JAPAN

LOGISTICS H1 2026

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
-30.0% (YOY) Supply (Greater Tokyo)	▼	▲
-7.0% (5-yr Avg) 12M Future Supply (Greater Tokyo)	—	▼
-4pt (Q2 Outlook) Freight Activity Index	▲	—

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

ECONOMIC INDICATORS

	YOY Chg	Outlook
2.37 Job Openings Ratio (Automobile Drivers)*	▼	▲
0.99 Job Openings Ratio (All Occupations)**	▼	—
135.4 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 June 30, 2026, unless otherwise stated.

MACRO: PHYSICAL SUPPLY DISRUPTIONS AVOIDED DESPITE HORMUZ CLOSURE

Five months after the de facto closure of the Strait of Hormuz, Japan has avoided physical fuel shortages, despite its heavy dependence on Middle Eastern crude imports (90%+). According to the Japanese government, strategic reserves and diversified sourcing are expected to enable alternative procurement to recover to near-normal levels by July 2026. However, energy price inflation has proven more severe and prolonged than initially anticipated. While the full logistics impact of the disruption has yet to be reflected in available data, freight activity softened in April 2026, with cargo volumes and ton-kilometers down approximately 2% y-o-y.

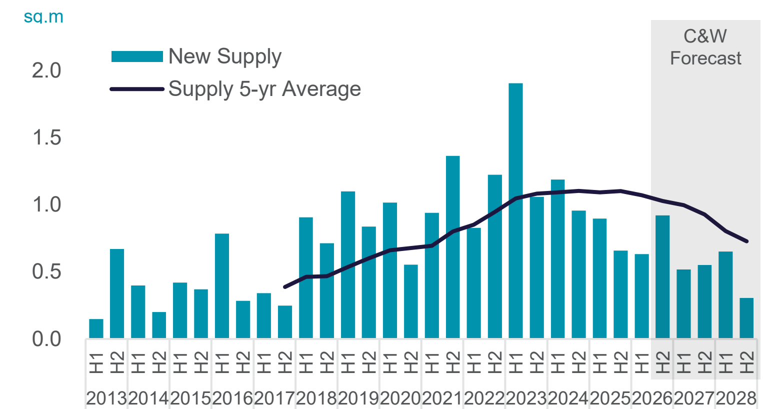
REGULATION: LOGISTICS GOVERNANCE BECOMES A BOARD-LEVEL PRIORITY

The revised Logistics Efficiency Act (officially the Act on Advancement of Integration and Streamlining of Distribution Business) came into full effect in April 2026, introducing new governance requirements applicable to approximately 3,200 designated shippers, 70 warehouse operators, and 720 trucking companies — collectively accounting for a substantial share of Japan's logistics capacity. Affected companies must appoint an executive-level Chief Logistics Officer (CLO), submit a five-year logistics strategy by October 2026, and begin annual reporting from July 2027. Non-compliance may result in fines, administrative action, and public disclosure. The legislation is expected to elevate logistics from a cost-center function to a board-level management priority, integrating network planning, procurement, and real estate decision-making under a stronger governance framework. Its impact on real estate demand is already emerging. The law targets a 125-hour annual reduction in driver working time and an industry-wide 44% vehicle loading efficiency rate, driving demand for facilities that reduce waiting and handling times, support pallet standardization, and enable collaborative distribution. Compliance-driven leasing demand is increasingly evident across the Greater Tokyo multi-tenant logistics market.

