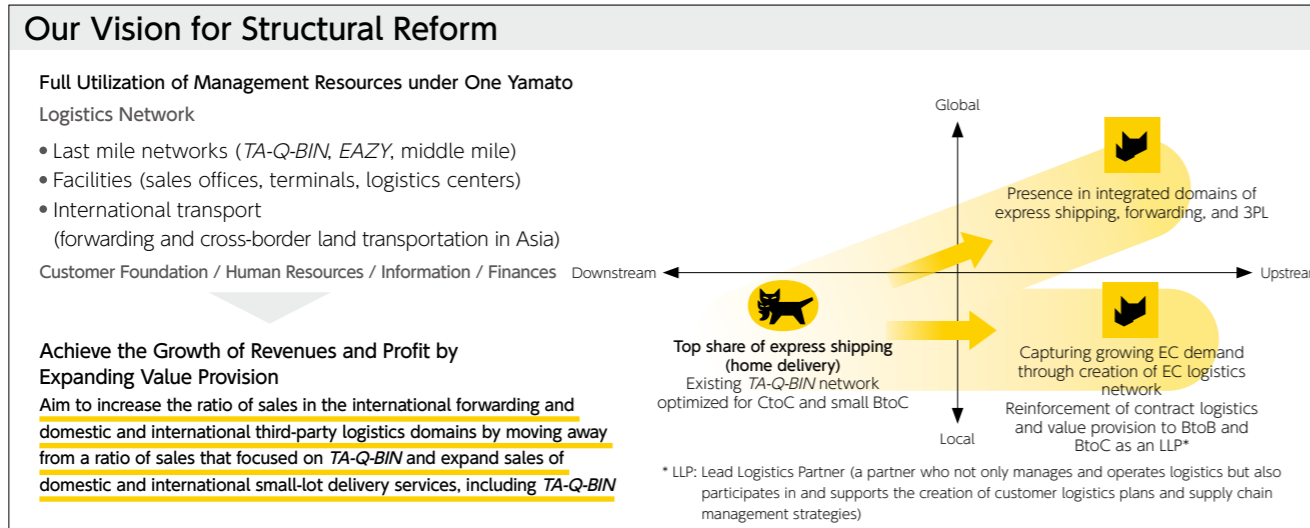
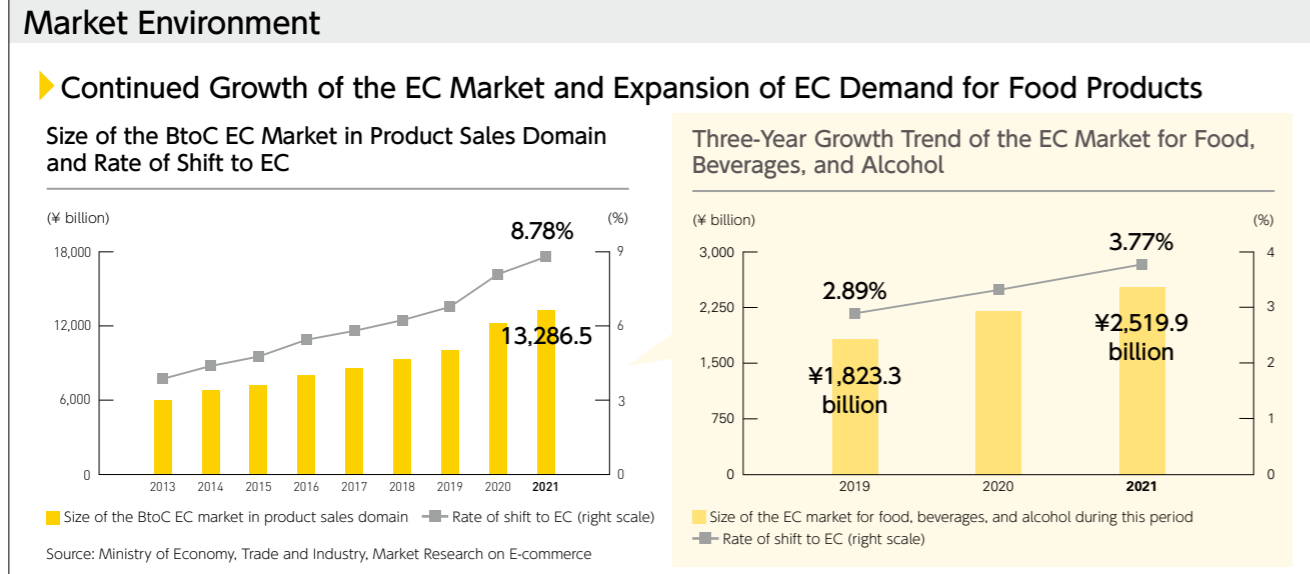


