



Chairman's Column

Can paperless and letter-writing culture co-exist? — Thinking about Denmark's decision

I read in the March 7 Nikkei Shinbun that PostNord Denmark, the operator of Denmark's post office will end letter deliveries on December 30, 2025. In addition, all 1,500 or so country-wide mailboxes will be removed starting June. The decision results from a tremendous decrease in letter volume with advances in digital formats. In the year 2000, letter volume was 1.45 billion. In 2024 that volume dropped to 110 million – a decrease of over 90% in 24 years. Even considering such figures, ending letter delivery so abruptly is quite decisive.

Denmark is known as one of the world's most advanced countries that have shifted to digital with most governmental procedures becoming fully digitalized. However, this decision may be the world's first.

As for Japan, it still has the tradition of sending annual greeting cards. While some citizens have chosen to end greeting cards, others resume the tradition, which makes me believe, it will stick around. Other instances like court-related letters of complaint and letters for general shareholders meetings still require delivery by mail. During Covid, there was momentum to go paperless and seal-less, but that seems to have lost steam and is no longer discussed.

Specifically in accounting, going digital has tremendous benefits in optimizing our workflow since we deal with a high volume of documents. Paper documents are heavy and take up space. Through a cloud service, documents can easily be accessed, searched, and shared. The bonus is that going paperless puts less pressure on the environment and may



contribute to protecting forests and reducing waste. For our firm to achieve more sustainable management, going paperless is an important initiative but we still have a way to go.

Of course, we do not intend to eliminate all uses of paper. For example, writing a thoughtful letter by hand carries more value than a simple submission of information. Writing by hand has a distinct feel and there is enjoyment in writing with a pen. Even in this digital age, a letter that is physically received has more feeling. There is also a wonderful texture to high quality paper. In business settings, when expressing special gratitude to someone, the paper format is suitable. I feel that balancing digital and paper culture is important to be efficient but also to keep a human touch.

Denmark's decision to dramatically change the current post office business does not however eliminate letter-writing culture. In this digital age, this decision may make people realize the value of hand-written letters. I feel that the ideal worth aiming for is going paperless to improve efficiency while keeping the values of traditional letters.

by Kazuhiro Matsuzawa, Chairman



A S A N e w s

ASA REIT Partners marks its One Year Anniversary

June 1 marked our first anniversary of ASA REIT Partners. We express our deepest gratitude for your business and cooperation.

Our members with vast experience with REIT management firms handle our core services, which range from support of asset management firms, administration (primarily accounting) outlined in the Investment Trust Act, and consulting. Our mission is to assist the various work of REIT management firms.

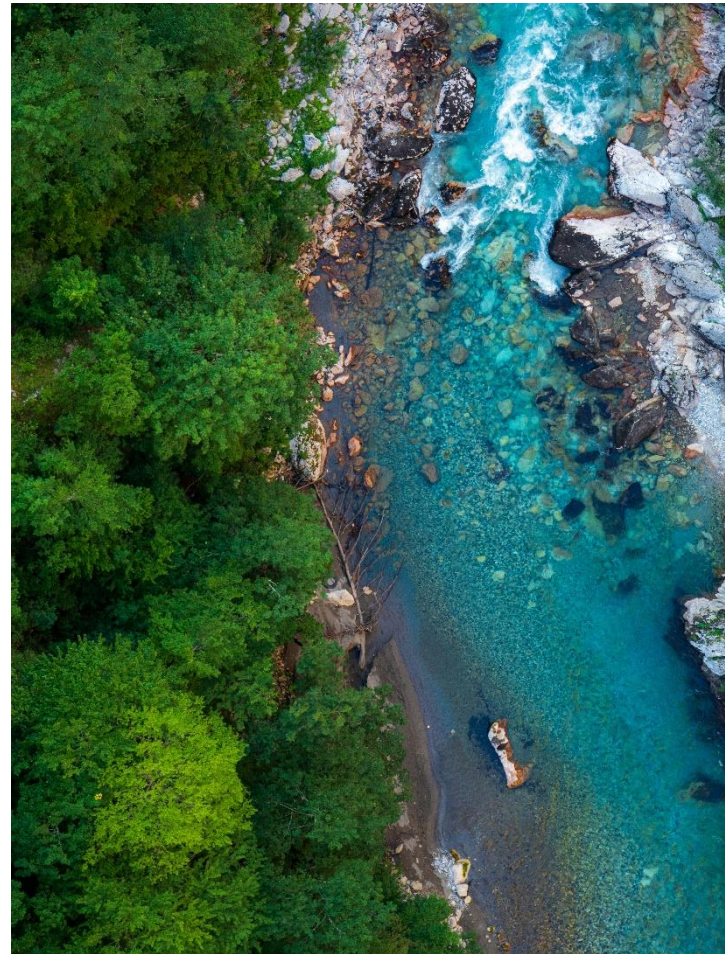
Most recently, we began support of compliance services. We are fortunate that the volume of work is increasing every day through continued requests from asset management firms.

