

Annual Report 2023



Suzuyo&Co.,Ltd.

“Keep supporting logistics as one of the most important societal infrastructures, contributing to customers and society.”

Kenichiro Suzuki, President & CEO



While the outlook for the global economy remains uncertain due to Russia's protracted invasion of Ukraine, tensions in Israel, and sluggish global demand, positive factors have emerged for the Japanese economy, such as revenge consumption and a recovery in inbound demand as the COVID-19 pandemic draws to a close.

At the same time, there are still risks that could lead to an economic downturn, including sluggish exports due to a slowdown in the global economy caused by rising interest rates, and restrained capital investment accompanying the deterioration in corporate earnings due to high costs. In particular, the risk of labor shortages is becoming even more serious in the domestic logistics industry, with a shortage of supply capacity due to the “2024 problem” of work style reform for truck drivers, in addition to the shortage of workers due to the decline in the working-age population. If wasteful practices in the logistics industry—such as long delivery routes and trucks with low loading rates—are left unchecked, logistics, which is an important part of social infrastructure, will cease to function properly in the future.

To address these social issues in a fully prepared state in 2024, we have strengthened our efforts to recruit crew members and secure vehicles.

In terms of vehicles, we plan to increase our number of trucks by around 180 and chassis by around 340 until 2025. By building a solid business structure, we will ensure that we can fulfill our responsibility

to supply logistic services to our customers. In addition for measures to address the 2024 problem, we are also attracting attention from national and local governments, as well as the media, as a company that is taking a pioneering approach to reducing CO₂ emissions.

At the Japanese government's “2022 Green Logistics Partnership Conference, Excellent Logistics Partnership Commendation Program”, we and our customers were jointly awarded the highest award—the Minister of Land, Infrastructure, Transport and Tourism Award—in recognition of our long-distance relay transportation combining on-road relay transportation from intermediate bases and ferry transportation, through cross-industry collaboration.

This was achieved with the cooperation of our customers, such as through the adjustment of loading and unloading times and cargo volumes.

We will continue to ask for the understanding and cooperation of our customers, including efforts to improve the efficiency of logistics and the revision of freight rates due to secure our workforce in the face of soaring labor costs.

In January 2021, we formulated the Group's medium-term management plan for FY2025 “GEAR UP!! 2025”. Based on the four pillars outlined in the plan, we have steadily accumulated results while continuing to refine the frontline capabilities, problem-solving skills, and outstanding expertise that we have developed so far.

Our work of visualizing, optimizing, standardizing and digitalizing our business processes has also progressed steadily, and there has been a shift to higher value-added operations in many areas.

As a result, in FY2023, we achieved record sales and ordinary profits for the third consecutive year, continuing on from the previous fiscal year.

At the same time, from the perspective of being a company where employees feel it is easy to work, with job satisfaction, and rewarding both materially and spiritually, we have revised our personnel and childcare leave systems. However, there are still issues to be addressed.

We will continue to enhance these systems and make efforts to revitalize internal communication, which will lead to a reform in our corporate culture.

As we continue to take steps toward achieving our medium-term management plan, we will also continue working toward the realization of well-being, which is a state of sustainable happiness.

The realization of well-being is the very spirit of “Tomoiki” (directly translated in English as “Symbiosis”).

Going forward, we will continue to make an active contribution as a corporate citizen to build better relationships with our customers, business partners, and local communities based on Tomoiki as the backbone of our management.

We hope that we can continue to rely on your understanding and support.

We have added a modern interpretation of the spirit of Tomoiki to achieve three forms of symbiosis.

In the Suzuyo Group, we have a word “Tomoiki” (directly translated in English as “Symbiosis”) which has been inherited and passed down generation after generation, and is still alive and well. This is not only the backbone of our management, but also the spiritual backbone that connects us with our customers and local communities.

The basic spirit of Tomoiki is : “Cherish each individual first.

Then upon the realization of the independence of each to live on their own, each can then generate Tomoiki with each other.”

To this basic spirit, the Group has added contemporary interpretations to create three forms of symbiosis. In order to realize true Tomoiki, we focus on our core business of each company and various social contribution activities centered on regional development.

Three Forms of Tomoiki



Tomoiki with society

Through the core competences of each Group company, we will continue to contribute to the local community, to society and to the nation. Likewise, on an individual level, each of us will continue to positively participate in social activities with awareness and empathy that each one of us is a member of the community.



Tomoiki with our customers and business partners

In order to please our customers, we will continue to acquire expertise in each field and the ability to judge what is required for each customer, and we will continue to provide high-quality services such as our own innovated know-how, systems and products.



Tomoiki among employees and Group companies

Each one of our employees and Group companies will continue to improve themselves through friendly rivalry (giving/taking), to grow and stand alone as a social and organizational individual member and as an independent company, by receiving good stimulation through the place called Suzuyo Group.



Completion of Komaki Distribution Center No. 2 Building



Automated forklift test operation



Introduction of Autonomous Mobile Robots (AMRs)



Looking to the future

with the power we have developed through our history.

Since our founding as a shipping line at the Port of Shimizu in 1801, Suzuyo Group has expanded into a range of businesses in response to the changing needs of society, based on the spirit of Tomoiki, which is the backbone of our management, with the support of local residents, customers, and business partners.

As a result, we have grown into a group of about 140 individual companies, centered around our four principal companies of Suzuyo & Co., Ltd., Suzuyo Shoji Co., Ltd., Suzuyo Construction Co., Ltd., and Suzuyo Auto Transportation Co., Ltd.

Going forward, the Suzuyo Group will continue to harness our group strength, with the spirit of Tomoiki as its backbone, and work on a daily basis to enrich and bring positivity to people's lives and communities.



Head office 5th floor CODO



Launch ceremony for Kiyoura Maru



Introduction of pneumatic unloader at Omaezaki Port

Together with society, customers and colleagues. Until now, and into the future.

Suzuyo will continue to build a prosperous future together with its stakeholders, based on the spirit of Tomoiki.

Social Trends

Ieyasu Tokugawa authorizes special license to 42 coasterers in the Port of Shimizu

Sino-Japan war (–1895)

Russo-Japan war (–1905)

First World War (–1918)

The Great Kanto Earthquake

Great Depression (–late 1930s)

Second World War (–1945)

Tokyo 1964 Olympic and Paralympic Games

First Oil Crisis (–1974)

Second Oil Crisis (–1982)

Japan's economic bubble (–1991)

Suzuyo's Business and Social Activities

Around 1615

1801

1876

1889

1894

1895

1900

1904

1906

1914

1923

1929

1930

1933

1936

1939

1949

1950

1956

1964

1971

1973

1978

1981

1986

1988

1990

- Yohei Suzuki the 1st opens the coaster operating company Harimaya Yohei
- Appointed as agent of Yubin-Kisen Mitsubishi (predecessor of NYK Line)
- Changed name to Suzuyo Shoten
- Coal sales start
- Timber shipping business starts
- Appointed as NYK Line agent, shipping agency business starts
- Shizuoka department of disaster relief organization (Shimizu branch) opened in Suzuyo store in the aim of helping people suffering from the Great Kanto Earthquake
- SHIMIZU SHOKUHIN Co., Ltd. established in the aim of helping unemployed people due to recession. Full-scale expansion into food business starts
- Japan's first canned tuna produced and exported to the USA (SHIMIZU SHOKUHIN Co., Ltd.)
- Sale of petroleum starts
- Suzuyo Shoten reorganized as limited company (Co., Ltd.)
- Suzuyo Construction Co., Ltd. established. Full-scale expansion into construction business starts
- Suzuyo Auto Transportation Co., Ltd. established, introduction of first Japanese-made forklift
- Japan's first tube-packaged mayonnaise sales start (SHIMIZU SHOKUHIN Co., Ltd.)
- Donation of indoor stadium to Shimizu City (current Shimizu-ku, Shizuoka) made as a token of the 170th anniversary of Suzuyo's founding
- Shimizu Port Museum Foundation (current Verkehr Shimizu Port Terminal Museum Foundation) opens
- SSK Foods Co., Ltd. established
- Donation of welfare service cars to related local governments as a token of the 180th anniversary of Suzuyo's founding
- 100 million yen donation made to Shimizu City (current Shimizu-ku, Shizuoka) for the purpose of improved medical care at the Shimizu City municipal hospital (current Shizuoka City Shimizu Hospital)
- Suzuyo Shoji Co., Ltd. established
- SUZUYO AMERICA, INC. established

Collapse of Japan's economic bubble

1991

1992

1995

1996

1998

1999

2001

2002

2003

2005

2006

2007

2008

2011

2012

2015

2017

2020

2021

2022

2023

Port of Shimizu 100th anniversary

Cities of Shizuoka and Shimizu merge to form the current city of Shizuoka

The city of Shizuoka becomes a cabinet order designated city

Port of Shimizu Shin-Okitsu Container Terminal gate opened

The global financial crisis

Great East Japan Earthquake

COVID-19 pandemic begins

Tokyo 2020 Olympic and Paralympic Games

- Shizuoka Institute of Science and Technology opens
- SUZUYO SINGAPORE PTE. LTD. established
- SUZUYO (THAILAND) LTD. established
- Cargo Service Co., Ltd. (current Suzuyo Cargo Service Co., Ltd.) established
- Central Transport Shizuoka Co., Ltd. (current Suzuyo Cargo Net Co., Ltd.) established
- DRAGON LOGISTICS CO., LTD. established
- Assistance of Shimizu S-Pulse operation starts
- Japan's first self-service gas station opens (Suzuyo Shoji Co., Ltd.)
- SUZUYO GERENCIAMENTO LOGISTICO BRASIL LTDA. established
- S-Pulse Dream Plaza opened to coincide with the 100th anniversary of the Port of Shimizu
- 200th anniversary of Suzuyo's founding
- SUZUYO TSUKAN Co., Ltd. established
- World's first wing-type swap body commercialized (Suzuyo Cargo Net Co., Ltd.)
- Ningbo Port Suzuyo Logistics Co., Ltd. established
- Agreement reached on strategic partnership with UPS
- SUZUYO DISTRIBUTION CENTER (THAILAND) LTD. established
- SUZUYO TOKYO TSUKAN Co., Ltd. established
- Suzuyo (Guangzhou) Co., Ltd. established
- Japan's first carbon offset petroleum sales start (Suzuyo Shoji Co., Ltd.)
- Fuji Dream Airlines Co., Ltd established to coincide with Shizuoka Airport opening. Full-scale expansion into aviation business starts
- PT. SUZUYO INDONESIA established
- SUZUYO MEXICO, S. de R.L. de C.V. established
- SUZUYO WHITELANDS LOGISTICS, INC. established
- Suzuyo Malaysia Sdn. Bhd. established
- 220th anniversary of Suzuyo's founding
- Remote operation RTG introduced at the Port of Shimizu
- Awarded the Minister of Land, Infrastructure, Transport and Tourism award—the highest award—at the Excellent Logistics Partnership Commendation Program
- Started operations at Higashi-Ogishima Distribution Center No. 2
- Started operations at Kofu Distribution Center No. 2
- Started operations at Komaki Distribution Center Building No. 2
- Donation of land to Shizuoka City for the construction of maritime cultural facilities

Review of FY2023

20th Anniversary of Ningbo Port Suzuyo Logistics Co., Ltd.

Zhejiang Province, China, and Shizuoka Prefecture, Japan, have been sister cities since 1982. The relationship began when we accepted the province's transportation bureau staff and provided port-related training. This year marks the 20th anniversary of the establishment of Ningbo Port Suzuyo Logistics Co., Ltd., which was established in 2003 as a joint venture with the Ningbo Port Group. Ningbo Port has expanded in scale with every year, and has now grown to become a trading port that has recorded the world's third largest container handling volume, and the world's largest cargo handling volume including bulk cargo for 14 consecutive years. Going forward, we will continue to contribute to the development of Ningbo Port.



A Japanese cherry tree was donated to Ningbo Port Suzuyo Logistics Co., Ltd. to commemorate its 20th anniversary. The tree was planted at their head office.

220-year History Book Published

In commemoration of the 220th anniversary of our founding, we have published the third issue of our company history book, Suzuyo: A 220-Year History (Connect to the Future Together). In particular, we have reviewed in detail our progress of the last 20 years since our 200-year history was issued, clarifying the starting point for a new history, and compiled it with a view to connecting to future prospects.



