



MARKET FUNDAMENTALS

	YOY Chg	Outlook
-31% (YOY) Supply (Greater Tokyo)	▲	▼
-6.6% (5-yr Avg) 12M Future Supply (Greater Tokyo)	▲	▼
10pt (MOM) Freight Activity Index	▼	▼

Source: NX Logistics Research Institute and Consulting, Cushman & Wakefield

ECONOMIC INDICATORS

	YOY Chg	Outlook
2.73 Job Openings Ratio (Automobile Drivers)*	▼	▲
1.17 Job Openings Ratio (All Occupations)**	▼	—
128.1 Corporate Goods Price Index (2020=100)	▲	▲

Source: Ministry of Health, Labour and Welfare, Bank of Japan

* Includes truck drivers

** Includes part-timers

1 Monthly Statistical Report on Motor Vehicle Transport (Preliminary), Policy Bureau, MLIT

Survey scope: C&W survey target is based on Large Multi-Tenant Logistics Facilities (LMT) with GFA 15,000 tsubo and over, except Nagoya and Fukuoka with GFA 5,000 tsubo and over. Major lease transactions include BTS (single-tenant) facilities.

Note: All data is as of December 30, 2025, unless otherwise stated.

CARGO FLOW INDEX IMPROVES, BUT DOWNSIDE RISKS TO LOGISTICS EMERGE

Preliminary data¹ shows total cargo volume increased by 4.1% year-on-year in December 2025, while ton-kilometers declined by 9.2%, suggesting shorter transport distances. The cargo flow index published by NX Research Institute improved by 10 points quarter-on-quarter in Q4 2025 to -4. The outlook for Q1 2026 is -6, indicating a 2-point decline. However, escalating tensions in the Strait of Hormuz, not reflected at the time of the survey, pose a downside risk.

FUEL RELIEF MEASURES AMID HORMUZ RISKS

In line with policy commitments, the Takaichi administration abolished the provisional gasoline tax rate in December 2025 and will eliminate the provisional diesel fuel tax rate (JPY17.1 per liter) from April 2026, reducing fuel cost burdens. However, from March 2026, disruptions in the Strait of Hormuz have emerged as a significant downside risk. With Japan relying on the Middle East for over 90% of crude oil imports, this presents a dual shock of rising transportation costs and supply chain disruption. Japan holds roughly 200 days of crude oil reserves (214 days on an IEA basis), but refining lags into diesel and panic-driven demand could disrupt logistics operations. If fuel costs cannot be passed on, smaller trucking firms may face financial strain, exacerbating driver shortages linked to the “2024 problem” and constraining transport capacity. The government reinstated emergency fuel price measures in mid-March 2026, alongside reserve releases to stabilize supply.

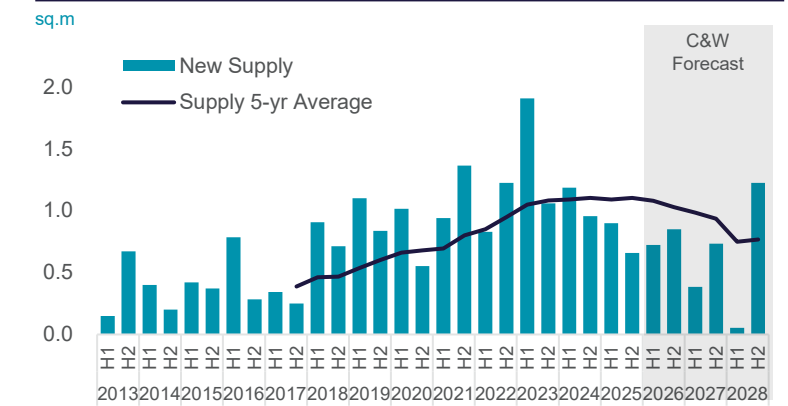
INVENTORY STRATEGIES MAY SHIFT OVER THE MEDIUM TO LONG TERM

Amid heightened disruption risks including a scenario where tenant companies may postpone plans for new premises or expansion due to an expected slowdown of non-essential goods sales, shippers in manufacturing and retail may shift from “just-in-time” to more resilient “just-in-case” strategies. However, new supply is limited, falling 38% year-on-year in the Greater Tokyo area in 2024, with upcoming supply over the next 12 months projected to decline by 6.6% versus the five-year average.

