

# Human Resource Strategy

The Yamato Group's human resource strategy is the foundation for realizing sustainable increases in corporate value through "contributing to the realization of enriching our society," a goal laid out in our Management Philosophy. Our Human Resources Management Policy is to ensure that the growth of individual employees leads to the growth of the Group. Based on this policy, we are promoting a human resource strategy that is linked to management strategies, such as building an optimal human resource portfolio for the creation of new added value and further enhancing work comfort and motivation of diverse employees.

## MESSAGE

We are promoting a human resource strategy linked to management strategies in order to strengthen human capital and accelerate management strategy execution.

**Masayuki Ishii**  
Managing Executive Officer  
(Responsible for Overseeing Human  
Resource Management and Development)  
Yamato Transport Co., Ltd.

Mr. Ishii joined Bridgestone Corporation in 1988. After working at its head office, plants, and technology centers, he was responsible for human resources and labor management at various offices in the United States, Spain, and Belgium. Upon returning to Japan, he was responsible for areas at the head office including global human resources and human resource development, corporate planning, corporate communication, risk management, and overseas business management. In October 2022, he joined Yamato Transport Co., Ltd.



Q1: How do you think the Yamato Group's human resource strategy increases corporate value?

As the head of human resource management and development, my key themes are creating an organization that empowers us to proactively transform our skill set and human resource portfolio in line with the Yamato Group's management strategies, and developing human resources who can take ownership of this transformation and carry it out in their respective domains and roles. We are implementing a human resource strategy based on our Human Resources Management Policy for achieving sustainable mutual growth by linking our employees' growth and sense of rewarding work with the growth of the Group.

During the current medium-term management plan, we are reinforcing the *TA-Q-BIN* network and transforming our business portfolio. Key components of the human resource strategy for accomplishing these objectives are optimal human resource allocation following business structure reform, development and recruiting of human resources who create added value, establishing a good working environment, and fostering organizational culture. The Human Resources Department collaborates with business departments to improve operational efficiency and increase the value the Group provides to enhance its ability to generate earnings. This involves deploying personnel to areas directly linked to earning power, such as *TA-Q-BIN* sales offices and corporate sales, and systematically developing and hiring skilled personnel. Concurrently, we are supporting sustained growth in corporate value by consistently and sustainably enhancing the Group's human capital through the creation of a work environment in which diverse employees can thrive.

The target outputs of our human resource strategy are enhanced human productivity and improvement of engagement. Human productivity continues to improve because we have reduced personnel expenses, but our essential issue is increasing added value. We support pricing optimization and growth of the business for corporates in business departments by securing and

developing human resources with the knowledge and skills necessary to provide value, and by establishing a personnel system that leads to improved performance and a sense of rewarding work. We have made engagement a key indicator for the sustainable creation of corporate value, and structured a plan-do-check-act (PDCA) cycle that employs the results of employee awareness surveys. These indicators are influenced by a complex mix of factors other than our human resource strategy, so business departments and the Human Resources Department will enhance cooperation to evaluate and verify the effectiveness of measures from multiple angles.

Q2: How does the Group intend to transform its human resource portfolio in order to transform its business portfolio?

In the Express Business, which is our Base Domain, we are streamlining our hierarchy and indirect employees by consolidating and standardizing operations and using technologies such as AI to improve efficiency. At the same time, we are reassigning suitable personnel to *TA-Q-BIN* sales offices, corporate business branches, and other customer-facing front-line organizations. Our goals for these measures are to create an environment in which Sales Drivers can concentrate on sales activities, and to strengthen our corporate sales system. When reallocating personnel, we engage in detailed communication regarding the expected post-reassignment results and career path as part of a pre-reassignment training program, and we also have contact points in place to follow up with necessary information regarding the work. This supports increased motivation among reallocated employees and enables them to play active roles as soon as possible.

In addition, we will continue to focus on strengthening the capabilities of middle management, who are the bridge between rank-and-file employees and upper management. We will improve the capabilities and maximize the performance of these front-line employees with practical training that inculcates leadership and

problem-solving skills, and with a system that links compensation to management's responsibility for results.

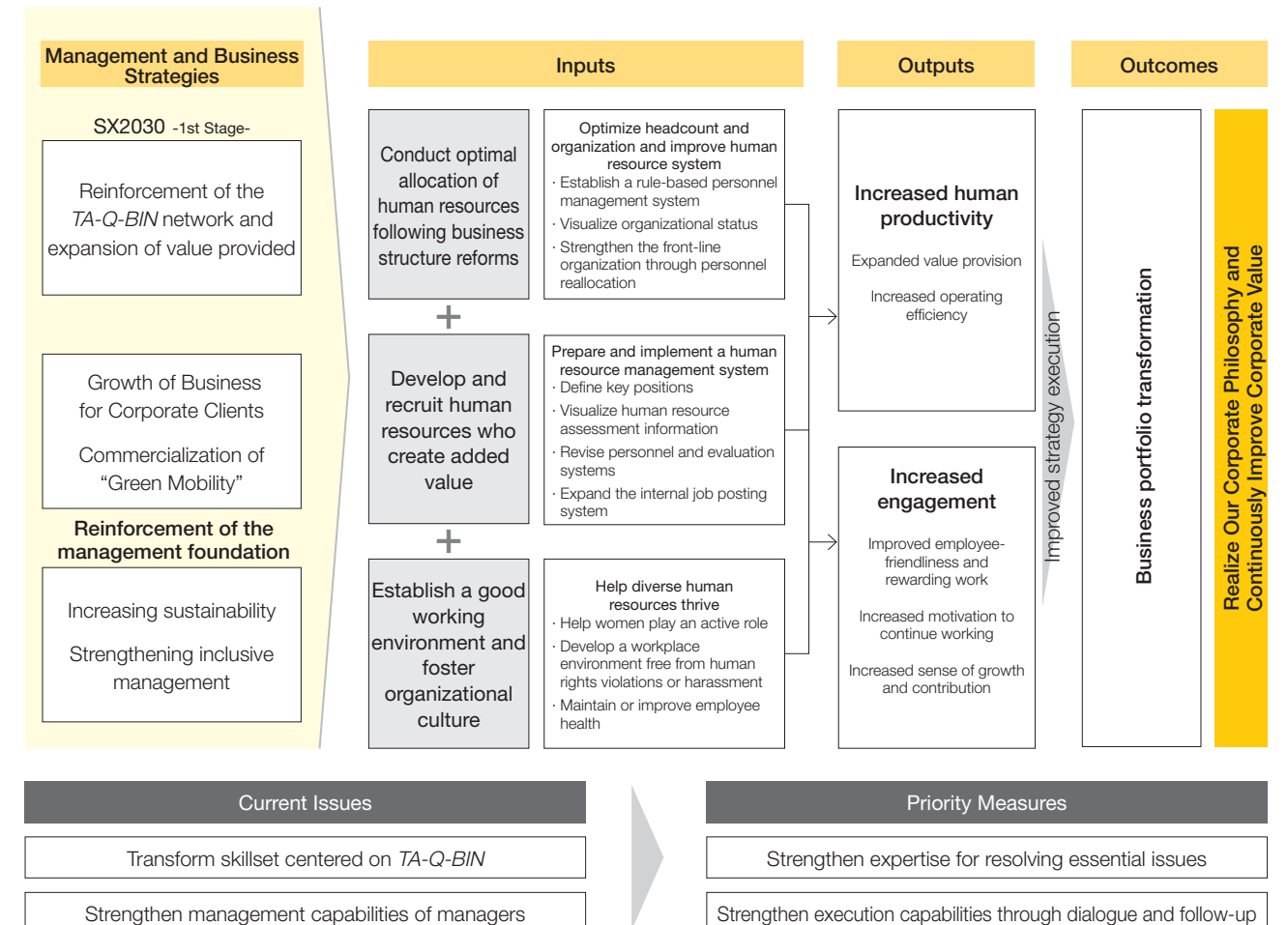
Our challenge in the Global Business and the Contract Logistics Business, which we consider our Growth Domain, is to develop and bring on sales and operations personnel. We are clarifying the duties and number of positions required to move our business strategies forward in order to conduct training and recruiting to eliminate gaps in our current personnel mix. At the same time, we are reviewing our personnel system to attract talent from outside the Group and to retain capable staff internally. A specific initiative in our Global Business involves the use of a talent map for development and recruiting to visualize the capabilities of each employee, and the results are beginning to show in performance. The Contract Logistics Business is working closely with the Human Resources Department to ramp up training and recruiting measures to fill positions required by business strategies and strengthen proposal and operating capabilities.

