

## Base Domain: Reinforcement of the TA-Q-BIN Network and Expansion of Value Proposition

We are increasing the service lineup, enhancing customer experience value, and expanding our value proposition through measures such as carbon neutral delivery for the three parcel delivery services. At the same time, we are strengthening our pricing strategy in response to external environmental changes. Furthermore, we will promote structural reforms of our network operations to strengthen our TA-Q-BIN network as part of social infrastructure, converting it to a structure that can achieve steady profit growth.

### Express Business

Provision of domestic parcel delivery services centered on TA-Q-BIN

Results for Fiscal Year Ended March 31, 2024



### Expansion of Value Provision

In the retail domain, we are working to strengthen sales to small corporates by leveraging the connection between our Sales Drivers (SDs) and customers, aiming to back these efforts by expanding our service lineup. On the other hand, in the corporate domain, in the fiscal year ended March 31, 2024, we started promoting efforts to win accounts that will propel expansion of our Contract Logistics (CL) Business and Global Business expansion. Going forward, we will also strengthen our negotiations to optimize pricing.

#### ► Expansion of Value Provision

Item	Quantity	Unit	Other
Carbon neutral transportation and visualization of GHG emissions	↗	↗	—
Provision of "Okihai" for Kuroneko Members	↗	—	Cost ↘
Provision of speedy transportation using freighters	↗	↗	Other transportation revenue ↗

#### TOPICS

##### ● Carbon Neutral Delivery

In January 2024, we made a Carbon Neutrality Declaration in accordance with the international standard. We will continue working to reduce GHG emissions associated with our business activities and we will continue to realize carbon neutrality for our target products (TA-Q-BIN, TA-Q-BIN COMPACT, and EAZY) through measures such as offsetting via the use of carbon credits. We will use this carbon neutral transportation as a new factor for differentiating ourselves to expand sales of our service.



Carbon Neutral Delivery

##### ● Provision of Okihai Service for Kuroneko Members

From June 2024, we added *Okihai*, an unattended delivery service, as a new method for receiving deliveries for approximately 57 million registered users of our Kuroneko Members (a membership service for individuals).

We will respond to an increase in needs for non-face-to-face reception of deliveries, which has been driven by diversification of lifestyles and growth in demand for e-commerce, as we contribute to better customer convenience when receiving packages. In the July to September period following the launch of *Okihai*, we saw a significant year-on-year increase in both the number of deliveries that can be designated for *Okihai* and the number of deliveries designated for *Okihai*, while the not-at-home ratio was 9.1%. This was below the level of 10.1% for July-September 2020, which was affected by the COVID-19 pandemic, and is also contributing to productivity gains in last-mile services.

#### ► Capital and Business Alliance with the Red Horse (RH) Group

In September 2024, Yamato Holdings concluded a capital and business alliance agreement with the RH Group, which has extensive expertise and industry share in the hometown tax system support. Using the Yamato Group's three-temperature-range logistics processing and transport and delivery functions, we will increase delivery volume and promote the provision of value in upstream areas in the expanding hometown tax system market.

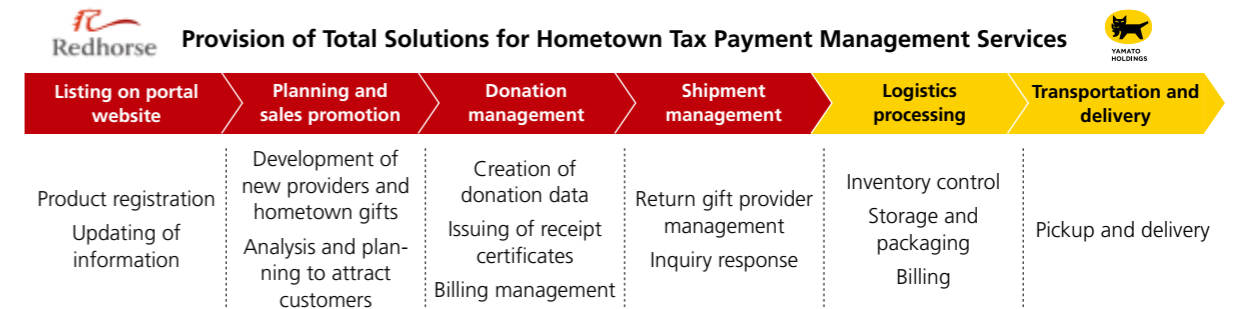
	RH Group's strengths	Yamato Group's strengths
Strengths of both groups	<b>Extensive expertise and industry share in hometown tax payment system support</b> <ul style="list-style-type: none"> <li>Track record of working with approx. 220 municipalities and approx. 8,000 providers of hometown gifts</li> <li>In-house operated BPO centers and call centers</li> <li>Administration system that can simultaneously connect with the largest number of donation portal sites in the industry</li> <li>OWL online market, a direct-to-customer e-commerce mall with 500,000 members</li> </ul>	<b>Nationwide customer base and logistics processing and transportation and delivery functions in three temperature ranges</b> <ul style="list-style-type: none"> <li>Transportation and delivery network and logistics processing functions that handle three temperature ranges (room temperature, refrigerated, and frozen)</li> <li>Approximately 60,000 Sales Drivers</li> <li>Customer base built through TA-Q-BIN service and alliances with approximately 700 local governments</li> </ul>
	<b>Strengthening efforts for regional revitalization</b> <ul style="list-style-type: none"> <li>Through initiatives to discover local products and expand distribution and sales channels, establish a "business model that enables autonomous and self-sustaining regional revitalization"</li> <li>→ Contribute to the revitalization of local communities</li> </ul>	
Vision	<b>Enhancement of hometown tax payment management agency function</b> <ul style="list-style-type: none"> <li>Provide total solutions from planning to last-mile deliveries</li> <li>Utilize Yamato Transport's customer base and sales resources</li> <li>→ Expand volume by strengthening proposal capabilities to municipalities (room temperature and temperature-controlled Cool deliveries)</li> </ul>	
	<p><b>Provision of Total Solutions for Hometown Tax Payment Management Services</b></p>	

