



永続する使命。  
**澁澤倉庫**  
Shibusawa Warehouse

# Integrated Report 2023

# The Spirit of the Founder, Eiichi Shibusawa



Inheriting the spirit of the founder, Eiichi Shibusawa, we believe that only the profits pursued through right reason can be sustainable and enrich society.

A value partner that continues to evolve through

- Challenge,
- Creation, and
- Cooperation

to support the realization of a sustainable and prosperous society through new value creation beyond logistics.

That is us, Shibusawa Warehouse.

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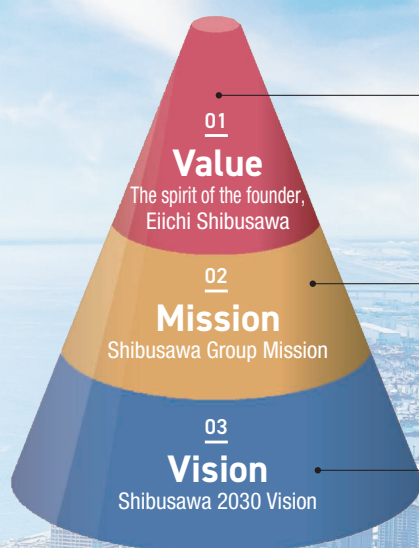
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01

Shared Value

Only the profits pursued through right reason can be sustainable and enrich society

Sustainability = Sustainable growth

02

The social mission we should fulfill

Support the realization of a sustainable and prosperous society through new value creation beyond logistics

Group Action Guideline for Fulfilling the Mission Challenge/Create/Cooperate

03

Long-Term Strategy

To be a value partner creating new value for customers' business activities

Value Partner  
From the pursuit of efficiency to value creation

### Editorial policy

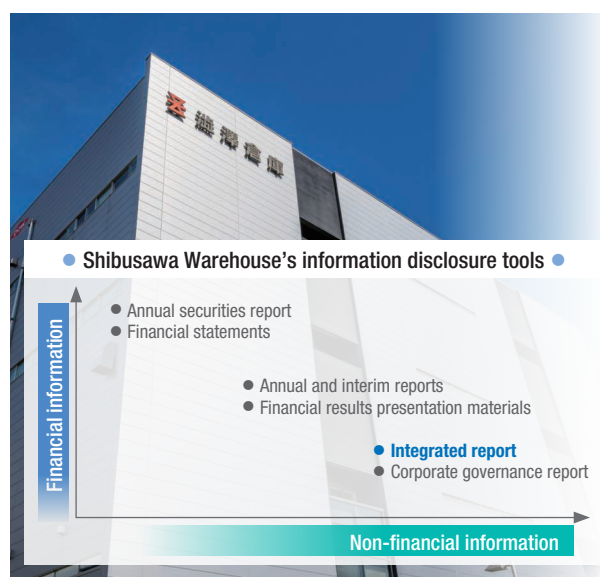
This report has been issued with the aim of enabling a greater understanding of the Group's business among our stakeholders including shareholders and investors, and encouraging further dialogue by disclosing, in addition to financial information such as the current fiscal year's financial results, non-financial information including initiatives the Company is advancing to enhance its medium- to long-term corporate value.

### Note on forward-looking statements

This report contains forward-looking statements concerning the Company's business. These forecasts were made based on the information available at the time and actual results may differ from them due to a variety of factors.

**Reporting period:** April 1, 2022–March 31, 2023

**Month of issue:** October 2023



# History of the Shibusawa Warehouse Group Practicing “Mission to be sustainable”

1897

1930

1950



## Founder Eiichi Shibusawa and Warehousing Business

In 1876, Eiichi Shibusawa purchased the residence of a wealthy merchant in Fukuzumi-cho, Fukagawa-ku, Tokyo, where our current head office is located, and built his primary residence there. This area had been lined with warehouses since the Edo period and was a center of logistics using riverboat transportation. It was here that he worked to establish the warehousing business in Japan.

At first, Eiichi was engaged in a warehouse rental business of leasing warehouses in his residence to merchants. However, with the collapse of the distribution system of annual rice taxes due to the land tax reform, he devoted himself to establishing various systems for rice distribution and a cash withdrawal scheme using warehouse receipts. In 1877, he petitioned the government to establish a warehousing business. In 1882, he opened his first warehouse company and a sister company that provided warehouse finance in Fukagawa. However, the Fukagawa Depression exposed the weakness of the system, which had ambiguous responsibilities for storing goods, leading to the dissolution of his companies.

In the Meiji 20's (late 1880s to late 1890s), the *zaibatsu* (financial combines) finally started their warehousing business. Eiichi, who believed that the warehousing business should be a public entity, established Shibusawa Soko-bu as a business under the direct control of the Shibusawa family, with a warehouse located in his premises as the base to create a warehouse that new commercial and industrial companies could use.

- March 1897** Established Shibusawa Soko-bu as the Shibusawa family business in Fukagawa, Tokyo, with Eiichi Shibusawa as the business owner
- July 1909** Reorganized Shibusawa Soko-bu to establish Shibusawa Warehouse Co., Ltd. (capital: 500,000 yen)

- December 1933** Merged Naniwa Warehouse, opened branches in Yokohama and Osaka, and developed warehouse/port facilities in the six major ports

- December 1950** Stock listed on the Tokyo Stock Exchange market

- July 1953** Established Dojima Transport Co., Ltd. (current Shibusawa Transport Co., Ltd.)

- August 1969** Started international air freight handling business

- September 1969** Established a local subsidiary, Shibusawa Warehouse (Hong Kong) Ltd. (current Shibusawa (Hong Kong) Ltd.) in Hong Kong

- July 1970** Established Shibusawa Kaihatsu K.K. (current Shibusawa Facilities Co., Ltd.)

(billions of yen)

100

### Operating revenue trends

80

60

40

20

0

1950

1960

1970

1980

1990

- Operating revenue (non-consolidated)
- Operating revenue (consolidated)
- Ordinary profit (non-consolidated)
- Ordinary profit (consolidated)

## The Group's Contribution to Society

### Introducing modern warehousing business to Japan

**1897:** Established Shibusawa Soko-bu under the philosophy of Eiichi Shibusawa that the warehousing business was essential for the sound development of commerce and industry

**1915:**

Broadened the business by, among other things, expanding into Otaru at the request of regional banks



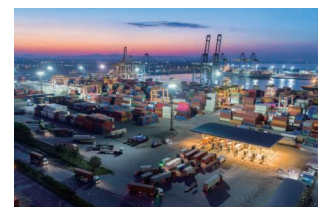
### Strengthening the foundation as a comprehensive logistics provider

**1950s and beyond:** Expanded and improved operations gradually in the land transportation, harbor transportation, and air and international transportation businesses to strengthen the business base as a comprehensive logistics provider



### Establishing overseas network

**1969 and beyond:** Established local subsidiaries and started logistics business in Hong Kong, Vietnam, China, the Philippines, etc.





1970

1990

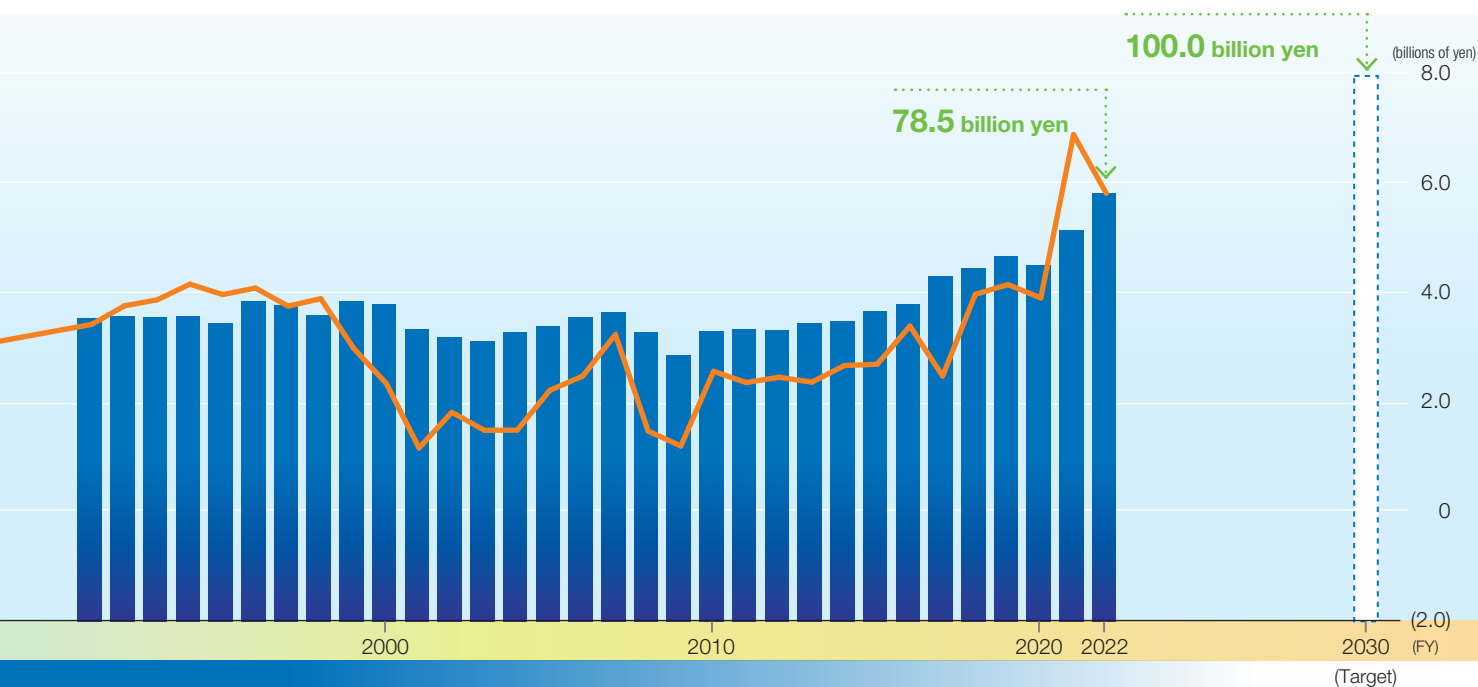
2010

2020

- July 1974** Completed construction of Shibusawa Building (a rental office building) in Chuo-ku, Tokyo
- January 1981** Omiya Transport Co., Ltd. (currently a consolidated subsidiary) became a member of the Group
- April 1991** Completed construction of Shibusawa City Place (a rental office building) in Chuo-ku, Tokyo
- June 1991** Nissho Transport Co., Ltd. (currently a consolidated subsidiary) became a member of the Group
- September 2002** Established a local subsidiary, Shibusawa Logistics (Shanghai) Ltd. (currently a consolidated subsidiary) in Shanghai, China
- May 2004** Completed construction of Shibusawa City Place Eitai (a high-rise rental office building) in Koto-ku, Tokyo
- September 2009** Completed construction of Shibusawa City Place Kakigaracho (a rental office building) in Chuo-ku, Tokyo
- November 2009** Established a local subsidiary, Shibusawa Logistics Vietnam Co., Ltd. (currently a consolidated subsidiary), in Ho Chi Minh, Vietnam

- March 2012** Acquired approval of AEO Customs Brokers
- April 2014** Acquired approval of AEO Warehouse Operators
- November 2014** Vinafco Joint Stock Corporation (Vietnam's logistics company, currently an equity-method affiliated company) became a member of the Group
- June 2018** Established Shibusawa DyDo Group Logistics Co., Ltd., a joint venture with DyDo DRINCO, Inc.
- March 2022** Data Keeping Service Co., Ltd. (currently an equity-method affiliated company) became a member of the Group
- June 2022** Started operations of a local subsidiary, TDG-Shibusawa Logistics, Inc., in Manila
- July 2022** Heiwa Mirai Co., Ltd. (currently a consolidated subsidiary) became a member of the Group

### Ordinary profit trends



### Developing rental office buildings

**1974 and beyond:** Developed Shibusawa Building and Shibusawa City Place (Kayaba-cho, Eitai, and Kakigaracho) as rental office buildings

**2004:** Introduced an energy management system at Shibusawa City Place Eitai to reduce environmental burden



### Promoting modal shift

**1981:** Added Omiya Transport Co., Ltd. to the Group

**1991:** Added Nissho Transport Co., Ltd. to the Group

Started promoting a modal shift in ferry and railway freight transportations



### Contributing to local communities

**Present:** Engaging in activities for prosperity of local communities, such as signing disaster agreements with local governments, hosting logistics tours, and participating in lectures

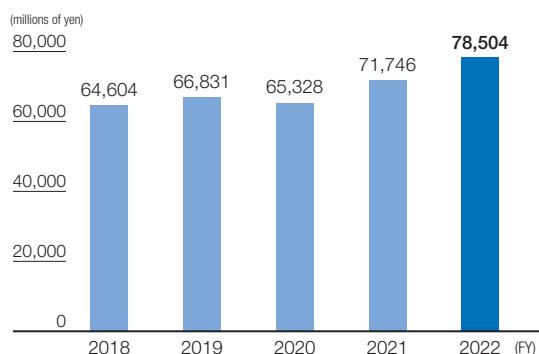


# Financial and Non-Financial Highlights

## Financial Highlights

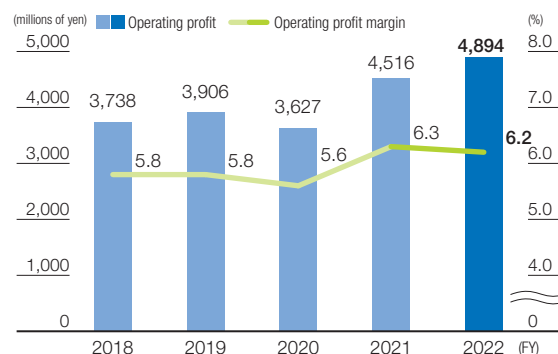
### Operating revenue

**78,504** million yen



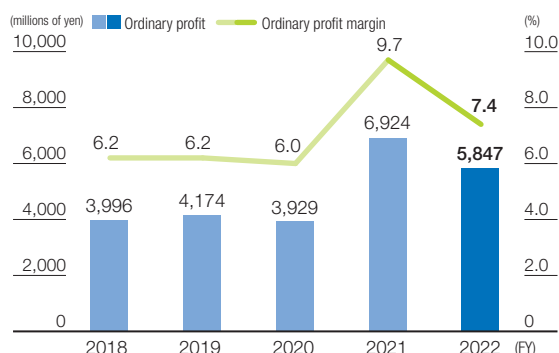
### Operating profit / Operating profit margin

**4,894** million yen / **6.2%**



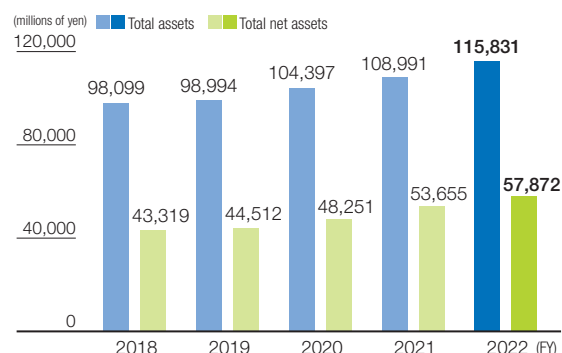
### Ordinary profit / Ordinary profit margin

