

Business Overview

As for operating results of the Group in FY2024, operating revenue was 193,398 million yen (up 4.7% year-on-year), as real estate business income declined while income from warehousing, harbor transportation, international transportation, and land transportation and other operations all increased. Operating profit reached 13,275 million yen (up 0.7% year-on-year), due to factors such as higher personnel expenses.

Logistics business



Operating results for FY2024

In warehousing, warehouse income was 32,138 million yen (up 2.3% year-on-year) due to an increase in the handling of parts for transportation equipment and metal, etc.

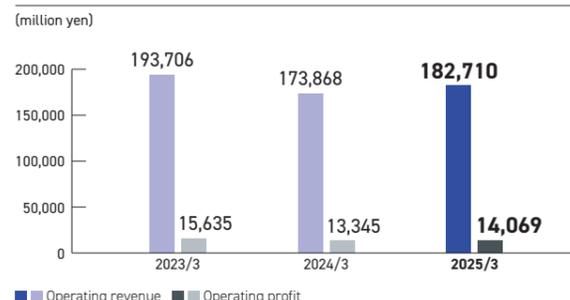
In harbor transportation, harbor transportation income was 32,534 million yen (up 7.2% year-on-year) due to steady general cargo handling and container cargo handling.

In international transportation, international transportation income was 54,875 million yen (up 8.3% year-on-year) due to the effect of depreciation of the yen although the volume of transactions at overseas subsidiaries decreased, an increase in international multimodal transportation, project transportation, and airfreight handling at the company.

In land transportation and other operations, land transportation and other income was 63,161 million yen (up 2.8% year-on-year) due to an increase in transportation related to e-commerce, etc.

As a result of the above, in the logistics business, operating revenue was 182,710 million yen (up 5.1% year-on-year), and operating profit was 14,069 million yen (up 5.4% year-on-year).

Operating revenue/Operating profit

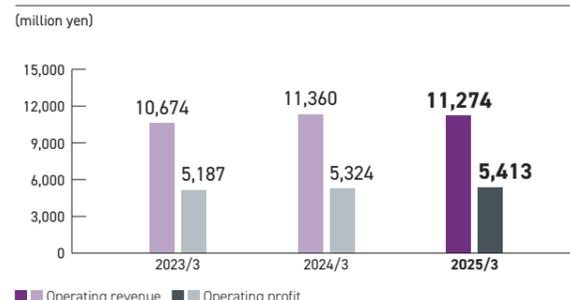


Real estate business

Operating results for FY2024

In the real estate business, although there was an increase in the occupancy rate of some real estate for leasing due to the contribution of office buildings for leasing acquired during the previous fiscal year and the increase in the number of overseas visitors to Japan, operating revenue was 11,274 million yen (down 0.8% year-on-year) due to a decrease in rental income caused by the departure of tenants from the Company's buildings eligible for compensation for relocation, and a decrease in real estate sales income. Operating profit was 5,413 million yen (up 1.7% year-on-year) due to a decrease in real estate acquisition tax.

