

# **Consolidated Results for Fiscal Year 2020** **(August 1, 2019 to July 31, 2020)**

September 11, 2020



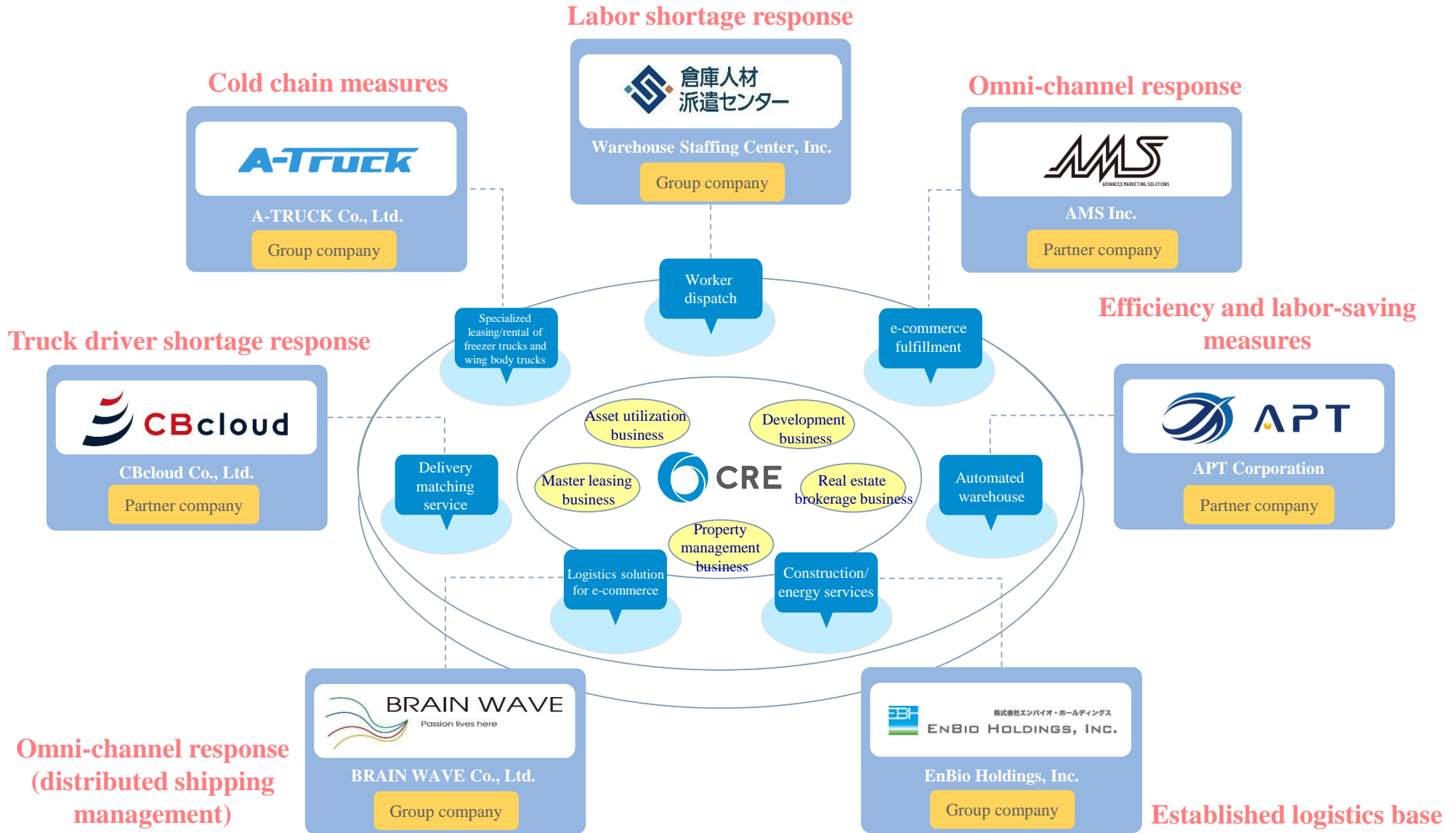
Code: 3458

Listing: First Section of the Tokyo Stock Exchange

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



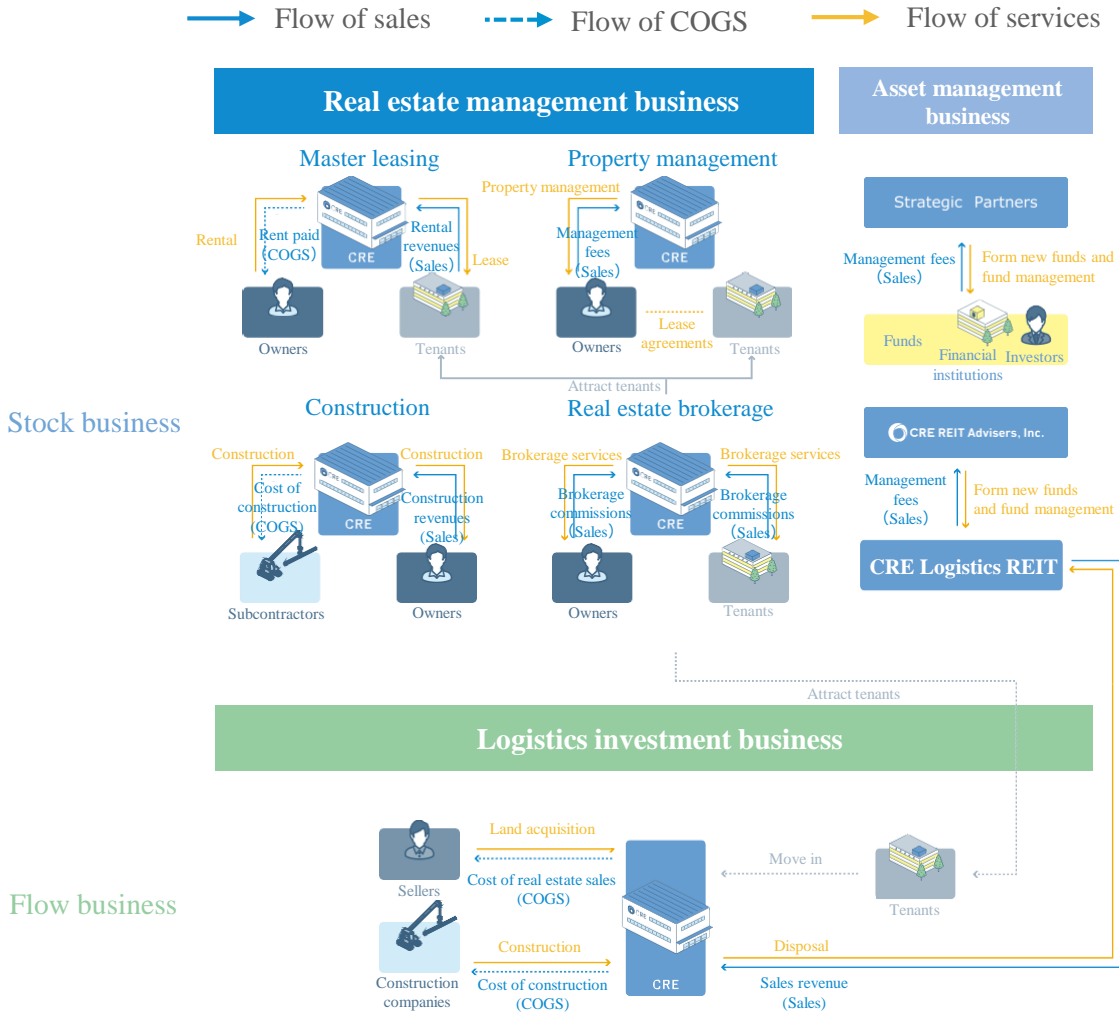
# Logistics Infrastructure Platform



# 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>Note: Included in consolidated accounting from fiscal 2021.</p>
<p><b>Investment targets</b></p>	 <p>Delivery matching service</p>	 <p>Automated warehouse</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 September 11, 2020)

- Completed large-scale logistics facility *LogiSquare* Miyoshi<sup>2</sup>
- Completed multi-tenant logistics facility *LogiSquare* Sayama Hidaka (Hanno)<sup>5</sup>
- Hankyu Hanshin Properties Corp. joined logistics facilities development project in Vietnam<sup>6</sup>
- Notice regarding additional acquisition of shares of BRAIN WAVE Co., Ltd., making it a wholly-owned subsidiary<sup>1</sup>
- Notice regarding sales of three logistics facilities<sup>3</sup>
- Notice regarding revised forecast of financial results for fiscal 2020<sup>4</sup>
- Notice regarding public offering<sup>789</sup>

Announced

1-4: June 29, 2020 5: June 30, 2020 6: July 2, 2020 7: July 16, 2020 8: July 27, 2020 9: August 28, 2020

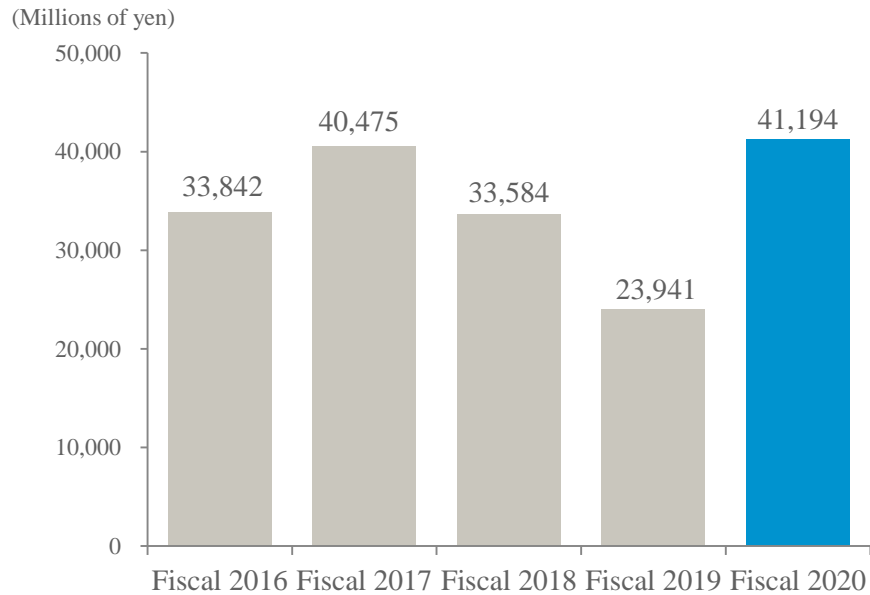
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# Summary of Consolidated Results for Fiscal 2020

