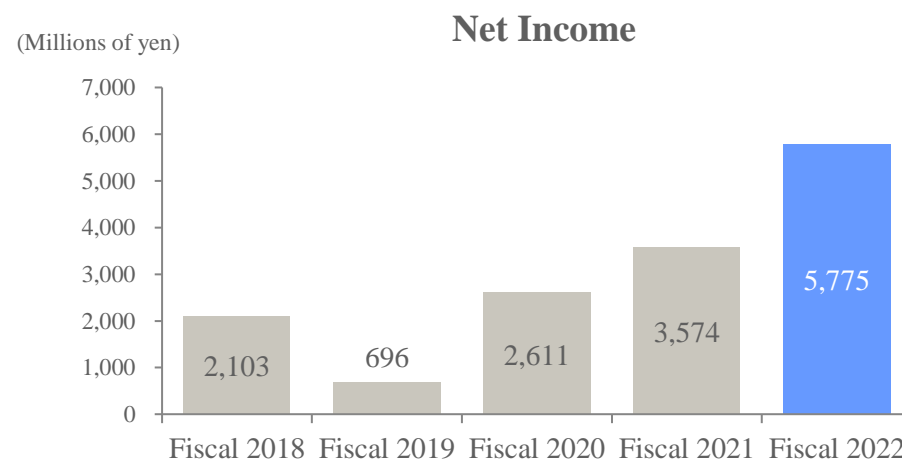
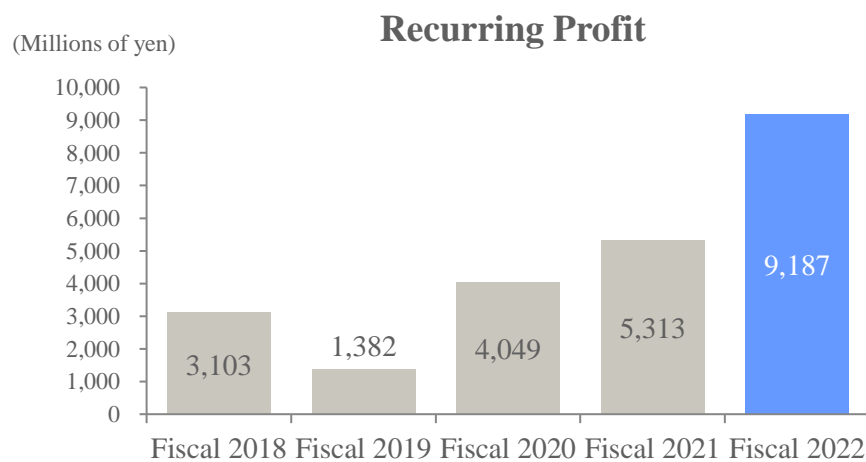
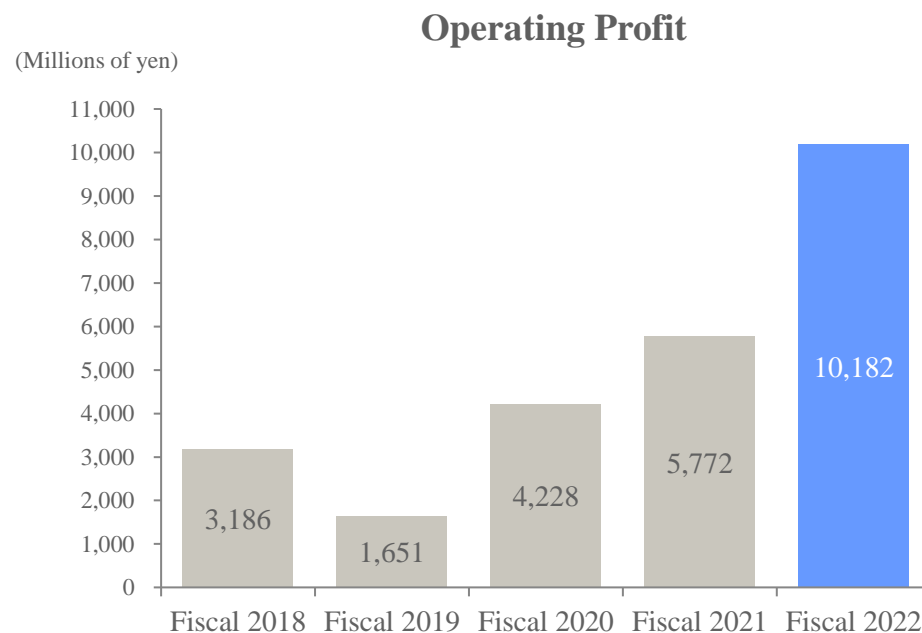
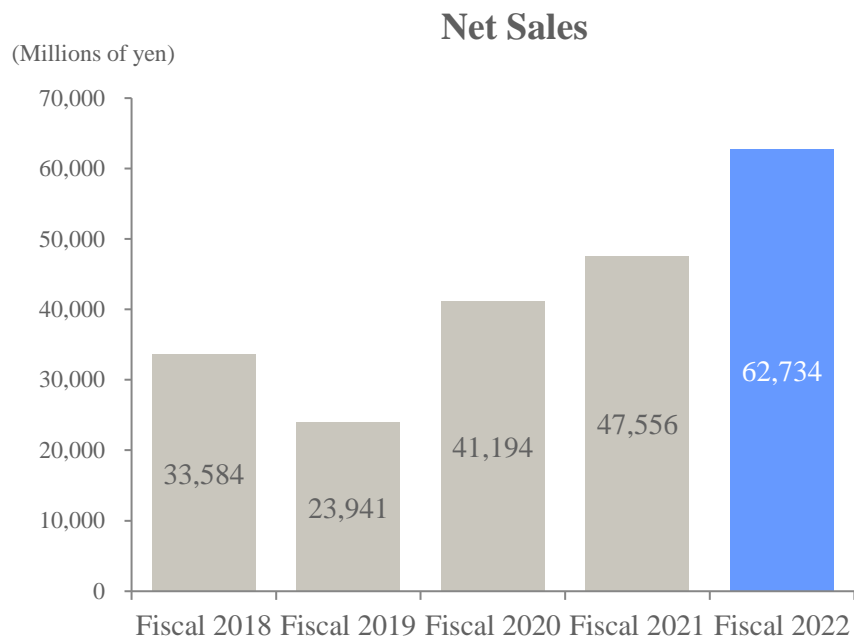