Website Renewal

We have reviewed the design, page structure and navigation of our corporate website, in order to improve the quantity and quality of the information posted on the site, and to make it even more attractive to everyone who visits it in terms of accessibility.



Progress and Results of Operations

With the designation of COVID-19 as a Category 5 infectious diseases in May 2023, the pandemic has finally drawn to an end, and movements to return to normal life and economic activities are accelerating. As both customers and logistics providers are required to respond to the 2024 problem and work to reduce environmental impact, we have been working to develop our operations to meet customer needs by identifying changes and new demand among customers. As a result of working actively to improve productivity, through

digitalization and research into automation equipment, and advancing the accumulation of stable revenue sources and improvements to profitability in line with our 2025 medium-term management plan, net sales in FY2023 were 153,314 million yen (up 3.8%, or 5,606 million yen, year-on-year), while ordinary profit was 10,820 million yen (up 24.8%, or 2,152 million yen, year-on-year). We were able to achieve our highest level of performance ever for both net sales and ordinary profit for the third year in a row.

Logistics Division

▼ Logistics Business

In the warehousing / DC business, we strengthened sales activities in line with our business model and secured customers through bidding, leading to an increase in sales. In April 2023, we started operations at Higashi-Ogishima Distribution Center No. 2 (Kanagawa Prefecture) and Kofu Distribution Center No. 2 (Yamanashi Prefecture), and in June we opened Komaki Distribution Center Building No. 2 (Aichi Prefecture), advancing the development of our bases in Japan. In the transportation business, we worked to expand sales by appealing to customers and proposing east-west relay and ferry transportation, which contribute to the needs of customers to reduce their environmental impact, such as reducing CO₂ emissions and addressing the SDGs, as well as their concerns about stable, long-distance transportation due to the 2024 problem. We have also continued to actively increase numbers of chassis and recruit drivers at affiliated companies, to strengthen our framework to meet customer needs.

In addition, in the shipping business, we are engaged in highly tailored sales activities that solve customer issues. In response to the disruption of international logistics caused by labor-management negotiations at ports on the West Coast of the United States, we proposed air freight services with short lead time, alternative transportation via Mexico, and container round-use utilizing an inland container depot to reduce environmental impact.

▼ Port and Harbor Transportation Business

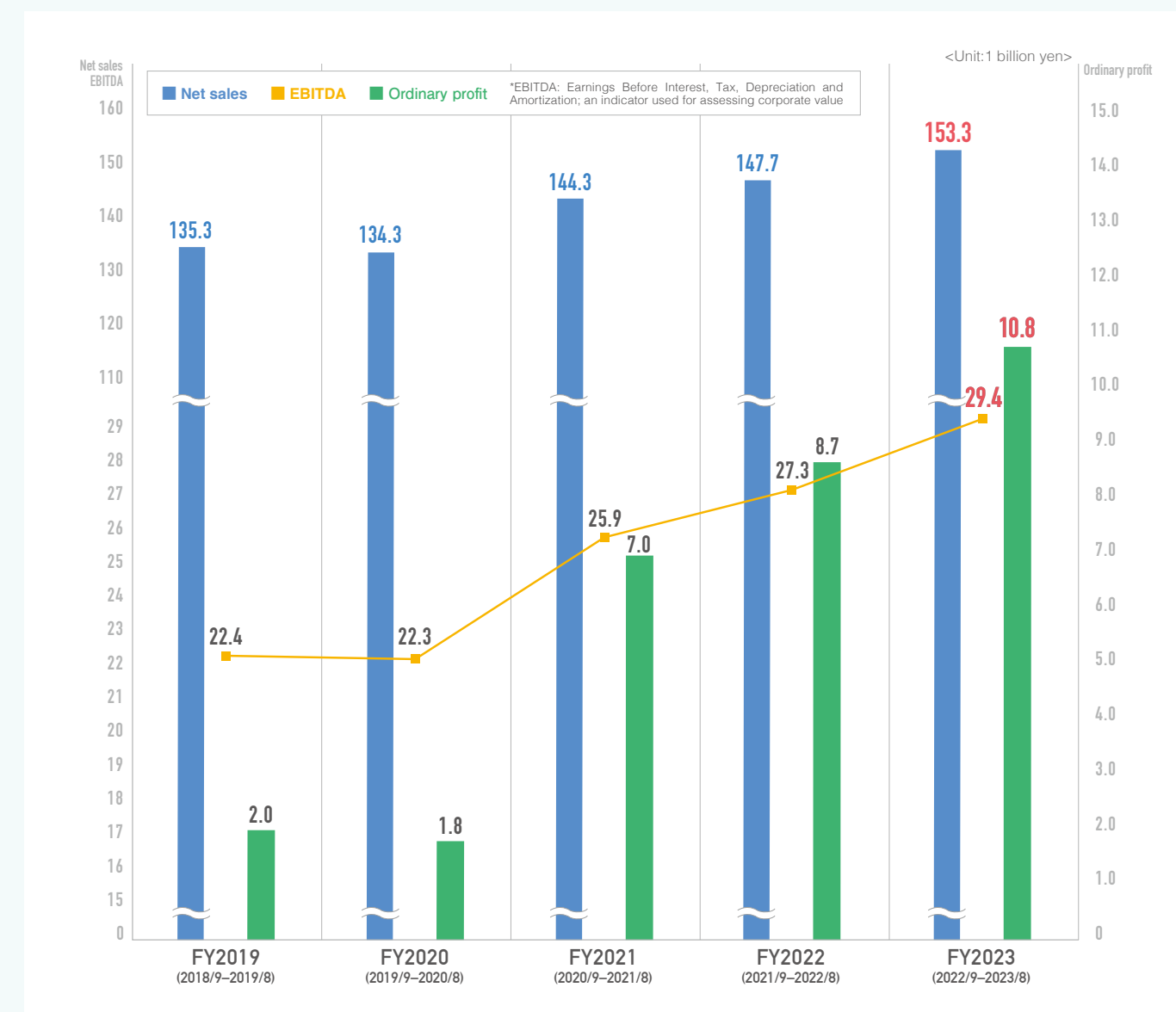
At the Port of Shimizu, cargo movements for pulp and grains—which are the main cargoes—remained solid, but the volume of containerized cargo handled was sluggish due to the economic recession in China and the situation in Ukraine. Under these circumstances, we are now in the second year of our three-year plan to improve our working environment through the introduction of remote-operated RTG* at the container yard of the Port of Shimizu, and we are now advancing the replacement of equipment. Also, in addition to the handling of fuel for biomass power plants starting at Omaezaki Port, we have also made capital investments for the future and efforts to increase profits, such as developing our Hako-Kaisen business (using coastal container ships to transport hazardous goods) as a response to the 2024 problem.

*RTG: Rubber Tired Gantry crane, a piece of cargo handling equipment that transports and delivers containers between a container yard and a trailer.

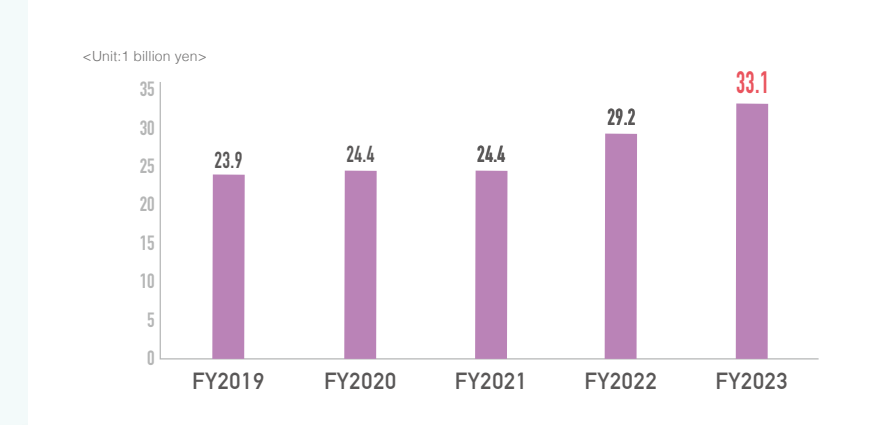
Lease Division

Trucks—which are our main products in the lease business—have been affected by delays in the delivery of new vehicles (due to shortages of semiconductors and other components), the 2024 problem, and a decline in motivation to invest due to soaring fuel prices. Despite adverse conditions, the advancement of standardization within the company and the strengthening of sales in terms of both quality and quantity led to an increase in medical device leasing, and the number of new contracts and the volume of contracts far exceeded our plan forecast. In addition, the recovery in demand for buses—due to the downgrading of the classification of COVID-19—is showing promise for the future.

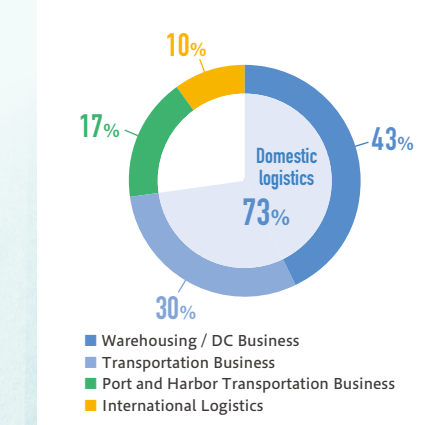
Net Sales and Ordinary Profit



Operating Cash Flow



Logistics Business Sales Ratio



Domestic Logistics

Warehousing / DC (Distribution Center) Business

The external environment surrounding the warehousing / DC business has changed drastically, including the rapid expansion of the e-commerce market in recent years, the 2024 problem, and expected further labor shortages in the future. As a partner supporting our customers' business expansion, we always provide efficient, high-quality logistic services in response to these changes and issues.

Due to the increase in e-commerce demand in society as a whole triggered by the COVID-19 pandemic, in FY2023 we built a mechanism for linking our order management system (OMS) with our warehouse management system (WMS), in response to the increase in the number of transactions with mail

order businesses. We also worked to reduce customer system development expenses and shorten lead times until the start of business operations. We also developed a new vehicles reception system to eliminate vehicle waiting at our distribution centers and improve the efficiency of incoming and outgoing cargo operations, and engaged in initiatives utilizing various robotics to save on labor.

In terms of new distribution centers, we started operations at Higashi-Ogishima Distribution Center No. 2 (7,078m²) and Kofu Distribution Center No. 2 (2,985m²) in April 2023, and at Komaki Distribution Center Building No. 2 (17,230m²) in June 2023. Going forward, we will continue to make overall optimal

proposals taking advantage of the locations of each of our distribution centers and our extensive range of services, provide new value that will help solve customer issues, and continue to make improvements to achieve higher quality and more efficient logistics.

Collaborative work with Autonomous Mobile Robots (AMRs)



Komaki Distribution Center Building No. 2 (left)



Transportation Business

In the transportation industry, in addition to the shortage of crew members and the aging of the working population, the upper limit on overtime work for crew members (the 2024 problem)—which will come into effect in April 2024—has made securing long-term, stable transportation capabilities a matter of urgency. Under these circumstances, we strengthened our transportation supply capacity by significantly increasing numbers of personnel and vehicles by over 100 ahead of other companies.

We are also working to solve customer

issues by proposing efficient operations with reduced crew working hours and low CO₂ emissions by promoting a modal shift to “switch transportation” using ferry transportation, and our abundant supply of trailer chassis and relay bases.

In promoting these initiatives, we received the Minister of Land, Infrastructure, Transport and Tourism Award—the highest award—at the 2022 Excellent Logistics Partnership Commendation Program, in recognition of our long-distance relay transportation through cross-industry collaboration, in a leading role working together

with seven shippers, receivers and logistics companies.



