

**Consolidated Results for  
First Three Quarters of Fiscal Year  
ending July 31, 2022  
(August 1, 2021 to April 30, 2022)**

June 10, 2022



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## Performance Highlights: First Three Quarters

Net sales	¥50,706 million	(YOY +23.9%/Rate of progress*2 82.3%)
Business profit*1	¥9,799 million	(YOY +51.4%/Rate of progress*2 94.2%)

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

\*2: Progress ratio compared to the revised targets on March 14, 2022.

## Business Highlights of First Two Quarters

- Achieved record-high net sales and business profit on first three quarters basis.
- Achieved higher sales in all segments, reflecting favorable business environment.
- Logistics investment business: Sale of *LogiSquare* Miyoshi II for core bridge fund (March 1)
- Overseas business: CRE Asia established joint venture with Warburg Pincus subsidiary in Indonesia specializing in logistics real estate. Has started developing BTS-type logistics facilities for world's leading 3PL companies in suburbs of Jakarta.
- Overseas business: Sembcorp Logistics Park (Hai Phong)—fourth in northern Vietnam—completed (April 24)

## Stock Business

### Real Estate Management Business

Master lease operating rate

**99.0 %**

(YOY +0.8pt)

### Asset Management Business

Changes in Assets under Management (AUM)

**¥232.0 billion**

(YOY +32 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

\*From next fiscal year, sale of properties is estimated to be around 10% of gross profit

About **¥150 billion**

## Finances

### Net debt/equity ratio

(Upper limit at end of year: 2.5 times)

**0.40 times**

### Interest-bearing debt

**¥42.5 billion**

\* See page 12 for details

# Consolidated Summary of Fiscal 2022 First Three Quarters

- Higher year-on-year sales and profits for all segments. Record high profit on an aggregate first three-quarter basis.
- SG&A expenses up due to business expansion as well as change in provision for bonuses at fiscal year-end to in-term allocation matched to business progress, effective from the first quarter of fiscal 2022

(Millions of yen)

	Fiscal 2021 First three quarters Actual	Fiscal 2022 First three quarters Actual	Revised forecast (Mar. 14, 2022)
Net sales	40,933	50,706	61,600
Gross profit	9,034	13,010	—
Selling, general and administrative expenses	2,959	3,918	—
(Amortization of goodwill)	177	193	—
Operating profit	6,074	9,092	9,300
EBITDA	6,455	9,498	10,000
<b>Business profit*1</b>	6,472	9,799	10,400
Recurring profit	5,825	8,339	8,200
Net income	4,144	5,964	5,600
Earnings per share (Yen)	¥151.27	¥204.71	¥190.82

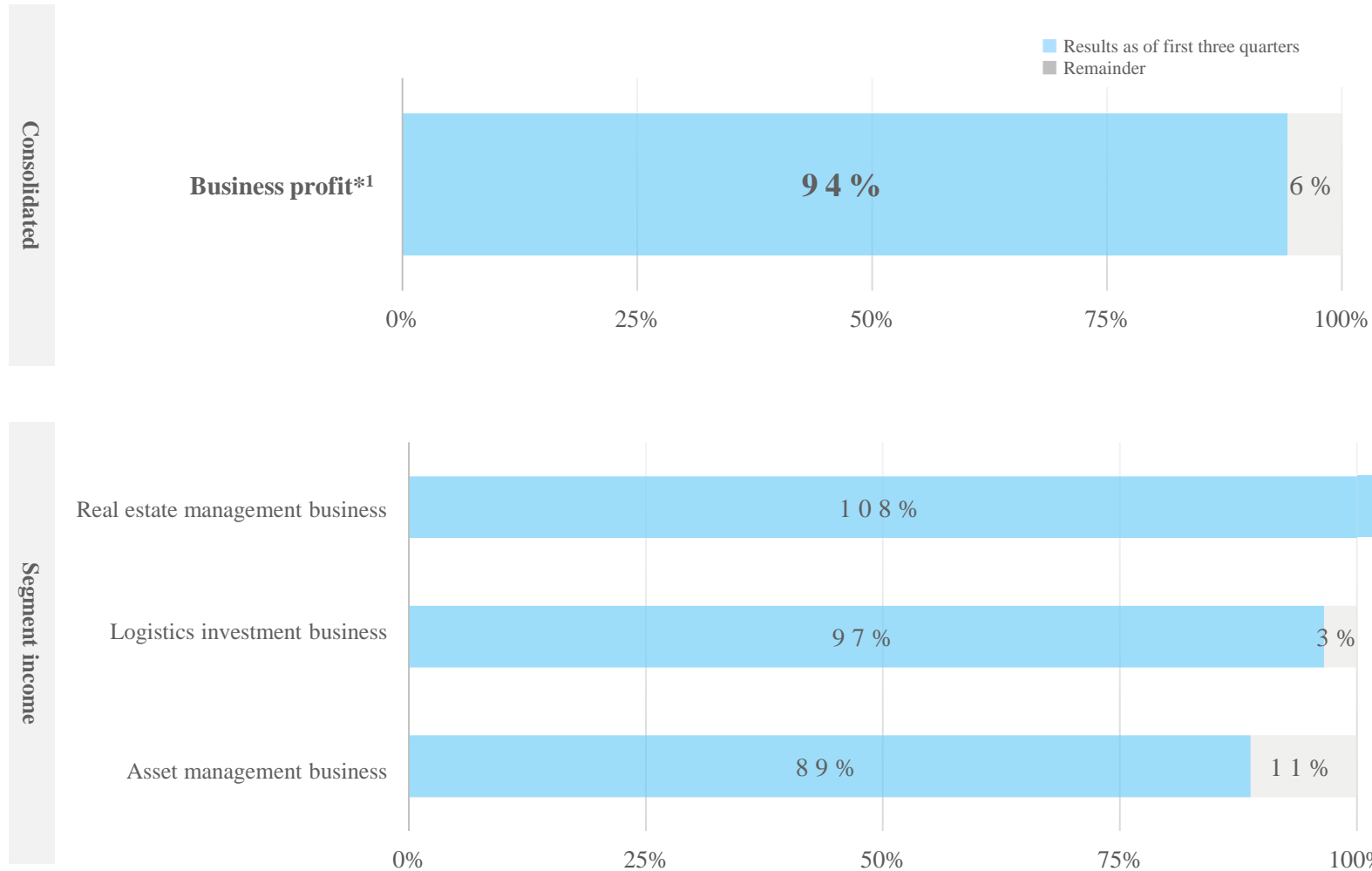
	Fiscal 2021 First three quarters Actual	Fiscal 2022 First three quarters Actual	Revised forecast (Mar. 14, 2022)
Net sales	40,933	50,706	61,600
Real estate management business	18,383	20,183	27,600
Logistics investment business	21,815	29,431	32,650
Asset management business	732	1,084	1,350
Other operations	3	5	—
Segment income	6,074	9,092	9,300
Real estate management business	1,822	2,247	2,100
Logistics investment business	4,628	7,491	7,760
Asset management business	441	746	840
Other operations	3	2	—
Adjustment	(820)	(1,397)	(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

# Status of Business Profit and Segment Income Compared with Revised Targets on March 14, 2022

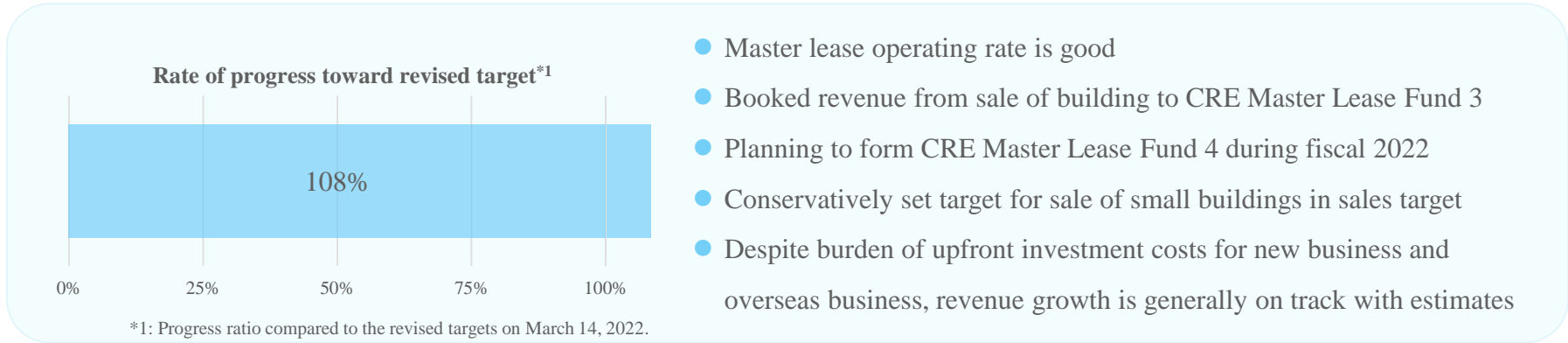
- Amid favorable business environment, business continues to progress in positive direction, leading to **business profit of ¥9.7 billion and rate of progress\*<sup>2</sup> toward target at 94.2%.**



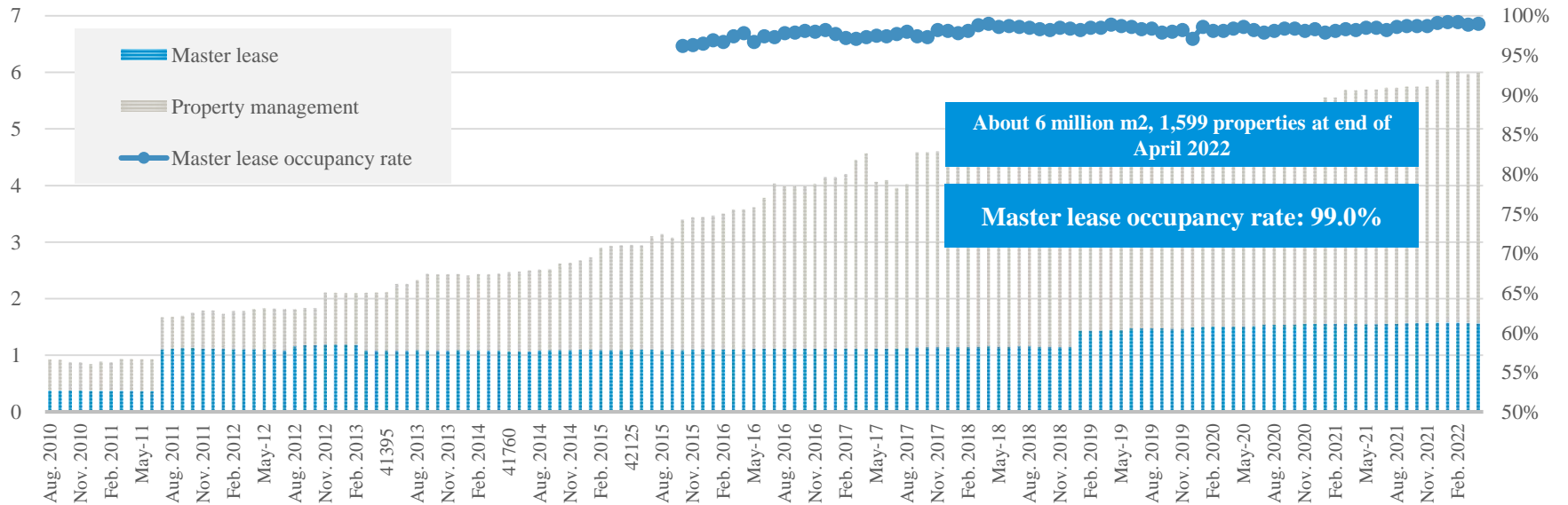
\*1: Business profit = Operating profit + Equity in earnings of affiliates + Goodwill amortization (consolidated subsidiaries/equity method affiliates)+ Profit (loss) from business investments

\*2: Progress ratio compared to the revised targets on March 14, 2022.

