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WADACHI

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Hakodate Port

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Special Feature

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View of Mashumaru from Hachimanzaka, Hakodate-shi, Hokkaido

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LOGISTEED, Ltd. LOGISTEED CAFE



New Departures, New Beginnings

Our company name was changed April 1, 2023, to LOGISTEED, Ltd. The word “LOGISTEED” is a combination of words LOGISTICS, Exceed, Proceed, Succeed, and Speed. The name implies that idea that we are moving beyond the realm of ordinary logistics into potential new areas of operation.

In order to enlighten as many people as possible about LOGISTEED on the occasion of the name change, we are updating the Group company newsletter and adding more editions so that Wadachi will be a seasonal publication

The LOGISTEED Group internal newsletter Wadachi has its origins back in 1952 with a monthly newsletter called “NittoShaho.” In 1954, it was first published as “Wadachi,” and subsequently switched to the phonetic spelling in January 1969. Wadachi has now been issued for more than 70 years.

The characters making up the word “Wadachi” are “wa,” which in combinations with other characters means peace, collaboration, and harmony, while “dachi” means development, achievement, and skilled individual. The sound comes from a word that refers to the car wheel track between the front and back wheels.

Taking the “front wheel” as a model and standard, and at the same time further developing the “back wheel,” we engender a new car track. It is our hope that readers will enjoy our newsletter as they gain a deeper understanding of logistics—and become more and more familiar with LOGISTEED.

The first of Japan's ports to open —ending the nation's period of isolation

The Port of Hakodate, in Hokkaido, was Japan's first port to be opened to other countries for trade. In 1854, at the end of the Edo Period, the Japan-US Treaty of Peace and Amity was signed between Commodore Matthew Perry and the Empire of Japan. The following year, the Port of Hakodate was opened for trade, along with the Port of Shimoda in Shizuoka Prefecture—effectively ending Japan's long period of

isolation. The United States had demanded the opening of the country's ports so that they could provide fuel, water, and food to whaling fleets. Following the enactment of the Japan-US Treaty of Peace and Amity, Commodore Perry decided to visit Hakodate, where he proceeded to measure the port, at which time he reported it as one of the world's safest. Subsequently, in 1858, the Treaty of Amity and Commerce between Japan and the United States was signed, resulting in the opening of the Port of Yokohama and the Port of Nagasaki, followed by the Port of Kobe and the Port of Niigata. The Port of Hakodate was the first among Japan's office ports to be opened for trade. Duties were

established and trade began with the United States, the Netherlands, Russia, the United Kingdom, and France. Soon, foreign traders were traveling back and forth to Japan. This greater level of interaction with Western culture led to more European and American architecture. Shops and restaurants opened offering European and American food, along with beer production and sales locations, photography studios, and more. These developments gave rise to the sophisticated culture of Hakodate.



This bronze statue of Takadaya Kahei, with Mt. Hakodate in the background, was built in 1958 to commemorate the 100th anniversary of the opening of the Port of Hakodate.

Looking out over Mt. Hakodate, symbol of the city, you see a blend of modern buildings as well as European/American style buildings including churches dating back to the Meiji Period. The Port of Hakodate was one port open to trade with other countries at the end of the Edo Period. Even prior to this time period, the port saw a flow of people, commodities and culture, linking Hokkaido with Honshu. The area offers 200 years of interesting history.

The Port of Hakodate's 200 years of history: People, Commodities, and Culture



Take in great views of Hakodate from midway up Mt. Hakodate. To the right can be seen the Port of Hakodate. This port was geared toward north-bound ships, for both entry and exit during the Edo Period. In recent times, the port has been modernized to accommodate ferries, containerships, cruise ships, and more.