policies, and to implement a PDCA cycle for making improvements. The Board of Directors receives progress reports to heighten coordination with management strategies. Drawing on analysis of the survey results, we hypothesized that the skill of managers has the strongest causal relationship with employee-friendliness and rewarding work. We have therefore been enhancing the abilities of middle management, particularly sales office managers. Our approach involves dialogue between upper management and sales office managers, training opportunities, workplace meetings, and other measures that empower middle managers to help their employee teams understand business strategies and improve teamwork within the workplace. As a result, indicator data have been improving since FY2025/3. In the most recent survey conducted during FY2026/3, numerical values increased for survey items such as rewarding work. One reason was more consistent work styles and hours resulting from the optimal allocation of human resources and the relocation of pickup and delivery facilities brought about by business structure reforms. We will continue to accelerate the implementation of personnel measures that support business portfolio transformation while linking employee growth to the sustainable growth of the Group.

Q3: Please discuss the results of the employee awareness survey and future initiatives.

The Yamato Group conducts regular employee awareness surveys to understand the effectiveness of and issues with its personnel

## A Human Resource Strategy Linked to Management and Business Strategies



Human Resource Strategy

Establishing a Good Working Environment and Fostering Organizational Culture

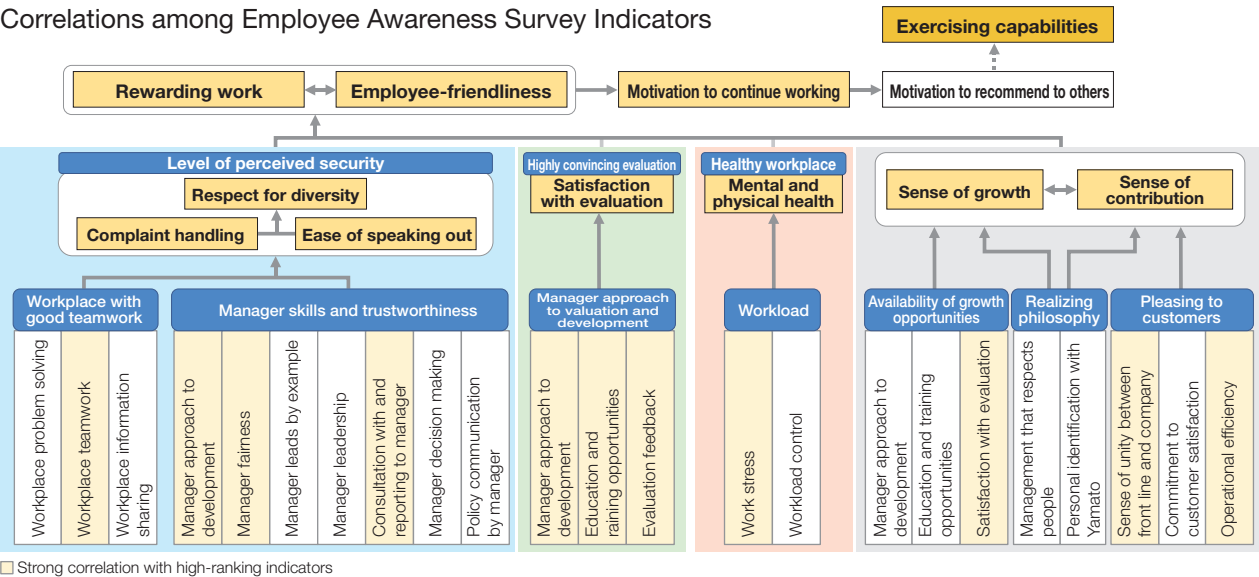
The Yamato Group believes that improving employee-friendliness and a sense of rewarding work maximizes employee capabilities, thereby making the employee experience better. This encourages better customer service, which in turn supports increased corporate value. Therefore, we regularly conduct employee awareness surveys to objectively understand the opinions of Group employees. These surveys are positioned at the core of the PDCA cycle for identifying organizational issues and making continuous improvements. The Human Resources Department and business departments work together to perpetuate the PDCA cycle, which creates an environment in which employees and the Group can grow together and achieve sustainable increases in corporate value.

Analysis of Engagement Issues Based on Employee Awareness Surveys

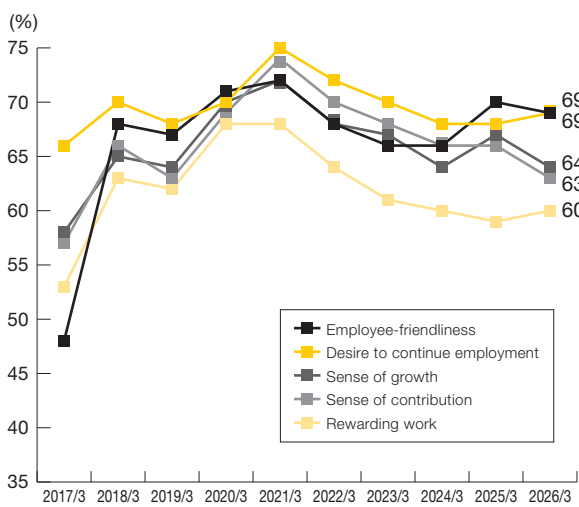
We identify the essential issues involved in engagement by analyzing the relevance of each indicator using statistical methods such as multiple regression analysis. Analysis confirmed that employee-friendliness and a sense of rewarding work are most

significantly influenced by the level of perceived security. Drawing on the results of analysis, we have identified improving manager skills and enhancing workplace teamwork as priority issues, and are formulating and implementing specific measures.

Correlations among Employee Awareness Survey Indicators



Employee Awareness Survey: Trends in Five Main Items<sup>1, 2</sup>



1. Scope: Consolidated companies in Japan and Swan Co., Ltd.  
2. Percentage of positive responses

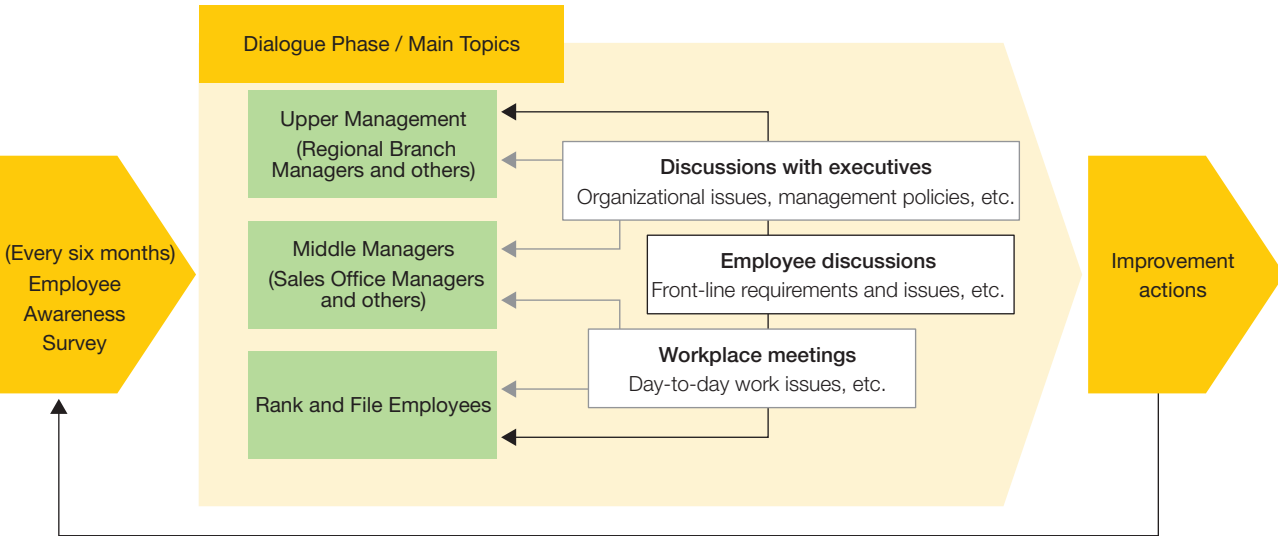
FY2026/3 Survey Results (Including Key Issues)