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

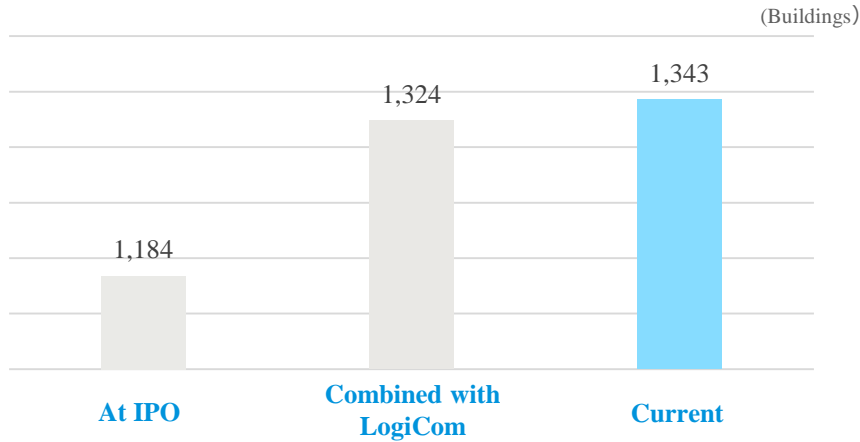


### Key ratio: Changes in managed properties



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

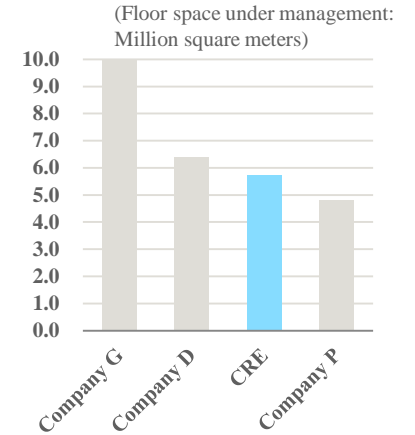
## Change in Master Lease Properties



## Position among Property Management Companies

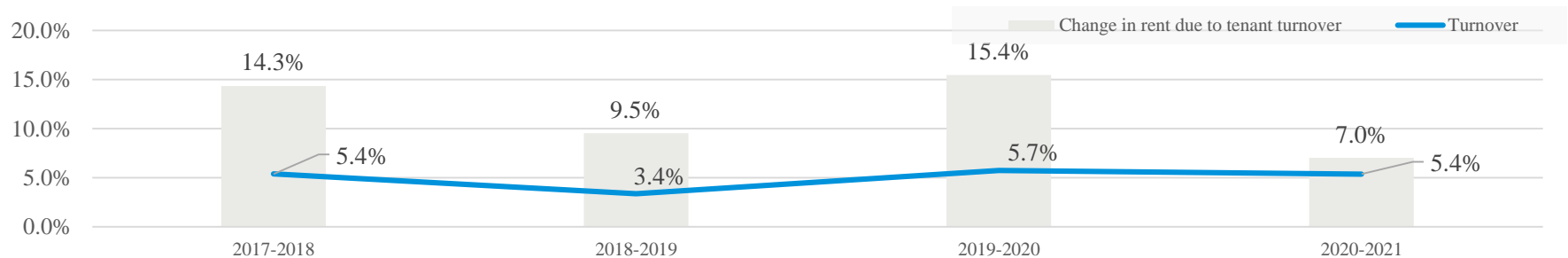
**No. 3**

\*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**

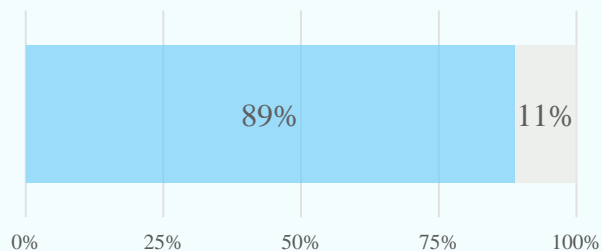
## Change in Rent Occurring as Old Tenants Replaced by New Tenants





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

## Rate of progress toward revised target\*1



\*1: Progress ratio compared to the revised targets on March 14, 2022.

## Public offering (CRE Logistics REIT)

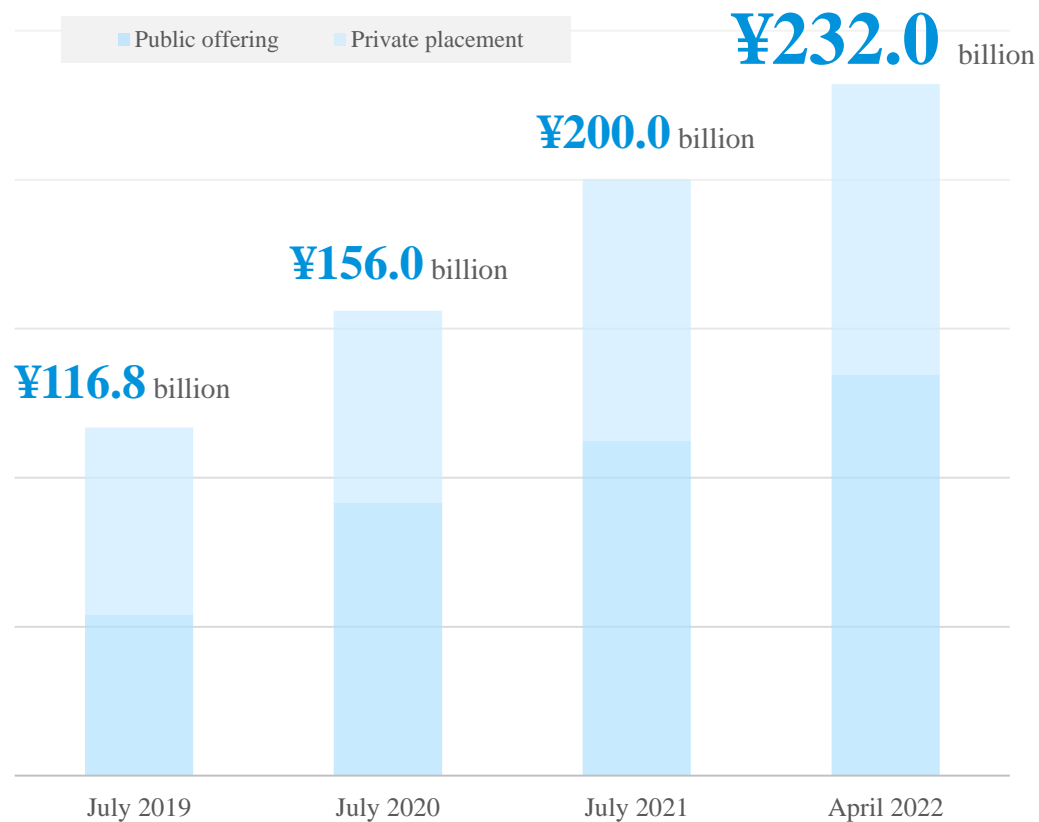
- Expanded asset scale, AUM to ¥130 billion

## Privately placed funds

- Formation of CRE Master Lease Fund 3 completed
- Formation of Core Bridge Fund 1 completed
- Self-storage specialized fund formation (planned)

## Key Indicator: Change in AUM

Property acquisition for CRE Logistics REIT moving forward, with asset balance up **¥32.0 billion** over end of fiscal 2021



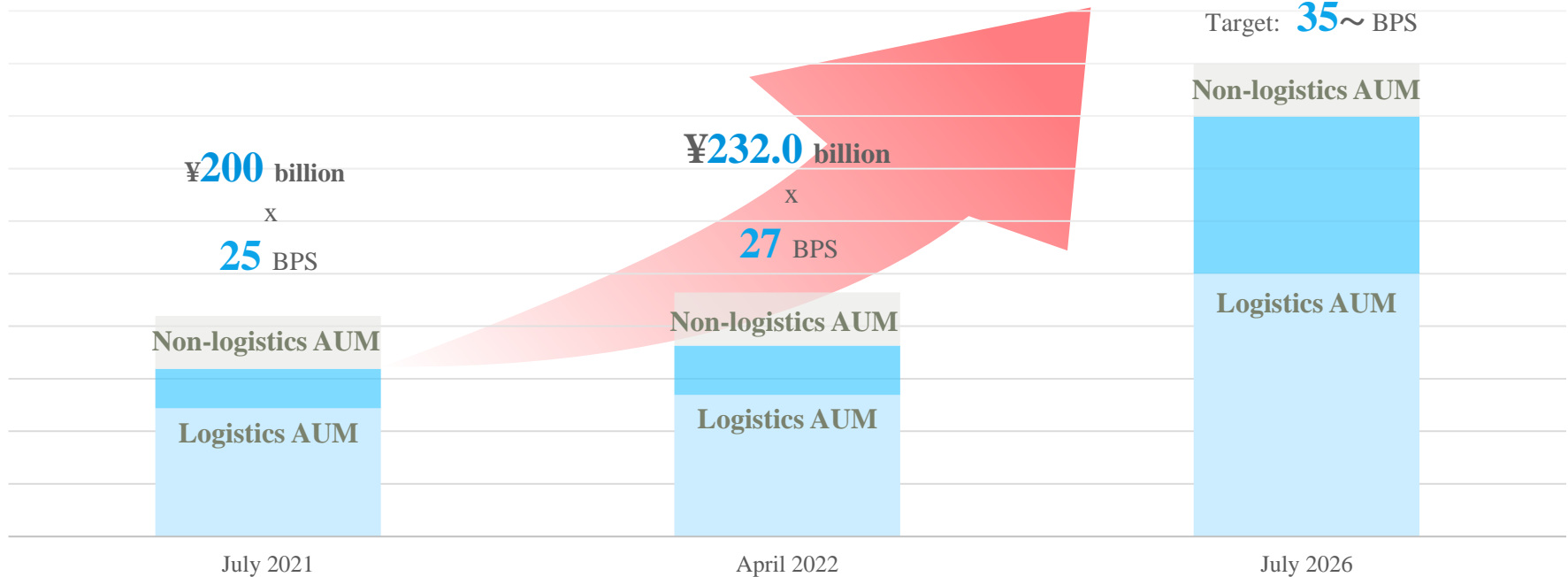
**Aim — Double assets under management (AUM) x Higher rate of return**

## 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: 35~ 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

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.