#### Strengthening efforts for regional revitalization

- Through initiatives to discover local products and expand distribution and sales channels, establish a "business model that enables autonomous and self-sustaining regional revitalization"
- Contribute to the revitalization of local communities

#### Enhancement of hometown tax payment management agency function

- Provide total solutions from planning to last-mile deliveries
- Utilize Yamato Transport's customer base and sales resources
- Expand volume by strengthening proposal capabilities to municipalities (room temperature and temperature-controlled Cool deliveries)



For more details, please refer to our corporate website.

[https://www.yamato-hd.co.jp/english/news/2024/pdf/newsrelease\\_20240930\\_en02.pdf](https://www.yamato-hd.co.jp/english/news/2024/pdf/newsrelease_20240930_en02.pdf)

#### ► Pricing Strategy

As the working-age population in Japan declines, we are promoting a pricing strategy to ensure an appropriate consideration commensurate to the value we provide in order to deal with increases in wages and the unit prices of our partners, as well as increases in resource and energy prices.

We revise our notified fares (retail prices) every year based on changes in the external environment and also revise individual contracts with corporate customers. In the corporate domain (large corporates) in particular, we are promoting efforts to win accounts that will drive expansion of our CL Business and Global Business, while carefully negotiating optimization of pricing based on factors such as fluctuation in operation volume and operation load. Looking ahead, we will continue to continuously revise pricing, including our charging system, such as application of seasonal surcharges, in order to realize and increase profitability.

**Base Domain: Reinforcement of the TA-Q-BIN Network and Expansion of Value Proposition**

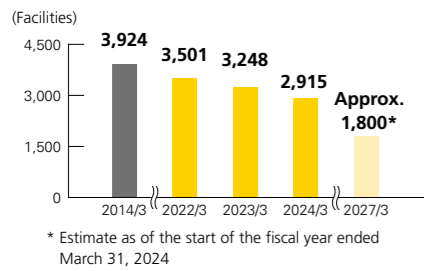
**Structural Reform of Network Operations**

In order to respond to the expansion of e-commerce and changes in customer needs and the structure of logistics, and to reinforce our TA-Q-BIN network as a part of social infrastructure in a more efficient and continuous manner, we have been promoting initiatives to optimize operating costs, such as consolidating and enlarging last-mile pickup and delivery facilities, consolidating the regions for trunk-route transportation, and establishing fully-digital operations.

► **Consolidation and Enlargement of Last-Mile Pickup and Delivery Facilities**

We had been opening large numbers of small-scale, last-mile pickup and delivery facilities for parcel delivery, mainly in urban areas, but we are now working to consolidate and enlarge them. In this way, we will work to optimize transport, operation, administration, and management costs by reducing transport between facilities and realizing more a flexible operational design. We will also increase safety, quality, and ease of working through the use of digital technology and the establishment of a good working environment.