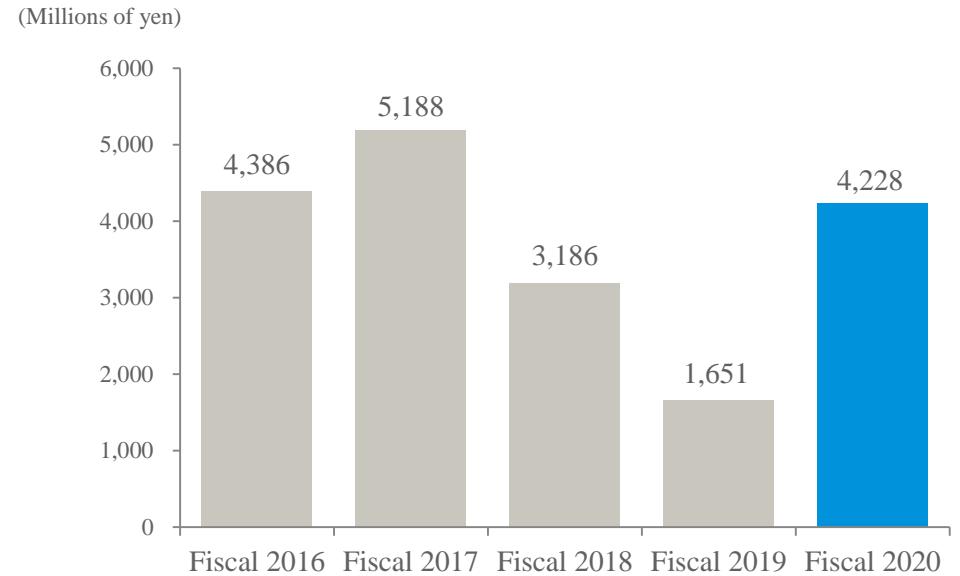


# Consolidated Financial Highlights

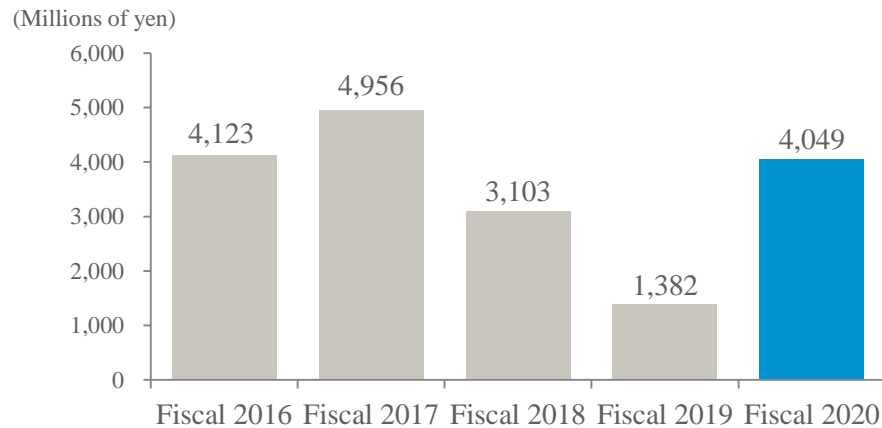
## Net Sales



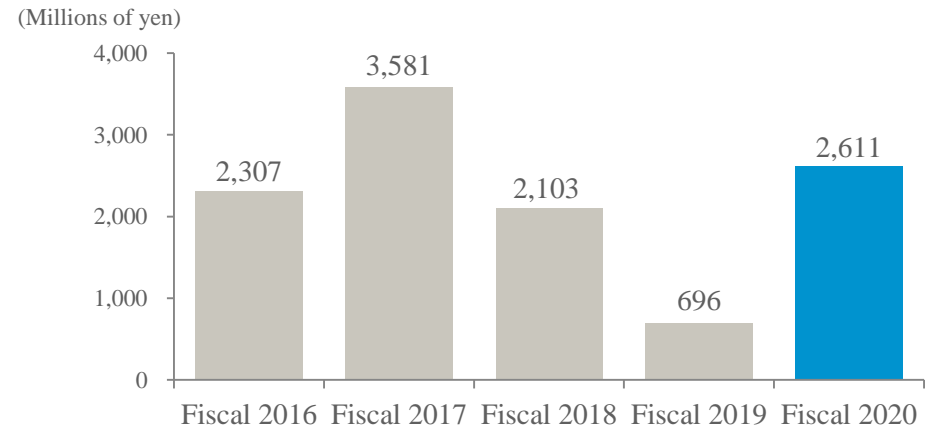
## Operating Profit



## Recurring Profit



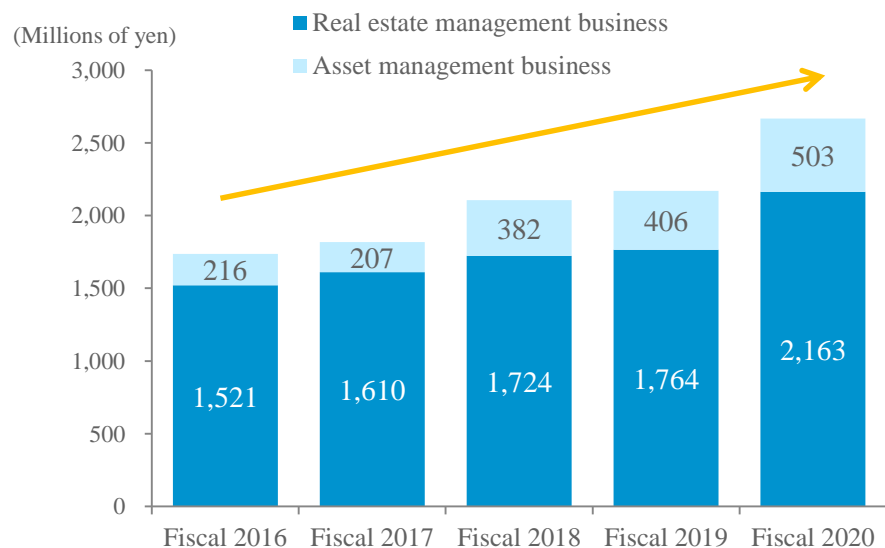
## Net Income



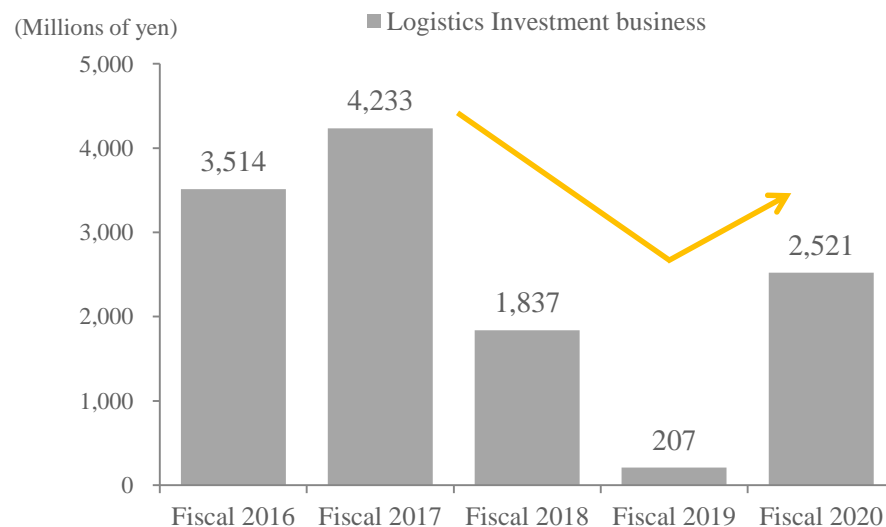
# Financial Highlights for Each Reporting Segment

## Segment Income

### Stock Business



### Flow Business



# Consolidated Results for Fiscal 2020

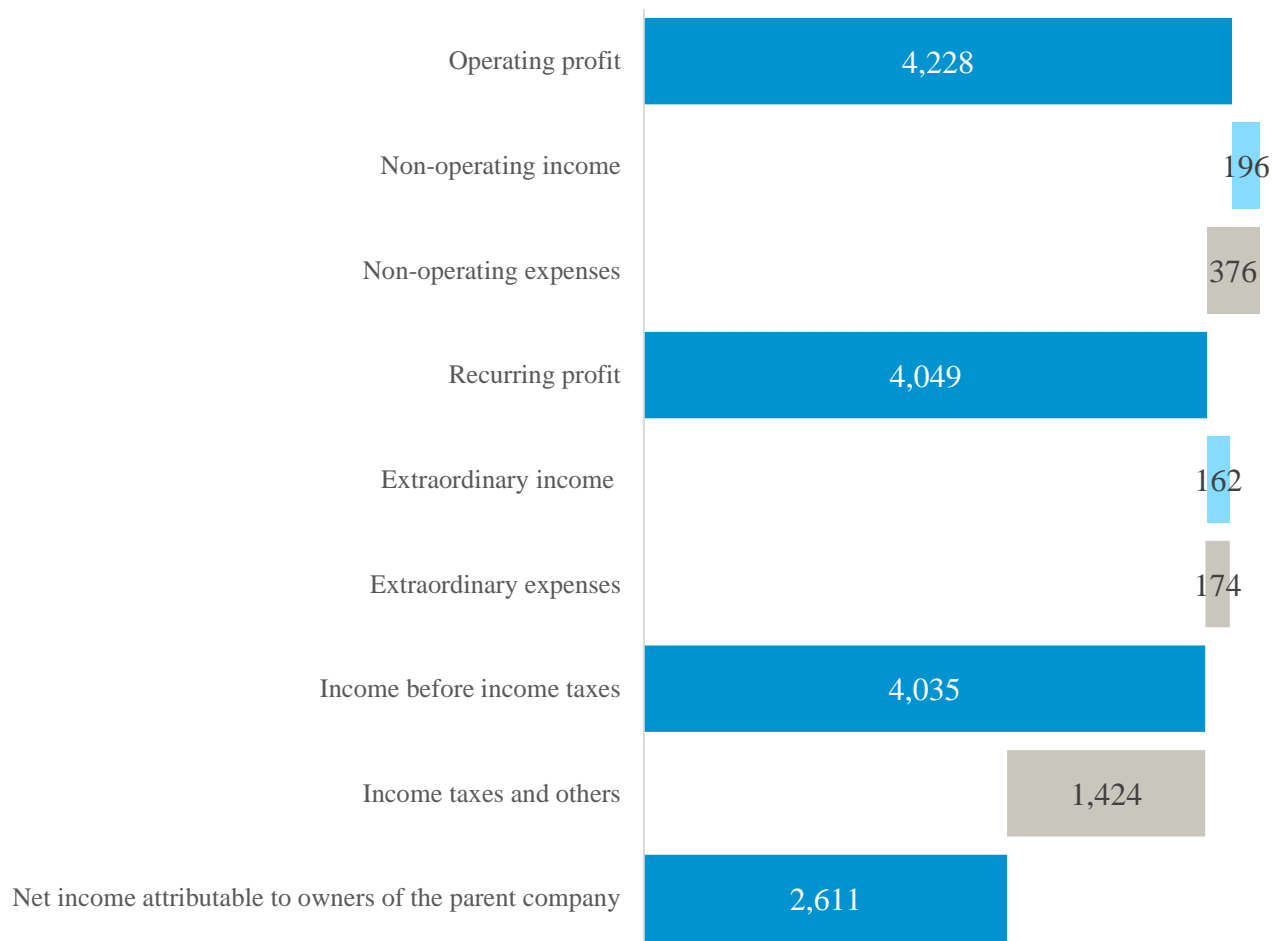
- Solid growth in stock business, driven by asset management business, leading to higher segment sales and profit.
- Logistics investment business—a flow business—presented V-shaped recovery through sale of three logistics facilities, underpinning higher segment sales and profit.
- Posted goodwill amortization of 236 million yen for fiscal 2020.

(Millions of yen)

	Fiscal 2019	Fiscal 2020	YOY change (%)	Fiscal 2020 revised forecast (as of June 29, 2020)	Compared with target (%)	Original plan	Compared with original target (%)
Net sales	23,941	41,194	72.1%	41,000	0.5%	43,600	(5.5%)
Gross profit	5,183	8,471	63.5%	—	—	—	—
Operating profit	1,651	4,228	156.1%	3,900	8.4%	2,500	69.1%
Recurring profit	1,382	4,049	193.0%	3,720	8.8%	2,100	92.8%
Net income	696	2,611	274.9%	2,400	8.8%	1,300	100.9%
Earnings per share	¥27.86	¥103.72	272.3%	¥95.32	8.8%	¥51.79	100.3%

# Breakdown of Profit

(Millions of yen)



## Breakdown of non-operating income / expenses

Non-operating income	
Equity in income of affiliates	112
Non-operating expenses	
Financing costs, etc.	299

# Results for Each Reporting Segment

- Real estate management business: Rental revenues from master leases, which represents stock revenue, steadily increased, reflecting such factors as inclusion of LogiCom, Inc., under CRE Group umbrella. Leasing results also favorable, underpinning higher sales and profit.
- Logistics investment business: Higher sales and profit through sale of *LogiSquare* Chitose, *LogiSquare* Ageo and *LogiSquare* Miyoshi
- Asset management business: Booked steady performance fees from CRE Logistics REIT during fiscal year, complemented by public offerings executed in three consecutive REIT accounting periods. Executed capital increase and booked acquisition fees on purchase of investment assets, leading to higher sales and profit.

(Millions of yen)

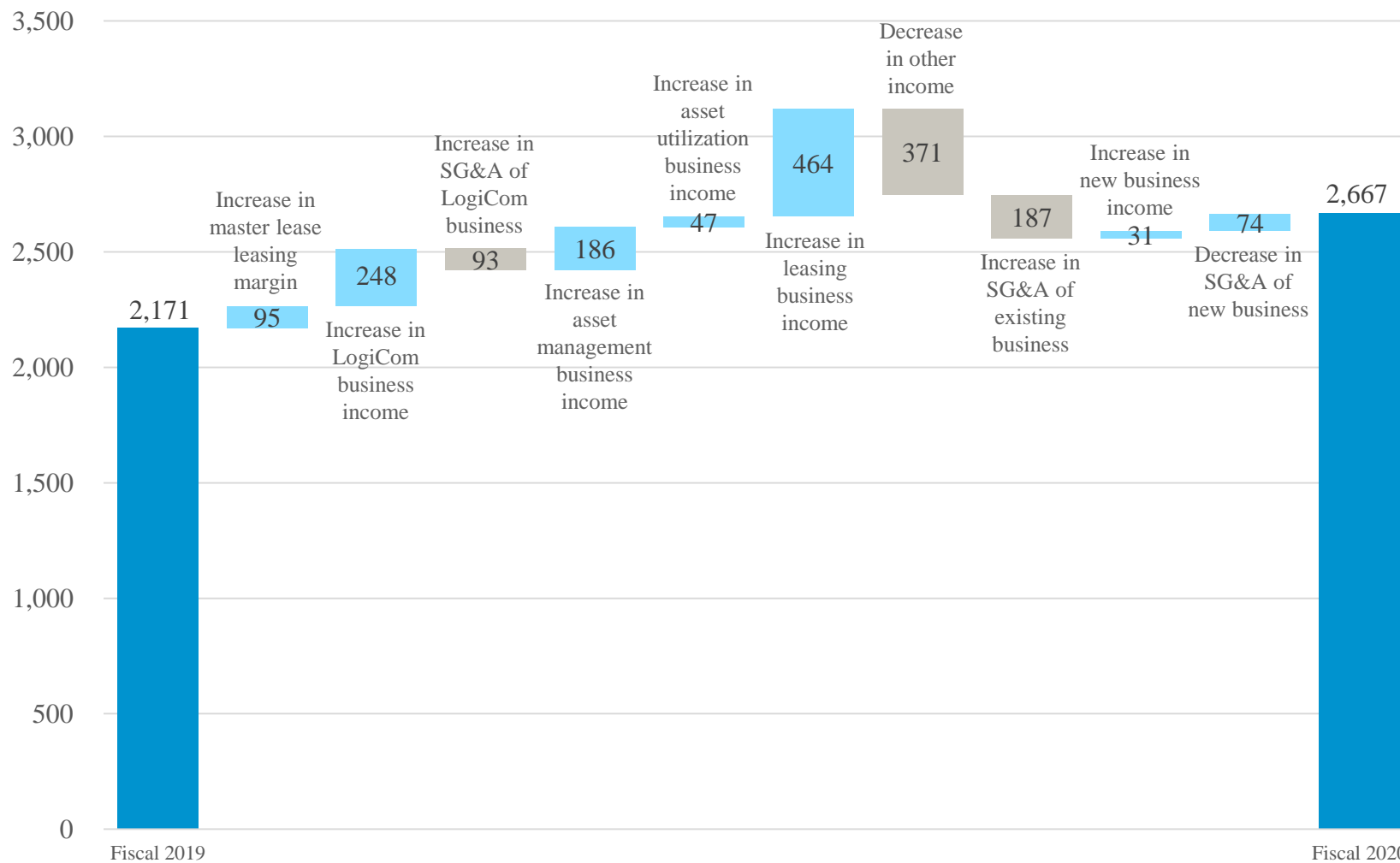
	Fiscal 2019	Fiscal 2020	YOY change (%)
Net Sales	23,941	41,194	72.1%
Real estate management business	21,537	22,563	4.8%
Logistics investment business	1,599	17,645	—
Asset management business	784	966	23.3%
Other operations	20	19	(5.4%)
Operating profit (Segment income)	1,651	4,228	156.1%
Real estate management business	1,764	2,163	22.6%
Logistics investment business	207	2,521	—
Asset management business	406	503	23.9%
Other operations	4	3	(12.3%)
Adjustment	(731)	(964)	—

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 Kawagoe II*, *LogiSquare Kobe Nishi*, *LogiSquare Sayama Hidaka*, and seven small-sized warehouses
- Key components of real estate for sale in process: *LogiSquare Osaka Katano* and *LogiSquare Miyoshi II*

(Millions of yen)

