

Expanding Value Provision to the “End to End”

Recently, there have been major changes in the business environment surrounding Yamato, and changes to consumption behavior and logistics structures have accelerated. Accordingly, the active participation of corporations in resolving social and environmental issues is becoming increasingly important to the achievement of a sustainable society. Under such circumstances, the Yamato Group aims to realize sustainable business growth by expanding the value we provide to the “End to the End” of our customers’ supply chains. We will achieve this through promotion of business structure reform centered on the structural reform of network operations and expansion of the corporate business domain based on the One YAMATO management structure, which centralizes the management resources of all Group companies.

From April 2020
Transformation Plan “YAMATO NEXT100”

From April 2021
Medium-Term Management Plan “One YAMATO 2023”

Identification of Issues

We are embarking on Group management structure reform and business structure reforms to sustainably meet the expectations and needs of customers and society, based on the accelerating changes to the business environment and worsening social issues.

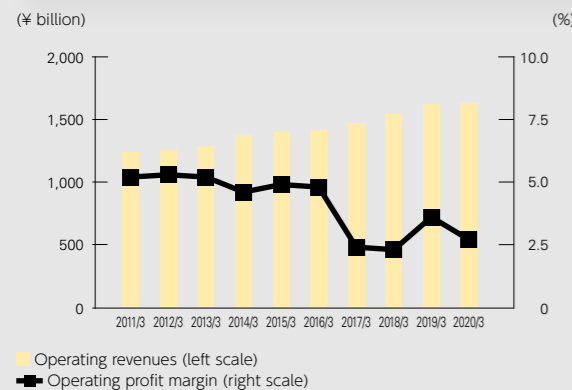
Business Environment / Social Issues

- Diversification of customer expectations and needs
- Rapid progress of EC (e-commerce) adoption in various industries
- Declining population and rural depopulation
- Declining workforce
- Climate change and resource scarcity

Issues with the Management Structure

- Decentralization of management resources of operating companies for each function (partial optimization)
- Limits of conventional business model that utilizes *TA-Q-BIN*
- Dependency on experience and intuition in individual decision-making
- Corporate culture focused on self-reliance

Changes in Operating Revenues and Operating Profit Margin (Fiscal Year Ended March 31, 2011, to Fiscal Year Ended March 31, 2020)



Group Management Structure Reform

Creation of One YAMATO Management Structure

- ▶ Centralization and redeployment of management resources by integrating Yamato Transport with eight Group companies

Review of Business Portfolio

- ▶ Transfer of shares issued by Yamato Lease Co., Ltd. and Yamato Home Convenience Co., Ltd. (wholly-owned subsidiary → equity-method affiliates)
- ▶ Withdrawal from development of *TA-Q-BIN* in East Asia and Southeast Asia

Review

(Fiscal Year Ended March 31, 2022, to Fiscal Year Ended March 31, 2023)

Medium-Term Management Plan “One YAMATO 2023”—Results and Issues

- Results**
- Creation of One YAMATO management structure, which centralizes Group resources
 - Progress in creation of EC logistics network as a starting point
 - Completion of overall design and launch of phased implementation to reinforce existing *TA-Q-BIN* network
 - Expansion of domains 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 distributors, and Lead Logistics Partner projects (LLP contacts)
- Issues**
- Structural reform for integration of sales and operations
 - Continuous reinforcement of management foundation that supports business structure reforms
 - Optimization of pricing based on changes to the external environment

Business Structure Reforms

Structural Reform of Network Operations ▶ P18-21

- ▶ Reinforcement of existing networks as well as creating and expanding designated networks

Point

Strengthening of response to logistics needs in growth domains as well as enhancement of network quality and efficiency

Expansion of Corporate Business Domain ▶ P22-25

- ▶ Expansion of value provision by combining domestic and international facilities and transportation and delivery networks, third-party logistics, and international forwarding

Point

Expanding value provision to the “End to End” of domestic and global customer supply chains

Promotion of Fundamental Strategies that Support Structural Reforms

Human Resource Strategy ▶ P26-31

Digital Strategy ▶ P32-33

Environmental Strategy ▶ P34-37

Reinforcement of Foundation for Improving Sustainable Corporate Value
Strengthening of sustainable management × Strengthening of corporate governance

▶ P38-43

▶ P44-61

Vision

Expanding value provision to the “End to End” of customer supply chains

Achievement of sustainable business growth