**Trend in No. of Last-Mile Pickup and Delivery Facilities**

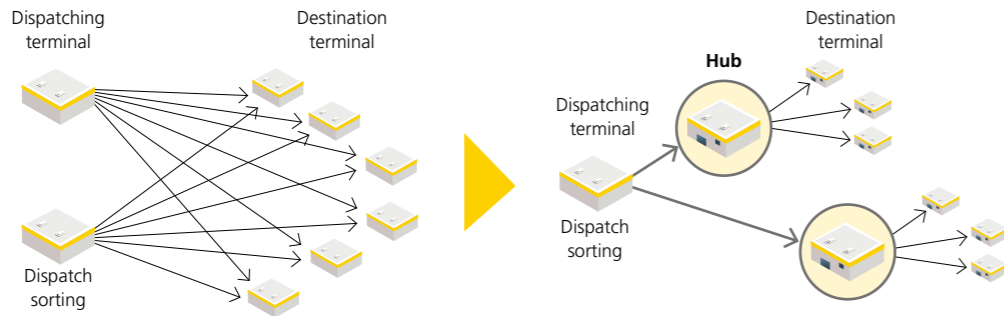


**Trend in Consolidated Operating Revenues and Personnel Cost Ratio**



► **Regional Consolidation of Trunk-Route Transportation**

Previously, we sorted parcels at the dispatch terminal by the destination terminal for transport and in some cases where a full load for a large truck was not available for a direction with little freight, the cargo was collected with frontline ingenuity and transported at an adjacent terminal. However, the environment is changing, with changes in cargo movements due to the expansion of e-commerce and increasingly severe shortages of transportation capacity. Against this backdrop, there has been a growing need to establish a reliable, continuous transport model to reduce long-distance operations while improving loading efficiency, and our policy is to proceed with regional consolidation while appropriately discerning its effects. At the same time, we will work to improve dispatch planning and the performance management process of trucks at each terminal.



► **Establishing Fully Digital Operations**

In parallel with our initiatives to consolidate and enlarge last-mile pickup and delivery facilities and regionally consolidate truck-route transportation, we are engaged in transforming our operations using technology. We are building operations that have instructions issued by the system to prevent drivers getting lost, working environments in which the status of operations can be managed by managers in real time even when they are off site, and networks that can transport only the required cargo at the required place and time. These will realize a reduction in operating costs by relieving management of certain tasks and increasing work productivity. It will also increase safety by abolishing unreasonable driving and work operations and help to increase job satisfaction by visualizing employees' level of fulfillment at work.

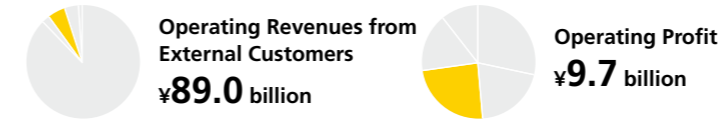
**Growth Domain: Expansion of Corporate Business Domain**

Amid an increase in risk such as the global political and economic situation, fragmentation of supply chains into blocks, and environmental issues, the Yamato Group has positioned the solution business as a new growth domain, aiming to resolve customers' management issues throughout their supply chains.

**Contract Logistics Business**

Providing total solutions to support the business growth of corporate customers

Results for the Fiscal Year Ended March 31, 2024



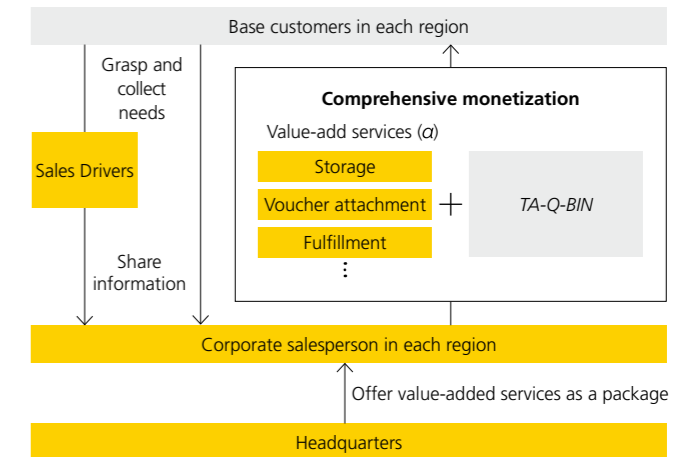
Due to developments such as the expansion of e-commerce and trend toward small-lot, high-frequency deliveries, logistics operations are becoming more complicated. In the CL Business, we are capturing the increase in outsourcing needs associated with customers' business stages and working to further expand use of TA-Q-BIN while also providing new value beyond TA-Q-BIN, such as appropriate inventory management to avoid shortages or overstocking, increased picking and packing operational efficiency to process small-lot orders with increasing frequency, and connection with warehouse sites and transport and delivery networks.

► **Value-Add Service (α) + TA-Q-BIN**

The CL Business is focused on synergies with the Express Business, looking to utilize the strengths that the Yamato Group has cultivated in its TA-Q-BIN service, such as customer contacts of approximately 60,000 SDs nationwide and a strong customer foundation. By packaging value-added services connected with TA-Q-BIN, and proposing total packages including TA-Q-BIN, to a wide range of customers in every region, we will expand the CL Business and the revenues of the Express Business.