# Value Provision for Corporate Clients from End to End

We view evolving growth of the EC (e-commerce) market and changes to the supply chain as an opportunity and providing comprehensive value from end to end to the businesses of our corporate clients in both the upstream and downstream domains. To those ends, we will pursue the creation of multiple last mile networks in response to needs in the growth domains, the strengthening of account management, and the reinforcement and expansion of third-party logistics (3PL) and international forwarding.



### Value Provision to Each Customer

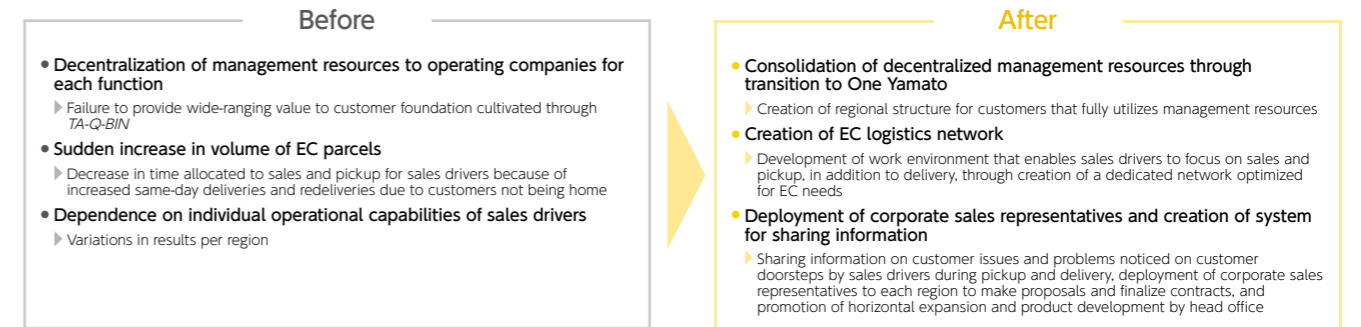
	Customers	Sales leaders	Value provision
Growth domains	Account	EC Major EC companies	Provision of value that leads to increased sales opportunities, including provision of diverse, convenient pickup and delivery (returns) chosen by end users, simplification of sorting during shipping, lengthening of cutoff times, and provision of fulfillment service for EC store operators
	Global National Area	Healthcare, automobiles, fashion, electronic goods, food products, etc.	Provision of value that leads to customer supply chain reform, such as optimization of logistics and inventory control from end to end of customer supply chains, and business process innovation Full utilization of domestic and international home delivery, route pickup and delivery, contract logistics, and forwarding functions
Base domain	Area customers	All industries Corporate sales representatives and sales drivers	Provision of value via TA-Q-BIN and other services by proposing detailed solutions as a result of collaboration between corporate sales representatives and sales drivers

## Value Provision to Area Customers



### Promotion of Value Provision via TA-Q-BIN and Other Services

For area customers, which comprise small-scale customers served by regional sales offices and medium- to large-scale customers served by corporate sales branch offices, we promote value provision via TA-Q-BIN and other services through proposals that utilize detailed solutions and One Yamato management resources as a result of collaboration between corporate sales representatives and sales drivers.



## Value Provision to EC Accounts



### EAZY—Delivery Service for the EC Market

In June 2020, we launched EAZY, a delivery service for EC operators that promotes the enhancement of customer experiences and the optimization of operations by utilizing various digital data based on the newly created system infrastructure.

