

NEWS RELEASE

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L'Occitane Japon K.K.
Yamato Transport Co., Ltd.

**L'Occitane Japon, Yamato Transport
Form Strategic Partnership
Aiming to establish optimal supply chain for domestic distribution of
L'Occitane products**

L'Occitane Japon K.K. (Headquarters: Chiyoda-ku, Tokyo; Representative Director and President: Sotaro Amano, hereinafter “L'Occitane Japon”) and Yamato Transport Co., Ltd. (Headquarters: Chuo-ku, Tokyo; Representative Director and President: Yutaka Nagao, hereinafter “Yamato Transport”) have reached an agreement on a strategic partnership to create an optimal supply chain for L'Occitane products for sales at outlets and official mail-order sites in Japan by combining Yamato Transport’s nationwide network of more than 110 warehouses and transportation and delivery networks with the aim of improving satisfaction of customers who purchase L'Occitane products.

1. Background

As sales channels diversify rapidly—driven by the expansion of e-commerce—companies are under pressure to provide services that offer higher flexibility and meet consumer needs. Particularly with the spread of COVID-19, restructuring supply chains to help increase sales at both outlets and via e-commerce has become a crucial management issue for many businesses.

L'Occitane Japon was seeking a partner to assist in the reformation of its entire supply chain, as it was faced with the challenge of optimizing distribution costs and operations at its outlets and official mail-order sites in response to the anticipated increase in demand for logistics and diversification of consumer needs. Moreover, by promoting partnerships with companies that share L'Occitane Japon's longstanding commitment to environmental conservation activities

since the brand's founding and its intention to follow through, it was aiming to enact even more initiatives to mitigate its impact on the environment.

In addition to raising corporate clients' logistics efficiency and optimizing their inventories, Yamato Transport is providing value to support supply chain transformation that contributes to corporate growth, such as supporting sales promotion through logistics. Through the seamless combination of Yamato Transport's nationwide warehouse and transportation and delivery networks and the visualization of digital information—one of Yamato's strengths—the company delivers optimized supply chain construction that contributes to corporate management by optimizing inventory for both brick-and-mortar outlets and e-commerce, accelerating delivery, and reducing transport and delivery costs. The Yamato Group has also formulated the Sustainable Medium-Term Plans 2023 (Environment & Society), which establish specific actions for each materiality issue and targets to be achieved by 2023. By implementing each of the measures in the course of its business activities, Yamato Transport aims to realize sustainable development in society and in its business.

The two companies have now forged a strategic partnership to transform the whole of the supply chain with the aim of further improving customer satisfaction. Once the model has been established in Japan, L'Occitane plans to expand it to other countries in the group as a global standard model.

2. Details Regarding the Strategic Partnership Agreement

L'Occitane Japon and Yamato Transport will work together to establish an optimal supply chain valuable for buyers of all L'Occitane products sold at outlets and official mail-order sites in Japan.

Combining the Yamato Group's detailed domestic and international transportation and delivery network with its 110 warehouse-strong network, store and official mail-order site inventory can integrally be kept flowing while the transport management system controls the optimal transportation method for each individual situation. This will lead to the elimination of inventory imbalance and shortages, reduced transportation costs, and accelerated transport and delivery. The optimized supply chain will heighten buyer satisfaction by creating an environment in which outlet sales staff can focus on selling products, enabling earlier pickup of products purchased through official mail-order sites, and diversifying pickup methods.

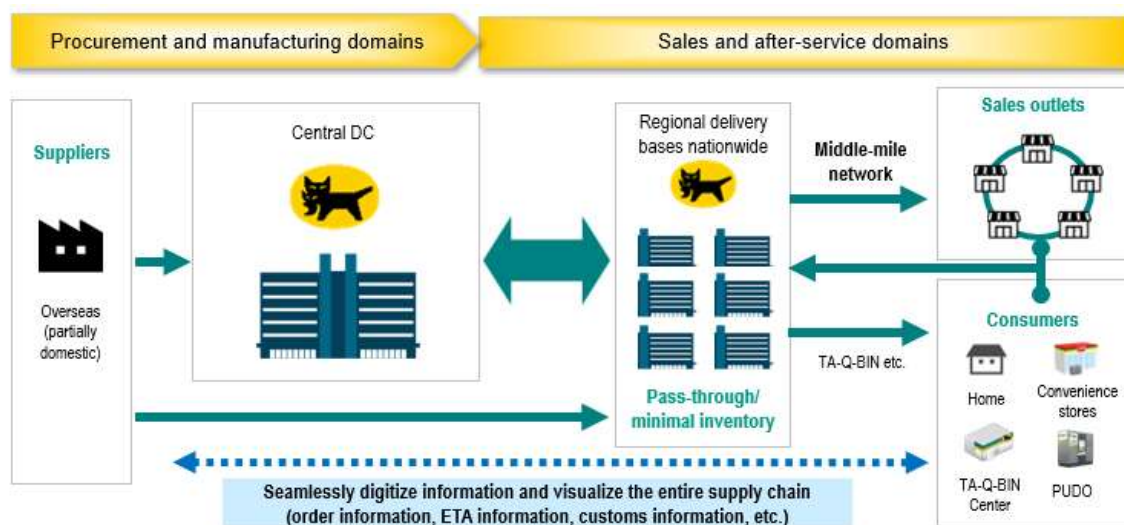
The two companies have established the following goals for the initiative:

- Reduction of L'Occitane Japon's logistics costs

- Establishment of the nation's highest-performing DC in the cosmetics industry in three years
- Establishment of the L'Occitane Group's highest-performing flagship DC in the world in three years

The L'Occitane Group aims to expand this model to other nations in the group as the global standard model going forward.

Aim of Yamato Transport and L'Occitane Japon Under This Partnership



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L'Occitane was born in 1976 in Provence in the south of France, enveloped in the brilliant sun and lavish nature of blooming flowers. L'Occitane is a lifestyle cosmetics brand that proposes a Provençal lifestyle through skincare, body care, and fragrance products using carefully selected botanical ingredients. Since its start as a pioneer in natural cosmetics using plant-based materials

and essential oils, the company's superior-quality items have been sold in approximately 3,000 stores in over 90 countries and are loved by people worldwide.