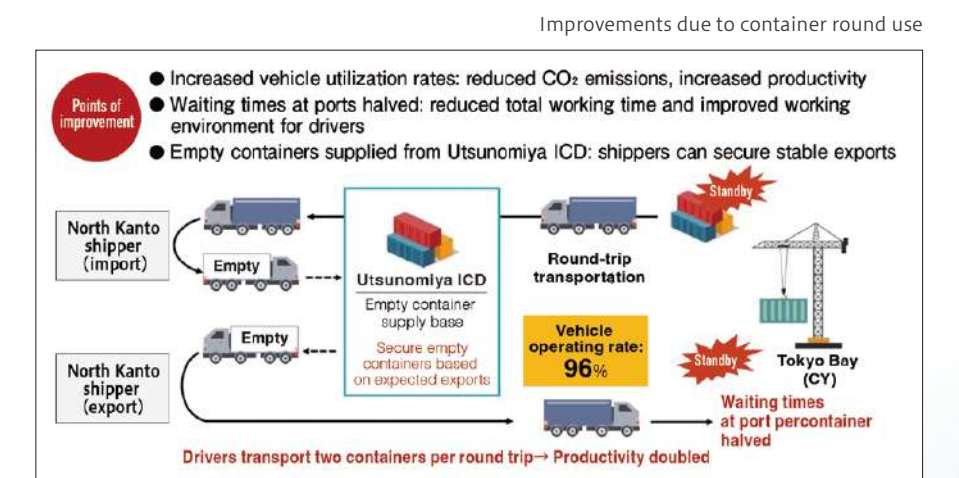
International Logistics

Shipping Business

In the shipping business, we are making a variety of proposals in response to changes both in Japan and overseas.

Overseas, amid the disruption of international logistics caused by difficulties in labor-management negotiations at ports on the West Coast of the United States, we are proposing optimal transportation services such as short-lead time air services (WWEF)*1 and transportation to the US via Mexico, to avoid disruptions to our customers' supply chains.

In Japan, with the need to create an environment where employees can work efficiently regardless of location, even after the pandemic, we are working to support the creation of an effective work environment for our customers through our WEB System Service (LTS)*2, which increases the efficiency of progress management for imports and exports,



and facilitates internal and external communication.

We also provide document management in compliance with the Electronic Book Preservation Act.

In addition, in order to reduce environmental impact, we are working to expand container round use utilizing our Utsunomiya Inland Container Depot.

In recognition of cooperative efforts made by shippers and logistics companies to reduce CO₂ emissions, reduce waiting time in port head areas, and achieve a stable supply of containers, we received the Resilience and Sustainability Award at the 2022 Excellent Logistics Partnership Commendation Program.

*1 WWEF: UPS Worldwide Express Freight
*2 LTS: Logistics Tracking System

Overseas Business

Although the COVID-19 pandemic is coming to an end and cargo movement has become more active than during the pandemic, it is expected to take some time to return to pre-pandemic levels of cargo movement mainly reflecting the decline in production of Japanese automobile-related companies due to the shortage of semiconductors and the emergence of new EV (electric vehicle) manufacturers. Under these conditions, our overseas business not only ensures the delivery of customers' packages, but also provides packaging engineering services that propose optimal packaging designs based on the know-how we have cultivated

over many years in the logistics industry and cutting-edge 3D data technology. We have also been leveraging the sales capabilities of our joint venture with a Chinese state-owned company to increase our numbers of Chinese customers in each country. Although there are uncertainties in the environment surrounding the economy, such as interest rate hikes in each country, and the depreciation of the yen and the appreciation of local currencies, we will continue to make optimal logistics proposals in response to changes in the social environment and the diverse needs of our customers.



Director Sakurai participated in the 7th Maritime Silk Road Port International Cooperation Forum hosted by the Port of Ningbo (China)



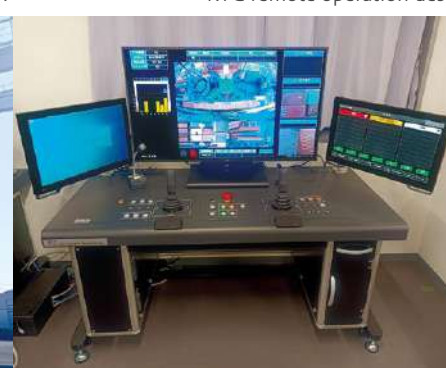
Packaging design proposal

Port and Harbor Transportation Business

Since the fall of 2022, international marine container transportation has been below the previous year's level (20–30% decrease year-on-year), in a reversal from the abnormal volume of shipments from Asia to North America up until the previous year. In line with this major trend, container cargo to and from Japan decreased by more than 10% year-on-year. Similar cargo movements at the Port of Shimizu resulted in export cargo (actual cargo) down 5.3% year on year and imported cargo (actual cargo) down 6.5% (down 6.6%, including empty containers). Domestic marine transportation was steady, including feed-related goods, RORO vessels, and coastal



RTG06 and RTG07



RTG remote operation desk

vessel transportation of dangerous goods and intravenous cargo. At the Shimizu Port Container Terminal, we have started operation of remotely controlled cargo handling machinery (RTGs) in some of our container yards, as part of our efforts to improve working environments, productivity and safety.

RTG06 and RTG07 arrived in June 2023, and we will continue to steadily introduce and maintain RTGs in preparation for full-scale operation across the whole Shin-Okitsu wharf area by 2025.

Lease Business

Due to the shortage of semiconductors and other components and the suspension of shipments by some truck manufacturers, the delivery date of trucks was significantly delayed, and the number of new freight vehicles registered was lower than the previous year, making conditions extremely difficult for Suzuyo, which engages primarily in business vehicle leasing. At the same time, in the area of medical device leasing, we were able to obtain contracts that greatly exceeded our FY2023 forecast plan by standardizing our internal operation and strengthening sales. With the easing of restrictions due to COVID-19, events and group



Suzuyo medical rental equipment

travel have also resumed, and the bus industry has made a recovery, offering hopes for a brighter outlook. We gained certification as a designated leasing business operator for the first time under the ESG Lease Promotion Project Subsidy System, and we were also certified as an excellent

initiative business operator, with an additional subsidy rate. Going forward, we will continue working to support customers' environmental initiatives and contribute actively to the creation of a recycling-oriented society.

Data Solution Business

Amid major changes in the social environment and legal systems, such as the advancement of telework, the rapid progress of digital transformation (DX), and the introduction of the Electronic Book Preservation Act and the Qualified Invoice System, we are expanding our handling of digital services that solve the problems of processing and managing important documents such as contracts and invoices. In FY2023, we continued to work vigorously on sales of our Invoice Sorting Support Cloud, which automatically extracts the data necessary for invoice processing from image data of invoices received. This system is attracting attention



Invoice Sorting Support Cloud interface screen

from many companies that are facing labor shortages, because it can reduce the workload of manual data entry and editing of invoice entries. In addition, the number of users of SDIS*—a document management system that enables centralized

management of all contracts—is rapidly expanding, as a service that responds to the issue of separation in the management of paper and electronic contracts, which has become apparent with the spread of electronic contracts.

*SDIS: Suzuyo Document Information System

SDGs Declaration

In the face of challenges such as global warming and a global population explosion, the trend of working toward the creation of a sustainable society, including decarbonization, is both a social demand and a global trend.

Suzuyo has been engaging in numerous initiatives to address various social issues over the course of its long history, and we have decided to reorganize these initiatives from the perspective of the SDGs.

Suzuyo's philosophy—the spirit of “Tomoiki” (directly

translated in English as “Symbiosis”)—shares much in common with the 17 goals set forth in the SDGs, and we believe that our business activities and initiatives will lead to the realization of a sustainable society.

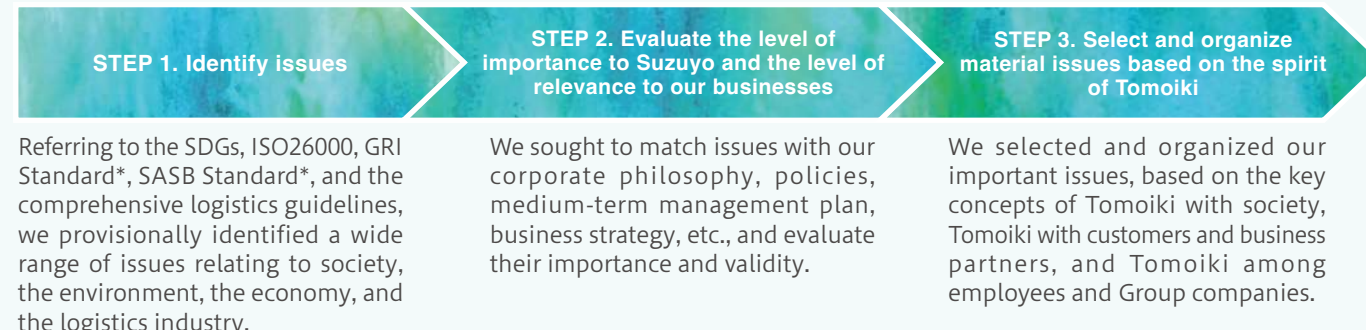
In accordance with the spirit of Tomoiki, we will continue to support logistics as a key part of societal infrastructure, contributing to our customers and the society of the future by optimizing logistics with Suzuyo's problem-solving capabilities and outstanding expertise.

Method of Organizing and Disclosing Material Issues

In order to help achieve the SDGs, we have reorganized the initiatives that Suzuyo should focus on in the medium to long term, starting with social, environmental, economic, and industry issues, as well as Suzuyo's business activities. Items that are of high importance to stakeholders and should be prioritized are summarized in the table on the right. In response to the recent need for the visualization of

non-financial information in society, we have sought to enhance quantitative and qualitative information that we disclose on topics related to activity themes and main initiatives for the realization of the SDGs.

Going forward, we will continue to communicate the concept of Tomoiki and its related activities, based on various guidelines.



* Global Reporting Initiative (GRI) Standard 2016:

Guideline for the disclosure of sustainability information by organizations. The standard is used by many companies and organizations around the world, including those in Japan, and its impact on the economy, environment, and society (= contribution to sustainable development) is not only for investors but also for a wider range of stakeholders (including employees, suppliers, socially vulnerable persons, local communities, etc.). Its purpose is to help explain contributions to sustainable development by disclosing them in the form of a Sustainability Report.

* SASB (Sustainability Accounting Standards Board) Standard:

Guideline for the disclosure of sustainability information by organizations. It is characterized by the establishment of information disclosure standards for each industry. It is intended mainly for investors, and its purpose is to disclose information on environmental, social, and other sustainability that is financially important for companies to investors, in accordance with items specific to each industry.

SDGs Proposals to Customers through Logistics

The global trend toward the creation of a sustainable society with a focus on decarbonization is growing stronger and faster by the day, and many companies are struggling to respond. In the field of logistics, as part of efforts to combat global warming and reduce environmental impact, it is essential to improve the efficiency of overall logistic processes, such as improving transportation equipment and logistic facilities on

the hardware side, and review and improve the efficiency of transportation routes on the human / planning side. One decarbonization initiative that companies can implement immediately without investment is logistic optimization. Suzuyo's overall optimization proposal contributes to the reduction of CO₂ emissions by pruning and thickening logistic routes and changing modes of transportation.