A port that generated vast amounts of money with the coming-and-going of daily necessities, as well as herring, kombu, and more

Northbound ships carry culture

The Port of Hakodate, located in the Southwest of Hokkaido, got its beginnings as a fishing village in 1440 with a few dozen houses. The waves are gentle, and Commodore Perry also noted that the port was, in his opinion, “one of the world’s best.” In fact, Hakodate has long been known as an excellent natural port. Hakodate began to play an important role in Japanese history since about 220 years ago. Takadaya Kahei, who was from Hyogo Prefecture, arrived at Hakodate Port in 1796. At the time, Hakodate was a village of about 3,000 people, with what tended to be a cold climate. Kahei made Hakodate his main location, entering into sea trade with northbound vessels. The Kitamaebune vessels were a group of vessels linking Hokkaido and

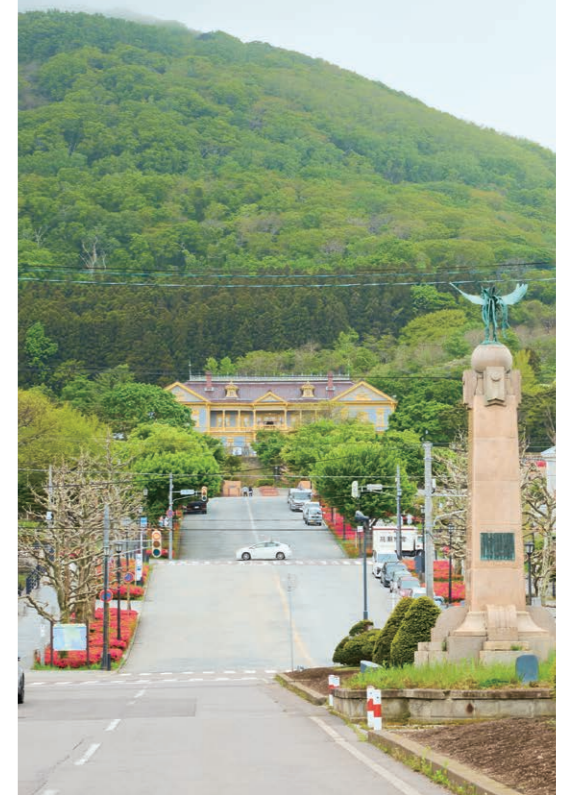
Osaka via the Sea of Japan, buying and selling products at their ports of call to earn a profit margin. Products such as herring and kombu were brought from Hokkaido, while items such as clothing and daily necessities were transported from Western Japan.

Profits in the amount of approximately JPY 60-100 million were generated in round-trip operations between Hokkaido and Osaka. The northbound ships carried something else as well: culture. Hokkaido kombu was a big part of the development of the culinary culture of Western Japan.

Kahei, upon the request of the Edo Shogunate, opened the Etorofu Route, planting trees at Mt. Hakodate and reclaiming the area around Hakodate. When the Great Fire of Hakodate occurred, he contributed greatly to the formation of Hakodate City, engaging in charity such as distributing rice, used clothing, etc. to the local people.

Group of red brick warehouses

Hakodate prospered as a trade port during the time of the northbound vessels. There was a special zone for foreign national residents, and more Christian churches, girls’ schools, etc. appeared. Local carpenters trained under foreign nationals in European and American style architecture, which led to the building of a combination of Japanese and Western styles. Kanamori Yobustuten (variety store) built a brick warehouse in 1887. Though the original building once burned to the ground, the rebuilt structure remains to this day. It is a major sightseeing spot of Hakodate, currently housing a shopping mall and more.



Motoizaka Hill: this wide straight-line road was built as a firebreak

Kanamori Red Brick Warehouse



Top: Former Kanamori Yobustuten (variety store), currently the Hakodate Museum and Library. Open to visitors.
Bottom: Takadaya Kahei Museum

A new food culture arises In Western Japan



Dedicated containers belonging to the LOGISTEED Group used for transport using renewable resources

A port for a new era

Seikan Railway Ferry service Cargo train car is placed on the ferry for transport

Hakodate Port played a role as a gateway linking Honshu and Hokkaido from 1908 through 1988. The national railway (currently the JR) linked Aomori and Hakodate by boat. There was space on the ferry equipped with a dedicated train rail, which enabled the cargo car to be placed directly on the ferry. Items such as fuel, coal, and livestock were also transported. In the ships' heyday, 13 ships ran the route, for a total of 30 round trips. People used to say: "When the Seikan railway ferry stops for three days, prices in Hokkaido double." Later, the Seikan railway ferry was discontinued when the Seikan Tunnel was opened. One of these original ships—the Mashumaru—is on display at the Port



