

Expansion of Corporate Business Domain

We view evolving growth of the EC (e-commerce) market and changes to the supply chain as an opportunity and provide comprehensive value to the "End to End" of our customers' entire supply chains. To those ends, we will pursue the creation of multiple last mile networks in response to needs that exist in the growth domains, the strengthening of account management, and the reinforcement and expansion of third-party logistics (3PL) and international forwarding.

Overview

Vision

Achievement of sustainable business growth by expanding the value we provide to the "End to End" of our customers' supply chains

Initiatives and Results to Date

(Fiscal Year Ended March 31, 2021, to Fiscal Year Ended March 31, 2023)

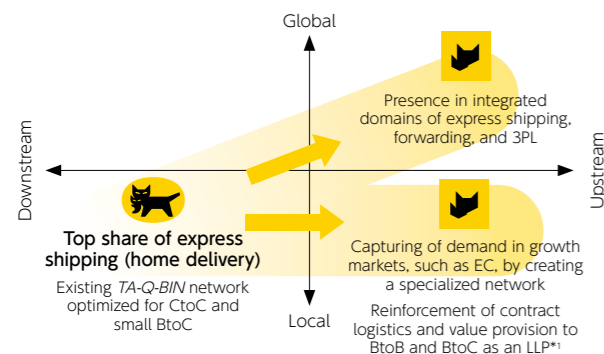
- Expansion of areas in which we provide value, such as domestic EC procurement and returns domain, cross-border EC for Japan, logistics in three temperature ranges for food sales operators, and LLP projects (lead logistics partner contracts)

Future Initiatives

(Fiscal Year Ending March 31, 2024, to Fiscal Year Ending March 31, 2027)

- Further expansion of supply chain solution sales
- Expansion of value we provide through proposals combining TA-Q-BIN with other functions

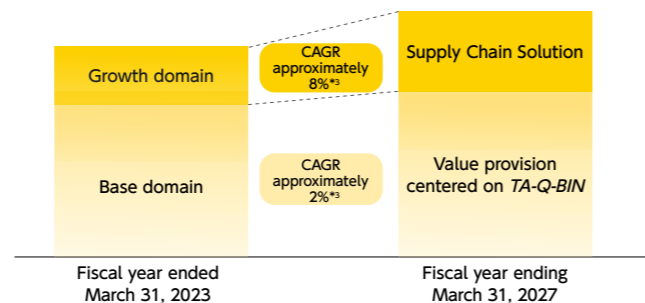
Direction of Domain Expansion



*1 LLP: Lead Logistics Partner (a partner who not only manages and operates logistics but also participates in and supports the creation of customer logistics plans and supply chain management strategies)

Image of Future Growth for Operating Revenues*2

*2 Yamato Transport and overseas consolidated subsidiaries



*3 Prediction for the beginning of the fiscal year ending March 31, 2024
CAGR: Compound Annual Growth Rate

Measures to Expand Corporate Business Domain in Growth Domains and Base Domains

Base domain	Growth domain	Growth domain and base domain (shared)
<p>Expansion of Value Provided Through Proposals Combining TA-Q-BIN with Other Functions</p> <ul style="list-style-type: none"> Provision of value in each customer segment based on business size and potential Subdivision of duties and clarification of roles for sales representatives placed in local communities Reinforcement of business activities that aim to resolve each customer issue as one team, based on information noticed by sales drivers 	<p>Provision of Supply Chain Solutions</p> <ul style="list-style-type: none"> Expansion of domestic and international LLP projects Reinforcement of response to supply chain to the "End to End" and to EC, including cross-border EC Advancement of operational functions to the "End to End" of supply chains → Expansion of store deliveries for BtoC, DtoC,* and BtoB in food-related domains (promote the provision of new value on a specialized refrigerated and frozen network in the Greater Tokyo area) Reinforcement of collaboration aimed at expanding from domestic to global operation (consider M&As) 	<p>Promotion of Pricing Optimization</p> <ul style="list-style-type: none"> Reflect the impact accompanying changes in the external business environment surrounding the Yamato Group and transportation and delivery partners on prices in a timely and appropriate manner Implement revisions to individual contracts with corporate clients based on conditions including business relationship and applicable fares Make an effort to review prices on an annual basis, maintain and reinforce our transportation and delivery network, and create a business environment that continues to provide customers with excellent services

