

*April 28, 2006*

***To Whom It May Concern:***

***Company Name: The Sumitomo Warehouse Co., Ltd.***

***Name of Representative: Shoichi Abe, President***

***(Code: 9303, First Section of TSE and OSE)***

***Contact: Yuji Fujisaku, General Manager,***

***Business Promotion Department***

***(Phone: +81-6-6581-1104)***

**Notice Concerning Acquisition of All Outstanding Shares of I-STAR Co., Ltd.**

At a meeting of the Board of Directors held on April 28, 2006, Sumitomo Warehouse decided to acquire all outstanding shares of I-STAR Co., Ltd. ("I-STAR"), a contract developer of computer software, and make both I-STAR and its wholly owned subsidiary Seishin Information Services Co., Ltd. ("SIS") into a Sumitomo Warehouse Group company. The details of the acquisition are as follows:

**I. Reason for stock acquisition**

Both I-STAR and SIS offer services primarily related to contract development of computer software. With years of technological expertise, their many highly qualified system engineers and other staff have established an excellent reputation among customers. Sumitomo Warehouse has been contracting I-STAR for software development for more than 10 years, and I-STAR has greatly contributed to the establishment of our logistics systems.

To keep pace with continuing advances in the logistics field and provide customers with superior quality logistics services, Sumitomo Warehouse Group has been strengthening its Information Systems Department. Acquisition of these two companies will enable us to more efficiently meet diverse customer needs in the area of information systems, and also expand our range of business into contract development of computer software, further increasing the corporate value of the entire Sumitomo Warehouse Group.

**II. Outline of newly acquired subsidiaries**

**1. I-STAR**

(1) Company name: I-STAR Co., Ltd.

(2) Name of representative: Izuhiko Kageyama

- (3) Location: 2-3-14 Honmachi, Chuo-ku, Osaka
- (4) Date established: November 22, 1994
- (5) Business activities: Contract development of computer software, technical staff services related to software development, contract operation and management of computer systems, etc.
- (6) End of fiscal year: February
- (7) Number of employees: 175 (as of February 28, 2006)
- (8) Business locations: Osaka, Tokyo, Matsue
- (9) Amount of capital: 40 million yen
- (10) Number of shares issued: 800
- (11) Major shareholder: Izuhiko Kageyama (70%)
- (12) Financial highlights for recent fiscal years:

(In millions of yen)

	Year ended Feb.28, 2005	Year ended Feb.28, 2006
Net sales	2,156	2,161
Gross profit	388	378
Operating income	46	34
Ordinary income	62	35
Net income	44	19
Total assets	1,106	1,092
Shareholders' equity	506	522

## 2. SIS

- (1) Company name: Seishin Information Services Co., Ltd.
- (2) Name of Representative: Izuhiko Kageyama
- (3) Location: 3-7-11 Sagisu, Fukushima-ku, Osaka
- (4) Date established: July 22, 1997
- (5) Business activities: Contract development of computer software, contract data input/output tasks, and related services, etc.
- (6) End of fiscal year: December
- (7) Number of employees: 61 (as of February 28, 2006)
- (8) Business location: Osaka
- (9) Amount of capital: 10 million yen
- (10) Number of shares issued: 200
- (11) Major shareholder: I-STAR (100%)

(12) Financial highlights for recent fiscal years:

(In millions of yen)

	Year ended Dec.31, 2004	Year ended Dec.31, 2005
Net sales	542	518
Gross profit	441	406
Operating income	39	(14)
Ordinary income	44	32
Net income	27	18
Total assets	328	330
Shareholders' equity	135	154

III. Sources from which I-STAR. shares were purchased

Izuhiro Kageyama: 560 shares

Other shareholders: 240 shares

IV. Number of shares purchased and share ownership before and after acquisition

1. Number of shares owned before transfer: 0 (percent ownership: 0%)
2. Number of shares purchased: 800
3. Number of shares owned after transfer: 800 (percent ownership: 100%)

V. Schedule

April 28, 2006 Board of Directors' decision regarding conclusion of the share transfer agreement, signing of the share transfer agreement, and receipt of shares

VI. Future outlook

The acquisition of shares of I-STAR will have a minimal effect on the consolidated accounts of Sumitomo Warehouse for the fiscal year ending March 31, 2007.

I-STAR and SIS are scheduled to merge by the end of June 2006 and continue their operations under the name of I-STAR Co., Ltd.