OUTLOOK

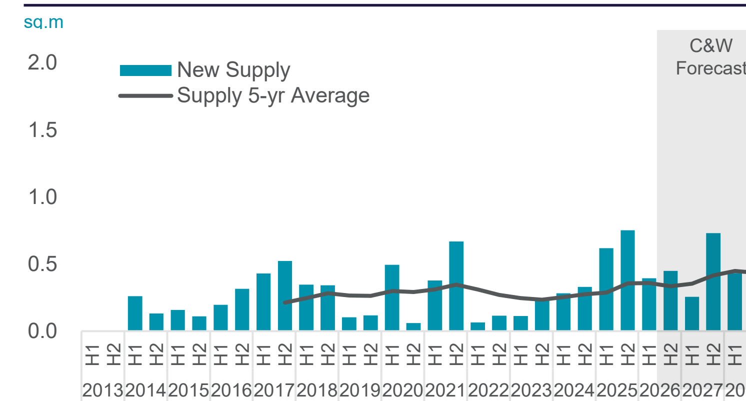
- CLO-led network optimization and automation investments are expected to drive demand for facilities supporting berth scheduling, palletized operations, higher power capacity, and improved driver amenities.
- Occupiers are likely to favor high-specification assets with greater clear heights, floor loading capacity, column spacing, and AMR-ready floor tolerances.
- Older facilities risk functional obsolescence as non-compliant assets, while modern facilities may achieve competitive advantages as compliance-ready assets.
- With development pipelines constrained by rising construction costs and interest rates, limited new supply beyond 2027 is expected while compliance-driven demand is likely to increase.

GREATER TOKYO: LMT SUPPLY TREND



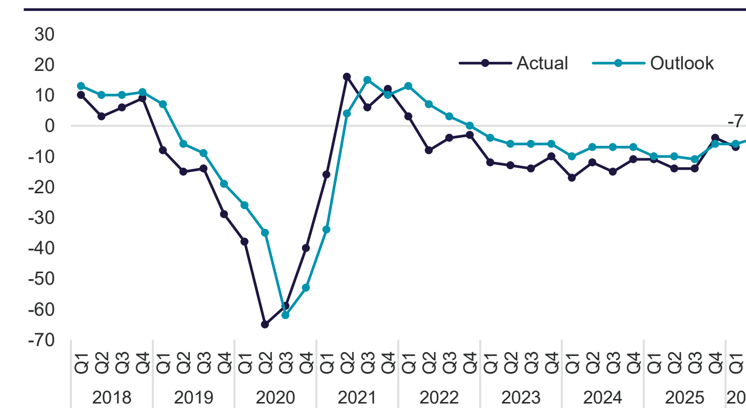
Source: LNEWS, Cushman & Wakefield based on publicly available company data