* Direct to Consumer

Initiatives in Base Domains Base domain



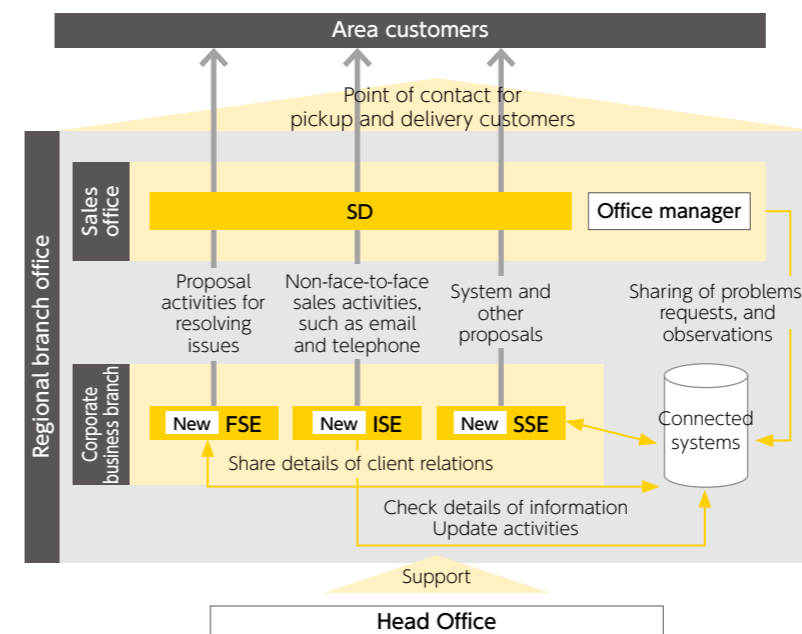
Expansion of Value Provided Through Proposals Combining TA-Q-BIN with Other Functions

The Yamato Group is engaging in the expansion of the value we provide through proposals combining TA-Q-BIN with other functions for small- and medium-sized corporate clients (area customers), aiming to further improve business growth by utilizing our wide customer base built up through TA-Q-BIN. From April 2023, we placed sales personnel gathered from each business company at regional offices through the transition to One YAMATO, which subdivides the duties and roles of area customer-facing sales representatives. Each sales office and sales representative will expand the value we provide by coordinating

with sales drivers (SDs) who connect with customers on a daily basis through TA-Q-BIN pickup and delivery, quickly understanding customer issues, and resolving such issues via proposals that combine system, payment, and other functions.

Furthermore, the head office sales department is promoting the expansion of value we provide through measures including the advancement of systems to link customer information obtained by SDs to sales representatives for proposals, the design and implementation of training to improve sales representative's skills, and the revision of products and services.

Overview of Area Customer-Facing Sales Activities



SD (Sales driver)

Share information quickly by utilizing contact points through TA-Q-BIN pickup and delivery and understanding customer trends (requests and issues)

New FSE (Field sales executive)

Oversees sales activities in responsible area. Makes proposals for understanding and resolving customer requests and issues through information gained by SDs and customer visits

New ISE (Inside sales executive)

Aims to expand transactions and prevent loss through inside sales, such as telephone and email. Coordinates with FSEs and SSEs according to the details of the project to understand and resolve customer issues

New SSE (System sales executive)

Has specialized knowledge in areas such as systems and warehouse operations and supports FSE and ISE proposals combining TA-Q-BIN with other functions. Designs operations to meet and resolve customer issues

PICK UP Voices of Employees Facing Regional Customers as One Team



FSE

- We feel that sales efficiency has increased since we can gain real information on customers from SDs and sales office managers through frequent visits to sales offices.
- We can increase the accuracy of information from SDs who coordinate with systems on a daily basis and easily link with proposals for customers through direct communication with SDs.

SD

- Communication with sales representatives, mainly FSEs, has become easier, enabling us to easily consult on customer trends, issues, and other matters.
- We can now communicate with customers more actively by learning from FSEs.
- Sales representatives can now respond earlier to customer issues that are linked to the system, enabling them to deal with customers more quickly.