► **3PL/LLP**

We also provide more customized logistics services to our main accounts. We are promoting the provision of business solutions that help to transform customers' supply chains by offering proposals that cover the entire supply chain, including optimization of warehousing and logistics and reduction of GHGs. Moreover, we are working to create Lead Logistics Partner (LLP) deals, which involve participation and support not only for customers' logistics management and operation, but also their planning and strategy building in coordination with the Global Business.



**TOPICS**

○ **Support for Recalls, Returns, and Exchanges**

Handling of product recalls is becoming more important as public attention increases, and the Yamato Group is developing support services for such an event. Not only do we collect products through TA-Q-BIN, we also provide total support, including proposing countermeasures, notification, telephone services, and follow-up. In addition, we provide support for returning and exchanging products that require repair or inspection as part of our support for customers' businesses during normal times. This service is an extremely profitable business model due to our strengths in being able to support all operations, despite the different sale and time period of each job.

## Growth Domain: Expansion of Corporate Business Domain

### Acquisition of Shares of Nakano Shokai (Conversion to a Consolidated Subsidiary)

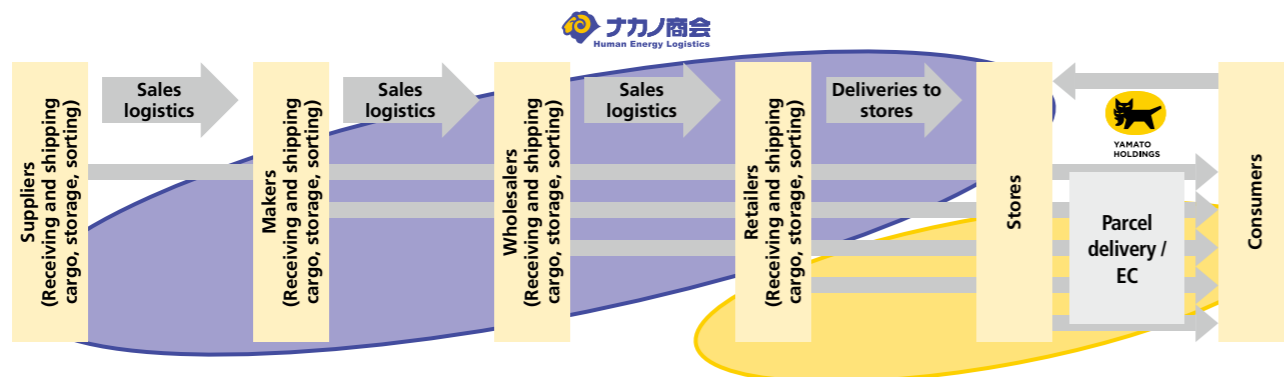
In December 2024, the Company acquired 87.7% of the outstanding shares of Nakano Shokai Co., Ltd., making it a consolidated subsidiary. With the addition of Nakano Shokai, the Yamato Group will expand its corporate business domain through measures including (1) expanding the contract logistics (CL) business, (2) creating synergies in the express (EXP) business, (3) creating cost synergies through joint use of both company's resources (CL and EXP businesses).

#### ► Summary of the share acquisition

Basic information	Name:	Nakano Shokai Co., Ltd.	Financial information (Fiscal year ended September 30, 2023)	Net sales	¥86.7 billion	Total assets	¥34.3 billion
	Date of establishment:	August 16, 1988		Operating profit	¥4.6 billion	Net assets	¥8.9 billion
Summary of business	Contract logistics business		EBITDA	¥5.9 billion	ROIC	21%	
	• Storage, warehouse operations, transport services • Sublease of logistics facilities reconfigured to match client specifications		Acquisition amount	¥46.9 billion (ownership ratio 87.7%)	ROE	43%	
Resources	Number of employees:	Approx. 3,100 (including 700 drivers)	Acquisition date	December 1, 2024			
	Number of locations:	51 in Japan	Acquisition funds	The Company's own funds			
	Number of vehicles:	Approx. 400 company-owned; 3,500–5,000 vehicles in daily operation including partner vehicles	EV/EBITDA multiple	Approx. 6.5 times (including synergies*) * Estimated for the fiscal year ending September 30, 2027			

#### ► Customer bases of both companies each have different industry types and domains

Nakano Shokai's customer base is centered on retailers, manufacturers and suppliers of food products, and the upstream logistics domain of e-commerce operators. By contrast, the Company's CL business has strengths in different industry types and domains that are closer to the consumer side, such as the domain of detailed delivery to stores, as well as communications and services, medical, and electronics. By leveraging both companies' customer bases, it will be possible to increase business opportunities.



#### ► Expected synergies

The acquisition is expected to produce increased business opportunities by leveraging both company's customer bases and revenue synergies, such as proposing comprehensive solutions from upstream to downstream in the supply chain. It is also expected to create cost synergies through the utilization of Nakano Shokai's resources and expertise. The acquisition envisages the application of Nakano Shokai's highly profitable and efficient warehouse management model and its high-vehicle-turnover-rate transportation network to the Yamato Group's operations. To help ensure these synergies are realized, we will form a post-merger integration structure, organize issues and tasks, and create a system for periodic monitoring.