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

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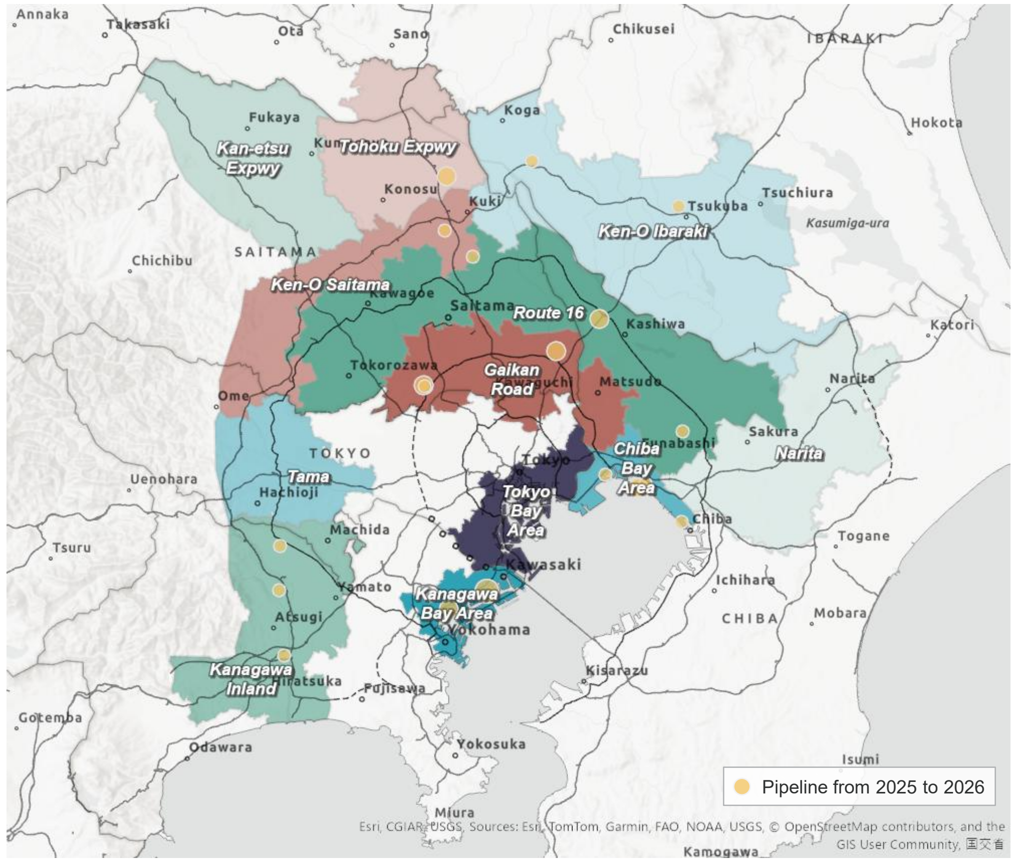
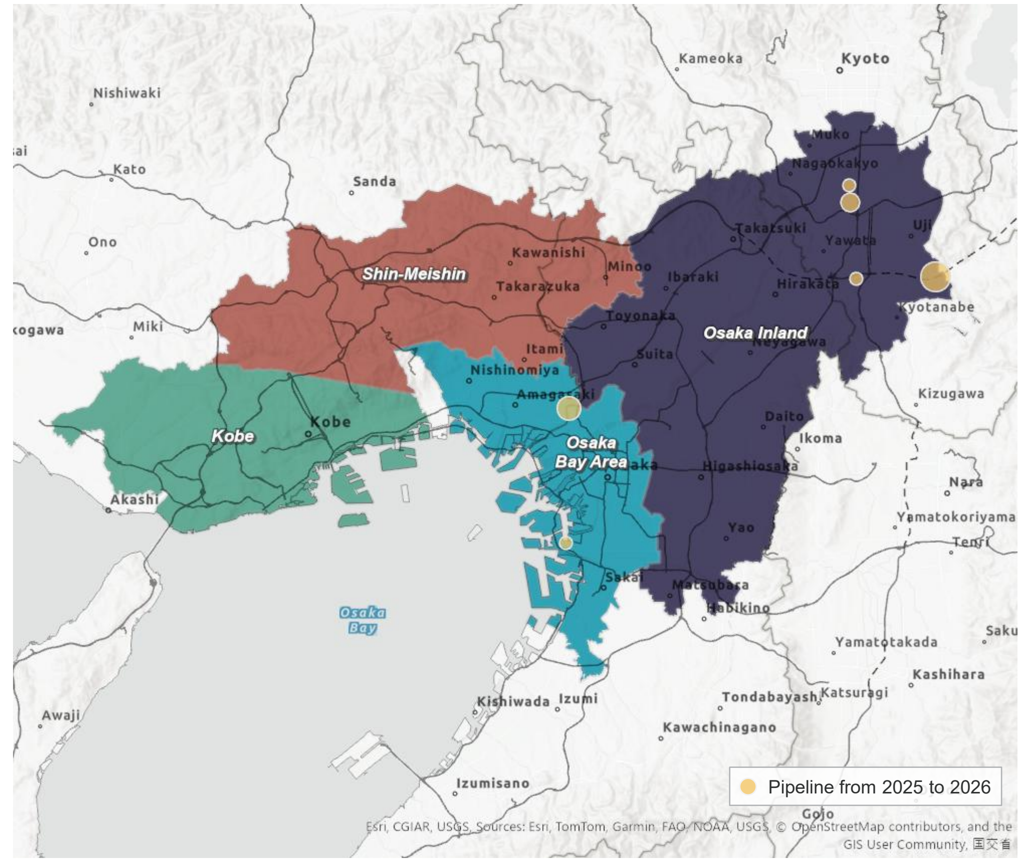
LMT Stock and Supply by Region