OUTLOOK

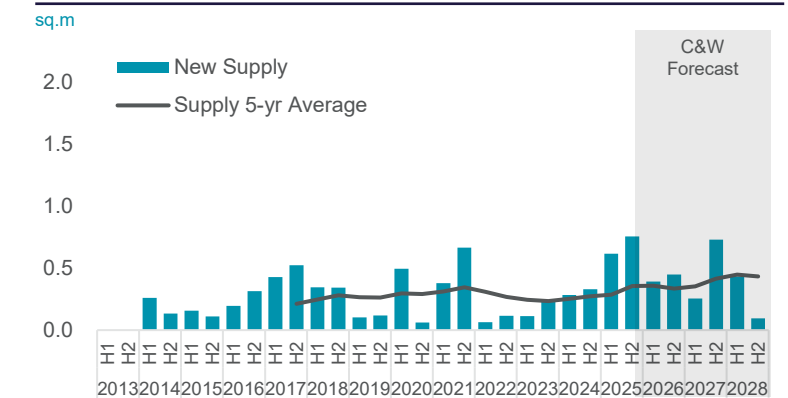
- Rising fuel costs are expected to increase manufacturing and transport costs for construction materials such as steel and concrete. Elevated construction costs may delay or reshape new developments. Over the medium to long term, slower supply could tighten vacancy rates and support rental growth in existing assets.
- Higher crude oil prices are also likely to increase electricity costs, particularly for large logistics facilities reliant on cold storage and automation. As utility costs rise, demand may shift toward energy-efficient, ESG-compliant facilities, including those with on-site renewables. This could reinforce rental premiums linked to environmental performance.

GREATER TOKYO: LMT SUPPLY TREND



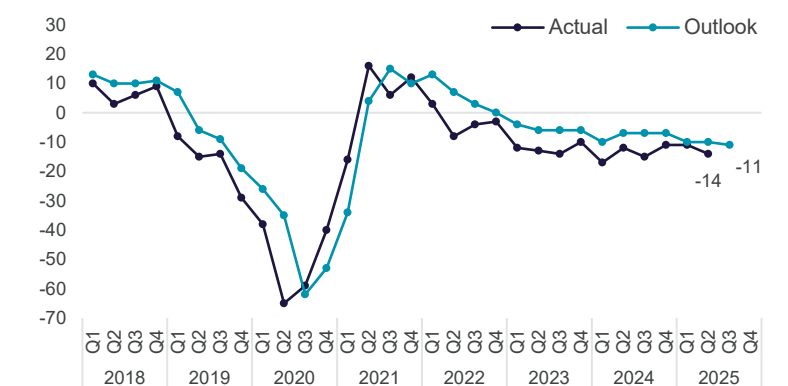
Source: LNEWS, Cushman & Wakefield based on publicly available company data

