Contract Logistics Business

The Contract Logistics Business goes beyond individual operations to provide comprehensive logistics solutions designed to seamlessly and swiftly connect every stage of customers' supply chains, from procurement and supply through manufacturing and R&D to B2B and B2C sales and reverse logistics. As a key foundation for achieving this goal, we are ramping up operations at our integrated business solution hubs, which bring together advanced inventory management and distribution processing capabilities with nationwide sorting, transportation, and delivery functions under one roof. We are fully utilizing these hubs to improve customer inventory turnover and shorten lead times. This is driving our evolution into a logistics partner that provides comprehensive support for business growth.

Operating Environment and Customer Issues

- Addressing inventory imbalances and logistical inefficiencies caused by increasing supply chain complexity
- Shorter lead times and expanded sales opportunities driven by increasingly sophisticated consumer needs
- Establishment of a sustainable logistics network in anticipation of a labor shortage and environmental requirements (GHG emission reductions, etc.)

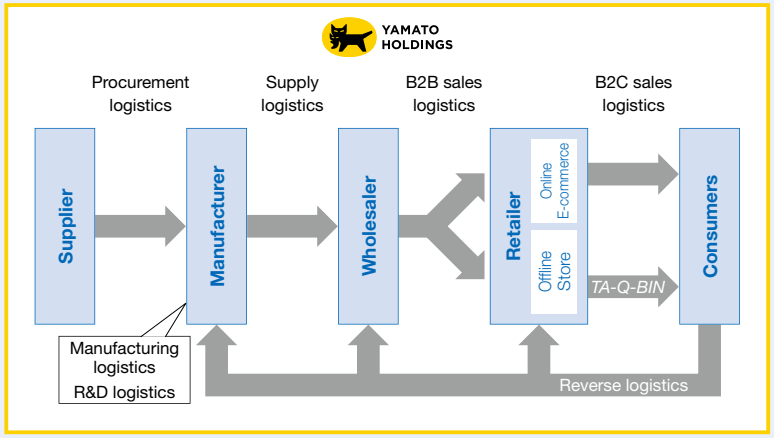
Yamato's Strengths and Capital

- A resilient nationwide *TA-Q-BIN* network and outstanding last-mile customer contact points
- Advanced logistics design and operation technology developed for a wide array of industries
- Ability to seamlessly integrate hub functions with transportation and delivery, and propose solutions that address customers' management issues

Value Creation Strategy

Supply Chain Optimization

Through the operation of hubs directly connected to our core *TA-Q-BIN* network, we are able to design and provide unique logistics solutions that maximize the speed of inbound and outbound operations and improve customer inventory turnover.



Integrated Business Solution Hubs

Inventory management and distribution processing functions

(Reduced transit time loss among hubs)

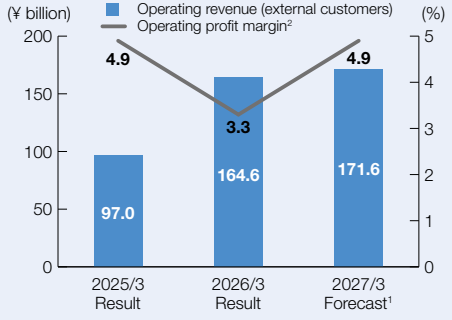
TA-Q-BIN sorting, transportation, and delivery functions

Value Delivered to Customers

Growth-oriented value (top-line contribution)
More sales opportunities and shorter lead times

Operational value (lower costs and ESG benefits)
Optimized inventory and higher inventory turnover
Higher quality and lower GHG emissions

Performance Highlights



Operating profit (¥ billion)	2025/3 Result	2026/3 Result	2027/3 Forecast[1]
	5.2[2]	6.2	9.5

Strategic Progress

Full-scale operation of integrated business solution hubs

Five hubs in operation — Contributing to earnings

- **Koriyama, Fukushima Prefecture** — Largest in the Tohoku region — Opened in October 2025 / Phased launch from November 2026
- **Shinonome, Koto-ku, Tokyo** — One of the Group's largest hubs — Opened in April 2026 / Phased launch from June 2026
- **Konan, Shiga Prefecture** — Logistics hub covering the Kansai region — Phased launch from June 2026
- **Hayashima, Okayama Prefecture** — Largest in the Chugoku and Shikoku regions — Phased launch from June 2026