### Provision of Solutions to Optimize Return Operations

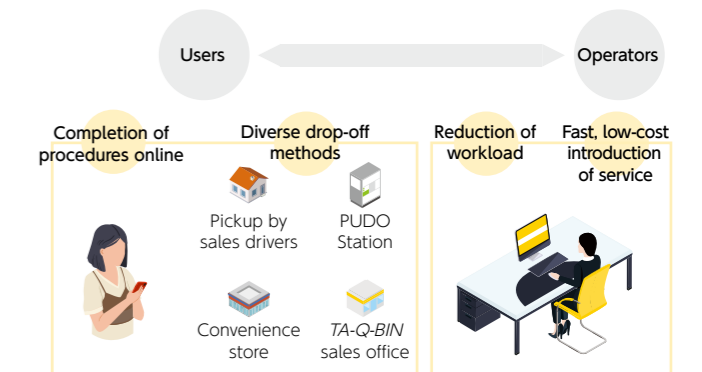
We are contributing to the enhancement of convenience for users and the optimization of returning products to operators by providing our digital return and shipping service, which launched in August 2021.

### Features EAZY

2021/3 178,830 (thousand parcels)

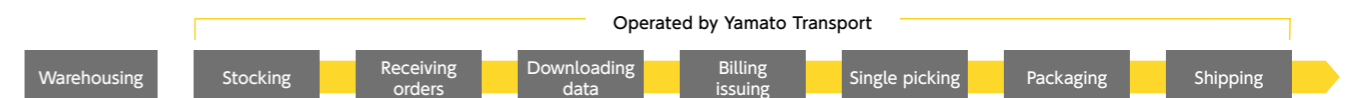
2022/3 464,860 (thousand parcels)

- Responding to diversifying needs for non-face-to-face delivery
  - Front door • Delivery box • Gas meter box
  - Storeroom • Garage • Bicycle basket • Reception / custodian
- Receiving location can be changed right up until you receive parcels
- Providing real-time delivery completion notice to customers
- Collaborating with external partners for more efficient deliveries



### Fulfillment Service for EC Store Operators

Yamato Transport provides value through its fulfillment service for the opening of stores on Yahoo! Shopping and PayPay Mall based on collaboration with Yahoo Japan Corporation. Such value includes stocking products at Yamato Transport's logistics warehouses, providing services on behalf of shop operators from warehousing to shipping, improving convenience through uniform nationwide shipping rates based on size, shortening delivery lead times, and enhancing customer experiences by offering diverse methods for receiving parcels via EAZY.



Value Provision for Corporate Clients from End to End

Value Provision to Global, National, and Area Accounts



Development of LLP Proposals for Optimizing the Entire Supply Chain Global

The Yamato Group aims to provide comprehensive value from end to end for businesses in the upstream and downstream domains as a Lead Logistics Partner (LLP) that realizes sustainable growth for corporate clients as well as to support the innovation of supply chains and the optimization of logistics and inventory control around the world that contributes to better management for our clients.

In September 2022, Yamato Transport signed an LLP contract with Nihon Michelin Tire Co., Ltd. (Michelin) with the aim of rebuilding and realizing a smooth and robust logistics structure for Michelin. Through cooperation and coordination between both companies, we are transforming Michelin's entire supply chain and optimizing logistics and inventory control to reduce total logistics costs in the future, enhance value for Michelin's customers by shortening and stabilizing lead times, and minimize waste. Furthermore, we aim to realize sustainable logistics that have a low impact on the environment by visualizing and reducing greenhouse gas emissions. From September 2022, we partially commenced operations and plan to launch full-scale operations from January 2023.