- Higher Results for Rewarding Work and Desire to Continue Employment (Slightly Lower Employee-Friendliness Than in FY2025/3)
  - Positive responses for teamwork in the workplace and manager skills have increased, confirming the effectiveness of measures such as workplace discussions.
  - Positive responses for workload have increased, and the effects of the facility strategy and optimal allocation are becoming apparent.
- Lower Results for Sense of Growth and Sense of Contribution
  - Many employees have expressed concern about difficulty seeing the connection between their individual work and the Company's results. We will encourage employees to grow and contribute to the business through measures that include revising our evaluation and compensation system to reflect employee contributions more specifically and directly, and clarifying career paths that encourage personal growth.

Improving the Workplace through Dialogue

We use the feedback collected from employee awareness surveys to plan Groupwide human resource policies and verify their effectiveness, and to support specific actions for improvement led by the front line. Dialogue between senior and middle managers and between upper management and employees deepens mutual understanding of management strategies and actual issues in the workplace. In addition, the opportunities we provide for managers and their teams to identify issues in their

own workplaces and take action to improve them encourage a sense of ownership and an autonomous approach to solving problems at the individual level. We conduct the employee awareness survey and a multi-layered dialogue process based on its results twice a year. This verifies the effectiveness of initiatives and provides impetus for rapid improvements in the work environment and teamwork.



Enhancing the Skills of Middle Managers

An indispensable element in improving employee-friendliness and a sense of rewarding work among the approximately 170,000 Yamato Group employees is enhancing the capabilities of middle management, who are central to their organizational units. Our approach to improving the capabilities of middle managers so they can effectively support the growth of their team members and provide high-quality feedback involves measures such as providing training to evaluators and standardizing evaluation processes.

A key initiative during FY2026/3 is the launch of a more systematic education program. Our program combines group training that covers management fundamentals, training in the knowledge and skills required for assignment to key positions, and online self-guided study. This creates a cycle of accelerated growth in which managers acquire, apply, and retain knowledge to support improved engagement throughout the organization.

Promoting the Active Participation of Female Employees

We are energetically encouraging respect for diversity and the active participation of women with the objective of empowering diverse human resources to fully exercise their capabilities in a workplace environment that enables the creation of new value. The head office began convening Human Resource Development Conferences in collaboration with regional branches in FY2025/3. These conferences formulate training and placement plans for each female managerial candidate based on her career aspirations and aptitude, and help them maximize their potential and motivation to grow by regularly confirming progress and

providing requisite experience and training. At the same time, we continue to make the work environment comfortable for all through initiatives such as reviewing the scope of managerial responsibilities in conjunction with the consolidation and expansion of pickup and delivery facilities, and promoting digital transformation. Measures that combine individual development and environmental improvement accelerate the development and promotion of female employees and help us generate sustainable growth in corporate value.

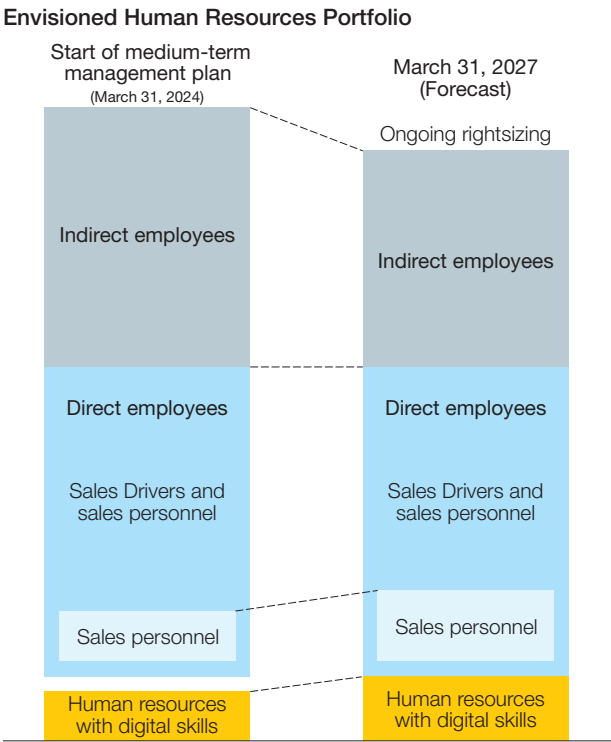
Human Resource Strategy

Optimal Allocation of Human Resources Following Business Structure Reforms

In order to maximize the competitiveness of our businesses, we are working toward a more appropriate organizational structure and personnel allocation to focus resources on the domains we need to strengthen.

In conjunction with the transformation of our business portfolio, we are ramping up direct personnel development and recruiting while rightsizing the indirect personnel headcount. We are rigorously streamlining operations and reducing headcount by using AI and consolidating tasks. We are also streamlining the organizational hierarchy and number of positions at the head office, regional headquarters, and regional branches, and strategically reallocating qualified personnel to customer-facing departments such as *TA-Q-BIN* sales offices and corporate business branches to strengthen our sales capabilities.

We have established a consistent reallocation process from reorganization of duties to personnel selection, interviewing, skillset, and follow up. We engage in detailed dialogue to share the purpose of the transfer and expectations for the role to motivate employees to take on new challenges. We also support smooth reskilling and rapid development of capabilities through skills training, on-the-job training, and specialized consulting services.

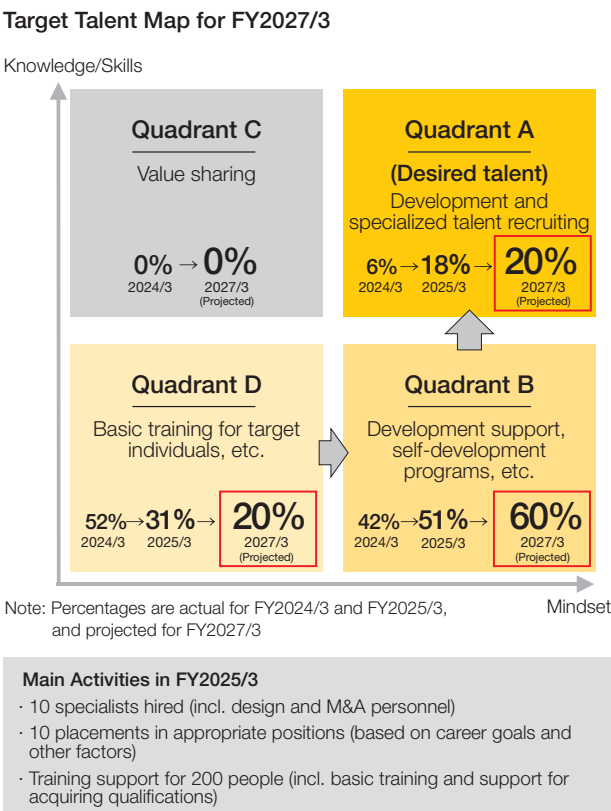


Developing and Recruiting Human Resources Who Create Added Value

The Human Resources Department and business departments are strengthening their cooperation to structure a human resource portfolio that is linked to management strategies. We have defined the skills and positions necessary for business growth as job requirements, and visualized the skills of our employees in structuring a human resource management system that systematically secures and develops the requisite skills.

For the Global Business, which we consider a growth domain for the Yamato Group, we have created a talent map with two axes: knowledge/skills and mindset. We are enhancing the overall capabilities of business departments by stepping up recruiting of specialized personnel to increase the proportion of employees in Quadrant A while promoting development programs such as specialized training to compensate for skill deficiencies in each quadrant and encouraging employees to obtain qualifications.

