

November 8, 2006

To Whom It May Concern:

*Company Name: The Sumitomo Warehouse Co., Ltd.
Representative: Shoichi Abe, President
(Code: 9303, First Section at TSE and OSE)
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Notice concerning Establishment of New Company in China

The Sumitomo Warehouse Co., Ltd. (“Sumitomo Warehouse”) hereby gives notice that it will implement to build warehouse facilities by acquiring land use right simultaneously with the establishment of a subsidiary in Shanghai, as follows:

1. Purpose of Establishment of Subsidiary

Sumitomo Warehouse and its affiliate companies (“Sumitomo Warehouse Group”) have aimed and endeavored to strengthen its overseas network as the first priority in its business strategy whereby it will render great support through its logistics services to the customers, which have been extending their operations in overseas markets, in the globalization of their supply chain. Above all, Sumitomo Warehouse Group has focused on China, in which Japanese enterprises have increasingly extended their operations, and thus far Sumitomo Warehouse has established nineteen (19) operational bases in China, including Shanghai, Beijing, Qingdao, Hong Kong, Shenzhen, Guangzhou, Wuhan, etc., with constantly increasing actual achievements. In addition, last September, Sumitomo Warehouse made Enshu Truck Co., Ltd., a company which produces consistent results in trucking services in China, its subsidiary in order to more efficiently meet customers’ demand for convenience. In view of this background, Sumitomo Warehouse has additionally established a new subsidiary in Shanghai, where an active demand for warehouse services is further expected and which will enable Sumitomo Warehouse to provide its customers with high quality services through the innovative facilities.

2. Outline of New Company

- (1) Company Name: 住友倉儲(中国)有限公司
(Reference in English: Sumitomo Warehouse (China) Ltd.)
- (2) Representative: Koki Sugihara, Head Representative
- (3) Location: No.118 North Land in Shanghai, Jinqiao Export Processing Zone, (South Area), Shanghai, China
- (4) Incorporation Date: November 3, 2006
- (5) Scope of Businesses: Warehouse services, warehouse cargo operations, merchandise processing, land transportation services, packaging, other incidental logistics services, etc., and consulting service concerning logistics services
- (6) Fiscal Year-End: December 31
- (7) Capital: US\$20,000 thousand (Approximately 2,365 million yen)
- (8) Capital Investor: The Sumitomo Warehouse Co., Ltd. 100%

3. Outline of Facilities

The new company is planning to acquire the land use right to the land with an area of approximately 39,000 m² that has been owned by Shanghai Jinqiao Export Processing Zone Development Company Limited, and shall build warehouse facilities with two (2) buildings and approximately 39,000 m² of total floor space. The scheduled warehouse facilities will be equipped with the most innovative inventory management system and cargo tracking system developed by Sumitomo Warehouse, and in addition thereto, a delivery center of electric and electronic components, an automobile components center, etc., for which there has been a sharply increasing demand in the Shanghai district, will

be built. Construction of these warehouse facilities is scheduled to be commenced early next year and completed by the end of the year.

In Shanghai, Sumitomo Warehouse owns Sumitomo Warehouse (Shanghai) Ltd., which operates bonded warehouses with an area of approximately 35,000 m² in Outer Gaoqiao Free Trade Zone, Pudong New Area, etc., and Shanghai Sumiso International Logistics Co., Ltd., which is the first FDI (foreign direct investment) type of forwarding company (the capital contribution ratios are 70% by Sumitomo Warehouse and 30% by Shanghai Foreign Economic & Trade Investment (Group) Co., Ltd.), whereby Sumitomo Warehouse has extensively met the needs of customers who are engaged in activities in the Eastern China district. In addition, it is expected that the said warehouse facilities to be newly constructed in Jinqiao Export Processing Zone will greatly contribute to the enhancement of the logistics function outside Free Trade Zone. In responding to the demand for the logistics services which are expected to further increase in Shanghai, we will seek to provide high-quality logistics services to meet the satisfaction of customers.

4. Schedule for Incorporation of Subsidiary

(1) Authorized Date for Business Commencement: November 3, 2006

(2) Date of Subscription Payment: November 20, 2006 (scheduled)

5. Effect on Future Financial Results

The incorporation of a subsidiary will have a minimal effect on the consolidated business performance of Sumitomo Warehouse for the fiscal year ending March 31, 2007.

(For your reference)

Jinqiao Export Processing Zone is typical of a developed district which has been adjusted to be an “export processing zone” after its ratification by the State Council of China in 1990 ahead of other districts in China, with a total area of 27 km², and it has attracted approximately four hundred (400) foreign companies, including Japanese companies. In addition, Jinqiao Export Processing Zone has an ideal location with a distance of 11

km to Pudong International Airport, 19 km to Outer Gaoqiao port and 18 km to the urban area of Shanghai.

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