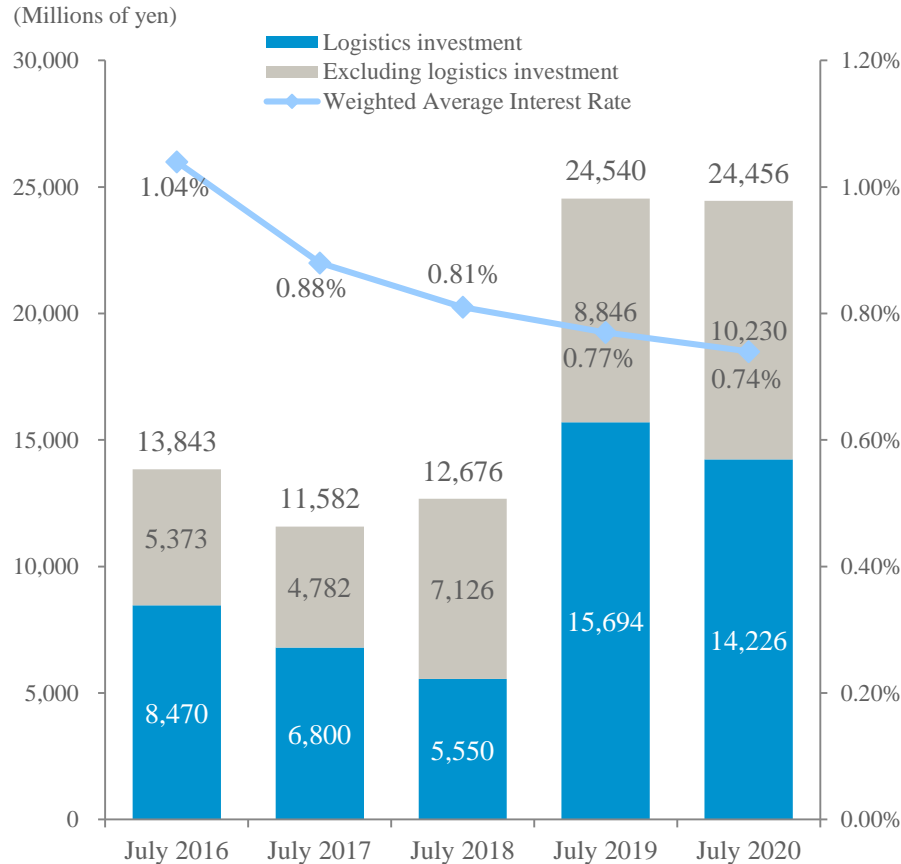
	As of July 31, 2019	As of July 31, 2020	YOY change (%)		As of July 31, 2019	As of July 31, 2020	YOY change (%)
Total assets	54,712	70,142	15,430	Total liabilities	37,167	50,138	12,971
Current Assets	36,245	49,324	13,078	Current liabilities	8,770	28,038	19,268
(Key components)				(Key components)			
Cash and deposits	9,032	14,466	5,433	Short-term loans payable, etc. ※1	3,626	10,752	7,125
Accounts receivable-trade	422	485	63	Accounts payable – trade	1,917	11,994	10,076
Real estate for sale	9,931	20,395	10,464	Fixed liabilities	28,396	22,099	(6,296)
Real estate for sale in process	14,669	8,715	(5,954)	(Key components)			
Fixed assets	18,467	20,818	2,351	Long-term loans payable, etc. ※2	20,913	13,703	(7,209)
(Key components)				Lease and guarantee deposits received	6,497	7,115	618
Tangible fixed assets	3,904	4,561	657	<b>Total net assets</b>	<b>17,545</b>	<b>20,004</b>	<b>2,458</b>
Intangible fixed assets	1,663	1,441	(221)	Common stock	2,195	2,240	44
Investments and other fixed assets	12,898	14,815	1,916	Capital surplus	3,784	3,612	(172)
<Lease and guarantee deposits>	<5,730>	<6,218>	488	Earned surplus	12,085	14,170	2,084
<b>Total assets</b>	<b>54,712</b>	<b>70,142</b>	<b>15,430</b>	<b>Total liabilities and net assets</b>	<b>54,712</b>	<b>70,142</b>	<b>15,430</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

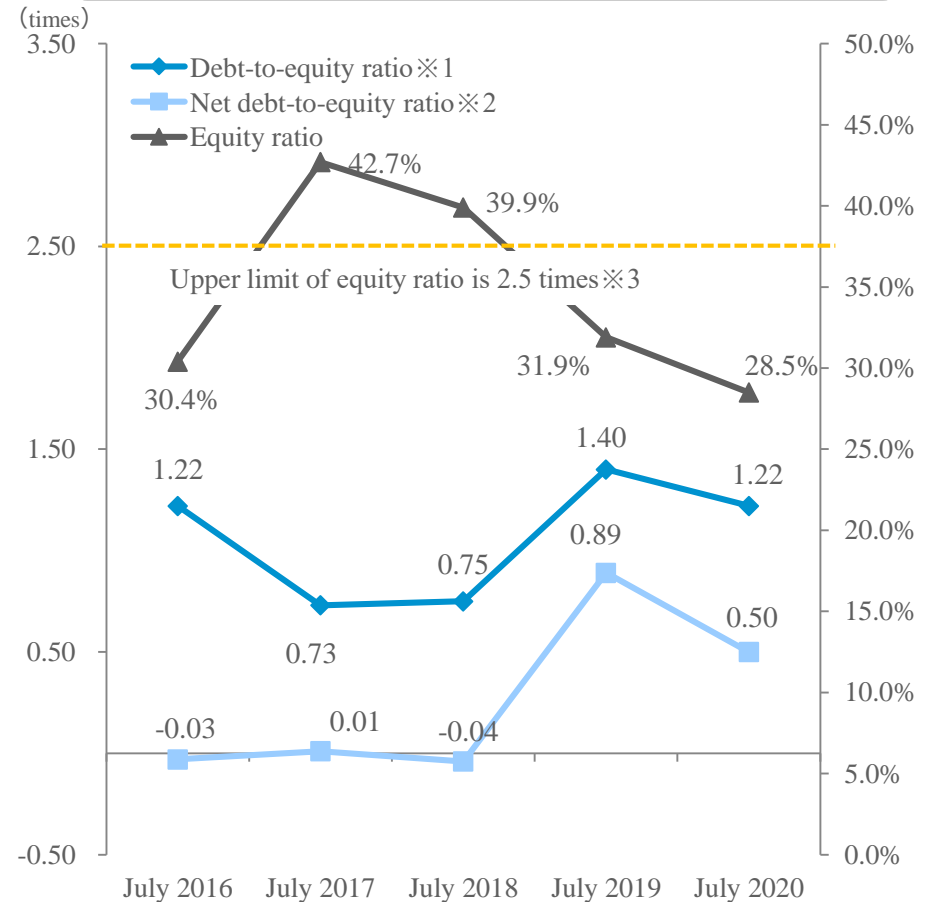
# Financial Position (as of July 31, 2020)

## 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

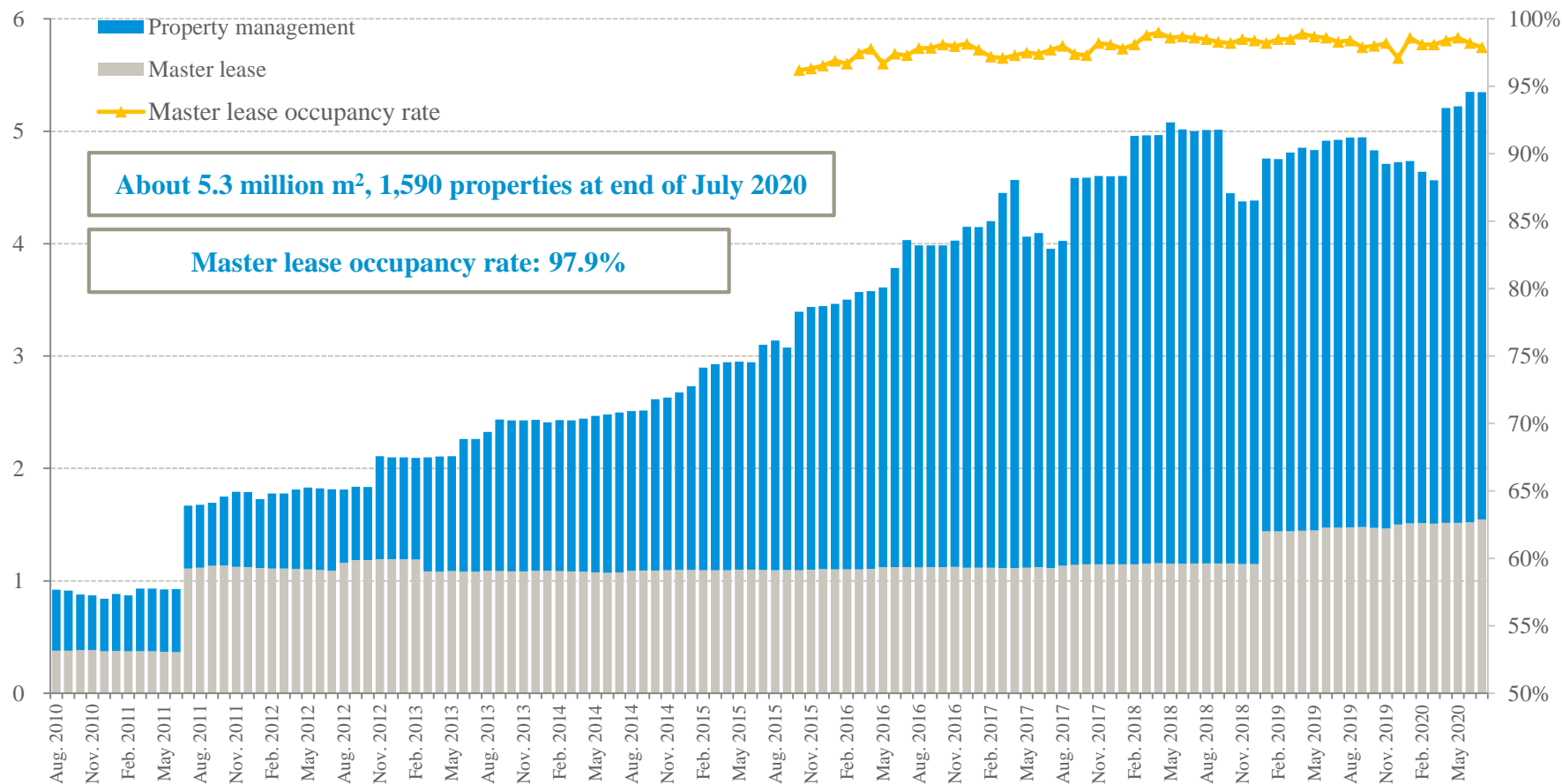
※3 CRE's target upper limit of net debt-to-equity ratio is 2.5 times. (Source: Long-term strategy announced September 12, 2016)



# Real Estate Management Business: Floor Space under Management

## Change in Floor Space under Management

Million square meters

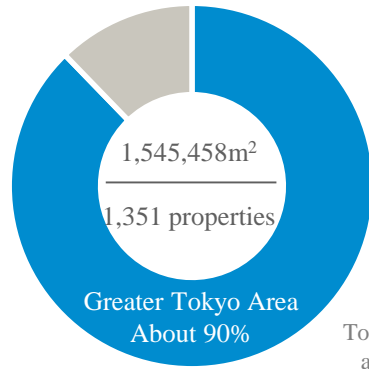


Note: Calculation method changed, effective March 2013



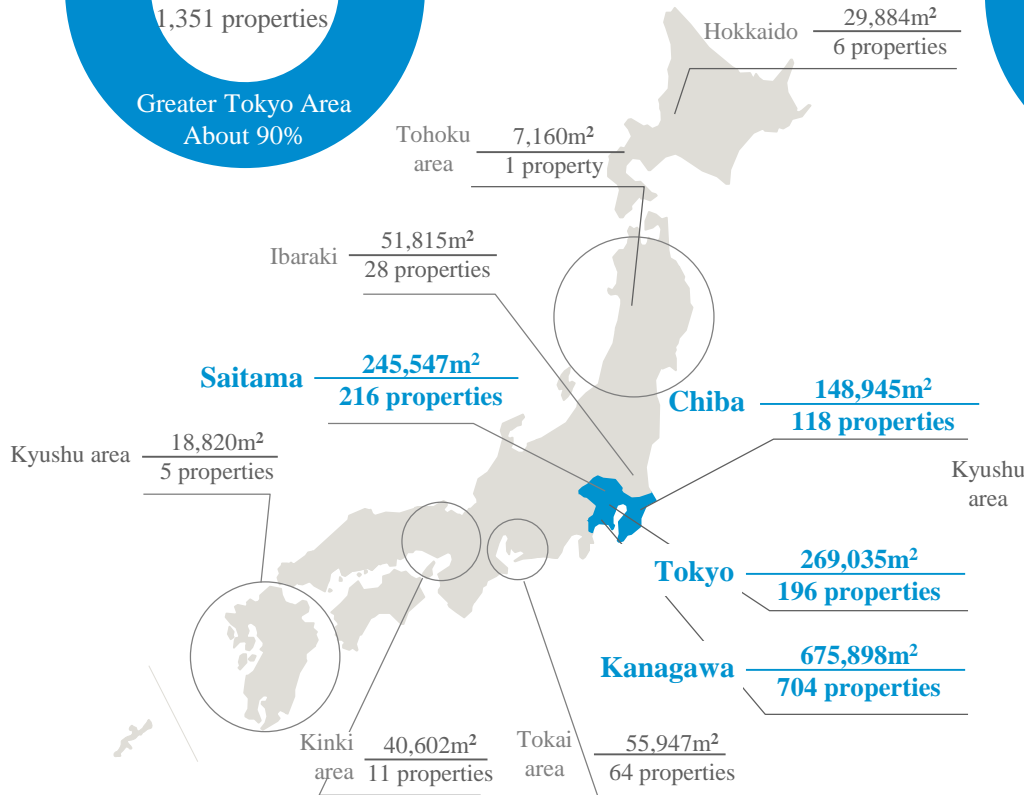
# Real Estate Management Business: Floor Space under Management by Area