GREATER OSAKA: LMT SUPPLY TREND



Source: LNEWS, Cushman & Wakefield based on publicly available company data

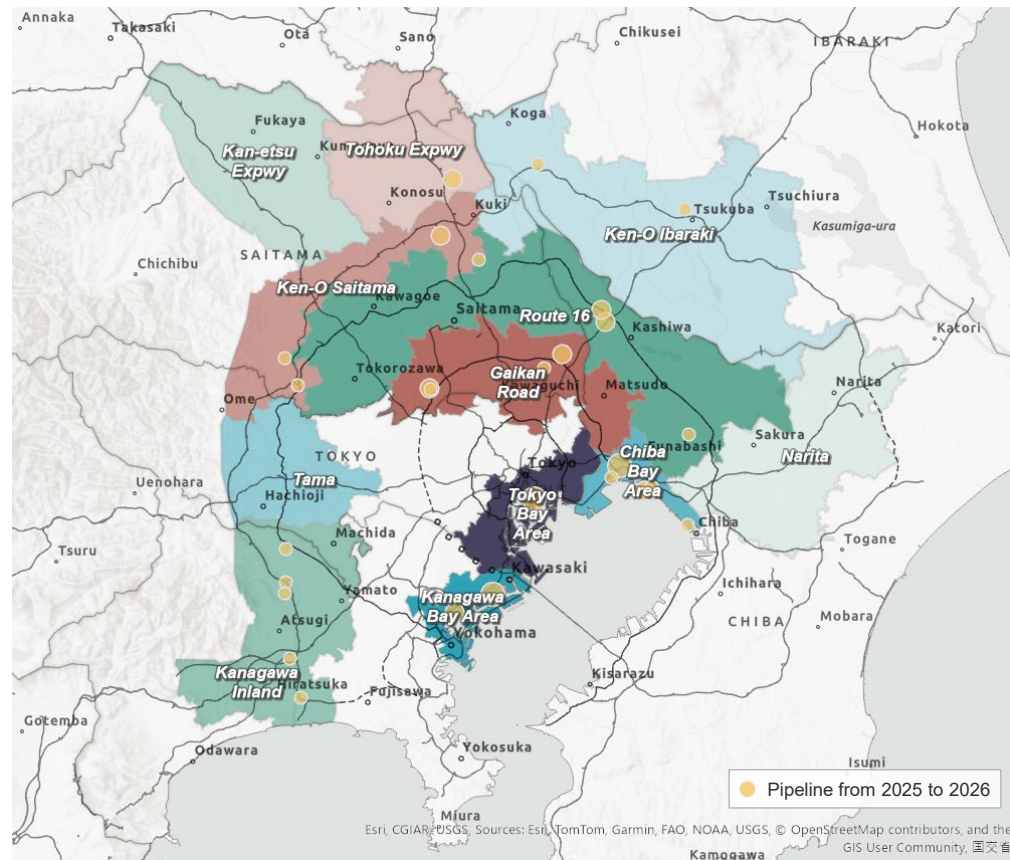
JAPAN: FREIGHT ACTIVITY INDEX



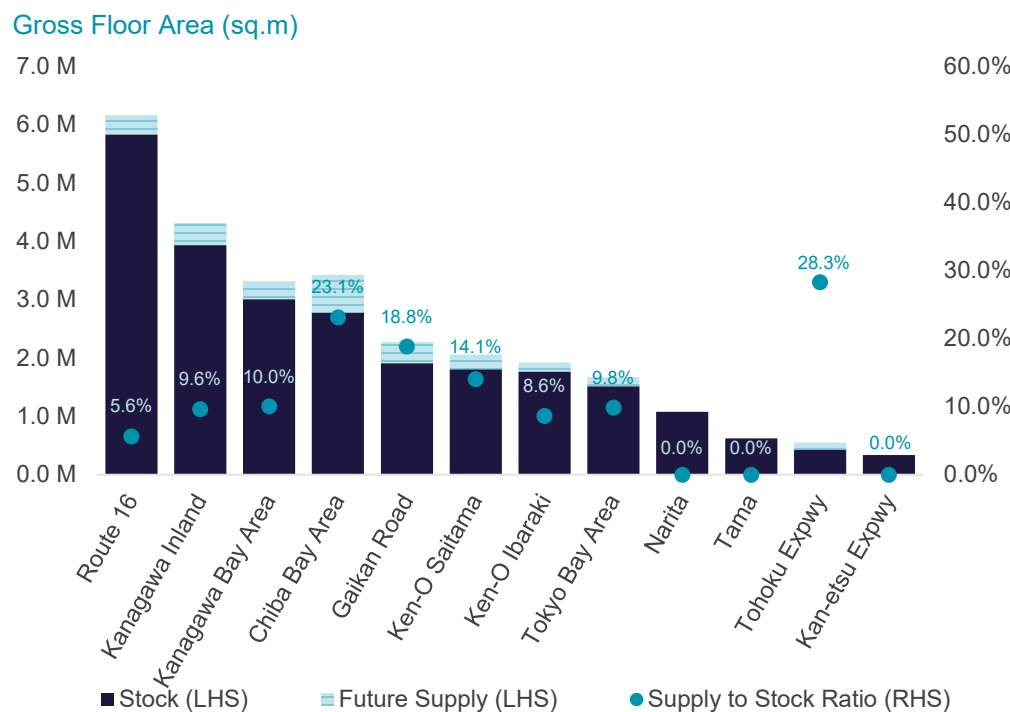
Source: Short-term Survey of Freight Movement in Japan, NX Logistics Research Institute and Consulting