1. Forecast announced on August 3, 2026 2. Data for FY2025/3 revised by retroactively applying changes in the cost allocation method

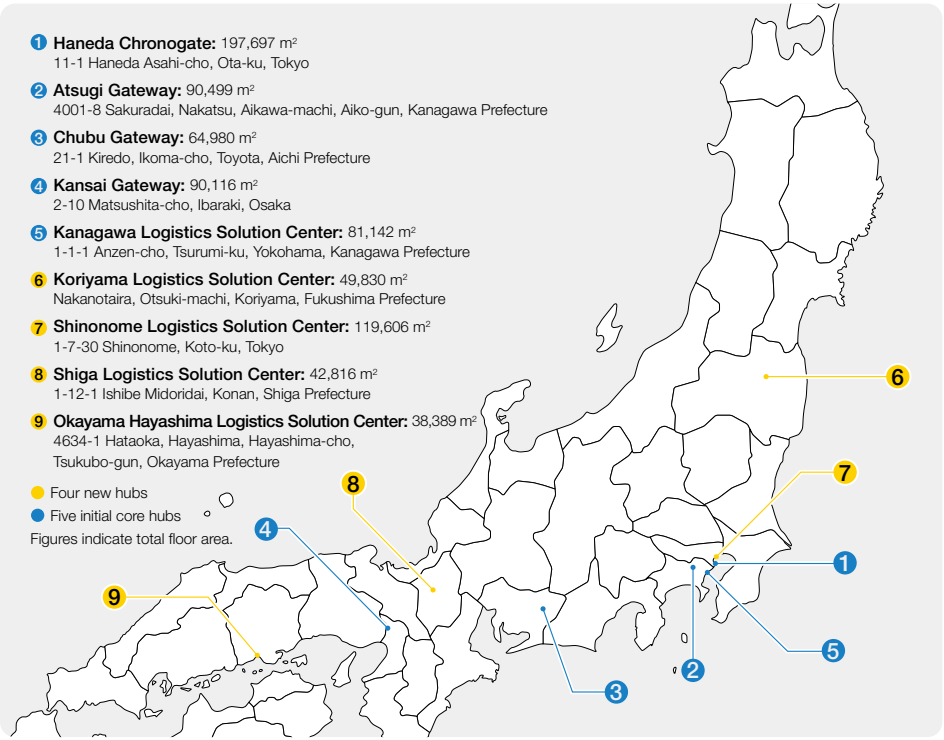
Contract Logistics Business: Strategy Execution and Value Delivered

Nine Integrated Business Solution Hubs Now Operating throughout Japan

Each of our integrated business solution hubs combines advanced inventory management and distribution processing capabilities with sorting, shipping, and delivery functions that connect to locations nationwide—all within a single facility. They are located at key transportation nodes where multiple expressways intersect and support wide-area logistics operations throughout Japan.

Our hubs eliminate the transit time loss associated with conventional secondary transit among locations because they handle everything from internal operations such as picking, inspection, packaging, and specialized maintenance within the facility, to transportation and delivery throughout Japan via the directly connected *TA-Q-BIN* network. They also serve as infrastructure that directly shortens customers' lead times and expands sales opportunities by enabling later order cutoff times and speedy next-day delivery.

Nine Integrated Business Solution Hubs Throughout Japan



Integrated Hubs Deliver Growth-Oriented and Operational Value

Seamless transitions from warehousing to transportation and delivery eliminate the need for secondary transit among hubs—a process required with conventional logistics models. We are able to deliver growth-oriented value that includes extended shipping cutoff times and expanded next-day delivery areas, while also delivering operational value that includes improved inventory turnover, reduced risk of package damage, and lower GHG emissions. This helps our customers achieve both business growth and sustainability.