Operating revenue/Operating profit



Key measures of the Fifth Medium-Term Business Plan

Business domain	FY2024	FY2025 and onwards
Logistics business	Warehousing <ul style="list-style-type: none"> New warehouse construction in Japan <ul style="list-style-type: none"> Constructed a new warehouse at Hakozaki Futo, Higashi-ku, Fukuoka City Functional improvement of warehouse facilities <ul style="list-style-type: none"> Increased temperature-controlled zone floorspace in Yokohama district Securing a competitive advantage through the digitalization and automation of operations and the promotion of DX <ul style="list-style-type: none"> Installed automation equipment at sports goods distribution center 	<ul style="list-style-type: none"> Promoting a strong business foundation <ul style="list-style-type: none"> Promoting expansion of logistics services while continuing to invest in warehouses Commitment to a carbon-neutral society <ul style="list-style-type: none"> Promoting the introduction of electricity virtually derived from renewable energy sources at owned warehouse facilities
	Harbor transportation <ul style="list-style-type: none"> Upgrading to environmentally friendly cargo handling equipment <ul style="list-style-type: none"> Resolved to introduce hydrogen fuel cell-retrofitted and electric-powered RTGs, etc. Securing a competitive advantage through the digitalization and automation of operations and the promotion of DX <ul style="list-style-type: none"> Conducted a demonstration experiment to increase cargo handling efficiency through use of container pickup reservation data in terminal operations 	<ul style="list-style-type: none"> Securing a competitive advantage through the digitalization and automation of operations and the promotion of DX <ul style="list-style-type: none"> Promote digitization at ports and improvements in gate and terminal operations
	International transportation <ul style="list-style-type: none"> Securing a competitive advantage through the digitalization and automation of operations and the promotion of DX <ul style="list-style-type: none"> Launched a service for providing real-time vessel movement data 	<ul style="list-style-type: none"> Expansion of overseas business <ul style="list-style-type: none"> Continuing to specifically consider the construction and acquisition of new warehouses in Southeast Asia and Europe Continuing to investigate the establishment of local subsidiaries in countries where expatriate staff are posted and other countries that are candidates for new expansion Development of low-carbon logistics services <ul style="list-style-type: none"> Begin offering SAF program in air cargo transportation
	Land transportation, etc. <ul style="list-style-type: none"> Expansion of relay transportation <ul style="list-style-type: none"> Increased the number of vehicles using relay transportation base, Connect Area Hamamatsu (up 9% year-on-year) 	<ul style="list-style-type: none"> Expansion of relay transportation <ul style="list-style-type: none"> Adding two relay transportation bases
Real estate business	<ul style="list-style-type: none"> Expansion of revenue scale through promotion of leasing business <ul style="list-style-type: none"> Started developing a multitenant logistics facility Completed rebuilding of a residence building in the Kanto region Acquired a medical facility for lease in Sumida-ku, Tokyo Sale of non-core properties <ul style="list-style-type: none"> Sold real estate for sale 	<ul style="list-style-type: none"> Expansion of revenue scale through promotion of leasing business <ul style="list-style-type: none"> Continuing to acquire new properties Increasing the added value of facilities by improving environmental performance <ul style="list-style-type: none"> Promotion of energy conservation and renewable energy use at our owned facilities Sale of non-core properties <ul style="list-style-type: none"> Scheduling sale of real estate for sale

 Warehousing /  Land transportation, etc.

We will build a flexible, agile logistics framework and shape the future on site.

Storing goods safely under proper conditions and transporting them accurately—these are the unchanging fundamentals of logistics in any era.

Building on these principles, we have always pursued ways to create added value and deliver logistics services that exceed customer expectations. From advanced warehouse operations and use of digital technology to the development of human resources and safe workplaces, each of our initiatives generates added value and forms a base for sustainable growth.

Amid the rapidly changing social environment, there is a need to strengthen logistics frameworks that combine flexibility and agility. Aiming to provide logistics that are indispensable to our customers and society, we will continue to create the future on site.



Director and Managing Executive Officer
responsible for Marketing Management and
Domestic Logistics Divisions
Ikuo Kuroki

Business Activities



Warehousing

- Port warehouses (warehousing (temperature-controlled/refrigerated), cargo handling, value-added services, packaging, etc.)
- Distribution center operation
- Archives (document/magnetic tape storage, document digitization service)
- Trunk rooms (individual/corporate)

In the warehouses in the port area, we provide comprehensive logistics services covering every process from warehousing, warehouse-in/out and inspection and value-added services to delivery, mainly for a wide variety of import and export cargo ranging from raw materials to finished products. We also operate an archives business that stores business documents in a warehouse with security facilities, as well as a trunk room service for storing items such as household effects, artworks, and valuables.



Land transportation, etc.

- General cargo transportation
- Container transportation
- Leasing logistics facilities
- System development, etc.

We have established a nationwide distribution network in collaboration with Group companies and cooperating companies, centered on Enshu Truck Co., Ltd., a group company specializing in transportation by truck primarily between Kanto and Kansai, based in Shizuoka Prefecture. In addition to nationwide truck delivery and container transportation from major domestic ports, we offer transportation services using special vehicles such as trailers for heavy loads and freezer cars.

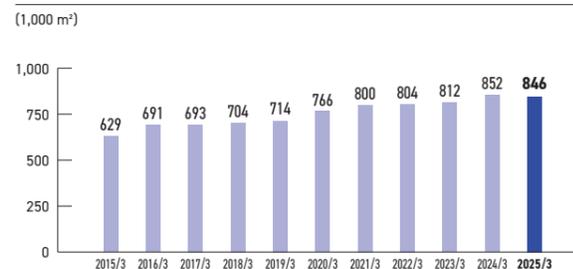
Strengths	Awareness of environment
<ul style="list-style-type: none"> ● Many logistics bases in port areas that serve as import/export hubs ● Know-how in handling a wide variety of cargo ● Disaster-resistant, highly secure specialized archival storage warehouses ● Large-truck transport network spanning Kanto-Kansai, based in Shizuoka Prefecture 	<ul style="list-style-type: none"> ● Growing demand for temperature-controlled cargo storage ● Progress in digital/automation technology ● Expansion of BtoC logistics driven by e-commerce market growth ● Increasing demand for offsite storage and digitization of office documents associated with office relocations, etc.