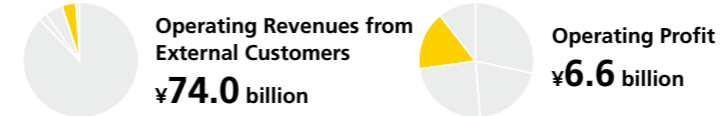
For more details, please refer to our corporate website.

② [https://www.yamato-hd.co.jp/english/investors/pdf/E\\_project\\_n.pdf](https://www.yamato-hd.co.jp/english/investors/pdf/E_project_n.pdf)

## Global Business

Provision of solutions for forwarding, international express, and other services by Japanese and overseas subsidiaries

Results for the Fiscal Year Ended March 31, 2024



We will strive to further expand the fields in which the Yamato Group can leverage its strengths, including automotive, high tech, and the food industry. At the same time, we will strengthen our sales capabilities, mainly in Japan, the United States and Mexico, China, India, and Southeast Asia, providing global support for customers' businesses and supply chain management.

#### ► Forwarding

- Transportation of mixed loads mainly comprising BtoB trade freight, BtoC and BtoBtoC cross-border e-commerce freight, and overseas relocation freight
- Especially in recent years, we have been using the *TA-Q-BIN* network and our knowledge of customs and bonded transfers to develop demand for growing cross-border e-commerce from China and South Korea into Japan.
- We will develop cross-border land transportation between Southeast Asia and China.  
In May 2024, we started providing an international multimodal transport service connecting Southeast Asia and Europe, combining trucks with railroad transport between China and Europe.

#### ► Overseas Contract Logistics

- Through proposals that pick up on customers' management issues, we conduct logistics management and operation as well as strategy and planning services, building long-term, stable relationships with customers
- We will also use our in-house logistics\* for the automotive industry and others as a starting point to expand the value we provide across the entire supply chain

\* Provision of logistics services onsite at customers' facilities. We have expertise in using optimization of inventory location and workflows as sources of earning capability.

#### TOPICS

##### ● Regular Mixed-Freight Transportation Service through Our Cross-Border Land Transportation Network

Using the Overland Total Logistics Group, which is headquartered in Malaysia, we will develop both full-truck-load (FTL) chartered transport services by whole container and regular less-than-truck-load (LTL) mixed-freight transportation services, which are one of the Company's strengths, between Singapore, Malaysia, Mainland Southeast Asia, and China. In doing so, we are supporting customers' supply chains by realizing high-frequency, small-lot transportation for procurement, manufacturing, and sales.

##### ● Cross-Border E-Commerce Arriving in Japan

Yamato Transport is a certified operator under the Authorized Economic Operator (AEO) system in Japan (a program that provides relaxed, simplified customs procedures to operators recognized by customs to have established systems for cargo security management and legal and regulatory compliance). We conduct strict customs operations, and strive to comply with laws and regulations in our daily operations. However, in the manifest customs of cross-border e-commerce freight, many items have inaccurate content declarations, which can lead to long customs clearance times. The Yamato Group has developed proprietary systems to address this, which have realized more accurate customs processing in a short time and dramatic cost reductions.

Our intention now is to develop cross-border e-commerce services for freight originating in Japan, which has a larger market scale, based on the expertise we have cultivated in imports.



**Growth Domain: Expansion of Corporate Business Domain**

**MESSAGE**

**Taking the opportunity presented by changing supply chains to expand the global business**

**Hiroshi Etani**

Senior Managing Executive Officer, Head of Global Business, Yamato Transport Co., Ltd.

After working as president of ITOCHU Logistics Singapore Pte Ltd, 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, 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



**▶ Initiatives Implemented**

We aim to be a logistics company that can compete on the world stage, increasing customer value mainly through forwarding and contract logistics in the Global Business domain (international freight to and from Japan and overseas freight).

By the end of the previous Medium-Term Management Plan period, we had strengthened our management position through measures such as withdrawing *TA-Q-BIN* services from Asia, establishing a comprehensive account management structure spanning regions and countries, improving the profitability of forwarding and contract logistics services, and launching regular mixed-freight transportation services using the cross-border overland network of the Overland Total Logistics (OTL) group, which connects Southeast Asia and China.

In addition, we took steps to recruit and develop human resources able to propose solutions that reflect an understanding of customers' entire supply chains. The result of these efforts was the creation of lead logistics partner (LLP) projects in which we are involved not only in operation and management of customers' logistics, but also in aspects including logistics strategy and planning.