Expansion of Corporate Business Domain

Initiatives in Growth Domains Growth domain

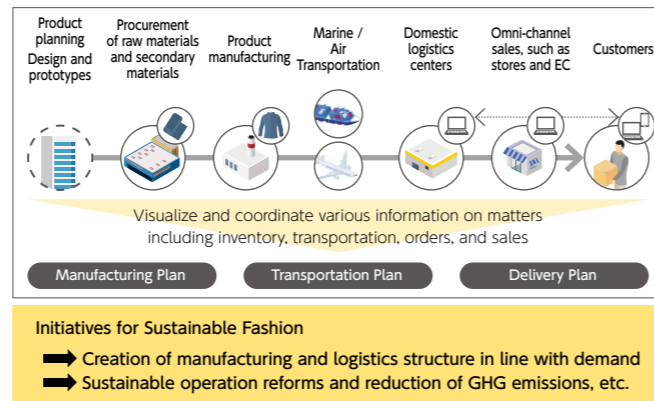


Provision of Supply Chain Solutions

We have positioned our solution business, which aims to deeply understand the businesses of our large-scale corporate customers and resolve management issues, as a growth domain, and are promoting account management. Initiatives to optimize the logistics and inventory of the entire supply chain are progressing in response to understanding customer issues arising from changes in consumption behavior and distribution structures, such as the shift to omni-channel approaches; expansion of logistics for room temperature, refrigerated, and frozen goods; expansion of cross-border EC; and enhancement of supply chain sustainability.

Conclusion of Logistic Partnership Agreement Aimed at Realizing Sustainable Fashion (December 2022)

A logistic partnership agreement has been concluded between Adastria Co., Ltd. and Yamato Transport to realize a sustainable supply chain for Adastria. We are working to visualize and optimize the entire supply chain and reduce GHG emissions to create even more effective logistics for management by reviewing logistics and inventory in Adastria's supply chain, which extends both domestically and internationally, from procurement of raw materials to manufacture, and omni-channel sale of products.



Future Developments

- ▶ Realization and expansion of sustainable fashion* while collaborating with other fashion companies by leveraging mutual expertise and knowledge

* Initiatives that aim for sustainability in the future throughout all processes from manufacture of clothes to wearing and disposing of them, taking into consideration the global environment, including ecosystems, and the people and societies involved

Rebuilding of Supply Chains to Meet Diverse Transportation Needs

COLOWIDE MD CO., LTD and Yamato Transport Co., Ltd. aim to create a sustainable supply chain that contributes to forming an efficient and recycling-oriented society by utilizing Yamato Transport's transportation and delivery network at the same time as visualizing and optimizing the entire supply chain of the Colowide Group, which operates multiple restaurant chain brands.

First, we are working to rebuild the entire supply chain, from raw material procurement, manufacturing, and logistics to sales, with the aim of expanding the meal service business, which is Colowide's focus. We will continue to realize effective and speedy shipping by launching Yamato Transport's three-temperature-range logistics facilities (terminal-integrated) from September 2023.



Shipping of food products in the meal service business

Future Developments

- ▶ Development into a wide range of business domains (such as procurement, manufacturing, delivery to stores, and overseas projects) by leveraging our mutual expertise and knowledge.
- ▶ Reduction of GHG emissions throughout the entire supply chain

Expansion of Value We Provide to Cross-Border EC

Amid the recent expansion of cross-border EC, which involves the online purchase of products from overseas by individuals, we collaborated with Enigma Inc., a company that manages the specialty marketplace BUYMA, and began providing the cross-border EC anonymous delivery service BUYMA YAMATO. Going forward, we aim to expand availability of the service to facilitate deliveries from various countries and regions, including South Korea, and are working to develop and provide overseas shipping services that enable the even safer, more stable, and easier use of cross-border EC for sellers and purchasers.

Key Points of Service

- Protection of personal information by realizing anonymous shipping in cross-border EC
- Improvement of the convenience for receiving parcels through linkage with *Kuroneko Members*
- Unification of Shipping Label Issuance, Freight Charge Settlement for sellers on BUYMA
- Reduction of delivery time

MESSAGE

Promotion of Solution Sales That Provide Value to the "End to End" of Our Customers' Supply Chains

PROFILE

Hiroshi Etani

Senior Managing Executive Officer,
Head of Sales and Global Strategy,
Yamato Transport Co., Ltd.

After working as a logistics manager at PT. ITOCHU Indonesia, general manager at ITOCHU Logistics Jakarta, general manager at ITOCHU Logistics Shanghai, and managing director at ITOCHU Logistics Singapore, Mr. Etani's work history includes experience as global customer director at DHL Global Customer Solutions, sales, marketing, and customer service director at TNT Express, deputy general manager of the logistics business at Rakuten Group Inc., CEO and president director of JP Rakuten Logistics, Inc., executive officer and assistant CEO at MITSUI-SOKO LOGISTICS Co., Ltd., and president and representative director of CMA CGM Japan K.K. He joined the Yamato Group in November 2020 and became managing executive officer and head of the Global SCM Business Division at Yamato Transport Co., Ltd. on April 1, 2021. He has worked as senior managing executive officer and head of Corporate Sales and Global Strategy since February, 2022 and has held his current position since February, 2023.