Realization of Centralized Management by Yamato Transport of the Entire Michelin Logistics Structure

► Consolidation of approximately 20 warehouses into 5 and visualization and optimization of inventory control at each warehouse

Shorten and stabilize lead times for delivery of products and reduce greenhouse gas emissions (Michelin's Scope 3 emissions) by eliminating uneven distribution of inventory, reducing transportation between facilities, and utilizing corporate middle mile networks

► Inventory management system that minimizes waste by tracking the production year of all tires in the inventory

Minimize waste due to expiry (reduce impact on the environment) by managing overall tire inventory by production year and shipping tires that are closer to the expiration date before others

► Order tracking that utilizes a transportation and delivery management system

Enhance the value provided to Michelin's customers by visualizing the delivery status of each order for achieving prompt responses through the Michelin Call Center and merging separate products in the transportation process through the Yamato Group's facilities and transportation and delivery network

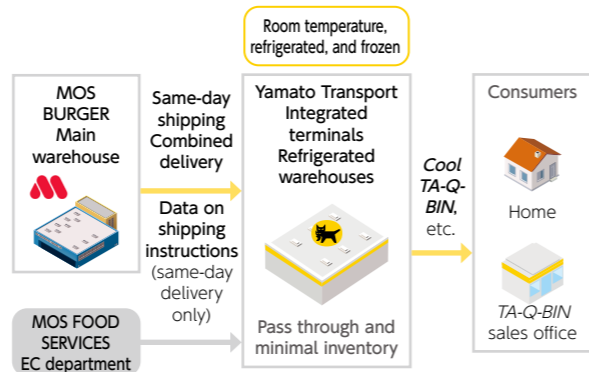
Future Developments

► Support the optimization of logistics and inventory control, including the management of overseas production and the adjustment of shipping volumes, by going back upstream in both the domestic and global supply chains

Creation of Food Product DtoC Logistics System That Utilizes Three Temperature Ranges

National

Yamato Transport collaborated with MOS FOOD SERVICES, INC., operates MOS BURGER, to create a logistics system for the "Life with MOS" direct EC website, which launched in July 2022. By utilizing our nationwide transportation and delivery network that utilizes the three temperature ranges of controlled room temperature, refrigerated, and frozen that we have cultivated since launching *Cool TA-Q-BIN*, as well as sorting facilities with integrated refrigeration functions, we will safely and reliably deliver a variety of products to customers. Furthermore, we are contributing to the optimization of inventory control and logistics by minimizing inventory through same-day shipping on a case-by-case basis and reducing shipping times through the utilization of an assorting system at warehouses.



DIALOGUE



**Hiroshi Etani**

Senior Managing Executive Officer, Yamato Transport Co., Ltd.  
Responsible for Overseeing Corporate Sales and Global Strategy

**Takanao Sugiura**

Managing Executive Officer,  
Yamato Transport Co., Ltd.  
Responsible for Sales and  
Operation Design

Vision and Possibilities of One Yamato in the Corporate Domain

Currently, the Yamato Group is promoting structural reform aimed at sustainable growth amid significant changes to consumption and supply chains. Two executive officers, Hiroshi Etani and Takanao Sugiura, who are driving this reform, explain the vision and possibilities of One Yamato in the corporate domain.

“ Market Environment and Growth Opportunities for the Yamato Group ”

**Etani** The Yamato Group has expertise in each form of transportation and delivery, including *TA-Q-BIN*; logistics services, such as third-party logistics and international forwarding; and distribution channel and logistics support services, such as finance and IT systems. However, we previously only provided single functions in many cases and were unable to sufficiently provide value to customers as we could not combine these functions effectively. By centralizing these functions under Yamato Transport through One Yamato in April 2021, I believe that we are now able to provide even more value than before in the corporate business domain.

While logistics has evolved in recent years due to technology, such as the Internet of Things (IoT), Artificial Intelligence (AI), the utilization of big data, robotics, and blockchain, there have been changes to the corporate R&D, procurement, manufacturing, sales, and after-sales processes as well as the supply chain due to the spread of COVID-19 and the formation of blocs in global economies. We are now in an era where corporations survive by responding flexibly and quickly to various changes in the environment through the just-in-case strategy, not only the

systematic just-in-time strategy. Furthermore, global environmental issues caused by climate change are a serious challenge in the supply chain management (SCM) of corporations and society. The Yamato Group is aiming for further growth by taking these changes as an opportunity to expand the value we provide to customers.

