

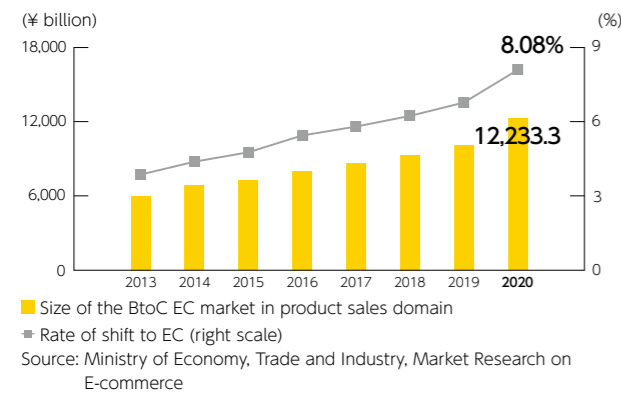
Creation of the “EC Ecosystem”

The adoption of e-commerce (EC) is accelerating in all industries, to the point where almost everything is available through EC, regardless of the product or service. EC growth through initiatives, such as the expansion of the functions of EAZY, a delivery service for the EC market; support for the creation of a supply chain for EC operators, from receiving orders to shipping and delivery; and the creation of an EC logistics network, will lead to the profit growth of the Yamato Group.

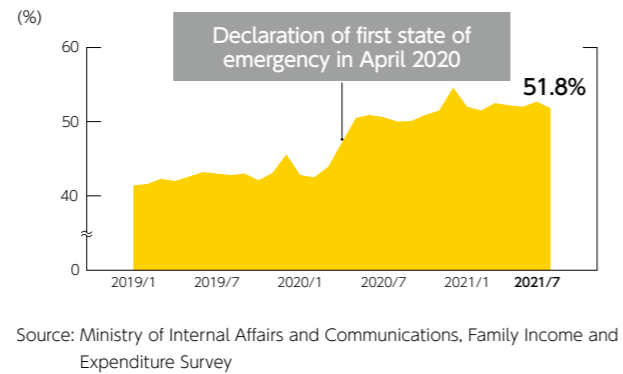
Continued Growth of the EC Market

- Further growth expected domestically as the rate of the shift to EC is comparatively low compared with countries such as the United States and China, despite the continued growth of the EC market
- Further expansion of the EC user base and more established use of EC as a result of changes in lifestyles and consumption behavior due to the COVID-19 pandemic