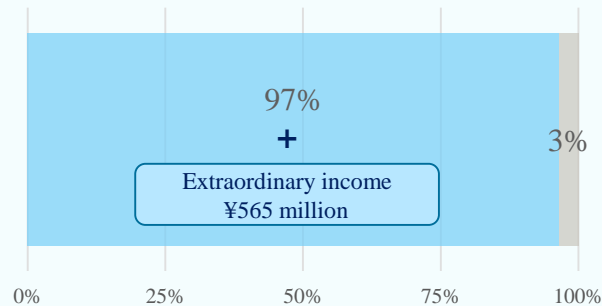


### Features

- 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

## Sale of *LogiSquare* Osaka Katano to CRE Logistics REIT generated profit. Segment profit ratio at 22%

### Rate of progress toward revised target\*1

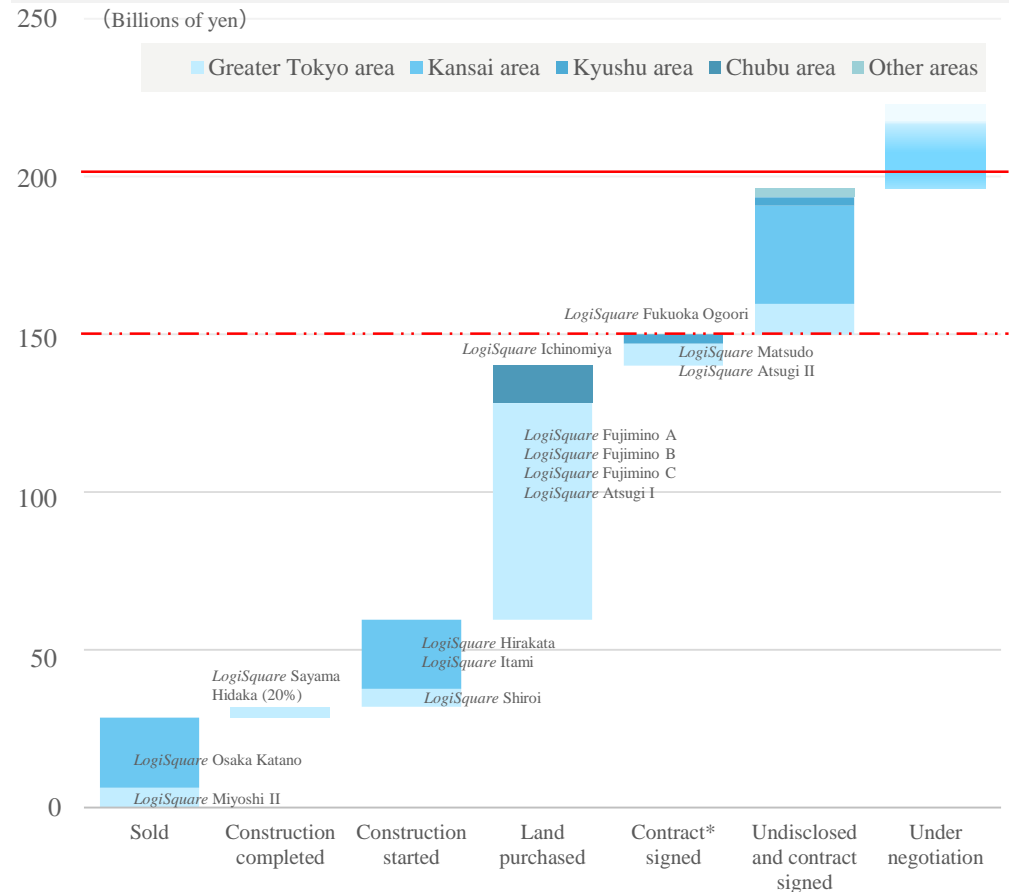


\*1: Progress ratio compared to the revised targets on March 14, 2022.

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

- Booked higher-than-expect gross profit on *LogiSquare* Osaka Katano thanks to cost reduction effect
- Includes rental income from completed buildings in possession
- Booked ¥565 million in extraordinary income paralleling development
- Progress on buildings to be sold during fiscal 2022  
*LogiSquare* Miyoshi II (18,136m<sup>2</sup>) sold March 1  
*LogiSquare* Sayama-Hidaka (84,132m<sup>2</sup>), 20% will be sold in fiscal 2022

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



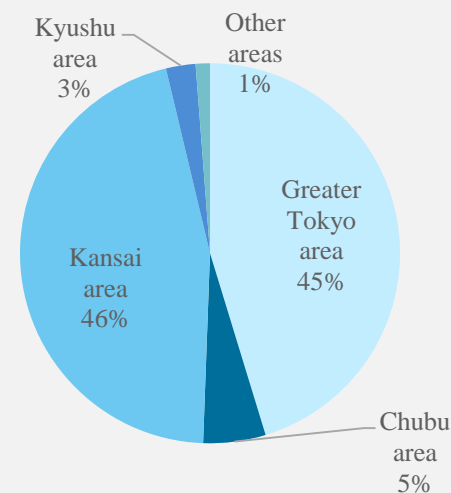
\* Contract: Land sale contract / Acquisition of preferential negotiating rights

# 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
<b>LogiSquare Sayama-Hidaka (20%)</b> Area : Hanno, Saitama Floor space : 73,728.25m <sup>2</sup> (14,475.69m <sup>2</sup> )	<b>Completed</b>	<b>Fiscal 2022 sales target</b>			
<b>LogiSquare Miyoshi II</b> Area : Miyoshi, Saitama Floor space : 18,135m <sup>2</sup>	<b>Completed</b>	<b>Sold</b>			
<b>LogiSquare Itami</b> Area : Itami, Hyogo Floor space : 29,967.30m <sup>2</sup>	<b>Started</b>	<b>Development</b>	<b>Completion</b>		
<b>LogiSquare Shiroi</b> Area : Shiroi, Chiba Floor space : 30,808m <sup>2</sup>	<b>Started</b>	<b>Development</b>	<b>Completion</b>		
<b>LogiSquare Hirakata</b> Area : Hirakata, Osaka Floor space : 45,842m <sup>2</sup>	<b>Started</b>	<b>Development</b>	<b>Completion</b>		
<b>LogiSquare Atsugi I</b> Area : Aikawa, Kanagawa Floor space : 18,236m <sup>2</sup>	<b>Start</b>	<b>Development</b>	<b>Completion</b>		
<b>LogiSquare Matsudo</b> Area : Matsudo, Chiba Floor space : 15,642m <sup>2</sup>	<b>Start</b>	<b>Development</b>	<b>Completion</b>		
<b>LogiSquare Fukuoka Ogoori</b> Area : Ogoori, Fukuoka Floor space : 24,144m <sup>2</sup>			<b>Start</b>	<b>Development</b>	<b>Completion</b>
<b>LogiSquare Ichinomiya</b> Area : Ichinomiya, Aichi Floor space : 63,000m <sup>2</sup>			<b>Start</b>	<b>Development</b>	<b>Completion</b>
<b>LogiSquare Fujimino A, B, C</b> Area : Fujimino, Saitama Floor space : 114,244/116,319/43,283m <sup>2</sup>		<b>Start</b>	<b>Development</b>	<b>Completion</b>	
			<b>Start</b>	<b>Development</b>	<b>Completion</b>
			<b>Start (BTS)</b>	<b>Development</b>	<b>Completion</b>
<b>LogiSquare Atsugi II</b> Area : Atsugi, Kanagawa Floor space : 19,000m <sup>2</sup>			<b>Start</b>	<b>Development</b>	<b>Completion</b>

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**<sup>\*1</sup>

**1,343 properties**<sup>\*2</sup>

### Familiar with regional characteristics

(Urbanization control areas, land readjustment areas)

Percentage of development projects in urbanization control areas **45%**<sup>\*3</sup>

### CRE Group boasts solid ability in soil contamination countermeasures



Percentage of development projects for which soil contamination countermeasures have been drafted **40%**<sup>\*3</sup>

### Construction management team comprising first-class registered architects

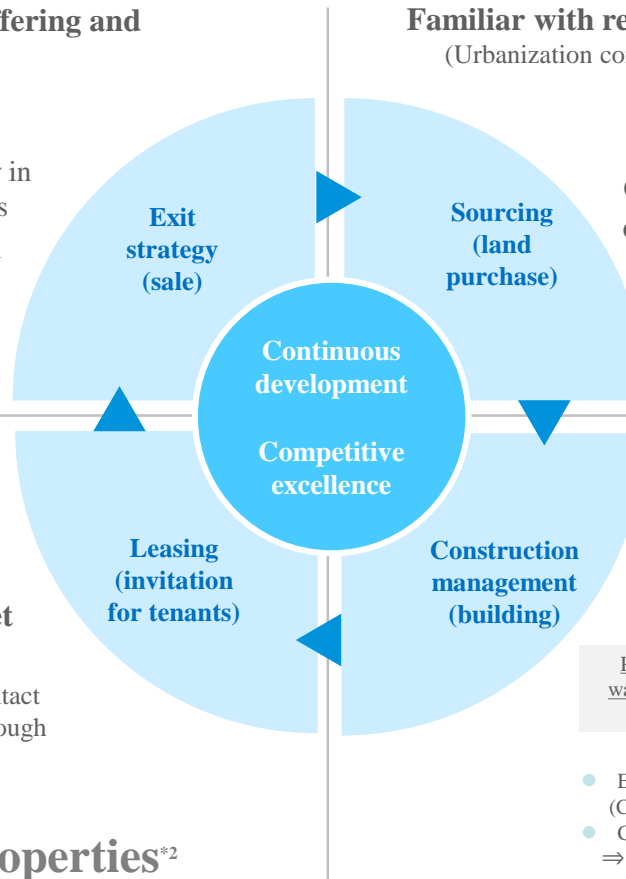


Planning that is well aware of warehouse operation and facility management

- Ensure versatility and functionality (Cement LogiSquare brand)
  - Comprehensively reflect tenant needs
- ⇒ **Secure high rental income**

Bring construction management in-house

- Create high quality
  - Enhance cost-control capabilities
  - Expedite investment decisions
- ⇒ **Source of high gross profit**



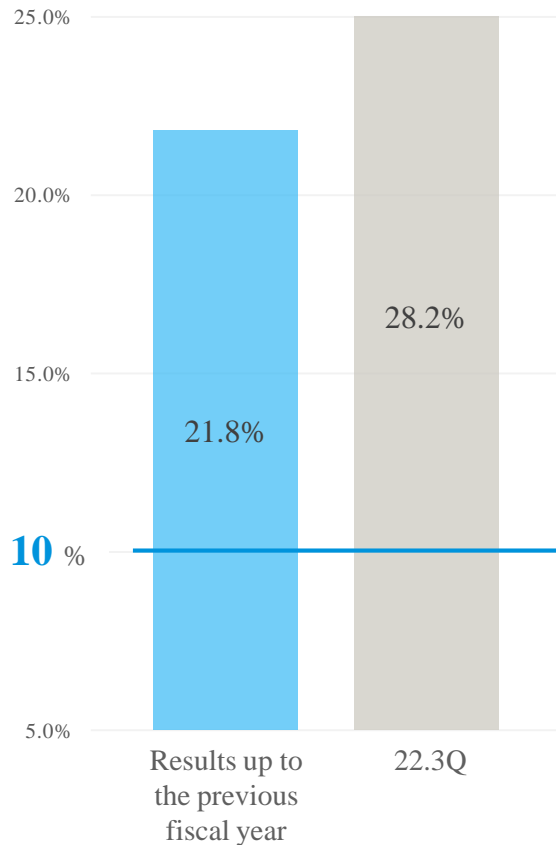
\*1 Tenko Soken Co., Ltd., established in 1964 \*2 As of end of April 2022 \*3 Based on 20 completed properties, up to LogiSquare Miyoshi II

# Flow Business | Logistics Investment Business

Track Record—From Investment to Exit

## Change in segment gross profit margin

- Maintain high segment gross profit margin



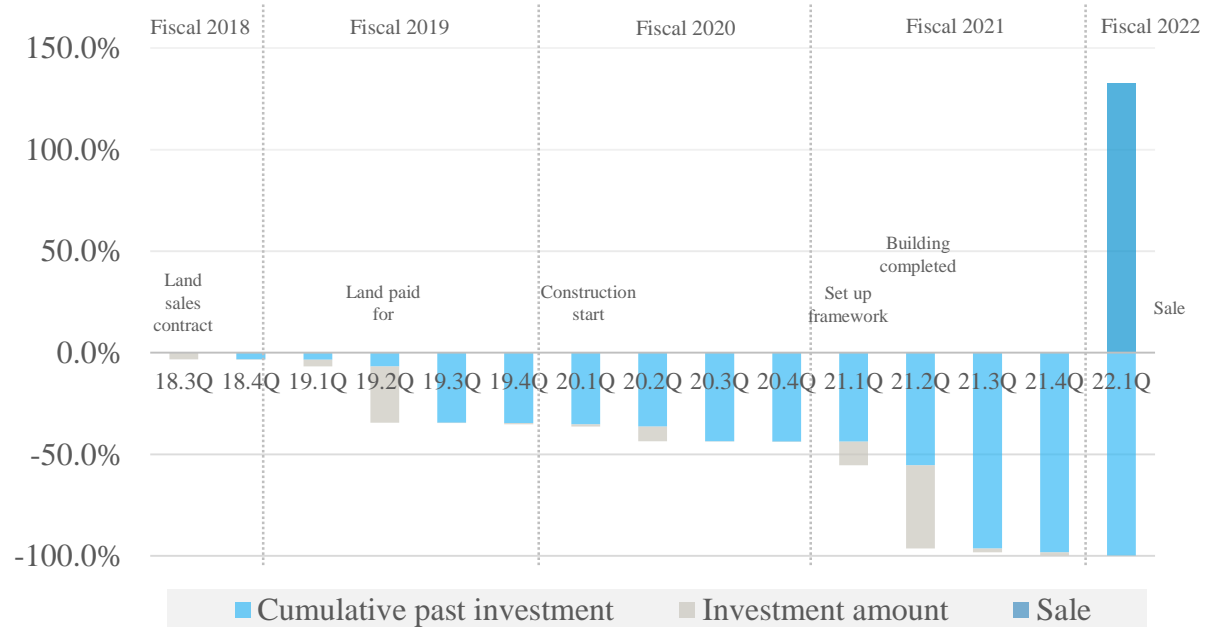
## Reference: Investment to exit process