Key risk factors for development business going forward

- 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

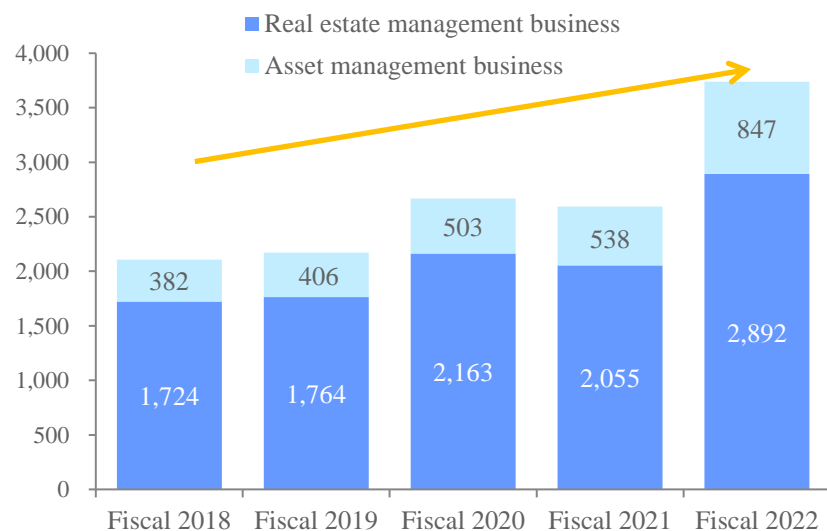
Consolidated Financial Highlights



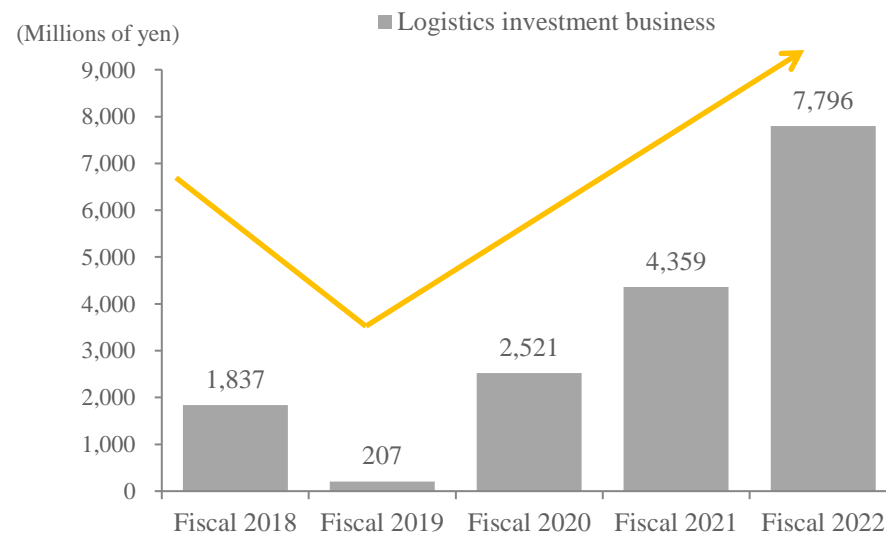
Financial Highlights for Each Reporting Segment