**5,847** million yen / **7.4%**



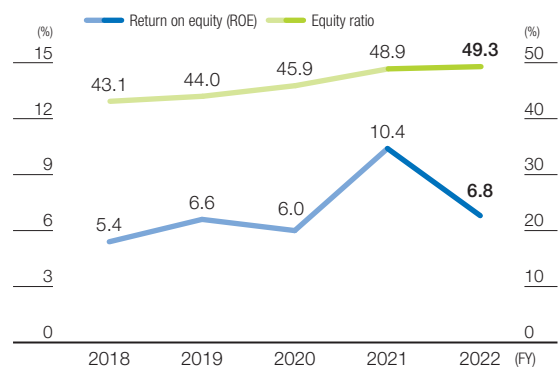
### Total assets / Total net assets

**115,831** million yen / **57,872** million yen



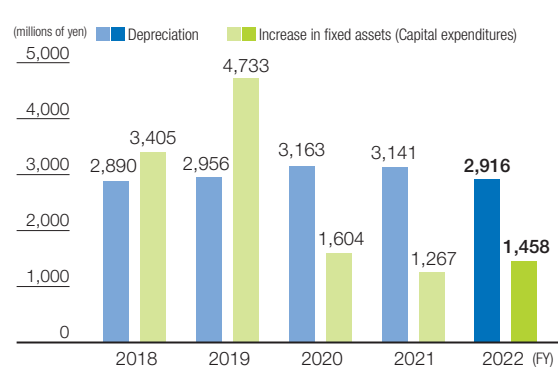
### Return on equity (ROE) / Equity ratio

**6.8%** / **49.3%**

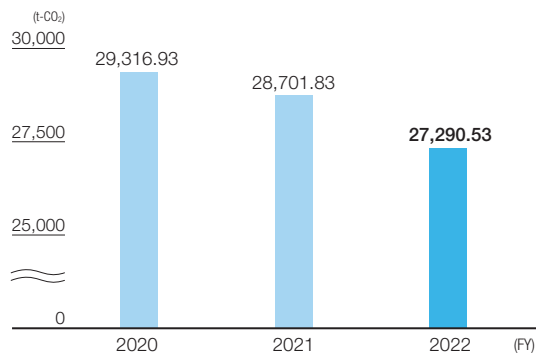
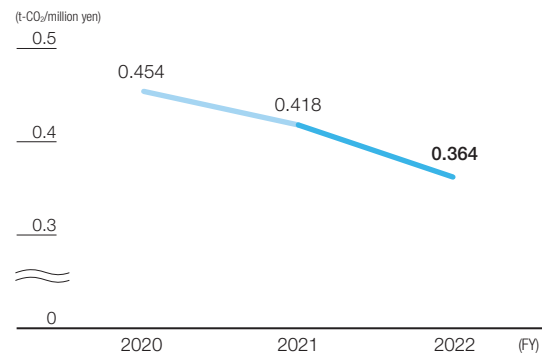


### Depreciation / Increase in fixed assets (Capital expenditures)

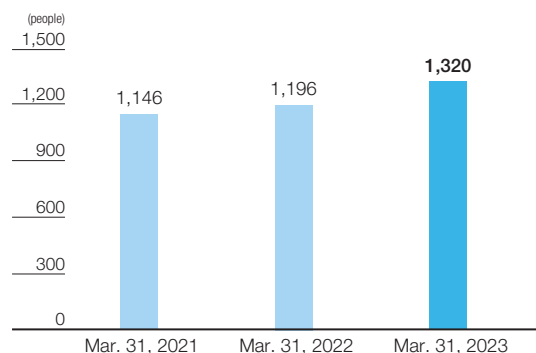
**2,916** million yen / **1,458** million yen



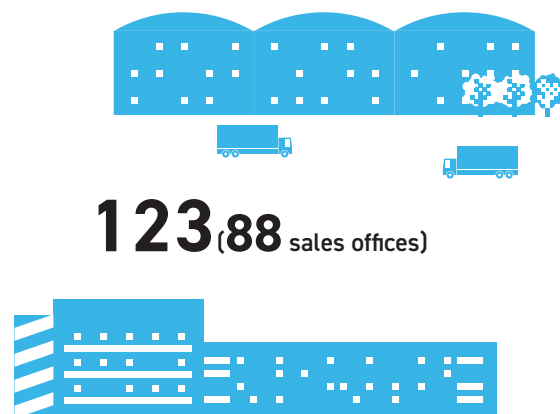
## Non-financial Highlights

CO<sub>2</sub> emissions (Consolidated group companies in Japan under Scope 1 & 2)**27,290.53** t-CO<sub>2</sub>CO<sub>2</sub> emissions intensity (Consolidated group companies in Japan)**0.364** t-CO<sub>2</sub>/million yen

Number of employees (Group-wide)

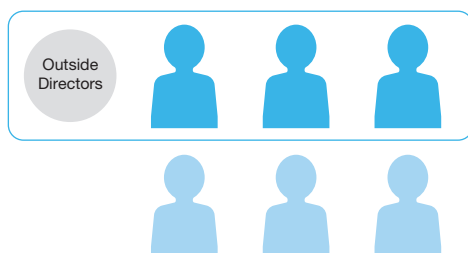
**1,320** as of March 31, 2023

Number of sites in Japan (Counted by address)



Composition of the Board of Directors (% of Outside Directors)

Fiscal 2022 Among **6** Directors  
**3** Outside Directors **50.0%**



Number of containers for modal shift

Railway containers: **4,353**Ferry container chassis: **25,107**



**As the only listed company bearing the Shibusawa name, we will act solely for the right reasons to embody the spirit of our founder in our business activities.**

**Takeshi Osumi**  
President

#### “Mission to be sustainable”—Our corporate slogan continuing the spirit of Eiichi Shibusawa

Shibusawa Warehouse was founded in 1897 by Eiichi Shibusawa, who is considered to be the father of modern Japanese capitalism. Now, as the only listed company to bear the Shibusawa name, we are continuing his spirit through the corporate slogan of “Mission to be sustainable.” We have also adopted “Only the profits pursued through right reason can be sustainable and enrich society” as a shared value that embodies the spirit of the founder, Eiichi Shibusawa.

As I am sure you are all aware, Eiichi Shibusawa played a huge role in the formation of modern Japan. In addition to establishing First National Bank, Japan’s first bank, he devoted himself to establishing and nurturing companies under the joint-stock company structure, and he was involved in the operations of about 500 companies throughout his life. He also supported about 600 public works and other projects that benefitted society. The driving force behind these efforts was a sense of crisis regarding the future of Japan he felt as he watched how various Asian countries at the time were being colonized. He advocated the unity of morality and economy and was concerned about making Japanese society prosperous in a way that would last. In modern terminology, this idea is expressed as sustainability, and can be seen as taking action with a view to realizing permanence based on a long-term vision. He also valued the idea that only the ethically reasonable profit through healthy competition can continue, and lead to development and progress.

We have positioned this spirit of our founder, Eiichi Shibusawa, as our most important management principle and it has been adopted as our shared value and expressed in our corporate slogan. Last year, in 2022, we celebrated the 125th anniversary of our founding, and this year we are following up by issuing our first integrated report for all stakeholders. This has given us another chance to communicate our aspirations to our stakeholders so that going forward, we can travel the path toward sustainable growth together.

#### Advancing a long-term Group management strategy toward our vision for 2030

The Shibusawa Warehouse Group has set “Support the realization of a sustainable and prosperous society through new value creation beyond logistics” as our mission to be pursued on behalf of society and we are practicing management that is aligned with our long-term vision Shibusawa 2030 Vision. This long-term vision outlines the Shibusawa Warehouse Group’s aspirations for 2030 of being a value partner creating new value for customers’ business activities. It includes targets for 2030, the final year of the vision, of 100.0 billion yen in operating revenue, 6.0 billion yen in operating profit and 6.2 billion yen in ordinary profit.

To date, the Group has realized sustainable growth through our logistics and real estate businesses. On the other hand, it cannot be denied that there are limits to the value that our business can create, in terms of customer value and social value, by just transporting and storing goods. Based on this, we will pursue business



strategies along two axes. On the vertical axis, we will strive to clarify and enhance our strengths, including our competitive edge in regard to products we are particularly skilled at handling, such as beverages and daily necessities, and the concentration of areas and routes in the metropolitan areas of Tokyo, Nagoya, and Osaka. On the horizontal axis, we will work to expand our business domain, including by making proposals that take into account entire supply chains, such as revising inventory placement for customers, and by taking on outsourcing projects for operations that are connected to logistics, particularly the provision of settlement services. In this way, we will aim to create even greater value and expand our revenue opportunities.

### Progress on the Shibusawa Group Midterm Strategy 2023

We are advancing the Shibusawa Group Midterm Strategy 2023 (fiscal 2021–2023) as the first stage of growth toward realizing the Shibusawa 2030 Vision. Our targets for fiscal 2023 were for an operating revenue of 73.0 billion yen, an operating profit of 4.5 billion yen, and an ordinary profit of 4.7 billion yen. In fiscal 2022, we achieved an operating revenue of 78,504 million yen, representing 108% of the plan's final target, an operating profit of 4,894 million yen, representing 109% of the final target, and an ordinary profit of 5,847 million yen, representing 124% of the final target. Although there were some extraordinary factors, such as rises in sea and air freight rates providing revenues that boosted top-line growth, we have achieved all of the plan's financial targets a year ahead of schedule.

The current outlook anticipates the 2024 problem in Japan's logistics industry, driven by factors such as the introduction of limits on the length of working hours, as well as a recovery in the domestic business climate. A response will be needed to the labor shortages that will be brought about by these circumstances, so we are working to make our operations more efficient through the promotion of DX. As part of this, in March 2024, we will take advantage of our strength in transporting beverages by opening a dedicated beverage logistics facility in Chiba City that will incorporate cutting edge technology such as unmanned transportation systems and automated guided forklifts. In addition, in another

area in which we excel, the transportation of high-mix low-volume lot shipments, we will make our operations more efficient through initiatives such as the introduction of automated sorting robots at our facility in Matsudo. Additionally, in response to limits on the length of drivers' working hours, we are currently working on transportation that combines long-distance and local handling, as well as earnestly strengthening cooperation with partner companies.

While the above gives a level-headed analysis of the background behind our favorable business performance in fiscal 2022, over the last two years, I feel there has been an especially big response to our achievements in considerably increasing the number of new facilities and operations to lay the groundwork for our future. Specifically, amid efforts to realize development on the vertical axis of clarifying the Group's strengths and development on the horizontal axis of strengthening management aimed at expanding our business domain, as mentioned previously, we have managed to strengthen our ability to respond to customers' needs through initiatives such as opening three new logistics facilities in Japan and launching a subsidiary in the Philippines. Also, in addition to starting the full-scale operation of a combined R&D rental facility and logistics facility in Yokohama in April 2023, we have been steadily expanding our business domain, including undertaking logistics operations at manufacturing plants, managing the export of Japanese foodstuffs, and handling cold chain logistics overseas.

### Conceptualizing our next midterm strategy

As we are about to enter the final year of our current midterm strategy, fiscal 2023 will be a year in which we will wrap up our current midterm strategy and start the important work of conceptualizing our next midterm strategy.

All that I can say about this next midterm strategy at present is that we think the major themes will be further raising the profitability of businesses that we have been reinforcing as part of efforts to clarify our strengths, and expanding our business domain by realizing the commercial operation of businesses that are still at the idea stage. We will also address the 2024 problem, one of our more pressing business themes, by continuing



the initiatives of our current midterm plan, including strengthening cooperation with partner companies and refining methods for managing work hours.

Our outlook for the external environment is that as the effects of the COVID-19 pandemic continue to dissipate, there are areas that, instead of returning to the pre-pandemic economic environment, are still feeling around for a post-pandemic form. In regard to consumption in

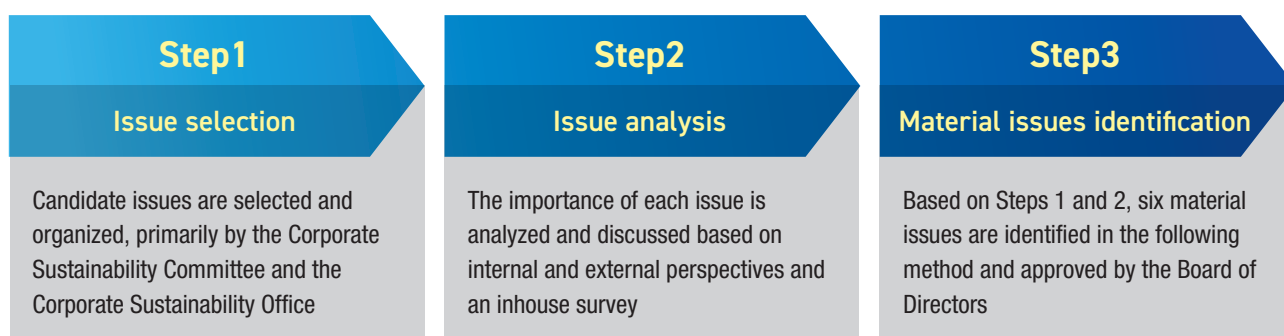
Japan, there are some industries and products that have largely returned to pre-pandemic performance levels and some that have not. While monitoring this situation carefully, we plan to set the next midterm strategy's numerical targets, covering fiscal 2024 onward, based on the firm success we have achieved over the past two years.

### Initiatives addressing sustainability-related material issues

We have determined six material issues concerning sustainability, which include climate action and conversion to a circular economy, and we have set key goal indicators (KGI) and key performance indicators (KPI) for each of these. We will address the risks and business opportunities posed by each of these sustainability-related issues. As the Group is a source of Scope 3 emissions to our customers, we feel an extremely strong pressure from them to take environmental measures.

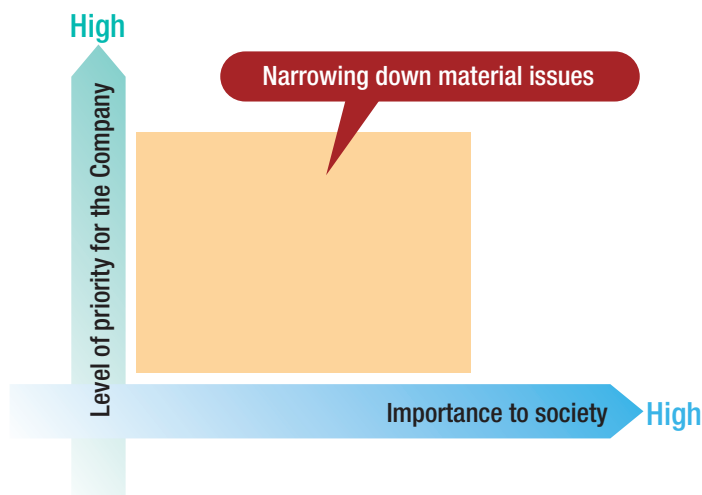
Some examples of how we are responding include the implementation of a modal shift by changing transportation methods, the installation of solar power

#### ● Material issues determination process



#### ● Material issues identification method

- 1) Issues that are consistent with our values, vision, and mission and that facilitate business activities which solve social issues
- 2) Issues that are important to the Company as they will impact the achievement of our values, vision, and mission if not resolved
- 3) Important issues that underpin the management and business activities of other companies and will have a major negative impact if the Company falls behind
- 4) Issues that are a priority for both the Company and society
- 5) Review is implemented with cooperation from the Association for Sustainability Communication



at our warehouses (zero-emission warehouses), and the introduction of forklifts powered by lithium-ion batteries and electric trucks. We also recognize that it is extremely important that we visualize the CO<sub>2</sub> emissions generated during the provision of the Group's services and contribute to our customers' efforts to meet CO<sub>2</sub> emission reduction targets. We have positioned this as an important point within our material issues.