Trends in domestic warehouse floor area

Sumitomo Warehouse Group has expanded its warehousing business from land transportation to harbor transportation and international transportation, but enlarging warehouse capacity remains its core mechanism of business expansion. Accordingly, the Company has continued to strengthen its business foundation by investing in warehouse construction while also making use of leased warehouses, and as a result has increased its domestic warehouse space by 34% in 10 years.

In FY2024, total managed warehouse space increased mainly due to the completion of a new warehouse by group company Sumitomo Warehouse Kyushu. However, total warehouse space for storage in Japan declined year-on-year as some storage warehouses were converted to leased warehouses.

Domestic warehouse floor area



Business Strategy of the Fifth Medium-Term Business Plan

Warehousing	New warehouse construction in Japan	Promote enlargement of warehouse capacity as the core of our business foundation
	Functional improvement of warehouse facilities	Construct additional temperature-controlled facilities to handle more high value-added goods
	Digitalization and automation of operations, and DX	Improve productivity through renewal of automated guided vehicles (AGVs) and material handling equipment
Land transportation, etc.	Expansion of relay transportation	Increase usage of relay transportation base, Connect Area Hamamatsu*

*Joint venture between Central Nippon Expressway Company Limited and Enshu Truck Co., Ltd.

Progress on business strategy

	FY2023	FY2024	FY2025
Warehousing	New warehouse construction in Japan <ul style="list-style-type: none"> ■ Constructed a new warehouse in Fukuroi City, Shizuoka Prefecture Digitalization and automation of operations, and DX <ul style="list-style-type: none"> ■ Promoted productivity improvements through the introduction of AGVs 	New warehouse construction in Japan <ul style="list-style-type: none"> ■ Constructed a new warehouse at Hakozaki Futo, Higashi-ku, Fukuoka City Functional improvement of warehouse facilities <ul style="list-style-type: none"> ■ Increased temperature-controlled zone floorspace in Yokohama district Digitalization and automation of operations, and DX <ul style="list-style-type: none"> ■ Installed automation equipment at sports goods distribution center 	Promoting a strong business foundation <ul style="list-style-type: none"> ■ Promoting expansion of logistics services while continuing to invest in warehouses Commitment to a carbon-neutral society <ul style="list-style-type: none"> ■ Promoting the introduction of electricity virtually sourced from renewable energy sources at owned warehouse facilities
Land transportation, etc.	Expansion of relay transportation <ul style="list-style-type: none"> ■ Increased the number of vehicles using relay transportation base, Connect Area Hamamatsu (up 23% year-on-year) 	Expansion of relay transportation <ul style="list-style-type: none"> ■ Increased the number of vehicles using relay transportation base, Connect Area Hamamatsu (up 9% year-on-year) 	Expansion of relay transportation <ul style="list-style-type: none"> ■ Adding two relay transportation bases

	Review of initiatives in FY2024	Future growth strategy
Warehousing	As part of ongoing initiatives to strengthen our business foundation, Group company Sumitomo Warehouse Kyushu began operating a new warehouse in Higashi-ku, Fukuoka City. To address the labor shortage, as well as increasing handling volumes driven by expansion of the e-commerce market, new automation equipment was installed at the sports goods distribution center in an effort to improve productivity. Through these logistics DX initiatives, we are taking steps to increase resilience to changes in the business environment.	In FY2025, we will continue to invest in warehouses that form the foundation of our business, while expanding logistics services, making greater uses of leased warehouses, and considering the acquisition of existing warehouses. At owned warehouse facilities, we will promote the introduction of electricity virtually sourced from renewable energy to make progress on transitioning to a carbon-neutral society.
Land transportation, etc.	Group company Enshu Truck Co., Ltd. has operated the relay transportation base Connect Area Hamamatsu since 2018, and the number of vehicles using the base has increased 9% year-on-year. In FY2024, we launched a storage-based relay transportation service at our base, adding to the existing transfer and transshipment relay transportation services.	In response to growing demand for relay transportation bases, we will expand our network in FY2025 by adding two new bases in Shizuoka Prefecture—one in Hamamatsu City, one in Shizuoka City. Looking ahead, we are considering deploying a relay transportation service that covers the Japan from Kyushu to the Tohoku region.