Mt. Hakodate seen from the Container Yard

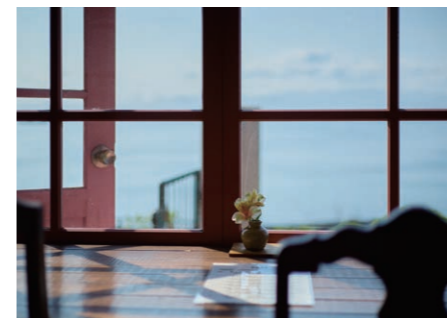
of Hakodate in a kind of museum exhibit. In addition, the ferry runs regularly between Hakodate and Aomori as well as Hakodate and Oma today. It transports trucks as well as cars belonging to passengers, people, and more—playing a key role in logistics.



Left: Bad weather almost never results in ferry cancellations
Right: The Mashumaru is a type of museum open to visitors.



Hiroshi Hizumi, Chief, Port & Airport Department City of Hakodate, has served in the position for nine years. He comments: "Hakodate began as a port city. Our goal is to continue with initiatives to make the whole area more dynamic."



Japanese tea cafe in the former Hakodate Quarantine Building: Tea Shop Yuhi

Updating Hakodate to a modern port Heading to this popular port on a cruise ship!

Modernization of the port began as of 1896. Following the termination of the Seikan Ferry, some redevelopment was implemented. The Minato-cho Pier was extended 14 meters and a 12-meter wall built in 2004. In 2005, routes for Korean and Chinese containerships were established, and in 2023 a cruise ship pier was completed near the Wakamatsu area near the city center. In 2022, the port handled approximately 32 million tons of cargo. The Port & Airport Department City of Hakodate Chief, Hiroshi Hizumi, noted that at present, the majority of the port's cargo is comprised of ferry cargo. "Hakodate has an airport, and it is linked with Shin-Hakodate-Hokuto Station by the Liner. It's highly convenient, and you can see how the city



Left top, left bottom: The former Hakodate Quarantine Building, inside and outside
Top right: Hakodate City Train, which has its roots in the horse-drawn railway opened in 1897

Reference: Hakobura Hakodate City Official Tourist Information Site (<https://www.hakobura.jp>)
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Author: Yoshiaki Sato, Hokkaido Newspaper
"A Walk in History (1) Hokkaido History Walks"
Edited by: Hokkaido High School Japanese History Education Research Group, Yamakawa Publishing
BURATAMORI 3 Hakodate Kawagoe/Nara/Sendai
Project overseen by: NHK BURATAMORI Production Unit: Kadokawa Shoten

developed as a port town. With the port as our gateway, we'll keep letting everyone know how great it really is here in Hakodate, as we work on revitalizing the port as well." Over its 200 years of history, the Port of Hakodate has always had a foothold in the future.

LOGISTEED North Japan, Ltd. Hakodate Branch office Teamwork and sales force: the miraculous V-shaped recovery

The Hakodate Branch Office is 10 minutes by car from the Hakodate Ferry Terminal. All 14 employees are from Hakodate. Most are experienced employees working 10 years or more. Their strengths are in teamwork and sales. Their main job is deliveries to home center stores, but the year before last some of the products have been discontinued, causing a shift into the red.

Our employees in sales have been able to secure new business with the help of the Sapporo Head Office. "It's really been a miraculous "V" recovery curve. By gaining business to make up for that which was lost, we have been able to boost our profits," says Director Ishiyama. Through collaborative deliveries with other transportation companies, we are able to conduct business with a strong presence in the community.

People say some of the good things about Hakodate are: "The people are nice, and it's a good environment to live in. And the squid is really good! Come visit us!"

DATA
Address: Nishikikyocho 589-152
Number of vehicles: 14



Mr. Ishiyama (left) and Mr. Yoshida (right)

Shitara Keita



The Logisteed Track & Field Club made a brand new start as of the spring. Since joining the club in September 2017, Mr. Shitara has been a key part of the team's strategy. We took a moment to ask him some questions.



You're part of the Track & Field Club. Do you also do office work?

I come to the office only twice a week, from 10 am to 2 pm. Recently I also changed out my name plate to reflect the updated company name.



