

# Value Creation Process

## Sources of Value Creation

- Human resources with shared philosophy
- Logistics network supporting social infrastructure
- Solid partnerships supporting the logistics network
- Highly competitive logistics technologies and expertise
- Digital platform that enables expansion of value provided and increased operational efficiency
- Green platform built on environmental investment and demonstration tests
- Broad customer foundation ranging from individuals to corporations
- Solid financial foundation

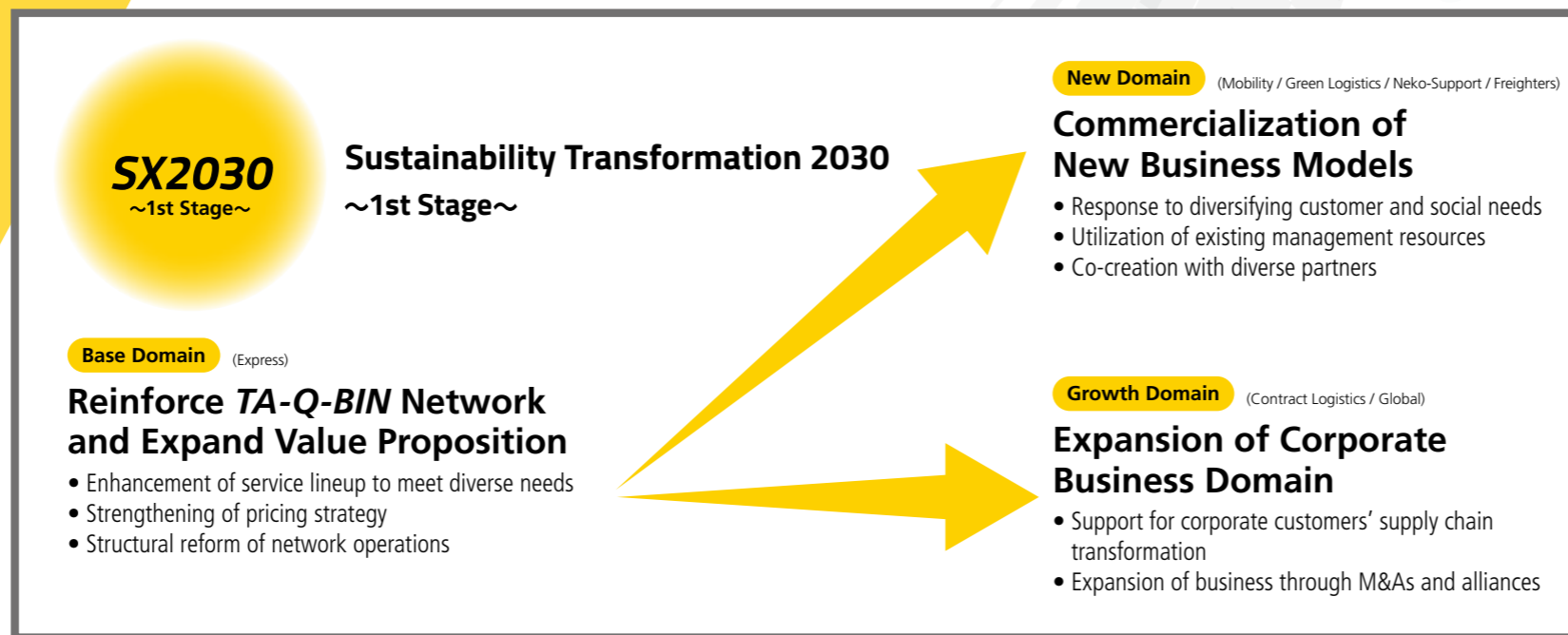
## Business Environment / Social Issues

- Growth of E-Commerce
- Decline of the working population  
Aging society, declining birth rate / Depopulation of suburban areas
- Shortage of transportation capacity intensifying
- Climate change intensifying
- Heightening of geopolitical risk
- Technological advances

## Value Creation Strategies

### Our Vision

A value-creating company that contributes to the realization of a sustainable future  
**Creating "New Logistics" and "New Value" with innovation as our starting point**



## Value Created

### Helping to enrich our society

- Economic Value**  
Realization of sustainable profit growth
- Environmental Value**  
Realization of a low-carbon society
- Social Value**  
Creation of a society that leaves no-one behind