## Master Lease

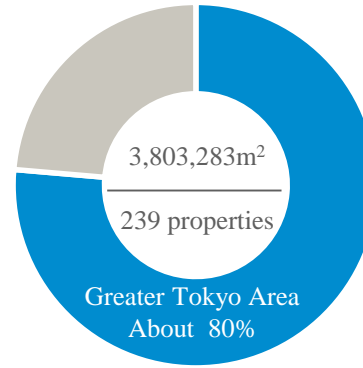


Average floor space: About 1,100m<sup>2</sup>

Greater Tokyo Area  
About 90%

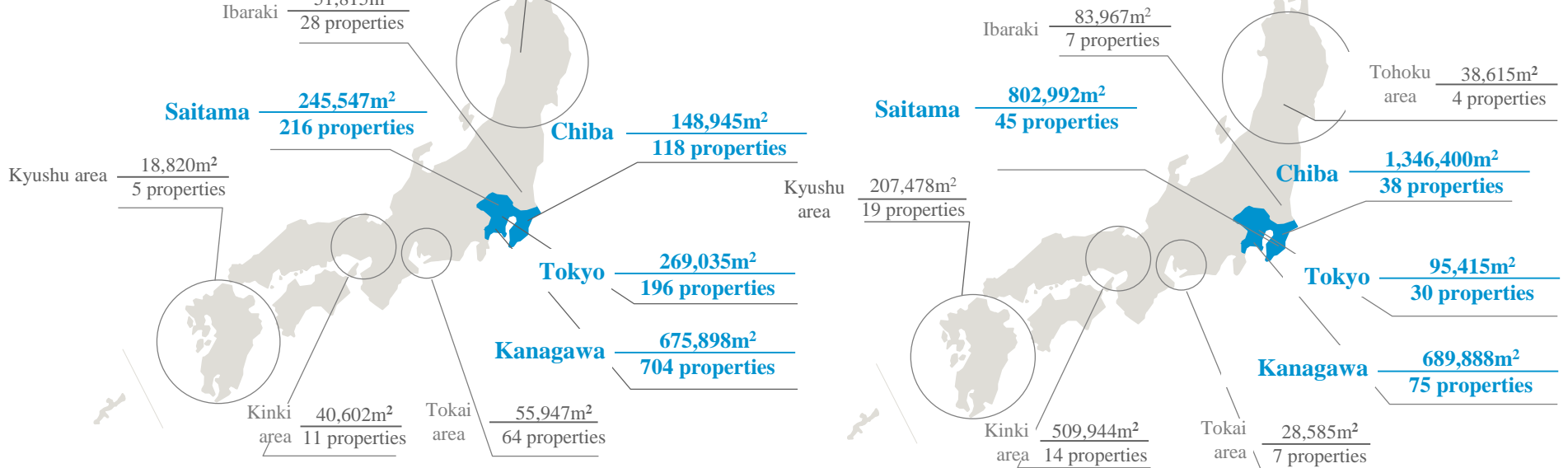


## Property Management



Average floor space: About 15,800m<sup>2</sup>

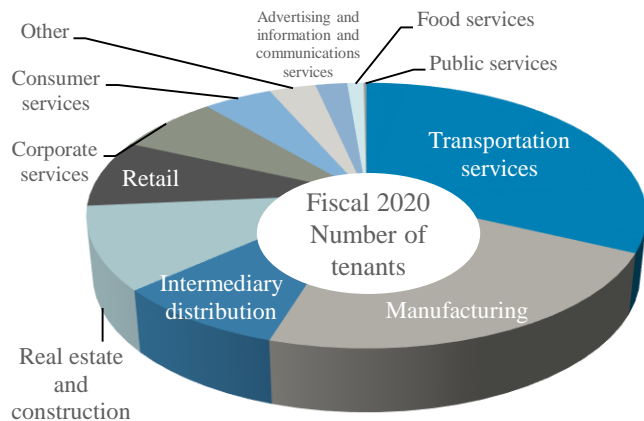
Greater Tokyo Area  
About 80%



As of July 31, 2020

# Diverse Customer Base and Position among Property Management Companies

## Tenant Composition in Master Lease



## Main Customers for Property Management

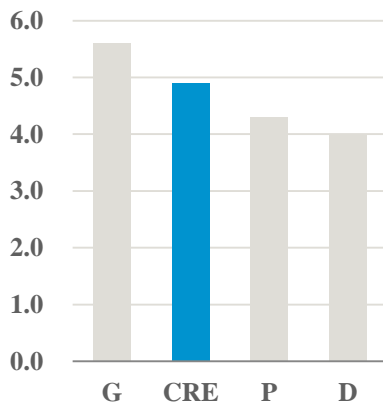
- LaSalle LOGIPOINT REIT
- Star Asia Investment Corporation
- Kenedix Retail REIT Corporation
- United Urban Investment Corporation
- Japan Logistics Fund, Inc.
- Industrial & Infrastructure Fund Investment Corporation
- Mitsubishi Estate Logistics REIT Investment Corporation
- Daiwa House REIT Investment Corporation
- CRE Logistics REIT, Inc.
- LaSalle Investment Management
- Takara Asset Management Co., Ltd.
- Diamond Realty Management Inc.
- ESR LTD.
- Kokyo Asset Management Co., Ltd.
- Sumisho Realty Management Co., Ltd.
- Challenger Limited
- Morgan Stanley Capital K.K.
- Daiei Real Estate & Development Co., Ltd.
- Real Link International Investment Advisors, Inc.
- Tozai Asset Management Co., Ltd.
- Mitsui & Co., Realty Management Ltd.
- IDERA Capital Management Ltd.
- Mitsubishi Jisho Investment Advisors, Inc.
- FORTRESS INVESTMENT GROUP JAPAN
- Ichigo Estate
- Yamato Home Convenience Co. Ltd.
- TAKARA-SANGYO Co., Ltd.
- Tokyu Land Capital Management Inc.
- UIG Asset Management Co., Ltd.
- UNIVERSE DEVELOPMENT Co., Ltd.
- CRE REIT Advisers, Inc.
- 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)

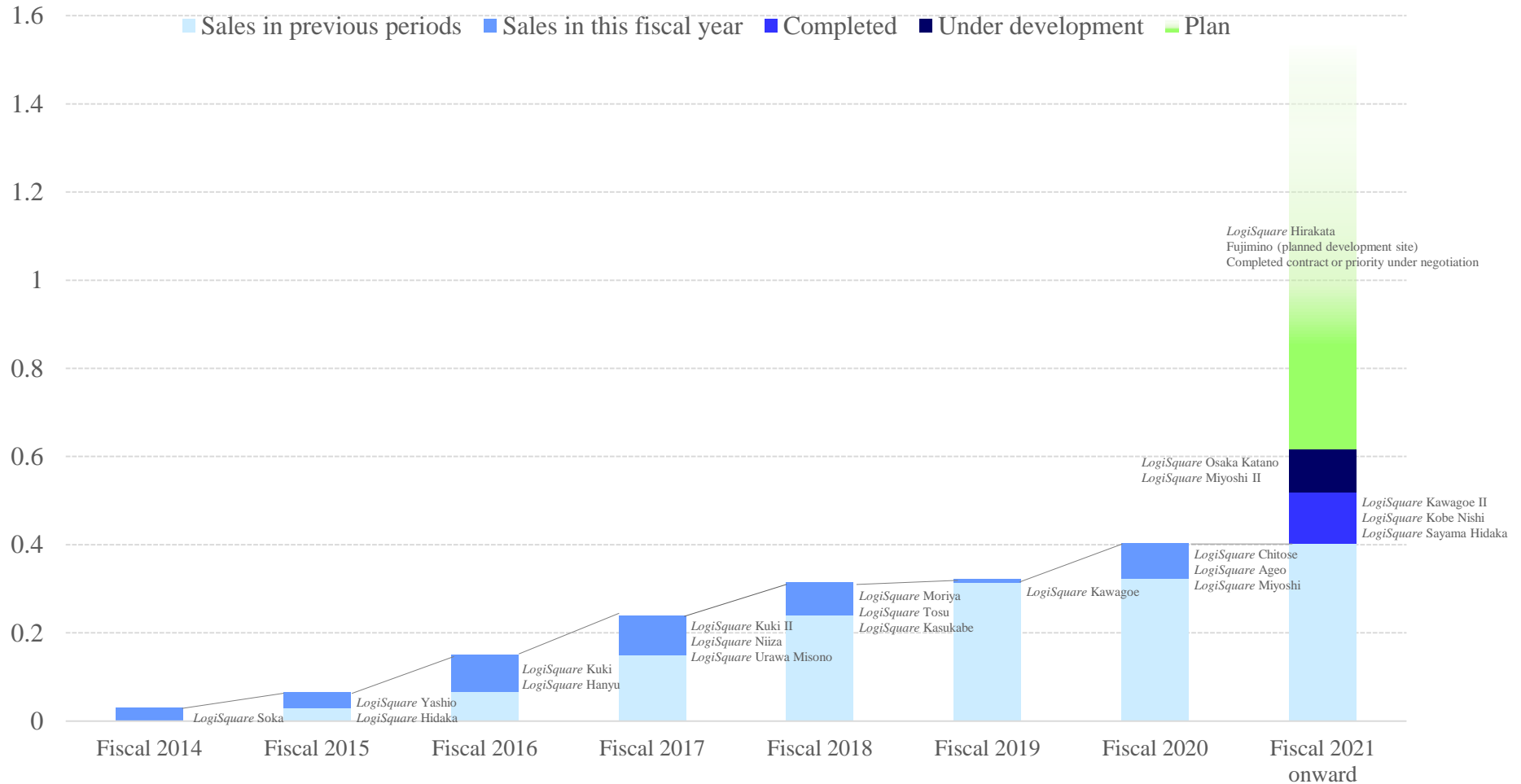


As of July 31, 2020

# Logistics Investment Business: Development Projects

## Extensive Development Pipeline

(Million square meters)



# Logistics Investment Business: Development Projects

## Development Projects

Project name	Total floor area (m <sup>2</sup> )	Completion of construction				
		FY2014	FY2015	FY2016	FY2017	FY2018
LogiSquare Soka	30,073					
LogiSquare Yashio	19,094					
LogiSquare Hidaka	17,461					
LogiSquare Kuki	44,374					
LogiSquare Hanyu	38,856					
LogiSquare Kuki II	11,931					
LogiSquare Niiza	25,888					
LogiSquare Urawa Misono	52,374					
LogiSquare Moriya	34,221					
LogiSquare Tosu	17,788					
LogiSquare Kasukabe	22,188					
LogiSquare Kawagoe	7,540					
LogiSquare Chitose	20,886					

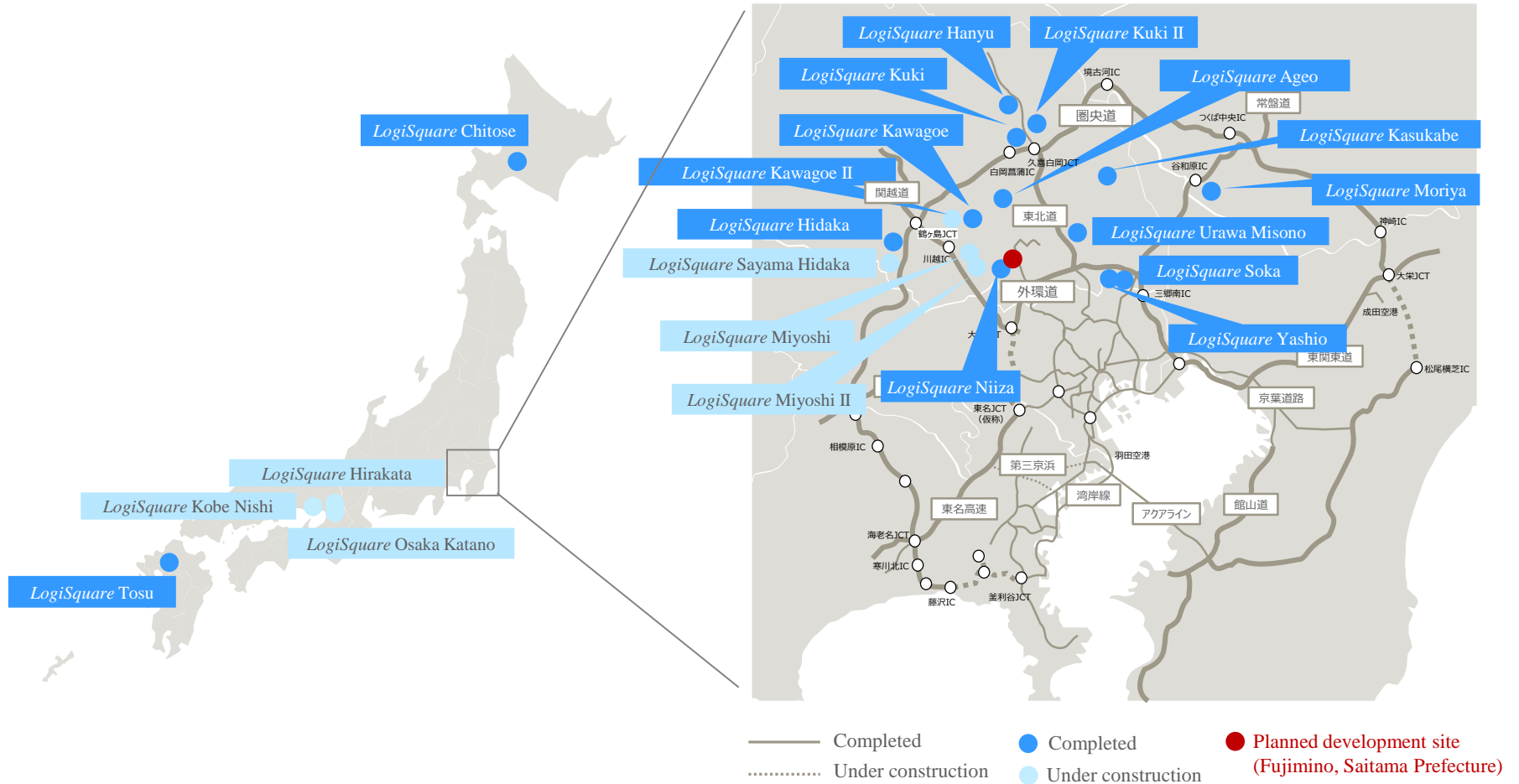
Project name	Total floor area (m <sup>2</sup> )	Completion of construction		
		FY2019	FY2020	FY2021
LogiSquare Ageo	19,521			
LogiSquare Miyoshi	40,754			
LogiSquare Kawagoe II	14,787			
LogiSquare Kobe Nishi	16,050			
LogiSquare Sayama Hidaka	84,132			
LogiSquare Osaka Katano	80,661			Plan
LogiSquare Miyoshi II	18,096			Plan
LogiSquare Hirakata	44,727			Not fixed yet
<b>Total</b>	<b>661,402</b>	<b>Area under development: About 143,484m<sup>2</sup></b>		

**Area completed: 114,969m<sup>2</sup>**

+ 【Planned development site】  
Location : Fujimino, Saitama Prefecture  
Site area : 123,389m<sup>2</sup>

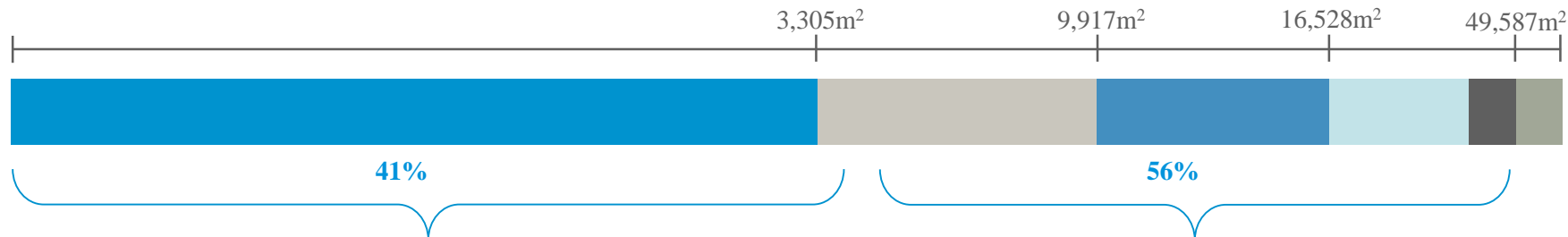
# Logistics Investment Business: Development Projects

## Highly Convenient Locations



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

## Current Utilization Status



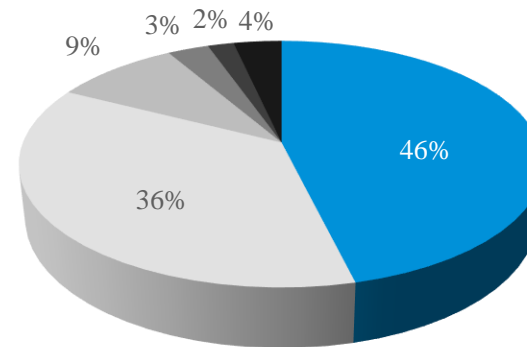
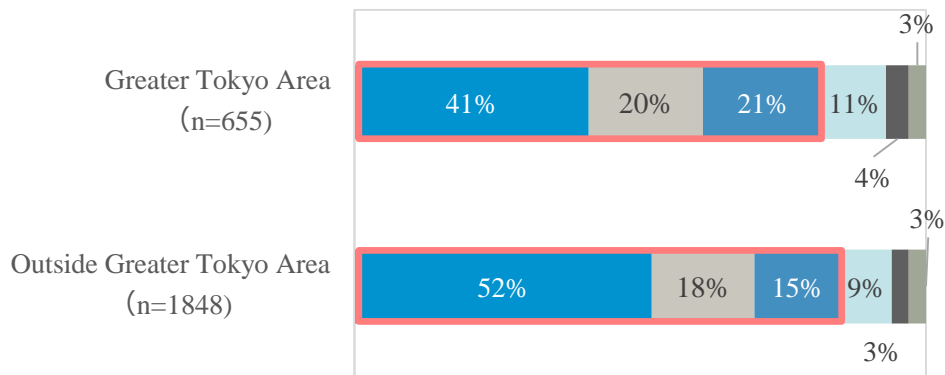
### Main areas in CRE's master lease business

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

<Per-location available area>

<CRE's floor space under master lease composition>

- 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>



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.

