Message from the President of Yamato Transport

In Pursuit of Profitability to Drive the Sustainable Growth of the Yamato Group



Seiichi Awa
Director and Executive Officer of Yamato Holdings Co., Ltd.
Representative Director, Executive Officer and President of Yamato Transport Co., Ltd.

Gratitude and Our Mission in *TA-Q-BIN's* 50th Year

Launched in 1976, the *TA-Q-BIN* delivery service marked its 50th anniversary in January 2026. We owe our growth to the support we have received from our customers, the local handling agents who have sustained us in their communities, and the partners who have walked this path with us. We sincerely appreciate your support.

The history of *TA-Q-BIN* is a journey of taking on the challenge of turning customer inconveniences into convenience. By earnestly addressing our customers' needs, we have created new services such as *Ski TA-Q-BIN*. Today, *TA-Q-BIN* fulfills its mission as an indispensable presence that supports people's daily lives. As president of Yamato Transport, leading a nationwide network and front-line operations, I am committed to maintaining and enhancing our role in enriching society. Looking ahead to the next 50 years, I will make the *TA-Q-BIN* network more resilient and expand our business for corporate clients to transform our business portfolio and achieve sustainable growth.

Achievements and Challenges Since Taking Office: Restructuring to Strengthen Execution

Since becoming president, I have focused on securing the time and conditions for our Sales Drivers to engage in face-to-face dialogue with customers. As a result of reviewing our work practices and staffing arrangements, a mindset of proactively making sales proposals has spread throughout the front lines, and we are beginning to see results in the form of higher revenue per Sales Driver.

However, challenges remain in promptly implementing measures and reliably generating results. When parcel delivery volume fell below usual during our peak season, delays in making adjustments to our vehicle fleet and staffing levels prevented us from optimizing costs as planned. In light of this situation and with a strong sense of urgency, I am working alongside President Sakurai of Yamato Holdings to thoroughly review all our existing measures without exception. To ensure greater effectiveness, we clarified the respective roles of strategic planning and execution, delegating substantial execution authority and earnings responsibility to the executives overseeing each region. I am engaging in extensive discussions with regional leaders to closely align their action plans and numerical targets with the unique characteristics of each market. This will ensure a transformation in attitudes across the organization, from viewing targets as being imposed from above to front-line employees taking ownership of and proactively committing to those targets.

Data-Driven Optimization of Costs and Pricing

We are leveraging our front-line execution capabilities to ramp up optimization of operating costs and pricing as key initiatives for FY2027/3.

To optimize operating costs, we began short-distance urban transportation in the Tokyo metropolitan area in March 2026. Using data to substantially reconfigure schedules for each transport route and increase the frequency of inter-terminal transport in the metropolitan area, we reduced the number of trucks in operation in the target area by approximately 30%. We plan to rollout this initiative to major metropolitan areas nationwide, aiming to reduce costs by more than ¥2 billion annually.

To optimize pricing, we are conducting customer negotiations backed by data-based optimal rates and revising our pricing structure, which was primarily based on destination and package size. We are also transitioning to a revenue structure that ensures fair compensation for the value we provide by introducing shortfall compensation mechanisms and seasonal surcharges, thereby appropriately sharing with customers the risk of lower-than-expected shipment volumes.

Support for Supply Chain Optimization to Expand Business for Corporate Clients

The *TA-Q-BIN* network is also a key source of competitiveness in our business for corporate clients. To expand our Contract Logistics Business, we have strategically reassigned key personnel from other departments and strengthened our sales functions and our ability to integrally design warehouse operations and facilities. We are also expanding integrated business solution hubs that merge our transportation network with advanced inventory management and value-added processing capabilities. These hubs maximize sales opportunities for customers by extending order cut-off times and shortening lead times, while also enhancing offerings that incorporate our established value-added services, such as home appliance repair and medical equipment cleaning.

Furthermore, as rising geopolitical risks create uncertainty in global supply chains, we are strengthening our procurement bargaining power and sales capabilities by focusing our resources on specific trade lanes. We support supply chain stability by dynamically designing and proposing alternative routes and transport modes that do not rely on a single method of transportation. We are also expanding our cross-border e-commerce customer base through end-to-end solutions that extend from storage and customs clearance in the country of origin to direct connection with the *TA-Q-BIN* network.

Our pipeline is growing steadily, and multiple projects of unprecedented scale are now underway. We aim to turn our business for corporate clients into a second pillar of growth alongside *TA-Q-BIN*, achieving dramatic growth in profit.

Looking toward the next 50 years, we will harness the powerful execution capabilities of our front line—going beyond transportation to create new value throughout supply chains. Yamato Transport will drive the sustainable growth of the Yamato Group as a part of the social infrastructure that supports local communities and as an indispensable partner that supports the business of its corporate clients.