
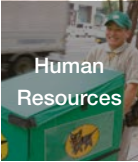


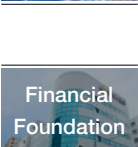


Value Creation Process

<p style="text-align: center;">Business Environment / Social Issues</p> <ul style="list-style-type: none"> • Diversification of customer expectations and needs • Rapid progress of EC adoption in various industries • Declining population and decaying regional infrastructure • Declining working population • Climate change and resource scarcity <p style="text-align: center;">Further acceleration of the shift toward EC in all industries due to the COVID-19 pandemic</p> <ul style="list-style-type: none"> • Lifestyles: Further growth of EC and shift to omni-channel approaches, including non-face-to-face interactions • Logistics structure: Total optimization of inventory and supply routes 	<p style="text-align: center;">Issues Facing the Yamato Group</p> <div style="border: 1px solid gray; padding: 5px; margin-bottom: 10px;"> <p style="text-align: center; color: teal;">Management structure centered on TA-Q-BIN</p> </div> <p>Strategies: TA-Q-BIN alone unable to accommodate rising demand from the EC market and corporate logistics</p> <p>Management Systems: Weak management structure for quick decision-making due to dependence on individual skills based on intuition and experience</p> <p>Organizational and Corporate Culture: The Yamato Group's sound culture, "Participatory Management," no longer practiced</p>
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Management Resources / Strengths	
	<p>Corporate clients ▶ Number of client companies: Over 2 million ▶ Yamato Business Members: Approx. 1.3 million</p> <p>Consumers ▶ Kuroneko Members: Approx. 45 million</p>
	<p>Sales representatives ▶ Account sales representatives and sales drivers: Over 60,000</p> <p>Customer representatives ▶ Guest operators and call center operators: Approx. 25,000</p>
	<p>Base network ▶ Bases and warehouses: Approx. 200 ▶ TA-Q-BIN centers: Approx. 3,700</p> <p>Transportation and delivery network ▶ Trunk-route, BtoB middle mile, TA-Q-BIN/EAZY last mile</p>
	<p>Physical and digital customer contact points ▶ Account sales representatives, sales drivers, guest operators, call center operators, Kuroneko Members, Yamato Business Members</p> <p>Data ▶ Cargo-related data: Over 2 billion parcels a year</p>
	<p>Soundness ▶ Credit rating: AA-</p>

Value	
<p>For consumers:</p> <p>For corporate clients:</p> <p>For society:</p>	<p>Further enhancing the convenience of EC, also providing support for maintaining sales, and increasing the quality of life</p> <p>Supporting corporate value by reducing environmental burden</p> <p>Reducing environmental burden and improving quality of life</p>
<p>The Yamato Group as a Part of Society</p> <p>Medium-Term Management Strategy</p> <p>Combine the management resources gathered together to create value from end to end with a view to contributing to society</p>	
<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid gray; padding: 5px;">Strengthen corporate business</div> <div style="border: 1px solid gray; padding: 5px;">Reinforcement of Group infrastructure</div> <div style="border: 1px solid gray; padding: 5px;">Optimizing management based on data</div> <div style="border: 1px solid gray; padding: 5px;">Reforming management structure and reinforcing governance</div> <div style="border: 1px solid gray; padding: 5px;">HR strategy which supports "Innovating Delivery Business"</div> </div>	
<p>Transformation Plan</p> <p>Corporate</p> <p>Group Corporate</p>	

Guided by its Core Values, which represent the Group’s founding spirit, the Yamato Group aims to achieve the goal adopted under its Management Philosophy of contributing to an enriched society. Under the “One Yamato” management structure, we will gather together the management resources that we have long cultivated through our business activities, including our human resources, logistics networks, and customer foundation. Combining these resources in an optimal manner, we will provide value to our individual customers, corporate clients, and society as whole with a view toward transforming our supply chain to respond to the accelerating shift toward EC in all industries. Through these efforts, we will realize sustainable corporate value improvement.



We Provide

Enhancement of lifestyles
 Improvement (not only enhancing logistics efficiency but also management issues such as adjusting inventories, optimizing efficiency of back-office work)
 Resilience, enhancing environmental resilience, and improving

Group’s Important Role
Social Infrastructure

Management Plan “One Yamato 2023”
 Gather under “One Yamato” in an optimal manner to provide value toward transforming the supply chain

Business Process

- Creating the best solution for the “EC ecosystem”
- Promoting data and innovation strategies
- Improving capital efficiency
- Strengthening sustainable management

Management Plan “YAMATO NEXT100”

Corporate Governance

Corporate Philosophy

Targets (Fiscal year ending March 31, 2024)

Financial

- Consolidated operating revenues: **¥2,000 billion**
- Consolidated operating profit: **¥120 billion**
- Consolidated operating profit margin: **6.0%**
- Profit attributable to owners of parent: **¥72 billion**
- ROE: **10%** or higher

Environment / Social*

- Reduce GHG*¹ emissions: **-10%*²** compared with the fiscal year ending March 31, 2021
- Reduce GHG emission intensity: **-10%*²** compared with the fiscal year ending March 31, 2021
- Use of electricity generated via renewable energy sources: **30%**
- Improvement in operating revenue per employee*³: **+16%** compared with the fiscal year ending March 31, 2021
- Overtime hours per employee: **-20%** compared with the fiscal year ending March 31, 2021
- Annual paid leave utilization: **90%**
- Serious traffic accidents*⁴: **zero**
- Number of traffic accidents: **-50%** compared with the fiscal year ended March 31, 2020
- Serious occupational diseases*⁵: **zero**
- Reduce frequency of lost workday injuries: **-20%** compared with the fiscal year ended March 31, 2020

* Excerpts from Sustainable Medium-Term Plans 2023

*¹ Greenhouse gas
 *² In house emissions of consolidated companies in Japan and Swan Co., Ltd.
 *³ Converted number of employees based on different working hours
 *⁴ Fatal accidents for which the Company is responsible
 *⁵ Work-related deaths

Please see pages 30–33 for details on environmental and social targets.