Size of the BtoC EC Market in Product Sales Domain and Rate of Shift to EC

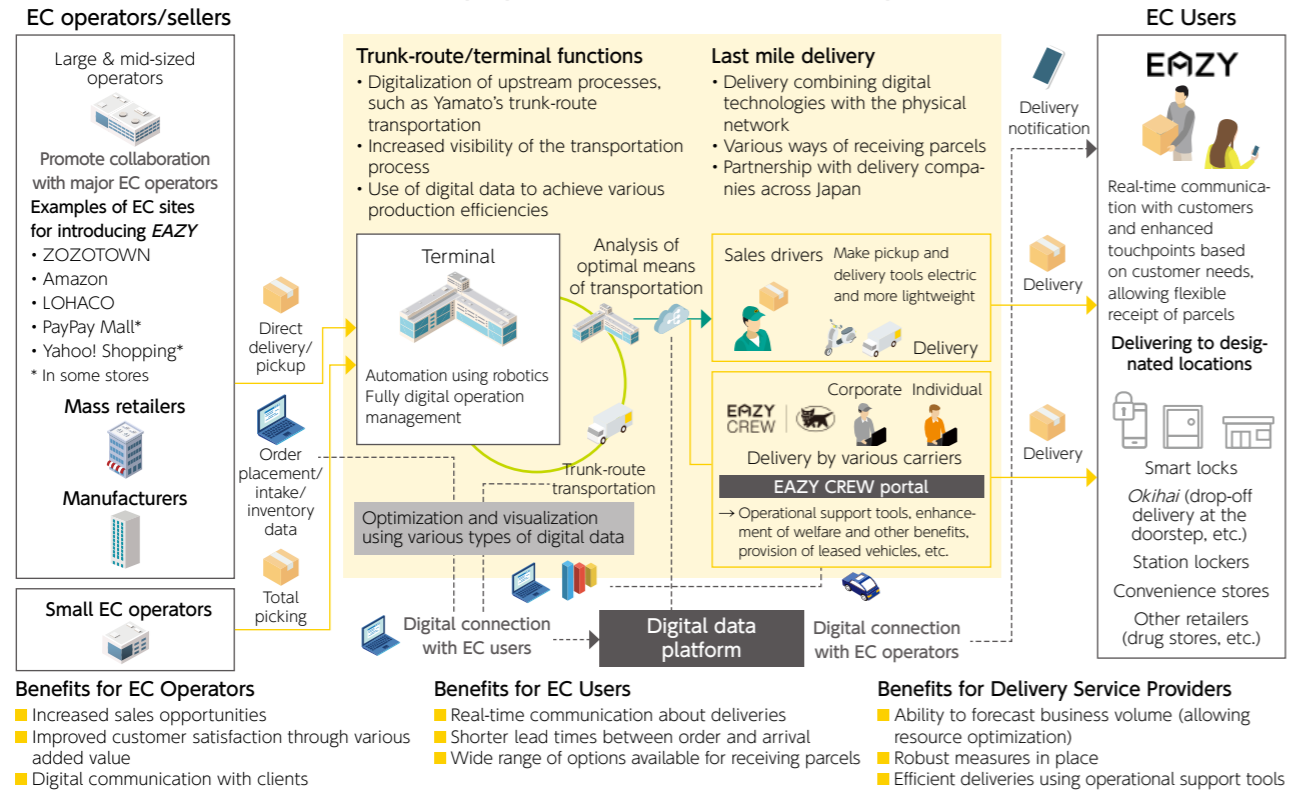


Percentage of Households Using EC



Overview of the EC Ecosystem

Creation of a New “Delivery System” That Connects EC Operators and Consumers



Improvement of Convenience for EC Users

By connecting EC users, EC operators, and delivery service providers in real time using digital information, we will thoroughly enhance the convenience, safety, and efficiency of purchasing, sending, and receiving parcels and help realize sustainable growth in the EC domain.

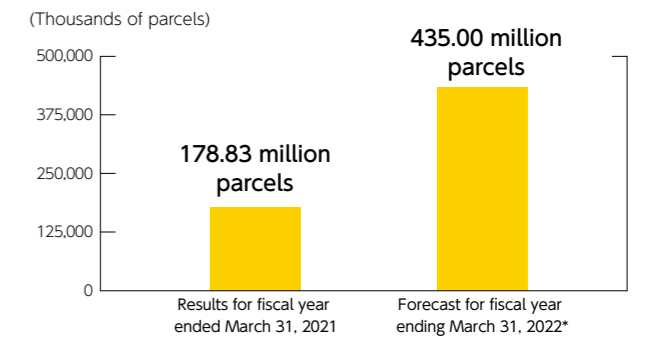


EAZY—A New Delivery Service for the EC Market (Launched in June 2020)

Features of EAZY

- 1. Responding to diversifying needs for non-face-to-face delivery**
 - Front door
 - Storeroom
 - Reception / custodian
 - Delivery boxes
 - Garages
- 2. Receiving location can be changed right up until you receive parcels**
- 3. Providing real-time delivery completion notice to customers**
- 4. Collaborating with external partners for more efficient deliveries**

EAZY Delivery Amount



EAZY will increase convenience for EC users and enhance value provided to EC operators by utilizing digital information and expanding the functions of the service. For more details, please refer to page 32.

Provision of Added Value for EC Operators

We are supporting business growth for EC operators by providing total solutions in not only last mile processes but also upstream manufacturing processes, such as the delivery of goods to warehouses, warehouse operations, and sorting.



Renewal of Fulfillment Service Aimed at Improving Convenience for EC Operators

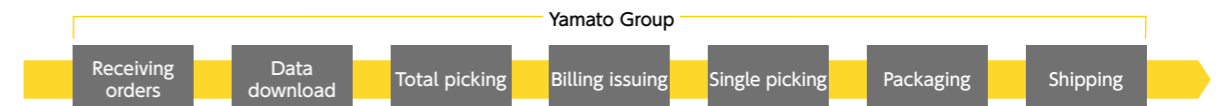
From April 2021, Yamato Transport and Yahoo Japan Corporation renewed their fulfillment service, which uses Yamato Group warehouses to carry out a series of operations on behalf of the stores of Yahoo! Shopping and PayPay Mall, from receiving orders for products to their storage and shipping, and have begun to provide nationwide flat rate shipping by size.

be introduced more quickly and be easier to use, thanks to web-based processing and “uniform nationwide shipping rates by size” offered through the cooperation of both companies.