- 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>

As of July 31, 2020

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

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# Business Forecast



# Fiscal 2021 Consolidated Business Forecast

(Millions of yen)

	Fiscal 2020 (Actual)	Fiscal 2021 (Forecast)	YOY Change	
			Amount	YOY
Net Sales	41,194	54,700	13,505	32.8 %
Real estate management business	22,563	27,100	4,536	20.1%
Logistics investment business	17,645	26,600	8,954	50.7%
Asset management business	966	1,000	33	3.4%
Other operations	19	—	—	—
Operating profit (Segment income)	4,228	5,000	771	18.2%
Real estate management business	2,163	2,200	36	1.7%
Logistics investment business	2,521	3,700	1,178	46.7%
Asset management business	503	500	(3)	(0.7%)
Other operations	3	—	—	—
Adjustment	(964)	(1,400)	(435)	—
Recurring profit	4,049	4,500	450	11.1%
Net income	2,611	2,900	288	11.0%
Earnings per share	¥103.72	¥105.88	¥2.16	2.1%
Dividend per share	¥22	¥23	¥1	4.5%
Return on equity	13.9%	12.6%	—	(1.3p)

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

Note: Calculation of net income per share (anticipated) for fiscal 2021, ending July 31, 2021, takes into consideration an increase in the number of shares associated with issuance of new shares through a third-party allocation of shares and public offering, for which payment was completed in August 2020, and also associated with disposal of treasury stock, in addition to an increase in the number of shares reflecting third-party allocation related to a secondary offering by way of over-allotment, for which payment was completed in September 2020.

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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: ¥1 million

## 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.**

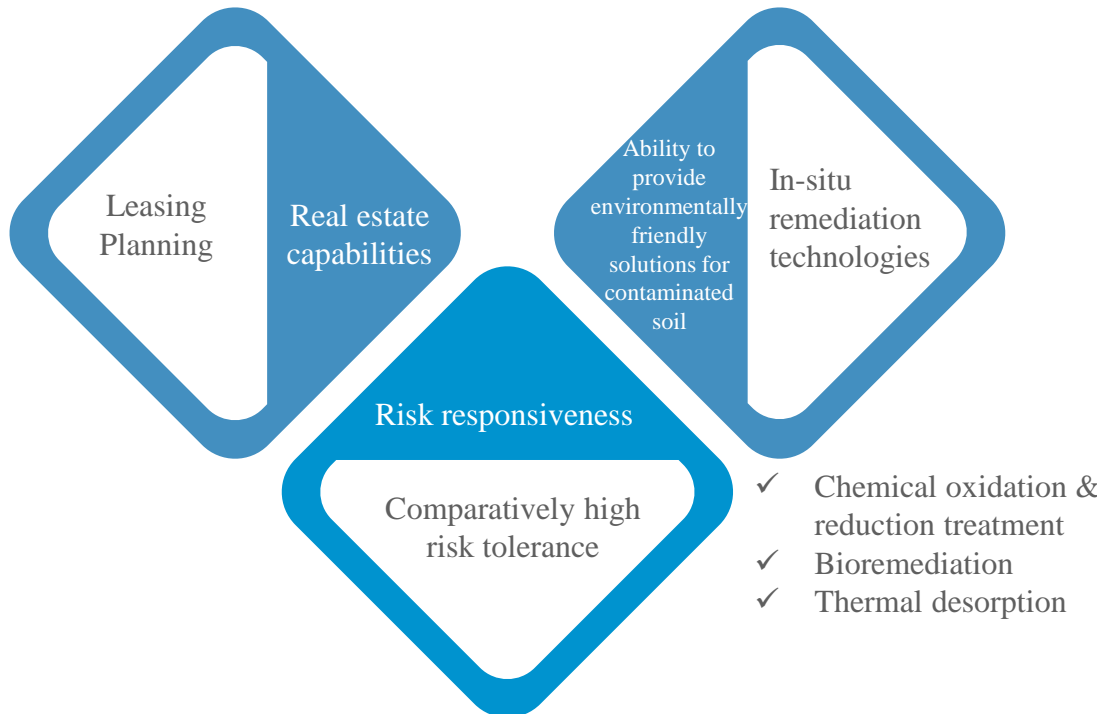
Code: 6092

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 first project

Location	City of Yokohama
Area	About 3,358m <sup>2</sup>
Acquisition price	About 600 million yen
Timing of the disposition	May 2020 (attract retail tenants)

### The second project

Location	City of Atsugi
Area	About 10,032m <sup>2</sup>
Acquisition price	About 1.5 billion yen
Future plans	Entered into a two-year, fixed-term lease contract following purchase in June 2020. Once site is vacated, will undertake demolition and soil remediation work, and then sell property as logistics facility site.

Source : Announcement material from EnBio Holdings, Inc.



# 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 the fall of 2020 (scheduled)



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

## Development Plan in Vietnam



Singapore government-affiliated company  
Sembcorp Development Ltd.

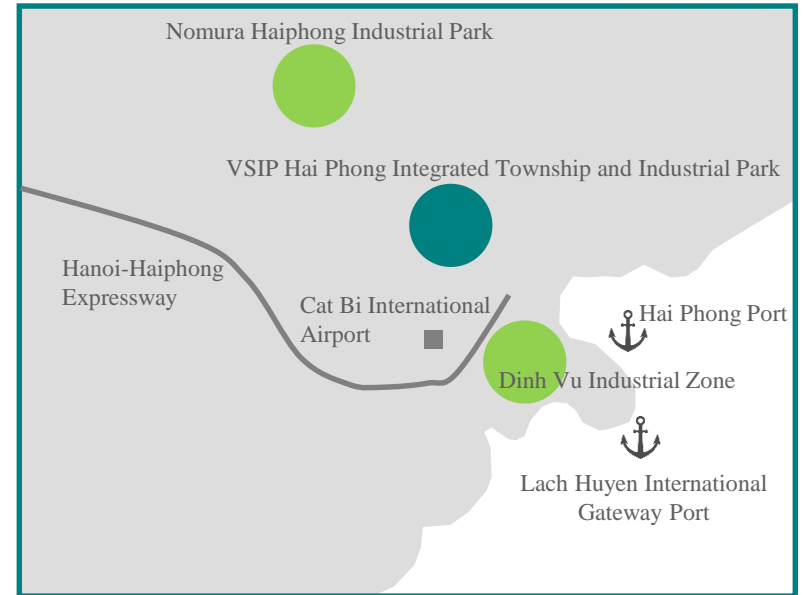


CRE

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)



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

Sembcorp Logistics Park A (Hai Phong) phase 1,2

Economic Growth Rate



Source: Hai Phong and Vietnam data from Hai Phong Statistical Office and General Statistic Office of Vietnam, and Five ASEAN countries data from Asia Trends Macroeconomic Report, released by Dai-Ichi Life Research Institute Inc. Five ASEAN countries (Indonesia, Thailand, Malaysia, the Philippines and Vietnam)

# Perspective on Earnings

## Build Circular Stock and Flow Business Structure

- Emphasize earnings from stock business

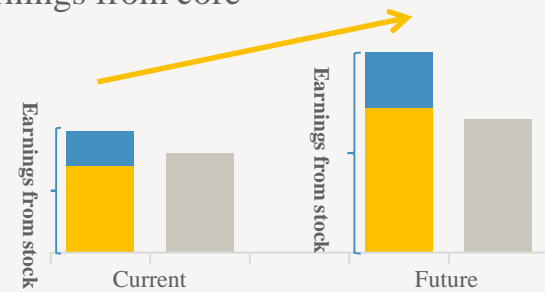
### Grow core stock

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

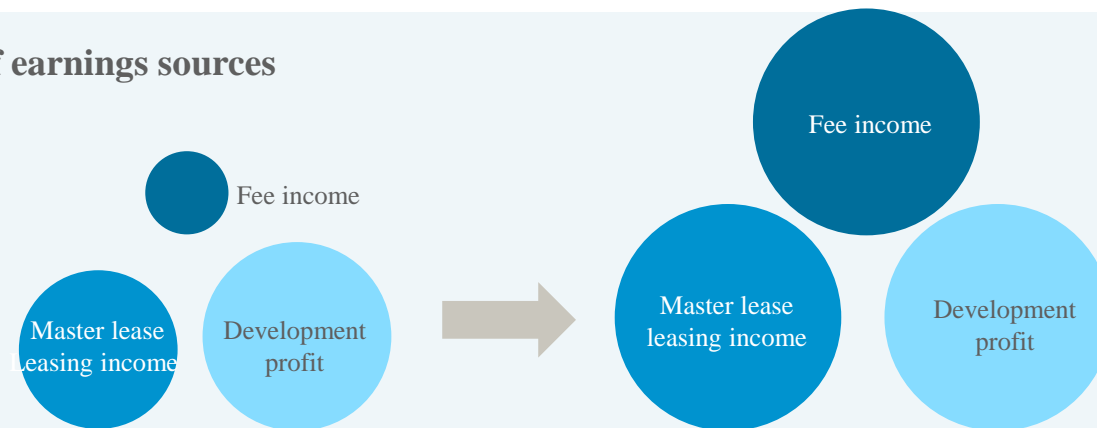
Earnings from core stock = Master lease leasing income + Property management fees + Building maintenance fees + Repairs/maintenance/improvement projects + Management fees during asset management period

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

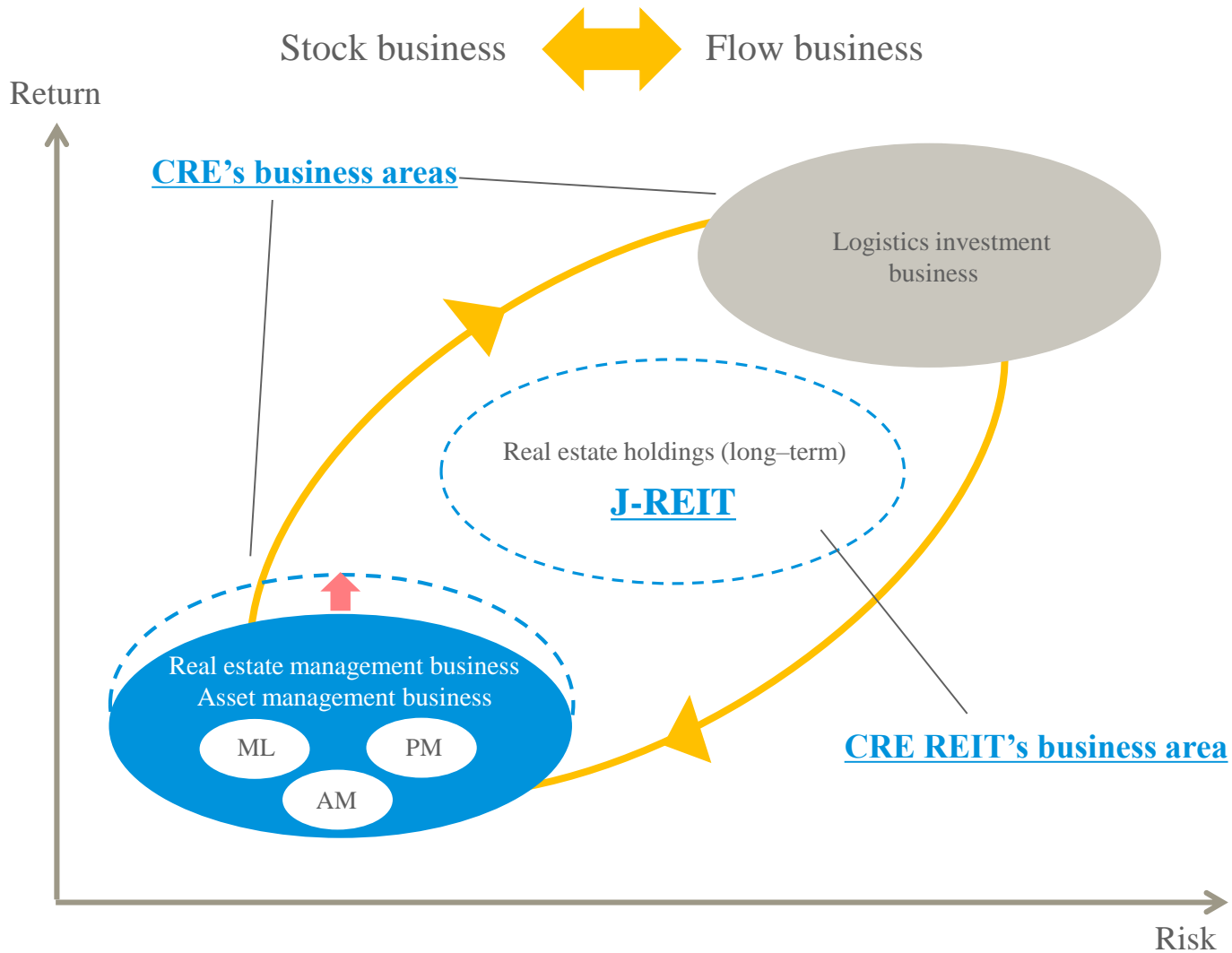
■ Earnings from core stock ■ Earnings from stock ■ Selling, general and administrative expenses