Through these initiatives, we were able to maintain profitability at our overseas local subsidiaries, even in the fiscal year ended March 31, 2024, when we saw a fallback in demand following the end of the COVID-19 pandemic. The operating profit margin of the Global Business overall also reached a level that is comparable to that of other companies.

**▶ Policy under the Current Medium-Term Management Plan**

After the turmoil in global logistics caused by the COVID-19 pandemic, there was a change in the concept of supply chain management from "just in time" to "just in case." While "just in time" is still ideal for supply chain management, delivering only what is needed when it is needed rather than holding on to unnecessary inventory, in today's world, where unexpected events occur often, it is necessary to build supply chains that are able to respond rapidly and flexibly "just in case" risks materialize. In recent years, increasing friction between the United States and China is strengthening the trend of fragmenting supply chains into regional blocs, which is changing the global flow of goods. The Yamato Group will respond appropriately to these changes and support its customers' business and supply chain management.

In forwarding services, we will identify a target lane to dominate the supply chain of a target industry and, by concentrating freight volumes there, we will increase our competitive capabilities in terms of service and price. The Yamato Group handles freight in multiple categories, including general BtoB trade freight, BtoC and BtoBtoC cross-border e-commerce freight, and overseas relocation freight, and we will mix these effectively for transportation. As near-shore transport\* needs increase due to fragmentation of supply chains into regional blocs, the Yamato Group will be able to leverage its high-value-added land transportation services, such as the abovementioned regular mixed-freight service connecting Southeast Asia and China, to its advantage.

In contract logistics, we will provide total services for the logistics operations of customers in target industries, from warehousing to transport and delivery, incorporating solutions that contribute to customers' business and supply chain management to increase customer value. At overseas local subsidiaries, we operate in-house warehouses, but we will also differentiate ourselves from other companies by strengthening transport and delivery functions through cooperation with partner companies. At the same time, we will also bolster our capabilities for account management and solutions design, and for operation design and operations. Moreover, since forwarding near-shore transportation needs are expected to increase, it will be important to increase collaboration between contract logistics and forwarding and provide seamless services. We will therefore look to strengthen this aspect.

\* Transportation between geographically close countries and regions

**▶ M&A Strategy and Growth Outlook**

Increasing uncertainty regarding the global situation is a risk for our Global Business. However, it is accompanied by an increase in new business opportunities due to the rapidly occurring changes. The Yamato Group will not miss this chance; it will also grow by providing global support for customers businesses and supply chain management. In doing so, we will strengthen our forwarding and contract logistics functions in countries and regions that are strategically important to the Group and execute M&As that we deem necessary for accelerating the growth of our Global Business.

**M&A Strategy**

**▶ Why Promote an M&A Strategy?**

The Yamato Group will strengthen its *TA-Q-BIN* network in the base domain and use the strengths it has cultivated through *TA-Q-BIN* in the downstream domain to strengthen its proposal capabilities for the upstream domain of customers' supply chains as a growth domain. During the period of the previous Medium-Term Management Plan, we strove to maximize the value we provide to customers through the adoption of One YAMATO and the participation of human resources with high-level expertise. We also changed to a structure capable of making greater use of the *TA-Q-BIN* customer foundation. Through this, we expect to achieve autonomous growth in our existing businesses going forward. However, we are also aiming for further growth and an increase in corporate value by promoting M&As and strategic business alliances.

**▶ Points of the M&A Strategy**

Target	<ul style="list-style-type: none"> <li>• <b>Consider acquisition of several companies, while focusing on compatibility with growth strategies</b> Target industries: Automotive, high-tech, food cold chain, health care, etc. Target regions: Japan, U.S. &amp; Mexico, India, Southeast Asia Monetary scale: The largest scale M&amp;A for the Medium-Term Management Plan period is expected to have <b>operating revenue of ¥400.0 billion</b> and <b>operating profit of ¥40.0 billion</b></li> </ul>
The Yamato Group's strengths	<ul style="list-style-type: none"> <li>• <b>Broad domestic customer foundation in Japan cultivated through <i>TA-Q-BIN</i></b> A wide-ranging customer foundation from individuals to corporations built through customer contact points, including approximately 60,000 SDs nationwide</li> <li>• <b>Stable financial foundation</b></li> </ul>
Financial discipline	<ul style="list-style-type: none"> <li>• <b>Moving with discipline to realize synergies and reduce the cost of capital</b> Fund procurement: In principle through interest-bearing debt Effect measurement: In addition to existing business feasibility rules, we also conduct regular monitoring based on quantitative standards such as <b>ROIC of 10% or higher</b> within three years after acquisition</li> </ul>

**▶ System and Process**

We recognize that to appropriately understand the risks involved in M&As, business divisions and the dedicated M&A department work together as one to promote the process. The dedicated M&A department was established in 2016 with participation by career hires with specialist expertise, while recently we have accumulated knowledge mainly about Group organizational restructuring and sell-side transactions. Looking ahead, we will strengthen the promotion structure and increase the certainty of realizing post-acquisition growth strategies by assigning persons in charge of PMI for each M&A from an early stage.