Segment Income

Stock Business



Flow Business



Change in Sales and Segment Income for Each Reporting Segment

	Fiscal 2021					Fiscal 2022 (Millions of yen)				
	1Q	2Q	3Q	4Q	Full year	1Q	2Q	3Q	4Q	Full year
Real estate management business										
Sales	7,147	5,433	5,801	5,891	24,274	7,944	5,713	6,526	7,874	28,058
Segment Income	708	430	683	233	2,055	949	481	816	644	2,892
Profit rate	9.9%	7.9%	11.8%	4.0%	8.5%	12.0%	8.4%	12.5%	8.2%	10.3%
Logistics investment business										
Sales	768	20,857	188	437	22,252	22,439	301	6,690	3,828	33,260
Segment Income	130	4,753	(255)	(269)	4,359	4,997	(9)	2,504	304	7,796
Profit rate	17.0%	22.8%	(135.4)%	(61.6)%	19.6%	22.3%	(3.3)%	37.4%	8.0%	23.4%
Asset management business										
Sales	247	294	190	292	1,024	357	434	292	323	1,408
Segment Income	141	204	95	96	538	261	297	187	100	847
Profit rate	57.2%	69.5%	49.9%	33.2%	52.5%	73.2%	68.5%	64.0%	31.0%	60.2%

Summary of Consolidated Balance Sheets

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

(Millions of yen)

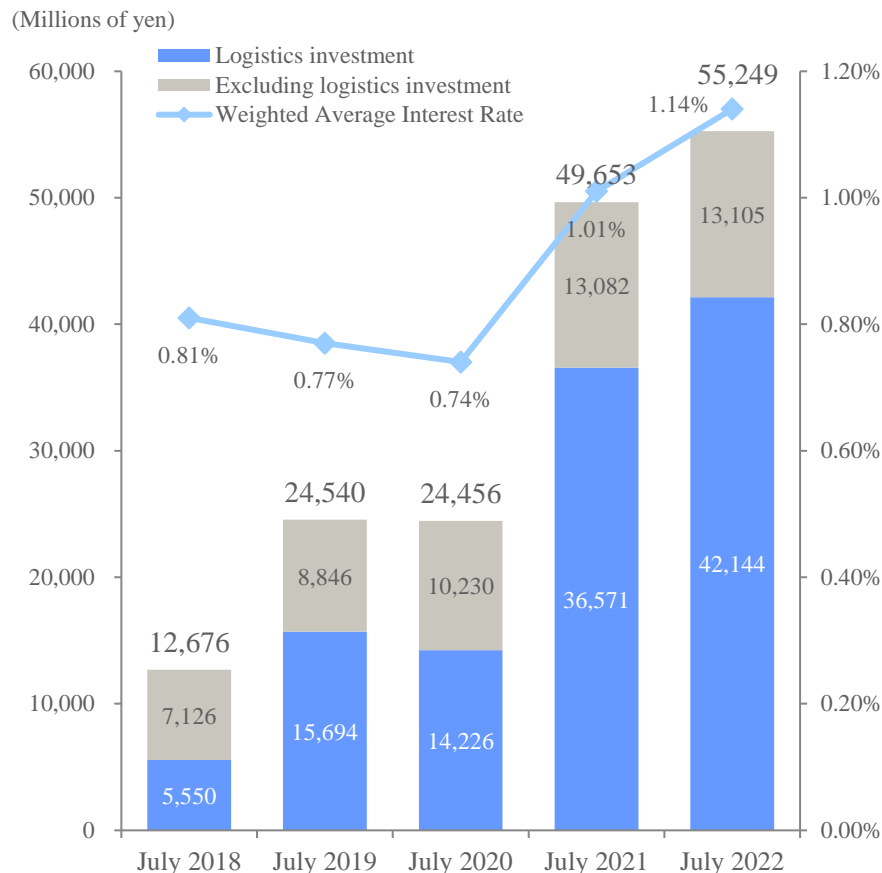
	As of July 31, 2021	As of July 31, 2022	YOY change (%)		As of July 31, 2021	As of July 31, 2022	YOY change (%)
Total assets	99,041	118,248	19,206	Total liabilities	72,295	82,090	9,795
Current Assets	76,790	92,273	15,483	Current liabilities	14,975	20,695	5,720
(Key components)				(Key components)			
Cash and deposits	19,473	36,806	17,332	Short-term loans payable, etc.*1	2,650	3,429	778
Real estate for sale	24,920	2,555	(22,364)	Fixed liabilities	57,319	61,394	4,075
Real estate for sale in process	27,342	43,981	16,638	(Key components)			
Fixed assets	22,224	25,954	3,730	Long-term loans payable, etc.*2	47,002	51,790	4,788
(Key components)				Lease and guarantee deposits received	7,931	7,975	43
Tangible fixed assets	4,565	7,222	2,656	Total net assets	26,746	36,157	9,410
Intangible fixed assets	1,630	1,052	(577)	Common stock	3,071	5,217	2,146
Investments and other fixed assets	16,028	17,679	1,651	Capital surplus	5,031	7,177	2,146
<Lease and guarantee deposits>	<7,022>	<7,548>	526	Earned surplus	17,157	22,311	5,154
Total assets	99,041	118,248	19,206	Total liabilities and net assets	99,041	118,248	19,206

