



April 18, 2025

To: Whom it may concern

Company name	CRE, Inc.
Representative name	Tadahide Kameyama Representative director, president (Code: No.3458, TSE Prime Market)
Contact	Nobuhide Goto Director, managing executive officer (Tel +81-3-5572-6600)

#### **Notice Regarding Termination of Capital and Business Alliance with Kenedix, Inc.**

The Company hereby announces that at its board of directors held today, the Company resolved to enter into a termination agreement (the "Termination Agreement") for the purpose of terminating the "Business Alliance Agreement" dated February 6, 2017 and the "Share Subscription Agreement" dated on the same date entered into with Kenedix, Inc. ("KDX") (including the "Agreement concerning Amendment of the Business Alliance Agreement" dated June 26, 2018, "Agreement concerning Amendment of the Business Alliance Agreement (2)" dated October 4, 2021, "Memorandum on Investment Ratio" dated October 4, 2021, and other amendments, and collectively referred to as the "Capital and Business Alliance Agreement"; the capital and business alliances based on the Capital and Business Alliance Agreement are referred to as the "Capital and Business Alliance"), and the Company entered into the Termination Agreement with KDX today.

#### **1. Reasons for the termination of the Capital and Business Alliance**

As announced in the "Notice Regarding Results of the Tender Offer for the Company's Stock by SMFL MIRAI Partners Company, Limited and Changes in the Parent Company and the Major Shareholder" issued by the Company on March 14, 2025, SMFL MIRAI Partners Company, Limited (the "Tender Offeror") conducted a tender offer for the Company's common stock (the "Company's Stock") (the "Tender Offer") by setting the period of 30 business days from January 29, 2025 to March 13, 2025 as the period for purchases under the tender offer. As a result of the Tender Offer, the Tender Offeror came to hold 10,552,842 shares of the Company's Stock as of March 21, 2025, the commencement date of the settlement of the Tender Offer.

In addition, as announced in the "Notice Regarding Share Consolidation, Abolition of the Provision Regarding the Number of Shares Constituting One Unit of Stock, and Partial Amendment to the Articles of Incorporation" issued by the Company on April 16, 2025, the Company has resolved at its board of directors on the same date to convene an extraordinary shareholders' meeting to be held on May 12, 2025 (the "Extraordinary Shareholders' Meeting") and to submit to the Extraordinary Shareholders' Meeting proposals, etc. for the share consolidation. If such proposal is resolved at the Extraordinary Shareholders' Meeting, it is expected that the Company's Stock will be privatized and the Company will be made a joint venture (the "Joint Venture") by the Tender Offeror and Kyobashi Kousan, Inc ("Kyobashi Kousan") which is the asset management company of Mr. Shuhei Yamashita ("Mr. Yamashita"), the founder and the representative director and chairman of the Company, and which is the major and largest shareholder of the Company. The Tender Offeror has entered into a shareholders agreement pertaining to the operations, etc. of the Company after the Joint Venture with Kyobashi Kousan and Mr. Yamashita on January 28, 2025.

As described above, considering that the business environment of the Company is expected to be changed accompanying the Joint Venture, the Company resolved to enter into the Termination Agreement at the board of directors held today.

One (1) external director dispatched by KDX to the Company based on the Capital and Business Alliance will resign accompanying the termination of the Capital and Business Alliance Agreement.

## 2. Overview of KDX

(1)	Name	Kenedix, Inc.		
(2)	Location	2-1-6 Uchisaiwaicho, Chiyoda-ku, Tokyo		
(3)	Title/name of representative	Hikaru Teramoto Representative director, president & COO		
(4)	Type of business	Asset management business, asset operation business, fund investment business, etc.		
(5)	Amount of capital	10,020,937,036 yen		
(6)	Date of foundation	April 17, 1995		
(7)	Major shareholders and shareholding ratio	SMFL MIRAI Partners Company, Limited	70%	
		ESR Real Estate Investors 30 Limited	30%	
(8)	Relationship with the Company			
	Capital relationship	KDX holds 4,485,000 shares of the Company's common stock.		
	Personnel relationship	KDX has dispatched one (1) external director to the Company.		
	Business relationship	There is a track record of entrustment and acceptance of the property management of real estate between the Company and subsidiaries of KDX.		
	Applicable status of related parties	KDX is applicable to another affiliated company of the Company and is a related party of the Company.		
(9)	Business performance and financial position for the past three years			(Unit: 1 million yen)
	Fiscal year	Ended December 2022	Ended December 2023	Ended December 2024
	Net assets	110,574	109,139	124,179
	Total assets	145,556	180,263	205,209
	Net assets per share (yen)	500	494	562
	Business income	7,371	5,225	7,114
	Ordinary income	13,916	11,370	18,572
	Current net income	12,526	9,428	15,703
	Current net income per share (yen)	56	42	71

## 3. Schedule of the termination of the Capital and Business Alliance

(1)	Date of execution of the Termination Agreement	April 18, 2025
(2)	Date of the termination of the Capital and Business Alliance	April 18, 2025

## 4. Future outlook

The impact of the termination of the Capital and Business Alliance Agreement on the performance of the Company will be minor. In the future, we will promptly inform you as soon as any significant impact on the performance of the Company is recognized.

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