In the discussion process, we establish a hypothetical proposal in advance based on our growth strategy, then conduct an investigation and research on the candidate company. After the acquisition, we conduct regular monitoring to see that the envisaged synergies are being realized. We also disclose our progress appropriately, with a view to reducing the cost of capital, and work to deliver an increase in corporate value.

**Reference: Main M&As and Strategic Alliances**

Year	Type	Transaction
	Share acquisition	Conclusion of agreement for business collaboration and capital alliance with major Malaysian delivery company GD Express Carrier BHD. (currently GDEX Berhad)
2016-	Joint venture	Establishment of Packcity Japan co., Ltd. with French company Neopost
	Share acquisition	Acquired the shares of OTL Group, a cross-border onshore trunk-route transport company headquartered in Malaysia
2020-	Share transfer	Transferred 60% of the issued shares of Yamato Lease Co., Ltd. to Fuyo General Lease Co., Ltd.*
2022-	Share transfer	Transferred 51% of the issued shares of Yamato Home Convenience Co., Ltd. to ART MOVING COMPANY Co., Ltd.
2023-	Share transfer	Transferred 51% of the issued shares of Yamato Staff Supply Co., Ltd. to World Staffing Co., Ltd.
2024-	Share acquisition	Acquisition of 48.57% of the outstanding shares of RH Co., Ltd. Acquisition of 87.7% of the outstanding shares of Nakano Shokai Co., Ltd.

\* Transfer of all shares is scheduled for January 1, 2025

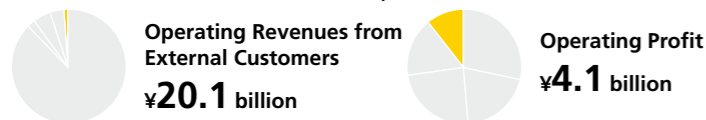
## New Domain: Commercialization of New Business Models

We will leverage our existing management resources while working with diverse partners to commercialize new business models that meet the diversifying needs of customers and society in order to realize a sustainable future.

### Mobility Business

Promote the introduction and operational support of commercial EVs by corporate customers, based on the vehicle maintenance business, and by utilizing the various knowhow accumulated through Yamato's environmental investments and demonstration tests

Results for the Fiscal Year Ended March 31, 2024



#### Business Infrastructure: Yamato Auto Works Co., Ltd.

- 24-hour, 365-day operation, with a network of 72 locations nationwide
- Multi-brand capability
- Together with vehicle maintenance, Yamato can provide comprehensive support to logistics companies, including the sales of insurance and fuel as well as maintenance and operation of logistics facilities / equipment, etc.

No. of facilities: 72 nationwide  
 No. of clients: Approx. 1,700  
 Approx. 100,000 vehicles  
 No. of employees: Total, approx. 2,100 (including 940 mechanics)

#### New Domain: EV Life Cycle Service for Users of Commercial EVs

Amid growing demand for vehicle electrification as a measure for decarbonization, the Yamato Group will launch a service providing comprehensive functions for commercial vehicle users, including introduction and operation of EVs, using its accumulated expertise in EVs and energy.

- #### Providing the EV Life Cycle Service
- Proposal of decarbonization plan for corporate customers
  - EV introduction, installation of charging equipment, and dealing with government subsidies
  - Operational support with EV maintenance and electricity management

### Green Logistics (Joint Transportation and Delivery)

We will provide an open platform for joint transportation and delivery to enable the building of sustainable supply chains



We established a new company to provide an open platform for joint transportation and delivery in response to transportation capacity shortages and worsening climate change.

We plan to leverage our track record of participation in the SIP "Smart Logistics Service,"\* approximately 1.7 million corporate customers cultivated through TA-Q-BIN services, and partnerships with about 3,500 transport and delivery companies to launch a business for matching shipper companies with logistics companies around the end of 2024. We also plan to use standard pallets and regular operation times, as well as vehicles with a successful track record, such as semi-trailers/double articulated trucks, to conduct stable, high-load operations. In the fiscal year ending March 31, 2025, we plan to operate 40 services per day, mainly between Tokyo, Nagoya, and Osaka, passing via transit hubs to alleviate the load on drivers and increase operational efficiency.

\* Since 2018, Yamato has participated as the program director of the Japanese cabinet's Strategic Innovation Promotion Program's (SIP) "Smart Logistic Service" and has formulated Logistics Information Standardization Guidelines.