### Resolving our PBR of less than 1.0

We see the absolute upmost priority of corporate management as enhancing corporate value by growing both top line revenue and profit to facilitate business growth. Therefore, we intend to focus on our current efforts to enhance our strengths and competitive edge to grow profit on sales. If we achieve this, we want to raise the level of shareholder returns in a clear way. We will seek to raise ROE through this profit growth and appropriate capital policy.

In addition, in regard to non-financial activities, such as the laying of a foundation for future growth explained previously, as well as initiatives to address material

issues related to sustainability and respect for human rights (we formulated a Group human rights policy in March 2023), we will work to raise the price-earnings ratio (PER) by winning understanding and support for management efforts targeting our medium- to long-term growth through the enhancement of IR activities.

### Message to stakeholders

Starting from 2024, Eiichi Shibusawa will be featured on Japan's 10,000 yen note, and as the only listed company to bear the Shibusawa name, we have a powerful desire to continue being a company that lives up to this name. Under this strong feeling and resolve, shared by not only myself, but also all Group employees, as the Group moves forward and grows, we want to incorporate the founder's spirit into our activities, both financial and non-financial, and to embody it, as stated at the beginning of this message. I hope that our stakeholders will appreciate what we, as the Shibusawa Warehouse Group, are doing from this kind of long-term perspective. I look forward to your continued support.

### ● KGIs for material issues and related SDGs

Material Issue	Key Goal Indicator (KGI)	Related SDGs
Climate action	A company contributing to reducing environmental burden Reduce 30% of CO <sub>2</sub> emissions intensity per sales in fiscal 2030 from fiscal 2019 levels	7 AFFORDABLE AND CLEAN ENERGY, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES, 13 CLIMATE ACTION
Conversion to a circular economy	A company contributing to conversion to a circular economy	8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 14 LIFE BELOW WATER, 15 LIFE ON LAND
Safety and security	Realization of a secure society through safe business operations	3 GOOD HEALTH AND WELL-BEING, 8 DECENT WORK AND ECONOMIC GROWTH, 11 SUSTAINABLE CITIES AND COMMUNITIES
Innovation	Strengthened service competitiveness and realization of a sustainable society	8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 17 PARTNERSHIPS FOR THE GOALS
Respects for human rights	Creation of a work environment that brings together diverse human resources and help them flourish	5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Partnership	Partnership with business partners and local communities	3 GOOD HEALTH AND WELL-BEING, 8 DECENT WORK AND ECONOMIC GROWTH, 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 17 PARTNERSHIPS FOR THE GOALS



# Value Creation Process

## Group Mission

Support the realization  
We will untiringly strive to

## Input

### ● Human and organizational capital ●

Number of Group employees ...**1,320**  
Number of Group companies ...**24**

### ● Intellectual capital ●

Expertise in a wide variety of logistics services  
Hybrid operations combining manpower and automation  
In-house developed systems (WMS, TMS, and import/export cargo handling)

### ● Financial capital ●

Total assets ...**115.8 billion yen**  
Cash and cash equivalents  
Year-end balance ...**20.1 billion yen**

### ● Manufactured capital ●

Number of locations ...**approx. 170**  
Floor area of warehouses ...**approx. 500,000m<sup>2</sup>**

### ● Social and relationship capital ●

Trusting relationship with stakeholders

### ● Natural capital ●

Energy consumption  
...**14,815kL (crude oil-equivalent)**

## Business Model



永続する使命。  
**澁澤倉庫**  
Shibusawa Warehouse

Reinforce strengths

Expand business domain

**Logistics business**

Expand business domain

Develop services that go beyond the bounds of logistics

**Real estate business**

Smart and resilient facilities

## Shibusawa Group Midterm Strategy 2023

P14

- Provide competitive logistics services
- Improve profitability
- Lay the groundwork for creating new future-oriented services
- Enhance real estate facilities
- Evolve ESG initiatives

## Management foundation

- Sustainability management
- Corporate governance
- Risk management

P19

P29

P32

## The spirit of the founder, Eiichi Shibusawa

Only the profits pursued through right reason can be sustainable and enrich society

of a sustainable and prosperous society through new value creation beyond logistics  
increase our corporate value and pursue to realize our slogan "Mission to be sustainable."

## Output

### Logistics business P16-17

Warehousing	Land transportation
Harbor transportation	International multimodal transportation

Operating revenue ...72.5 billion yen  
Operating profit ...3.7 billion yen

- Deepen and enhance expertise
- Promote digitalization/mechanization
- Expand business domain
- Lay the groundwork for outsourcing services

### Real estate business P18

Real estate leasing	Real estate development
---------------------	-------------------------

Operating revenue ...6.1 billion yen  
Operating profit ...3.2 billion yen

- Pursuing synergies with logistics business
- Forming strategic partnership

### Achievement of major non-financial KPIs P20

- CO<sub>2</sub> emissions per floor area of commercial warehouses ...**Down 13.2% YoY**
- Renewable energy sourcing in the real estate business ...**44.42%**
- New projects with use of technologies to improve operational efficiency ...**27 projects**
- Paid leave uptake ...**55.39%**
- Meetings with business partners held ...**7 times**
- Collaborations in social activities ...**7 cases**

## Outcome

### Shibusawa 2030 Vision P13

#### Social value

##### The social mission we should fulfill

Realization of a sustainable and prosperous society

##### Long-term strategy

To be a value partner creating new value for customers' business activities

- Leading logistics service in focusing categories
- Outsourcing service beyond logistics service area
- Smart and resilient real state facilities
- Partnership with stakeholders
- Work environment to motivate diverse human resources
- Effective corporate governance

#### Economic value

Operating revenue ...**100.0 billion yen**  
Operating profit ...**6.0 billion yen**  
Ordinary profit ...**6.2 billion yen**

#### Environmental value

- A company contributing to reducing environmental burden CO<sub>2</sub> emissions in fiscal 2030  
...**Down 30% from fiscal 2019 levels**
- A company contributing to conversion to a circular economy
- Realization of a secure society through safe business operations
- Strengthened service competitiveness and realization of a sustainable society
- Creation of a work environment that brings together diverse human resources and help them flourish
- Partnership with business partners and local communities

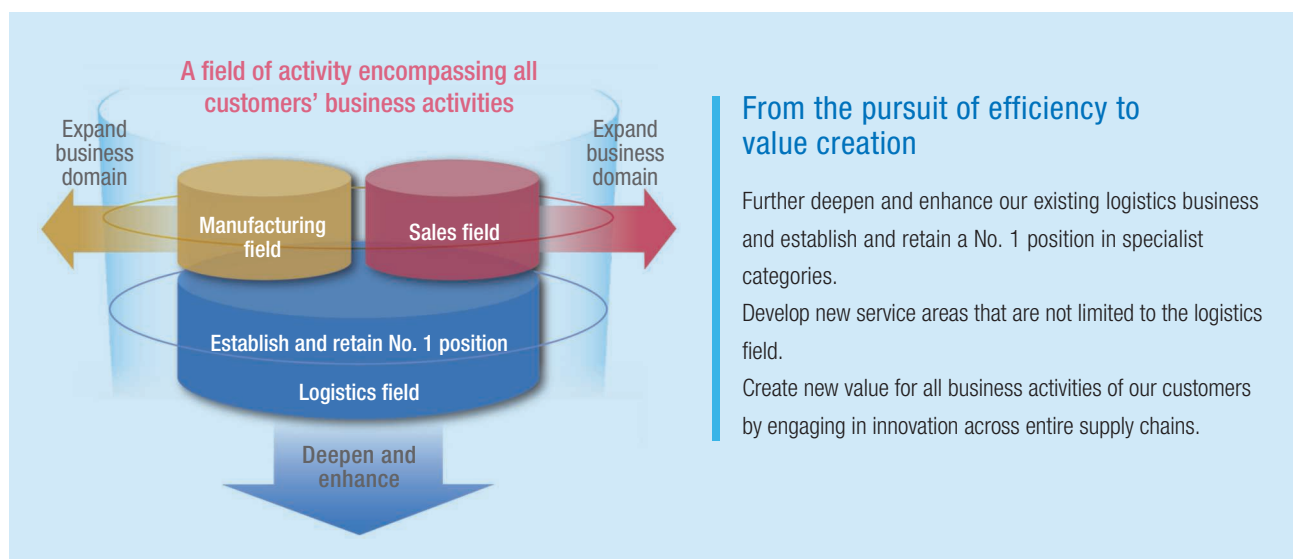
# Medium- to Long-Term Vision

## Shibusawa 2030 Vision

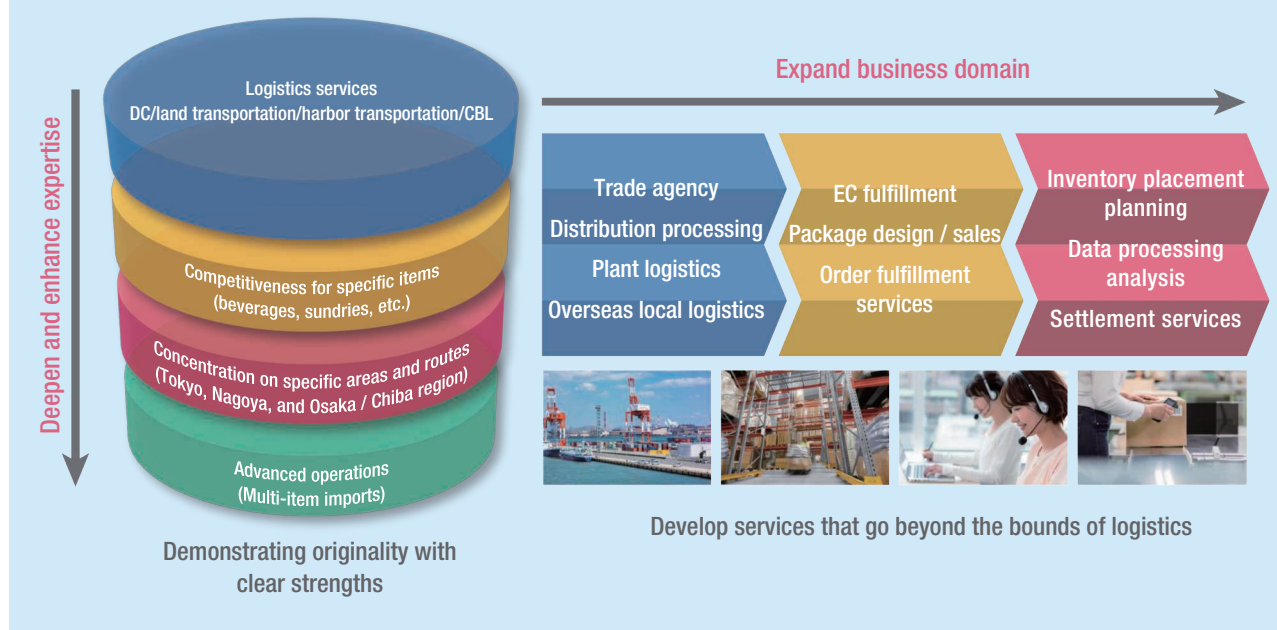
### Vision of the Shibusawa Warehouse Group in 2030

#### To be a value partner creating new value for customers' business activities

We aim to realize a sustainable and prosperous society through logistics and real estate business. However, in our long-term vision for the period up to 2030, we will not limit our activities to just the logistics field, but will also work to create new value for all business activities of our customers by engaging in innovation across entire supply chains through the creation of new service areas.



#### Strengthen competitiveness in our logistics business and expand service areas





For details on the midterm strategy, please visit our corporate website.  
<https://www.shibusawa.co.jp/ir/management-policy/> (in Japanese)



## Shibusawa Group Midterm Strategy 2023

- Clarify our strengths and provide competitive logistics services by steadily implementing growth strategies for the logistics business.
- Raise the profitability of existing operations by reducing costs and revising order conditions, including charging appropriate rates, in line with changes in the business environment.
- Lay the groundwork for creating new future-oriented services that go beyond conventional logistics services.
- Enhance our real estate business portfolio by pursuing strategic partnerships and synergies with the logistics business.
- Evolve ESG engagement to sustainably enhance corporate value.

### Progress on growth strategies

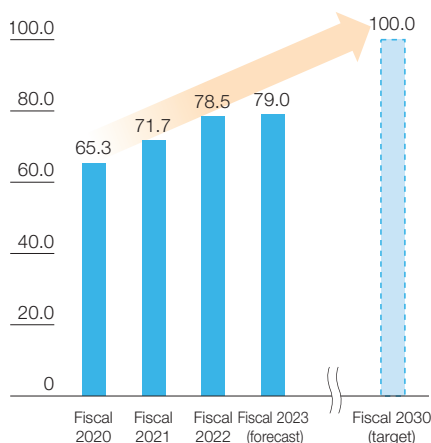
#### • Main initiatives before and in fiscal 2022

Improving operational efficiency through DX promotion	<ul style="list-style-type: none"> <li>• Opened a dedicated beverage logistics facility in Chiba City that uses automated transportation systems and automated guided forklifts to reduce manpower needs and that can operate 24 hours a day</li> <li>• Introduced automated sorting robots at our facility in Matsudo to make small cargo transportation more efficient by increasing EC shipments of high-mix low-volume items, such as imported goods and apparel</li> </ul>
Increasing responsiveness by enhancing facilities	<ul style="list-style-type: none"> <li>• Established new facilities in Japan (Kitamoto, Saitama Prefecture; Yokohama, Kanagawa Prefecture; Matsudo, Chiba Prefecture, etc.)</li> <li>• Started operating a subsidiary in the Philippines</li> <li>• Expanded network in Shizuoka Prefecture by making Heiwa Mirai Co., Ltd. into a consolidated subsidiary</li> </ul>
Expanding business domain beyond the bounds of logistics	<ul style="list-style-type: none"> <li>• Started the full-scale operation of a combined R&amp;D and logistics facility in Yokohama</li> <li>• Undertook logistics operations at manufacturing plants</li> <li>• Managed the export of Japanese foodstuffs overseas, including cultivating sales channels, and handled local cold chain logistics</li> </ul>
Engaging in ESG initiatives	<ul style="list-style-type: none"> <li>• Switched to 100% renewable energy at major rental office buildings</li> <li>• Collaborated with Data Keeping Service Co., Ltd., an equity method affiliate, to develop a recycling service for office paperwork</li> <li>• Advanced cooperation toward the realization of a circular economy through a business alliance with BYD JAPAN Co., Ltd.</li> </ul>

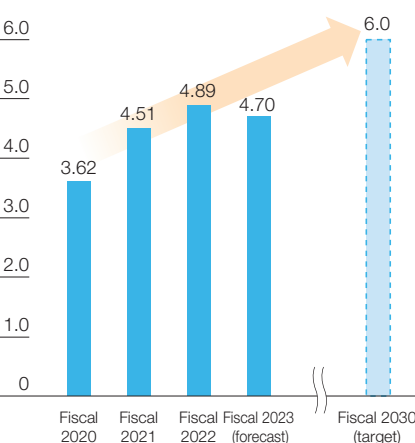
#### • Vision and Midterm Strategy

Midterm Strategy 2023						2030 Vision
Unit: billions of yen	Fiscal 2023 targets	Fiscal 2022 (results)	Progress in fiscal 2022 (%)	Fiscal 2023 (forecast)	Comparison with target	Fiscal 2030 (targets)
Operating revenue	73.0	78.5	108% Achieved 1 year ahead of schedule	79.0	108%	100.0
Operating profit	4.5	4.89	109% Achieved 1 year ahead of schedule	4.7	104%	6.0
Ordinary profit	4.7	5.84	124% Achieved 1 year ahead of schedule	5.3	113%	6.2

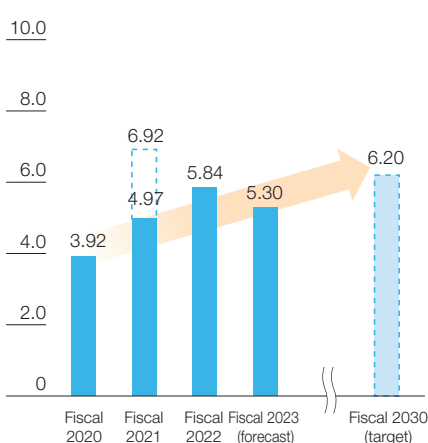
Operating revenue (billions of yen)



Operating profit (billions of yen)



Ordinary profit (billions of yen)



# Business Overview

## Providing the best possible services and contributing to a sustainable and prosperous society through the logistics and real estate businesses as the Group's two pillars

The Shibusawa Warehouse Group is committed to contributing to a sustainable and prosperous society through business activities. To this end, with the logistics and real estate businesses as the Group's two pillars, the Group delivers the best possible services to its customers, under the spirit of the founder, Eiichi Shibusawa, that "only the profits pursued through right reason can be sustainable and enrich society" as shared values. Our logistics business provides logistics services both in Japan and overseas including storage, processing, and import and export forwarding, for a wide range of products from beverages and daily necessities to industrial products. The real estate business provides

real estate development, leasing, and property management services.