In addition, our group company ASA Platform is developing and has partially implemented our new ERP system (TDL), which streamlines the flow of property acquisition to ultimate sale. This system will further enable support services to asset management firms including preparation of PM reports, preparation for annual disclosure documents, as well as internal control management.

We understand that the labor shortage is becoming dire in most industries. The J-REIT market which began in 2001 may be approaching the time to reevaluate its organizational structure. We hope that our clients can trust us with supporting the range of REIT functions, so that asset managers can focus on growing the REIT market.

As we continue to provide value to you, ASA REIT Partners hopes to be your trusted partner for years to come.

by Kenichi Shimizu, ASA REIT Partners





Real Estate

Market Watch: Kansai Expo and Osaka's Property Market

The Osaka-Kansai Expo that began in April seems to have temporarily given a boost to Osaka's property market. With investments totaling about 1.9 trillion yen around Yumeshima area, land prices in the bay area rose 5.2% year-on-year in 2024 — a clear sign of the Expo's impact (Ministry of Land, Infrastructure, Transport and Tourism). However, structural issues such as risk of liquefaction and tsunami, as well as delays in infrastructure development have been pointed out and should be closely watched going forward.

A past example of bay area development is King Mansion Konohana of Osaka's Konohana area. After completion in 2008, it was dubbed the "ghost tower" being located far from the closest train station and having poor overall access, even though it was close to Universal Studios Japan (Real Estate Economic Institute). However, after the announcement of the Expo and plans of the integrated resort, pre-owned property values rose roughly 1.5 times by 2024. There is a tendency for valuation in the bay area to significantly fluctuate due to changes in urban planning and investment climate.

Osaka, known as the "Gateway to Asia" attracts a great number of Chinese tourists, but in 2024, the prefecture only drew 70% of pre-Covid visitors. Consumption is down 15% due to a weaker yen and delays in visa issuance (Japan Tourism Agency). In addition, vacation rental properties in Minami and Tennoji are facing stricter restrictions on permitted rental days as of 2025, due to rising vacancy rates and tension with the local community arising from noise and trash.



Compared to Tokyo, Osaka's property market is weaker in terms of corporate demand and move-ins into the city. There is a systemic tendency for the city to be reliant on events and inbound tourism.

While the Olympic village in Tokyo's Harumi area was transformed into Harumi Flag after the Olympics, and succeeded in recording occupancy rate of over 95%, investments into Yumeshima are weighing in the challenges of limited access and natural disaster risks.

As for the integrated resort which starts construction in July, and aims for a Fall 2029 opening, challenges remain such as the delay in environmental assessment and public pushback, as well as uncertainties in funding. In 2024, it was reported that an international investor withdrew from the project. The sustainability of the Expo's economic impact linger as well.

Everything considered, moving forward the city of Osaka must reduce their over-reliance on inbound tourism and develop an urban planning strategy based on actual demand

by Shigeru Hirai, Knowledge Management Office