**Sugiura** One of the Yamato Group's strengths is the expansive customer base it has built up in Japan through the provision of *TA-Q-BIN*. I believe that the key to the Yamato Group's growth is contributing to the improvement of customers' corporate value and the enhancement of customer value through the utilization of our bases and transportation and delivery networks, and the provision of solutions for innovating the supply chains and business processes of these customers.

We will create a supply chain that can respond flexibly to various issues, such as geopolitical risks and the diversification of sales channels, together with our customers as strategy partners based on the acceleration of environmental changes affecting society and our customers. As an example, we have established shipping functions for three temperature ranges—room temperature, refrigerated, and frozen—at the Yamato Group's facilities and a transportation and delivery network to respond to the shift to omni-channel approaches for these three temperature ranges. By combining a *TA-Q-BIN* network that operates *Cool TA-Q-BIN* with route pick-up

Value Provision for Corporate Clients from End to End

DIALOGUE

and delivery functions for corporate customers, we will enhance the value we provide, such as by maintaining refrigeration quality while minimizing the variation of product inventory and creating a detailed delivery system for stores, wholesalers, and individual clients.

“**Advancement of Supply Chain Solutions**”

**Etani** To date, the Group's business has been primarily in the downstream domain of the supply chain, namely domestic sales and after-sales services, as a large proportion depended on *TA-Q-BIN*. However, going forward we will expand our business to the upstream domain, namely domestic and international procurement, manufacturing, and R&D, with the entire supply chain as a target for value provision to enhance the value we provide to customers and realize further growth of the Yamato Group. Accordingly, we will expand pickup and delivery networks for corporate clients while strengthening international forwarding, and continue to advance proposals as third-party logistics providers, who are entrusted with overall customer logistics, and optimize logistics and inventory. We will also utilize *TA-Q-BIN* more strategically to innovate customer supply chain management.

Additionally, we are working to strengthen account management to maximize the value we provide through supply chain and business solutions and increase the number of customers that work with us as LLPs (Lead Logistics Partners: partners that handle not only the operation and management of customer logistics but also participate in and provide support for planning customer logistics and creating supply chain management strategies). By classifying customers by industry, scope of supply chain expansion, and other factors and having industry managers (responsible for industries) and account managers (responsible for customers) who thoroughly understand the industry, business, and entire supply chain of our customers, we will propose specific solutions for customer management issues. Industry and account managers conceive realistic solutions for increasing effectiveness while going between the front lines of our customers' businesses and the front lines of the logistics operations of the Group.

**Sugiura** The person responsible for overseeing operational design finalizes designs for realizing solutions conceived by industry and account managers and is responsible for launching and maintaining stable operations, such as their application in and transfer to the logistics front line. Accordingly, the person responsible for overseeing operational design will establish a project team for each project, which consists of both industry and account managers, and implement optimized simulations based on data that takes into account analyses of logistics characteristics and customer growth strategies to develop the necessary functions and create highly efficient operations while minimizing risks. Furthermore, we will engage in the optimization and reinforcement of logistics operations following their launch by understanding changes in the external environment and customer circumstances and continuing to make improvements.

**Etani** When proposing optimization of the supply chain to customers, the Yamato Group first carries out an analysis of overall logistics costs. Overall logistics costs comprise the distribution costs across the entire supply chain, inventory costs and personnel expenses associated with logistics such as managing order placement and intake, production, and purchasing stock. Some companies are able to understand the direct logistics costs in sales but are unable to fully visualize their logistics costs in R&D, procurement, manufacturing, and after-sales services or understand their inventory costs (carrying costs incurred by holding stock). Without visualizing the overall logistics costs, it is impossible to optimize supply chains.

We are able to mobilize customer inventory in our network by visualizing the entire inventory, including that which is being transported, in real time, through customer warehouses at the Group's facilities and in our transportation and delivery networks. As a result, we will contribute to reducing overall logistics costs for customers by maintaining the required delivery lead time while optimizing inventory. This solution model provides a structure that prevents moving, storing, or making products unnecessarily, which contributes to reducing our customers' greenhouse gas (GHG) emissions.