The SDGs and Material Issues

Related GRI items 102

1. Tomoiki with our customers and business partners		Related GRI items	Specific Initiatives	Refer to page
Contribution towards the realization of a decarbonized and recycling-oriented society	Reduction of CO ₂ by proposing total logistic optimization Adoption of transportation means with low CO ₂ emissions	302 305 403	Proposal of modal shift to transportation by ferry	P.17
			Certified as an Eco Ship Mark business operator in 2022	P.17
			Promotion of switched transportation relaying cargo between the Kanto and Kansai regions	P.17
			Promotion of green logistics to realize joint operations of shippers in different industries	P.18
			Promotion of domestic container transportation for recycled resources and dangerous goods	P.18
Strengthening governance as an organization that supports logistic infrastructure	Utilization of new energy Promotion of energy saving at business facilities	302 305 201	Introduction of remote control RTG	P.18
			Certified as a Shizuoka Forest Environment Adoption company in 2022	P.18
			Installation of solar panels on the roofs of our warehouses	P.19
			Holding CA-5 work improvement proposal presentation meetings	P.19
			Holding Safety and Health Committee meetings	—
	Strengthening work safety/ accident prevention initiatives	403 404 403	Received the highest ranking in the DBJ BCM rating	P.19
			Conducted large-scale tsunami evacuation training at the Port of Shimizu	P.19

2. Tomoiki among employees and Group companies		Related GRI items	Specific Initiatives	Refer to page
Engagement improvement of employees through work-style reforms	Improving productivity through digitalization/data utilization, etc.	302 305 403 404	Introduction of remote control RTG	P.18
			Holding CA-5 work improvement proposal presentation meetings	P.19
			Promoting work style reform	P.20
	Developing an environment where employees can feel fulfilled/comfortable and can play an active role	103 401 403 103 401 404 201 202 401 401 403 401 404	Introducing personnel systems that make it easy to work	P.20
			Raising salary levels	P.20
			Revising systems and regulations relating to long-term service	P.20
			Improvements to the work environment	P.21
Respect of employment and human rights of diverse human resources	Supporting employees to balance work and childcare	401 401 413	Training programs Suzuyo Career Development Program	P.21
			Regulations on childcare leave, shorter working hours and celebrations for employees' life events	P.21
	Employment of diverse human resources Promotion of health management that supports the physical and mental health of employees	405 406 302 305 403 404	Certified as a Kurumin-certified company that supports childcare	P.22
			Promotion of employment of persons with disabilities	—
			Introduction of remote control RTG	P.18
			Holding CA-5 work improvement proposal presentation meetings	P.19

3. Tomoiki with society		Related GRI items	Specific Initiatives	Refer to page
Contribution to local communities and regional revitalization	Social contribution activities that enrich the future of local people and society	413	Suzuyo “iine!” Project implementation	P.22
			Participation in the Shimizu Port Festival	P.22
			Cooperation with the Kodomo Work in Shimizu Port 2023 maritime work experience program for elementary school students	P.23
			Participation in the Shidukuri Project	P.23
			Holding Shimizu Port / Taganoura Port cruise	P.23
			Support for Shimizu S-Pulse	P.24
			Regional sports development	P.24
			Holding Suzuyo Cup Youth Kendo Tournament	P.24
			Illuminations around head office	P.25
			Donation of retort white rice and canned foods to the Shizuoka City Council of Social Welfare	P.25
	Contribution to local education and cultural promotion	201 413 201 413 203 413 413 103 403	Donations to various relief funds	P.25
			Presentation of matching gifts	P.25
			Donation of land to Shizuoka City for the construction of maritime cultural facilities	P.26
			Support for the Shizuoka Institute of Science and Technology Group	P.26
			Support for Tamagashi-kai	P.26
			Suzuyo fund to support Shizuoka City Shimizu Hospital and fund medical research	P.27
			Cooperation with Shimizu Port Color Harmonization Plan	P.27
			Management of Minaguchiya Gallery	P.27
			Operational support for the Verkehr Museum	P.28
			Holding Verkehr Museum gallery concert	P.28
			Conducting disaster prevention drills	—

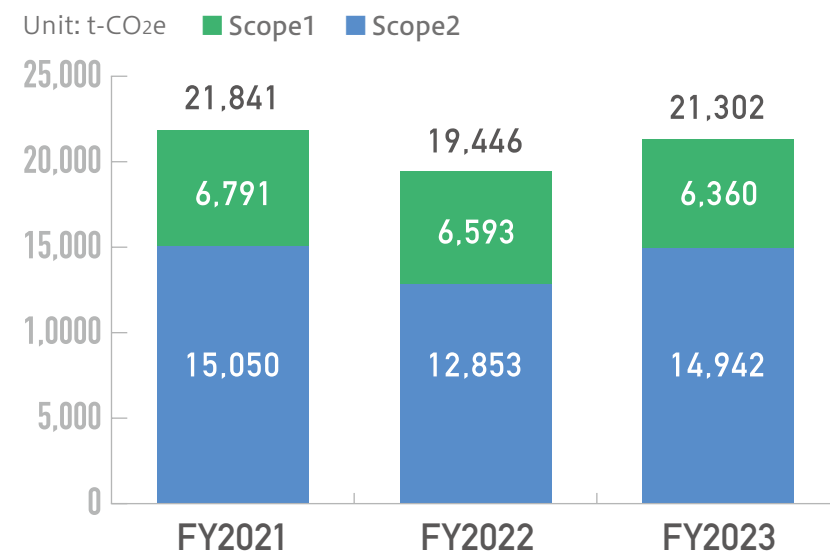
Environment

CO₂ Emissions Percentages

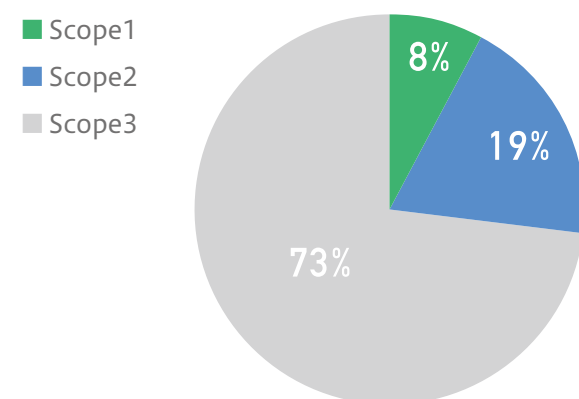
Unit: t-CO₂e*1

	FY2021	FY2022	FY2023
Scope1 (Direct emissions)	6,791	6,593	6,360
Scope2 (Indirect emissions)	15,050	12,853	14,942
Scope1+2	21,841	19,446	21,302
Scope3	54,140	55,356	56,857
Category 1 (emissions from purchased products and services) *2			
Scope1+2+3	75,980	74,802	78,159

Change in CO₂ Emissions (Scope1 & 2)



CO₂ Emissions for the Entire Supply Chain (FY2023)



*1 CO₂e: CO₂ equivalent.

*2 Emissions from transportation services purchased from Suzuyo Cargo Net Co., Ltd. and Suzuyo Auto Transportation Co., Ltd.



Scope 1, 2, and 3 CO₂ emissions data for FY2023 have been verified by a third-party verification organization.

Employee Overview*3

	FY2020	FY2021	FY2022	FY2023
Number of employees (persons)	1,211	1,180	1,146	1,138
Number of male and female employees (persons)				
Male	956	933	918	913
Female	255	247	228	225
Average age of employees (years)	38.2	38.7	39.3	39.5
Average length of service for male and female employees (years)				
Male	15.0	15.2	15.5	15.5
Female	9.3	10.4	11.5	11.9
Number of new hires (persons)	61	32	47	58
Number of new graduates hires (persons)	53	28	35	35
Number of mid-career hires (persons)	8	4	12	23
Ratio of mid-career hires (%)	13.1	12.5	25.5	39.7
Overall turnover rate (%)	5.0	5.7	7.8	5.2
Voluntary resignation rate (%)	3.8	4.2	6.7	3.7

*3 Includes port staff.

Employee Diversity

	FY2020	FY2021	FY2022	FY2023
Ratio of female employees (%)	21.9	22.5	21.5	22.7
Ratio of female managers (%)	2.3	2.5	3.2	4.0
Ratio of new female employees (%)	32.8	15.6	17.0	29.8
Ratio of employees with disabilities (%)	2.0	2.3	2.7	2.3

Support Systems

	FY2020	FY2021	FY2022	FY2023
Average number of annual paid days off taken (days)	14.7	12.6	11.4	11.5
Number of working mothers (persons) *4	72	76	80	80
Number of employees taking maternity leave (persons)	25	17	17	18
Number of employees using the childcare leave system (persons)				
Total	29	35	28	28
Male	3	5	6	3
Female	26	30	22	25
Number of employees using the shorter working hours system (persons)	50	54	63	60
Return to work rate and retention rate after childcare leave, etc. (%)				
Return to work rate	100.0	96.0	100.0	80.0
Retention rate	100.0	100.0	100.0	94.0

*4 Mothers with children of elementary school age or below.

Education

	FY2020	FY2021	FY2022	FY2023
Training time (hours/person)	15.7	12.6	14.8	18.7
Training expenses (yen/person)	102,415	55,611	82,136	147,450
Training participation rate (%)	59.9	55.3	55.1	100.0

Health

	FY2020	FY2021	FY2022	FY2023
Average monthly overtime hours (hours/month)	24.8	25.5	25.8	25.1
Stress check participation rate (%) *5	67.3	78.1	72.4	85.0
Ratio of employees taking regular health checks (%) *5	100.0	100.0	100.0	100.0
Rate of employees who smoke *5	27.7	25.4	25.1	24.8

*5 Period: April–March of last year.

01. Proposal of modal shift to transportation by ferry



Related GRI items 302-4 | 302-5 | 305-4 | 305-5 | 403-9

In addition to improving the working environment for crew members through unmanned transportation using shipping vessels, ferry transportation is also attracting attention as a means of reducing CO₂ emissions through modal shift, and responding to the need for BCP.

We have established a specialized department to respond flexibly to modal shift, and are making full use of over 1,250 trailer chassis to reduce environmental impact and provide stable transportation.

In recognition of this initiative, we received a special award from the Japan Association for Logistics and Transport at the 24th Logistics Environment Awards.



02. Certified as an Eco Ship Mark business operator in 2022



Related GRI items 302-4 | 302-5 | 305-4 | 305-5 | 403-9



The Eco-ship Modal Shift Business Execution Committee, which consists of the Ministry of Land, Infrastructure, Transport and Tourism and various academic experts, selected Suzuyo as an Eco Ship Mark certified business operator in 2022.

In the transportation of products for a major manufacturer of toiletries, pharmaceuticals and other products, we have reduced annual CO₂

emissions by 62% by switching to transportation by ferry between Shimizu and Oita for a hybrid route, in place of the previous route using heavy goods to transport by road between Fuji in Shizuoka Prefecture and Kasuya in Fukuoka Prefecture. We have been working for many years to reduce our environmental impact and improve the working environment for our drivers, and received the Eco Ship Mark certification for seven consecutive years since FY2015.

03. Promotion of switched transportation relaying cargo between the Kanto and Kansai regions

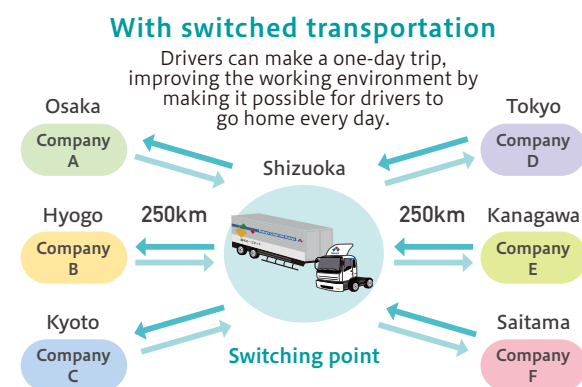


Related GRI items 302-4 | 302-5 | 305-4 | 305-5 | 403-9

For long-distance transportation that requires overnight operations, we have enabled day-trip operations for drivers by performing relay transportation switching cargo at intermediate bases, observing compliance requirements.

In this way, we will increase the range of personnel that can be deployed, create an environment where female and senior drivers can play an active role, and promote ethical logistics.

In addition, by increasing the loading rate by increasing the size of our vehicles and introducing a strategic chassis system, we have reduced CO₂ emissions per unit transported and reduced the environmental impact of our operations.



04. Promotion of green logistics to realize joint operations of shippers in different industries



Related GRI items 302-4 | 302-5 | 305-4 | 305-5 | 403-9

In order to reduce CO₂ emissions in the transportation sector, we are engaged in collaborative transportation with customers in different industries.

By reducing the number of vehicles, increasing actual vehicle rates, and reducing work hours and waiting times, we have not only reduced our environmental impact but also improved the working environment for drivers.

In recognition of this initiative, we were jointly awarded the Minister of Land, Infrastructure, Transport and Tourism Award—the highest award—and the Resilience and Sustainability Award at the 2022 Excellent Logistics Partnership Commendation Program.



05. Promotion of domestic container transportation for recycled resources and dangerous goods



Related GRI items 302-4 | 302-5 | 305-4 | 305-5 | 403-9



By transporting recycled resources and dangerous goods using domestic coastal container ships, we will reduce CO₂ emissions and environmental impact by preventing cargo from scattering and dispersing, while ensuring legality.

In addition, by using shipping vessels, we are also working to reduce the burden placed on long-distance transportation drivers, and distribute transportation routes as a disaster readiness measure.

06. Introduction of remote control RTG



Related GRI items 302-4 | 302-5 | 305-4 | 305-5

Shimizu Port Shin-Okitsu Container Terminal (CT) is advancing the introduction of remote-controlled RTGs.