LMT Stock and Supply by Region

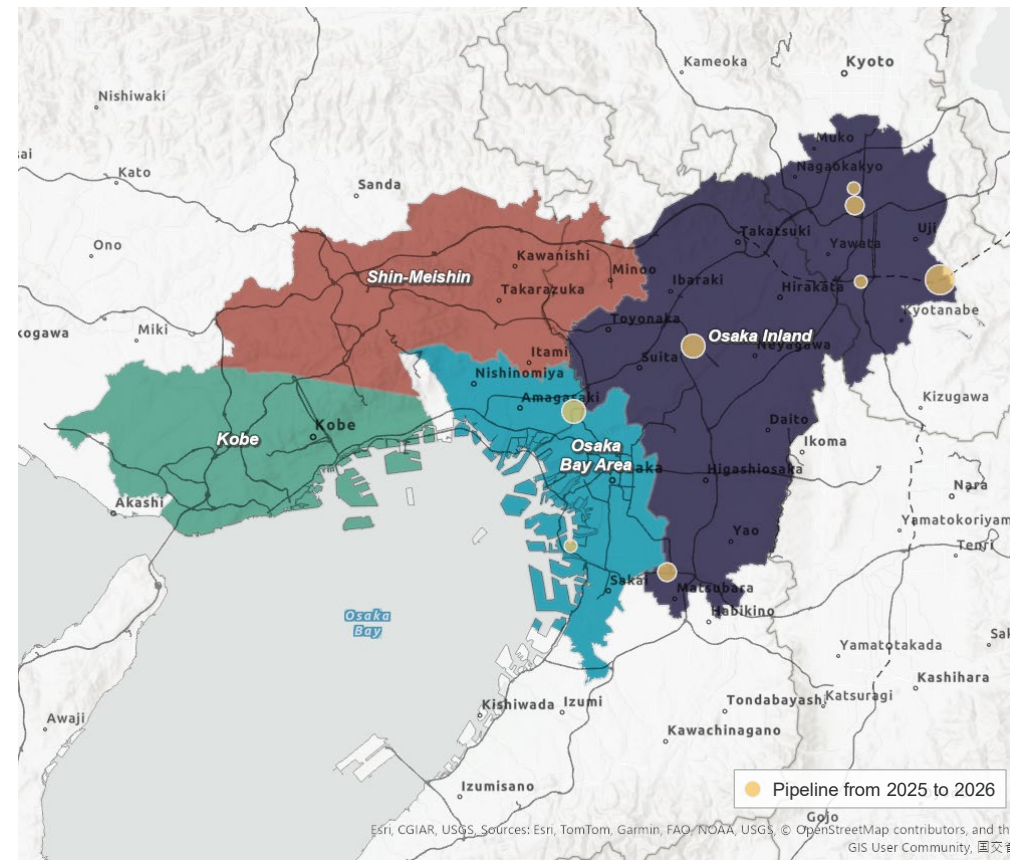
Greater Tokyo



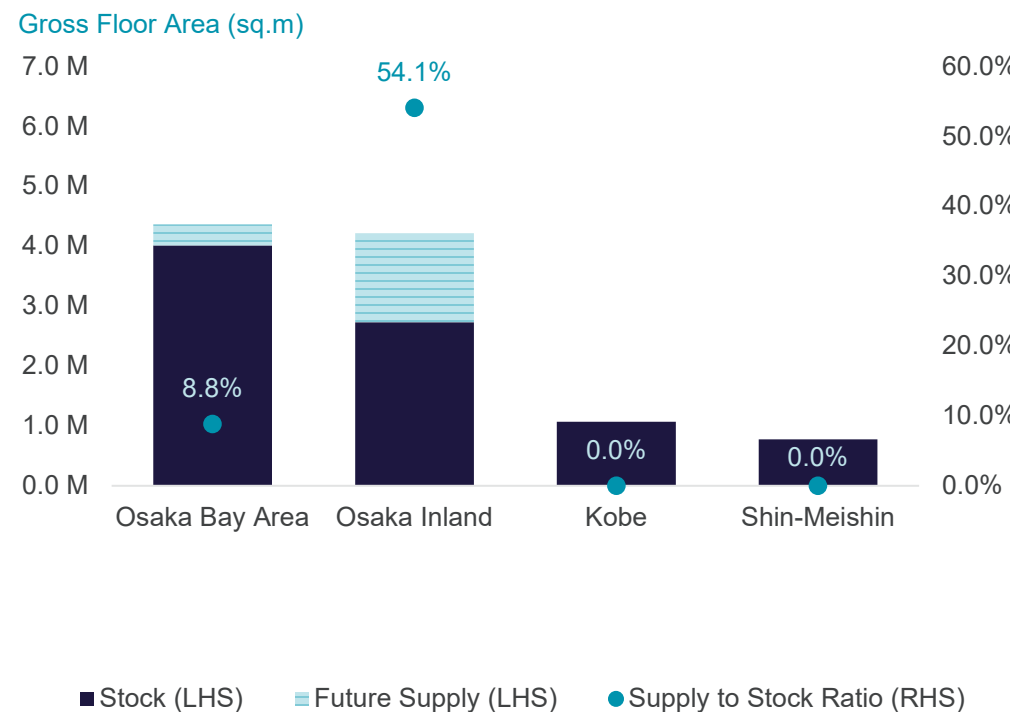
Greater Tokyo: Supply to Stock Ratio



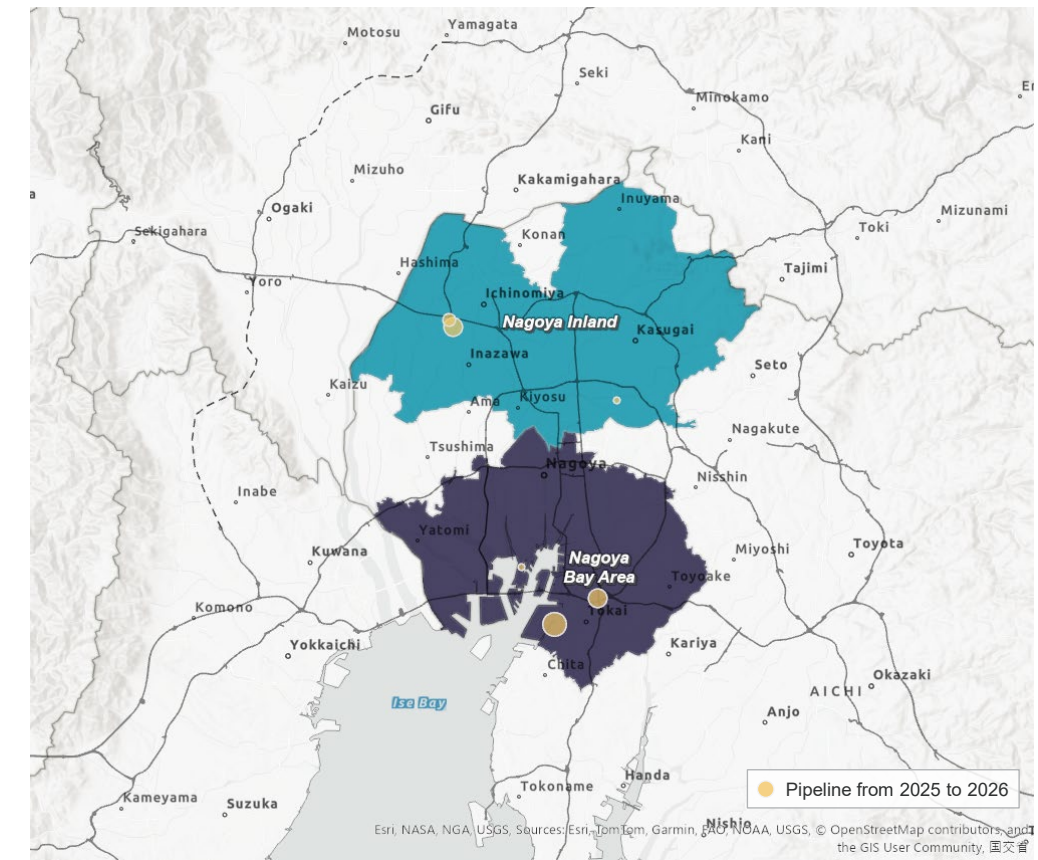
Greater Osaka



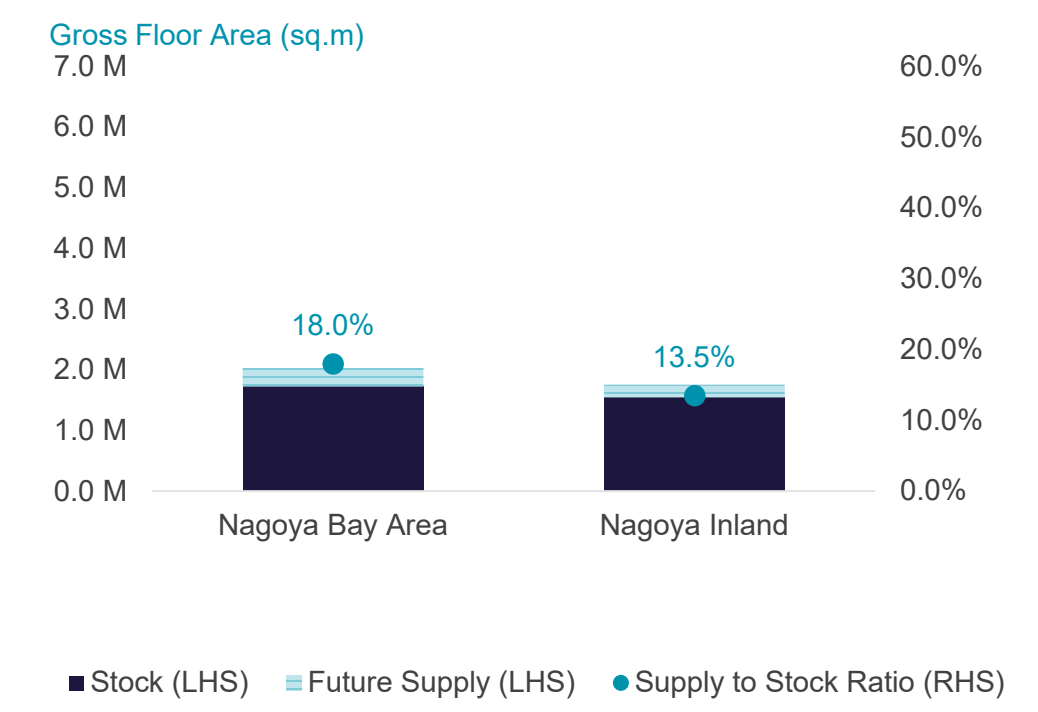
Greater Osaka: Supply to Stock Ratio



Nagoya



Nagoya: Supply to Stock Ratio



Note: Survey target is Large Multi-tenant Logistics Facilities with GFA 15,000 tsubo (approx. 49,590 sq.m) or over. Source: LNEWS, Cushman & Wakefield based on publicly available company data

MAJOR LEASE TRANSACTIONS BY TENANT, RANKED BY ESTIMATED LEASABLE AREA

TENANT	PROPERTY	SUBMARKET	DEVELOPER	EXPECTED OCCUPANCY DATE	ESTIMATED GLA (SQ.M)
Sagawa Express	GLP ALFALINK Amagasaki South	Osaka Bay Area	GLP Japan	Nov. 2025	43,316
Marubeni Logistics	Goodman Joso 2	Ken-O Ibaraki	Goodman Japan	Dec. 2025	26,888
Suntory Logistics	GLP ALFALINK Ibaraki 3	Osaka Inland	GLP Japan	Aug. 2025	26,446
Nikken	LOGIFRONT Atsugi	Kanagawa Inland	Nippon Steel Kowa Real Estate	Nov. 2025	20,195
Denkyosha	Misato II Logistics Center	Gaikan Road	ORIX Real Estate	Oct. 2025	19,219