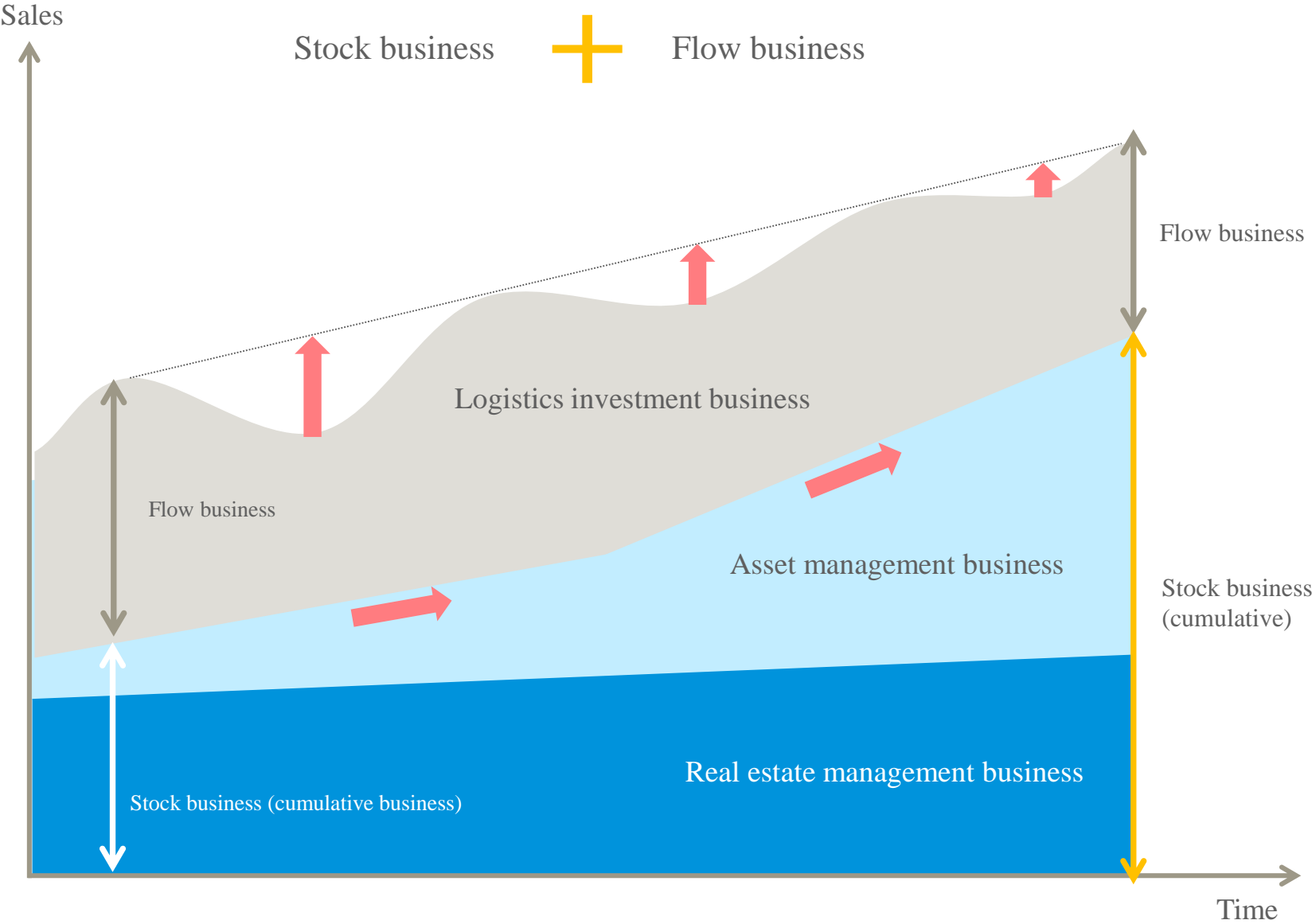
### Diversification of earnings sources



# Build Circular Stock and Flow Business Structure



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



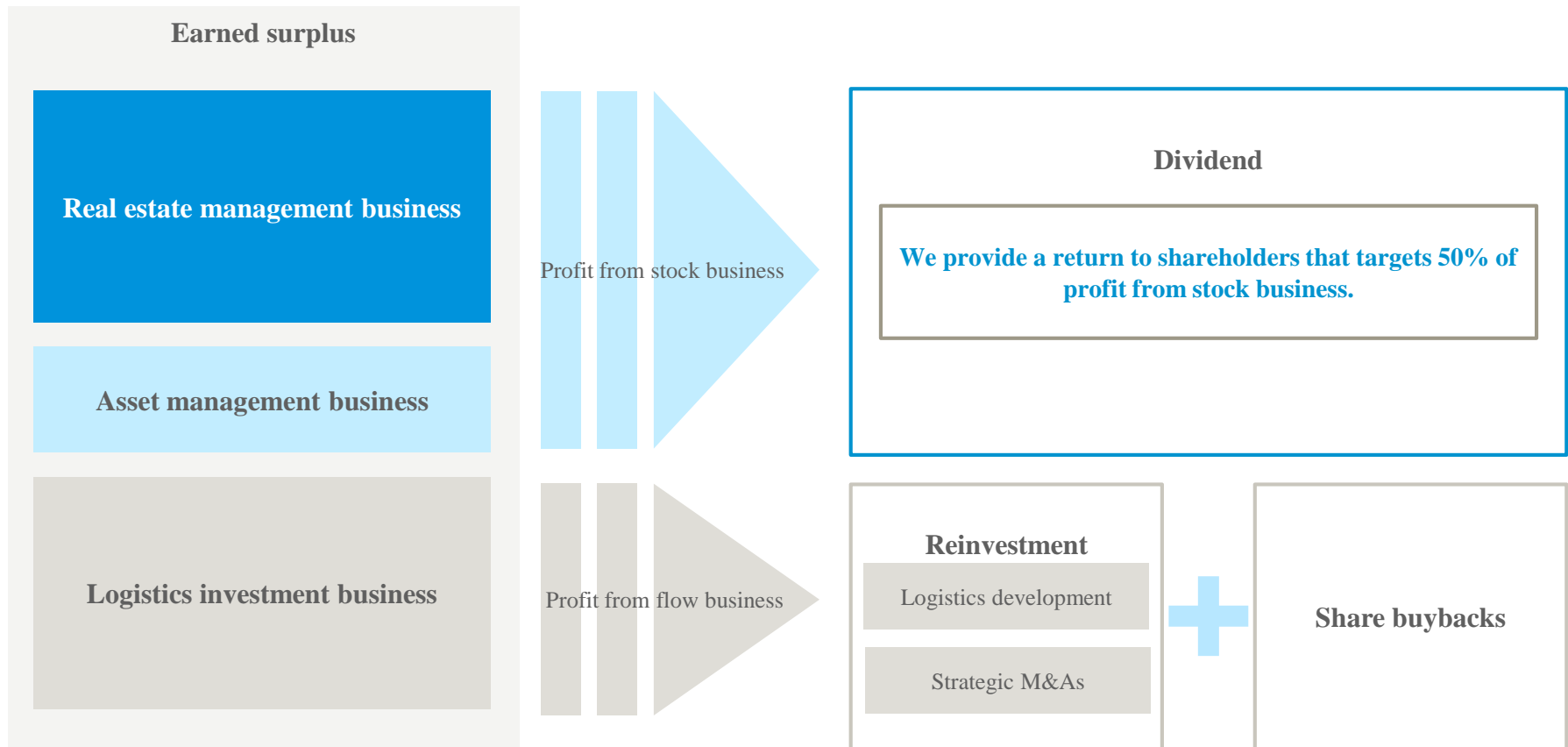
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# Return to Shareholders

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

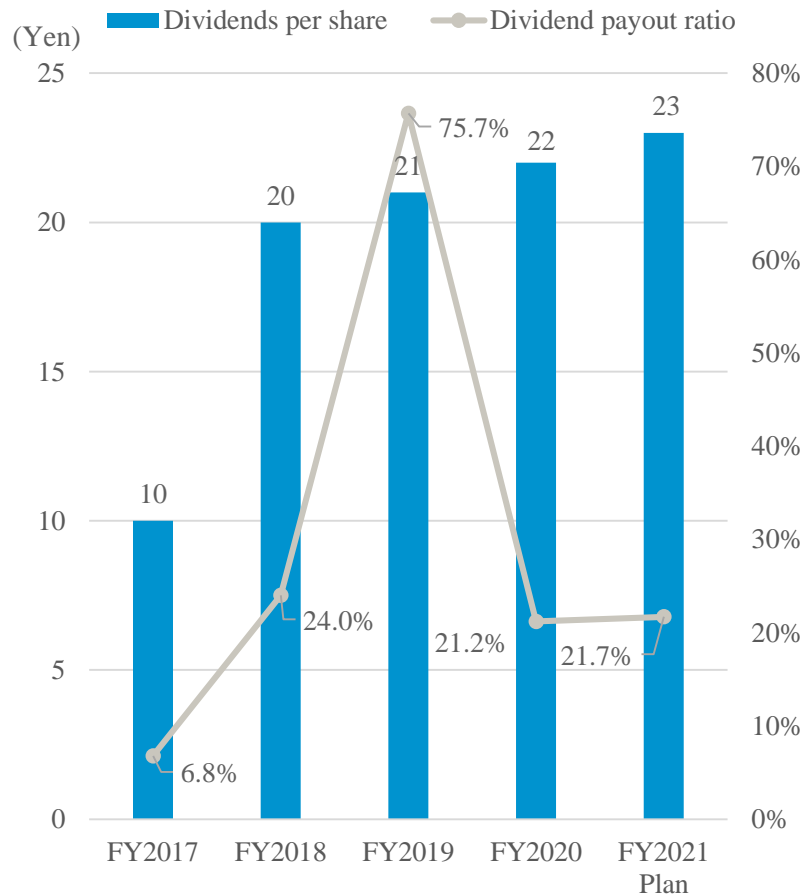
- We will draw on earned surplus from the stock business to distribute dividends to shareholders and will strive to steadily increase dividend payments commensurate with continuous growth.
- We reinvest earned surplus from the flow business into logistics development and M&As to strengthen the stock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