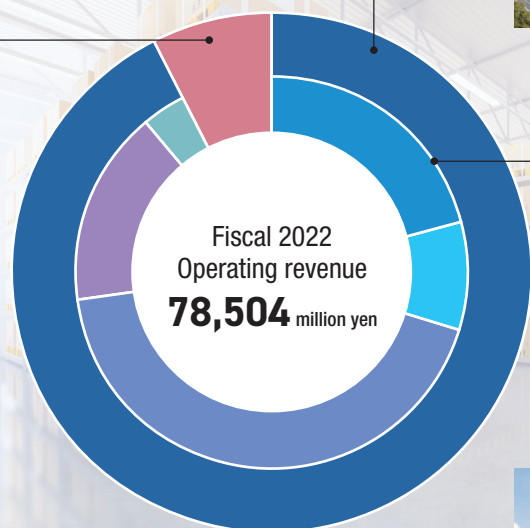
The Group's social mission is to "support the realization of a sustainable and prosperous society through new value creation beyond logistics," and the shared values for putting this into practice are "only the profits pursued through right reason can be sustainable and enrich society."

In addition to demonstrating our originality by clarifying our business strengths, we will develop services beyond the logistics framework. By doing so, we aim to be a value partner that creates new value for customers' business activities, continuing to be a company practicing "Mission to be sustainable."

### ● Operating revenue composition by segment

#### Logistics Business 92.1%

Operating revenue: **72,549** million yen  
YoY change: Up 9.8%



● Warehousing	22.5%
● Harbor transportation	9.5%
● Land transportation	46.2%
● International multimodal transportation	17.5%
● Other logistics operations	4.3%

#### Real Estate Business 7.9%

Operating revenue: **6,199** million yen  
YoY change: Up 6.2%



## Business Overview

## Logistics Business



## Warehousing

We provide warehouse and distribution center functions as strategic bases for customers' supply chain management through our network covering major cities in Japan and next-generation site operations through DX and innovative systems. We develop optimal procurement and inventory allocation plans using logistics data and establish operations that anticipate the needs of the next generation of logistics through DX and innovative systems to optimize the entire supply chain. We are also working to reduce the environmental burden by promoting workstyle reforms and green management. In addition to distribution processing services such as product inspection, refilling, and label application for daily necessities, apparel, and food, we provide distribution and production services for automotive parts and other products that integrate parts consolidation and assembly functions.

## Results for fiscal 2022

Operating revenue:

**16,308** million yen

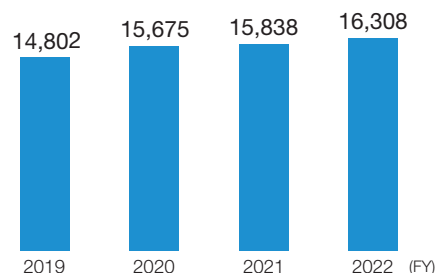
YoY change: Up 3.0%



## Review on fiscal 2022

We had an increased revenue thanks to the increased storage and distribution processing operations for cosmetics and machine parts, as well as contributions from new facilities in Yokohama, Kanagawa Prefecture, and Kitamoto, Saitama Prefecture, and increased floor space in Matsudo, Chiba Prefecture.

Operating revenue (millions of yen)



## Land Transportation

We have established a safe and reliable transportation system with a transportation network covering all areas of Japan. We offer transportation modes suited to customer needs, such as chartered and loading transportation. We consolidate products such as daily necessities, beverages, and apparel by category at a logistics site and deliver them to the same destination. We also conduct cross-dock delivery in which we group products shipped from multiple factories and distribution centers by destination at the truck yard of our facilities. In addition, the modal shift from truck transportation to railway freight transportation by a group company Omiya Transport Co., Ltd. and ferry freight transportation by another group company Nissho Transport Co., Ltd., has been significantly effective in solving the following social issues: the reduction of environmental burden, growing driver shortage, improvement of the drivers' working environment, and business continuity planning (BCP) against natural disasters that are becoming increasingly severe.

## Results for fiscal 2022

Operating revenue:

**33,532** million yen

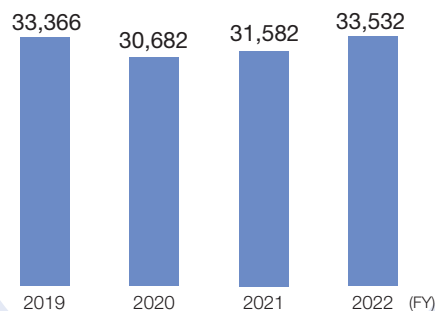
YoY change: Up 6.2%



## Review on fiscal 2022

We had an increased revenue thanks to strong performance in the transportation and delivery of beverages, imported cargo, machine parts, and other products.

Operating revenue (millions of yen)







## Results for fiscal 2022

Operating revenue:

**6,879** million yen

YoY change: Up 3.0%



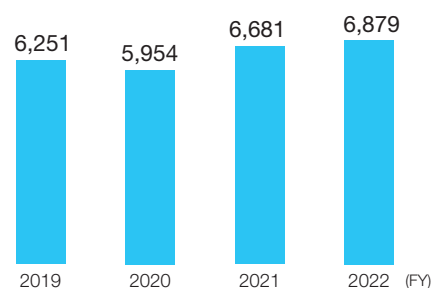
## Review on fiscal 2022

We had an increased revenue thanks to increased import/export and onboard cargo handling operations at major ports.

## Harbor Transportation

With a network covering major ports in Japan (Tokyo, Yokohama, Nagoya, Osaka, Kobe, etc.), we provide one-stop, high-quality harbor transportation services for imports and exports, including customs clearance, bonded warehousing and container transportation, as an authorized customs broker and warehouse operator under the AEO system. We also provide safe and high-quality port cargo handling services using our know-how accumulated over many years. Our services encompass the arrangement of maritime pilots and tugboats, various procedures for the Japan Coast Guard, customs, quarantine offices, and related ministries and agencies, a wide range of ship agency services such as the issuance of B/L, and loading/unloading and lashing operations of heavy machinery, vehicles, long and heavy cargo, and plant cargo onto and off conventional ships.

Operating revenue (millions of yen)



## International Multimodal Transportation

Through our global network, we provide international multimodal transportation services with an optimal combination of land, sea, and air transportation modes. We support our customers' procurement and sales strategies by proposing optimal transportation routes considering costs and lead times while responding to diverse international logistics needs, such as trilateral transport and door-to-door international multimodal transportation services. We also provide marine transportation services for container and mixed cargo as well as door-to-door multimodal transportation services as a non-vessel operating common carrier (NVOCC).

## Results for fiscal 2022

Operating revenue:

**12,725** million yen

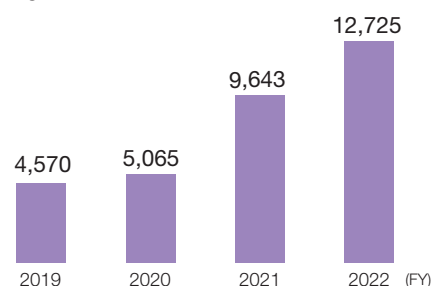
YoY change: Up 32.0%



## Review on fiscal 2022

We had an increased revenue thanks to the increased volume of imported air freight, the weaker yen, and the high ocean and air freight unit prices.

Operating revenue (millions of yen)



## Business Overview

## Real Estate Business



## Real Estate Development and Leasing

We develop and lease office buildings, commercial facilities, and multi-family residential properties. We are working on sustainable facility management, such as increasing resilience of facilities in preparation for severe disasters, improving the wellness of people using them, and sourcing renewable energy. In addition, Shibusawa Facilities Co., Ltd., one of the Group companies, provides a safe and secure business operating environment where all users can spend their time comfortably through building maintenance services and various construction work such as construction, facility installation, and interior work.

## Results for fiscal 2022

## Operating revenue:

6,199 million yen

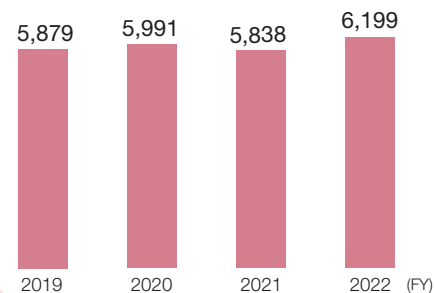
YoY change: Up 6.2%



## Review on fiscal 2022

We had an increased revenue thanks to increased real estate rental income resulting from higher facility occupancy rates and tenant construction orders for wellness improvements.

Operating revenue (millions of yen)



## TOPICS

## Plan for opening a dedicated beverage logistics facility in Chiba City, Chiba Prefecture

We operate multiple beverage logistics centers to provide customers with storage, distribution processing, transportation and delivery, and cross-docking services. We have decided to use the entire building of the logistics facility that will be developed by GLP Japan Inc. in Hanamigawa-ku, Chiba City, as our new dedicated beverage logistics center (the “facility”) to address further expansion of handling volume and to improve the quality of service and efficiency by utilizing our expertise. The facility will have a build-to-suit (BTS) specification reflecting our expertise in storage, cargo handling, and logistics flow lines in the beverage logistics business. In addition, the facility will come with DX and emerging innovative technologies, such as unmanned transportation forklifts and automated transportation machines (Magic Rack®) that work in conjunction with warehouse management systems (WMS) to automate operations and save labor. By these means, the facility will enable improved work efficiency and working environment to realize safety and security for workers. We will also work to reduce greenhouse gas emissions by installing solar power generation equipment for private consumption and introducing lithium-ion battery forklifts.



We position the Chiba-Kita area, where the facility is located, as a strategic priority area for our beverage logistics because of its convenient access to the bay area where logistics sites are concentrated, and its convenient transportation for delivery to the entire Kanto region. We will continue to meet our customers' diverse and sophisticated logistics needs by utilizing our network added with this facility.

## Overview of the Facility

Location:	762 Sankaku-cho, Hanamigawa-ku, Chiba City, Chiba Prefecture
Site area:	approx. 14,000m <sup>2</sup>
Total floor area:	approx. 24,000m <sup>2</sup>
Structure:	Steel-framed building with three floors above ground
Start of construction:	February 2023
Completion:	February 2024 (scheduled)

# Sustainability Management

Embracing the spirit of the founder, Eiichi Shibusawa, that “only the profits pursued through right reason can be sustainable and enrich society” as shared values, we at the Shibusawa Warehouse Group are committed to delivering the best possible services to our customers, thereby realizing a sustainable and prosperous society through our business activities.

The Group established its Sustainability Promotion Policy to clearly demonstrate the direction of its management for sustainability to all stakeholders, including shareholders, customers, and its employees. Based on the Policy, we have identified six material issues

and specified business activities that will help solve these issues.

In the work environment that brings together diverse human resources and facilitates opportunities for them to play active roles, we will strive to fulfill our social mission “to support the realization of a sustainable and prosperous society by creating new value beyond logistics” to further enhance our reputation among many of our stakeholders, and, as a result, increase our corporate value, by making a range of efforts, such as resolving issues related to global warming and human rights, and contributing to the development of regional communities.

## Sustainability Promotion Policy

The Shibusawa Warehouse Group has set its corporate slogan as “Mission to be sustainable.”

This shows the spirit of the founder, Eiichi Shibusawa, that “only the profits pursued through right reason can be sustainable and enrich society.” Inheriting this concept of sustainability, we have defined our group social mission to support the realization of a sustainable and prosperous society by creating new value beyond logistics.

1. Climate action
2. Conversion to a circular economy
3. Safety and security
4. Innovation
5. Respect for human rights
6. Partnership

We have defined these six as our material issues, and by working to solve these issues that can affect sustainable growth not only for us but also for society through our business activities, we will increase our corporate value. In addition, we will build and maintain a system in which such business activities can be carried out based on the right reason.

We will evolve our sustainability promotion by promoting information disclosure and dialogue with society.