Building logistics services that address the labor shortage while driving business growth

In Japan, the logistics industry faces a social issue known as the “2024 problem of logistics,” in which transportation capacity is expected to fall due to regulations limiting truck drivers’ working hours. The Group is addressing this challenge by shortening the transportation distance and improving working environment for drivers.

Specifically, we propose leveraging the Group network to decentralize logistics bases. In FY2024, to meet such demand, we constructed new warehouses in Kyushu and Fukuoka. This strengthened our domestic logistics capacity, and is contributing to business growth. Furthermore, Group company Enshu Truck Co., Ltd. operates the relay transportation base, Connect Area Hamamatsu in Shizuoka Prefecture, which enables same-day round-trip transportation between the Kanto and Kansai regions, reducing burdens on drivers and improving transportation efficiency.

Through the provision of logistics services, Sumitomo Warehouse Group will continue striving to solve the social issue of labor shortages while sustainably achieving business growth.



The new warehouse at Sumitomo Warehouse Kyushu's Hakozaki Futo Logistic Center, serving logistics demand across Kyushu

Harbor transportation

Container Cargo Handling Operations, etc.

We contribute to the growth of the Group through high-level operations based on safety, reliability, and efficiency.

The Company supports Japan's international trade by providing port logistics services at major ports that serve as hubs for international logistics. In our container terminal business, we participate in terminal operations at a total of 10 terminals in four major ports in Japan, and providing high-quality services. Staying true to our core values of safety, reliability, and efficiency, we are working to combine our decades of know-how with the latest ICT to upgrade operations.

We are also working to reduce the environmental impact of port operations by introducing environmentally friendly cargo handling equipment and the latest technologies. In addition to container-related operations, we provide a variety of port logistics services that meet a diverse range of needs, including services responding to conventional cargo and vehicles, and shipping agency services that support the operations of shipping companies. Through these operations, we will continue to play a role in international supply chains and contribute to the growth of the Group.



Director and Managing Executive Officer
responsible for Marine Division
Katsunori So

Business Activities



Container terminal operations

We operate container terminals at major ports in Tokyo, Yokohama, Osaka and Kobe, and provide services to container shipping companies such as loading and unloading of containers and temporary storage. Applying advanced operations systems and technical capabilities developed through years of experience, we provide safe, efficient terminal operations.



Operations related to conventional vessels

We provide high-quality harbor logistics services for all types of cargo, including large cargo that does not fit into containers, heavy cargo, and vehicles. Applying technical capabilities we have built up over a long period of time, we provide integrated services, ranging from receipt to loading, tailored to the characteristics and shape of each type of cargo.

Strengths	Awareness of environment
<ul style="list-style-type: none"> Track record in container terminal operations at major domestic ports On-site capability cultivated through many years of business Diverse services utilizing port facilities 	<ul style="list-style-type: none"> Demand for environmentally friendly container terminal operations Productivity improvement via digitalization and DX

Progress on business strategy

Review of initiatives in FY2024	Future growth strategy
In addition to concluding contracts to handle terminal operations for new shipping routes and operations related to conventional vessels, we worked to expand peripheral operations such as container depot operations. We also worked to increase the efficiency of terminal operations through initiatives such as launching full-scale operation of a container gate-in/gate-out reservation system at certain terminals.	In FY2025, we will continue working to expand container terminal operations, operations related to conventional vessels, and peripheral operations. In addition, we will promote digitalization and DX to realize efficient, sustainable terminal operations.

Initiatives for achieving carbon neutrality at ports

Amid growing attention in recent years on decarbonizing the entire supply chain, there has been strong demand for ports to take steps to reduce environmental impact. In line with the Carbon Neutral Port initiative promoted by the Ministry of Land, Infrastructure, Transport and Tourism, Sumitomo Warehouse is working toward environmentally friendly container terminal operations. In FY2024, we achieved 100% electricity virtually derived from renewable energy sources at our main terminals in Tokyo and Yokohama. Furthermore, we are proceeding with upgrades to environmentally friendly cargo handling equipment, preparing for the future introduction of clean energy such as hydrogen fuel, and efficiency improvements to terminal operations via efforts such as gate upgrades. Through these initiatives, we aim to realize container terminal operations that contribute to reducing the environmental impacts of container shipping companies and cargo owners' supply chains.

Import and Export Cargo Handling Operations

We will grow operations and supporting customers' growth by expanding services across the entire supply chain.

Our import and export cargo handling operations play a vital role in ensuring that goods clear customs and documentation and are smoothly delivered to their destinations. In addition to providing safe, secure logistics, we are improving the efficiency and accuracy of operations through the use of AI and RPA, while also expanding services to cover the entire supply chain in response to changing logistics demand.