#### Overview of the New Company

Company name	Sustainable Shared Transport Inc.
Location	2-16-10 Ginza, Chuo-ku, Tokyo
Paid-in capital	¥350 million
Established	May 21, 2024 (operations scheduled to start during the fiscal year ending March 31, 2025)
Business lines	<ul style="list-style-type: none"> <li>• Provision of transportation and delivery services centered on standard pallets</li> <li>• Management and operation of an open platform for joint transportation and delivery, etc.</li> </ul>

#### Expected Effect (As of March 31, 2026)

- Secured ongoing stable transportation means (80 services per day)
  - Decrease in GHG emissions (decrease of 42.2%) and improved work environment and compensation for drivers (labor saving of 65.1%)

### Freighters (Cargo Planes)

Capturing new demand by leveraging stable and speedy transportation and maintaining and increasing transportation service quality

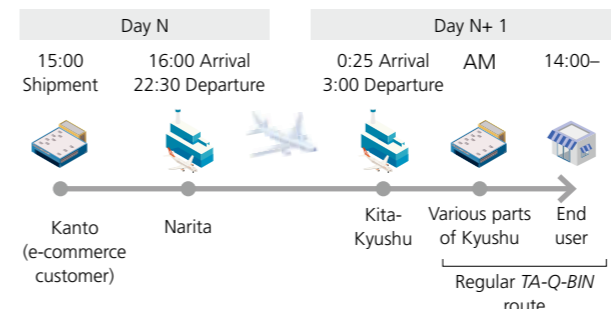


The growth of the domestic e-commerce market in Japan has driven an increase in parcel delivery demand and a reduction in the transport capacity of trucks to meet the need for speedy transport. To meet these needs and strengthen our response to the risk of disruption to logistics networks, we started freighter services in April 2024.

To generate profit, we not only provide value through speedy transportation, but have also been striving to increase profitability through measures including switching from truck transportation in consideration of the "2024 Problem" in logistics, creating various model cases with clients, such as transportation of large cargoes that cannot be carried in the cargo space of passenger aircraft, or industrial products or fresh items, and, recently, using empty space to carry TA-Q-BIN items. Moreover, we are able to flexibly change zones and operation timetables to meet demand, launching services at Haneda Airport in August in addition to Narita, New Chitose, Kita-Kyushu, and Naha airports. Looking ahead, we will work to capture new demand through stable and speedy transportation.

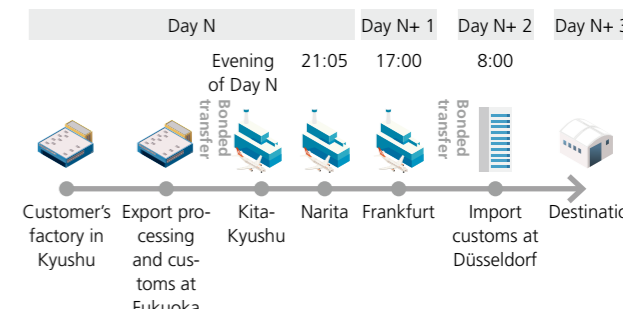
#### (1) E-Commerce Next-Day Delivery Model for Kyushu and Hokkaido

Provide next-day delivery to regions that previously required two days, using stable transportation capability only possible with freighters



#### (2) Connection with International Flights (Industrial Products for Automotives and Semiconductors)

From Kyushu to Düsseldorf in Germany. Shortened the previous N+4 days to N+3 days using international flight connection at Narita Airport (cargo is foreign currency-denominated, after clearing customs at Kita-Kyushu)



### Neko-Support

Using Yamato Transport facilities to provide services that go beyond sending and receiving



We are working to create new value that goes beyond sending and receiving parcels in order to meet the diverse needs of local communities, such as responding to population aging, population decline, and the decline of local communities, as well as increased inbound tourism demand. In addition to a diverse array of stores directly operated by Yamato Transport at train stations, airports, and shopping centers, and so forth, throughout Japan, as we continue with our consolidation and enlargement of last-mile pickup and delivery facilities, we will utilize those existing locations that are expected to receive a lot of cargo, even if they are not efficient as pickup and delivery facilities, aiming to provide spaces where customers can easily consult to find solutions, from regional issues to business problems.

For example, our Sales Office in front of Namba Station in Osaka will target the growing number of sightseers by offering not only ordinary TA-Q-BIN services but also same-day deliveries within the Kyoto and Osaka metropolitan areas, hand luggage storage, and even information about nearby restaurants and souvenir stores. For the hand luggage storage service, we are trialing an automatic machine for receiving suitcases, while working to reduce labor and increase multilingual customer support.

Through such initiatives, the Neko-Support Business is opening stores with a close local presence that can bring together people, goods, and experiences to create new value. In this way, we will contribute to greater convenience for local residents, stimulation of local industry, and town development.



Sales Office in front of Namba Station to meet the needs of tourists

Putting a suitcase into the receiving bay of the machine

Note: Revenue and expenses related to green logistics, freighters, and Neko-Support are included in the EXP Business segment.