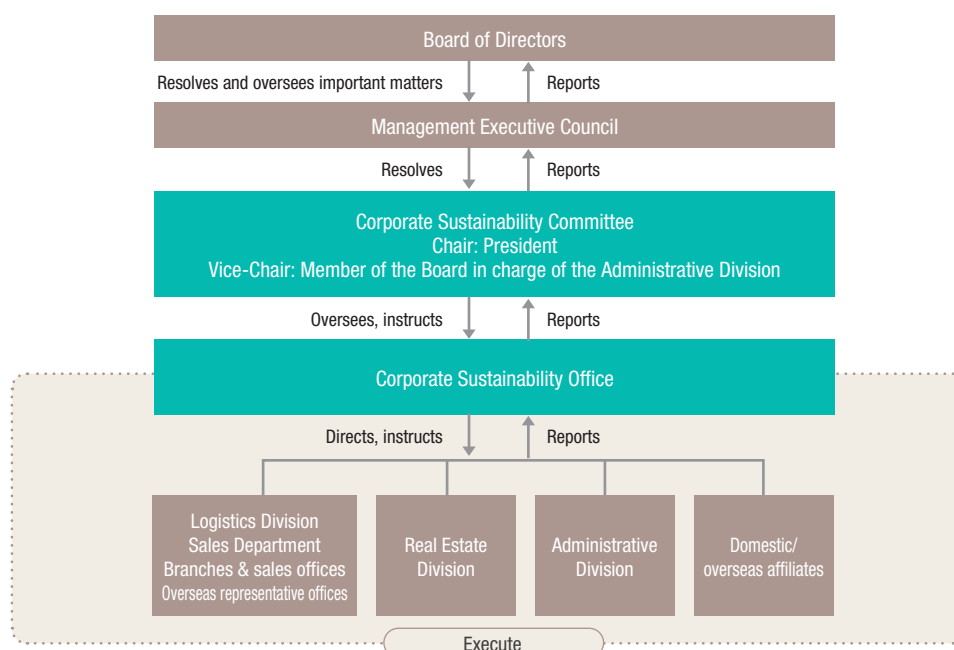
## ● KGIs / evaluation items / KPIs for material issues

Material issues	Key Goal Indicator (KGI)	Evaluation item	Key Performance Indicator (KPI)	Targets for fiscal 2022	Actual results for fiscal 2022
Climate action	A company contributing to reducing environmental burden CO <sub>2</sub> emissions intensity per sales in fiscal 2030: Down 30% from fiscal 2019 levels	Reduction of CO <sub>2</sub> emissions in warehousing operations	CO <sub>2</sub> emissions per floor area of commercial warehouses <sup>*1</sup>	Down 3% YoY	Down 13.2% YoY
		Reduction of CO <sub>2</sub> emissions in land transportation operations	Use of vehicles compliant with the latest environmental regulations (%)	Up 3% YoY	Up 4.94 points YoY
		Renewable energy sourcing in the real estate business	Renewable energy sourcing (%) <sup>*2</sup>	30%	44.42%
Conversion to a circular economy	A company contributing to conversion to a circular economy	Contribution to conversion to a circular economy	Security boxes installed (for collecting, dissolving, and recycling confidential documents)	Up YoY	Up 15 units YoY
Safety and security	Realization of a secure society through safe business operations	Improved safety and security in society	Accidents per operating revenue in the logistics business	Down 10% YoY	Up 5.0% YoY
		Improved safety and security in business	Occupational injury frequency rate	Down 3% YoY	Up 5.4% YoY
Innovation	Strengthened service competitiveness and realization of a sustainable society	Improved operational efficiency through introduction of technologies	New projects with use of technologies to improve operational efficiency	10 projects	27 projects
Respect for human rights	Creation of a work environment that brings together diverse human resources and help them flourish	Promotion of diversity	Female employees in managerial positions (%)	Up YoY	Down 0.51 points YoY
			Paid leave uptake (%)	Up YoY	Up 3.21 points YoY
		Proactive investments in human resources	Cumulative total number of participants in stratified training	Up YoY	Up 24 persons YoY
			Cumulative total number of participants in job-based training	Up YoY	Down 91 persons YoY
Partnership	Partnership with business partners and local communities	Strengthened relationships with business partners and local communities	Meetings with business partners held	3 times	7 times
			Collaborations in social activities	5 cases	7 cases

\*1 The amount of CO<sub>2</sub> emissions from the consumption of electricity at commercial warehouses owned by the Company

\*2 Boundary: rental office buildings (in Kayaba-cho, Eitai, and Kakigara-cho areas)

## Sustainability promotion structure



## Climate Action

### Basic Policy on the Environment

1. The Shibusawa Warehouse Group engages in the following environment conservation activities:
  - Promote reduction of greenhouse gas emissions through our logistics business and operating our facilities
  - Promote the delivery of logistics services that facilitate the conversion to a circular economy
  - Reduce waste by strict waste separation and appropriate processing and recycling
2. We set environmental targets tailored to the Group and assess the progress of such targets each fiscal year to keep improving our activities.
3. We strive to prevent incidents of environmental pollution and preserve biodiversity, while complying with environmental laws, regulations, ordinances, agreements, and other requirements.
4. We promote education and training activities to ensure that all our officers and employees understand and act in line with this policy.

### Measures against climate change based on the TCFD recommendations

The Group discloses information appropriately in a manner consistent with the recommendations published by the Task Force on Climate-related Financial Disclosures (the “TCFD”) of the Financial Stability Board (the “FSB”) from fiscal 2022.

In addition to strengthening its governance structure, the Group annually analyzes how the risks and opportunities arising from climate change impact the

Group’s businesses. By doing so, the Group works to solve issues relevant to the sustainable growth not only of the Group but also of the society at large through its business activities, thereby ultimately increasing its corporate value.



### Strategy

The Group uses scenario analysis at the Corporate Sustainability Committee to identify and assess significant risks and revenue opportunities arising from climate change that are anticipated to impact the Group’s business activities over the medium to long term and discusses measures to be taken.

During the fiscal year ended March 31, 2023, we analyzed

the scenarios of five companies, including its consolidated subsidiaries, mainly in Japan, our primary area of operation. Specifically, two scenarios, i.e. 4°C scenario and 1.5°C scenario (partly adopting 2°C scenario), with 2030 as the target year, which is also a benchmark year used in Shibusawa 2030 Vision. Details are as follows:

Classification	Type	Item	Assumed risks	Impact		Time horizon
				4°C	1.5°C	
Transition risks	Policies/laws and regulations	<ul style="list-style-type: none"> <li>• Increase in carbon prices</li> <li>• More rigorous regulations on GHG emissions</li> <li>• Transition toward renewable energy/energy conservation policies</li> </ul>	<ul style="list-style-type: none"> <li>• Increase in carbon taxes and other operating costs associated with climate change</li> <li>• Increase in costs for reducing GHG emissions from facilities and equipment</li> <li>• Increase in energy prices</li> </ul>	—	Large	Medium-term
	Technology	<ul style="list-style-type: none"> <li>• Prevalence of renewable energy/energy conservation/next-generation technologies</li> </ul>	<ul style="list-style-type: none"> <li>• Increase in costs for introducing environmental technologies related to reduction of GHG emissions</li> <li>• Decline in company reputation due to a delay in introducing environmental technologies</li> </ul>	Medium	Large	
	Market	<ul style="list-style-type: none"> <li>• Changes in demand for important products</li> </ul>	<ul style="list-style-type: none"> <li>• Loss of customers due to inadequate responses to customers who want storage/transportation with lower GHG emissions</li> </ul>	Small	Large	
	Reputation	<ul style="list-style-type: none"> <li>• Reputation in society</li> </ul>	<ul style="list-style-type: none"> <li>• Decline in company reputation resulting from insufficient efforts to reduce GHG emissions and disclose information</li> </ul>	Small	Large	
Physical risks	Acute	<ul style="list-style-type: none"> <li>• Intensifying natural disasters as a result of extreme weather conditions</li> </ul>	<ul style="list-style-type: none"> <li>• Increasing costs for recovering our facilities that were damaged</li> <li>• Downtime due to the shutdown of operations and the suspension of land/sea/air transportation services</li> </ul>	Large	Small	Short-term
	Chronic	<ul style="list-style-type: none"> <li>• Rise in average temperature</li> </ul>	<ul style="list-style-type: none"> <li>• Declined worker productivity or difficulty securing human resources due to heat stress</li> </ul>	Large	Small	Medium-term

## ● Specific measures against risks

To address climate change, the Group is engaged in a wide range of initiatives including those aimed at reducing GHG emissions, reducing energy consumption, improving energy efficiency, and creating revenue opportunities.

Risk item	Direction of measures	Specific measures (creation of opportunities)
<ul style="list-style-type: none"> <li>• Increase in carbon prices</li> <li>• More rigorous regulations on GHG emissions</li> <li>• Transition toward renewable energy/energy conservation policies</li> </ul>	<ul style="list-style-type: none"> <li>• Promote decarbonization</li> </ul>	<ul style="list-style-type: none"> <li>• Promote modal shift</li> <li>• Streamline logistics operations through the consolidation of warehouse locations by expanding their scale, as well as the optimal allocation of warehouses</li> <li>• Introduce renewable energy</li> <li>• Install power generation facilities</li> </ul>
<ul style="list-style-type: none"> <li>• Prevalence of renewable energy/energy conservation/next-generation technologies</li> </ul>		<ul style="list-style-type: none"> <li>• Promote energy conservation in facility operation (by introducing energy-saving equipment, such as solar panels, building energy management systems or BEMS, and LED)</li> <li>• Promote the introduction of environmental technologies by leveraging the schemes encouraging investments in GHG emissions reduction</li> </ul>
<ul style="list-style-type: none"> <li>• Changes in demand for important products</li> </ul>	<ul style="list-style-type: none"> <li>• Build a low-carbon business operation structure</li> </ul>	<ul style="list-style-type: none"> <li>• Promote decarbonization in business operations and appropriate disclosure</li> </ul>
<ul style="list-style-type: none"> <li>• Reputation in society</li> </ul>	<ul style="list-style-type: none"> <li>• Create and disseminate solutions to climate change</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen the transmission of information to stakeholders</li> </ul>
<ul style="list-style-type: none"> <li>• Intensifying natural disasters as a result of extreme weather conditions</li> </ul>	<ul style="list-style-type: none"> <li>• Increase the resilience of facilities</li> <li>• Enhance disaster prevention/mitigation measures</li> <li>• Diversify transportation systems</li> <li>• Locate facilities in consideration of BCP</li> </ul>	<ul style="list-style-type: none"> <li>• Periodically inspect/repair facilities in anticipation of typhoons and torrential rain</li> <li>• Periodically update BCP and hold related training</li> <li>• Strengthen the structure for driving modal shift</li> <li>• Develop new facilities in consideration of disaster damage risk</li> </ul>
<ul style="list-style-type: none"> <li>• Rise in average temperature</li> </ul>	<ul style="list-style-type: none"> <li>• Improve the workplace environment</li> <li>• Promote labor saving</li> </ul>	<ul style="list-style-type: none"> <li>• Create a comfortable work environment</li> <li>• Promote labor/manpower saving through promoting DX and other initiatives</li> </ul>

## Metrics and targets

### The Shibusawa Warehouse Group's GHG emissions and reduction targets

The Group has designated greenhouse gas (GHG) emissions as the metrics to measure and manage the impact of risks and opportunities that climate change has on its business operations.

Long-term target	Fiscal 2022 target	Fiscal 2022 result	Fiscal 2023 target
Reduce CO <sub>2</sub> emissions per unit of sales by 30% from fiscal 2019 to fiscal 2030	Reduce CO <sub>2</sub> emissions per operating floor area in warehousing business by 3% from fiscal 2021 to fiscal 2022 <small>*Boundary: CO<sub>2</sub> emissions from the consumption of electricity at the Company's own commercial warehouses</small>	Achieved target by reducing CO <sub>2</sub> emissions per operating floor area in warehousing business by 13.2% from fiscal 2021 to fiscal 2022	Reduce CO <sub>2</sub> emissions per operating floor area in warehousing business by 3% from fiscal 2022 to fiscal 2023 <small>*Boundary: CO<sub>2</sub> emissions from the consumption of electricity at the Company's own commercial warehouses</small>

## ● GHG emissions

(Unit: t-CO<sub>2</sub>)

Classification	Fiscal 2021	Fiscal 2022	YoY change
Scope 1	15,051.43	15,833.54	Up 5.2%
Scope 2	13,650.40	11,456.99	Down 16.1%
Total	28,701.83	27,290.53	Down 5.0%

Boundary: Five companies including Shibusawa Warehouse and its consolidated subsidiaries in Japan

## ● CO<sub>2</sub> emissions in warehousing operations (Scope 2)

	Fiscal 2021	Fiscal 2022
Emissions from warehousing operations (t-CO <sub>2</sub> )	3,644.77	3,055.78
Commercial warehouse floor area (m <sup>2</sup> )	231,641.24	223,749.61
Emissions per commercial warehouse floor area (t-CO <sub>2</sub> /1,000 m <sup>2</sup> )	15.73	13.66

Boundary: Shibusawa Warehouse's own commercial warehouses

## Environmental Initiatives

### Shift to environmentally friendly facilities

Our new logistics facilities will feature solar power generation equipment to promote renewable energy and storage batteries to improve the adoption rate of renewable energy. The new warehouse we are building in Honmoku Pier, Yokohama City will feature self-consumption type solar power generation and storage battery facilities as an environmentally friendly property, with functions to maintain both its temperature and humidity constant to cater to diversifying needs of our customers.



### Initiatives to operate logistics operations with less environmental load

We made a proposal to four breweries for joint transportation through modal shift, and they have adopted the proposal since fiscal 2017. Specifically, the products that had been trucked directly from the Kanto region to the Kansai region are consolidated at Chiba Port and transported to Osaka Port via roll on roll off ("Ro-Ro") ships. The products are then trucked to each transportation hub from Osaka Port.

As a result, we have managed to cut CO<sub>2</sub> emissions to nearly one-sixth of the level emitted from direct trucking, thereby contributing to reducing environmental load.



#### ● Actual reductions in CO<sub>2</sub> emissions from four breweries through modal shift

Actual reductions in CO <sub>2</sub> emissions	
Fiscal 2018	377 tons
Fiscal 2019	516 tons
Fiscal 2020	1,352 tons
Fiscal 2021	1,048 tons
Fiscal 2022	779 tons

Source: "Four Breweries' Modal Shift to Ro-Ro Ship Transport" in "Examples of Certified Programs under the Plan for Advancement of Integration and Streamlining of Distribution Business" on the website of the Ministry of Land, Infrastructure, Transport and Tourism

#### ● Track record of modal shifts

	Fiscal 2021	Fiscal 2022
Number of containers switched to railway freight transportation	4,735	4,353
Number of containers and chassis switched to ferry freight transportation	26,706	25,107

Boundary: Consolidated group in Japan

### Recycling of documents

Our document storage service engages in the logistics operation of recycling used paper. For the portion of documents commissioned to be destroyed that customers have given consent, we dissolve them so they can be reused as raw materials for recycled paper. We also offer security boxes to be placed in customer premises. Used paper will be discarded in the box and will go straight to recycling while maintaining information security. The security box serves as a tool to facilitate customers' waste paper recycling. The added guarantee of information security raises the rate of paper recycled, and contributes to reducing CO<sub>2</sub> emissions and water consumed, and conserving forest resources.



#### ● Volume of expired stored documents dissolved and recycled

	Fiscal 2021	Fiscal 2022
Number of boxes of documents dissolved/recycled	28,420	31,213

Boundary: Shibusawa Warehouse



## Reducing environmental load through the introduction of lithium-ion battery forklifts

Compared to conventional lead battery forklifts, they eliminate heavy metal pollution and have greater charging/discharging efficiency, resulting in less CO<sub>2</sub> emissions while in use. The Group is determined to introduce the lithium-ion battery forklifts to promote the decarbonization of its business through zero pollution and zero emissions.



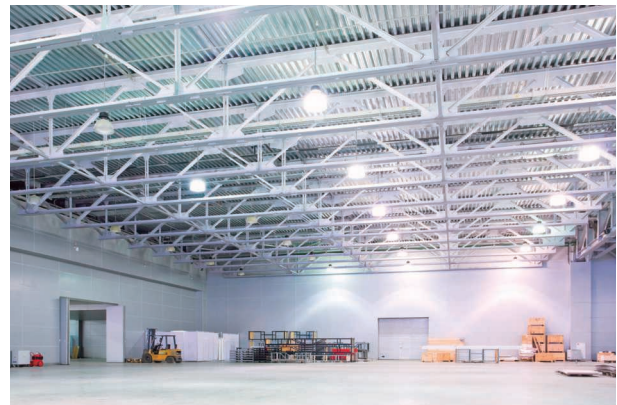
## Introduction of energy-saving lighting

We plan to install LED lighting in the new logistics centers we are building, and switch lighting equipment at existing office buildings and logistics centers to LED lighting to reduce electricity consumption and CO<sub>2</sub> emissions, while maintaining sound work environments.

### ● LED lighting introduced

	Fiscal 2021	Fiscal 2022
Rate of adoption	79.17%	80.00%

Boundary: Shibusawa Warehouse's own logistics service offices (excluding facilities to be demolished)



## Safety and Security

### Basic Policy on Occupational Safety and Health

The Group works to prevent occupational accidents and improve the health of its employees by positioning activities related to occupational safety and health as the most important challenge in its business operation.

