

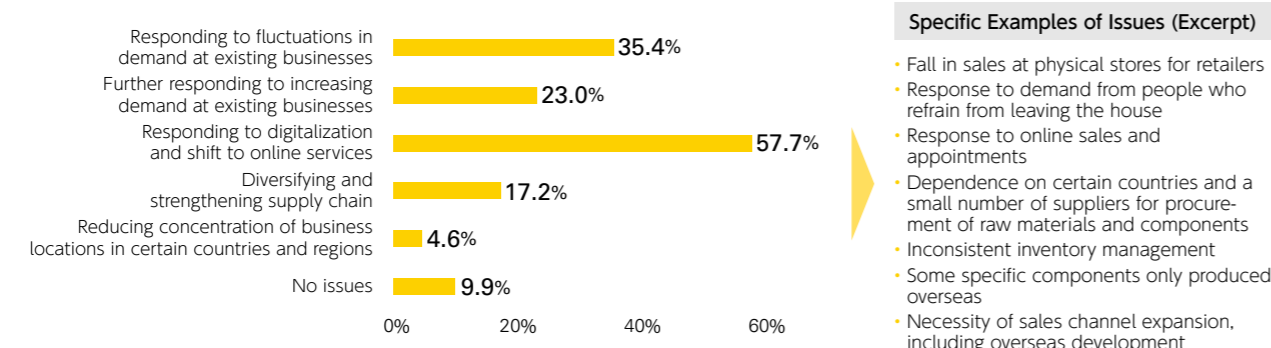
Transformation into a Partner That Supports the Entire Supply Chain

We aim to become a management partner (LLP: Lead Logistics Partner) for our corporate clients by providing consistent business solutions to the downstream, midstream, and upstream supply chains through strategic account management and by supporting the innovation of supply chains and business processes, as well as implementing structural reforms.

Changes to the Business Environment Surrounding Corporate Clients

- Increasing need for support for online sales due to changes in lifestyle and consumption behavior, with further development of omni-channel approaches to sales expected
- Review of the purpose of supply chains after the disruption of the COVID-19 pandemic from the perspective of business continuity and inventory management

Issues That Surfaced during the COVID-19 Pandemic



Specific Examples of Issues (Excerpt)

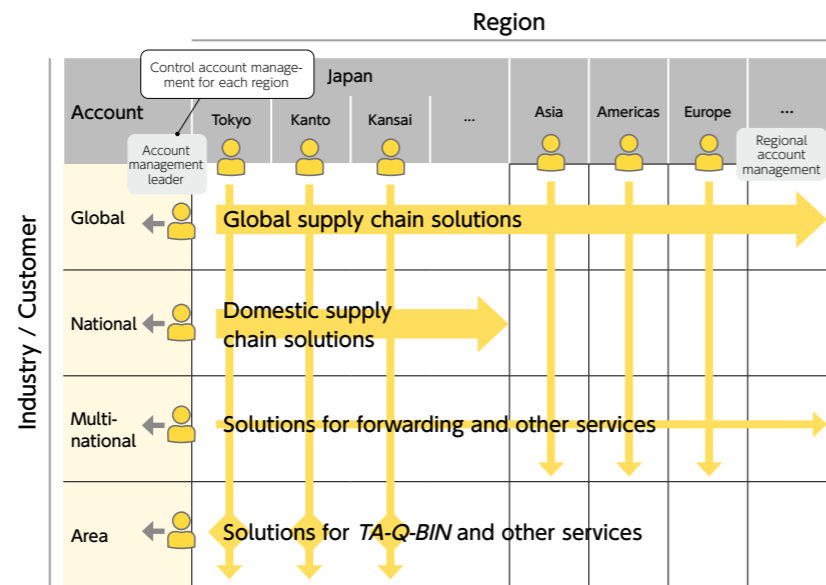
- Fall in sales at physical stores for retailers
- Response to demand from people who refrain from leaving the house
- Response to online sales and appointments
- Dependence on certain countries and a small number of suppliers for procurement of raw materials and components
- Inconsistent inventory management
- Some specific components only produced overseas
- Necessity of sales channel expansion, including overseas development

Source: Created by Yamato based on "The Impact of COVID-19 on Business Activities and Response to New Business Development and Creation of Demand in the Post-COVID-19 Era" (available in Japanese only), published by the Ministry of Finance
 Note: Interviews conducted with a diverse range of companies in the manufacturing and non-manufacturing industries between September and mid-October in 2021, with 1,228 companies responding (multiple responses)

Improvement of Account Management System

We are striving to improve our account management system to understand and meet the business needs of our customers, based on the One Yamato management structure.