Specifically, our logistics management platform SWAN is enabling logistics to be visualized, and ensures transparency. We also expanding our trade affairs agency and logistics consulting services relating to customs systems and supplier selection.

Through these initiatives, we support customers' growth by creating an environment where they can focus on their core businesses, while expanding our own operations through the provision of higher value-added services.



Managing Executive Officer
Tsuyoshi Sakurai

Business Activities

- Import/export customs clearance
- Trade affairs agency
- Import/export-related consulting services



We provide services relating to import and export cargo, including customs clearance, tax payment and document preparation for import and export on behalf of customers. In addition to acting as an agent for procedures, we also provide consulting services, including business continuity measures for commercial distribution that make use of our status as an authorized customs broker under the Authorized Economic Operator (AEO) Program, and the establishment of a database of customs information in line with the DX era.

Strengths	Awareness of environment
<ul style="list-style-type: none"> Solid personnel structure and know-how in import/export customs clearance cultivated over many years of business operations Strong system development capabilities to meet customer needs 	<ul style="list-style-type: none"> Productivity improvements driven by advances in AI technology Need for DX in import/export customs clearance

Business Strategy of the Fifth Medium-Term Business Plan

Digitalization and automation of operations, and DX
Expand customs clearance operations for import and export through SWAN plus®*

*Web service for streamlining import/export customs clearance operations and centralizing information management

輸出入通関業務を、もっとラクに、スムーズに。

SWAN+

Progress on business strategy

Review of initiatives in FY2024	Future growth strategy
Through collaboration with an AI startup, we significantly streamlined our document verification processes. In addition, we enhanced the functionality of our services by equipping our logistics platform SWAN with a digital filing function for documents that complies with the Electronic Bookkeeping Act.	In FY2025, we will continue to actively deploy our DX support service SWAN plus®, which combines a logistics management platform, a customs support system, and the characteristics of an authorized customs broker's operation under the AEO Program, and will strive to increase the handling of customs clearance operations for import and export.

Using AI and digital platforms to realize next-generation trade management

Sumitomo Warehouse is contributing to greater productivity in partner companies' trade management operations through the digitization of trade information centralization of management. While paper-based document sharing remains common in trade operations, we have developed i-Clearance®, a customs support system that digitizes customs procedures using AI-OCR technology. The system efficiently converts paper documentation into data, which we can provide as part of the trade information centralization service SWAN plus® via our logistics management platform SWAN. Companies that have adopted the system have achieved significant efficiency gains, including a 66% reduction in exchange of trade-related documents. These initiatives help to increase customers' competitiveness and realize sustainable logistics. Going forward, Sumitomo Warehouse will continue to strive to create high value-added services that utilize digital technologies.

International transportation

By further expanding our international logistics network, we will help customers to strengthen and reestablish global supply chains.

Since establishing a representative office in the U.S. in 1972, the Group has expanded its network to various regions including Europe, Asia, and the Middle East, and currently operates in 14 countries around the globe. We support customers' global supply chains by delivering total logistics solutions that combine detailed, locally tailored services with high-quality logistics in Japan.

Amid heightened geopolitical risks in recent years, more and more companies are considering restructuring their supply chains. Accurately grasping this trend, we are accelerating the expansion of our overseas business by strengthening bases, not only in Europe and the U.S. but also in Southeast Asia, while establishing new bases in India and other regions.

By flexibly responding to increasingly diverse needs and providing stable logistics services, we will work to achieve the Group's mission of "Connecting the world."



Managing Executive Officer
Toshika Matsumoto

Business Activities



Marine cargo transportation Air cargo transportation

International transportation

- Marine cargo transportation
- Air cargo transportation
- International multimodal transportation
- Transportation of large-scale equipment

We provide international transport services by combining land, sea, and air transportation, centered around marine and air transportation, and making full use of our network that extends around the world. We also support customers in building strong, stable global supply chains by providing information on local customs clearance, legal systems, and commercial practices.