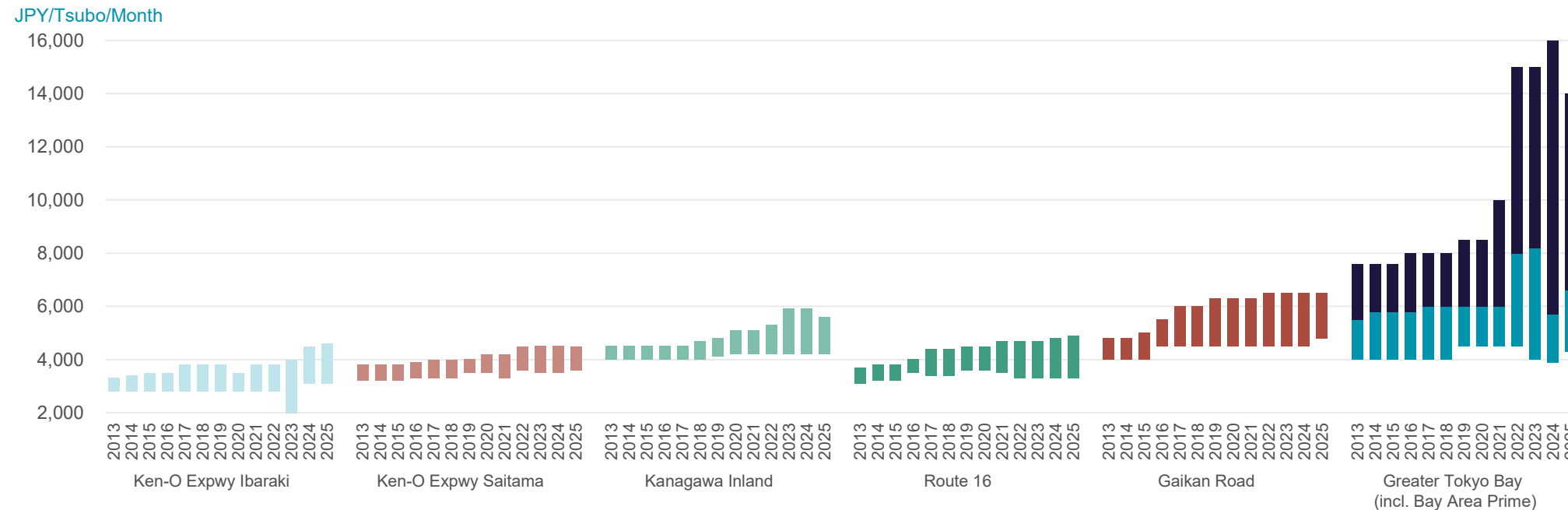
Source: LNEWS, Cushman & Wakefield based on publicly available company data

MAJOR NEW COMPLETIONS BY FACILITY, RANKED BY TOTAL FLOOR AREA

PROPERTY	SUBMARKET	DEVELOPER	TENANT	COMPLETION	GFA (SQ.M)
DPL Chiba Yotsukaido II	Narita	Daiwa House Industry	(Undisclosed)	Jul. 2025	306,069
Landport Tokai Obu I	Nagoya Bay Area	Nomura Real Estate Development	(Undisclosed)	Oct. 2025	246,551
GLP ALFALINK Amagasaki South	Osaka Bay Area	GLP Japan	Sagawa Express, Nippon Access	Oct. 2025	242,420
CPD Nishinomiya Kita EAST	Kobe	CPD	Marusoh	Jul. 2025	239,629
GLP ALFALINK Ibaraki 3	Osaka Inland	GLP Japan	Suntory Logistics, Itoki	Jul. 2025	120,000

Source: LNEWS, Cushman & Wakefield based on publicly available company data

HISTORICAL ASKING RENT PRICE RANGES BY SUBMARKET



Source: Cushman & Wakefield

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