- Shift from the existing regional management of each region and country to a comprehensive account management system that crosses regions and countries
- Achieve business growth by not only providing solutions to individual customers but also expanding to customers in the same industry
- Design and provide solutions to optimize the entire supply chain, from downstream to midstream and upstream (right diagram: global and national accounts)
- Expand the range of value provided to customers, starting with the TA-Q-BIN and forwarding transportation services (right diagram: multi-national and area accounts)



Solutions for TA-Q-BIN, Forwarding, and Other Services

Support for Customer Business Growth Starting with Transportation Services



We are striving to expand the value we provide to meet the needs of our corporate clients, starting with the provision of the TA-Q-BIN and forwarding transportation services.

Expanding the Size of TA-Q-BIN to Meet the Transportation Needs of Corporate Clients

In recent years, our corporate clients have been facing difficulties with securing trucks for long-distance travel due to issues such as the aging of truck drivers and a shortage of skilled workers. In light of these issues, the Yamato Group is aiming to strengthen services that meet not only the delivery needs but also the medium- to

large-lot transportation needs of our customers.

As part of this, we expanded the size of parcels handled by TA-Q-BIN in October 2021. Going forward, we will expand the value we provide to corporate clients by meeting needs such as the transport of multiple units or lots and transport by total weight.

Meeting the Global Supply Chain Needs of Customers during the COVID-19 Pandemic

We are providing a cross-border land transportation full truckload (FTL) and less-than-truckload (LTL) service, which utilizes a cross-border land transportation network that connects Singapore to mainland China via mainland Southeast Asia, for customers facing issues due to the disruption of marine and air transportation in Asia. Additionally, we are meeting the needs of our customers during the COVID-19 pandemic by contributing to the maintenance of a just-in-time system for customer supply chains within Asia. We are also providing a multimodal transportation service that is prepared for just-in-case scenarios, namely transportation by land to a port or

airport in mainland China that then connects to marine or air transportation when it is difficult to secure marine and air space between various Southeast Asian ports and Europe and the Americas.



Yamato Group Cross-Border Land Transportation Network →



Supply Chain Solution

Design and Operation of Advanced Logistics That Support the Promotion of Next-Generation Pharmaceutical Distribution

By combining our knowledge of One Yamato management resources and the handling of pharmaceuticals and by being responsible for pharmaceutical distribution, from design to operation, the Yamato Group is striving to provide value to corporate customers who are involved in next-generation medicine.



Logistics That Support the Distribution of the COVID-19 Vaccine

We have designed and created a logistics operation structure to transport the COVID-19 vaccine, which is vulnerable to shocks and vibrations and needs strict temperature controls, to local vaccination centers. This structure utilizes comprehensive, real-time control of factors including transportation status, changes in temperature, and location information.

carrying out ultra-low temperature and frozen transportation that is appropriate for refrigeration facilities at the delivery location, based on the requirements of local governments, as a result of transport operations that utilize specialized materials that maintain a set temperature.

We are contributing to the maximization of the storage period and maintenance of quality for the vaccine by

We will evolve the supply chain solutions we have created through these vaccine logistics into a logistics platform that supports pharmaceutical distribution and a social infrastructure that will support next-generation medicine.

Transformation into a Partner That Supports the Entire Supply Chain

Supply Chain Solution

Provision of Supply Chain Solutions to Customers Engaging in Omni-Channel Approaches to Sales

Retailers are developing online and offline omni-channel approaches to sales, and a key issue is the optimization of logistics and inventory. Through the provision of our solution model, known as CDC*1 + DP,*2 we are engaging in solving the issues of our corporate clients.