We will seek to improve the working environment and overall productivity of the terminal by making all RTGs remote controlled by 2025, aiming to create a next-generation high-standard CT.

By adopting hybrid and electrically powered RTGs, we also aim to decarbonize and reduce greenhouse gas emissions.



07. Certified as a Shizuoka Forest Environment Adopt company in 2022



Related GRI items 201-1



Since 2015, we have endorsed the purpose of the Shizuoka Forest Environment Adopt Project, which aims to achieve local production for local consumption of CO₂.

In recognition of our efforts to combat global warming, such as the maintenance of forests that account for around 80% of the city's area, we were certified as a Shizuoka Forest Environment Adopt company in 2022.

08. Installation of solar panels on the roofs of our warehouses

Related GRI items 302-4 | 305-5

We provide the rooftop of our warehouses as spaces for installing solar power generation equipment owned by our Group company. By generating power from renewable energy, the entire Group is contributing to the reduction of CO₂ emissions.



09. Holding CA-5* work improvement proposal presentation meetings



Related GRI items 403-1 | 403-2 | 403-3 | 403-4 | 403-5 | 403-6 | 403-9 | 404

CA-5 is an activity that we have been conducting continuously for around 40 years, with the aim of improving work safety, quality and productivity through various improvements. Suzuyo Group companies and departments related to warehouse and port operations work on improvement activities throughout the year, and presentation meetings are held as a culmination of those efforts. Through these activities, we are working to raise awareness of the need to reduce the physical burden placed on employees.

*CA-5 is short for our slogan, "Check & Action 5+ (Reflect, Consider and Improve Our Work!)".



10. Received the highest ranking in the DBJ BCM rating

Related GRI items 103-2 | 203-1

In the Development Bank of Japan's DBJ BCM Rated Loan Program, we were recognized as being "particularly outstanding in our disaster prevention and business continuity initiatives", and became the first company in the Tokai region to receive the highest rating for five consecutive times.

Going forward, we will continue to strengthen our business continuity planning and support both the lives of local residents and the business activities of our customers.



11. Large-scale tsunami evacuation training at the Port of Shimizu



Related GRI items 103-2 | 203-1

In September 2023, under the leadership of Shizuoka Prefecture, we halted all container terminal operations, including cargo handling machines and gates, and conducted a large-scale evacuation drill. Personnel involved in the operation of the terminal participated in the event, which included checking routes to evacuation facilities such as the administration building and tsunami evacuation towers, confirmation of the state of damage using drones, communication drills using radio and satellite phones, fire extinguisher training by the Shizuoka City Fire Department, and an earthquake simulator experience. Going forward, we will continue working together in government and private sector collaborations to conduct evacuation drills and raise awareness of the need for disaster readiness.



12. Promoting work style reform

Related GRI items 103-2 | 401 | 403

We have established a Work Style Reform Department as a specialized department with the aim of promoting digitalization in all possible areas and achieving high productivity. The department is engaged in various activities based on the



policy of eliminating business processes that do not create value (or have low value), and creating an environment in which labor is concentrated on high value work.

13. Introducing personnel systems that make it easy to work

In 2021, we launched a new personnel system for all employees, consisting of four key pillars: course grades, evaluations, wages and region-specific work.

We aim to create a corporate culture in which employees can feel that it is easy to work, feel job satisfaction, and develop their own careers through learning, thinking and acting on their own, with high motivation.

Related GRI items 103-2 | 401 | 404-1 | 404-2 | 404-3

Overview of the new personnel system

Purpose	Enhance employee skill maturation	Ensure fair evaluations and treatment	Enhance competitiveness by securing human resources	Create an open working environment
Details of revision	1 Course grading system	<ul style="list-style-type: none">• Establishment of new specialist positions• Review of grade categories, fast promotion		
	2 Evaluation system	<ul style="list-style-type: none">• Review of goal setting and evaluation methods• Balanced evaluations		
	3 Wage system	<ul style="list-style-type: none">• Review of salary increase / bonus table		
	4 Region-specific work system	<ul style="list-style-type: none">• Establishment of new region-specific positions• Review and expansion of various allowances		
Our vision	We aim to create a corporate culture in which employees can feel that it is easy to work, feel job satisfaction, and develop their own careers through learning, thinking and acting on their own, with high motivation.			



14. Raising salary levels

Related GRI items 201-1 | 202-1 | 401

In 2023, we revised starting salaries and increased base salaries for the second consecutive year (230,000 yen → 250,000 yen for G positions, 190,000 yen → 205,000 yen for A positions). In addition to responding to rising prices and living costs, which

are clearly affecting people's lives due to factors such as the weak yen and soaring raw materials prices, we are also aiming to improve employee engagement by achieving a salary level that is comparable to other companies in the industry and in the prefecture.



15. Revising systems and regulations relating to long-term service

In August 2023, we revised systems and regulations regarding long-term service.

Under the refreshment leave system, special leave—which used to be one day for every 20 years of service—has now been changed to three days for every five years of service. The long-term service award regulations have also been revised, giving commemorative gifts such as book vouchers and travel vouchers (according to the number of years of service), to

Related GRI items 401 | 403

encourage employees to take paid leave. In this way, we believe that the company will be able to express its gratitude to employees for their long-term service as they reach such milestones, and have them maintain and refresh their minds and bodies through leave, which will have a positive effect on their work.



16. Improvements to the work environment

Related GRI items 401 | 403

As part of our work style reforms, we are renovating our offices to create highly productive work styles and attractive spaces that will make employees want to talk to others about their workplace.



17. Training programs Suzuyo Career Development Program

The concept of our education and training program, the Suzuyo Career Development Program, is to create a Group and organization that continues to learn.

Based on the concept that the growth of the company as a whole cannot be achieved without the growth of individuals, and that to achieve sustainable growth for the company it is essential for each individual to improve their abilities and grow individually, we have organized the knowledge and skills that

Related GRI items 401 | 404-1 | 404-2 | 404-3

employees should acquire into five categories: (1) mindset, (2) human skills, (3) business skills, (4) basic business knowledge and (5) specialization by business and job type.

In order to develop the skills of our employees, we provide logical thinking training, organize business frameworks and develop leadership.

18. Regulations on childcare leave*1, shorter working hours and celebrations for employees' life events*2

*1 We have established a new system for paternity leave after childbirth, and allowed childcare leave to be taken in split increments.
*2 Childbirth gifts.

Related GRI items 401-3

With the aim of achieving a healthy work-life balance and supporting a balance between work and family life, we have introduced our own unique childcare leave system.

Employees raising children under the age of three can now take around one month of leave by combining ten days of special leave and ten days of paid leave, improving ease of

working and job satisfaction.

In addition to allowing employees to use a shortened working hours system until March in the year when their child reaches the third grade of elementary school, we also provide generous support for childcare, by providing a congratulatory payment of 100,000 yen per child.

19. Certified as a Kurumin-certified company that supports childcare



The Kurumin mark is a certification offered by the Minister of Health, Labour and Welfare to companies that support childcare.

In recognition of our achievement of the General Employer Action Plan formulated in accordance with the Act on Advancement of Measures to Support Raising

Related GRI items 401-3 | 413-1

Next-Generation Children, and the fulfillment of certain requirements set by the Ministry of Health, Labour and Welfare, Suzuyo has been certified as a Platinum Kurumin company (Next-Generation Special Certification).

Going forward, we will continue working to create an environment in which employees can feel it is even more rewarding and comfortable to work and play an active role.

20. Suzuyo "iine!" Project implementation

Related GRI items 413-1

This project aims to strengthen connections across division within the company, and to help preserve the local environment. In 2018, we started activities with the NPO Asaza Fund in Ushiku, Ibaraki Prefecture, and the following year we started activities with the NPO Sengamachi Tanada Club in Kikugawa, Shizuoka Prefecture.

In these activities, employees and their families help to plant and grow Gohyakumangoku sake rice and make Japanese sake at the Kanzawagawa sake brewery in Yui, Shizuoka.



21. Participation in the Shimizu Port Festival

Related GRI items 413-1



The Suzuyo Group participates in the Shimizu Port Festival, which is held every year on August 4: the anniversary of the opening of the Port of Shimizu.

In the So Odori, the Group enters ren (dance groups), and many of our younger employees participate in livening up the festival. It is also a good opportunity to create connections with the local community and other employees.

22. Cooperation with the Kodomo Work in Shimizu Port 2023 maritime work experience program for elementary school students



Related GRI items 413-1

As part of The Nippon Foundation's Ocean and Japan Project, we cooperated with the Kodomo Work (Kids' Work) in Shimizu Port 2023 event held in August 2023, and conducted a tour of the container terminal for elementary school students.

In the future, we will continue working to create and cooperate in opportunities for people to experience the role and appeal of the Port of Shimizu and feel closer to it, learning about the port from the perspective of work.



23. Participation in the Shidukuri Project



Related GRI items 413-1

Suzuyo participates in ENGINE—Solving Issues in Local Communities by Utilizing Corporate Resources (Strengths)—an educational program for junior and senior high school students in Shizuoka Prefecture run by Shidukuri*.

We utilize the resources of the Suzuyo Group to support students' exploratory learning to solve local issues.



*Shidukuri is an organization that connects students in Shizuoka Prefecture with local companies and citizens with the aim of producing human resources from Shizuoka who will play leading roles in the future of Japan.

24. Holding Shimizu Port / Tagonoura Port cruise



Related GRI items 413-1

At the Shimizu Port Festival hosted by Shizuoka City and the Tagonoura Port Festa hosted by Fuji City, we run a short cruise aboard the Ocean Princess*, a sailing vessel owned by Suzuyo.

This short cruise—operated by Suzuyo Group company Mt. Fuji Shimizu Port Cruise Ltd.—is a popular attraction that allows members of the public to enjoy the view from the ocean, with the aim of creating a more lively port.

*The Ocean Princess is a sailing ship built by a British conglomerate, which has carried numerous well-known passengers including the world-famous conductor Herbert von Karajan, Italy's Ferrari family and actress Elizabeth Taylor. It is also known as the "Lady of the Sea."



25. Support for Shimizu S-Pulse



Related GRI items 413-1

Since February 1998, the Suzuyo Group has been supporting the operation of Shimizu S-Pulse, a professional soccer team in Japan's J.League.

As a company that was born and raised in Shimizu, Shizuoka Prefecture, which is famous as a soccer kingdom, we want to meet the demand of the fans who support and watch over S-Pulse.

Through our support for S-Pulse, we will continue to contribute to the promotion of sports among citizens and local communities.

We also endorse the environmental activities of S-Pulse, which has declared that it will become the first carbon-offset club in the Japanese professional sports world, and support the hosting of eco-awareness events and the conversion of playgrounds at nursery schools, kindergartens, elementary and junior high schools to grass-covered lawns.



26. Regional sports development



Related GRI items 413-1



Shizuoka Blue Revs



Azalea Seven Rugby player Minami Yamamoto ©JRFU

Swimmer Kinuko Mochizuki ©Hiroyuki Nakamura

In January 2022, the Suzuyo Group signed a partnership agreement with the Shizuoka Blue Revs, a professional rugby club.

In addition, Minami Yamamoto—an employee who works at our Chuen Branch and is in charge of accounting and domestic warehousing—is also a rugby player who is active in the Azalea Seven women's rugby sevens team, and served as the flag bearer for the Shizuoka Prefectural Team at the opening ceremony of the National Sports Festival of Japan (Kokutai) held in Kagoshima in October 2023.

In the swimming world, we have signed a partnership agreement with competitive swimmer Kinuko Mochizuki from Shimizu-ku, Shizuoka. Mochizuki was selected for the first time as a member of the Japanese national team for the World Aquatics Championships 2023 in Fukuoka, and is one of the closest swimmers to being selected for the Japanese national swimming team at the Paris Olympic Games, and we empathize with and support her in her efforts and wishes to achieve higher goals every day.

Through our support for the Shizuoka Blue Revs, Minami Yamamoto and Kinuko Mochizuki, we will continue to contribute to the promotion and revitalization of sports in Shizuoka.

27. Holding Suzuyo Cup Youth Kendo Tournament



Related GRI items 413-1

We have been a long-term sponsor of the Suzuyo Cup Youth Kendo Tournament, which has been held every year since 2006 (with the exception of 2020, when it was canceled due to the COVID-19 pandemic).