Overseas logistics

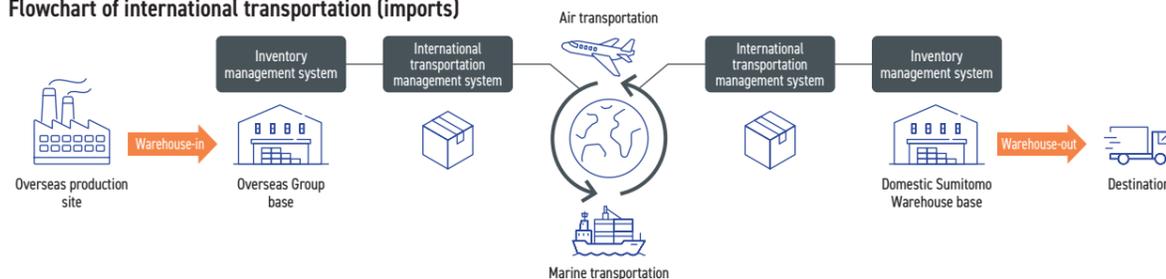
Overseas logistics

- Overseas logistics center operation
- Consulting

In regions including North America, Europe, the Middle East, Southeast Asia, and China, we provide integrated logistics services from cargo storage to delivery with the same high quality as our services in Japan. We also offer consulting services that offer information on local customs clearance, legal systems, and commercial practices, and provide support for building supply chain management frameworks.

Strengths	Awareness of environment
<ul style="list-style-type: none"> ● Overseas network and flexible transport coordination capabilities that provide flexible service backed by deep knowledge of cargo characteristics, transportation mode, and local legal systems ● Specialized expertise and extensive experience in transporting special cargo and projects ● In-house developed international transportation management and inventory management systems 	<ul style="list-style-type: none"> ● Strong logistics demand in Southeast Asia and the Indian Ocean Rim Economic Area ● New demand arising from supply chain reorganization ● Need for DX in international transportation ● Growing demand for low-carbon transportation services

Flowchart of international transportation (imports)

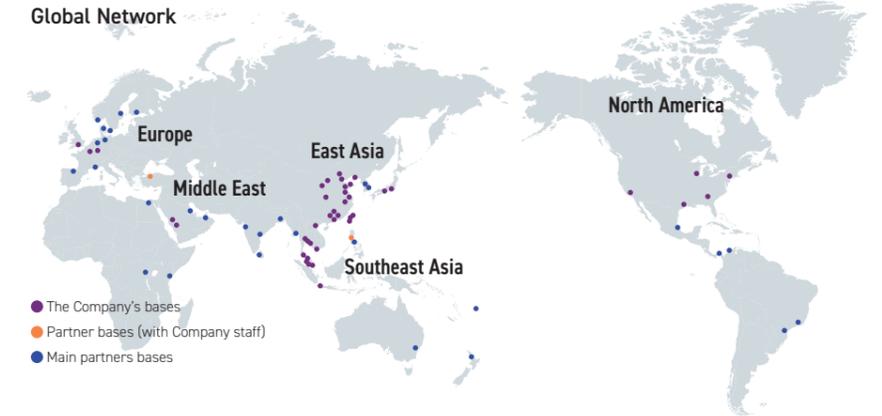


Sumitomo Warehouse Group's business segments



Overseas Business Development

Since expanding into San Francisco, USA, in 1972, the Group has continued to expand its overseas bases and now has 21 local subsidiaries and more than 50 bases in 14 countries and regions, including North America, Europe, the Middle East, Southeast Asia, China, and Taiwan. We support our business partners in establishing strong and stable global supply chains by providing high-quality logistics services based on our extensive international logistics network.



Business Strategy of the Fifth Medium-Term Business Plan

Expansion of overseas business	Promote warehouse construction and acquisition in Thailand and Europe
	Expand warehouse business in Indonesia and Vietnam to create synergies with existing forwarding business
Expansion of refrigerated air transportation services	Achieve low-cost, high-quality refrigerated air transportation
Digitalization and automation of operations, and DX	Enhance functionality of web services to provide higher value-added services

Progress on business strategy

FY2023	FY2024	FY2025
<p>Expansion of overseas business</p> <ul style="list-style-type: none"> ■ Constructed a new warehouse in Laem Chabang, Thailand ■ Strengthened sales activities to support the expansion of warehousing operations in Vietnam and Indonesia <p>Expansion of refrigerated air transportation services</p> <ul style="list-style-type: none"> ■ Formed business tie-up with refrigerated packaging companies to enhance the lineup of refrigerated air transportation services 	<p>Digitalization and automation of operations, and DX</p> <ul style="list-style-type: none"> ■ Launched a service for providing real-time vessel movement data 	<p>Expansion of overseas business</p> <ul style="list-style-type: none"> ■ Continuing to consider specific initiatives to construct or acquire new warehouses in Southeast Asia and Europe ■ Continuing to investigate the establishment of local subsidiaries in countries where expatriate staff are posted and other countries that are candidates for new expansion <p>Development of low-carbon logistics</p> <ul style="list-style-type: none"> ■ Begin offering SAF program in air cargo transportation

Review of initiatives in FY2024	Future growth strategy
In FY2024, we launched an AI-powered service for providing real-time vessel movement data. By linking this service with SWAN, our logistics management platform, we advanced the digitalization of international transportation, thereby strengthening our competitive advantage.	In FY2025, we will continue to specifically consider the construction and acquisition of warehouses to expand our overseas business. To meet demand for supply chain decarbonization and expand handling volume, we will begin to offer low-carbon transportation services that make use of our SAF program in air cargo transportation.