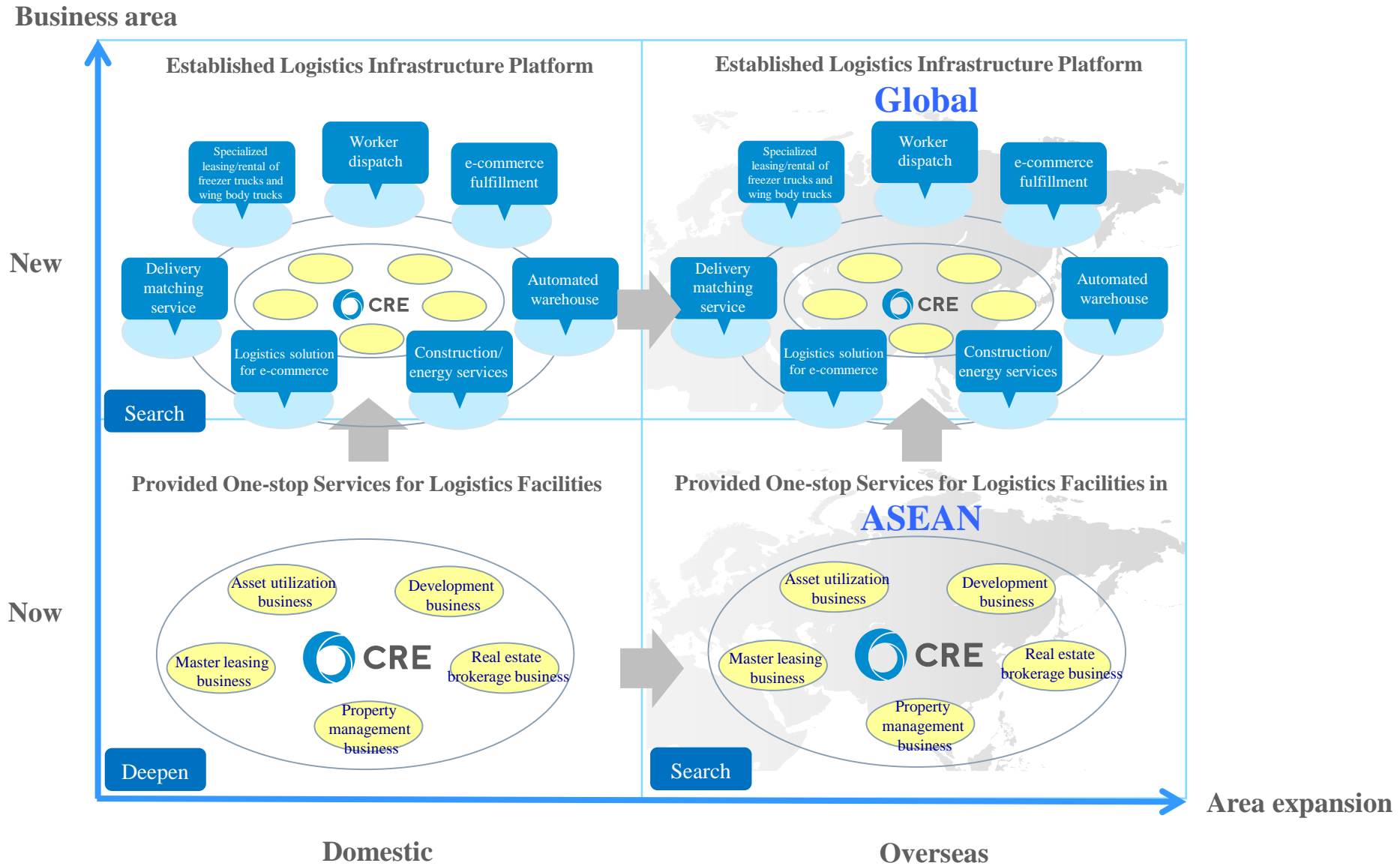
Strengthen area expansion

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



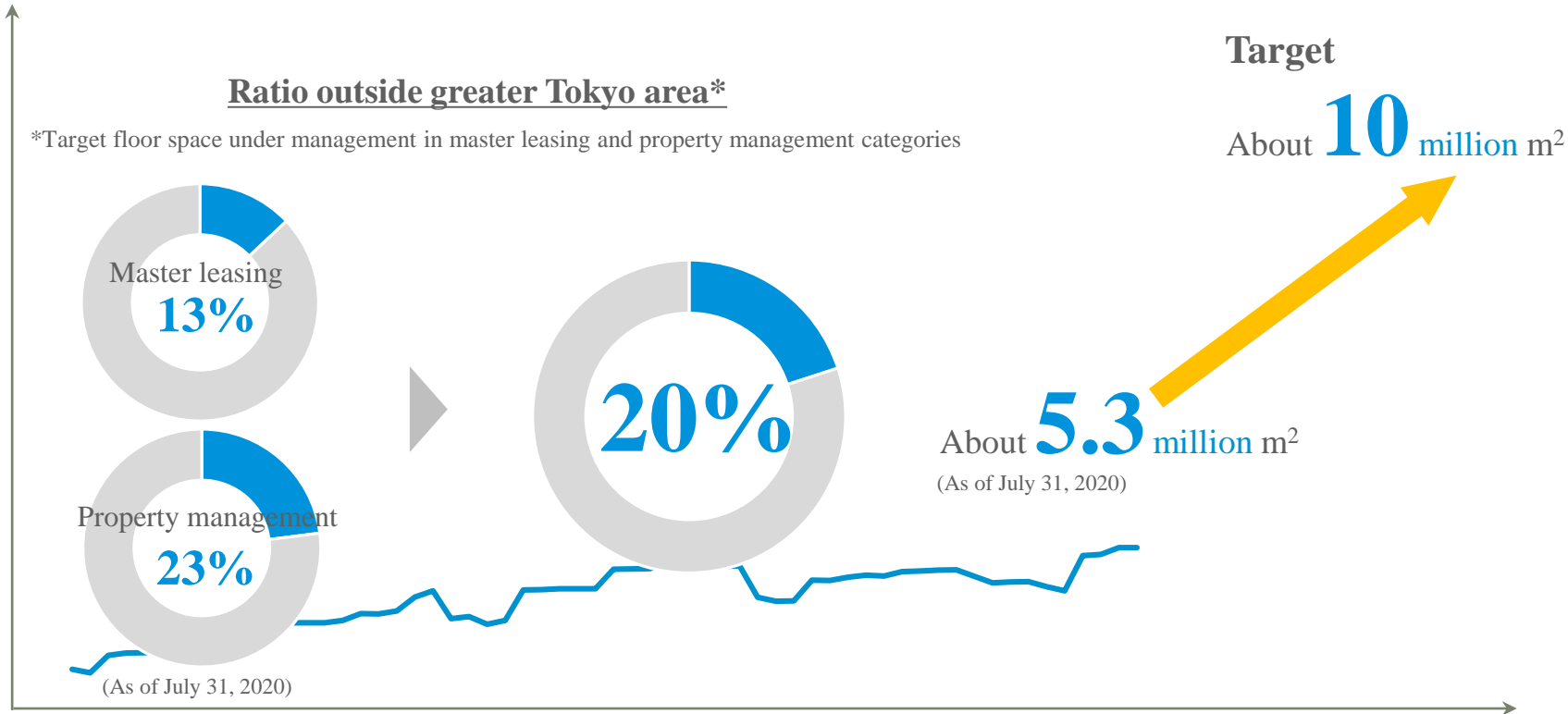
# Long-Term Strategy in Real Estate Management Business

## 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

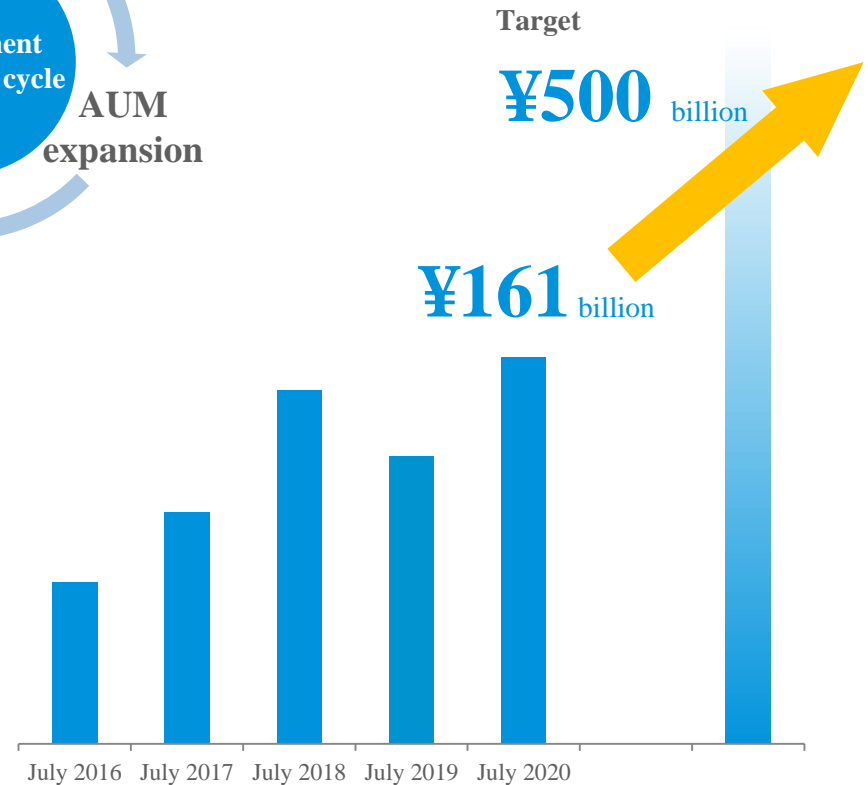
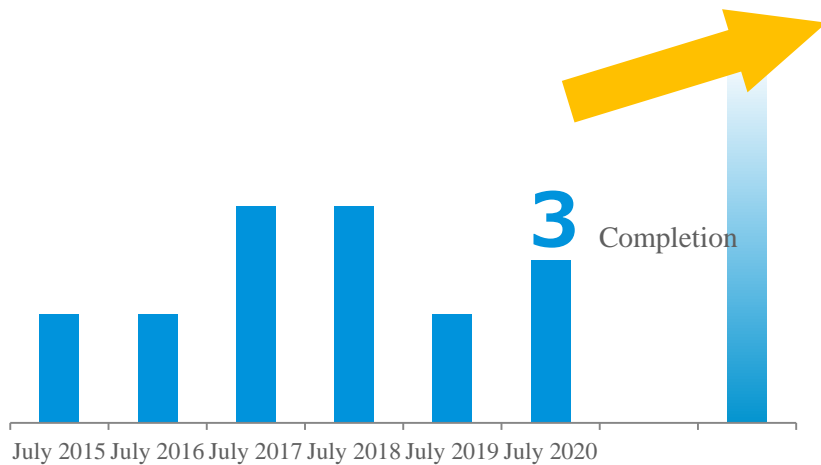
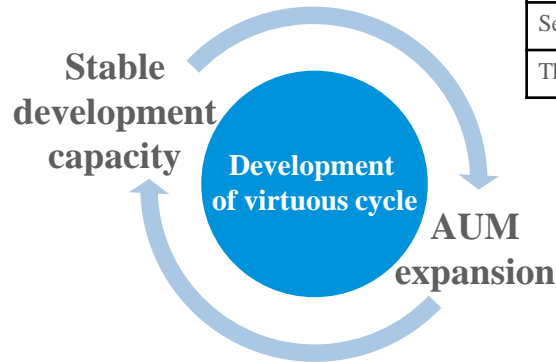
## Business after REIT Listing

### 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

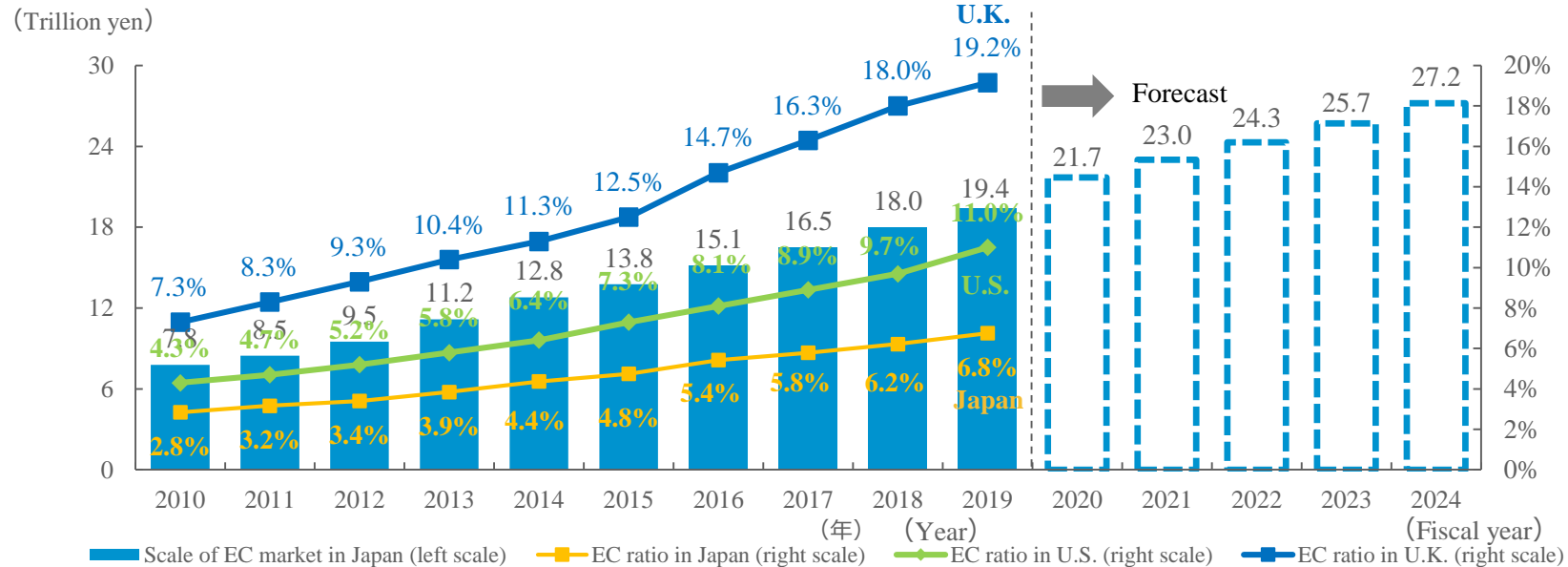


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# Logistics Real Estate Market

# 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

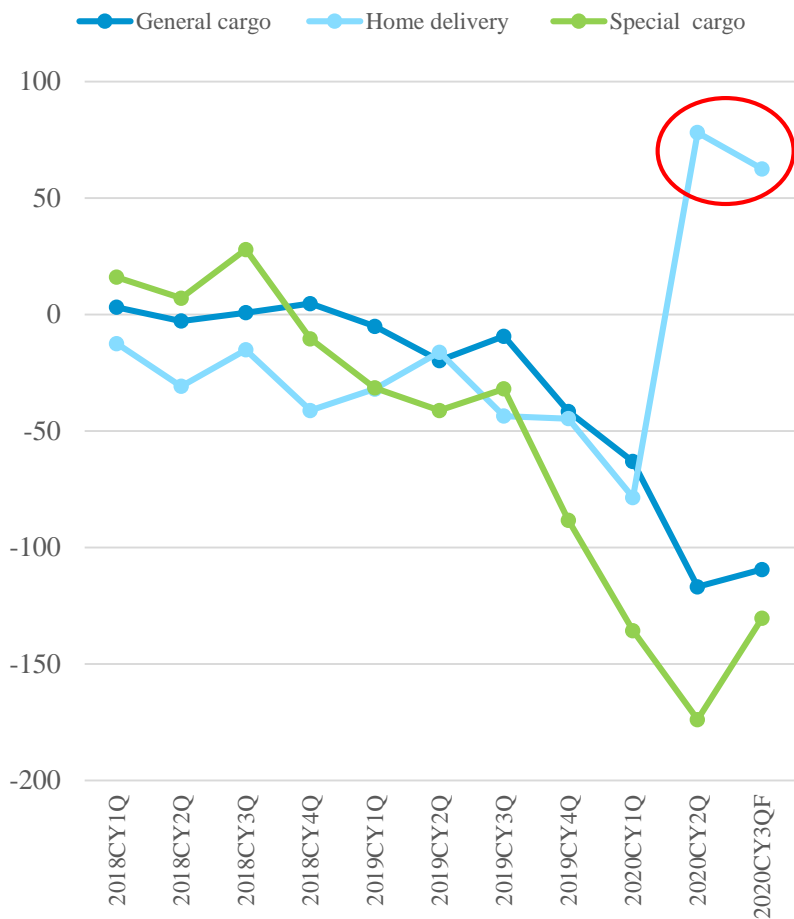
(Three-day research)	Weight (tons)		Number	
	2010	2015	2010	2015
Net freight flow	23,412,000	22,171,000	24,616,000	22,608,000
Mixed cargo, such as home-delivered packages	869,219	731,834	15,561,281	12,564,392
For personal use	6,940	10,104	1,420,025	1,308,670
(Ratio for personal use)	0.8%	1.4%	9.1%	10.4%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

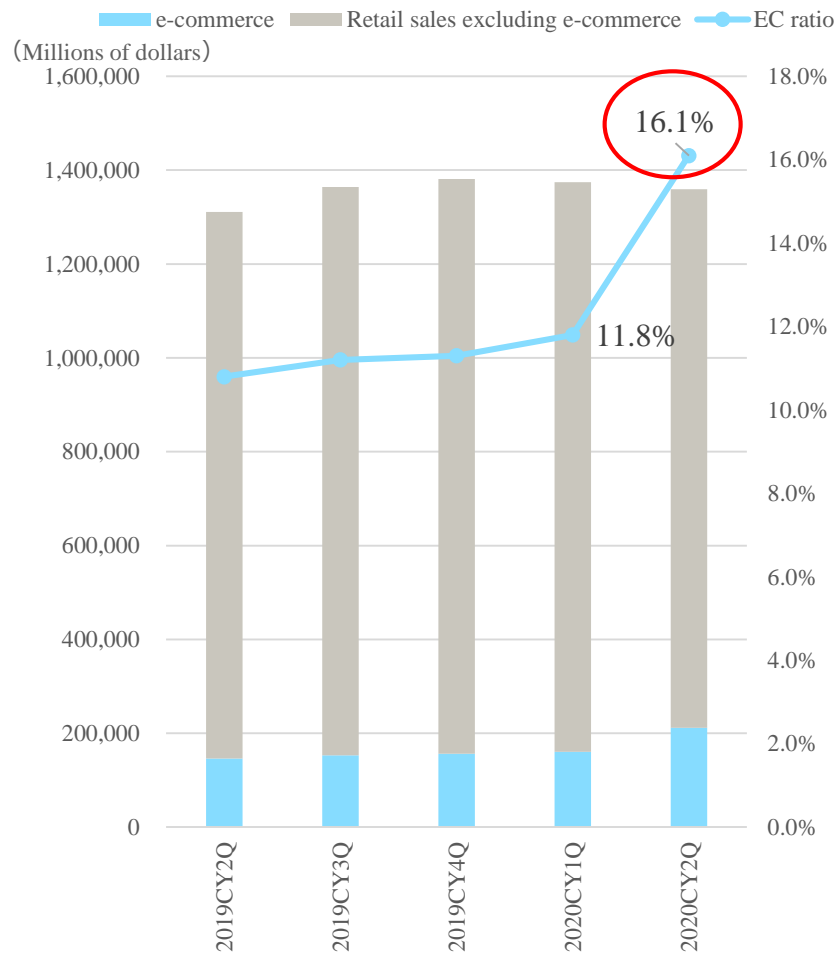
# Steady Performance in e-commerce Market after COVID-19