### Financial and Non-Financial Targets

#### ► Medium- to long-term financial targets and aims

	Targets for the Fiscal Year Ending March 31, 2027	Targets for the Fiscal Year Ending March 31, 2031
Operating Revenues	¥2,000–2,400 billion	—
Operating Profit	¥120–160 billion	—
Ordinary Profit	¥120–160 billion	—
Profit Attributable to Owners of Parent	¥80–100 billion	—
Operating Profit Margin	6% or above	8% or above
ROIC	8% or above	12% or above
ROE	12% or above	16% or above

#### ► Medium- to Long-Term Non-Financial Targets

	Targets for the Fiscal Year Ending March 31, 2027	Targets for the Fiscal Year Ending March 31, 2031	2050 targets
GHG emissions*1 reduction rate (compared with the fiscal year ended March 31, 2021)	–25%	–48%	Virtually zero GHG emissions*1
Setting of scope 3 emissions reduction targets	—	—	—
Percentage of electricity generated via renewable energy sources	70%	—	—
Human resource productivity*2	Enhancement of labor productivity	—	—
Employee Awareness Surveys	Increase engagement	—	—
Percentage of women in management (executives)	10%	—	—
Number of serious traffic accidents where bodily injury occurs (compared with the fiscal year ended March 31, 2024)	–15%*3	—	—
Number of serious information security incidents	0 cases	—	—
Rate of support from major business partners regarding the Code of Conduct	100%	—	—

\*1 Scope 1 & Scope 2 emissions of consolidated companies in Japan and Swan Co., Ltd.

\*2 (Consolidated operating revenues – consolidated subcontracting expenses) ÷ consolidated personnel expenses

\*3 For Yamato Transport


For details on non-financial targets, please refer to Sustainable Management on P.44

# Evolution of the Business Model

Since its foundation as a truck transportation company in 1919, the Yamato Group has created services that didn't exist, despite being needed. The concept embedded in our Core Values of continuing to provide better service for customers and society has led to the success of *TA-Q-BIN* and supported our growth to the present day. The Yamato Group will continue to evolve its business model with innovation as the starting point, helping to enrich our society by creating "New Logistics" and "New Value" to support the coming era.

## Medium-Term Management Plan for Realizing Our Vision

### » Main Strategies under the Medium-Term Management Plan "Sustainability Transformation 2030 ~1st Stage~"

 <p><b>Base Domain</b></p> <p><b>Reinforcement of <i>TA-Q-BIN</i> Network and Expansion of Value Proposition</b></p> <p>In the base domain, we will realize profit growth by reinforcing the <i>TA-Q-BIN</i> network and expanding the value provided.</p>	 <p><b>Growth Domain</b></p> <p><b>Expansion of Corporate Business Domain</b></p> <p>In the growth domain, we will realize an expansion of the corporate business domain beyond <i>TA-Q-BIN</i> by strengthening our Contract Logistics Business and Global Business.</p>	 <p><b>New Domain</b></p> <p><b>Commercialization of New Business Models</b></p> <p>In the new domain, we will work to commercialize new business models that meet the needs of our diversifying customers and society for the realization of a sustainable future.</p>
 <p><b>Reinforcement of Group Management Foundation</b></p> <p>We will work to strengthen our human resource strategy, digital strategy, environmental strategy, sustainability management, and corporate governance, which support our growth strategies, thereby reinforcing the Group management foundation.</p>	 <p><b>Promotion of Management with a Greater Focus on Capital Efficiency</b></p> <p>By adding ROIC as a new target in addition to the operating profit margin and ROE, we aim to promote management with a greater focus on capital efficiency in order to realize capital efficiency exceeding the cost of capital.</p>	

# Update on Management Resources and Strengths

In light of the business and social issues caused by environmental changes, we will update our current management resources and strengths through investment and strategy execution and evolve our business model to create economic, environmental, and social value. Then, by honing our strengths and making our value creation cycle more robust and sustainable, we will contribute to the realization of a sustainable future.