Additionally, because the Yamato Group warehouses enable smooth shipping, the packages will be eligible for “Blue Ribbon Delivery” as defined by Yahoo! Shopping and PayPay Mall, which is expected to improve the probability that the merchants will be selected by users.

Previously, individual estimates had to be provided at the time of contract formation and procedures had to be completed in writing. After the renewal, the service will

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



Creation of the "EC Ecosystem"

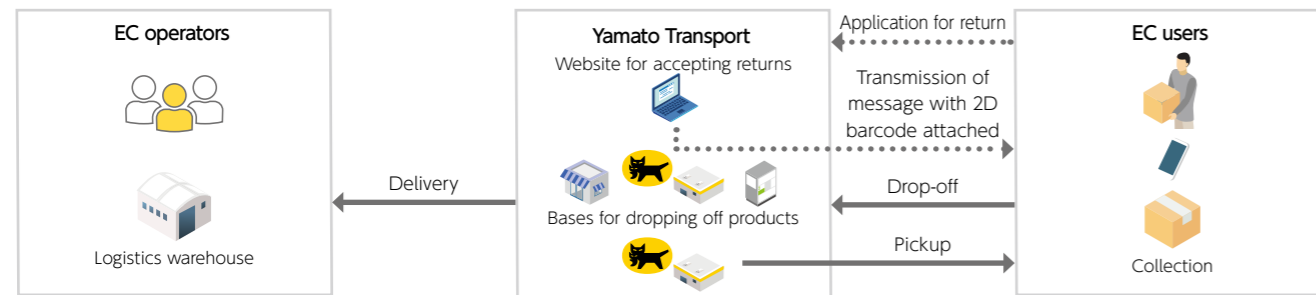
Launch of a Digital Return and Shipping Service for EC Operators

From August 2021, Yamato Transport launched a digital return and shipping service for EC operators, which links the return system provided by Doddle Parcel Services Ltd. and Yamato's delivery network, with the aim of improving convenience for customers returning EC products.

This service simplifies the return process, which traditionally required EC users to make a return request by phone or prepare a return slip, through the digitalization

of the return process and operations and enables the return of products without a return slip from the nearest TA-Q-BIN center, PUDO station, or certain convenience stores. EC operators can improve operational efficiency when processing returns and can easily build a package that includes the creation of a website for accepting returns, reducing initial costs, and enabling them to launch this service quickly.

Digital Return and Shipping Service



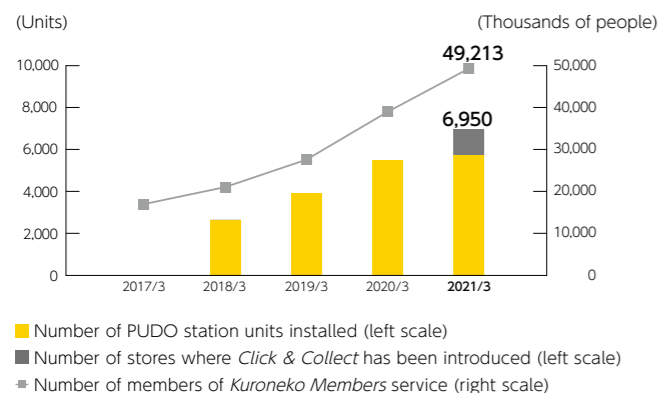
Benefits	EC Operators:	<ul style="list-style-type: none"> Easy creation of website for accepting returns, enabling fast, low-cost introduction of service Reduction in workload, such as operations for accepting returns and printing invoices
	EC Users:	<ul style="list-style-type: none"> Ability to complete entire process, from making a return request to sending the product, via smartphone Ability to select various shipping methods provided by Yamato Transport to fit unique lifestyles
Results of Introduction	Launched for official online stores of Gap and Banana Republic, which are operated by Gap Japan K.K., on August 26, 2021	

Provision of Diverse Pickup Experiences for EC Users

EAZY, a delivery service for the EC market, provides pickup experiences outside of the home that fit the lifestyles of EC users in addition to responding to *okihai* (drop-off delivery at the doorstep and other locations) needs. This not only improves convenience for EC users but also contributes to the enhancement of productivity by reducing the frequency of redelivery.