**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.**

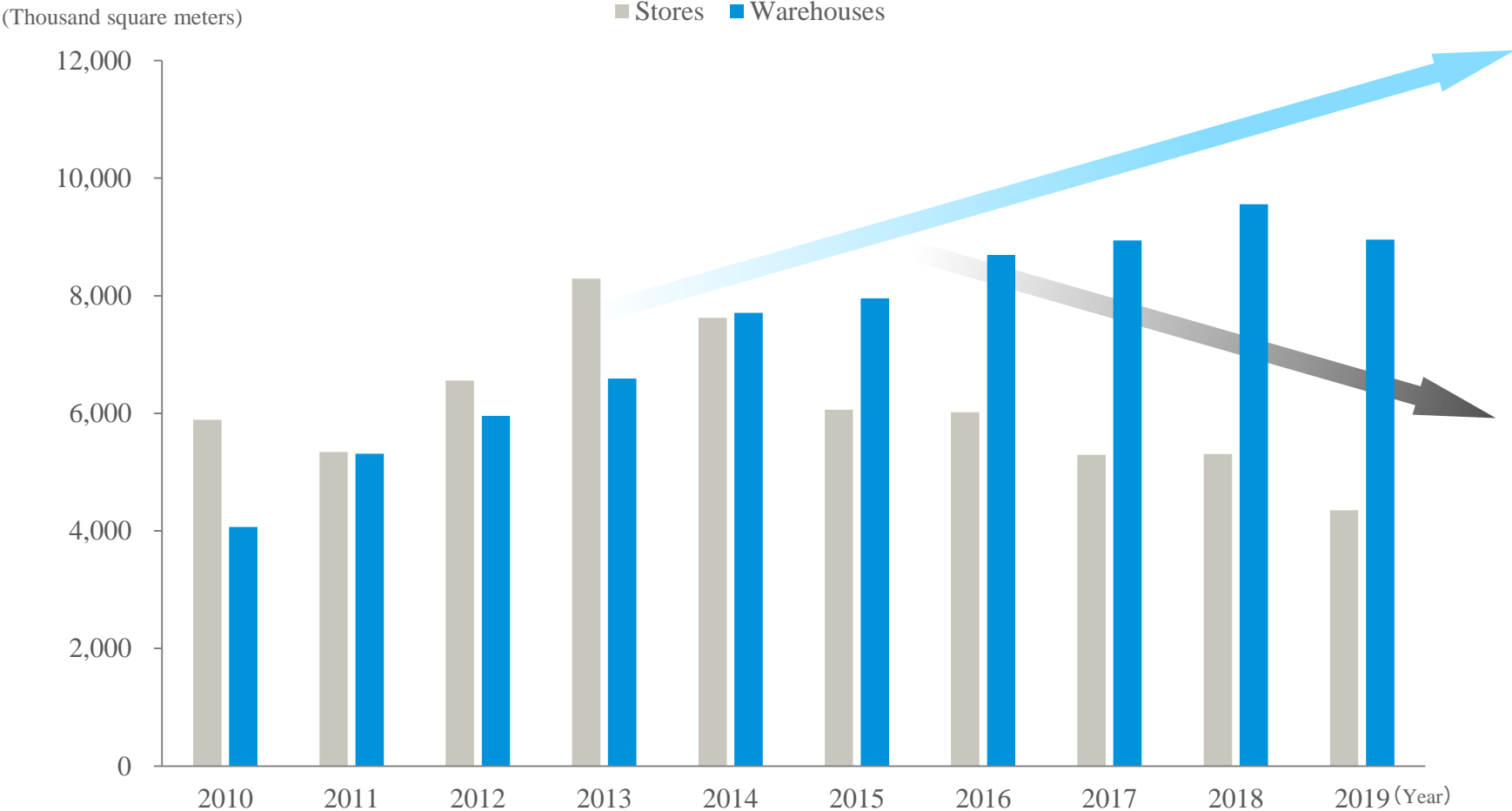


Source: Prepared by CRE, using U.S. Census Bureau data on quarterly retail e-commerce sales in second quarter of 2020.



# Change in Floor Space in Warehouse Construction Starts

- Floor space in warehouse construction starts has trended above that of stores since 2014.

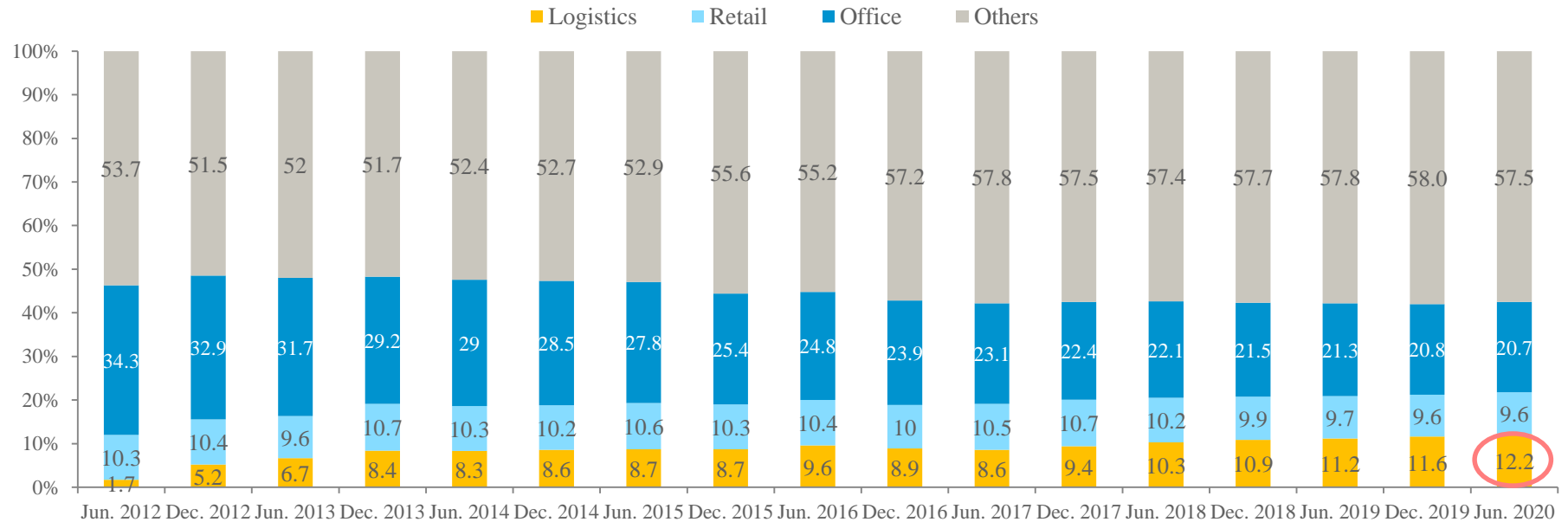


Source: Prepared by CRE, based on data (2017) released by Ministry of Land, Infrastructure, Transport and Tourism, on building construction starts

# 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	Daiwahouse-REIT listed (shift to complex-type and diversified REIT due to merger in September 2016)	Feb. 2016	LaSalle LOGIPORT 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.

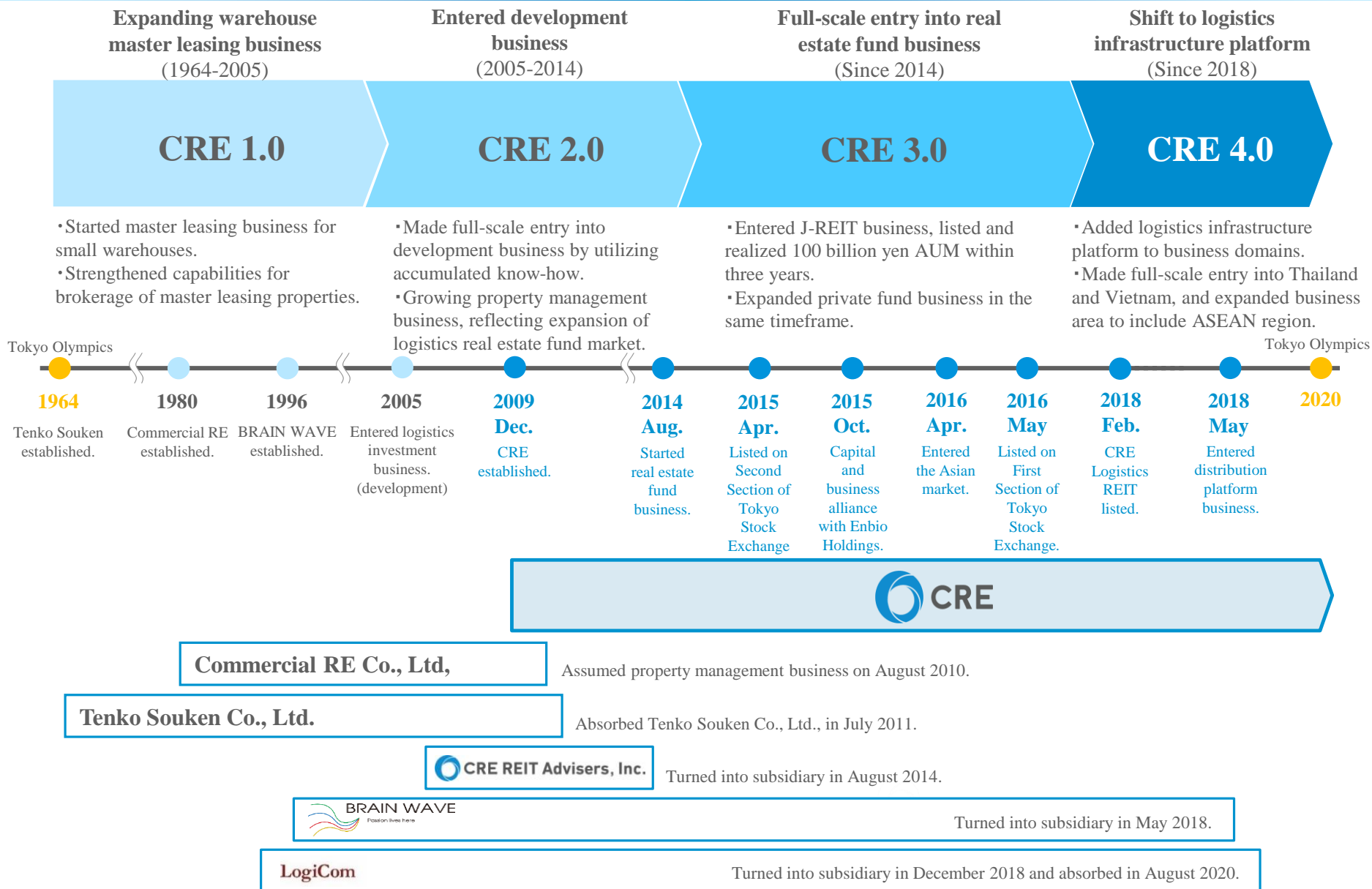
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# APPENDIX

# 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	249 (Consolidated basis / As of July 31, 2020)
Listing	First Section of the Tokyo Stock Exchange Code: 3458
Industry sector	Real estate business

# History



# Stock Information (As of July 31, 2020)

## Issued Shares and Shareholders

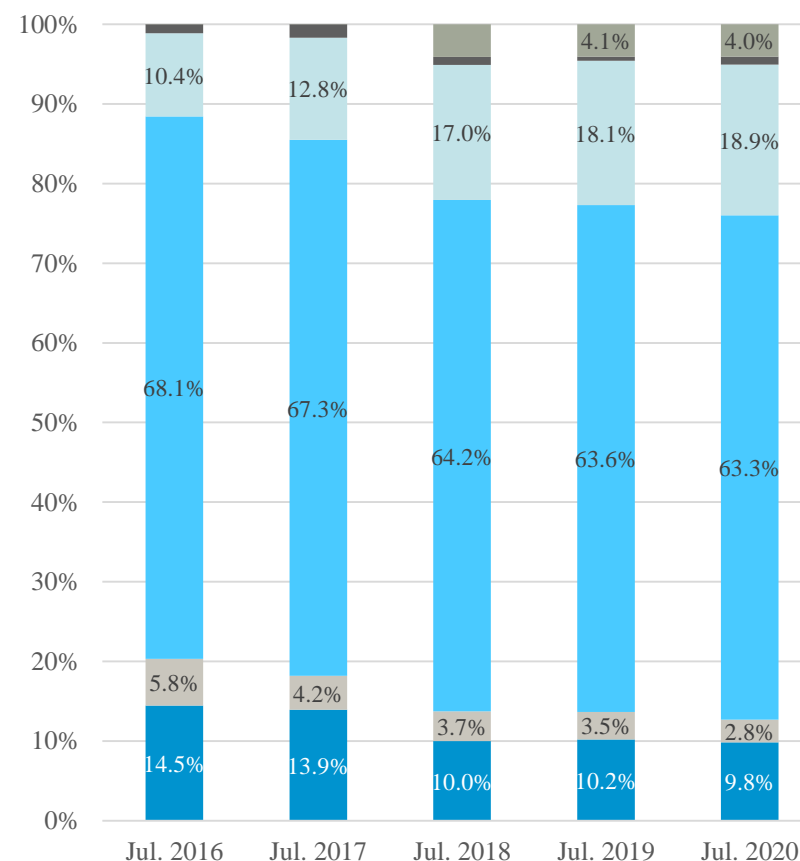
Number of Shares Issued and Outstanding	26,309,200
Number of Shareholders	6,514

## Major Shareholders

Shareholder Name	Number of shares (Thousands)	Shareholding ratio (%)
Kyobashi Kosan, Inc.	12,009	47.57
Kenedix, Inc.	3,778	14.97
GOLDMAN, SACHS & CO. REG	3,309	13.11
GOLDMAN SACHS INTERNATIONAL	1,227	4.86
Kokyo Tatemono Co., Ltd.	559	2.22
Syuhei Yamashita	331	1.31
Tsuyoshi Ito	226	0.90
Tokyo Weld Co., Ltd.	193	0.77
NORTHERN TRUST CO. (AVFC) SUB A/C NON TREATY	171	0.68
Masaaki Kondo	161	0.64

## 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**