### » Sources of Value Creation

		Current strengths*1		Updates		
<b>Human resources with shared philosophy</b>	• Group employees with a shared corporate philosophy	Numbers of employees	Approx. 180,000	▶	• Building an optimal human resource portfolio for creation of added value → P32-37 Human Resource Strategy	
		Sales Drivers (SDs)	Approx. 60,000			
		Corporate sales personnel	Approx. 750			
		Human resources with digital skills	Approx. 680			
<b>Logistics network supporting social infrastructure</b>	• <i>TA-Q-BIN</i> network serving countless customers • Logistics network for corporate clients that combines warehousing, transportation, and delivery • Global network operating in 24 countries and regions	Last-mile pickup and delivery facilities	Approx. 2,900	▶	• Reinforce <i>TA-Q-BIN</i> Network • Stable, speedy transportation using freighters • Strengthening of logistics network for corporations in Japan and overseas through M&As, strategic alliances, and so forth → P22-31 Initiatives in Base, Growth, and New Domains	
		PUDO Stations (open-type parcel lockers)	Approx. 6,900			
		Terminals	80			
		Facilities for corporate clients (warehouses, pickup and delivery facilities for corporate clients, etc.)	Approx. 400			
		Pickup and delivery vehicles	Approx. 46,000			
		Transportation operation vehicles	Approx. 2,500			
<b>Solid partnerships supporting the logistics network</b>	• Transport and delivery partners supporting the <i>TA-Q-BIN</i> network • Distributors and receivers serving as the main customer touchpoints for <i>TA-Q-BIN</i>	Transport and delivery partners	Approx. 3,500	▶	• Further strengthening of partnerships for sustainable growth, such as fair, equitable, and honest business transactions and consideration for the environment and society → P48-49 Supply Chain Management	
		<i>TA-Q-BIN</i> distributors and convenience stores	Approx. 150,000			
<b>Highly competitive logistics technologies and expertise</b>	• High-quality logistics technologies cultivated through the handling of healthcare-related items (medical equipment, pharmaceuticals, etc.) and automotive-related items • Logistics technologies for three temperature ranges (room temperature, refrigerated, and frozen) cultivated through the handling of food-related items • Customs expertise for ensuring security, compliance, and efficiency (AEO Customs Broker*2) • Artwork logistics, etc.			▶	• Increasing competitive advantage in growth domains through M&As and strategic alliances, and so forth → P25-29 Initiatives in Growth Domain	
		<b>Digital platform that enables expansion of value provided and increased operational efficiency</b>				
<b>Green platform built on environmental investment and demonstration tests</b>	• A new digital platform (Yamato Digital Platform) that can understand various data in real time and collaborate with internal and external systems			▶	• Building Fully-Digital Operations • Enhancement of the digital platform → P38-39 Digital Strategy	
<b>Broad customer foundation ranging from individuals to corporations</b>	• Equipment and expertise for reducing in-house GHG emissions due to the introduction of EVs, solar power generation, and LEDs, as well as the development of energy management systems • Provision of climate change-conscious transportation and delivery services (Carbon neutral <i>TA-Q-BIN</i> ) • Small mobile freezer (D-mobico) • Implementation of studies aimed at standardization and commercialization of removable and portable cartridge batteries for EVs	EVs	Approx. 2,300	▶	• Reduction of GHG emissions both in-house and at partners • Strengthening ability to propose solutions that contribute to reducing customers' GHG emissions → P40-43 Environmental Strategy → P30 Initiatives in New Domains	
		Number of Solar Power Generation Equipment Installations	100			
		Percentage of Electricity Generated via Renewable Energy Sources	37%			
		Number of Facilities Introducing LEDs	Approx. 2,000			
<b>Solid financial foundation</b>	• Broad customer foundation in Japan cultivated through <i>TA-Q-BIN</i>	Number of registered users of members-only service for individual clients	Approx. 57 million	▶	• Expanding customer foundation in growth domains through M&As and strategic alliances, and so forth → P26 Conversion of Nakano Shokai to a Consolidated Subsidiary → P29 M&A Strategy	
		Number of registered companies for members-only service for corporate clients	Approx. 1.7 million			
		Share capital	¥127.2 billion			
		Shareholders' equity ratio	51.6%			
<b>Solid financial foundation</b>	• Soundness • Dividend payments emphasizing stability and continuity	Rating (Rating & Investment Information, Inc. (R&I))	AA-	▶	• Disciplined capital allocation → P18-21 Message from the Chief Financial Officer	
		Dividend payout ratio	42.9%			

\*1 The fiscal year ended March 31, 2024, or as of March 2024

\*2 A business operator certified under a program that provides relaxed, simplified customs procedures to operators recognized by customs to have established systems for cargo security management and legal and regulatory compliance.