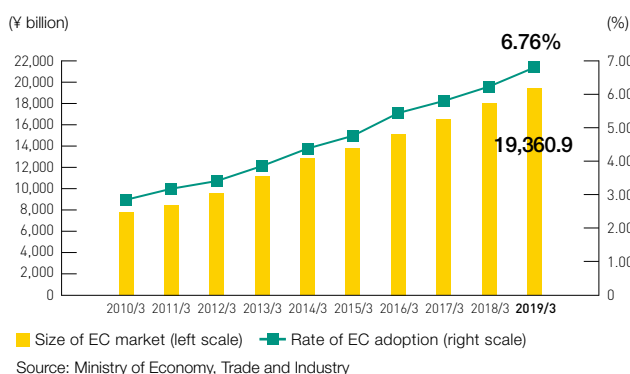


# Establishment of an EC Ecosystem

To respond to the progress of EC adoption in various industries that is expected to progress further in the future, we are working to create logistics services that specialize in EC. By integrating our physical locations, digital foundation, and external partners, we will discover optimal solutions for our “last mile” services geared toward EC that meet the needs of EC operators, purchasers, and deliverers, and work to roll out these solutions across Japan.

## Background to the Promotion of Reforms

### Rapid Growth in the Domestic EC Market



### Response to EC Market



### High-quality delivery services through face-to-face interaction

▶ Design of TA-Q-BIN based on CtoC



### Response to the progress of EC adoption in various industries

- Meet the needs of EC users and further improve convenience for them (non-face-to-face delivery, elimination of time spent waiting for parcels, etc.)
- Meet the needs of EC operators and help to support their business growth (reduction of lead times, optimization of logistics costs, etc.)

**Incorporating the high growth momentum of the EC market and linking that momentum to sustainable growth for the Group in the future**

### Initiative

## New Logistics Services in Collaboration with Z Holdings Corporation

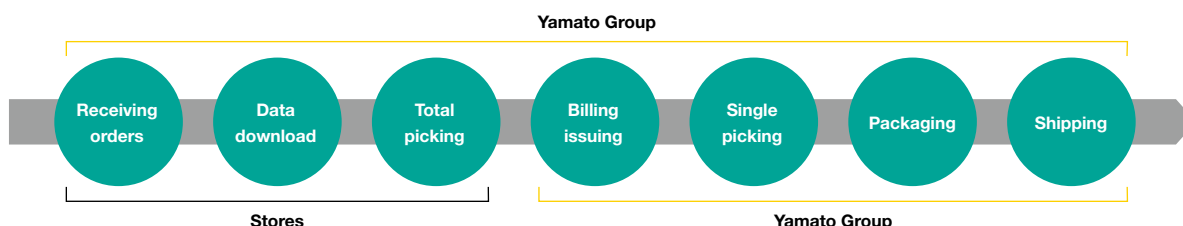
In June 2020, we began offering new logistics services geared toward the stores of the online shopping malls “Yahoo! Shopping” and “PayPay Mall” in collaboration with Z Holdings Corporation. These new services consist of a “Fulfillment Service,” where we conduct all operations on behalf of stores, from receiving orders to shipping and delivery, and a “Pick & Delivery Service,” where we perform certain functions for stores. Through the provision of these services, we aim to shorten lead times from ordering a product to receiving it, reduce the burden of logistics-related work at stores, and optimize

logistics costs. We also aim to further enhance the level of convenience for purchasers.

Furthermore, by linking data and designing logistics in line with the operation of Yahoo! JAPAN, the time and effort involved in interactions between each individual company and logistics operators will be significantly reduced. This will allow these services to be introduced and operated smoothly.

In the future, we will conduct demand forecasts by utilizing and analyzing the data we cultivate through these services. These forecasts will help us further shorten lead times and reduce costs by moving inventories to the optimal area of consumption in advance.

**Fulfillment Service** The Yamato Group conducts all operations from receiving orders to product storage, picking, packaging, shipping, and delivery.



**Pick & Delivery Service** The Yamato Group provides services for picking, packaging, shipping, and delivering goods shipped on the day after the total picking is made by a store.

Initiative

## Launch of *EAZY*—A New Delivery Service for the EC Market

# EAZY

At Yamato Transport, we launched a new delivery service for EC operators, *EAZY*, in June 2020. By connecting EC users, EC operators, and delivery service providers in real time using digital information, *EAZY* thoroughly enhances the convenience, safety, and efficiency,

of purchasing, sending, and receiving parcels. *EAZY* therefore acts as a new service that will help realize sustainable growth in the EC domain. Through this service, in addition to regular face-to-face receipt, EC users are able to receive parcels at a wide range of designated locations.

We have started to offer *EAZY* via ZOZOTOWN and ZOZOTOWN in PayPay Mall, which are online fashion shopping websites operated by ZOZO, Inc. From fall 2020, we will gradually roll out this service to new EC operators.

### Features of *EAZY*

#### 1. Responding to diversifying needs for non-face-to-face delivery

In addition to normal face-to-face receipt, *EAZY* allow users to receive parcels at a wide range of designated locations.



Front door



Delivery boxes



Gas meter boxes



Storeroom



Garages



Bicycle baskets



Reception / Custodian

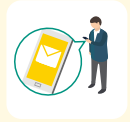
#### 2. Receiving location can be changed right up until you receive parcels

*EAZY* lets users change the receipt location online right up to before the parcel is delivered.



#### 3. Providing real-time delivery completion notice to customers

After delivery is completed, customers are notified of the completion in real time via e-mail. In cases of non-contact deliveries to designated locations, customers can confirm the delivery via pictures of the delivered parcel placed in the designated location.



#### 4. Collaborating with external partners for more efficient deliveries

*EAZY* aims to realize a highly efficient delivery system in collaboration with the external partner “*EAZY* CREW.”



Initiative

## Launch of New Receipt Service for EC Products

In November 2020, we will launch a new receipt service for EC products in collaboration with Duddle Parcel Services Ltd., a global leader in the receipt and return system domain for purchased EC products.

By enabling supermarkets, drugstores, and other stores to serve as the location for receiving EC products, this service makes it possible for parcels to be received in a way that is suited to the lifestyles of EC users. This service will introduce Duddle’s “Click & Collect System” at participating stores as locations for receiving the products sent by EC operators who have already been using *EAZY* and prospective users. This system will enable participating stores to offer the new service in a quick and easy way, simply by installing a specialized terminal.

We believe that the utilization of Duddle’s cutting-edge digital technology in the last-mile domain of EC will allow us to offer a completely new receiving experiences to EC users in the future.

#### ▶ Benefits for EC Users

- Able to receive parcels in accordance with their lifestyle, without being restricted by delivery times
- Able to smoothly receive parcels at stores by showing a two-dimensional bar code sent to their mobile phones
- Offers discount coupons at stores where parcels are received

#### ▶ Benefits for Participating Stores

- Allows parcels to be handed over to customers smoothly by using a specialized terminal to read the two-dimensional bar code shown by customers, which completes the personal identification and delivery information registration processes
- Can be expected to encourage customers who receive parcels to make additional purchases at the store and also attract new customers
- Allows stores to promptly introduce and begin the service without investing in new systems