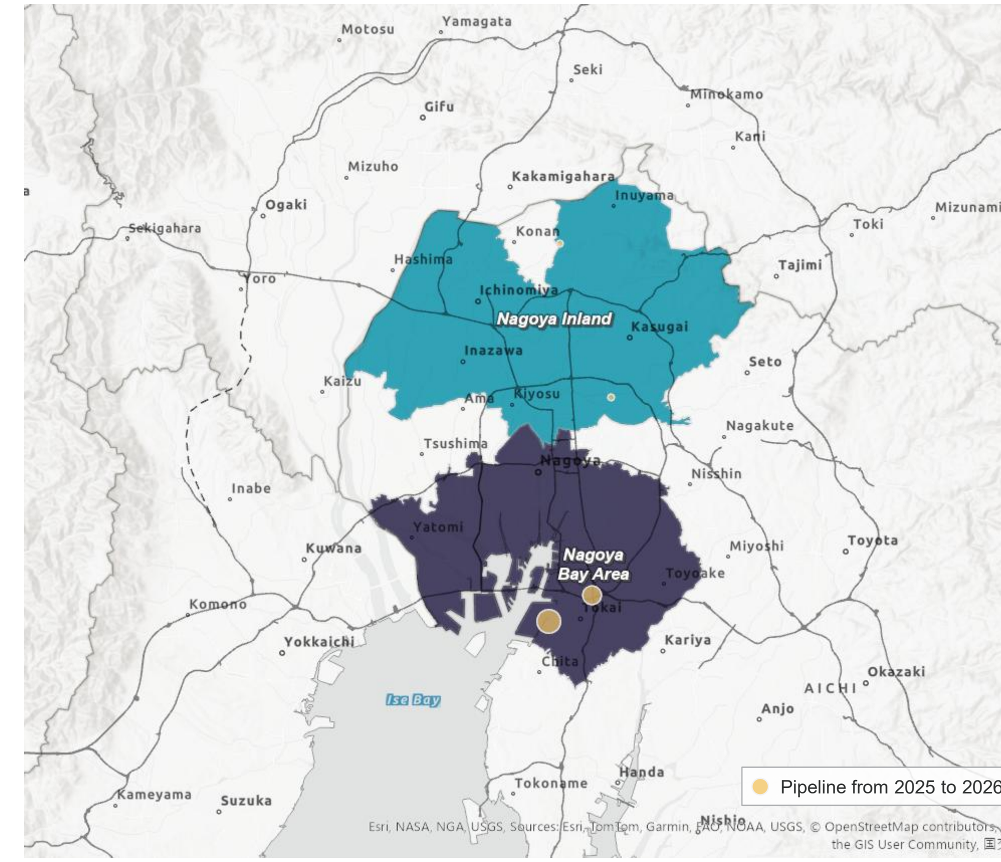
Greater Tokyo



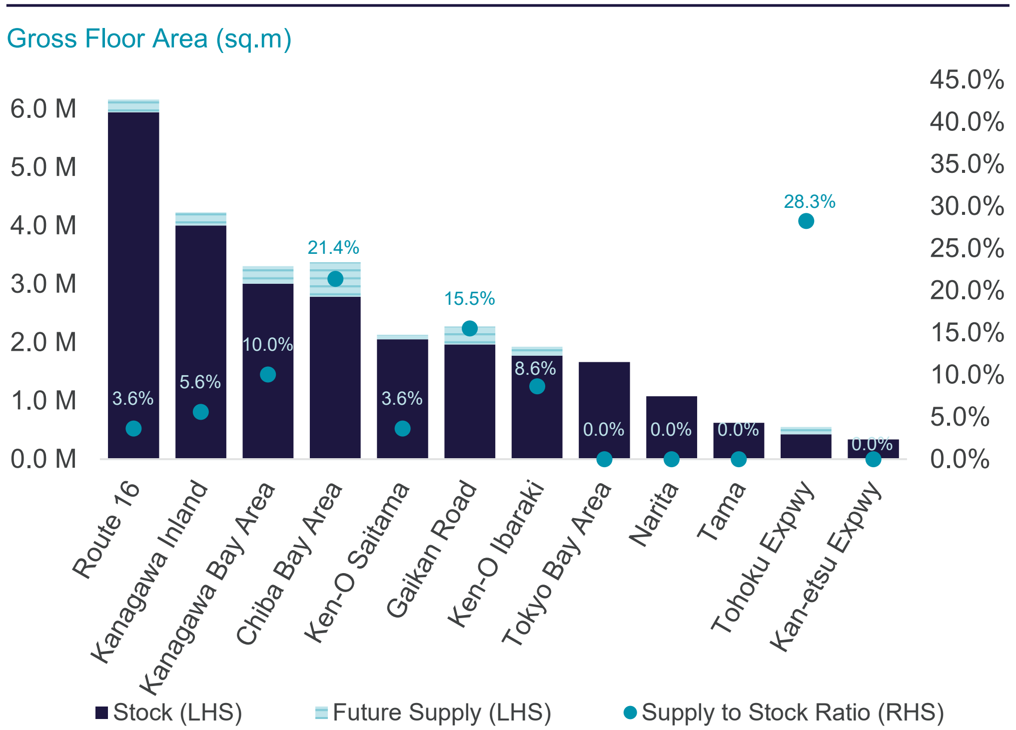
Greater Osaka



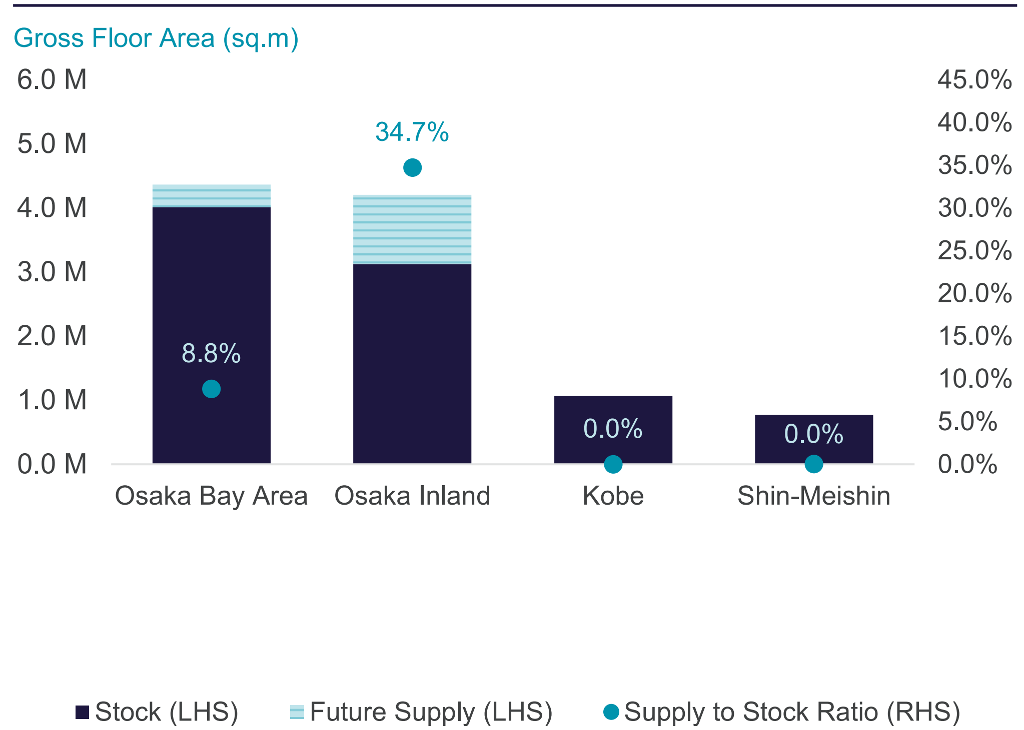
Nagoya



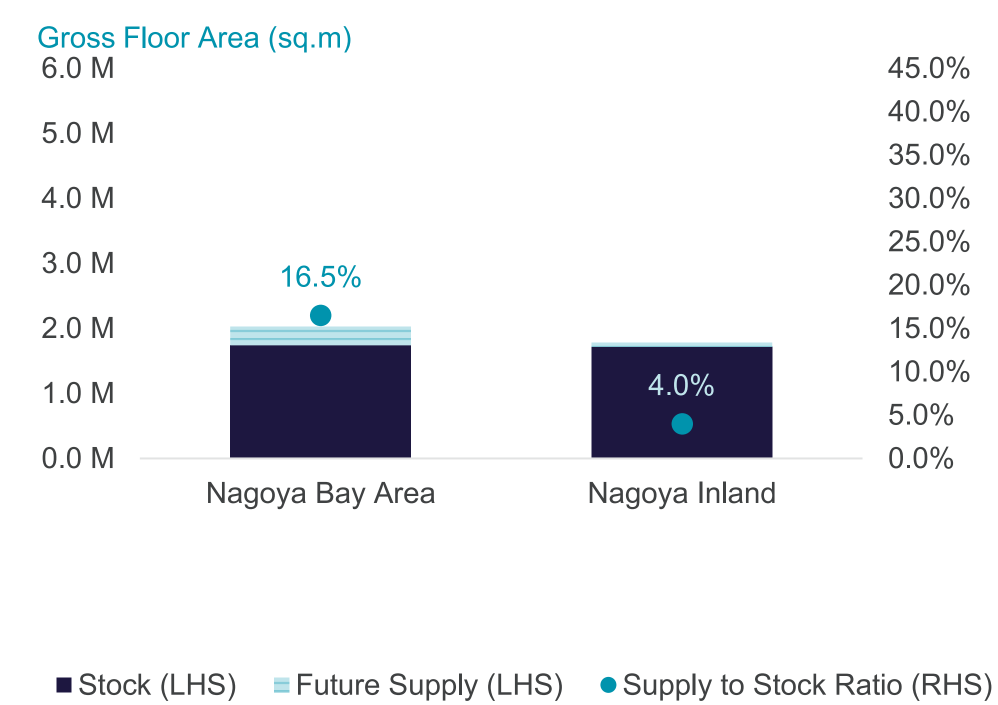
Greater Tokyo: Supply to Stock Ratio



Greater Osaka: Supply to Stock Ratio



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*

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MAJOR LEASE TRANSACTIONS BY TENANT, RANKED BY ESTIMATED LEASABLE AREA

TENANT	PROPERTY	SUBMARKET	DEVELOPER	EXPECTED OCCUPANCY DAYE	ESTIMATED GLA (SQ.M)
Yamato Transport	DPL Tokyo Shinonome	Tokyo Bay Area	Daiwa House Industry	Apr. 2026	119,607
Yamato Transport	Marq Hayajima 4	Sanyo	GLP Japan	Jun. 2026	38,389
Senko	CPD Soka	Gaikan Road	CPD	May. 2026	35,034
Yokogawa Rental & Lease	MFIP Ebina & forest	Kanagawa Inland	Mitsui Fudosan	Mar. 2026	24,131
KOKUYO	Sendai Izumi Logistics Center	Tohoku Expwy Miyagi	LaSalle LOGIPORT	Sept. 2026	23,100