Variable	Conventional Logistics Model	Yamato Logistics Model	Value for Customers
Process	Warehouse operations → Secondary transit → Delivery terminal	Warehousing → (Immediate dispatch) → Direct linkage with *TA-Q-BIN* network	Reduced losses from secondary transit
Speed	• Early shipping cutoff (typically end of day)	• Later shipping cutoff times	Growth-oriented value (top-line contribution) • Expanded sales opportunities • Shorter lead times
Quality, Cost, and ESG	• Risk of damage during secondary transit or transshipment • GHG emissions from secondary transit trucks	• Seamless process minimizes contact points • Elimination of secondary transit reduces GHG emissions	Operational value (lower costs and ESG benefits) • Higher inventory turnover that enhances capital efficiency • Enhanced quality that reduces damage risk • Reduced GHG emissions

Enhanced Proposal Capabilities

The Contract Logistics Business is key to the Group's growth. To accelerate its expansion, we are redeploying personnel with the front-line agility and execution capabilities developed through the Express Business to this growth domain, while also strengthening our specialized expertise. We are combining operational agility from the Express Business with the expertise and sophisticated operational design perspectives of the Contract Logistics Business to ensure the smooth launch of large-scale projects and deliver high-quality warehouse operations. The Group is integrating its talent and expertise to create sophisticated capabilities as a strong partner capable of providing solutions that help customers optimize entire supply chains and generate sustainable growth.

Global Business

The Global Business has a solid earnings foundation comprising cross-border e-commerce services directly linked to the Group's nationwide *TA-Q-BIN* network and international relocation services underpinned by its unique expertise. We will fully leverage these strengths, with maritime and air freight forwarding positioned as the engine driving growth. We are addressing the risks of global supply chain fragmentation and changes in the market environment by focusing resources on specific target lanes and high-value-added markets. The Group is seamlessly integrating its highly reliable network in Japan with its international operations to help customers optimize and strengthen their global supply chains.

Operating Environment and Customer Issues

- Rising geopolitical risk and supply chain fragmentation
- Global logistics network restructuring brought on by factors including production facility reorganization
- Tariff system revisions in various countries accompanying the rapid expansion of the cross-border e-commerce market

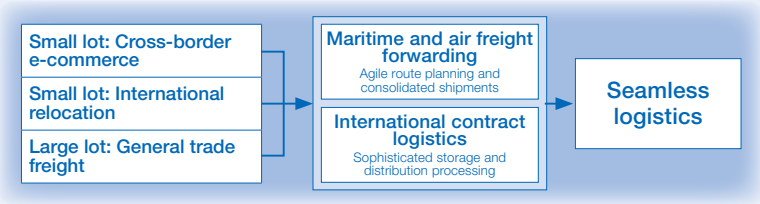
Yamato's Strengths and Capital

- Strong brand equity and solid customer base in Japan
- International freight forwarding seamlessly integrated with hubs worldwide
- Rapid and reliable customs clearance capabilities for cross-border e-commerce, backed by authorized economic operator (AEO) and other certifications
- Highly efficient local operations facilitated by proprietary systems and talent mapping

Value Creation Strategy

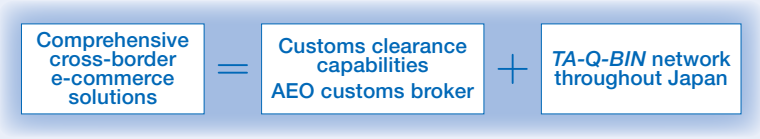
1 Maximizing Profitability with Mixed-Load Consolidation and Optimal Route Planning

We maximize loading efficiency by effectively consolidating B2B cargo with small-lot shipments, which have different characteristics. We also provide high-value-added, end-to-end logistics by combining international contract logistics with agile route planning that employs both internal and external assets.



2 Comprehensive Cross-Border E-Commerce Solutions That Link Entire Value Chains from the Source

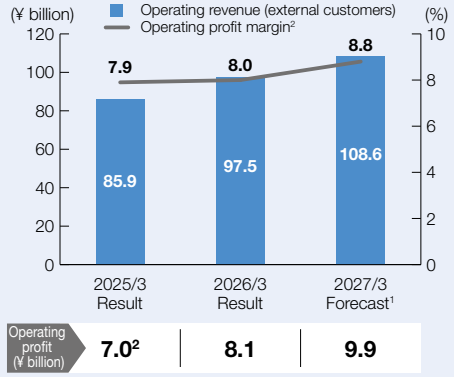
We seamlessly integrate rapid, rigorously compliant customs clearance capabilities with the *TA-Q-BIN* network to provide end-to-end service. We can significantly reduce lead times and maximize sales opportunities for customers.