*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

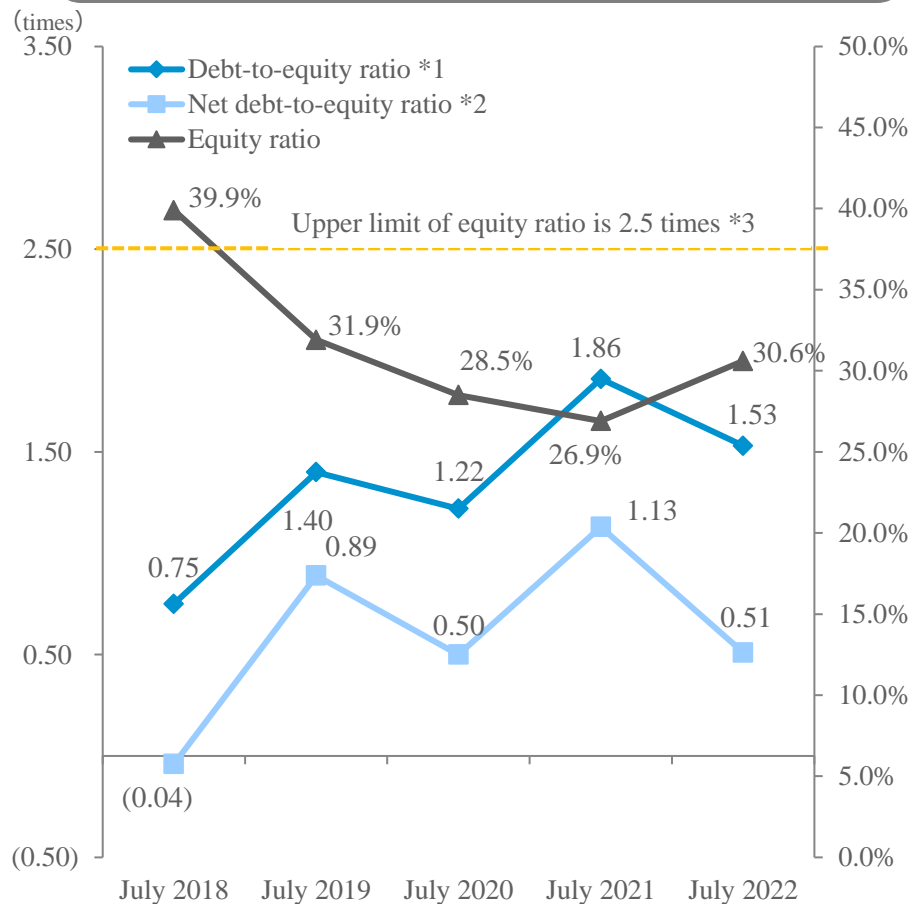
Financial Position (as of July 31, 2022)