This is the sixth year you've been in the Logisteed Track & Field Club. What have you learned from the experience?

I started running the marathon when I joined the track-and-field club. I haven't performed with great results yet, but the sport is gaining more attention with the public in Japan. I really feel that I want to produce the best results that I'm possibly able to. It's my job and my pleasure to bring a little joy to the people who support me.

“The Office work is definitely a plus for me”



Please tell us about your regular practice schedule.

I get up at 5:30 in the morning, stretch, and join the morning practice with everybody from around 5:50 am. I run for about an hour. On days that I don't go to work, I start practice at 11 am. From lunchtime onward I'm working on maintenance. Practice starts again at 4 pm and goes for about 1-2 hours.



Your twin brother is also a track & field athlete. What's your relationship like with Yuta?

We're close. We often go out and have a drink together, and we're always in contact. It's because of my brother that I've been able to continue competing, and it makes me the happiest when we can both do really well.



Some Notes from the Masters

達人ノ音

vol. 1 The "Dachi" in "Wadachi" is the same kanji character as "accomplished person" in Japanese. Here we are pleased to introduce accomplished people from a variety of fields.



Aerial photography over the highest peaks of the seven continents with a motorized paraglider

Yamamoto Naohiro
Photographer

With a motorized propeller, an engine is positioned on the propeller so that it can fly freely through the air. Taking up the challenge of the "Above the Seven Summits Project" with the motorized paraglider, one really gets a sense of what the earth looks like from above. Yamamoto Naohiro continues his wonderful work with this project. We had the pleasure of interviewing him.



This motorized paraglider is essentially an engine equipped with a propeller. Naohiro Yamamoto is a photographer specialized in taking pictures from the sky from a motorized paraglider.

"You can use a drone to easily take pictures from the air. I also use drones to take pictures in my work. But drone photography is limited to taking pictures through a monitor, which means you can't really get a sense of the cold wind up in the sky, the scent, the ever-changing air, the color of the clouds, and much more. From the sky, you feel so inspired that you may even want to cry happy tears—and that's when you really feel like you're seeing the earth from above. I try to capture that inspiration in my photography when I'm flying through the air in a paraglider."

Challenging ourselves to never-before-accomplished flights

We are moving forward with the "Above the Seven Summits Project," which involves flying over the highest peaks of the world's seven continents in a motorized propeller. Nobody in the world has been able to do this yet, and if we

succeed, we will be first ever. My thought is that I want people who look at the photo to feel the dynamism of our planet, from the perspective of a bird! My emotions are in every click of my shutter. Another objective of this project is also to record the magnificent natural environment of our world.

As the first part of our project, we took photos of Kilimanjaro, the highest peak on the African continent, in February 2022 (5,895 meters). Kilimanjaro is located near the equator—in Tanzania—yet there are glaciers near the mountain. Our plan was to fly to a height of about 6,000 meters to take photos from above Kilimanjaro, but we ran into a problem with our main engine, forcing us to rely on our secondary engine, which can only fly to 5,180 meters. We regret not being able to fly over the summit, and the pictures were disappointing. We'd like to give it another try at some point, but for now we are moving on to the next part of the project.

Next, we're planning to take photos of Mount Kosciuszko (2,228 meters), highest peak in Australia. Then, we plan to take the highest the peaks of each continent, one continent at a time, every year, with Asia last—and that would be Mt. Everest at 8,848 meters."



"We're venturing into the unknown. LOGISTEED shares in our desire to do so, and they've come on board as a sponsor as of 2023."



A life-changing experience in Norway: "I saw the earth from above!"

Mr. Yamamoto is truly a person to challenge himself, and that tendency really began in his childhood. From the time he was small, he often dreamed of flying like the Doraemon cartoon character and his "personal helicopter"—longing for the skies since that time. When he was in junior high school, his family lived in Norway due to his father's work, and he remembers being atop the Field Escarpment, which stands about 600 meters. He continued on to climb the mountain above the escarpment by himself, witnessing another fantastic view. This formative experience is part of what led to his later project of "seeing the earth from above."

He continued to be fascinated by the sky, and he decided that wanted to do something related to the sky for a living. Yet he was unable to find a way to do that, and he began working for an IT company upon graduating from university. Then at one point he learned about motorized paragliding, and he began to think of how he might combine that interest with photography as a job—and that it just might work!