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

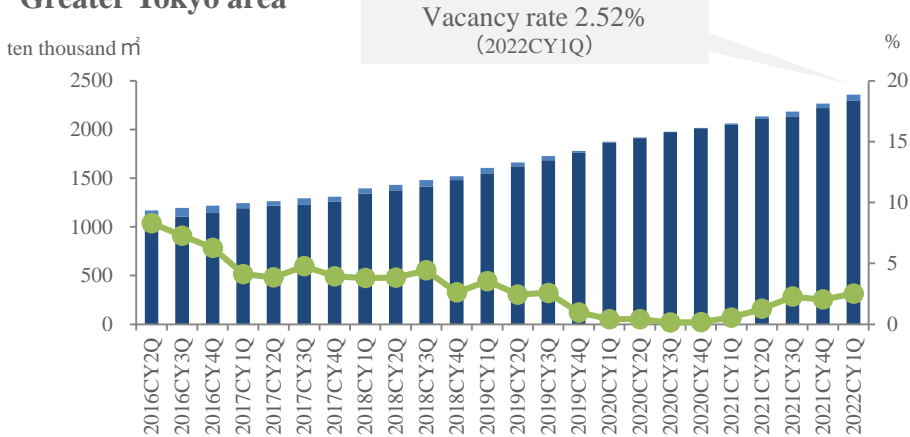
# Flow Business | Logistics Real Estate Market Environment

## Rental market

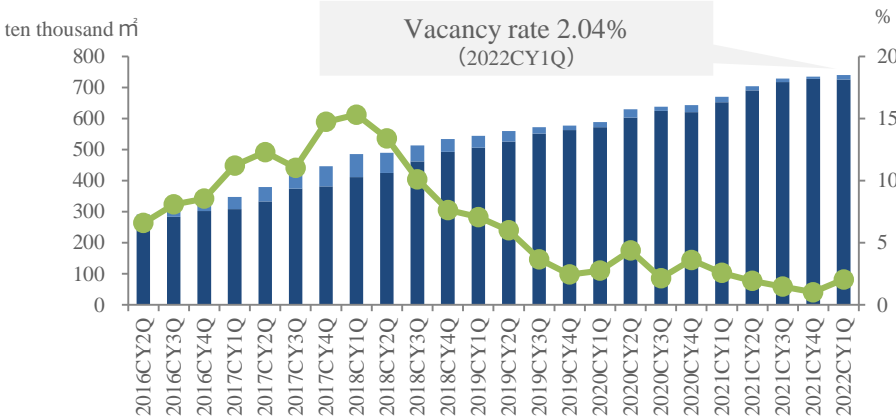
- Brisk demand continues, keeping vacancy rate low, in the 2% range, in both the Greater Tokyo and Kansai areas

### ■ Amount of stock and vacancy rate

#### Greater Tokyo area



#### Kansai area

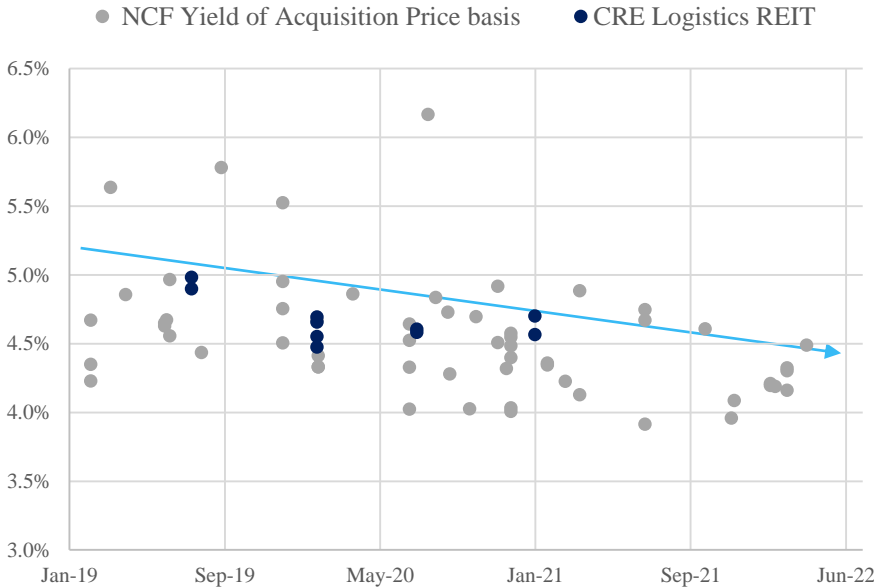


Source : "Market Report on Warehouses and Logistics Properties (β version) Ver. 202203" Published by CRE, Inc.

## 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



Source : SMBC Nikko Securities



# Ripple Effect from Second Public Offering

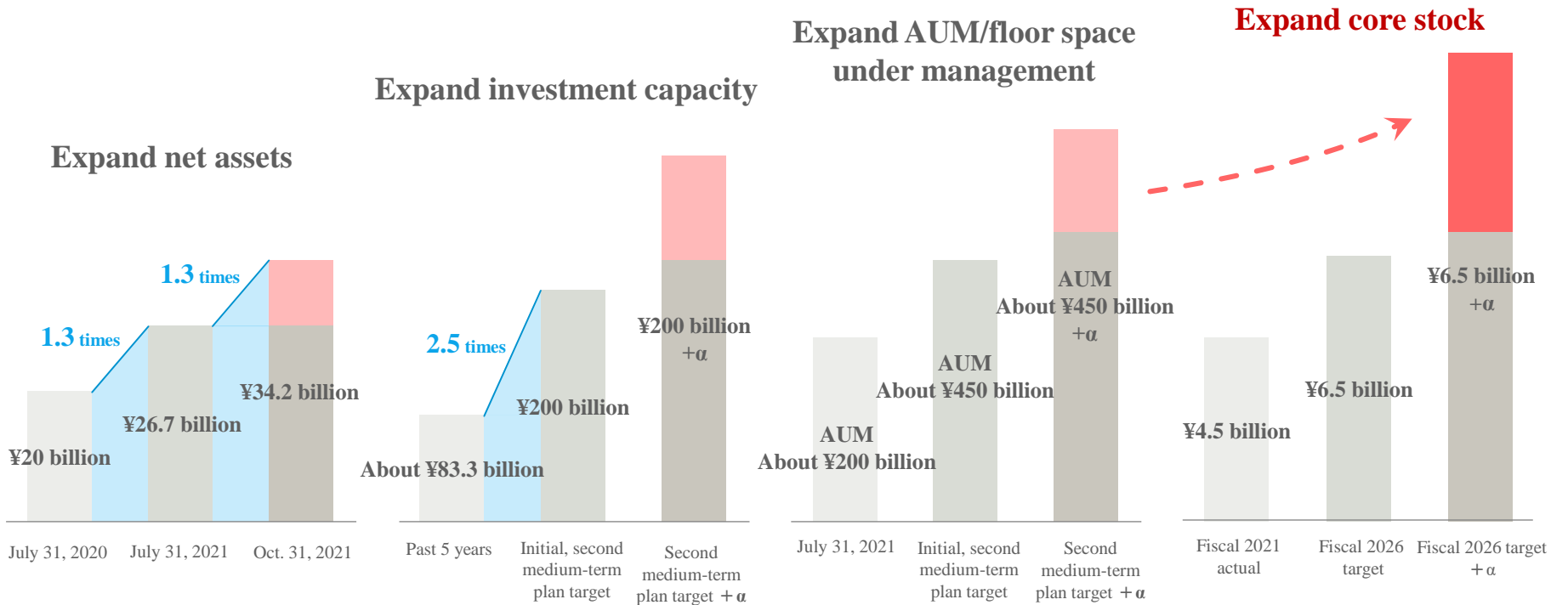
Going forward, we aim to raise capital efficiency and improve ROE by effectively utilizing considerable available liquidity and financial leverage.

Procure about ¥4 billion.  
Expand investment capacity.

Potential for further expansion of existing development pipeline of ¥200 billion

Asset management AUM and real estate management business floor space under management will expand

More resources available for dividends, due to expanded core stock



# New Domains

## Overseas

**Vietnam**

- Hai Phong, three properties (in operation)
- Hai Duong, one property (completed in April 2022)
- Sourcing for fifth and additional properties








**Thailand**

- Self-storage

**Indonesia**









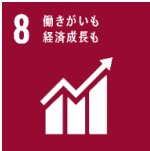
- Established representative office for warehouse development
- Started construction of BTS-type logistics facility (Cikarang, city in suburbs of Jakarta)

## 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>	<div style="border: 1px solid #0070c0; padding: 5px;"> <p style="background-color: #0070c0; color: white; text-align: center; margin: -10px -10px 10px -10px;">NEWS</p> <p style="text-align: center;"><u>APT</u> May 2022</p> <p style="text-align: center;">Opened KocoLabo, an R&amp;D hub designed to optimize domestic handling of overseas-made materials</p> </div>	
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

The CRE Group will implement various measures that contribute to the achievement of sustainable development goals (SDGs).

Related SDGs	Strategies
  	<ul style="list-style-type: none"> <li>● Use solar power generating systems at facilities (EnBio C Energy)</li> <li>● Move to 100% renewable energy through installation of solar power panels at development properties</li> <li>● CRE Logistics REIT acquired “3 Star “and “Green Star “designations in GRESB real estate evaluation and top-level “A” in GRESB disclosure evaluation</li> </ul>
  	<ul style="list-style-type: none"> <li>● Obtain environmental assessments for development properties: Building Energy-Efficiency Labeling System (BELS) and Comprehensive Assessment System for Built Environmental Efficiency (CASBEE)</li> <li>● Install equipment/systems at development properties such as LED lighting, promote use of well water and more greenery around the building(s)</li> <li>● Prepare measures to deal with soil contamination</li> <li>● Pursue joint efforts to preserve history (assistance with excavations)</li> </ul>
  	<ul style="list-style-type: none"> <li>● Create local employment through warehouse development</li> <li>● Support for organizations that contribute to society: Backers Terakoya, Kodomo Shokudo (“Children’s Cafeteria”) *</li> <li>● Sponsor courses at universities: Sofia University, Meiji University*</li> </ul>

\*As of April 30, 2022

# Revised Full-Year Targets for Fiscal 2022

- Full-year forecast revised upward, reflecting good business performance.
- Logistics investment business completed sale of *LogiSquare* Miyoshi II on March 1. Anticipate sale of remaining portion (20%) at *LogiSquare* Sayama-Hidaka.
- Conservatively set target for sale of small buildings in real estate management business.