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

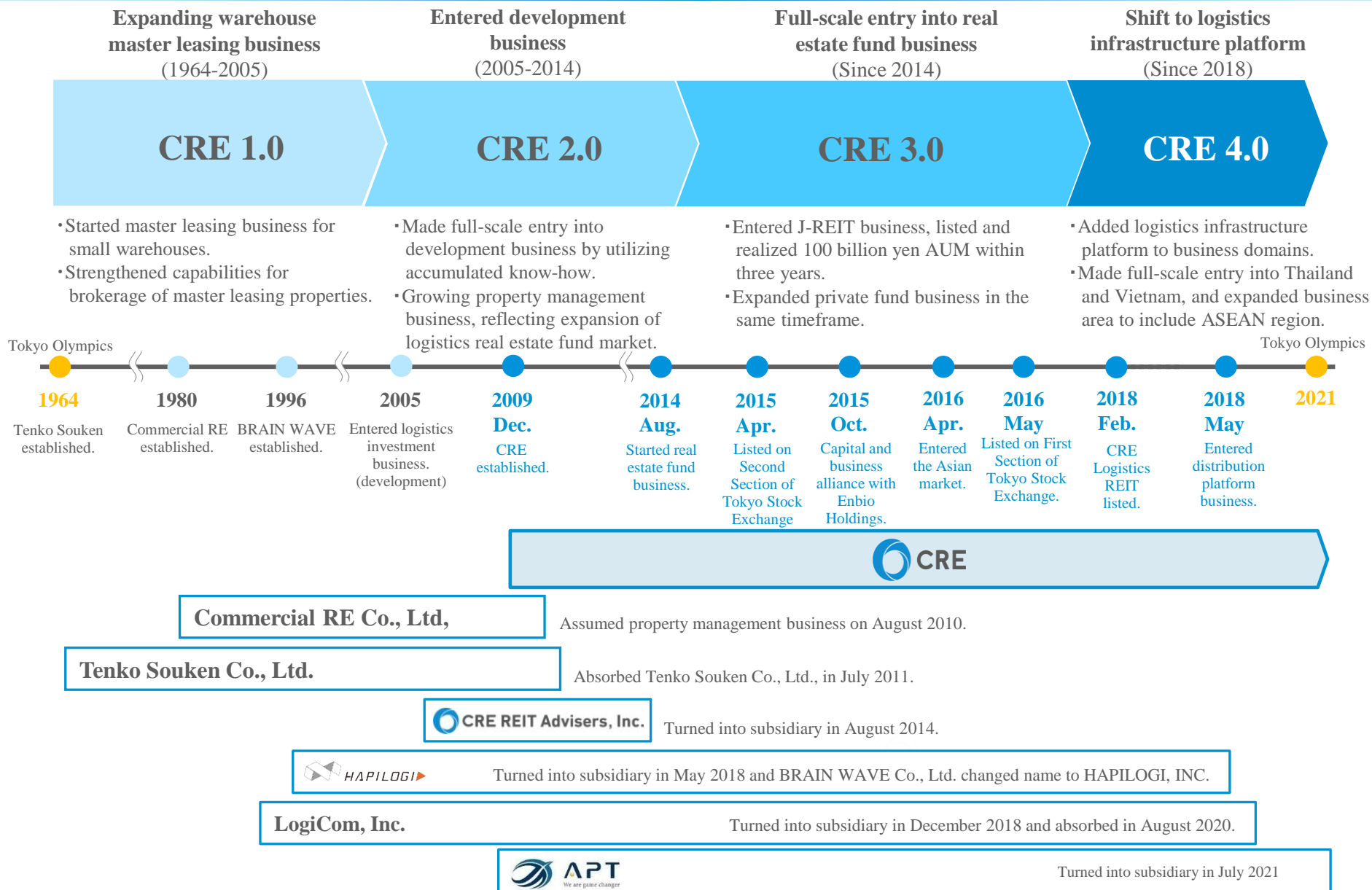
= (interest-bearing debt (short-term loans payable + long-term loans payable) - cash and deposits) / equity capital