3 Focus on Target Lanes and Enhance Organizational Execution

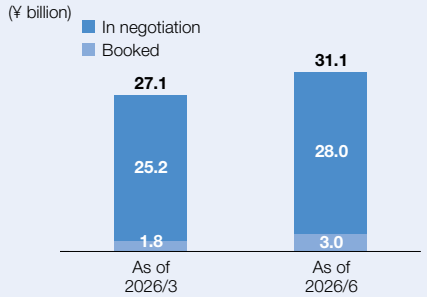
We are focusing resources on rapidly growing key routes in Asia, North America, and other regions. We exercise rigorous investment discipline in accelerating network expansion through alliances and M&As.

Performance Highlights



Key Performance Indicators (KPIs)

Global Business Project Pipeline (Projected Operating Revenue from Pipeline Projects)



1. Forecast announced on August 3, 2026 2. Data for FY2025/3 revised by retroactively applying changes in the cost allocation method

Global Business: Strategy Execution and Value Delivered

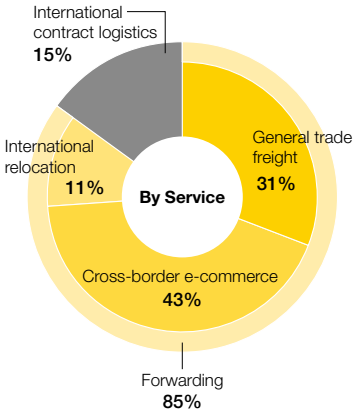
Global Business Overview

Composition of Operating Revenue (FY2026/3, Before Consolidated Eliminations)

The Global Business drives sustainable profit growth through a diverse portfolio of logistics services.

The forwarding market is a key source of operating revenue. It is an area in which we have structured a portfolio that addresses a wide range of transportation needs. Services range from general trade freight that supports corporate supply chains to cross-border e-commerce and specialized services such as international relocation.

The Group also links its forwarding service with international contract logistics. We provide comprehensive solutions that go beyond basic port-to-port transportation to include local inventory management and distribution processing overseas, helping customers optimize their entire supply chain.



Global Network and Key Lanes

Solid International Logistics Infrastructure Linking 24 Countries and Regions

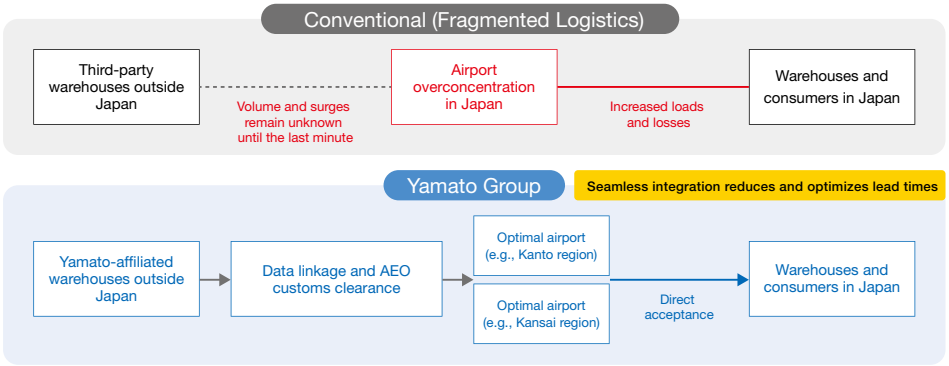
The Global Headquarters in Tokyo is the command center for the Group's international network of local subsidiaries in 24 countries and regions. The Group is addressing geopolitical risk and supply chain fragmentation by designating "target lanes," which are priority routes optimized for each mode of transportation. We have focused maritime freight forwarding resources on key routes where demand is growing, such as those connecting Japan and Southeast Asia with North America and India. In air freight forwarding, we are building an international logistics infrastructure resilient to market changes. This highly efficient consolidated transport network combines general trade freight with small-lot shipments in areas where we have particular strengths, such as cross-border e-commerce and personal effects.

Seamless Cross-Border E-Commerce Solutions

In the rapidly growing international small-lot market, we are expanding our comprehensive end-to-end model that seamlessly links entire supply chains, from initial upstream stages to last-mile delivery in Japan.

System-enabled data integration allows us to quickly capture local freight volumes and fluctuations at the furthest upstream point, while our AEO-certified* customs clearance capabilities ensure swift and reliable duty-exemption and customs procedures. By seamlessly connecting directly to our core *TA-Q-BIN* network, we significantly reduce lead times and maximize sales opportunities for customers.

* Authorized economic operator (AEO) system: A system of relaxed or simplified customs procedures available to companies that have established systems for cargo security management and legal compliance.