(Millions of yen)

	Initial forecast	Revised forecast (Dec. 13, 2021)	Revised forecast (Mar. 14, 2022)	Differences *2		Initial forecast	Revised forecast (Dec. 13, 2021)	Revised forecast (Mar. 14, 2022)	Differences *2
Net sales	61,600	62,100	61,600	(500)	Net sales	61,600	62,100	61,600	(500)
Operating profit	8,600	8,800	9,300	500	Real estate management business	28,850	28,850	27,600	(1,250)
EBITDA	—	—	10,000	—	Logistics investment business	31,650	31,950	32,650	700
<b>Business profit*1</b>	9,000	9,700	10,400	700	Asset management business	1,100	1,300	1,350	50
Recurring profit	7,600	7,800	8,200	400	Other operations	—	—	—	—
Net income	5,000	5,600	5,600	—	Segment income	8,600	8,800	9,300	500
Earnings per share (Yen)	¥182.05	¥191.12	¥190.82	¥(0.3)	Real estate management business	1,940	2,050	2,100	50
					Logistics investment business	7,650	7,550	7,760	210
					Asset management business	610	750	840	90
					Other operations	—	—	—	—
					Adjustment	(1,600)	(1,550)	(1,400)	150

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

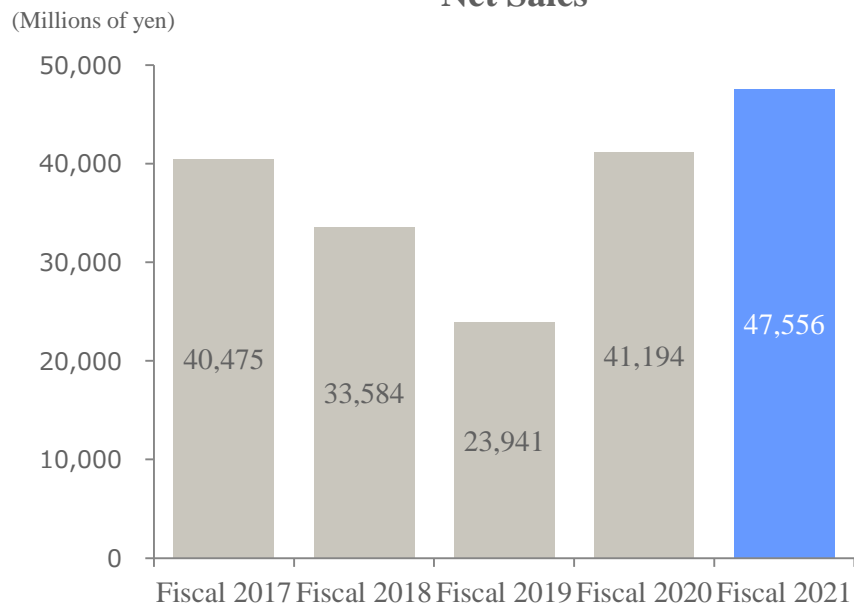
\*2: Difference between revised forecast (December 13, 2021) and revised forecast (March 14, 2022)

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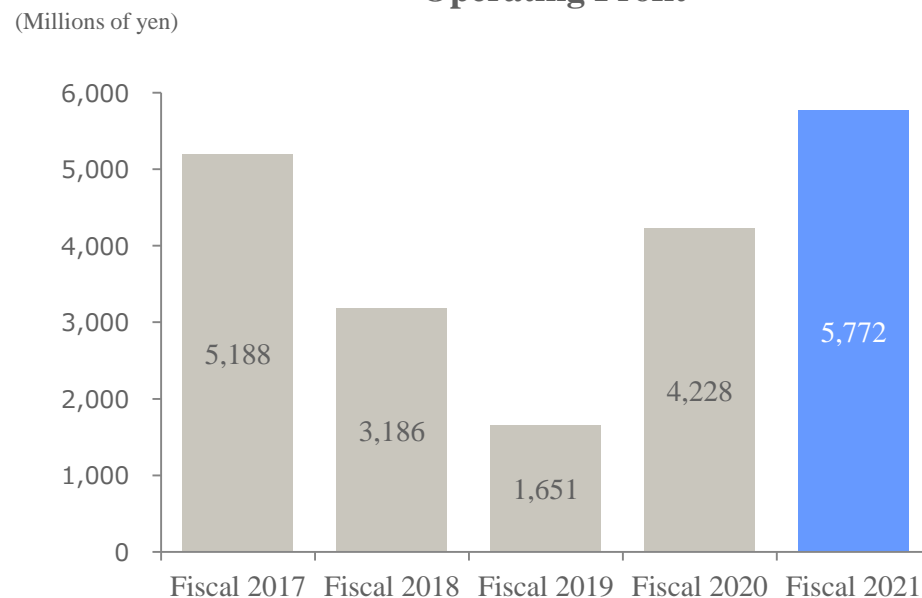
# APPENDIX

# Consolidated Financial Highlights

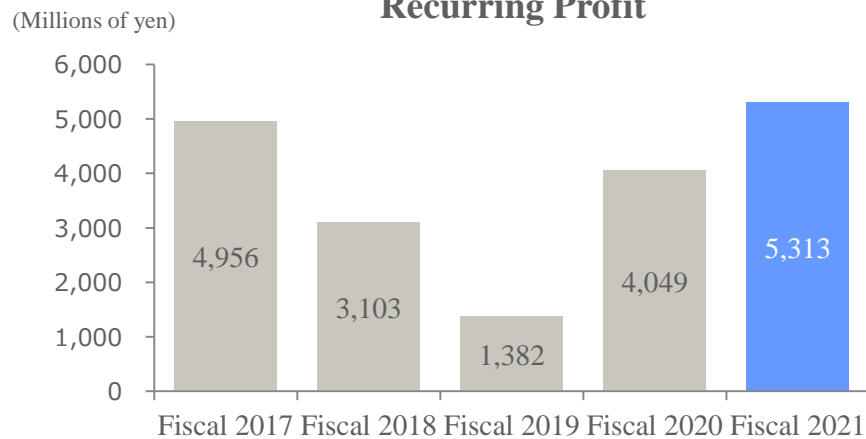
## Net Sales



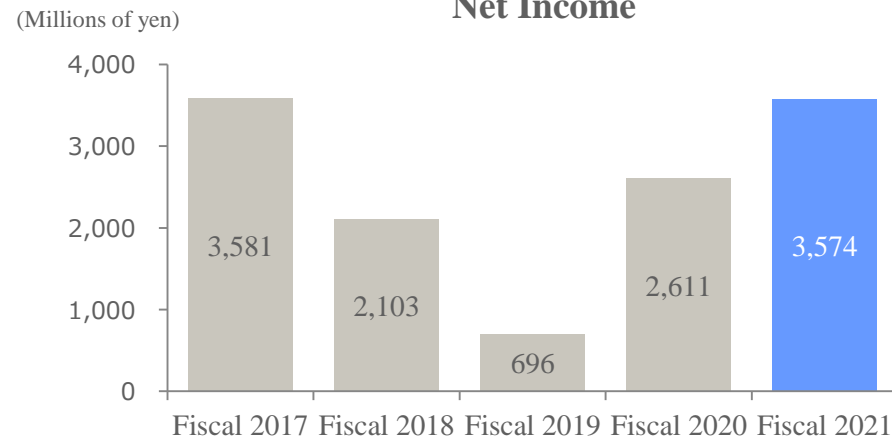
## Operating Profit



## Recurring Profit



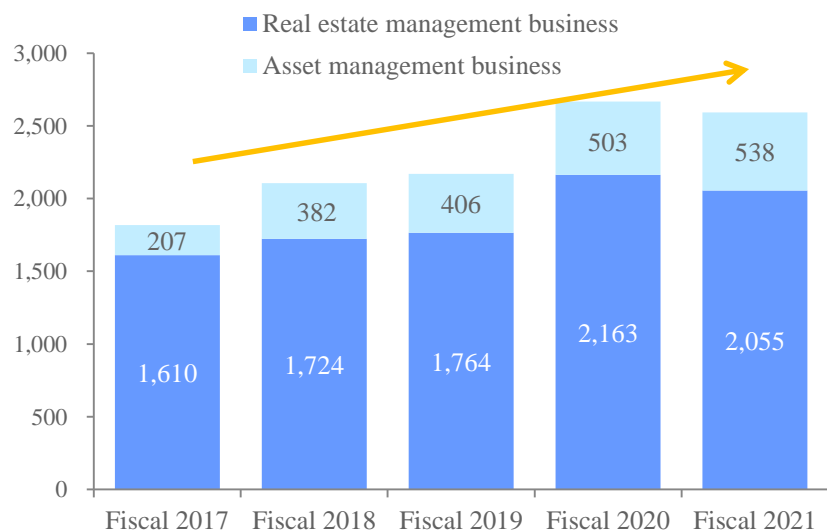
## Net Income



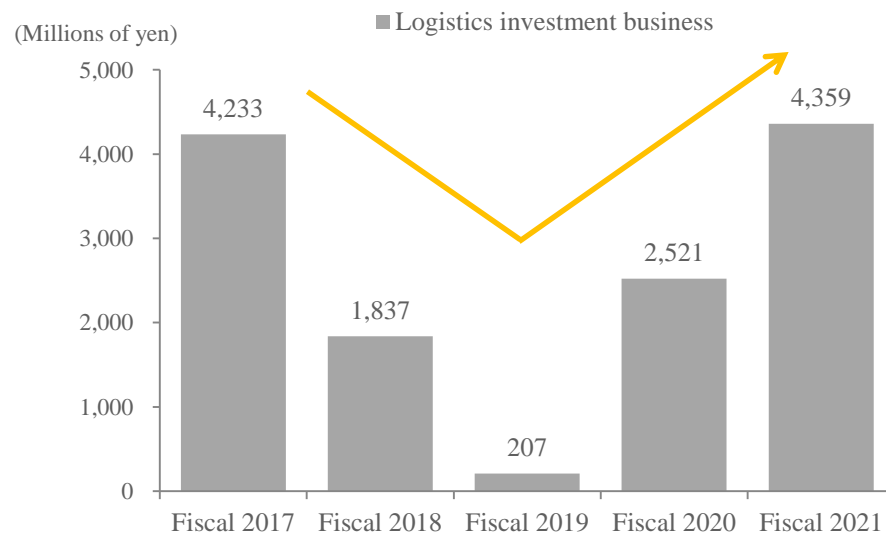
# Financial Highlights for Each Reporting Segment