1. The Group sets specific targets for occupational safety and health, continues improvement activities, and reviews them by verifying progress each fiscal year.
2. The Group complies with laws, regulations, ordinances, voluntary rules, and other requirements related to occupational safety and health in all fields related to its business activities.
3. The Group has its employees and related parties engage in dangerous and hazardous operations only after duly assessing the risks involved and establishing appropriate equipment, facilities and work procedures for ensuring their safety.
4. The Group works to create a comfortable workplace environment and take various measures to improve the health of its employees.
5. The Group promotes education and training activities to ensure that all its officers and employees understand and act in line with this policy.

### Safety education to truck crew

The Group continues to provide regular and recurring safety education and training to truck crew both inside and outside the Group, including those of subcontractors, to ensure safe and secure transportation.



### Safety education to warehouse workers

We work to ensure safety at logistics sites through efforts such as providing safety education and technical training to warehouse workers.



## Innovation

To reinforce the competitiveness of our logistics business and expand business fields, we have established the Business Innovation Department to organically integrate cutting-edge technologies, such as robotics, AI, and other technologies drawing on big data, with the Group's

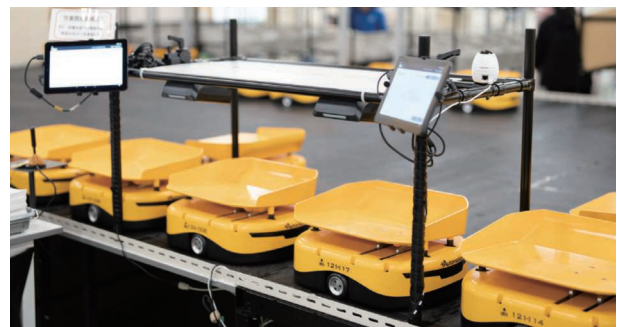
expertise in logistics operations. This is part of our efforts to transform the process of logistics operations and build a service platform that creates new value across all business activities of our customers.

- Innovation Shibusawa's Way (in Japanese)  
People are the power that leverages technology



You can see the video on our corporate website:

[https://www.shibusawa.co.jp/sustainability/dx\\_innovation/](https://www.shibusawa.co.jp/sustainability/dx_innovation/) (in Japanese)



## Respect for Human Rights

### The Shibusawa Warehouse Group Human Rights Policy

Embracing the spirit of the founder, Eiichi Shibusawa, that “only the profits pursued through right reason can be sustainable and enrich society” as shared values, we at the Shibusawa Warehouse Group will support the realization of a sustainable and prosperous society through business activities respecting the human rights of all related parties, and by creating new value beyond logistics. As a guiding principle for such efforts, we have set forth the Shibusawa Warehouse Group Human Rights Policy (hereinafter, this “Policy”) as follows:

#### 1. Compliance with laws, regulations, and norms related to respect for human rights

The Shibusawa Warehouse Group supports and respects international norms related to human rights, including the International Bill of Human Rights (Universal Declaration of Human Rights and International Covenants on Human Rights) and the ILO Declaration on Fundamental Principles and Rights at Work; and endeavors to respect human rights based on this Policy which abides by the UN Guiding Principles on Business and Human Rights.

The Shibusawa Warehouse Group also complies with laws and regulations applicable in countries or regions where it operates business. In the event of any conflict between internationally recognized human rights norms and laws and regulations in the country/region where it operates business, the Group will seek ways to optimally respect international human rights norms.

#### 2. Scope

This Policy applies to all officers and employees who serve at the Shibusawa Warehouse Group.

We also expect that all our business partners understand and support this Policy and join our efforts to promote respect for human rights.

#### 3. Human rights initiatives

The Shibusawa Warehouse Group recognizes that its priority tasks for human rights are to prohibit forced labor, child labor, inhumane treatment, discrimination, and harassment. Accordingly, the Group appropriately addresses human rights issues including the above in all its business activities.

#### 4. Due diligence on human rights

To promote human rights initiatives, the Shibusawa Warehouse Group identifies business activities that negatively impact human rights, through its

human rights due diligence framework, to prevent or mitigate such negative impacts.

#### 5. Correction/remedy

In the event it becomes clear that the Shibusawa Warehouse Group's business activities have negatively impacted or have been involved in negatively impacting human rights, the Group will implement appropriate measures to correct or remedy such negative impacts.

#### 6. Education/training

The Shibusawa Warehouse Group provides education and training to all its officers and employees to ensure that this Policy is applied to all its business activities, thereby seeking to prevent negative impact on human rights.

#### 7. Dialogue and discussion with stakeholders

The Shibusawa Warehouse Group engages in ongoing dialogue and discussion with stakeholders and outside experts on how to address potential and actual negative impacts on human rights.

#### 8. Promotion of diversity

The Shibusawa Warehouse Group creates an environment in which diverse human resources get together and play active roles irrespective of attributes such as race, gender, religion, creed, age, nationality, language, and disability.

#### 9. Disclosure

The Shibusawa Warehouse Group discloses its human rights initiatives based on this Policy on its corporate website and through other media.

This Policy has been approved by the Board of Directors of The Shibusawa Warehouse Co., Ltd.

### Support for the Global Compact

The Group supports the UN Global Compact, and has been registered as a participating company since April 2023.



### Promotion of diversity

In its General Employer Action Plan, the Group aims to increase the percentage of female employees in managerial positions to 15% or more in fiscal 2026, through efforts

#### ● Employees

	As of April 1, 2022	As of April 1, 2023
Number of employees	541	534
Men (composition: %)	372 (68.76)	365 (68.35)
Women (composition: %)	169 (31.24)	169 (31.65)
Number of employees in managerial positions	226	237
Men (composition: %)	201 (88.94)	212 (89.45)
Women (composition: %)	25 (11.06)	25 (10.55)
Mid-career hires	24	28

such as a fair and equitable hiring practices and the creation of a work environment that encourages female employees to thrive. Further, the Group has worked to develop global talents through overseas training programs and has actively assigned local employees to managerial positions. Moreover, we have created an environment in which seasoned employees can play an active role, and are reemploying qualified employees who reached mandatory retirement at 60 up to the time they turn 65 years old so that they can pass on their know-how to young employees. Thus, we are striving to strengthen the Group's competitiveness through initiatives to promote diversity.



## Human Resources Development Policy

Our business is constantly changing in line with changes in customers and society. To stay committed to the corporate slogan “Mission to be sustainable,” we need to maintain a virtuous cycle in which each and every one of us grow together with the organization and keep taking on new challenges.

We will continue to provide those who are willing to learn to prepare for their career paths with opportunities to develop their abilities in a fair and sustainable manner, while developing talents through onsite experience and job rotation and a range of education programs to designated employees. We will also establish an evaluation system that rightfully values employees’ efforts and aspirations for growth to further encourage them. We will strive to create a corporate environment in which self-motivated human resources support each other’s growth and work together.

## Policy for Developing Internal Environment

By respecting diverse values, promoting work-life balance, and engaging in health and productivity management, we will create an internal environment in which each and every employee is able to work energetically, safely and securely in good health and spirits irrespective of their gender, age, nationality, and disability.

## Education system (including training)

We arrange stratified training and job-based training programs and provide our officers and employees with appropriate learning opportunities at the right timing. Stratified training programs refer to programs provided based on their career, including programs for new hires, second-year employees, and newly appointed managerial



staff. Job-based training programs refer to programs provided by the type of job assigned, designed to improve the quality of their job. We also offer a wide variety of online courses that employees can freely subscribe to and provide subsidies to those who have achieved a certain level of scores to improve the skills of our employees.



### ● Training programs

	Item	Fiscal 2021	Fiscal 2022
Stratified training	Number of sessions	10	10
	Cumulative hours (h)	1,513	2,683
Job-based training	Number of sessions	129	129
	Cumulative hours (h)	979	425

Boundary: Shibusawa Warehouse

### ● Safety and Quality Meeting

	Item	Fiscal 2021	Fiscal 2022
Safety and Quality Meeting (warehousing operations)	Number of meetings	1,618	735
	Cumulative meeting hours (h)	1,041	320
Safety and Quality Meeting (land transportation operations/truck crew)	Number of meetings	398	398
	Cumulative meeting hours (h)	228	175

Boundary: Consolidated Group in Japan



## Partnership

### Basic Procurement Policy

To ensure prosperous coexistence with suppliers, the Group aims to contribute to realizing a sustainable society by promoting procurement activities compliant with laws, regulations and social norms.

1. The Group prioritizes cooperating with suppliers on activities to improve the quality and safety of logistics services. All people involved in the Group's businesses also comply with laws, regulations, and social norms related to working practices.
2. In addition, the Group will respect the human rights of and will not discriminate anyone involved in business activities outsourced to suppliers.
3. The Group will neither take advantage of its superior position over suppliers nor make unreasonable demands to suppliers such as personal payoffs. We make fair and transparent transactions at all times.
4. The Group will strive to reduce the environmental load of its business activities in cooperation with all suppliers involved, with the aim of preserving the global environment and achieving the sustainable development of society.
5. The Group engages in education and training activities to ensure that all officers and employees of the Group understand and act in line with this policy.

## Promotion of activities to contribute to local communities

### Lectures

We take part in training programs and lectures as instructors on the spirit of Founder Eiichi Shibusawa who pursued sustainability and public interest.



### Registration as an evacuation site in times of disaster

Our business location in Kobe City has been officially registered as a temporary evacuation site in times of natural disasters, such as tsunami and flood, with the municipal government.



### Local cleanup activities

Our employees volunteer to take part in local cleanup activities.



### Logistics tours

We hold logistics tours for students in a bid to provide them with opportunities to better understand the logistics business.



# Corporate Governance

## Basic concept

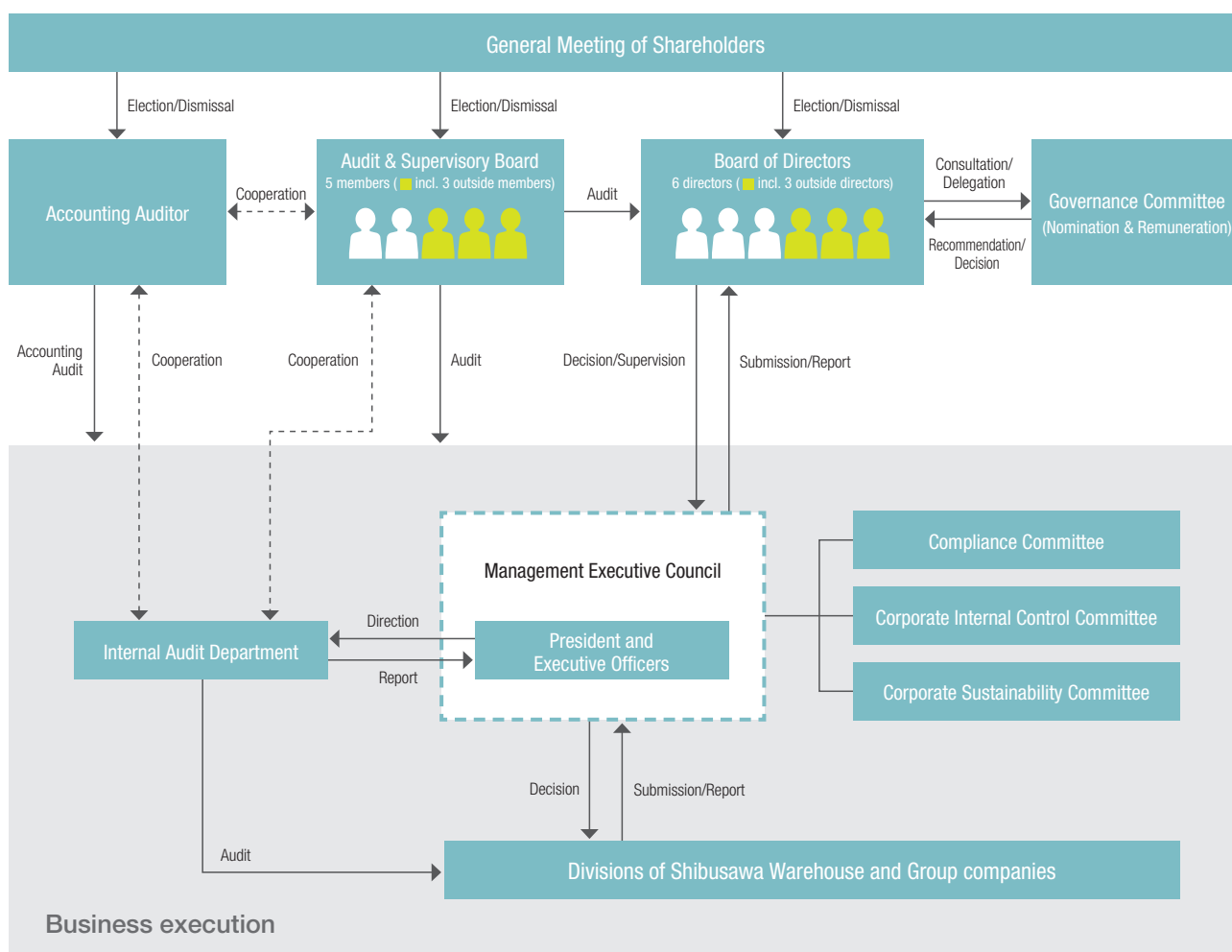
We believe that our corporate governance efforts should contribute to the establishment of an optimal management structure for enhancing corporate value. Through our efforts to strengthen corporate governance, we strive

to achieve sustainable growth of our business, fulfill our social mission and responsibilities, and ensure fair and transparent management.

For details on the Corporate Governance Policy, please visit our corporate website.  
<https://www.shibusawa.co.jp/sustainability/governance/> (in Japanese)



## Corporate governance structure



The Board of Directors consists of six directors, three of whom are outside directors (including one female). It meets once a month in principle, attended also by five Audit & Supervisory Board members, three of whom are outside Audit & Supervisory Board members, mainly to resolve important management matters, report on

important matters related to business execution and the progress of business performance. The term of office of directors is set at one year, to clarify their accountability and to build a management structure that can promptly respond to changes in the business environment.

## Auditing structure and audit practice

The Audit & Supervisory Board consists of five members, including three outside Audit & Supervisory Board members. It meets once a month in principle to share information among the members. As an independent body with a fiduciary duty to shareholders, the Audit & Supervisory Board audits directors' execution of duties by attending Board of Directors and other important meetings.

In the fiscal year under review, the Audit & Supervisory Board met 14 times, and the attendance of each member was as follows.

Category	Name	Meetings held	Meetings attended
Full-time Audit & Supervisory Board Member	Masanobu Manabe	14	14
Audit & Supervisory Board Member	Shinji Kudo	14	14
Outside Audit & Supervisory Board Member	Masashi Shishime	14	14
Outside Audit & Supervisory Board Member	Akira Kawamura	14	14
Outside Audit & Supervisory Board Member	Yoshiichi Yoshida	14	14

Note: Mr. Akira Kawamura retired from the position of Audit & Supervisory Board Member effective June 29, 2023.

## Outside officers and the Governance Committee

Outside directors and outside Audit & Supervisory Board members are appointed in accordance with the Company's Independence Criteria for Outside Officers. They provide their opinions at the Board of Directors meetings from an independent and impartial standpoint based on their diverse expertise, wealth of experience and excellent insight accumulated as specialists such as corporate managers, attorneys-at-law, certified public accountants and certified tax accountants.

The Governance Committee is established as an advisory body to the Board of Directors. It deliberates on proposals for nominating candidates for directors and

dismissing directors, the selection and dismissal of the president, the remuneration of directors, candidates to succeed the president, and related-party transactions. It also decides on matters related to the remuneration of directors, as well as executive officers subject to the annual salary system, upon delegation from the Board of Directors.