During FY2026/3, we are reviewing working conditions such as compensation and working hours to enhance our competitiveness in the labor market, and adjusting them to the appropriate levels for each business department. We will strengthen the organizational foundation of business departments by retaining capable personnel and promoting their active participation.



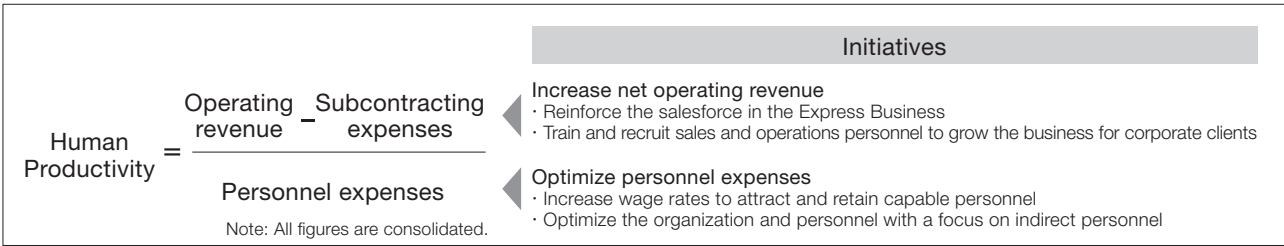
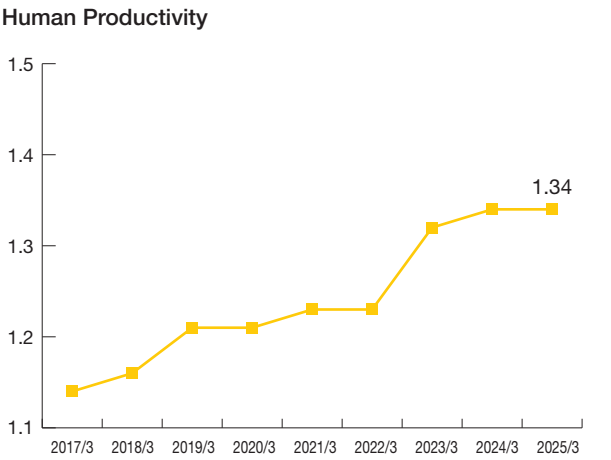
Increasing Human Productivity

We implemented salary increases during FY2025/3 to secure capable personnel. At the same time, we continued to rationalize personnel expenses by streamlining our organizational structure and reallocating human resources to the appropriate positions.

However, net operating revenue decreased due to factors including the impact of a sharp decline in *DM-Bin* revenue, improved labor conditions among transportation partners following new regulations governing working conditions in the logistics industry (the 2024 Logistics Problem), and an increase in subcontracting expenses for outsourced work due to the introduction of freighters. As a result, human productivity remained at the same level as in FY2024/3.

Our initiatives to increase earnings have been generating positive outcomes since the second half of FY2025/3, and the Human Resources Department will continue to strengthen collaboration with business departments and accelerate

investment in human capital. This will include hiring necessary personnel and expanding education and training. These initiatives will help strengthen the foundations of each business department and increase net operating revenue.

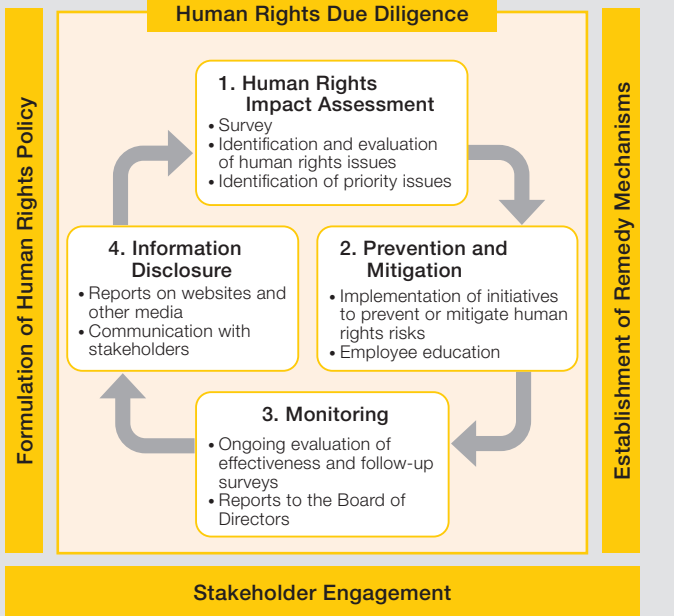


Close-Up Human Rights Due Diligence (Impact Assessment)

The Yamato Group is stepping up its efforts to respect human rights based on the United Nations Guiding Principles on Business and Human Rights and the Yamato Group Human Rights Policy.

During FY2025/3, we conducted a human rights impact assessment in cooperation with external experts, with the aim of evaluating and identifying the impact of our business activities on human rights to redefine and reprioritize the issues we need to address. We have begun by focusing on the Yamato Group, and hereafter will expand the scope to our entire supply chain.

For the assessment, we distributed questionnaires and conducted interviews with department heads and employees to identify a wide range of potential and actual human rights risks, then analyzed them along the two axes of "severity" and "likelihood of occurrence" to specify the human rights issues we should address as a priority. Based on these results, we will steadily implement measures to prevent or mitigate the issues that have been identified in carrying out our human rights due diligence.



Note: The issues that have been identified are scheduled to be disclosed on the Company's website during FY2026/3.



# Digital Strategy

The Yamato Group has positioned its digital strategy as the foundation for sustainable increases in corporate value and is promoting data-driven management. We are implementing a digital transformation that is integrated with our businesses. This involves employing the big data accumulated in the *TA-Q-BIN* business to generate added value, improve operational efficiency, and create new businesses.

## Laying the Groundwork for a Digital Transformation

We are promoting a digital transformation that is integrated with our businesses by reforming our existing organizational structure, IT framework, and personnel system. We are increasing the flexibility and speed of system development to help business

departments add value and enhance competitiveness. We are also deploying data to improve the accuracy and speed of management strategies and enhance the sophistication of our businesses.

	Past Initiatives (to 2020)	Current Initiatives	Vision (to 2027)
Organizational Structure	<ul style="list-style-type: none"><li>System development and operation entrusted to a subsidiary</li><li>Insufficient understanding of front-line operation resulted in issues with development quality and speed</li></ul>	<ul style="list-style-type: none"><li>Reorganized the Group and consolidated management resources within Yamato Transport</li><li>Stationing human resources with digital skills in business departments to support system infrastructure and data use</li></ul>	<ul style="list-style-type: none"><li>Collaboration between business departments and the Digital Department to promote management strategies</li><li>Structure a system for employees to deeply understand business objectives and take the initiative in making proposals that contribute to its growth</li></ul>
IT Framework	<ul style="list-style-type: none"><li>System centered on <i>TA-Q-BIN</i> accounting processing</li><li>Data integration through batch processing</li><li>Problems with adding new features and connecting with external services</li></ul>	<ul style="list-style-type: none"><li>Building a real-time data integration platform to accommodate e-commerce expansion</li><li>Improving responsiveness for tasks such as adding new features</li></ul>	<ul style="list-style-type: none"><li>Create an agile and flexible IT framework that enables freedom in defining and coordinating operations in conjunction with business portfolio transformation</li></ul>
Human Resources	<ul style="list-style-type: none"><li>High dependency on partners</li><li>Insufficient capacity for independent development and operation with a medium- to long-term perspective</li></ul>	<ul style="list-style-type: none"><li>Promoting in-house development and operation, and fostering the growth of internal human resources</li><li>Introducing the Digital Specialist System to accelerate the growth of human resources with digital skills</li></ul>	<ul style="list-style-type: none"><li>Employees familiar with the Group's IT structure with an in-depth understanding of business objectives proactively handle planning, development, and operation</li></ul>