## Segment Income

### Stock Business



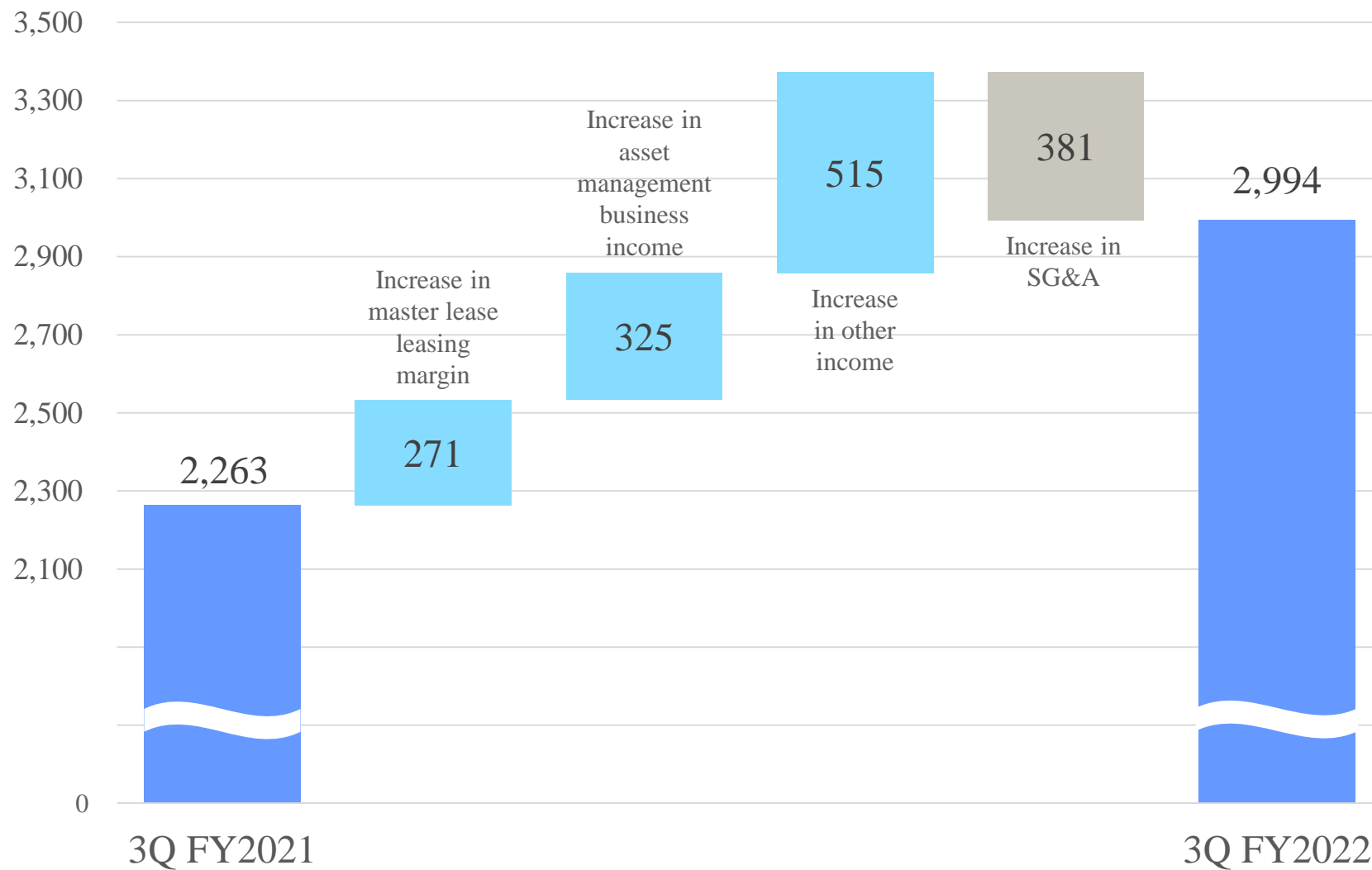
### Flow Business



# Profit from Stock Business

Stock business = Real estate management business + Asset management business

(Millions of yen)





# Summary of Consolidated Balance Sheets

- Key components of real estate for sale: *LogiSquare* Sayama Hidaka (20% of quasi co-ownership interest) and fifteen small-sized warehouses
- Key components of real estate for sale in process: *LogiSquare* Atsugi I, *LogiSquare* Hirakata, *LogiSquare* Fujimino ABC  
*LogiSquare* Itami, *LogiSquare* Shiroi , and *LogiSquare* Ichinomiya

(Millions of yen)

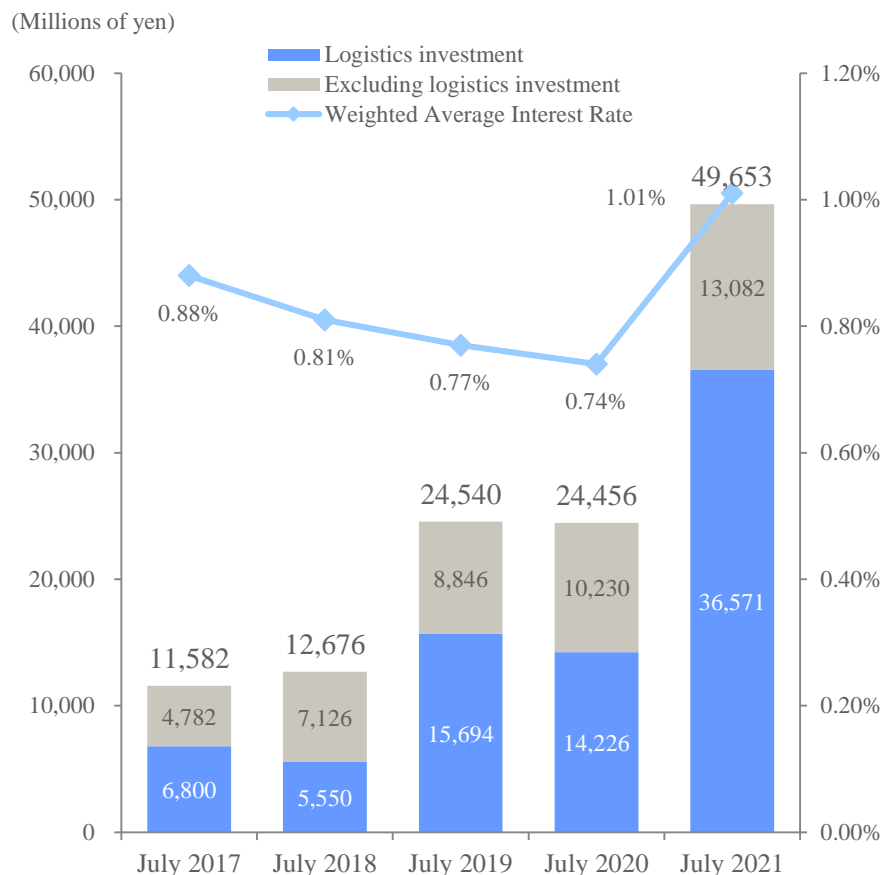
	As of July 31, 2021	As of April 30, 2022	YOY change (%)		As of July 31, 2021	As of April 30, 2022	YOY change (%)
<b>Total assets</b>	99,041	102,488	3,446	<b>Total liabilities</b>	72,295	66,190	(6,105)
Current Assets	76,790	80,896	4,106	Current liabilities	14,975	17,178	2,202
(Key components)				(Key components)			
Cash and deposits	19,473	27,943	8,469	Short-term loans payable, etc.*1	2,650	3,286	635
Real estate for sale	24,920	6,246	(18,673)	Fixed liabilities	57,319	49,011	(8,307)
Real estate for sale in process	27,342	38,024	10,681	(Key components)			
Fixed assets	22,224	21,570	(654)	Long-term loans payable, etc.*2	47,002	39,265	(7,736)
(Key components)				Lease and guarantee deposits received	7,931	8,051	119
Tangible fixed assets	4,565	3,081	(1,483)	<b>Total net assets</b>	26,746	36,298	9,551
Intangible fixed assets	1,630	1,495	(135)	Common stock	3,071	5,217	2,146
Investments and other fixed assets	16,028	16,993	964	Capital surplus	5,031	7,177	2,146
<Lease and guarantee deposits>	<7,022>	<7,589>	567	Earned surplus	17,157	22,500	5,342
<b>Total assets</b>	99,041	102,488	3,446	<b>Total liabilities and net assets</b>	99,041	102,488	3,446

\*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

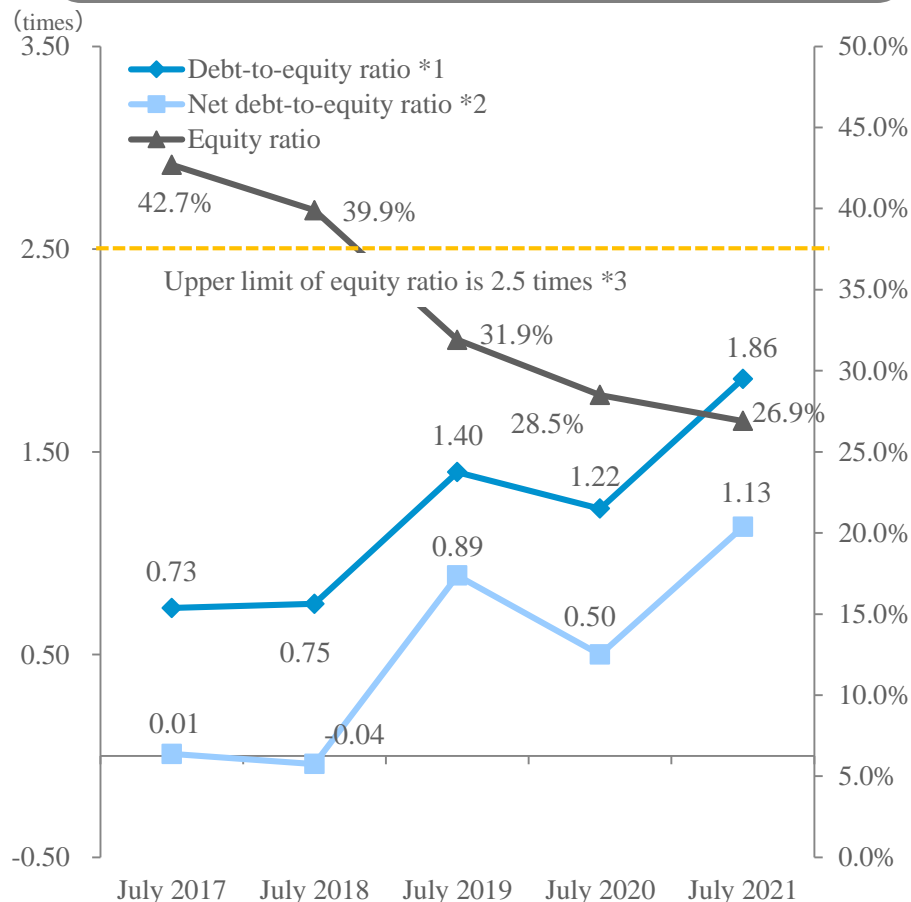
# Financial Position (as of July 31, 2021)

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



(Number)	July 2017	July 2018	July 2019	July 2020	July 2021
Funding sources	15	20	24	23	28