The Governance Committee consists of four members, including three outside directors and the president. To ensure transparency and fairness in consultations and decisions, the Committee is chaired by an outside director and consists of a majority of outside directors.

## Officer skills matrix

Name	Position	Areas of expertise and experience, and particular areas that the Company expects of outside officers								Attribute	
		Corporate management	Business strategy/ M&A	Logistics DX	Global business	Sustainability/ ESG	HR/labor	Finance/ accounting	Legal/ compliance/ internal control	Governance Committee	Independent officer
Takeshi Osumi	President, Director & CEO	○	○	○	○	○				Member	
Nobuyuki Kuratani	Director, Senior Managing Executive Officer	○	○	○		○	○		○		
Takeshi Ohashi	Director, Managing Executive Officer	○	○	○		○					
Shinya Matsumoto	Outside Director						○		○	Chair	○
Koichi Chikaraishi	Outside Director	○			○				○	Member	○
Natsuko Yamada	Outside Director							○	○	Member	○
Masanobu Manabe	Full-time Audit & Supervisory Board Member	○	○					○	○		
Shinji Kudo	Audit & Supervisory Board Member				○		○		○		
Masashi Shishime	Outside Audit & Supervisory Board Member						○		○		○
Yoshiichi Yoshida	Outside Audit & Supervisory Board Member							○	○		○
Hirohisa Kashiwazaki	Outside Audit & Supervisory Board Member	○	○					○	○		○

Note: The above skills matrix does not represent all the expertise and experience of each person.

## Evaluation of effectiveness of the Board of Directors

Evalutees	All directors in office as of March 30, 2023
Survey method	Anonymous questionnaire completed by evalutees
Content	(1) Evaluation of improvements made in fiscal 2022 (2) Composition of the Board of Directors (3) Operation of the Board of Directors (4) Individual agenda items (5) Self-evaluation as a member of the Board of Directors (6) Open-ended question regarding efforts to invigorate deliberations and strengthen the functions of the Board of Directors
Evaluation method	All directors answered the questionnaire. Based on the results, the Board of Directors discussed the ongoing initiatives to strengthen its functions at its meeting in March 2023.



For details, please visit our corporate website.

<https://www.shibusawa.co.jp/sustainability/governance/> (in Japanese)

### Overall evaluation for fiscal 2022

It was confirmed that the Company's Board of Directors at present is generally appropriate in terms of composition and operation and is functioning effectively as a whole because it has an atmosphere allowing all members to speak freely; the decision-making process is reasonable; and the outside directors and outside Audit & Supervisory Board members are fully performing their roles and responsibilities.

### Ongoing initiatives

Based on the results of the analysis and evaluation, the Board of Directors will organize and clarify the priority points to be discussed, and seek to further stimulate discussions with the aim of achieving sustainable enhancement of corporate value of the Group.

## Policy on training for officers

For the purpose of ensuring that directors and Audit & Supervisory Board members appropriately perform their expected roles and responsibilities, we provide the following training distinguishing between internal directors and Audit & Supervisory Board members (hereinafter collectively referred to as "internal officers") and outside directors and outside Audit & Supervisory Board members ("outside officers").

### Internal officers

- Lectures on the Companies Act and other important laws and regulations by our legal counsel on a regular basis

- Participation in external seminars on important matters related to the Company's business, or lectures by guest lecturers, once a year in principle

### Outside officers

- Access to the notice of convocation of the ordinary general meeting of shareholders, annual securities report and other reports for the past three fiscal years at the time the officer takes office, and briefings on the Company's overall business by each division in charge
- Visits to logistics sites to gain a better understanding of the Company's operations

## Policy for determining remuneration

Remuneration for the Company's directors consists of monetary fixed remuneration and performance-linked variable remuneration based on the degree of attainment of performance targets, as well as non-monetary stock-based remuneration. Outside directors receive fixed remuneration only, as performance-linked remuneration is not appropriate to maintain their independence from

business execution. To ensure transparency and fairness, the amount and details of monetary remuneration for each director are determined by the Governance Committee, upon delegation from the Board of Directors, within the remuneration threshold resolved at the General Meeting of Shareholders.

## Total remuneration amount by officer category and remuneration type, and number of eligible officers

Officer category	Total remuneration amount (millions of yen)	Total amount by remuneration type (millions of yen)			Number of eligible officers
		Fixed remuneration	Performance-based remuneration	Non-monetary remuneration	
Directors (excluding outside directors)	142	119	13	9	4
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	25	25	—	—	2
Outside officers	33	33	—	—	7

Notes: 1. The number of eligible officers and the total remuneration amount include one director who retired at the conclusion of the 175th Ordinary General Meeting of Shareholders held on June 29, 2022.  
 2. The amount of non-monetary remuneration represents the provision for share awards for stock-based remuneration in the fiscal year under review.



# Risk Management

## Risk management framework

We examine risks that may have an adverse impact on the achievement of the Group's management targets and business activities at the Management Executive Council and Board of Directors meetings, and discuss our approach to the management of such risks. In addition, the Group has concluded an advisory contract with a major law firm and has a system in place to seek advice as needed. The Group's divisions, subsidiaries, and affiliates manage risks by identifying and assessing risks

and formulating and taking countermeasures based on these discussions. In addition, we have established an emergency communication and prompt response system for rapidly responding to contingencies, to maintain our functions and minimize damage to our business, which also serves as social infrastructure. Furthermore, the Internal Audit Department, a body independent of the operational line, audits business operations to ensure that this risk management framework is functioning effectively.

## Recognition of business risks

### (i) Changes in the business environment

The logistics business is susceptible to changes in the economic environment and social conditions in Japan and overseas, as well as shifts in economic trends caused by weather and other factors, which may have a significant impact on the Group's performance.

Although the Group has been working to improve its facilities and expand their functions in the real estate business, it may be affected by changes in the supply-demand balance and market trends in the rental office market in the Tokyo metropolitan area.

### (ii) Legal risk of the business

The Group's logistics business operates based on legal permits and licenses in Japan and overseas, and is subject to various public regulations, including laws and regulations of international organizations and national governments, to ensure the safety of facilities and equipment and the safe operation of vehicles and other equipment. In pursuing its business, the Group is also subject to laws and regulations concerning trade, taxation, foreign exchange control, the environment, fair trade, among others. Should these legal regulations be amended or abolished, or new legal regulations be introduced in the future, it may affect the Group's business and performance.

### (iii) Natural disasters

In the event of an earthquake, typhoon, or other natural disaster that damages the Group's facilities, there may be a significant impact on its performance and financial position.

The Group's own facilities are insured with a comprehensive corporate property policy with appropriate coverage. Buildings designed to meet earthquake resistance standards prior to the 1981 amendment to the Building Standards Act undergo seismic diagnosis as necessary, and those with inadequate seismic performance are being reinforced to meet the current standards.

In the event of social disruption caused by a pandemic such as COVID-19, it may have an impact on the Group's performance and financial position.

### (iv) Fluctuations in fuel prices

Although we strive to level and reduce fuel procurement costs, higher fuel prices may have a significant impact on the Group's performance, since fuel market prices are generally linked to crude oil prices and may be affected by factors such as global economic trends, conditions in oil-producing regions, inventory levels primarily in the U.S., and inflows of speculative funds.

### (v) Fluctuations in interest rates

While we strive to reduce interest-bearing debt, working capital and capital expenditure are funded primarily through external borrowings. Although we work to fix interest rates through fixed-rate borrowing and interest rate swaps, the funds procured at variable interest rates are subject to interest rate fluctuations. In addition, future funding costs may be affected by changes in interest rates.

### (vi) Impact of IT system failures

The Group has built various logistics information systems and exchanges information with customers via the internet. These systems may be compromised by unauthorized access from outside, or fail due to computer virus infections and other incidents.

### (vii) Leakage of personal information

The Group has formulated the information protection policy, and is committed to preventing personal information leakage by ensuring that all officers and employees adhere to the Information Protection Regulations set forth based on this policy. However, in the event personal information is leaked due to unexpected unauthorized access, computer viruses, or other illegal activities, the Group's business and performance may be seriously affected by claims for damages and other liability.

### (viii) Fluctuations in fair value of portfolio assets

If an impairment loss is recognized in accordance with the write-down procedure as a result of a decline in the fair value of portfolio assets or a deterioration in the profitability of such assets, it may affect the Group's performance and financial position.

## Risk Management

The balance of investment securities held by the Group at the end of the fiscal year under review was 21,276 million yen. If their fair value or the net asset value declines in the future due to poor performance of the investee or deterioration of stock market conditions, and if a recovery is not deemed likely, it may affect the Group's performance and financial position.

### (ix) Business expansion to overseas markets

Overseas, the Group operates business in cooperation with local subsidiaries and agents. In the event local laws and regulations are amended or abolished, taxation systems are changed, foreign exchanges shift dramatically, political or economic factors disadvantageous to business activities emerge, or social turmoil such as war, terrorism, or epidemics take place, it may affect the Group's performance.

### (x) Retirement benefit obligations

The Group calculates its employee retirement benefit expenses and obligations based on actuarial assumptions, such as the discount rate and expected rate of return on plan assets. As these figures are based on forward-looking estimates, if the discount rate for retirement benefit obligations decline or the yield of plan assets deteriorate in the future, it may affect the Group's performance.

### (xi) Risks associated with climate change

In the event of extreme weather caused by climate change, such as torrential rains and typhoons, the Group may be affected by damage to its facilities, a shutdown of the traffic network, or a decline in labor productivity due to high temperatures.

In addition, stricter regulations on corporate GHG emissions in Japan and abroad, as well as the introduction of carbon pricing, will result in higher operating costs.

# Compliance

## Compliance initiatives

Our founder, Eiichi Shibusawa, advocated harmony between morality and economy, putting the public interests of society before private interests. Believing that, for an economy to develop, it must be founded on the

moral principle of humanity and justice, he was committed to serving society and benefiting the people.

Following this spirit, the Company pursues business activities with a constant awareness of compliance.

## Compliance framework

We will have officers and employees of the Company, its subsidiaries and affiliates comply with laws and regulations and behave soundly and ethically. This is the means to build an organization with fair and transparent corporate management and the ability of self-remediation.

Specifically, we have established the Compliance Committee, chaired by the President, and seek to maintain and improve compliance awareness through education and training.

## Code of conduct

"Only the profits pursued through right reason can be sustainable and enrich society." These are the words (spirit) of Eiichi Shibusawa, our founder, who advocated that for a company to contribute to the sustainable growth of society, it needs to continue business activities in accordance with moral principles. As members of the Shibusawa Warehouse Group that carries on the founder's will, we are proud of the public nature of the business as the foundation of the Group's management, and believe that we can create lasting value in our business by

contributing to people's lives through business activities.

The Group has established the Shibusawa Warehouse Group Code of Conduct by summarizing what we should follow to practice the "right reason" in conducting business activities guided by these philosophies.

Each individual engaged in the business at the Shibusawa Warehouse Group shall fully understand, utilize, and comply with the Code of Conduct as a guiding principle for making decisions and facing challenges in their daily business activities.

## Whistle-blowing system

The Compliance Committee works together with the parties concerned in activities to investigate the causes of the cases reported, resolve the problems, and prevent recurrence. In addition to protecting the privacy of the

whistleblower, the most careful attention will be paid to preventing the reporting from causing any disadvantage to the person or organization to which the person belongs in terms of appointment, treatment, or business transactions.

# Messages from the Outside Directors



**Shinya Matsumoto**  
Outside Director

## About the nomination and remuneration of directors

I serve as the chair of the Governance Committee, which is involved in the nomination and remuneration of directors and other officers. The committee has four members, consisting of three outside directors, including myself, and the president. In addition to determining the structure and amount of remuneration for directors and officers, the committee's activities include discussing and providing recommendations on matters such as nomination of director candidates, proposals to dismiss directors, as well as selection of the president, as consulted by the Board of Directors. As an attorney-at-law, I have been involved in the handling of many corporate legal affairs, and I will leverage this experience to contribute to enhancing the governance of the Company through operations that adhere to fair standards and objective and transparent procedures.



**Koichi Chikaraishi**  
Outside Director

## About the management strategy

The Company has formulated its Group mission "Realization of a sustainable and prosperous society by creating new value beyond logistics" based on the spirit of "unity of morality and economy" advocated by the founder, Eiichi Shibusawa. Amid great changes in the business environment, I recognize that the Board of Directors has an important responsibility to guide the Company in a strategic direction with this mission at its center. While there has been active discussions within the Company concerning management strategies and deriving specific projects, I intend to leverage my years of experience in the management of a general marine transportation company to contribute to enhancing corporate value over the medium to long term through discussions at Board of Directors meetings.



**Natsuko Yamada**  
Outside Director

## About internal control, risk management framework, and sustainability issues

Outside directors have a wide range of duties, but I strive to proactively provide advice on internal control and the overall risk management framework based on my experience as a certified public accountant. Amid great changes in the business environment, appropriate risk taking is only possible once high quality internal control systems and a risk management framework have been put in place. Also, as the only female outside director, I want to contribute to the handling of new issues that need to be discussed from diverse perspectives, such as sustainability issues.

We are saddened to announce that Ms. Natsuko Yamada passed away on November 17, 2023 and retired from the directorship on the same day. We would like to express our deepest gratitude on her behalf for your kind patronage during her lifetime.

## ■ Environment

To address climate change and environmental pollution, and reduce the environmental load on earth, the Group is committed to reducing GHG emissions and contributing to the conversion to a circular economy.

### 1. Climate action

#### (1) CO<sub>2</sub> emissions (Scope 1 & 2)

	Boundary	Fiscal 2021	Fiscal 2022
Gross emissions (t-CO <sub>2</sub> )	Shibusawa Warehouse	14,444.72	11,185.83
	Consolidated subsidiaries in Japan	14,257.11	16,104.70
	<b>Total</b>	<b>28,701.83</b>	<b>27,290.53</b>
Emissions from the logistics business (t-CO <sub>2</sub> )	Shibusawa Warehouse	7,597.17	6,670.06
	Consolidated subsidiaries in Japan	14,248.47	16,096.06
	<b>Total</b>	<b>21,845.64</b>	<b>22,766.12</b>
Emissions from the real estate business (t-CO <sub>2</sub> )	Shibusawa Warehouse	6,847.55	4,515.77
	Consolidated subsidiaries in Japan	8.64	8.64
	<b>Total</b>	<b>6,856.19</b>	<b>4,524.41</b>
Total emissions per unit of sales (t-CO <sub>2</sub> /1 million yen)	Consolidated Group in Japan	0.42	0.36
Emissions per unit of sales in the logistics business (t-CO <sub>2</sub> /1 million yen)	Consolidated Group in Japan	0.35	0.33
Emissions per leasable area in the real estate business (t-CO <sub>2</sub> /1,000 m <sup>2</sup> )	Consolidated Group in Japan	105.54	67.98

#### (2) CO<sub>2</sub> emissions in warehousing operations (Scope 2)

	Fiscal 2021	Fiscal 2022
Emissions from warehousing operations (t-CO <sub>2</sub> )	3,644.77	3,055.78
Area of commercial warehouse (m <sup>2</sup> )	231,641.24	223,749.61
Emissions per area of commercial warehouse (t-CO <sub>2</sub> /1,000m <sup>2</sup> )	15.73	13.66

Boundary: Shibusawa Warehouse's own commercial warehouses

#### (3) Introduction of LED lighting

	Fiscal 2021	Fiscal 2022
Rate of adoption	79.17%	80.00%

Boundary: Shibusawa Warehouse's own logistics service offices (excluding facilities to be demolished)

#### (4) The Group's fleet

	Number of vehicles	
	Fiscal 2021	Fiscal 2022
(i) Compressed natural gas (CNG) vehicles	5	0
(ii) Vehicles compliant with the Post-Post New Long Term (PPNLT) emission regulations	81	117
(iii) Vehicles compliant with PNLT emissions regulations	169	156
(iv) Vehicles compliant with NT emissions regulations	66	59
(v) Others	37	72
(vi) Trailers and container chassis (towed vehicle)	563	552

Boundary: Consolidated Group in Japan

#### (5) Progress of modal shift

	Fiscal 2021	Fiscal 2022
Railway freight transportation	4,735	4,353
Ferry freight transportation	26,706	25,107

Boundary: Number of containers and chassis handled by the consolidated Group in Japan

## 2. Conversion to a circular economy

#### (1) Collection of documents to be destroyed

	Fiscal 2021	Fiscal 2022
Number of security boxes installed	1,905	1,920

Boundary: Shibusawa Warehouse Group companies and equity-method subsidiaries as of fiscal year-end

#### (2) Recycling of expired stored documents

	Fiscal 2021	Fiscal 2022
Number of boxes recycled	28,420	31,213

Boundary: Shibusawa Warehouse

## ■ Society

The Group promotes initiatives to realize a safe, secure, fair, and prosperous society.