In 2021, we transitioned to the One YAMATO structure, bringing together our vast domestic customer base developed through *TA-Q-BIN*, logistics functions such as facilities, transportation and delivery network, third-party logistics, and international forwarding, and various functions such as finance and IT systems. Additionally, we have assigned account managers and solution designers with a deep understanding of the businesses of our major corporate clients and can accompany them in the management of their businesses. We have created a system that aims for Yamato to become a Lead Logistics Partner (LLP) that contributes to not only the management and operation of customer logistics but also the logistics strategies and plans, by fully utilizing management resources under One YAMATO structure.

We are also developing concrete initiatives together with customers. As an example, in September 2022, we signed an LLP contract with Nihon Michelin Tire Co., Ltd. with the target of creating a fluid and robust logistics system across Japan. We are engaging in eliminating uneven distribution of inventory and reducing transportation between facilities by consolidating approximately 20 Michelin warehouses into 5 and visualizing and optimizing inventory control at each warehouse. We are minimizing waste due to expiry through the realization of a first expire first out (FEFO) system to ship tires that are closer to their expiration date before others through inventory management that orders tires by their individual production year. Now, in a time of sudden changes to the market environment, we are aiming for total supply chain optimization that is closer to a just-in-time strategy, while ensuring a just-in-case strategy. Going forward, we will support Michelin in optimizing its logistics and inventory, starting in the domestic sales domain and working back up the supply chain to include production domains overseas.

Based on the long-term risk of environmental issues in the supply chain, we are promoting green logistics, such as the introduction of 20,000 electric vehicles, installation of 810 units of solar power generation equipment, and operation of refrigerated delivery that does not utilize dry ice. Ultimately, we aim to achieve the targets of virtually zero in-house GHG emissions by 2050 and a 48% reduction, compared to fiscal 2020, by 2030. By reducing our emissions, we contribute to reducing the Scope 3 emissions of our customers (the emissions of other companies in a business' entire supply chain of which transport and delivery make up a large percentage). Furthermore, visualization of the movement of products throughout the entire supply chain also means visualizing GHG emissions. At Yamato, we will provide reports that visualize the GHG emissions resulting from customers using our transportation services.

Optimization of the supply chain also leads to the realization of logistics with a low environmental burden. As a result, if we optimize our customers' inventory and production, we contribute to not only reducing their Scope 3 emissions but also their Scope 1 emissions (direct GHG emissions from the company itself) and Scope 2 emissions (indirect emissions from utilization of electricity, heat, and steam procured from other companies). Going forward, we will help reduce the environmental burden of our customers' supply chains as an LLP.

While we aim to secure a position as an LLP through account sales, building a foundation to provide value to a wide range of customers is also a key challenge for Yamato. Many of the customers utilizing *TA-Q-BIN* in Japan are small- to medium-size corporate clients (area customers). To date, business activities for this layer of customers have been led by sales drivers (SDs). However, inconsistencies existed in the level of activities and skills, limiting what we could offer to customers. As a result, under the leadership of the Regional Branch Manager, we appointed sales representatives who have expertise with field sales, inside sales, and system sales. We revised the system to promote sales through close collaboration between SDs, these representatives, and sales office managers. SDs communicate the issues and comments from customers when they visit sites and, based on this information, sales representatives and sales office managers make proposals that combine not only *TA-Q-BIN* but also factors including payment of accounts, systems, and warehouse operations. This leads to the resolution of customer issues.

For Yamato, we apply value provision to the entire supply chain of our customers and propose "End to End" solutions from upstream to downstream. At the same time as comprehensively supporting them in the resolution of management issues they face by expanding the value we provide to their businesses, we aim to grow together with customers while receiving appropriate compensation. To make this possible, we will continue to promote the recruitment and training of personnel, enhance solutions we provide, and expand our global system. Furthermore, we will strengthen the necessary functions through alliances with partner companies and M&As.

The Yamato Group has been contributing to the creation of an enriched society by innovating delivery services. By creating new delivery services that meet the changes to society and the environment and diversifying needs in the future, we will support the growth potential of our customers and realize a sustainable society.