Use big data from *TA-Q-BIN* to add value and enhance business sophistication

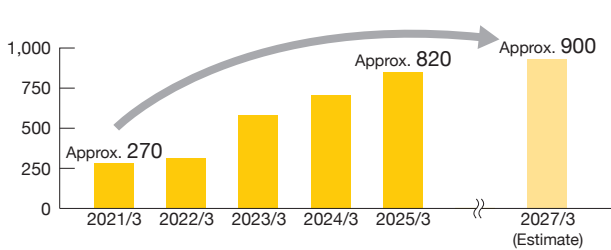
## Developing and Recruiting Human Resources with Digital Skills

The Digital Specialist System is promoting a market-competitive evaluation and compensation system, flexible working styles, and the development, recruitment, and subsequent retention of capable human resources with digital skills. We recruit new graduates and use other channels to consistently add to the team of programmers that handles development. We also visualize individual skills, systematically provide training according to individual strengths and areas for improvement, and offer support for obtaining qualifications to systematically develop employees into IT

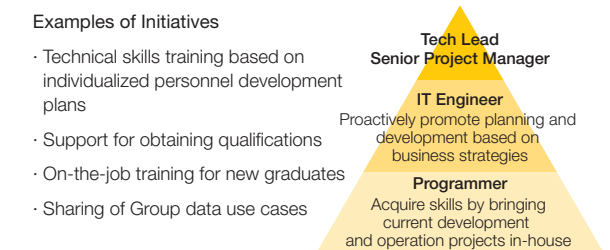
engineers and more advanced positions such as tech leads and project managers, thereby raising the technical capabilities of the entire organization.

At the same time, we are promoting the in-house development and operation of systems, an area where we previously had a high dependency on external partners. This encourages the growth of our employees while supporting improved development speed and medium- to long-term cost optimization.

Human Resources with Digital Skills



Digital Talent Career Track



## Strengthening Cybersecurity

We take an incident that occurred at a subsidiary outside Japan very seriously, and are working throughout the Yamato Group to strengthen cybersecurity Groupwide and protect information assets from the threat of increasingly sophisticated and advanced cyberattacks.

### Governance system enhancements

We are elevating security Groupwide by reviewing our information security guidelines, conducting regular on-site inspections of facilities in and outside Japan to confirm compliance with those protocols, and rigorously identifying risks. Additionally, we assiduously assess risk from the planning stage when conducting M&A or establishing a new company, and have established a process for promptly applying Yamato Group information security guidelines post integration.

### Technical measures

We are countering increasingly sophisticated cyberattacks with cutting-edge defense-in-depth technology, and have structured a system that enables us to quickly detect and respond to threats.

### Enhanced employee awareness and organizational capabilities

We regularly educate employees about information security and provide information in multiple languages. We also enhance employee literacy by conducting targeted email drills simulating actual attacks four times a year at Yamato Transport Co., Ltd. and twice a year at all other Group companies in and outside Japan.

Close-Up

Last-Mile Digital Transformation Opens a Path to Sustainable Growth

The Yamato Group views its digital strategy not simply as a means to improve operational efficiency, but as an important foundation for improving the experience value of each customer and the work environment of its front-line employees. Superior customer experience encourages customers to trust and choose us, and a comfortable working environment for employees improves service quality and productivity. Digital transformation is the starting point for creating this virtuous cycle and will support sustainable growth in corporate value.

drivers, and has enabled anyone, regardless of experience, to handle delivery work efficiently. This allows drivers to spend more time concentrating on safe driving and communicating with customers. Sales Driver productivity has increased as a result of our commitment to a better work environment for our employees.

### Accelerate data-driven management to enhance business sophistication

The Yamato Group is employing the Yamato Digital Platform (YDP) it has structured to accelerate data-driven management and enhance business sophistication. Digitalized parcel data is the starting point for YDP and the source of big data. We have been promoting the digitalization of shipping labels, including handwritten ones, with the result that the digitalization rate for shipping labels increased to approximately 94% for FY2025/3.

### Support a better work environment for employees with data and AI

Digitalized data enable more accurate predictions and provide powerful support to front-line employees. Machine learning models predict daily workloads with high accuracy, and advanced operational design optimally allocates personnel and vehicles based on that prediction, preventing workload concentration on specific employees and supporting stress-free work styles. Furthermore, our AI system that suggests optimal delivery routes has changed the way we approach delivery work, which formerly depended on the experience and intuition of experienced

### Pursue superior customer experience and invest in the future

Another important goal of digital transformation is to accurately identify diversifying customer needs and provide more convenient services. As an example, we have expanded *Okihai* (unattended delivery), a service we first introduced for the *EAZY* delivery service for e-commerce businesses, to *TA-Q-BIN* so that Kuroneko Members\* can also use it. We connect with customers digitally through Kuroneko Members, provide unattended delivery according to their wishes, and take photos to notify them when delivery is complete, thus creating a safe and secure receiving environment. These initiatives have enabled us to provide customers with delivery methods that suit their lifestyles. As a result, in tandem with an increase in the number of deliveries designated for unattended delivery, the not-at-home ratio fell to 8.8% in FY2025/3. This was lower than the level during FY2021/3 (the COVID-19 pandemic), when the ratio of customers staying at home rose sharply. Reducing redelivery also helps reduce environmental impact. Looking even further into the future, we are also taking on the challenge of creating a next-generation customer experience. This includes the launch of a demonstration experiment of an automated delivery robot in a large-scale apartment building in August 2025.

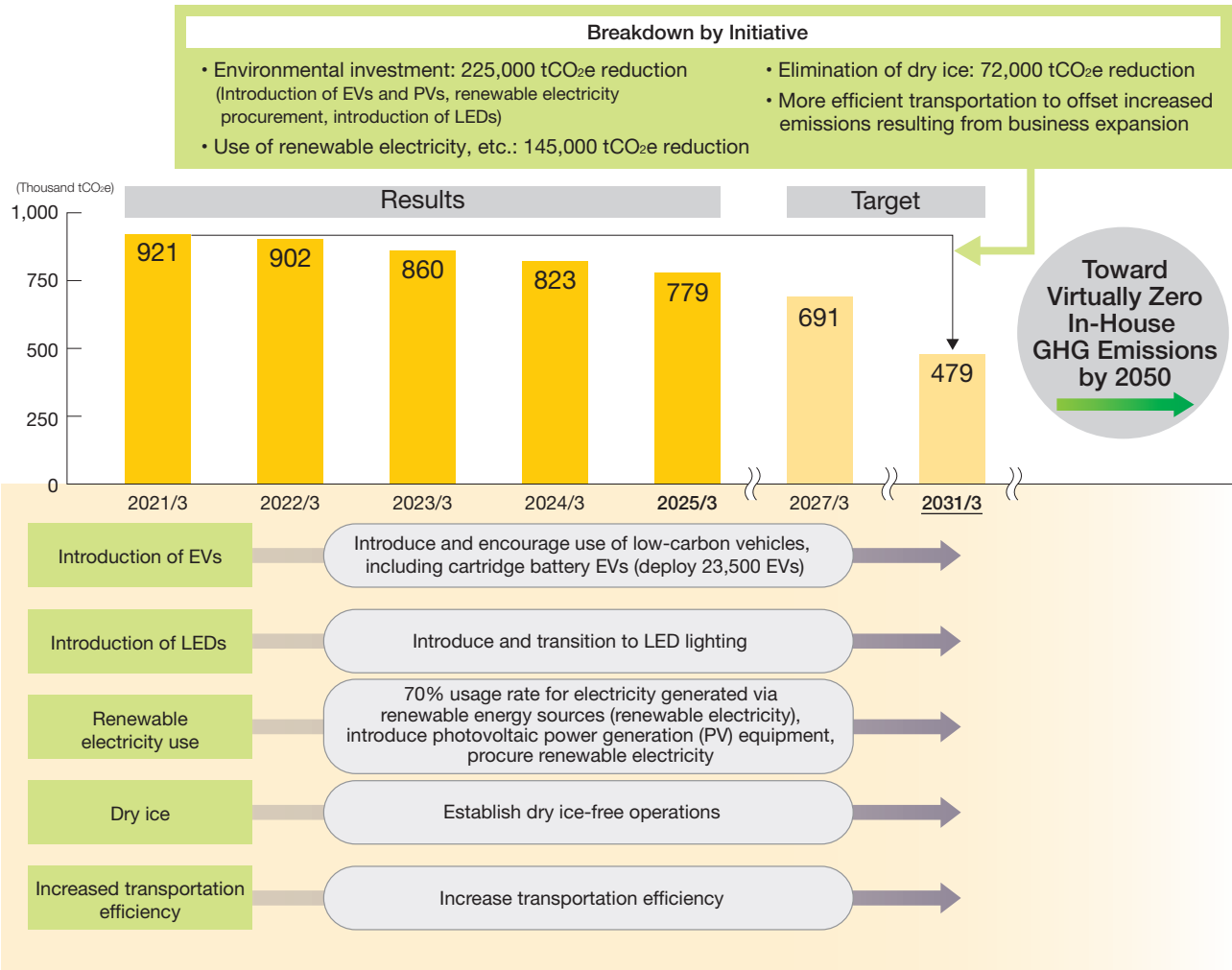
\* Membership service for individuals provided by Yamato Transport