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

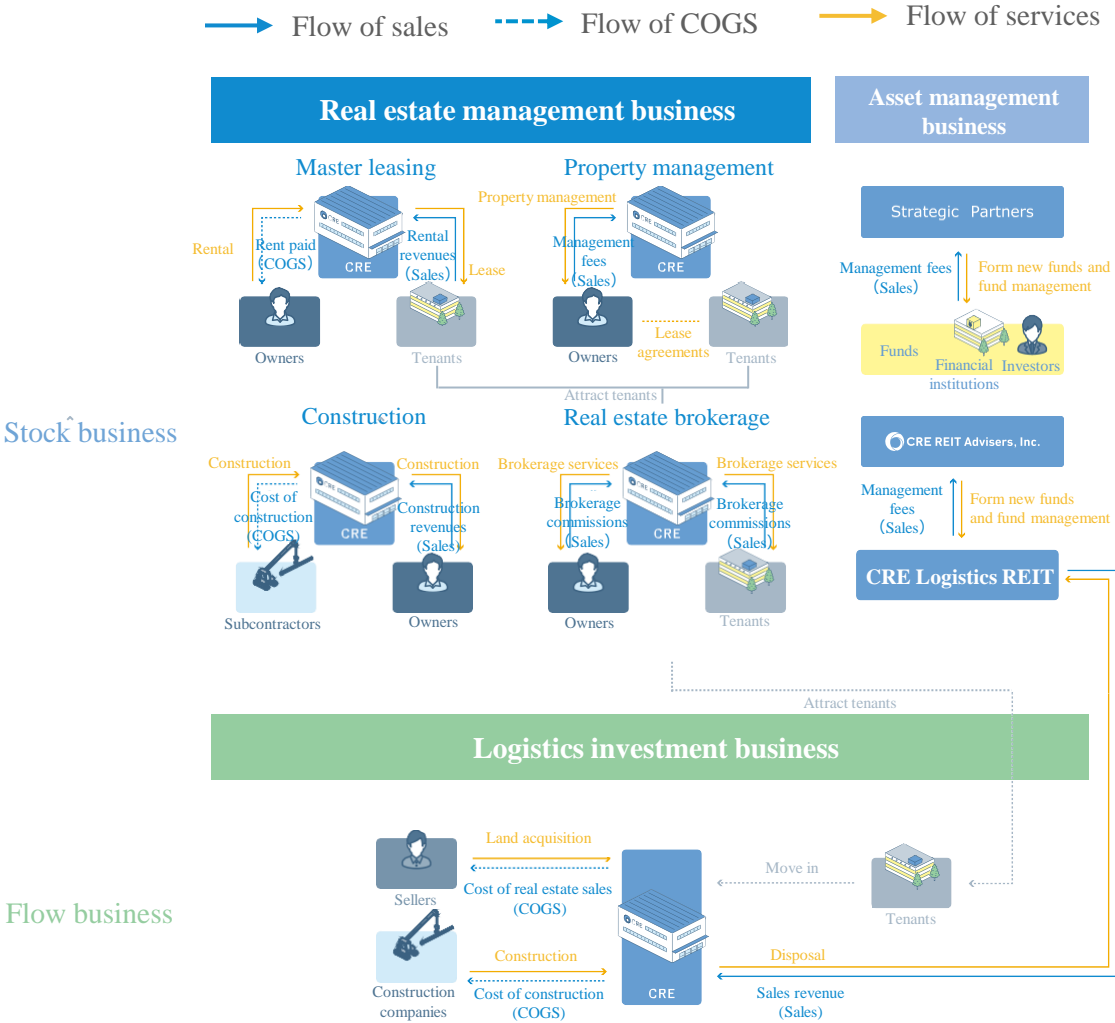
Company Profile

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

History

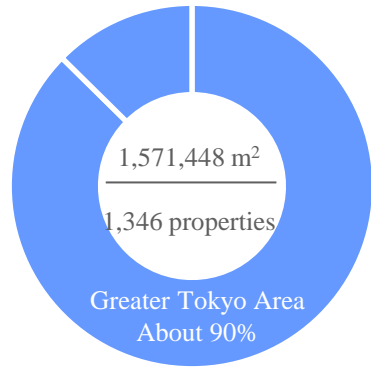


CRE Group's Main Business

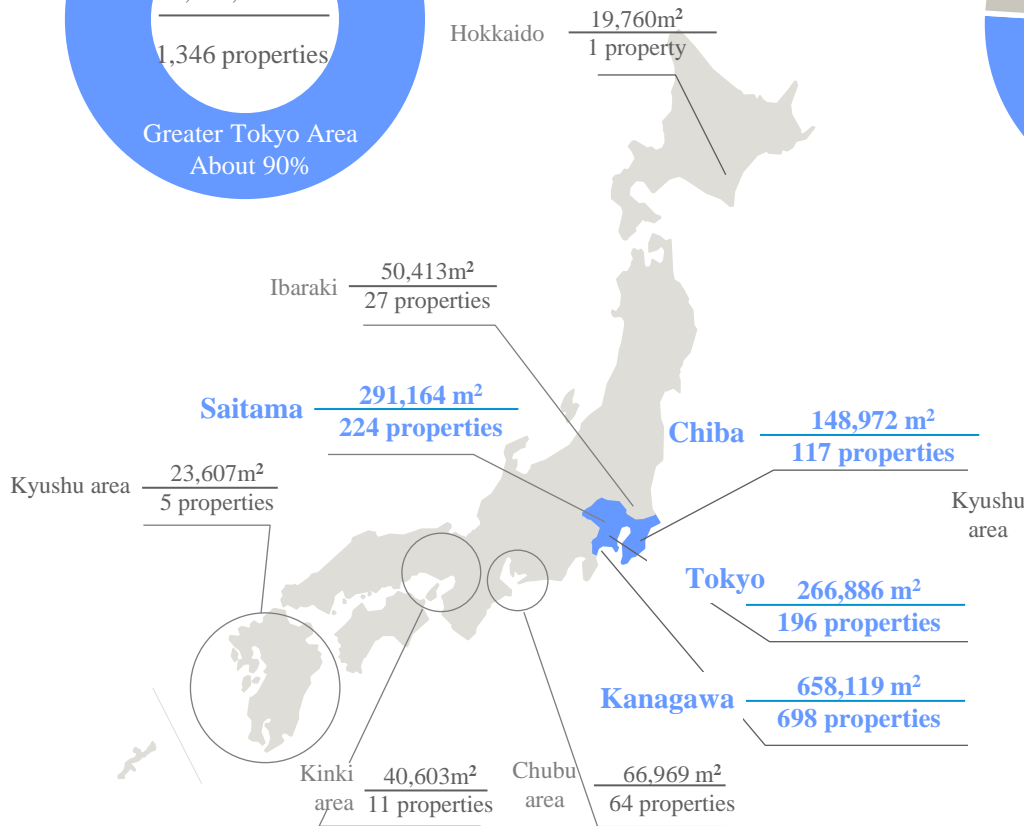


Real Estate Management Business: Floor Space under Management by Area

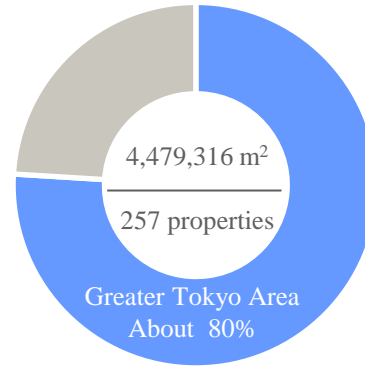
Master Lease



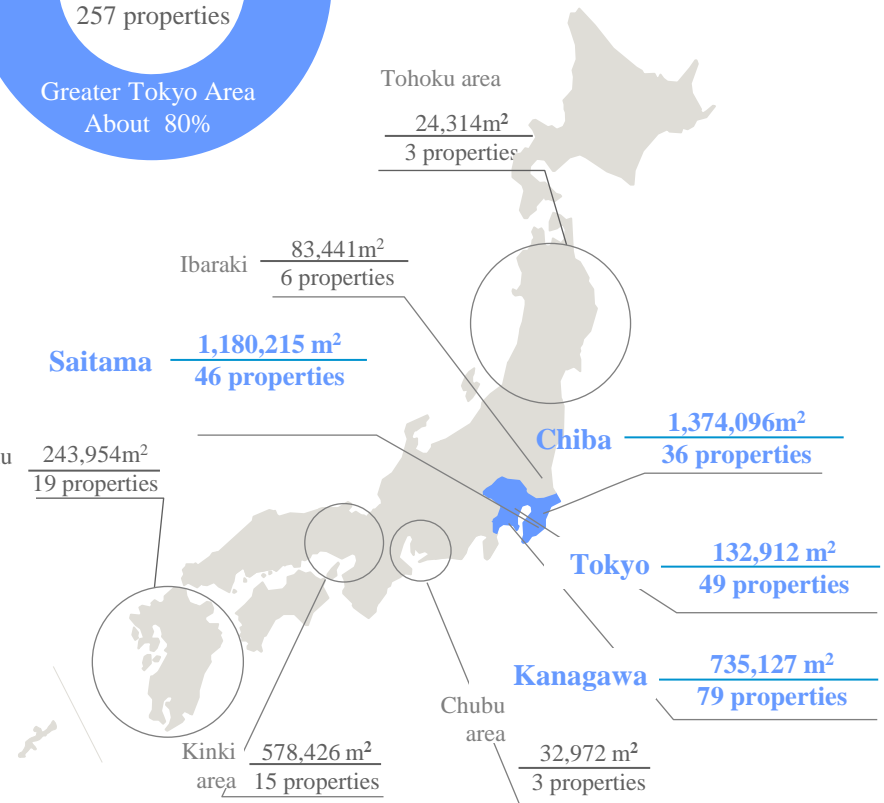