Employee members of the Suzuyo Group Kendo Club also cooperate in the management of the tournament.

At the 18th tournament, held in May 2023, around 500 elementary and junior high school students participated in the competition.



28. Illuminations around head office

Related GRI items 413-1

In the winter of 2006, we started illuminations with the aim of creating a lively atmosphere around our head office.

Whales, rippling waves, bubbles and other ocean-inspired illuminations brighten up the port road at night.

During the same period, visitors can also enjoy illuminations on the first floor ocean-side deck of S-Pulse Dream Plaza, a commercial facility across from our head office.



29. Donation of retort white rice and canned foods to the Shizuoka City Council of Social Welfare



Related GRI items 413-1

In conjunction with the regular replacement of emergency stockpiles stored in readiness for emergencies, we donate retort-pouch foods, canned goods and beverages—which are ready for replacement but still have time remaining until their best before date—to the Shizuoka City Council of Social Welfare.

Donated goods are delivered to those in need as soon as possible.



30. Donations to various relief funds

関連するGRI項目 201-1

As part of its disaster support activities, the Suzuyo Group has been collecting donations from companies and Group employees and making donations to disaster-stricken areas, in the hope that

they will be used to support those affected by disasters such as torrential rain in western Japan, the Kumamoto earthquake and Typhoon No. 15 that occurred in September 2022.



31. Presentation of matching gifts



Related GRI items 201-1 | 413-1

Matching Gift is a donation fund activity in which volunteer employees donate 100 yen each month by salary deduction. The company then matches the same amount as the employees, and the total amount accumulated over the course of a year is then donated to social welfare organizations in Shizuoka City.

This activity has been conducted continuously since 1994, and donations and food products are donated to welfare organizations in Shizuoka through the Shizuoka City Council of Social Welfare.

Going forward, we will continue to positively participate in community and social contribution activities, with the self-awareness that each and every one of us is a member of the community.



32. Donation of land to Shizuoka City for the construction of maritime cultural facilities

Related GRI items 201-1 | 413-1

In March 2023, we donated approximately 1,970m² of land (equivalent to an appraisal value of 108.7 million yen) in Hinode-cho, Shimizu-ku to Shizuoka City. The donated land is planned to be used to build the Shizuoka City Ocean & Earth Museum (provisional name), as a base for communicating marine culture to the world.



33. Support for the Shizuoka Institute of Science and Technology Group



Related GRI items 201-1 | 413-1

Situated between the Tokyo metropolitan area and the Chubu region, Shizuoka Prefecture is home to a wide variety of industries and a large concentration of advanced technologies. Until around 1990, however, there were insufficient placement of higher education and research institutions for science and engineering in the region.

In April 1991, in response to strong requests from various demographics and walks of life to enhance and expand university education and research in the area, Shizuoka Institute of Science and Technology was established in the hills of Fukuroi City as the first science and engineering university in Shizuoka Prefecture.

Yohei Suzuki the 8th was appointed as the first president, and with the active support of the Suzuyo Group, the Institute now has two faculties and seven departments, and one master's program with two majors.

In addition to providing university education, the Shizuoka Institute of Science and Technology Group also promotes human resources development in the prefecture by operating high schools, junior high schools, vocational schools and Japanese language schools. Going forward, we will continue to contribute to the advancement of the region through the development of human resources who will play leading roles in the future.



34. Support for Tamagashi-kai

Related GRI items 201-1 | 413-1

Tamagashi-kai was established in 1975, with Yohei Suzuki the 7th as the chairman. In December of the same year, it began operating the care facility Shishihara-so in Shishihara, Shimizu-ku, with the aim of improving the support environment for people with intellectual disabilities in the Chubu region of Shizuoka Prefecture. In 2013, a new building was constructed with superior earthquake resistance. The Tamagashi-kai also operates an outpatient work support facility for people with intellectual disabilities called "Misuzu" in Umeda-cho, Shimizu-ku. Events held at both facilities are co-sponsored by Suzuyo Group companies, and employees of each company participate actively as volunteers.



35. Suzuyo fund to support Shizuoka City Shimizu Hospital and fund medical research



Related GRI items 201-1 | 413-1



In the 1940s, there were no public medical facilities in Shimizu City (current Shimizu-ku, Shizuoka City). Yohei Suzuki the 7th secured a site for a hospital, prepared buildings and facilities, and donated it to the city. This led to the establishment of the first public hospital in Shimizu City. When the hospital was relocated in 1988, it became one of the prefecture's leading general medical institutions with 18 departments, and continues to meet a wide range of medical needs from both inside and outside the prefecture.

The Suzuyo Fund—which was started in conjunction with the hospital's relocation—is used for advanced research and technical improvement for doctors, and supports the development of regional healthcare.

36. Cooperation with Shimizu Port Color Harmonization Plan



Related GRI items 201-1 | 413-1

The Suzuyo Group has been cooperating with the activities of the Shimizu Port Color Harmonization Planning Committee, which has been active for around 30 years. At the Port of Shimizu, citizens and companies are taking a leading role in creating a more beautiful port city, based on a plan formulated to create an artificial landscape in harmony with the backdrop of Mt. Fuji.

In February 2023, we received a letter of appreciation for our cooperation in repainting the walls of the Kitashinkai Lumber Center.

We will continue to cooperate actively with the committee's activities.

37. Management of Minaguchiya Gallery



Related GRI items 203-1 | 413-1



Minaguchiya prospered as a side inn of Okitsu-shuku—one of the fifty-three stations on the Tokaido road—during the Edo period, and as a villa inn during the Meiji, Taisho and Showa periods, and was visited by many politicians, artists and cultural figures.

It was visited by numerous figures who played an active role in politics and economics, such as Prince Saionji Kinmochi and Hirobumi Ito (first Prime Minister of Japan), and the Emperor and Empress Showa stayed there in 1957. As an active inn, its history came to a quiet close in 1985. The Suzuyo Group opened the Minaguchiya Gallery in 1999, with the aim of passing on the inn's 400-year history to future generations.

Visitors can enjoy historical exhibits left by guests at Minaguchiya, including books, pictures, hanging scrolls and tableware used by the Emperor and Empress Showa.

38. Operational support for the Verkehr Museum



Related GRI items 203-1 | 413-1



The word “verkehr” means “traffic” in German.

The museum focuses on the connection between people and the sea. Visitors can learn about the history of the Port of Shimizu—the birthplace of Suzuyo Group—from its very beginnings, through the preservation and display of historical materials and exhibits relating to the port.

As a company engaged in port-related work, the Suzuyo Group has been fully supporting the museum since 1977, when Shimizu Port Museum—the predecessor of the current museum—was established.

39. Holding Verkehr Museum gallery concert



Related GRI items 413-1



We invite famous musicians to hold a Gallery Concert sponsored by the Suzuyo Group at the Verkehr Museum (also supported by the Suzuyo Group).

In this way, we are working to promote local culture by inviting local residents through open recruitment.



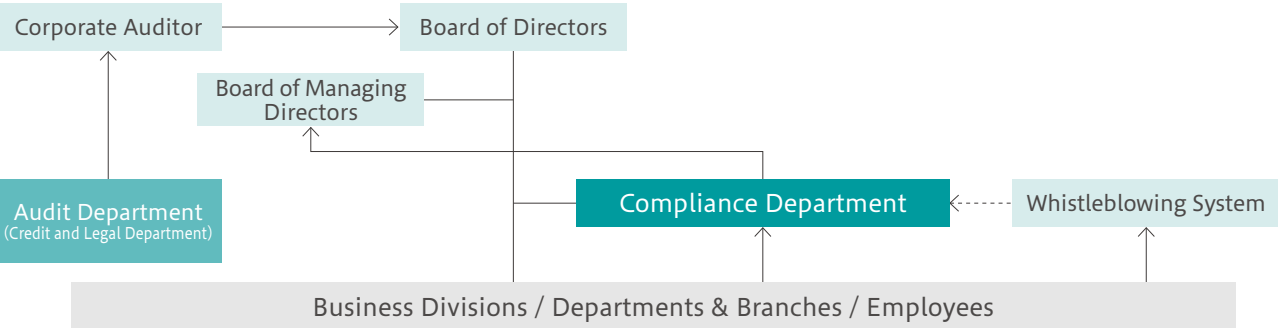
Related GRI items 102 | 103 | 205

1. Compliance

To operate their businesses soundly in an era of such rapid changes, companies are now required to have an even higher awareness of compliance. In June 2022, we established the Compliance Department, as an organizational unit to promote compliance management. The Compliance Department plays a central role in driving internal awareness-raising and education

activities to foster compliance awareness. We are also working to make it easier to consult with the internal contact point (Compliance Department), to detect misconduct and compliance violations at an early stage and take appropriate measures. In this way, we are striving to create a self-cleansing organization, in which every employee can act with a high level of compliance awareness.

(1) Compliance systems



(2) Initiatives to Enhance the Compliance System

- Compliance Awareness Survey

In May 2023, we conducted a compliance survey of all employees, with the aim of understanding current conditions and issues in the workplace. While management philosophies such as the spirit of Tomoiki and basic guidelines that have been passed down within the company are clear, and there is sufficient

empathy and understanding for them within the company, we also found that there was a lack of opportunities to share and reflect on them in the workplace. Based on the results and issues identified, we will continue to formulate future initiatives and enhance our compliance system.

- Instilling Compliance Awareness

In addition to providing training for new employees, mid-career hires, and newly appointed managers, we also

reduce risks by providing the following types of awareness-raising and educational activities for all employees.

Compliance Newsletter

September 2022	About changes to the internal contact point for harassment and compliance reports (whistleblowing)
October 2022	About our response to information security incidents
December 2022	About the introduction of Human Rights Week and reaffirmation of our Human Rights Policy
January 2023	About the Subcontracting Act checklist
February 2023	About harassment that may occur in the workplace (Ministry of Health, Labour and Welfare statistics and guidance for viewing videos on harassment)
April 2023	About boundaries of harassment (presentation of statistical survey data, guidance for viewing videos on communication techniques)
July 2023	About Harassment-Free Day (guidance for viewing communication training videos)

- Internal reporting (whistleblowing) system

In addition to our internal contact point (Compliance Department), we have also established an external contact point where employees can consult without hesitation,

and are working with a fair and sincere attitude to prevent harassment and compliance violations.

Number of reports and consultations received by the reporting system

Fiscal year	Number of reports / consultations
2020	3 (2 internal, 1 external)
2021	5 (1 internal, 4 external)
2022	5 (3 internal, 2 external)
2023	8 (7 internal, 1 external)

2. Information Security

(1) Basic Policy on Information Security and Policy on Protection of Personal Information and Specific Personal Information

Suzuyo strives to build appropriate relationships with stakeholders through the management of information assets. To fulfill our social responsibility with regard to information management, we have created a Basic Policy on Information

Security and a Policy on the Protection of Personal Information and Specific Personal Information, as action policies to be followed by all officers and employees, and published them on our website for clarification.

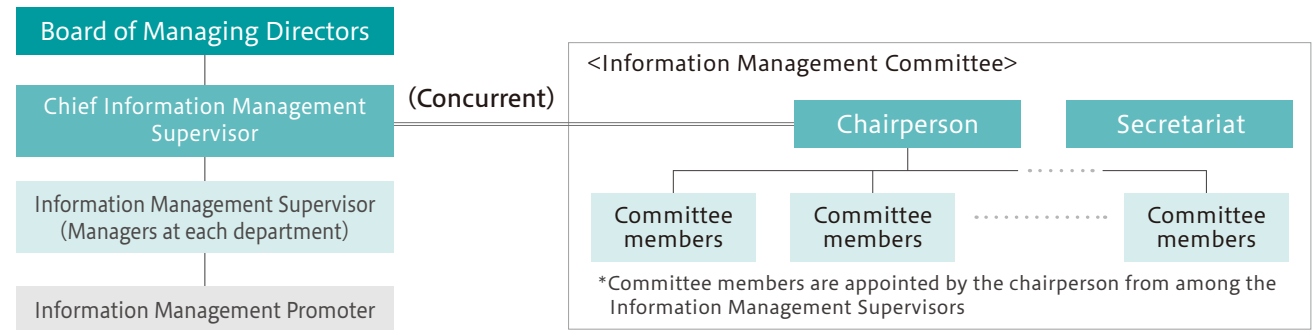
(2) Strengthening of information security measures

The usage environment for business systems is changing due to work style reforms, measures against the COVID-19 pandemic, and migration of business systems to the cloud. As new security threats such as ransomware continue to increase, we have also introduced EDR*1 and SWG*2 as

new security tools to respond to these changes in the business environment, and are monitoring them constantly. We are also reviewing the contents of our cyber protector insurance and expanding coverage to prepare for risks in the event of an incident.