Number of PUDO Station Units Installed/Number of Stores Where Click & Collect Has Been Introduced/Number of Members of Kuroneko Members Service



PUDO Stations (Open-Type Parcel Lockers)

- Open-type parcel lockers that can be designated as redelivery addresses for parcels and locations for picking up products purchased through EC sites
 - 24-hour TA-Q-BIN pickup and shipping* at the convenience of EC users
- * Applicable services only

Click & Collect

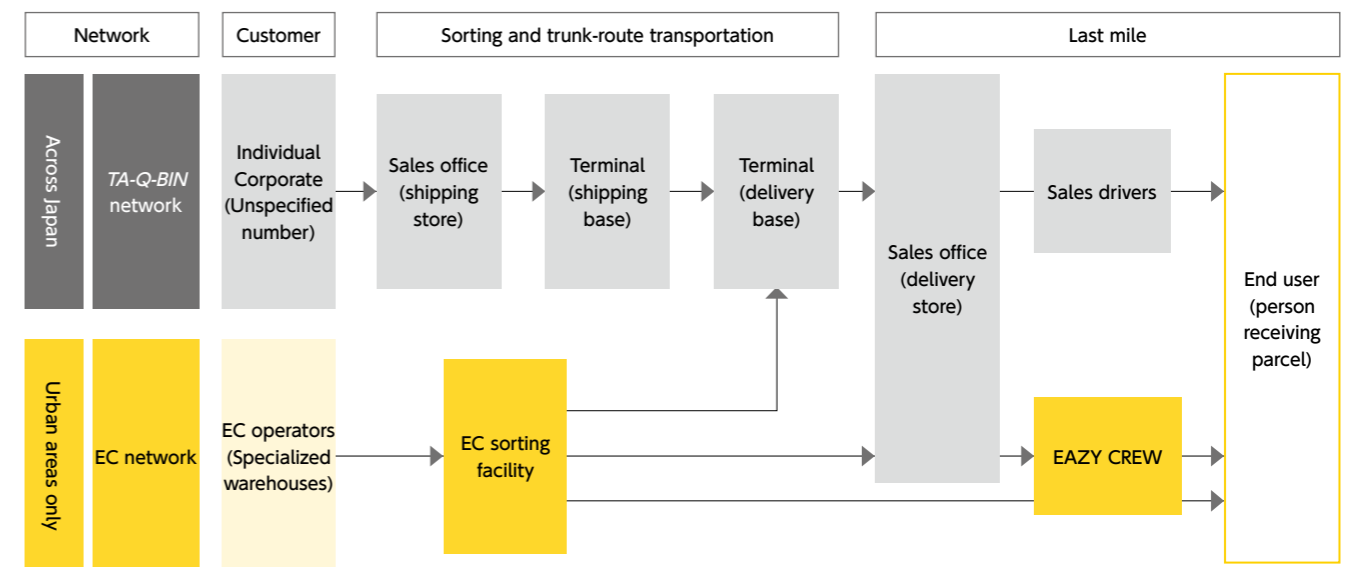
- Service enabling EC users to pick up products bought on specific EC sites at supermarkets, drugstores, and other places familiar to them in their daily lives
- Initiatives that contribute to increased sales opportunities for pickup stores due to the effect of additional purchases and the attraction of new customers, in addition to enhancing convenience for EC users

Creation of Logistics Network

In order to capture the growing demand for EC and realize profit growth, we are promoting the creation of a specialized EC logistics network, which has a different cost structure from the existing TA-Q-BIN network, in urban areas where demand is focused.



EC Logistics Network



Concept of EC Logistics Network

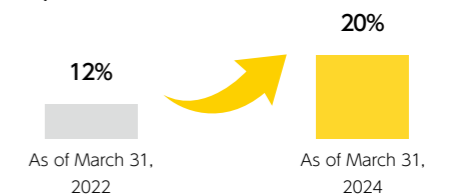
Creation of Specialized EC Network with Different Cost Structure

- Simplification of operational process
- Efficient sorting and delivery, specializing in EC parcels

Network That Can Flexibly Respond to Fluctuations in Demand

- Deployment of resources in response to customer demand
- Provision of varied delivery costs by strengthening collaboration with partners

Percentage of Overall Delivery Amount Handled by EC Logistics Network (expected)



EAZY CREW

Number of registered personnel: Approx. 11 thousand (Approx. 60 thousand sales drivers) Note: As of September 30, 2021

	Sales drivers	EAZY CREW
Type	Employee (employment contract)	Corporate partner (outsourcing contract)
Main function	Sales, pickup, delivery, etc.	Specialized EC delivery
Product	All	EAZY
Area covered	Nationwide	Specialized regions (urban areas)