Average floor space:
About 1,200m²



Property Management



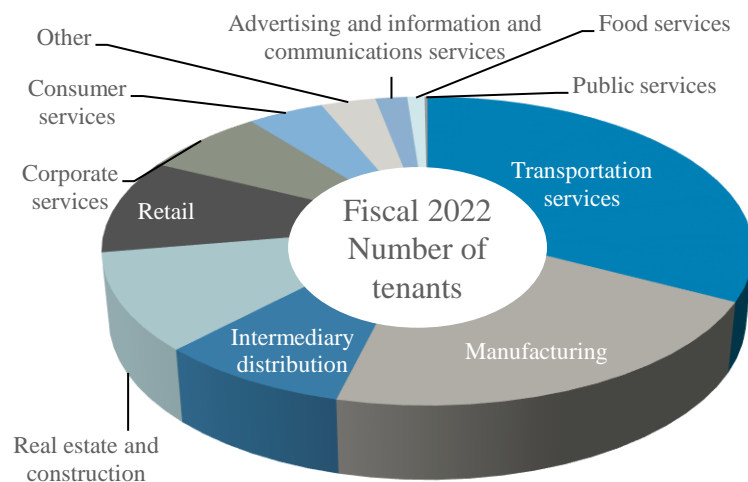
Average floor space:
About 17,400m²



As of July 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
 - Odakyu Real Estate Co., Ltd.
 - Tokyu Land Capital Management Inc.
 - AXions Co., Ltd.
 - NEWBRAIN Co., Ltd.
 - Tokyo Tatemono Co., Ltd.
 - Star Asia Asset Advisors Co., Ltd.
 - Strategic Partners Co., Ltd.

As of July 31, 2022