Solution Sales Organization

Focusing Resources on Priority Areas and Groupwide Collaboration Drive Results

We are accelerating Global Business growth with dedicated project teams focused on priority areas such as cross-border e-commerce and freight forwarding. We are bringing together specialized expertise from various fields and leveraging the Group's comprehensive capabilities to secure large-scale projects. Furthermore, we are currently strengthening Groupwide collaboration to link this global expertise with the strong customer bases of the Express Business and Contract Logistics Business. The Group is evolving its organization to optimize customers' entire global supply chains by developing highly specialized talent and deploying them where they can contribute most effectively.

M&A Strategy

Alliances and M&As are essential strategic options for accelerating the transformation of the Group's business portfolio. At the same time, drawing on lessons learned from past investments, we have made capital efficiency our overriding priority and fundamentally overhauled our investment discipline and post-merger integration (PMI) processes. We will carefully select deals that generate synergies with the objective of sustainably enhancing corporate value.

Fundamental M&A Policy and Target Areas

Expanding Growth Domains and Making Strategic Investments to Accelerate Growth

We will leverage Yamato Group advantages including the *TA-Q-BIN* customer base and a stable financial foundation in utilizing M&As in our growth domain to strengthen our ability to propose upstream supply chain solutions. Strategic acquisitions will complement our capabilities in key regions such as Japan, North America, China, Southeast Asia, and India as they will bring in specialized expertise and networks that would otherwise take significant time to build on our own.

Enhanced Investment Discipline and Governance

Commitment to Business-Specific Hurdle Rates Based on the Cost of Capital

Following a review of our previous investment evaluation process, we have introduced rigorous investment discipline to maximize capital efficiency. Rather than applying a uniform ROIC metric, we have implemented business-specific hurdle rates according to business risk to ensure that we make investment decisions that prioritize returns on capital. We will thoroughly scrutinize business plans during the acquisition evaluation process and strengthen our PMI framework, while also focusing on generating projected synergies including EBITDA growth and improved ROIC.

Spotlight Future Developments at Nakano Shokai Co., Ltd.

Course Correction to Align Plans and Realities and Generate Groupwide Synergies

Nakano Shokai became a consolidated subsidiary in 2024. After taking a candid look at current challenges, including the time required to launch major projects, we revised the timeline for achieving profitability and adjusted the business plan to better reflect actual conditions. As such, we recorded approximately ¥13.4 billion as extraordinary loss due to the one-time amortization of goodwill.

Taking this matter seriously, we will restructure Nakano Shokai under new leadership to strengthen the Group's earning power. We will generate synergies by strengthening our corporate sales platform through the combination of both companies' strengths. This will include enhancing cross-selling to Yamato Transport's customer base and building low-cost facilities by leveraging Nakano Shokai's real estate development capabilities. We will also incorporate the lessons we learned from reviewing the Nakano Shokai business plan into our pre-acquisition due diligence and post-integration monitoring processes, which will strengthen investment discipline Groupwide.

Recording of Extraordinary Loss (One-time Amortization of Goodwill)

Scaled-Back Business Plan

- Took a candid look at current challenges, including the time required to launch major projects
- Revised the timeline for achieving profitability and adjusted the business plan to better reflect actual conditions

Non-Recurring Amortization of Goodwill Will Reduce Amortization Expenses from FY2027/3

- Recorded an extraordinary loss in FY2026/3 of approximately ¥13.4 billion on the one-time amortization of goodwill following a decline in the underlying value of subsidiary shares based on the revised plan
- As a result of this accounting treatment, goodwill amortization expense will be reduced from FY2027/3

Business Restructuring under New Management

Strengthen Corporate Sales Platform

- Enhance cross-selling to Yamato Transport's customer base by integrating sales operations with Yamato Transport's Contract Logistics department
- Enhance proposals covering the entire supply chain, from procurement to delivery and distribution

Leverage Real Estate Development Capabilities

- **Reduce facility development costs**: Minimize profit leakage to external parties by employing internal real estate development and construction capabilities
- **Optimize facilities**: Leverage newly built properties, renovate existing properties, and employ subleasing capabilities
- **Improve capital efficiency**: Ensure asset-light operations based on the Group's Asset Governance Policy

▶ Please refer to our website for more details about the Asset Governance Policy
https://www.yamato-hd.co.jp/english/investors/policy/assetgovernance.html