## 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

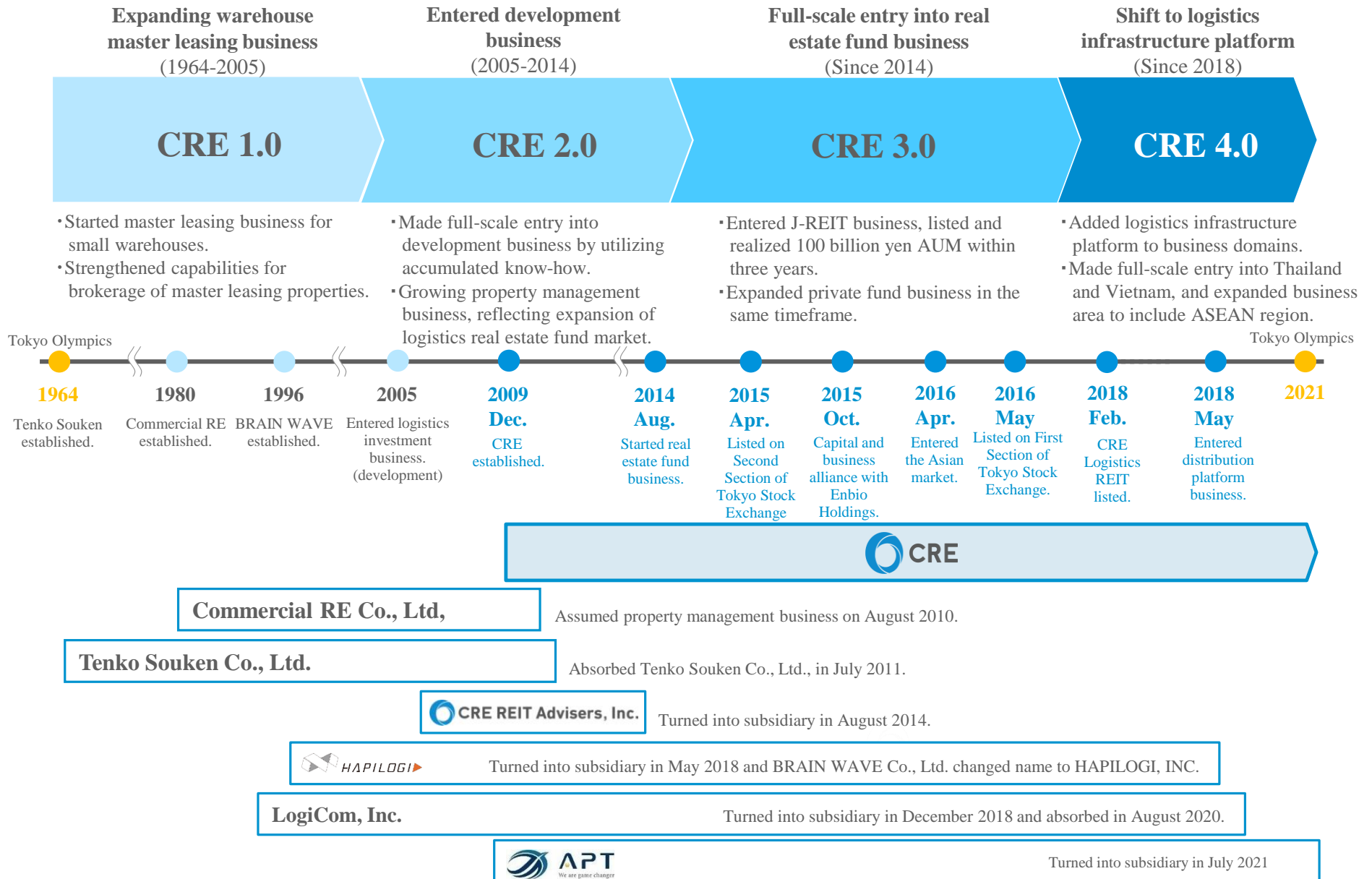
= (interest-bearing debt (short-term loans payable + long-term loans payable) - cash and deposits) / equity capital

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

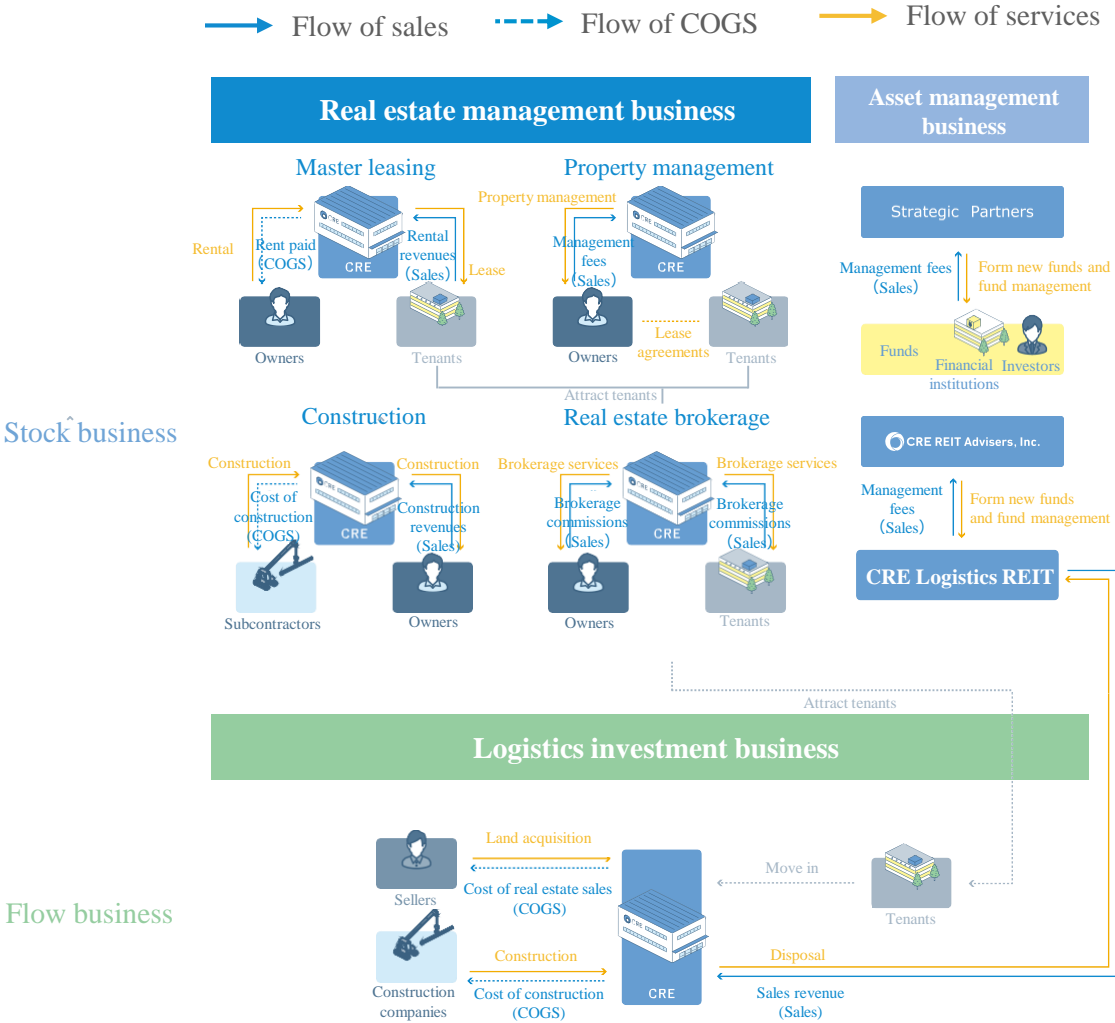
# Company Profile

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	¥3,071 million (As of July 31, 2021)
Consolidated net sales	¥47,556 million (Fiscal year ended July 31, 2021)
Number of employees	317 (Consolidated basis / As of April 30, 2022)
Listing	Prime Market of the Tokyo Stock Exchange Code: 3458
Industry sector	Real estate business