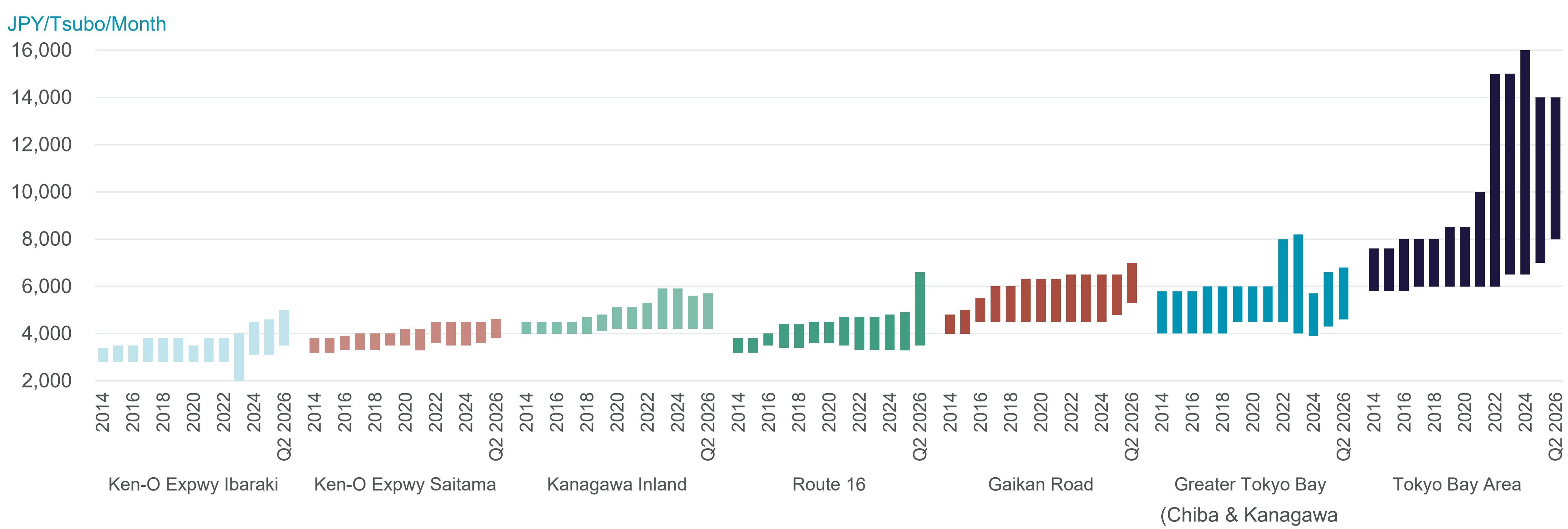
Source: LNEWS, Cushman & Wakefield based on publicly available company data

MAJOR NEW COMPLETIONS BY FACILITY, RANKED BY TOTAL FLOOR AREA

PROPERTY	SUBMARKET	DEVELOPER	TENANT	COMPLETION	GFA (SQ.M)
Kita Osaka Truck Terminal Bldg. 7	Osaka Inland	Semboku Rapid Railway (Nankai Electric Railway Group)	(Undisclosed)	Mar. 2026	183,000
DPL Tokyo Shinonome	Tokyo Bay Area	Daiwa House Industry	Yamato Transport	Apr. 2026	150,468
S. LOGI Matsubara	Osaka Inland	Shimizu	(Undisclosed)	May. 2026	116,510
Landport Noda	Route 16	Nomura Real Estate Development	(Undisclosed)	Mar. 2026	111,272
LOGI'Q Hasuda	Ken-O Saitama	Tokyu Land, Itochu, Itochu Urban Development	(Undisclosed)	Jan. 2026	98,379

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

HISTORICAL ASKING RENT PRICE RANGES BY SUBMARKET



Source: Cushman & Wakefield

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