**Sugiura** Low-carbon transition, in particular, is a key issue for the Group from the perspective of supply chain resilience and there are increasing demands from customers with globally developing businesses to reduce GHG emissions. To realize low-carbon logistics, we are working to create a platform for visualizing GHG emissions across the entire supply chain by collaborating with major European logistics companies and examining globally-shared standards for calculating GHG emissions in logistics, in addition to reducing the Group's GHG emissions through electrification of Yamato vehicles and utilization of solar power.

Furthermore, we are working together with customers to create a supply chain network that reduces GHG emissions from end to end, from procurement and manufacturing to sales and transportation, by changing methods for storing and transporting goods. We are concentrating the storage of inventory at certain bases of customers across Japan and utilizing the Group's facilities and transportation and delivery networks to transport and deliver the necessary amount in a timely manner. As a result, we will reduce overall inventory and achieve a reduction in transportation between facilities and transportation of returns, and loss through waste, contributing to the reduction of customer's GHG emissions for Scope 1 and Scope 2 (in-house emissions), in addition to Scope 3 (indirect emissions).

“**Human Resource Capability —The Key to Growth for Logistics Companies**”

**Etani** Human resource capability is the source of competitiveness for the Yamato Group and we are developing

human resources based on the Group's medium- to long-term plans. Among the required foundations for human resources, namely mindset, knowledge, and skills, mindset is the most important. I hope that employees place importance on the mindset of providing value to customers, colleagues, and society and giving their own lives value through work.

Next is knowledge of customers' industries, businesses, supply chains, and the management and operations for logistics. Finally, the skills to accurately listen to customer needs, to support these businesses, and to create and provide solutions for optimizing supply chains. We are promoting systematic training that ensures employees acquire knowledge of these concepts. Furthermore, it is vital that we provide on-the-job training by managers on the importance of enhancing the quality and quantity of actions in daily operations to ensure our personnel achieve results.

**Sugiura** In particular, advanced expertise and experience are essential when developing solutions. Through on-the-job training, we will foster a mindset through which employees can fully understand both the front lines of our customers' businesses and our own front line, enhance the skills necessary to analyze logistics characteristics and develop operations, prepare the tools necessary to achieve this, and reinforce knowledge and skills by recruiting external personnel. By creating project teams with employees from diverse backgrounds to deal with actual projects, we are working to create a system that cultivates a corporate culture in which members can work together and think autonomously while gaining advanced expertise, skills, and knowledge. This can then be shared and passed on within the Company.

“**Our Aim to Become a Group That Can Provide a Wide Range of Value to Customers, Industries, and Society**”

**Etani** The Yamato Group does not simply provide logistics functions but business solutions that support the growth of customers' businesses and supply chain solutions that optimize their supply chains. We will create value for our customers' entire supply chains, including the customers and suppliers of our customers. Additionally, we will innovate logistics across the entire industry and society by modeling such solutions and evolving the logistics platform in each customer's industry. Group employees will face customers with this mindset.

PROFILE



**Hiroshi Etani**

Senior Managing Executive Officer, Yamato Transport Co., Ltd. Responsible for Overseeing Corporate Sales and Global Strategy



**Takanao Sugiura**

Managing Executive Officer, Yamato Transport Co., Ltd. Responsible for Sales and Operation Design

After working as 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, director and general manager of the sales division for 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 responsible for the Global SCM Business Division at Yamato Transport Co., Ltd. in April 1, 2021. He has held his current position since February 1, 2022.

After working as manager of automated logistics engineering at Toyota Motor Corporation, Mr. Sugiura's work history includes experience as general manager of the logistics solutions business at Toyota Industries Corporation, deputy director of the engineering division of JP Rakuten Logistics, Inc. (seconded), representative senior managing director of Advanced Logistics Solutions Co., Ltd. (third party logistics business of Toyota Industries Corporation), and director, executive officer and manager of the SCM Business at MITSUI-SOKO LOGISTICS Co., Ltd. He joined the Yamato Group in March 2020 and became executive officer responsible for the Corporate Business Unit at Yamato Transport Co., Ltd. in April 1, 2021. He has held his current position since April 1, 2022.