"I travelled to New York to study photography, and that's when I just happened to meet some Americans working at a photography studio. And after coming back to Japan, I met Tsukabe Shoichi, who runs a paragliding school and was also my aerial photography instructor. It's because of these individuals that I am who I am today.

Still, it hasn't been an easy road for me. I had three different part-time jobs when I was in my 30s, and that's how I made money to live. And I had an accident during my training that put me in the hospital for two months.

We are fully aware that we are able to carry out this project only with the help and support of so many people. I would like to return the favor with the photos I take. It is our hope that we can continue to capture scenes that no one else has captured."



"The most inspiring moments for me are when I witness breathtaking, awe-inspiring views. I snap my shutter with the hope of bringing this inspiration to as many people as I can."

Re-launch under New Name: LOGISTEED, Ltd.

LOGISTEED, Ltd.



As of April 1, 2023, the start of the new fiscal year, we re-launched our business as LOGISTEED, Ltd. Prior to the name change, on March 31, 2023, we held a kickoff event “Taking on the Future LOGISTEED” to help motivate us all to come together as the LOGISTEED Group.

Thanks to a solid partnership with Kohlberg Kravis Roberts & Co. L.P., our goal is to achieve further growth and boost corporate value. We thank you for your ongoing understanding and support.

Exhibiting at Break Bulk Exhibition Dubai

Middle East Office

Break Bulk Exhibition Dubai was held in Dubai, UAE over the two-day period of February 13-14, 2023. As was the case in 2020, the Middle East Office (referred to below as “ME”) exhibited jointly with AL MOHAIRBI INTERNATIONAL FREIGHT LLC (AMIF), which is a parter company based in UAE.

This exhibition is one of four such events held around the world: the others are in Houston, Shanghai, Rotterdam, and Dubai. Here, transport companies and shipping companies engaged in heavy goods handling come together in one place, which is an ideal venue for finding new customers and new partnerships.

This is the first time the event was held under the “new normal” of living with the coronavirus. More than 6,000 people participated from around the world—not only from the Middle Eastern countries but also from India, Africa, China, Europe, and more. As the only Japanese company participating, we were able to hold business discussions with 200-plus transport companies.



Soap Box Derby National Team Tryouts Held

LOGISTEED, Ltd.

The “Parent-and-Child Hero 2023 Soap Box Derby National Team Tryouts Kanagawa” (sponsored by The Nippon International Soap Box Derby Association and Logisteed) was held May 27, 2023, in Yokohama.

The Soap Box Derby is a kids’ car race originating in the United States. Non-motorized carts, called soap boxes, race down a hill, competing for the best time. Children aged 8-13 participated on the day of the event. The winner won the right to participate in the World Tournament held in the U.S. in July.

In addition, Vantec Corporation held a couple of special transport-related events—the Truck Blind Spot Experiential Corner and the Model Car Making Corner—with the objective of engendering better understanding of transport safety.



Group Human Rights Policy Established

LOGISTEED, Ltd.

The Logisteed Group has established the new Logisteed Group Human Rights Policy in order to effectively implement Group-wide initiatives to respect human rights.

The Human Rights Policy is based on the following corporate philosophy: “The Logisteed Group contributes to building a better society by providing quality services, treating people and nature with respect, and looking broadly to the future.” With this concept in mind, based on international rules and standards pertaining to human rights, the Logisteed Group pledges to take action to protect and respect the human rights of all people impacted by the business of the Logisteed Group.