Logistics Infrastructure Platform

Subsidiaries and affiliates



EnBio C Energy, Inc.



*1 Consolidated subsidiaries *2 Equity method affiliates

Capital and business alliances



Alliances



Stock Information (As of July 31, 2022)

Issued Shares and Shareholders

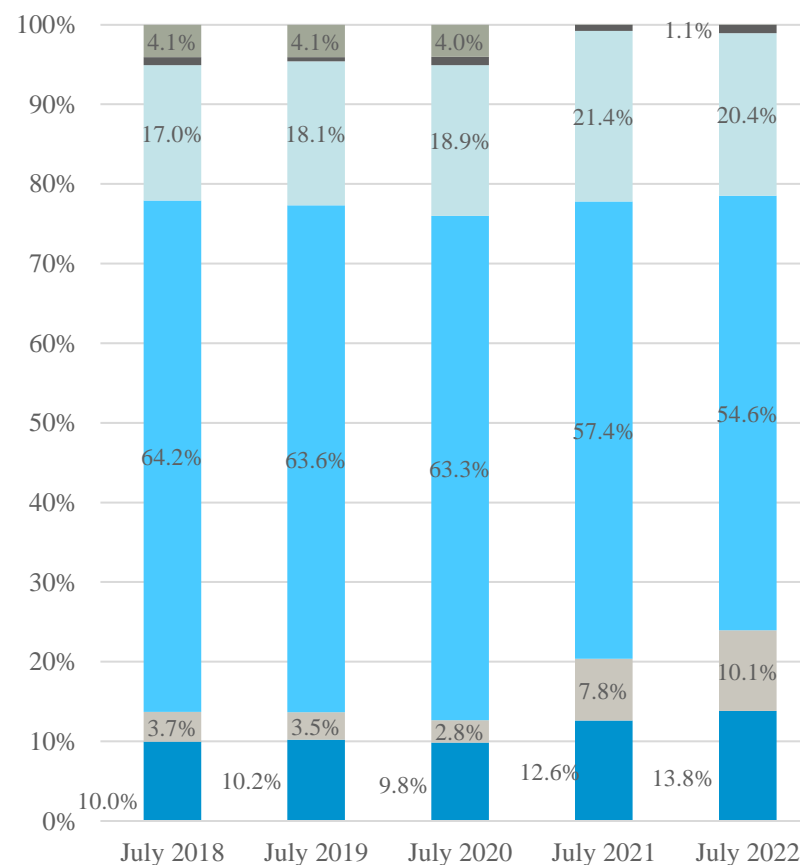
Number of Shares Issued and Outstanding	29,971,800
Number of Shareholders	12,288

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