# Environmental Strategy

Based on its environmental vision of “Connect. Deliver the future via green logistics,” the Yamato Group is implementing initiatives to address the environment-related material issues it has identified with the objective of increasing its corporate value over the medium to long term and realizing a sustainable society. We are particularly emphasizing the impact of the risks and opportunities brought about by climate change, and have set the goals of virtually zero in-house greenhouse gas (GHG) emissions by 2050 and a 48% reduction in GHG emissions by 2030 (compared with FY2021/3) to address these risks. Furthermore, we are implementing good-faith initiatives to mitigate and adapt to climate change, not simply by reducing the environmental impact of our business, but also by seeking out services that help reduce GHG emissions.

We are creating a business model that resolves environmental challenges for our customers with the goal of enhancing the sustainability of society and the logistics industry as a whole while simultaneously increasing the Group’s corporate value.

## Plan for Reducing GHG Emissions (Scope 1 and Scope 2) to Achieve Medium-Term Targets (FY2031/3)



## Reducing GHG Emissions throughout the Supply Chain (Scope 3)

We have begun collaborating with the major business partners in our supply chain to reduce Scope 3 emissions. First, we are building a platform for accurately understanding emissions, which we will then use to formulate and implement effective reduction plans based on reliable data.

During FY2025/3, we established a system for measuring emissions from our transportation and delivery partners, and began collecting and storing data. We are promoting the establishment of a management system that covers our entire supply chain, including other suppliers.

## Disclosures Based on the TCFD Recommendations

The Yamato Group expressed its agreement with the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations in FY2023/3. Based on that framework, we are conducting ongoing reviews that include implementing scenario analyses for Yamato Transport and additional assessments of the financial impact of physical risks. We will improve the sustainability of our business by clarifying the business impact of climate-related issues and implementing countermeasures focusing on issues with the greatest impact. We will increase corporate value through further dialogues with stakeholders.

For our response to the TCFD recommendations, please refer to our corporate website.  
<https://www.yamato-hd.co.jp/english/csr/environment/tcfd.html>

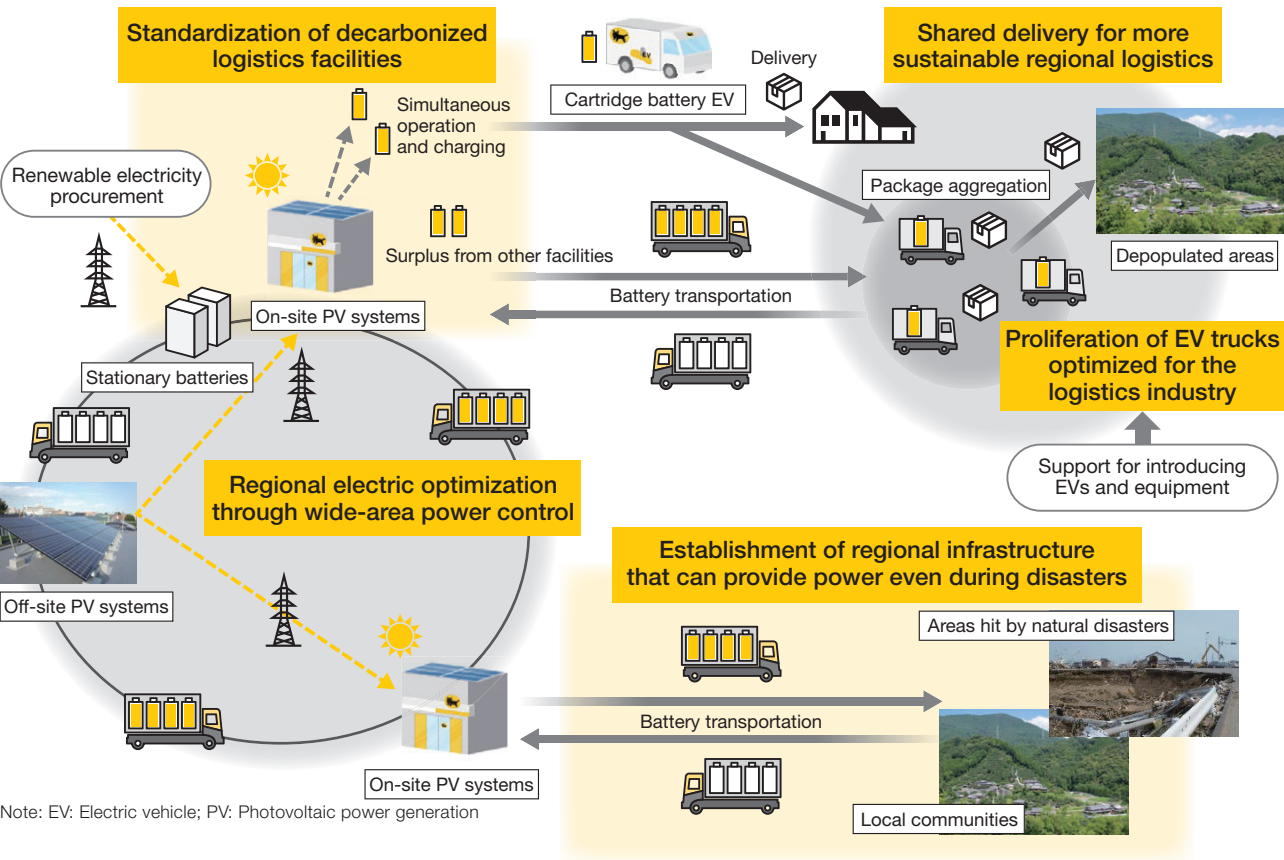
Governance	The Yamato Group Environmental Committee, chaired by the president, deliberates and makes decisions with regard to environmental issues, including climate change, with the Board of Directors supervising the status of execution. Executive officers assigned to the environment field, executive officers in charge of each region, and presidents of Group companies are responsible for the reliable implementation, maintenance, and supervision of environmental management as “environmental officers,” while all managers and heads of front-line organizational structures are responsible for managing environmental risks and opportunities, including climate change as “environmental managers.”														
Risk Management	We have created a dedicated department responsible for promoting the Groupwide response to climate change. We also hold annual meetings of the Yamato Group Environmental Committee, which is chaired by the president and comprises the executive officers and others as well as presidents of the main Group companies. The committee deliberates and makes decisions regarding issues and risks related to the environment, including climate change.														
Strategy	Scenario Analysis and Evaluation of Business Impact														
	Based on two scenarios (1.5°C and 4°C), we have identified the risks and opportunities for Yamato Transport and conducted an analysis and business impact assessment of the risks that have a significant impact on management.	<table><tr><th>Financial impact assessment</th><th>2030</th><th>2050</th></tr><tr><td>Carbon tax introduction</td><td>¥15.7 billion</td><td>¥28.1 billion</td></tr><tr><td>Abnormal weather and disasters</td><td>¥1.9 billion</td><td>¥3.8 billion</td></tr><tr><td>Floods</td><td>¥0.4 billion</td><td>¥0.43 billion</td></tr></table> <p>Note: Estimated using carbon tax prices of \$140 per ton (2030) and \$250 per ton (2050)</p>		Financial impact assessment	2030	2050	Carbon tax introduction	¥15.7 billion	¥28.1 billion	Abnormal weather and disasters	¥1.9 billion	¥3.8 billion	Floods	¥0.4 billion	¥0.43 billion
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Direction of Countermeasures															
	<p>(1) Response to carbon tax introduction</p> <ul style="list-style-type: none"><li>· Introduction of low-carbon vehicles (mainly EVs), installation of solar power generation equipment, utilization of renewable energy generated by local power generation companies, etc.</li><li>· Examination of introduction of internal carbon pricing aimed at proactive capital investment for transition to low carbon operations</li></ul> <p>(2) Response to abnormal weather and disasters</p> <ul style="list-style-type: none"><li>· Opening of offices by utilizing hazard maps and periodic reviews of our business continuity plan manual</li><li>· Examination of disclosing information on efforts to adapt to climate change internally and to our business partners</li><li>· Testing for use of electricity generated from renewable energy and EVs with cartridge batteries that enhance resilience</li></ul> <p>(3) Initiatives to capture opportunities presented by the increase in environmental awareness among consumers and customers.</p> <ul style="list-style-type: none"><li>· Further promotion of service use by individual and corporate customers through the provision of transport services with consideration for climate change (development of tools to visualize GHG emissions and carbon neutral delivery, etc.)</li><li>· Commercialization of new business models using expertise accumulated through environmental investment and verification testing (Expansion of sales of EV Lifecycle Services, establishment of Yamato Energy Management Co., Ltd., which provides renewable energy-derived electricity, etc.)</li></ul>														
Metrics and Targets	GHG Emissions Reduction Targets <sup>1, 2</sup>		Target for Percentage of Electricity Use from Renewable Energy Sources												
	Short-term (FY2025/3): 15% decrease → Result 15% decrease (achieved) (FY2027/3): 25% decrease Medium-term (FY2031/3): 48% decrease Long-term (to 2050): Virtually zero GHG emissions 1. In-house emissions of consolidated companies in Japan and Swan Co., Ltd. (Scope 1 & Scope 2) 2. Compared with FY2021/3		Short-term (FY2025/3): Increase percentage of electricity use from renewable energy sources → Result 55% (achieved) (FY2027/3): 70%  We will create green logistics in collaboration with our business partners to reduce GHG emissions across the entire value chain (Scope 3), and promote specific preparations for acquiring the Science Based Targets* 1.5°C certification.  * Science-based targets (SBTs) are greenhouse gas reduction targets set by companies for the next 5 to 10 years that are consistent with the levels required by the Paris Agreement.												