CEIV Pharma Acquired at Hong Kong International Airport

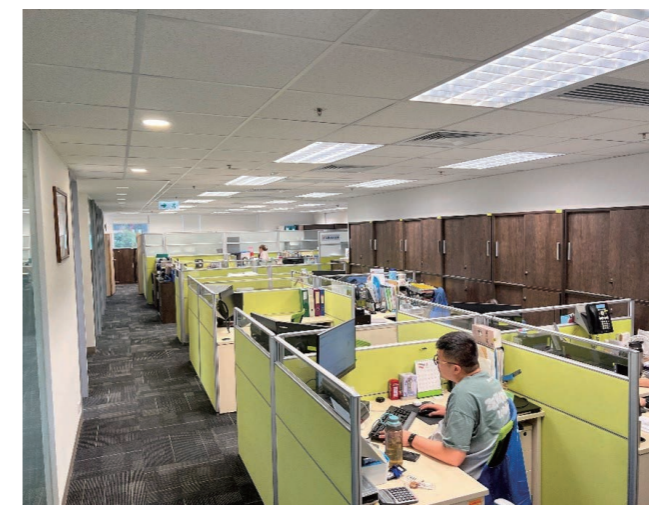
LOGISTEED Hong Kong, Ltd.

On January 5, 2023, we acquired CEIV Pharma, a quality certification program pertaining to quality of international transport of pharmaceuticals implemented by IATA (International Air Transport Association) at Hong Kong International Airport.

By acquiring CEIV Pharma Certification, which pertains to pharmaceutical logistics, we work to accommodate both expanded demand and changes in the environment as we implement location upgrades in accordance with GDP *2. In addition, by welcoming Cyber Freight International Holding B.V., which is strong on pharmaceutical distribution, to our Group, we are working to expand on our global pharmaceutical business.

By attaining CEIV Pharma at Hong Kong International Airport—one of Asia’s major airports—in addition to certification at Narita International Airport and Kansai International Airport—we are rendering international transport of pharmaceuticals safer and more reliable—which can potentially lead to an all-around higher quality supply chain structure.

*1 CEIV Pharma (The Center of Excellence for Independent Validator in Pharmaceutical Logistics): Global practices devised by IATA to standardize different Good Distribution Practices in different countries and regions, and facilitate quality verification of pharmaceutical product temperature control during air transport
*2 GDP (Good Distribution Practices): Standards established to ensure quality of the medical distribution process, specifically storage and transport



LOGISTEED representatives attend plant opening ceremony in India/ employee recognized for support on EPCG

Flyjac Logistics Pvt.Ltd.

In January of 2023, Hitachi Channel Solutions, Corp.’s (referred to below as “HCS”) Indian subsidiary, Hitachi Terminal Solutions India Private Limited (referred to below as “HTSI”), established a new plant in Bangalore. The ceremony was attended by LOGISTEED Group members, who are among those facilitating logistics at the location. The new plant, which is 2.5 times larger than the existing plant, is slated to be one of HCS’s major plants.

Meanwhile, HTSI acquired EPCG* certification, which is regarded as difficult to attain in India. Attaining EPCG means that customs duties are reduced for production equipment and materials imports, while tariffs are eliminated. The certification pertained to ATM part molds—one of HCS’s major export products produced at the new plant.

In the earning of the certification, Flyjac’s Nandivarman provided assistance on a consulting contract between Flyjac and HTSI, prepared the materials for the opening ceremony, submitted to city offices, and engaged in negotiations. He received an award for all of this work. HCS’s policy is to expand on exports from India by way of the new plant. As the LOGISTEED Group boosts its global-scale collaborative partnerships, we do our part to facilitate customer supply chains and expansion of business.

*EPCG (Export Promotion Capital Goods): A scheme that allows an exporter to import capital goods at reduced customs duties on the condition that the importer maintains a specified export schedule.



Flyjac Wins 6th CII KAIZEN Contest

Flyjac Logistics Pvt. Ltd.

Flyjac won the Platinum Award (First Place) and the Silver Award (Third Place) at the 6th CII KAIZEN Contest (Global Category/Sector: General).

CII is an NPO comprised of commercial entities established in 1895 with a view to achieving India’s industrial growth. At Flyjac, we have implemented internal kaizen (improvement) initiatives, the following two of which have received awards.

- Platinum Award
- RPA: Bulk invoicing in customs
Resulted in efficiency of operations (238/day)
- Silver Award: Efficiency and safety improved by heavy cargo operations using a modified stacker lift
Resulting in manpower reduction (2→1) and improved safety (weight of

*CII (Confederation of Indian Industry)

25kg lifted from the floor to the work platform shifted from manual to machine operations).

At Flyjac, we are working to implement further kaizen (improvement) initiatives in order to facilitate both forwarding and 3PL.



