

# Value Creation Process

## Business Environment / Social Issues

- Diversification of customer expectations and needs
- Rapid progress of EC adoption in various industries
- Declining population and decaying regional infrastructure
- Declining working population
- Climate change and resource scarcity

**Further acceleration of the shift toward EC in all industries due to the COVID-19 pandemic**

- **Consumption behavior:** Further growth of EC and shift to omni-channel approaches, including non-face-to-face interactions
- **Logistics structure:** Total optimization of inventory and supply routes

## Our Vision

- **Management Philosophy:** Contribute to the creation of an enriched society
- **Environmental Vision:** Connect. Deliver the future via green logistics
- **Social Vision:** Through co-creation and fair business activities, help create a society that "leaves no one behind"



**Sustainable corporate value improvement**

## Management Resources / Strengths (As of March 31, 2022)

Customer Foundation	Corporate clients	▶ Yamato Business Members: Approx. <b>1.48 million</b>
	Consumers	▶ Kuroneko Members: Approx. <b>54 million</b>
Human Resources	Sales representatives	▶ Account sales representatives and sales drivers: Approx. <b>60,000</b>
	Customer representatives	▶ Guest operators and call center operators: Approx. <b>25,000</b>
Logistics Network	Base network	▶ Corporate operation facilities: Approx. <b>400</b>
	Transportation and delivery network	▶ Sales offices (TA-Q-BIN): Approx. <b>3,500</b> ▶ Last mile (TA-Q-BIN / EAZY / Middle mile) Global transportation (Forwarding / Asian cross-border land transportation)
Information	Physical and digital customer contact points	▶ Account sales representatives / sales drivers / guest operators / call center operators / Kuroneko Members / Yamato Business Members, etc.
	Data	▶ Over <b>2.2 billion parcels</b> a year ▶ The Yamato Digital Platform (YDP)
Financial Foundation	Soundness	▶ Credit rating: <b>AA-</b>

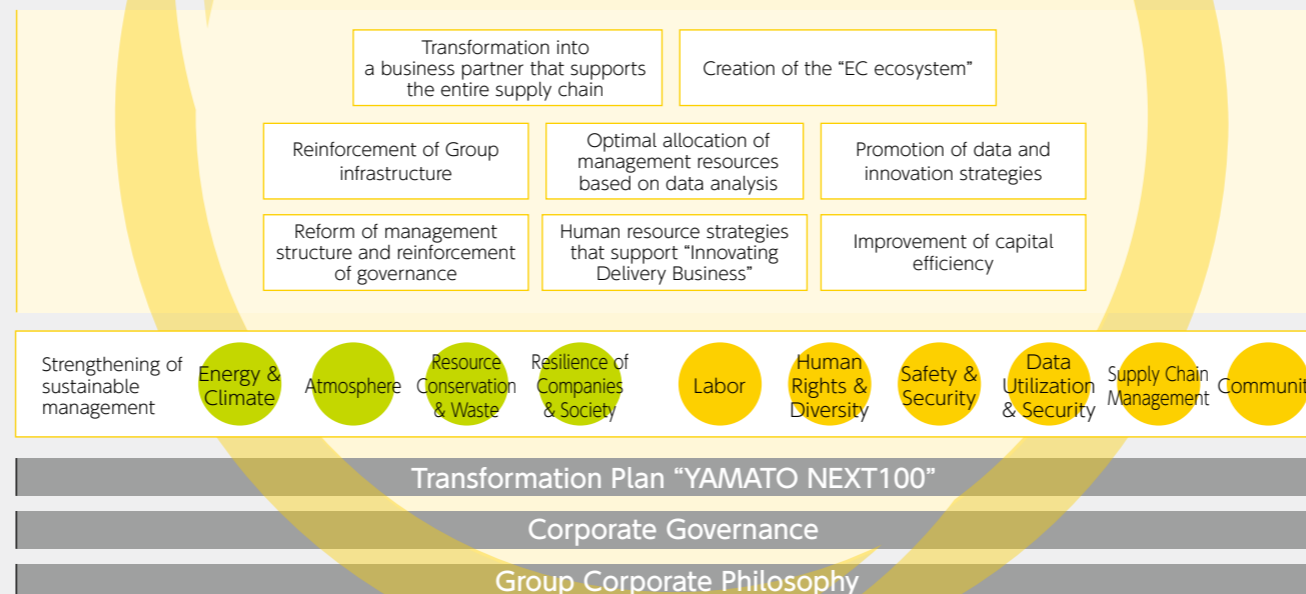
## Value We Provide

- For consumers: **Further enhancing the convenience of lifestyles**
- For corporate clients: **Supporting corporate value improvement (not only enhancing logistics efficiency but also providing support for management issues such as adjusting inventories, optimizing sales, and increasing the efficiency of back-office work)**
- For society: **Reducing environmental burden, enhancing environmental resilience, and improving quality of life**

## The Yamato Group's Important Role as a Part of Social Infrastructure

### Medium-Term Management Plan "One Yamato 2023"

Combine the management resources gathered together under "One Yamato" in an optimal manner to provide value from end to end with a view toward transforming the supply chain



## Targets (Fiscal year ending March 31, 2024)

Financial	Consolidated operating revenues: <b>¥2 trillion</b>
	Consolidated operating profit: <b>¥120 billion</b>
	Consolidated operating profit margin: <b>6.0%</b> Profit attributable to owners of parent: <b>¥72 billion</b>
ROE: <b>10%</b> or higher	
Environmental*	Reduce GHG* <sup>1</sup> emissions: <b>-10%*<sup>2</sup></b> compared with the fiscal year ended March 31, 2021
	Reduce GHG emission intensity: <b>-10%*<sup>2</sup></b> compared with the fiscal year ended March 31, 2021
	Use of electricity generated via renewable energy sources: <b>30%</b>
* <sup>1</sup> Greenhouse gas * <sup>2</sup> In house emissions of consolidated companies in Japan and Swan Co., Ltd. (Scope 1 & Scope 2)	
Social*	Improvement in operating revenue per employee* <sup>3</sup> : <b>+15%</b> compared with the fiscal year ended March 31, 2021
	Overtime hours per employee: <b>-20%</b> compared with the fiscal year ended March 31, 2021
	Annual paid leave utilization: <b>90%</b>
	* <sup>3</sup> Converted number of employees based on different working hours
	Serious traffic accidents* <sup>4</sup> : <b>zero</b>
Number of traffic accidents: <b>-50%</b> compared with the fiscal year ended March 31, 2020	
Serious occupational diseases* <sup>5</sup> : <b>zero</b>	
Reduce frequency of lost workday injuries: <b>-20%</b> compared with the fiscal year ended March 31, 2020	
* <sup>4</sup> Fatal accidents for which the Company is responsible * <sup>5</sup> Incident involving a fatality	

\* Excerpts from "Sustainable Medium-Term Plans 2023"  
Please see pages 34-35 for details on environmental and social targets.