Supporting production through trade visualization with a real-time vessel movement data provision service

As supply chains become more advanced, the ability to visualize information and access it in real time is becoming increasingly important in the field of logistics. In November 2024, we launched, through a cooperating company, a service that uses AI to analyze satellite-acquired vessel position data together with weather, port congestion, and other data to predict vessel arrival dates. This enables more strategic supply chain management, contributing to increasing our business partners' competitiveness. Sumitomo Warehouse will continue to strive to create added value through the digitalization of trade.

We aim to achieve business growth with an emphasis on asset efficiency by strengthening coordination with the logistics business while reviewing the portfolio of owned assets.

Our real estate business began in 1970, when we branched into operating logistics buildings for lease in central Osaka and Tokyo. In 1988, we redeveloped a warehouse site in Shinkawa, Chuo-ku, Tokyo, into the Tokyo Sumitomo Twin Buildings, which became our flagship office buildings. Since then, we have continued to construct real estate for lease, mainly by redeveloping warehouses and company housing, as well as by acquiring new real estate properties that generate revenue. While continuing to develop and acquire environmentally friendly office buildings, etc., we are also replacing properties based on age, etc., and are reviewing our portfolio of owned assets. To cooperate with the Naniwasuji Line Project, which will link Osaka Station and Namba Station, we had to demolish related properties, and we are currently working to secure replacement properties. Going forward, we will pursue further growth in the real estate business, staying conscious of coordination with the logistics business and otherwise maintaining a focus on asset efficiency.



Director and Managing Executive Officer responsible for Administrative, Real Estate, and International Divisions
Akihiko Hoshino

Business Activities

- Real estate leasing
- Real estate sales
- Real estate brokerage and management

We develop and operate a wide range of properties, including office buildings, commercial facilities, and rental residential, primarily in the greater Tokyo area and Osaka. We redevelop our land with a focus on warehouse sites while continuing to acquire new properties, and own facilities with a total floor area exceeding 390,000 m² and operate a leasing business. In recent years, we have also been operating environmentally friendly real estate.

Strengths	Awareness of environment
<ul style="list-style-type: none"> Real estate holdings primarily in the Keihin and Hanshin areas Broad asset portfolio encompassing office buildings, commercial facilities, buildings for rental housing, and logistics facilities, supported by operational know-how 	<ul style="list-style-type: none"> Growing awareness of sustainability and carbon neutrality Growing awareness of extreme weather and natural disaster preparedness Transition to a society that respects diverse values

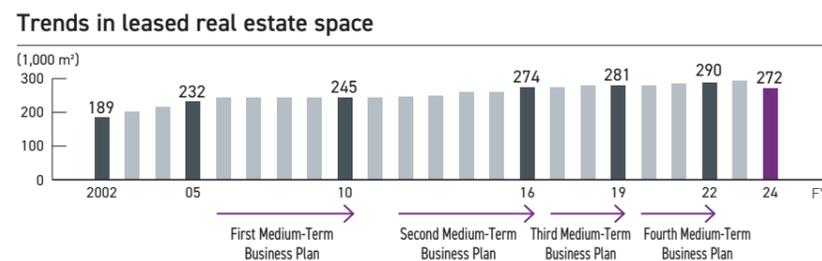
Main Properties

 <p>Tokyo Sumitomo Twin Buildings Chuo-ku, Tokyo 24 stories (east tower), 21 stories (west tower), 3 underground stories Total building floor area East tower: 69,210 m² West tower: 58,880 m²</p>	 <p>Hommachi Garden City Terrace Chuo-ku, Osaka City 19 stories, 2 underground stories Total building floor area: 11,082 m²</p>	 <p>T-FRONT Toda City, Saitama 5 stories Total building floor area: 22,880 m²</p>	 <p>Tsunashima Mansion Kohoku-ku, Yokohama City 7 stories Total building floor area: 14,980 m²</p>
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Please refer to the website for other real estate properties. <https://www.sumitomo-soko.co.jp/English/service/estate/index.html>

Trends in leased real estate space (office buildings, etc.)