Environmental Strategy

GHG Emissions Reduction

Our Vision for an Energy Ecosystem That Coordinates EVs, PV Systems, and Batteries



Note: EV: Electric vehicle; PV: Photovoltaic power generation

Development and Demonstration Tests to Realize Green Delivery

Targeting carbon neutrality by 2050, we are building an energy ecosystem around cartridge battery EVs to resolve two issues with introducing EVs: overlap between operating time and charging time, and increases in capital investment and electricity consumption.

We are developing a charging scheme to support mass introduction and operation of EVs and a management system to control electricity usage peaks. The New Energy and Industrial Technology Development Organization (NEDO), a national research and development agency in Japan, is subsidizing this project. We have deployed 450 EVs and chargers to the demonstration area in Gunma Prefecture to establish an optimal site layout and develop an energy management system that controls power generation and usage within the site and reduces peak power consumption.

Aside from contributing to reduction of the Group's own GHG emissions, the technological assets and operational expertise gained from this demonstration project will help us provide solutions to businesses within a "Green Mobility" business model.

We will add value to our businesses by accelerating development of wide-area energy management that integrates the management of multiple locations, and cartridge EVs for implementation on a commercial scale. In addition, we will popularize this ecosystem as part of the social infrastructure by collaborating with manufacturers and government authorities to standardize battery specifications, thus contributing to the decarbonization of the logistics industry and the realization of a sustainable society.

Demonstration Period and Area	FY2023/3 to FY2031/3 (Scheduled), Gunma Prefecture
KPIs	<p>Introduce 200 EVs through FY2024/3: Completed (Actual: 200 EVs)</p> <p>Transition all pickup and delivery vehicles to EVs by FY2027/3: Reduce CO<sub>2</sub> emissions from vehicles by 5,000 tons*</p> <p>Transition all pickup and delivery vehicles to EVs with cartridge batteries by FY2031/3: Reduce CO<sub>2</sub> emissions from vehicles by 7,500 tons*</p>

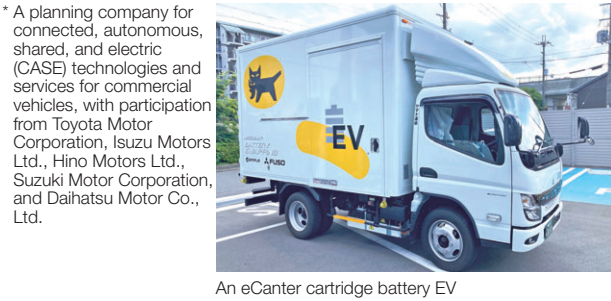
\* Within the demonstration project area, compared with FY2021/3  
Note: Hypothetical CO<sub>2</sub> emission coefficient: 0.000447 tCO<sub>2</sub>/kWh (base emission coefficient of TEPCO Energy Partner, Inc. for fiscal 2020, from Ministry of the Environment, "Emission Coefficients by Electric Power Company")  
Reference: [https://policies.env.go.jp/earth/ghg-santeikohyo/files/calc/r04\\_coefficient\\_rev4.pdf](https://policies.env.go.jp/earth/ghg-santeikohyo/files/calc/r04_coefficient_rev4.pdf) (Japanese only)

Trial of EVs with Cartridge Batteries

We are working for the practical application of cartridge battery EVs because they completely decouple vehicle and charging, which resolves issues with commercial use of EVs including downtime during charging and the variable availability of renewable electricity.

We initiated our progressive approach to development and demonstration in collaboration with multiple vehicle manufacturers by launching a standardization study with Commercial Japan Partnership Technologies Corporation (CJPT)\* in 2022. In FY2025/3, we conducted a demonstration test of a 2-ton cartridge battery EV truck to confirm its practicality and

identify operating issues. The results are the basis for our ongoing research and demonstration experiments aimed at commercializing cartridge-type battery EVs.



An eCanter cartridge battery EV

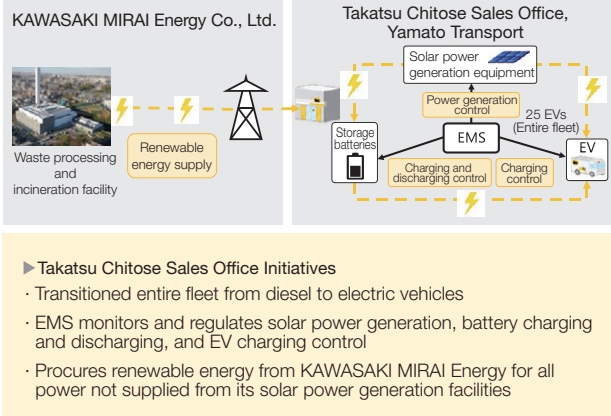
Promoting Energy Management

The Yamato Group uses an energy management system (EMS) developed in-house to promote efficient energy use and reduce electricity costs. Our EMS monitors and automatically controls in real time the amount of onsite electricity use, the amount of solar power generated, and the charging and discharging of storage batteries. In addition, the system reduces electricity costs by leveling out peak power demand associated with simultaneous EV charging at night, and by regulating maximum power consumption.