*1 EDR (Endpoint Detection and Response): a behavior-detecting vaccine / antivirus service that detects unknown malware based on behavior inside a computer system.
*2 SWG (Secure Web Gateway): a cloud-based gateway service that prevents computers from connecting to dangerous sites on the Internet.

(3) Information management and protection system for personal information



Related GRI items 102 | 103

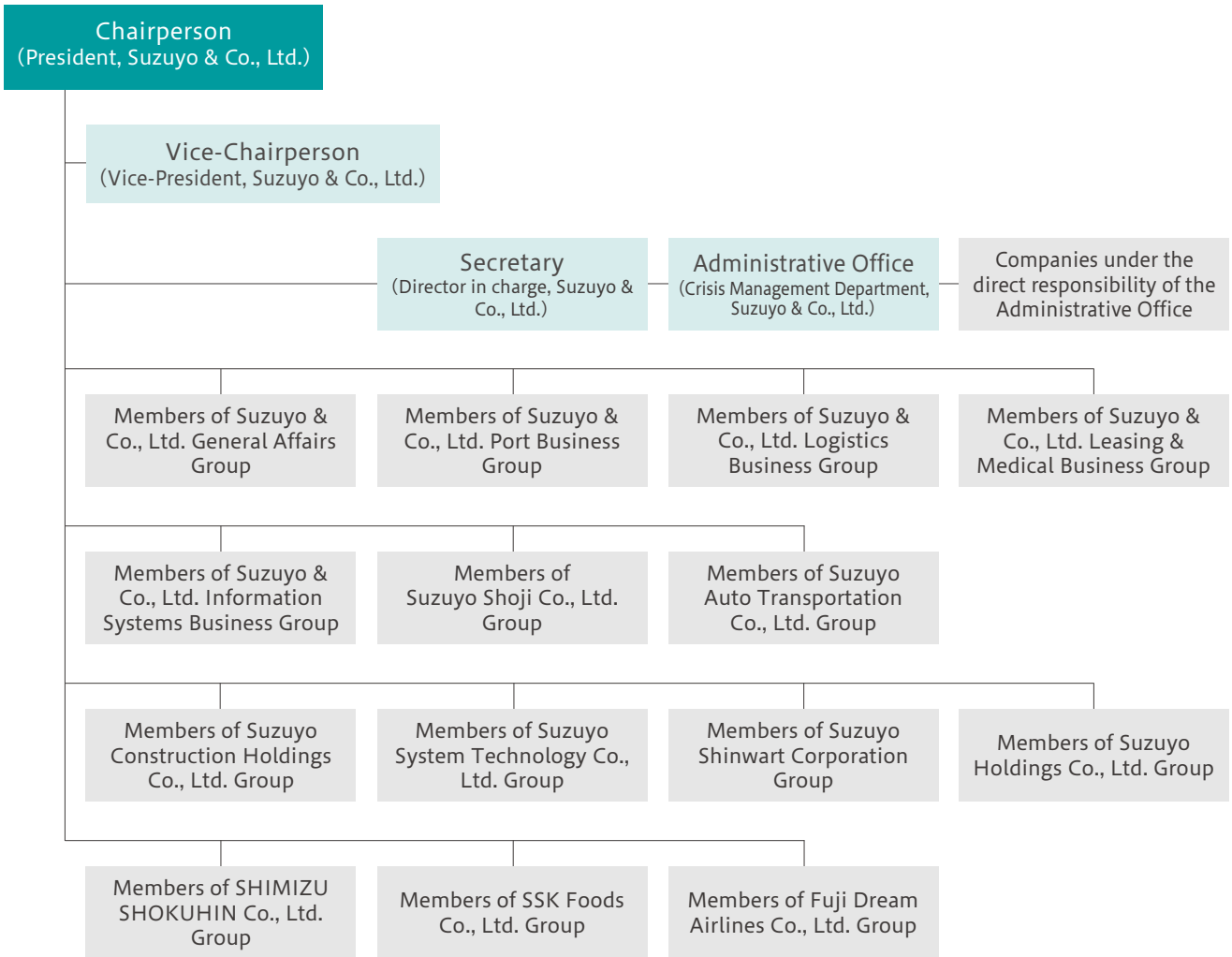
In the wake of incidents such as the September 11 terrorist attacks in the United States in 2001, the Chuetsu Earthquake in Niigata Prefecture on October 23, 2004, and the Tohoku Earthquake and Tsunami on March 11, 2011, the importance of BCPs (Business Continuity Plans) is increasing. The Suzuyo Group established its Group Crisis Management Committee in 2005. The committee plans and implements various drills across

all businesses within the Group, to identify and rectify issues and problems relating to business continuity, with the aim of improving the Group’s ability to respond to emergencies, and formulating and instilling knowledge of BCPs. We also have a system in place to respond quickly to unexpected events, such as workplace vaccination, which is one of the measures put in place to prevent the spread of COVID-19 and other infectious diseases.

1. Basic Policy

- 1. Protect lives first
- 2. Maintain trusting relationships with stakeholders
- 3. Engage in mutual assistance with local communities

2. Suzuyo Group Crisis Management Committee Organizational Chart



3. Initiatives to Increase Awareness of Crisis Management

(1) Disaster readiness events

Typhoon No. 15, which struck Shizuoka Prefecture in September 2022, caused major damage such as flooding and water outages in Shimizu-ku, Shizuoka—where our head office is located. To protect the safety of our employees, we believe that

it is important to raise the awareness of every employee with regard to disaster readiness. We hold disaster readiness events as opportunities for employees to deepen their knowledge and think about disaster readiness together with their families.



We invited Keigo Watabe, a weather forecaster who appears on Shizuoka Asahi TV's Tobikkiri! Shizuoka to speak as a lecturer



An experiment to reproduce the shape of raindrops

(2) Crisis management education

- Crisis management study group

As an advance preparation to minimize damage in the event of unforeseen incidents, we have started a study session with the aim of acquiring knowledge about disaster readiness measures, appropriate responses in the event of a disaster, and BCPs for prompt recovery

and resumption of operations. In addition to learning about disaster readiness measures, initial response and necessary drills, we will also be holding regular online meetings on the theme of various phenomena that we consider to be risks.

March 2023	Part 1: What is Business Continuity (BC, BCP, BCM)? Concepts and Crisis Management
March 2023	Part 2: Measures Implemented by the Suzuyo Group (Equipment, Education and Training Drills, Initial Response, etc.)
April 2023	Part 3: Incidents (Especially Disasters) that are Expected to Occur: Past Disasters, Nankai Trough
May 2023	Part 4: Incidents (Especially Disasters) that are Expected to Occur: Typhoons, Eruption of Mount Fuji
August 2023	Part 5: Initial Emergency Response and Training Drills

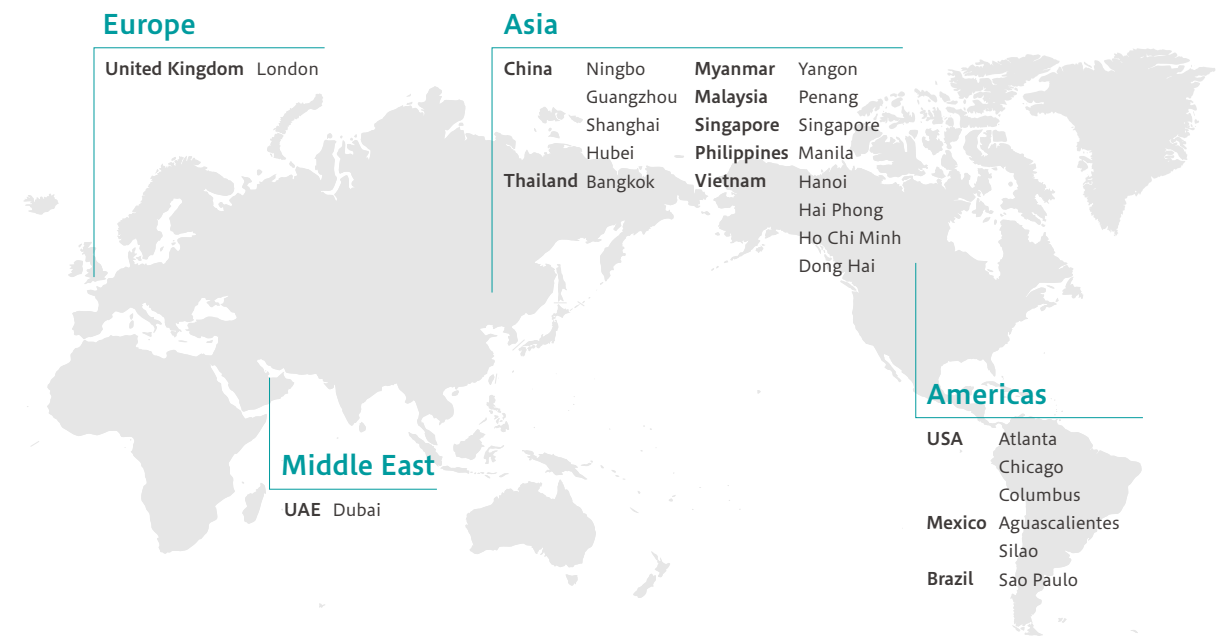
- General First-Aid / Lifesaving Training I

We hold General First-Aid / Lifesaving Training I classes with the cooperation of the local fire department, to enable Group employees to carry out the bare minimum

of first aid / lifesaving activities in the event of an emergency. In FY2023, around 100 Group employees took the course and were awarded a certificate of completion.

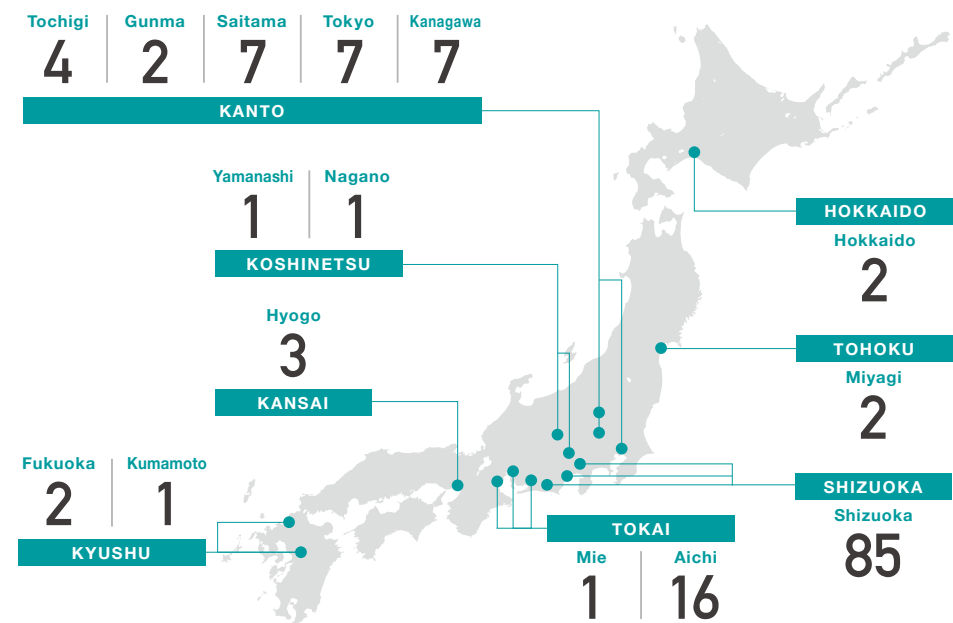
Founded	1801	Headquarter	Shizuoka, Japan	No. of employees	1,138
Established	March 1936	Capital	JPY 1 billion		
Businesses	Port transportation	Surface transportation	Domestic coaster	Car transportation	Car transportation handling
	Car forwarding	Customs brokerage	Bonded warehousing	Ocean cargo handling	Air cargo handling agency
	Ship agency	Leasing	Pest control	Wharfage	Warehousing
	Information handling	Real-estate agency	Classified document collection and destruction		
	Manufacturing (Medical device/Animal medical device/Cosmetics/Medical goods/Quasi-medical goods/In vitro diagnostics pharmaceuticals) etc.				