# History

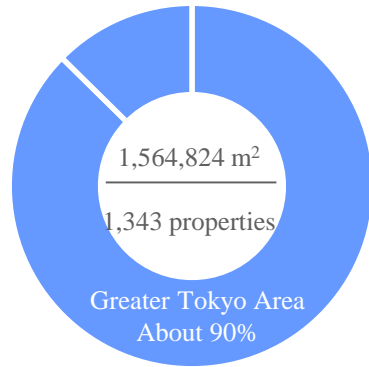


# CRE Group's Main Business

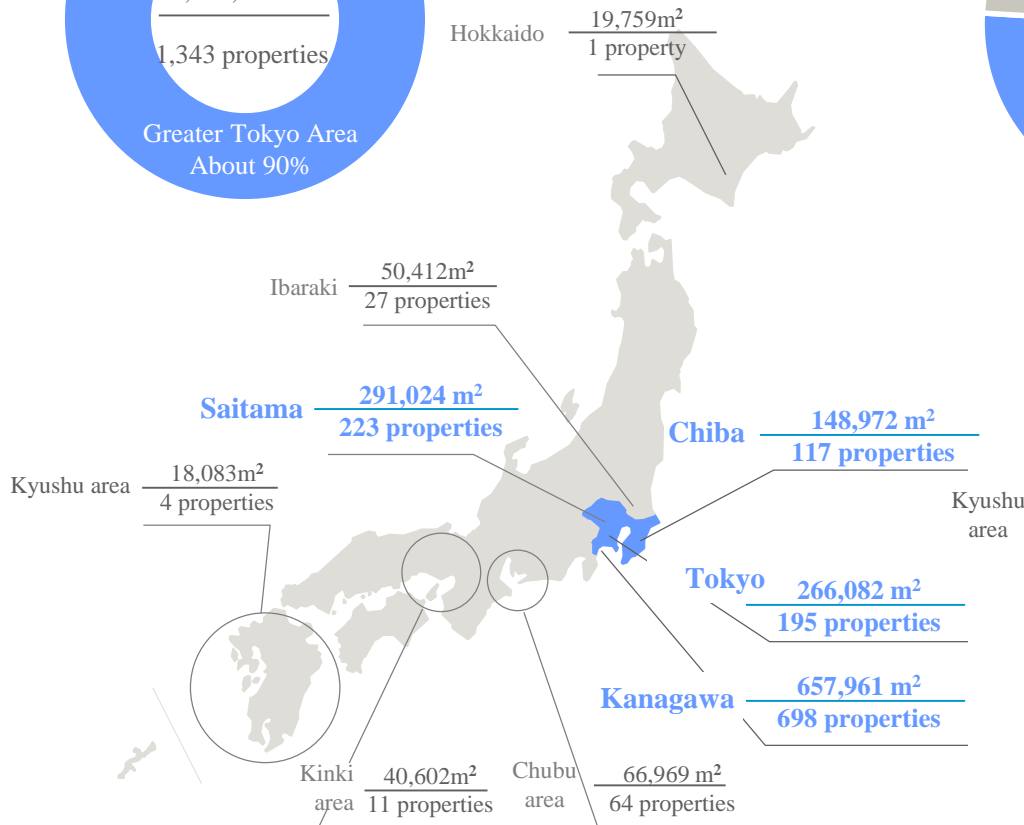


# Real Estate Management Business: Floor Space under Management by Area

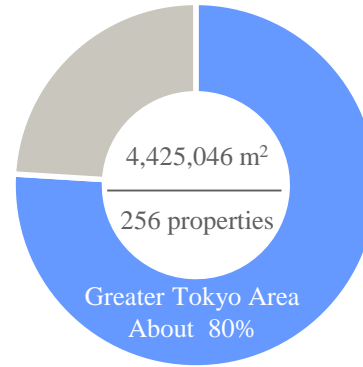
## Master Lease



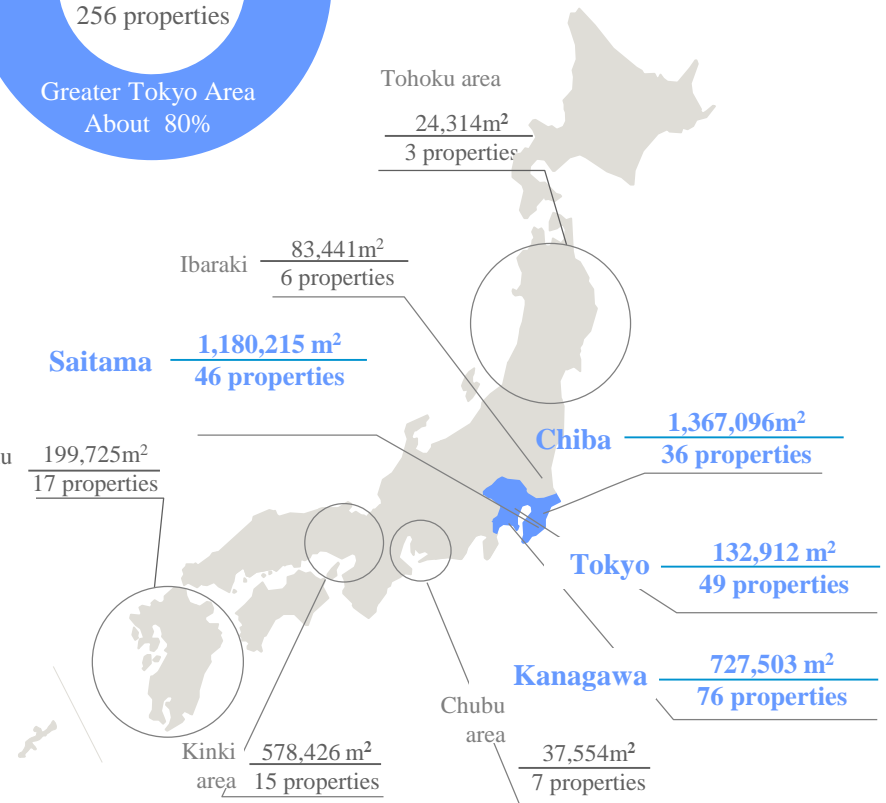
Average floor space:  
About 1,200m²



## Property Management



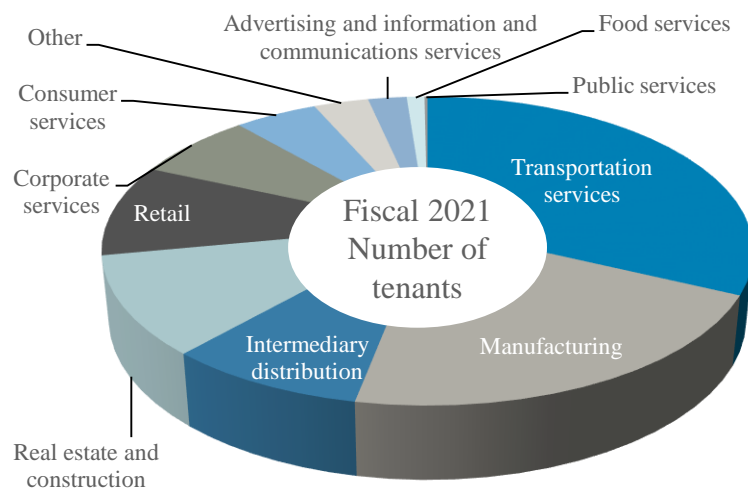
Average floor space:  
About 17,300m²



As of April 30, 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.
- Tozai Asset Management Co., Ltd.
- Mitsui & Co., Realty Management Ltd.
- IDERA Capital 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.
- Eco Properties, Corp.
- Tokyu Land Capital Management Inc.
- AXions Co., Ltd.
- NEWBRAIN Co., Ltd.
- Strategic Partners Co., Ltd.

As of April 30, 2022

# Logistics Infrastructure Platform

## Subsidiaries and affiliates



EnBio C Energy, Inc.



\*1 Consolidated subsidiaries \*2 Equity method affiliates

## Capital and business alliances



## Alliances

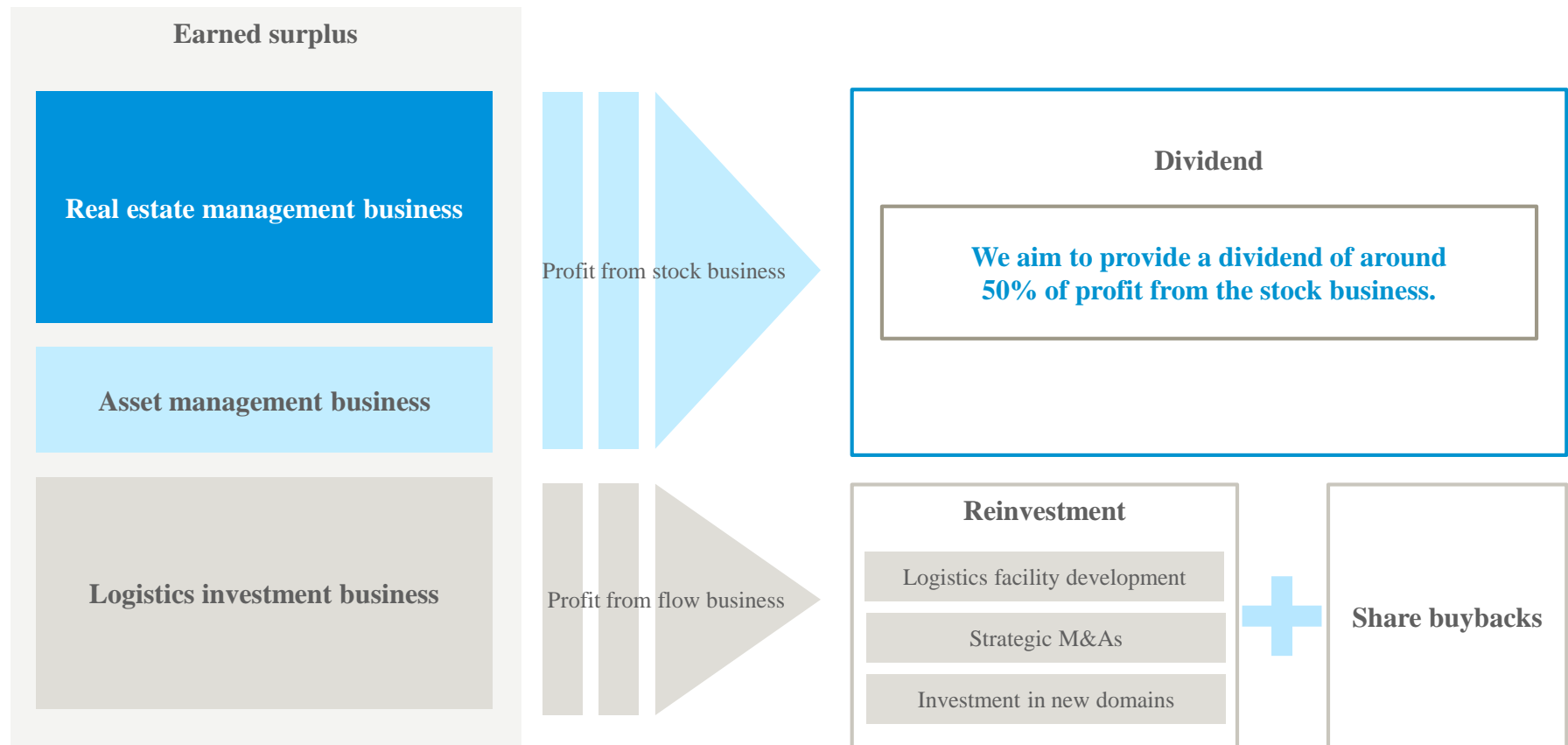




# Return Profits to Shareholders in Line with Growth in Stock Business

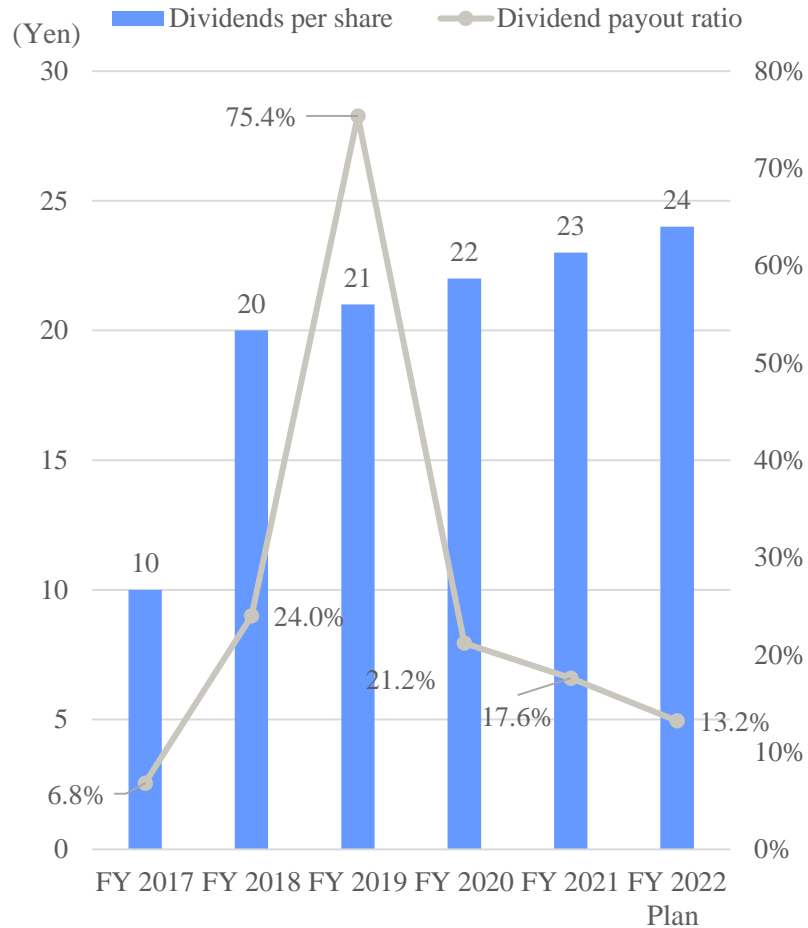
- We will draw on earned surplus from the stock business to distribute dividends to shareholders and will strive to steadily increase dividend payments over the long term commensurate with continuous growth.
- We will reinvest earned surplus from the flow business into logistics facility development, M&As to reinforce the stock business, and new domains to underpin long-term growth, and to purchase treasury stock.

## Capital Strategies



# Return to Shareholders

## Changes in dividends per share and dividend payout ratio



## Consolidated dividend per share

Fiscal 2022 (plan)

**¥24** per share

YOY **+¥1** (Up 4.3%)

Around 50% of profit from stock business

Note: Based on total number of shares issued (excluding treasury stock) as of July 31, 2021.

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

# Stock Information (As of January 31, 2022)

## Issued Shares and Shareholders

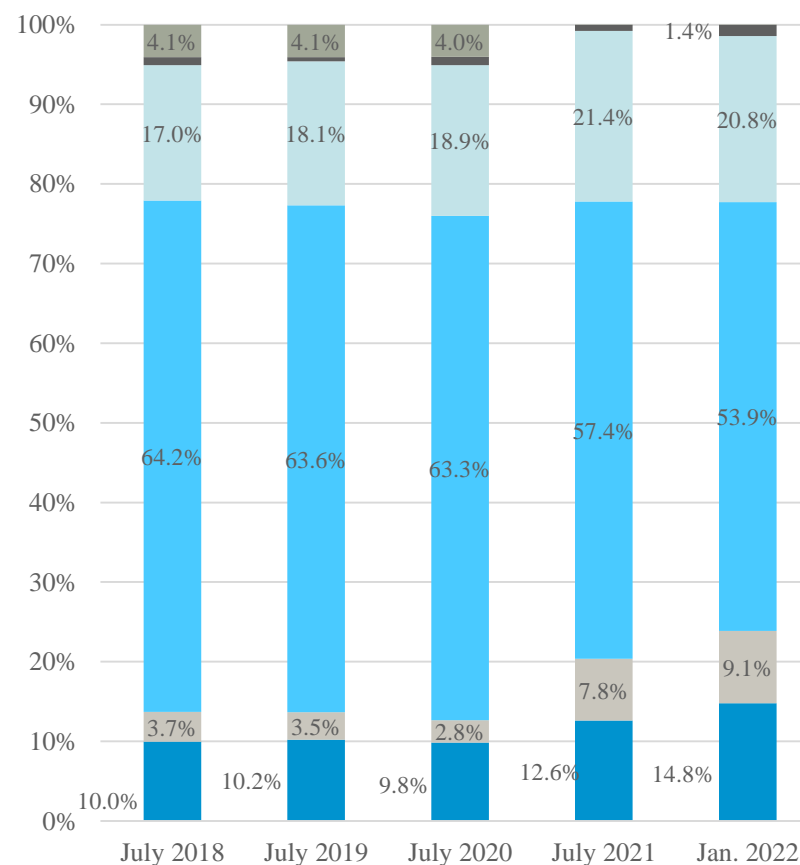
Number of Shares Issued and Outstanding	27,468,800
Number of Shareholders	11,638

## 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	2,065	6.89
NORTHERN TRUST CO. (AVFC) RE HCR00	1,135	3.79
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)	606	2.02
GOLDMAN SACHS INTERNATIONAL	599	2.00
Kokyo Tatemono Co., Ltd.	559	1.87
NORTHERN TRUST CO. (AVFC) SUB A/C NON TREATY	539	1.80

## 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\*<sup>1</sup> 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