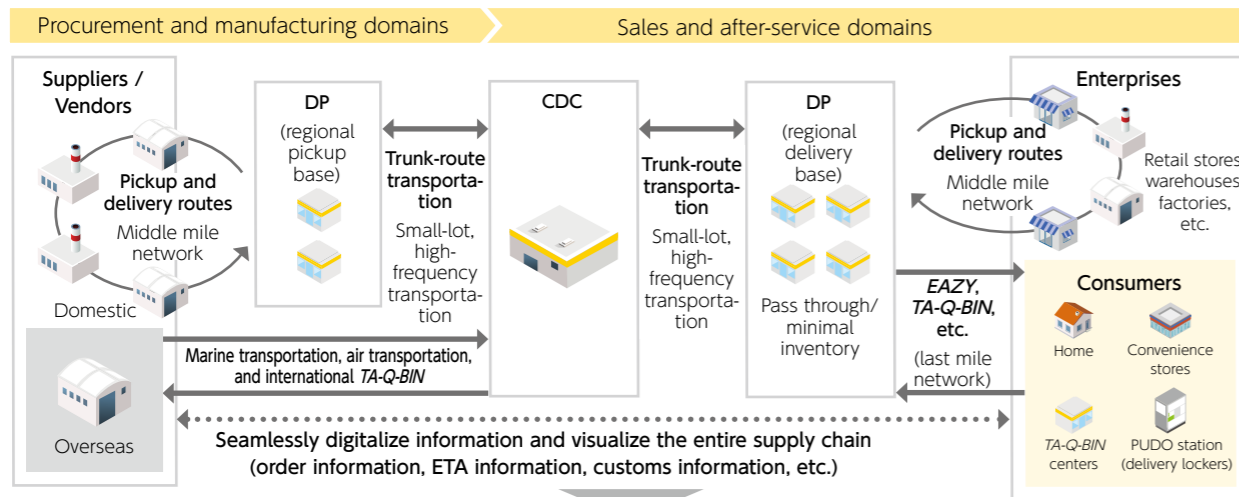


*1 Central Distribution Center *2 Depot (regional delivery center)

Solution Model

- ▶ Reduce the overall inventory volume by consolidating inventory for enterprises and consumers (such as EC inventory) at CDCs, and by standardizing and sharing this inventory
- ▶ Mobilize customers' omni-channel sales inventory and optimize inventory and logistics by centralizing their management
- ▶ Provide optimal modes of transportation (TA-Q-BIN, EAZY, pickup and delivery routes, etc.) through TMS*

* Transport Management System



Value Provision

Suppliers / Vendors	Sellers	Retailers / Consumers
<ul style="list-style-type: none"> • Standardize and simplify shipping operations • Optimize inventory 	<ul style="list-style-type: none"> • Optimize inventory and minimize overall logistics costs • Cope with diverse and rapidly changing demand 	<ul style="list-style-type: none"> • Maximize selling space (use retail space as showrooms) • Enable accommodation of diverse purchasing methods

Entrance into a Strategic Partnership to Create an Optimal Supply Chain

In April 2021, L'OCCITANE JAPON K.K. and Yamato Transport agreed on a strategic partnership to realize the creation of an optimal supply chain for all stores throughout Japan and on the official online site with the aim of improving the satisfaction of all customers who purchase L'occitane products.

By combining the Yamato Group's detailed delivery network in Japan and overseas with a network of over 110 warehouses, constantly mobilizing the inventory of stores and official online sites in one place on the

network, and using TMS to control the optimal transportation method for each situation, we aim to eliminate uneven inventory levels and shortages, reduce transportation costs, and achieve fast shipping and delivery. We will increase the satisfaction of buyers through an optimal supply chain that provides benefits such as an environment where sales people can focus on selling products, an accelerated delivery date for products purchased on the official online site, and the diversification of methods for receiving products.

Based on the One Yamato management structure, we are aiming to become management partners for customers by being completely customer-oriented and by supporting initiatives such as supply chain reform, business process reform, and structural reform.

We will achieve growth in the Yamato Group by contributing to the improvement of customers' corporate value and the enhancement of customer value.

Hiroshi Etani Senior Managing Executive Officer, Yamato Transport Co., Ltd.
Responsible for Overseeing Corporate Sales and Global Strategy

After working as manager at PT. ITOCHU Indonesia, general manager at ITOCHU Logistics Jakarta, general manager at ITOCHU Logistics Shanghai, and managing director at ITOCHU Logistics Singapore, Mr. Etani's work history includes experience as global customer director at DHL Global Customer Solutions, director and general manager of the sales division for TNT Express, deputy general manager of the logistics business at Rakuten Group Inc., CEO and president director of JP Rakuten Logistics, Inc., executive officer and assistant CEO at MITSUI-SOKO LOGISTICS Co., Ltd., and president and representative director of CMA CGM Japan K.K. He joined the Yamato Group in November 2020 and became managing executive officer responsible for Global SCM Business Division at Yamato Transport Co., Ltd. in April 2021. He has been in his current position since February 1, 2022.