Overseas Locations

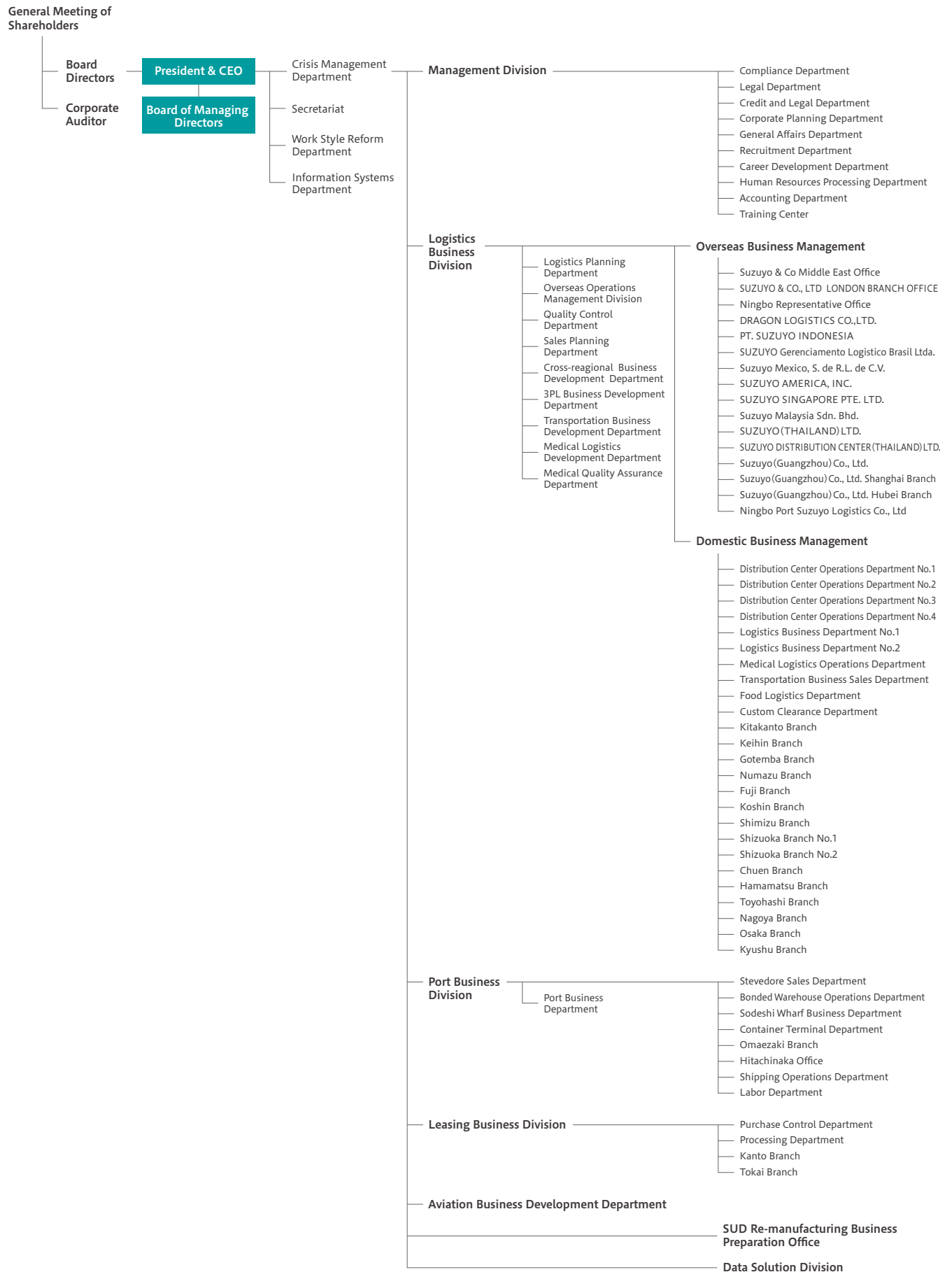


Domestic Locations

Suzuyo’s logistics network covers a total of 141 bases throughout Japan, amounting to a total floor area of 960,000 m².



Organizational Structure





Chairman

Yohei Suzuki



President & CEO

Kenichiro Suzuki



Director

Shigehiro Saitoh



Director

Hiroshi Nomura



Director

Takashi Sakurai



Representative Executive Vice President

Tadahisa Nishio



Representative Executive Vice President

Naofumi Iida



Executive Vice President

Akihiko Takahashi



Director

Toru Nozaki



Director

Hiroyoshi Maeda



Director

Masayoshi Kasezawa



Executive Vice President

Nobukazu Asai



Senior Managing Director

Yoshiaki Nishigaya



Senior Managing Director

Keiji Horikawa



Director

Norimasa Matsuyama



Director

Kazuaki Yamaoka



Director

Hideyuki Ohashi



Managing Director

Akira Yanagawa



Managing Director

Kazutoshi Suzuki



Managing Director

Mitsuaki Sugimoto



Audit and Supervisory Board Member

Yasuhiro Tamaki



Audit and Supervisory Board Member

Hiroyuki Mochizuki



Audit and Supervisory Board Member

Sumiko Suzuki



June
2023

Suzuyo Shoji Co., Ltd. – ReSURUGA Co., Ltd. Established

ReSURUGA Co., Ltd. was established through a joint investment with Shizuoka Railway Co., LTD., Toyota United Shizuoka Inc., and ARTH Inc. The company is promoting carbon-neutral urban development in the Nishi Izu area through the combination of environmental and tourism efforts based around the off-grid residential module WEAZER developed by ARTH, a joint venture company, and is working to revitalize the region with a view to expanding the project to the whole of Shizuoka Prefecture.



April
2023

Suzuyo Shoji Co., Ltd. – Carbon Neutrality Declaration

Suzuyo Shoji made a carbon neutrality declaration toward achieving carbon neutrality by 2050, based on the three basic concepts of energy conservation, electrification, and zero-emission—with the goals of converting company vehicles to HVs and EVs, introducing vehicle management systems, energy-saving and electrification of lighting and air conditioning equipment, and actively introducing renewable energy. By providing the knowledge and know-how gained through these initiatives to local customers, Suzuyo Shoji will contribute to carbon neutrality and decarbonization in the local region.



M20 under construction (taken in July 2023)

Scheduled for
completion in
Spring 2024

Suzuyo Construction Co., Ltd. – M20 Building Construction Underway

In this project, which aims to create urban functionality in the Miyukicho district (which is the center of Shizuoka City) and a new sense of liveliness in the city, Suzuyo Construction has been tasked with the construction of the redevelopment building M20. Interior work and underpass connection work are currently underway, and the building is scheduled for completion in the spring of 2024, with one basement floor and 15 above-ground floors (a total floor area of 18,244m²). The building will house the Shizuoka Institute of Science and Technology Group's new campus, commercial facilities and offices.



Opening ceremony of the Kochi route at Chubu Centrair International Airport

March
2023

Fuji Dream Airlines Co., Ltd. – Nagoya (Chubu)—Kochi Route Opened

Fuji Dream Airlines has launched a new service to Chubu Centrair International Airport, and begun two return flights on the Nagoya (Chubu)—Kochi route each day. The company also simultaneously opened a route from Nagoya Komaki Airport to Sapporo Okadama Airport, making it easier for people in the Nagoya Metropolitan Area to use its routes. Fuji Dream Airlines will continue to take on the challenges of coloring the skies of Japan, as an airline that connects different regions of the country.



September
2022

SSK Foods Co., Ltd. – Hosting Social Studies Field Trips at Fujieda Plant

As part of its activities to deepen the level of children's interest in food, SSK Foods has started hosting social studies field trips for local elementary school students at its Fujieda Plant. During a tour of the dressing production line, which is equipped with the very latest equipment, the company's employees guide students so that they can feel closer to the products being produced. In the Veggie Maro Salad Laboratory, students can experience factory quizzes and recipe fortune telling, as they have fun learning how to eat vegetables more enjoyably, and about the company's efforts to ensure food safety and security.



Illustrative image of the west side (national highway side)

November
2023

Dream Plaza Co., Ltd. – Grand Opening of New PARK-Side Building

Dream Plaza held a grand opening of the new PARK-Side building, adjacent to the main building of S-Pulse Dream Plaza. The building design is based on the concept of a place where local people can gather and interact, that enables users to appreciate the harbor by making the most of the location, and that can welcome visitors both from within Japan and overseas. Going forward, Dream Plaza will continue to enhance its shopping and dining services, aiming to be a facility that is loved more than ever, and provide the value and joy of gathering in the Shimizu area.



It is our wide-ranging group strength that enriches people and society.

Over our more than 220 years of history, Suzuyo Group has constantly created new businesses that meet the needs of the times. Today, we have grown to become a group with around 140 affiliated companies throughout Japan and the world. These companies work in many different fields, but we draw on the uniqueness of each business to support people's lives through our combined strengths.



Logistics Business	Suzuyo & Co., Ltd. Suzuyo Cargo Net Group SUZUYO TSUKAN Group Suzuyo Shinwa Logistics Co., Ltd. Hakuei Trans & Co., Ltd. Tokai Futo Co., Ltd.	Suzuyo Auto Transportation Co., Ltd. Suzuyo Cargo Service Group Suzuyo Marine Co., Ltd. Shimizu Unso Co., Ltd. Fujinomiya Transportation Co., Ltd. Suzuyo Autotech Co., Ltd.
	Suzuyo (Thailand) Ltd. Suzuyo (Guangzhou) Co., Ltd.	Suzuyo Distribution Center (Thailand) Ltd. Overseas offices 22 offices in 13 countries
Trading Business	Suzuyo Shoji Co., Ltd. S-net Shizuoka Co., Ltd. SUZUYO LUBRICANTS SERVICE Co., Ltd. Suzuyo Gas Anshin Net Co., Ltd. Newest Corporation Suzuyo Homepal Co., Ltd. Shizuoka Engyo Co., Ltd. Suzuyo Eco Products Co., Ltd. Shanghai Bailinahui International Trading Co., Ltd.	IWATA Co., Ltd. NS Corp. Matsumoto Shell Sekiyu Co., Ltd. Nagoya Energy Co., Ltd. Suzuyo Rent-A-Car Co., Ltd. TOMOE SHOKAI Co., Ltd. Bell Farm Co., Ltd. Shimizu Special Packaging Co., Ltd. Suzuyo-Power Co., Ltd.
	Suzuyo Construction Co., Ltd. Shizuoka Building Service Co., Ltd. Dream Plaza Co., Ltd. Suzuyo Renewal Co., Ltd. Suzuyo Construction Holdings Co., Ltd.	Suzuyo Sanwa-Tatemono Co., Ltd. Suzuyo Security Service Co., Ltd. Mt. Fuji Shimizu Port Cruise Ltd. Tokai Rekisei Kogyo Co., Ltd.
Food Business	SHIMIZU SHOKUHIN Co., Ltd. Miyacan Co., Ltd. SSK FOODS (ZHE JIANG) Co., Ltd.	SSK Foods Co., Ltd. Mon marché Co., Ltd.
	Suzuyo Shinwart Corporation Inter Quest Co., Ltd.	Suzuyo System Technology Co., Ltd.
Aviation Business	Fuji Dream Airlines Co., Ltd. FUJI AVIATION SYSTEMS Co., Ltd. FUJI BUSINESS JET Co., Ltd. Dream Sky Nagoya Co., Ltd. Suzuyo Airport Service Co., Ltd.	SAS Co., Ltd. Shizuoka Air Commuter Corporation SUZUYO SKY HOLDINGS Co., Ltd. Chubu Sky Support Co., Ltd.
	Suzuyo Kosan Co., Ltd. Suzuyo Management Service Co., Ltd. Belle Carrière Co., Ltd. Suzuyo Care Service Co., Ltd.	Suzuyo Research Institute Co., Ltd. Naka Nihon Van Lease Co., Ltd. Bell Medical Care Co., Ltd. Suzuyo Holdings Co., Ltd.

