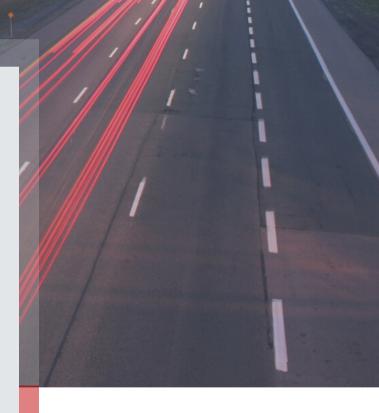
Rakuten SUPER LOGISTICS

XPARCEL:

REDUCING SHIPPING COSTS FOR ECOMMERCE RETAILERS



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IT'S A WELL-KNOWN FACT THAT THE SHORTEST DISTANCE BETWEEN TWO POINTS IS A STRAIGHT LINE.

What is less certain is the cost of shipping packages between two points, which can vary widely depending upon the method used to ship the items. While savings on package shipping can vary—contingent on the package and its weight—there is no doubt that savings can be achieved when utilizing the Xparcel shipping solution.

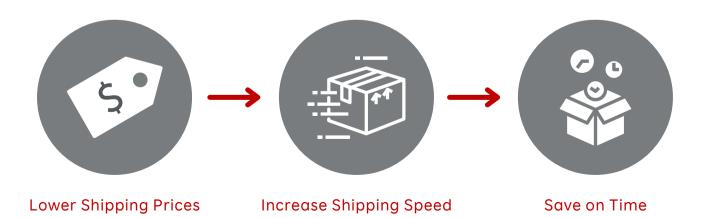
Perhaps most noteworthy: the Xparcel service is provided to Rakuten Super Logistics (RSL) clients at no additional cost; Xparcel can be applied to all orders or can be utilized on an order-by-order basis.

Xparcel: Using State-Of-The-Art Tech to Control Shipping Costs

By using Xparcel, RSL clients have access to proprietary technology that automatically calculates the optimal shipping methods in order to provide the lowest possible cost.

Simply put, this is how it works: based on RSL's ability to negotiate lower rates with parcel delivery carriers, Xparcel provides RSL clients with a method of lowering shipping prices, increasing shipping speed, and eliminating time-consuming shipping decisions for individual orders.

Excluding international orders, Xparcel analyzes data from leading couriers—as well as the RSL database—in order to optimize cost and delivery times based upon real-time, historical delivery data. In addition, Xparcel takes box dimensions into consideration; the end result provides clients with the optimal delivery options, lowering costs and expediting delivery.



Xparcel: A Delivery Tool Designed to Meet Clients' Real-World Needs

Several studies have shown that customer satisfaction with package delivery—including the speed and cost of package shipping—can dramatically impact whether a customer will choose to make future purchases from the same company.

Xparcel uses an algorithm that automatically selects the best carrier(s) who can meet the clients' delivery time frame and cost, based on where the origin and destination of the package is located; RSL uses a basket of carriers, including major carriers, however any single package could use one, a combination of them, or a regional carrier.

Xparcel's Ground shipments have an average of 3-to-8-day transit, while Xparcel Expedited shipments have an average 2-to-5-day transit. Interestingly, despite the shipping issues raised by the recent pandemic, Xparcel delivery transit times have decreased during the Fall of 2021.

The average number of days for an Xparcel Expedited package in the earlier months of 2021 was 3.96 days; in October, that number declined to 3.49 days. Average Xparcel Ground delivery time during that same period stood at 4.78 days; in October, that number decreased by almost a full day to 3.83 days.

All Xparcel shipments can be tracked via https://track.firstmile.com and all packages 25lbs and under have 100% USPS compatible tracking. The tracking number provided can be utilized through several platforms such as USPS.com, the carrier's website; even some search engines such as Google will recognize the different carrier tracking numbers. Shipments 26lbs+ ship exclusively via UPS Ground therefore, will be assigned a UPS tracking number.

+19.87% increase in shipping speed for Xparcel Ground in 2021

Xparcel Produces Measurable, Positive Results for RSL Clients

Of course, the bottom line for many businesses remains just that—their bottom-line costs. As companies prepare for a post-pandemic world, they are emerging into a highly competitive marketplace, where costs (particularly labor costs) are expected to continue to rapidly rise.

However, RSL clients utilizing the Xparcel shipping platform continue to experience significant savings, contributing to their businesses' profitability. These savings appear to apply to all RSL clients, regardless of their business vertical.

Samples of RSL client experiences with Xparcel include:

An RSL Gaming client: "Xparcel has provided us with the shipping times and costs we need to maximize our profits. We have saved over 34% on our shipping costs while maintaining our consumers' necessary 1shipping day requirements. This savings has allowed us to reinvest in our business and expand our strategic initiatives. Xparcel has been instrumental in helping our business grow."

An RSL Clothing Retail Client: "Switching to Xparcel was the best thing we did for our business! In the short two months that we have been using Xparcel Expedited, we have

already seen an average of \$1.50 savings on each package shipped, compared to when we were shipping USPS First Class or Priority Mail. It might not sound like much, but the overall savings of 15% has been incredible. This has helped retailers like us provide our consumers with the shipping times they demand and do so at a lower cost to us!"

Another RSL Clothing Retail Client: "We have been using Xparcel for over a year now and the savings continue to increase. Our consumers demand 3–8-day shipping times and Xparcel delivers! It has been instrumental in reducing our shipping costs."

"We have saved over 34% on our shipping costs while maintaining our consumers' necessary 1-3 shipping day requirements."

-RSL Gaming Client

While each client's savings may vary, statistics confirm that RSL clients who utilize the Xparcel shipping platform can expect to see significant shipping cost reductions.

Based on the success of the current Xparcel offerings, RSL is launching Xparcel Priority in January 2022. Xparcel Priority targets the 1-to-3 day transit times for those clients needing the fastest delivery methods.

In fact, a random sampling of RSL clients who switched delivery from the US Postal Service to Xparcel experienced recorded savings ranging from 9.2% to as high as 38.5%.

Even in the ever-changing world of the marketplace, it remains indisputable that the shortest distance between two points is a straight line; still, the cost of shipping packages between those two points can—and often does—vary widely.

RSL clients who choose to utilize the Xparcel shipping platform can be assured that while the delivery cost of bridging the distance between the warehouse and their customer may vary, it will—ultimately—be lower than most of the traditional shipping methods.

ABOUT RAKUTEN SUPER LOGISTICS

Rakuten Super Logistics (RSL) is the leader in eCommerce order fulfillment services and freight management. RSL offers national fulfillment services and a network of fulfillment centers across the US, including Anaheim (CA), Atlanta (GA), Austin (TX), Carlstadt (NJ), Chicago (IL), Denver (CO), Houston (TX), Las Vegas (NV), Olean (NY), Reno (NV), Salt Lake City (UT), and Scranton (PA). RSL's fulfillment system allows for integration with popular shopping cart platforms and online marketplaces including Amazon, BigCommerce, Channel Advisor, eBay, Magento, ShipStation, Shopify, Volusion, Walmart Marketplace, and WooCommerce. RSL offers modern fulfillment solutions for leading eCommerce retailers focused on reducing shipping costs, improving order accuracy, decreasing shipping times, and increasing customer satisfaction.

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