Proposing Global Supply Chain Solutions through the One Yamato Management Structure

At present, we are striving to be thoroughly customer-oriented and provide solutions through a customer axis, not just the conventional functional axis based on our One Yamato management structure that focuses on Yamato Transport, which centralizes the management resources of nine Group companies.

Up to now, the Yamato Group had a transportation and delivery network that supported TA-Q-BIN operations, and each Group company had created their own logistics facilities, such as transportation and delivery networks and logistics centers for each function. Under the One Yamato management structure, we have developed a middle mile network for corporate customers from hub base terminals and an increasing number of logistics centers integrated with base terminals, as well as promoted the centralization of Group trunk-route transportation and the integration of our facilities. As Yamato continues carrying out structural reforms, we aim to provide a range of solutions to customers through our logistics bases and the transportation and delivery network. One example of this is our Central Distribution Center + Depot (CDC + DP) model, which is a solution model that other companies cannot provide (please see page 30 for more details).

Furthermore, if the products in this model are procured and manufactured overseas, the inventory and logistics of procurement and manufacturing domains must also be improved to optimize the entire supply chain. Accordingly, Yamato is returning its focus to the upstream of the customer supply chain and actively implementing proposals for solutions during the procurement and manufacturing stage.

As part of this effort, we are providing a management service for visualizing offshore inventory that is in transit. This service enables the reservation of inventory before a ship arrives and the delivery of goods by unloading cargo directly from a ship, bypassing port warehouses. This, in turn, enables the reduction of the response time to customer orders and the lead time for delivering goods, as well as the effective control of total inventory on the supply chain.

Under the previous Yamato Group management structure, we were unable to maximize the value we provided to customers as we were proposing these domestic and international solutions separately. Therefore, from the fiscal year ending March 31, 2022, we have created a global account management structure. Our aim is to provide value across our customers' entire supply chains by focusing on the overall income and expenditure

of our global network, rather than the independent profitability of our local subsidiaries in each country. Under this policy, we have clarified the positioning and roles of our local subsidiaries and partner companies in each country. Additionally, we deploy account management leaders to countries where our customers' decision-makers are located and propose a combination of solutions that meet their global supply chain needs.

Responding to Significant Changes in the Global Supply Chain

Since entering the 2020s there have been major upheavals and changes in the global supply chain and international logistics due to the COVID-19 pandemic and the conflict between China and the United States. While the first requirement when setting up logistics is the establishment of a just-in-time (JIT) system, people are becoming more aware of the importance, from a business continuity perspective, of preparing for just-in-case (JIC) scenarios through the establishment of a JIC system.

The disruption created by the COVID-19 pandemic, including insufficient port functions, a shortage of shipping containers, and a lack of air transport, has created a situation where we have no choice but to respond to JIC scenarios on a daily basis. The 3As of supply chain management (SCM) are said to be agility, adaptability, and alignment, but never has there been a greater need for agile and adaptable logistics than now. We face customers with a strong awareness of this fact.

For example, there was a rapid growth in emergency air transport needs, such as for automobile components being sent from Japan and other Asian countries to North America, following the disruption of marine transport from spring 2021 onward. However, we have been able to meet the requests of our customers through the use of charter flights in coordination with major airline companies and rapid, appropriate land transportation arrangements by our North American subsidiaries.

Furthermore, since 2020 there has been a shortage of shipping containers. In the region between the Malay Peninsula, mainland Southeast Asia, and China, we have been meeting the global supply chain needs of our customers during the COVID-19 pandemic by utilizing the Yamato Group's cross-border land transportation network to not only contribute to the maintenance of a JIT system in our customers' supply chains but also provide a multimodal transportation service that is prepared for just-in-case scenarios (please see page 29 for more details).

Through these initiatives we will grow our business by providing value across our customers' entire supply chains while building a relationship of trust with our customers.