We are acquiring office buildings and residential facilities in the Keihin and Hanshin areas on an ongoing basis to expand our leased real estate space. In FY2024, we acquired new real estate for lease, but total leased real estate space declined year-on-year due to the handover of buildings for the Naniwasuji Line Project being advanced by Kansai Rapid Railway Co., Ltd.



Business Strategy of the Fifth Medium-Term Business Plan

Promotion of the leasing business	Deploy the real estate leasing business, starting with the redevelopment of warehouse land. Continue to grow by promoting the acquisition of new real estate in addition to redevelopment.
Replacement of real estate	Implement the replacement of real estate for lease by selling non-core assets, etc., in order to avoid a decline in future profitability associated with the aging of real estate, and to achieve further growth.
Expansion of business scale to sales business	Gradually develop an asset turnover business while replacing real estate properties. In the medium to long term, we will aim to conduct business that is conscious of capital efficiency by developing the sales business with the leasing business as its core.

Progress on business strategy

FY2023	FY2024	FY2025
<p>Expansion of revenue scale through promotion of leasing business</p> <ul style="list-style-type: none"> Acquired an office building for leasing in Chuo-ku, Osaka City <p>Sale of non-core properties</p> <ul style="list-style-type: none"> Sold real estate for sale (two residence buildings) 	<p>Expansion of revenue scale through promotion of leasing business</p> <ul style="list-style-type: none"> Started developing a multitenant logistics facility Completed reconstruction of a residence building in Kanto district Acquired a medical facility for lease in Sumida-ku, Tokyo <p>Sale of non-core properties</p> <ul style="list-style-type: none"> Sold real estate for sale 	<p>Expansion of revenue scale through promotion of leasing business</p> <ul style="list-style-type: none"> Continuing to acquire new properties <p>Increasing the added value of facilities by improving environmental performance</p> <ul style="list-style-type: none"> Promotion of energy conservation and renewable energy use at our owned facilities <p>Sale of non-core properties</p> <ul style="list-style-type: none"> Scheduling sale of real estate for sale

Review of initiatives in FY2024	Future growth strategy
We have commenced the construction of Logicross Misato, marking our full-scale entry into logistics facility development as part of our real estate business. In addition to completing the rebuilding of a residence building in the Kanto region, we acquired a medical facility for lease, and continue to invest to expand revenue scale. We also proceeded with the sale of non-core properties, and pursued initiatives to expand the scale of the sales business.	In FY2025, to expand revenue scale, we will acquire facilities for lease to replace the properties handed over for the Naniwasuji Line Project. We will also continue initiatives to maintain a high occupancy rate and improve the competitiveness of owned buildings by increasing the added value of owned facilities through improvement of environmental performance.

Construction of Logicross Misato commenced

Sumitomo Warehouse is developing a large-scale multitenant logistics facility in Misato City, Saitama Prefecture, in a joint development with Mitsubishi Estate and Kyushu Railway Company. The facility will be a double-ramp, five-story structure with a total floor area of 130,000 m². It features excellent accessibility for distribution and workforce availability, an efficient and flexible product plan that accommodates diverse tenant needs, and thoughtful consideration for tenant employee comfort, disaster preparedness, and the environment.



Scheduled for completion in August 2026

Supporting business partners in achieving environmental targets by enhancing the environmental performance of our real estate.

We continually work to strengthen the environmental performance of real estate in order to help bring about a decarbonized society. In addition to installing high-efficiency air conditioning units and LED lighting, we are advancing our use of renewable energy. In FY2024, we completed a transition to 100% use of electricity virtually sourced from renewable energy at a core office building Osaka. Going forward, we will continue to work on improving environmental performance with a focus on office buildings while supporting tenant companies in meeting environmental targets, thereby supporting initiatives to bring about a sustainable society and simultaneously increasing the competitiveness of our real estate.

Strengthening the environmental performance of our real estate

- Install energy-saving equipment
- Utilize renewable energy
- Contribute to business partners' environmental targets

Anticipated effects

- Ongoing high occupancy rate
- Stronger competitiveness

Environmentally friendly properties

Office building	Hommachi Garden City Terrace (Chuo-ku, Osaka City)	Acquired in June 2023
Residence	Forest Maison Urawa (Saitama City, Saitama Prefecture)	Completed in March 2025
Logistics property	Logicross Misato (Misato City, Saitama Prefecture)	Scheduled for completion in August 2026