### 1. Safety and security

#### Business continuity drills

	Fiscal 2021	Fiscal 2022
Number of business continuity drills conducted	2	2

Boundary: The Shibusawa Warehouse Group



## 2. Respect for human rights

### Employees

	As of June 1, 2022	As of June 1, 2023
Ratio of employees with disabilities (%)	1.8	1.7

Boundary: Shibusawa Warehouse

	Fiscal 2021	Fiscal 2022
Number of new graduate hires	23	31
Men (composition: %)	14 (60.8)	18 (58.0)
Women (composition: %)	9 (39.1)	13 (41.9)
Number of mid-career hires	2	2
Rate of paid leave taken (%)	52.18	55.39
Number of childcare leave takers	5	15

Boundary: Shibusawa Warehouse

## 3. Partnership

### (1) Partner meetings

	Fiscal 2021	Fiscal 2022
Number of meetings held	1	7

Boundary: Those hosted by Shibusawa Warehouse

### (2) Activities to contribute to local communities

	Fiscal 2021	Fiscal 2022
Number of lectures held	5	1
Number of other activities	4	6

Boundary: Shibusawa Warehouse

## Governance

The Group is committed to strengthening its corporate governance in order to fulfill its social mission and responsibilities and ensure fair and transparent management, while realizing sustainable growth of our business.

### (1) Composition of the Board of Directors

	Fiscal 2021	Fiscal 2022
Number of directors of the Board	6	7
Number of internal directors	4	4
Number of outside directors	2	3

### (2) Attendance at the Board of Directors meetings

	Name	Fiscal 2022	
		Meetings held	Meetings attended
Directors	Takeshi Osumi	18	18
	Haruki Kashihara	18	18
	Nobuyuki Kuratani	18	18
	Takeshi Ohashi	18	18
	Shinya Matsumoto	18	17
	Koichi Chikaraishi	14	14
	Natsuko Yamada	14	13
Audit & Supervisory Board Members	Masanobu Manabe	18	18
	Shinji Kudo	18	18
	Masashi Shishime	18	18
	Akira Kawamura	18	18
	Yoshiichi Yoshida	18	18

### (3) Composition of the Audit & Supervisory Board

	Fiscal 2021	Fiscal 2022
Members of the Audit & Supervisory Board	5	5
Internal Audit & Supervisory Board members	2	2
Outside Audit & Supervisory Board members	3	3

### (4) Attendance at the Audit & Supervisory Board meetings

Name	Fiscal 2022	
	Meetings held	Meetings attended
Masanobu Manabe	14	14
Shinji Kudo	14	14
Masashi Shishime	14	14
Akira Kawamura	14	14
Yoshiichi Yoshida	14	14

### (5) Major meetings

Name of meeting body	Meetings held	
	Fiscal 2021	Fiscal 2022
Board of Directors	19	18
Audit & Supervisory Board	14	14
Management Executive Council	27	27
General Manager/Branch Manager Meeting	4	3
Group Management Meeting	2	2
Subsidiaries and Affiliates Update Meeting	9	9
Overseas Subsidiaries and Affiliates Update Meeting	2	2
Governance Committee	3	3
Compliance Committee	3	2
Corporate Internal Control Committee	2	2
Corporate Sustainability Committee	1	2

# Corporate Profile & Stock Information

## ■ Corporate profile (As of March 31, 2023)

Trade name: The Shibusawa Warehouse Co., Ltd.  
 Location of headquarters: 37-28, Eitai 2 chome, Koto-ku, Tokyo, Japan  
 Date of foundation: March 30, 1897  
 Date of establishment: July 15, 1909

Share capital: 7,847 million yen  
 Number of Group employees: 1,320  
 Principal lines of business: **Logistics business**  
 (warehousing, harbor transportation, land transportation, international multimodal transportation)  
**Real estate business**

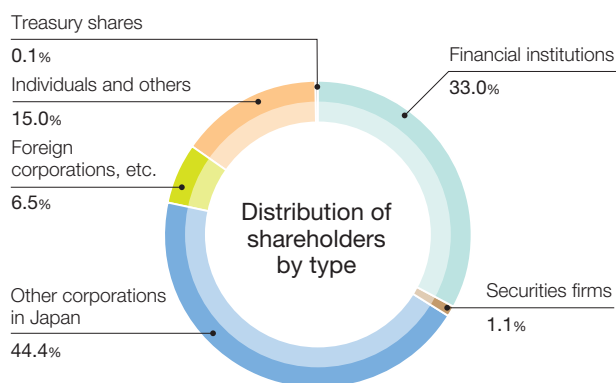
## ■ Stock information (As of March 31, 2023)

Total number of shares authorized: 48,000,000  
 Total number of shares issued: 15,217,747  
 Number of shareholders: 3,676

### ● Major shareholders

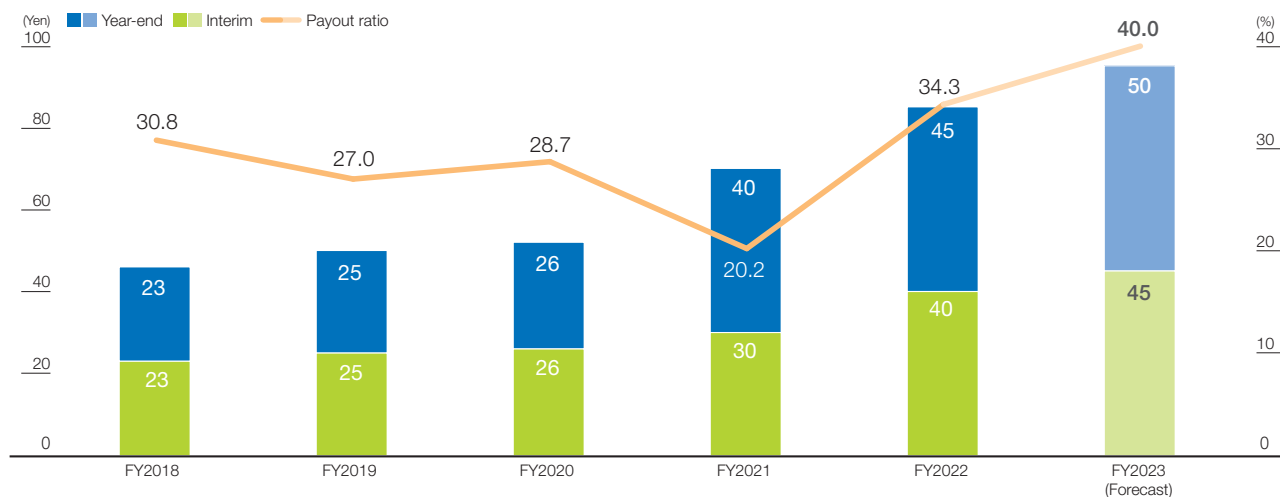
Name	Number of shares held (1,000 shares)	Shareholding ratio (%)
Pan Pacific International Holdings Corporation	1,448	9.5
The Master Trust Bank of Japan, Ltd. (Trust Account)	964	6.3
Tokio Marine & Nichido Fire Insurance Co., Ltd.	868	5.7
SHIMIZU CORPORATION	749	4.9
Custody Bank of Japan, Ltd. as trustee for Mizuho Bank Retirement Benefit Trust Account re-entrusted by Mizuho Trust & Banking Co., Ltd.	749	4.9
The Toa Reinsurance Company, Limited	652	4.3
Chuo-Nittochi Co., Ltd.	528	3.5
Teikyo University	422	2.8
Saitama Resona Bank, Limited	400	2.6
Zeon Corporation	334	2.2

Notes: 1. The shareholding ratio is calculated by deducting the number of treasury shares (13,138 shares) from the total number of shares issued.  
 2. The treasury shares do not include shares of the Company's stock (52,300 shares) in the Board Benefit Trust.



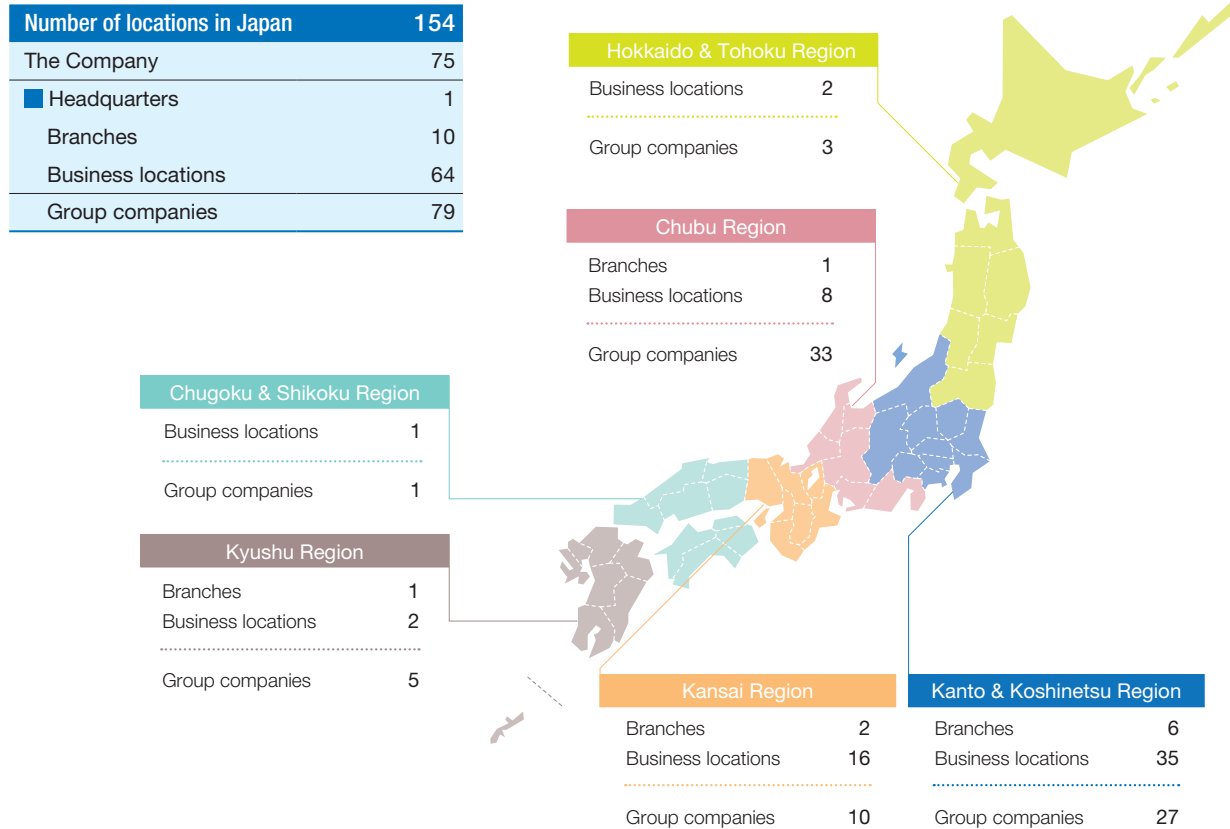
Note: Amounts and numbers of shares shown in this report are rounded down to the nearest unit indicated, and percentages are rounded off to the nearest decimal place indicated.

## ■ Dividend per share and payout ratio (Yen/%)

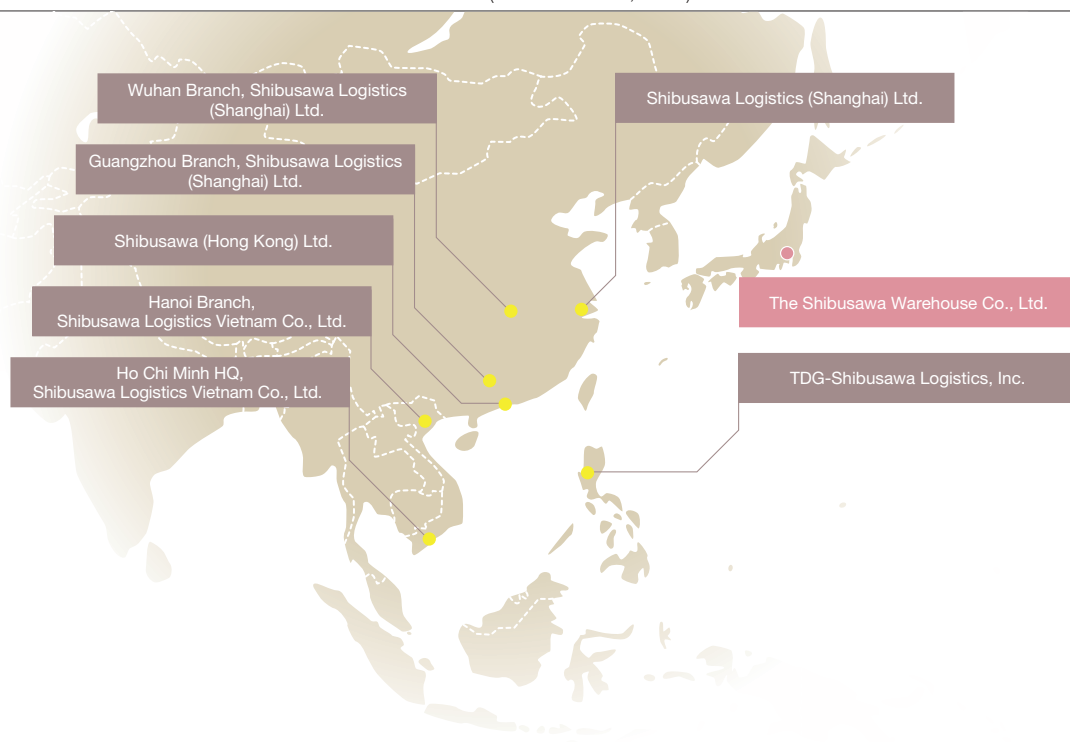


## Group Network

## ■ Locations in Japan (As of March 31, 2023)



## ■ Logistics bases in China &amp; Southeast Asia (As of March 31, 2023)



## **The Shibusawa Warehouse Co., Ltd.**

37-28, Eitai 2-chome, Koto-ku, Tokyo 135-8513, Japan

<https://www.shibusawa.co.jp/english/>

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