The Takatsu Chitose Sales Office in Kanagawa Prefecture obtains all of its electricity from solar power generation equipment installed on its roof, storage batteries, and locally produced renewable energy. It has transitioned to local production and consumption of electricity for the sales office and for its EVs by employing an EMS to comprehensively manage

and allocate renewable electricity generated within the regional energy loop.

A Pickup and Delivery Facility that Exclusively Uses EVs and Renewable Energy



- Takatsu Chitose Sales Office Initiatives
- Transitioned entire fleet from diesel to electric vehicles
  - EMS monitors and regulates solar power generation, battery charging and discharging, and EV charging control
  - Procures renewable energy from KAWASAKI MIRAI Energy for all power not supplied from its solar power generation facilities

Cost Reductions from Initiatives

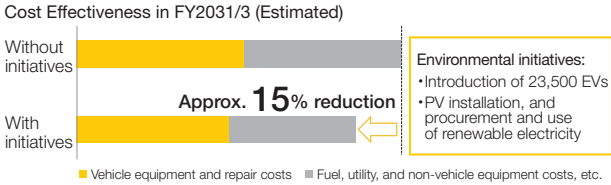
We have reduced total cost per vehicle by using subsidies and grants available for introducing EVs to maintain initial investment at a level comparable with internal combustion vehicles, while reducing operating costs such as fuel and maintenance.

Furthermore, we complement in-house consumption of solar power generated at Group sites with an EMS to centrally manage renewable energy procured from external sources. We are therefore able to optimize the energy mix and reduce electricity costs.

We estimate that our initiatives will reduce vehicle maintenance costs and fuel and utility costs, including operating costs for solar power generation equipment, by approximately 15% compared with a hypothetical scenario in which we had not implemented environmental initiatives. We will maintain disciplined investment by concentrating deployment of EV facilities at cost-effective locations, while continually analyzing the cost-effectiveness of

initiatives and reflecting the results in new measures and operational improvements.

Cost Reductions from Initiatives



► We also estimate that the above initiatives would mitigate the financial impact of a full-scale carbon tax by an additional ¥7.4 billion. (From TCFD scenario analysis and evaluation of business impact)

**Scenario Assumptions**

- In both scenarios (with and without initiatives), the hypothetical annual increase in TA-Q-BIN delivery volume is 1%, with factors including number of facilities, number of vehicles and mileage remaining constant.
- Vehicle repair costs, fuel costs, utility costs, and depreciation, lease fees, and operating costs for vehicles and solar power generation equipment are estimates. Fuel and utility costs are assumed to increase annually.
- The scenario with the initiatives assumes the Group will consume all of the electricity it generates from its solar power generation facilities because of the use of batteries and other technologies.

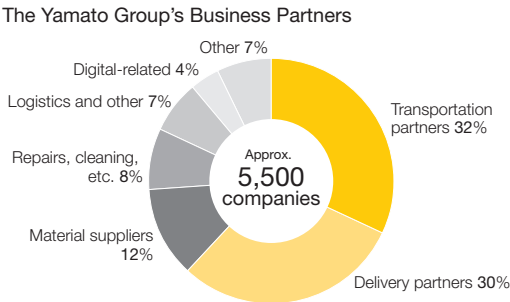
Social Strategy

Supply Chain Management (SCM)

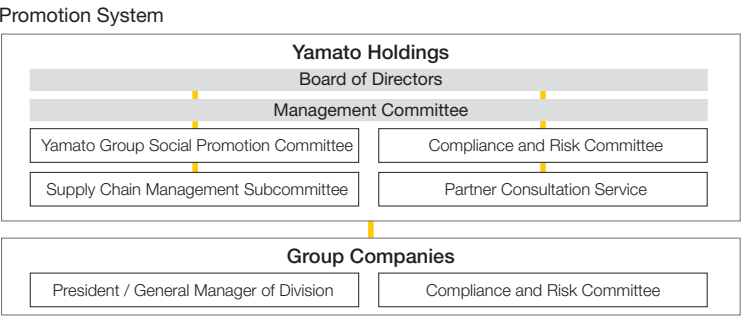
The Yamato Group operates its businesses with the support of numerous business partners, so building a sound and sustainable supply chain is an important issue for us. Based on fair, equitable, and sincere business transactions in accordance with our basic policy, we aim to achieve sustainable improvement in corporate value by fostering mutually beneficial relationships with our partners through environmentally and socially responsible procurement activities, thereby strengthening the resilience of our entire supply chain.

Please refer to our website for our supply chain management policy.  
<https://www.yamato-hd.co.jp/english/csr/society/scm.html>

The Yamato Group has approximately 5,500 business partners, about 60% of which are transportation and delivery partners in the Express Business. The Board of Directors and the Yamato Group Social Promotion Committee are among the venues through which we promote initiatives to reduce risk and enhance supply chain management. We are also implementing measures to ensure fair business practices with our partners, which include conducting partner surveys and establishing a partner consultation service.



Scope: Ongoing business partners of consolidated companies in Japan and Swan Co., Ltd.



Overview of Initiatives

Target	Key Measures	Progress of Measures and Future Initiatives
All business partners	<div>1. Business partner surveys</div> <div>· Conducted annually to ensure fair business practices</div> <div>· Used for reporting to management and for improvement activities</div> <div>2. Establishment of a consultation service</div> <div>· System established by Yamato Holdings to facilitate the early detection and resolution of problems, including issues that business partners might hesitate to discuss with their contact at Yamato Holdings</div>	<div>■ Strengthening business partner monitoring</div> <div>· Conducting questionnaire surveys and monitoring</div> <div>· Expanding the scope of surveys</div> <div>■ Supporting small and medium-sized enterprises in addressing sustainability issues</div> <div>· Providing tools to help set goals, understand management systems and implementation issues, etc.</div>
Key business partners*	<div>3. Briefings for business partners</div> <div>· Held to build a common understanding of the SCM that the Yamato Group aims to achieve</div> <div>4. Business partner surveys (monitoring)</div> <div>· Conducted to enhance sustainability by checking whether any partner issues exist, and agreeing on and discussing future initiatives</div>	<div>■ Strengthening communication skills</div> <div>· Conducting ongoing employee education</div> <div>■ Preparing for human rights impact assessments</div> <div>· Designing questionnaire items to expand the scope of the survey to the entire supply chain</div>
Employee education	<div>5. Employee education regarding sustainable procurement</div>	

\* Selected with reference to the Business Partner Guidelines pursuant to the following three criteria in order to improve the level of sustainability efforts throughout the supply chain. 1. Irreplaceable 2. Provides goods and services essential for business continuity 3. Significant transaction value

Conducting Business Partner Surveys (Monitoring)

Since FY2024/3, we have been conducting sustainability surveys covering business partners that have a particularly significant impact on our business.

In particular, in light of the numerous issues associated with management systems among small and medium-sized enterprises, we have established relevant criteria for them and provide tools

for improvements and other forms of support to help partner companies better understand sustainability and strengthen their management systems. The questionnaire survey we conducted during FY2025/3 added the partners of some Group companies as we expanded our initiatives to improve the sustainability of our supply chain.

Building Sustainable Relationships with Transportation Partners

Background

■ Structural issues in the trucking industry and work style reform

▶ Long working hours and wage levels have led to a chronic shortage of drivers.

▶ The Act on the Arrangement of Related Acts to Promote Work Style Reform went into effect in April 2024, leading to concerns about a 34% shortage in transportation capacity by 2030.

■ More stringent government regulations

▶ Legislative amendments aimed at enhancing the sustainability of logistics in Japan<sup>1, 2</sup>

■ Cooperation with transportation partners

▶ The Yamato Group outsources approximately 90% of its trunk-route transportation within its *TA-Q-BIN* network to transportation partners.

Risk Factors for the Yamato Group

1. Compliance risk

2. Risk of reduced long-distance transportation capacity

3. Risk of rising transportation costs

1. The Act on Advancement of Integration and Streamlining of Distribution Business and the Motor Truck Transportation Business Act went into effect on April 1, 2025. The acts require shipping and logistics companies to implement specific initiatives to improve logistics efficiency, with the government providing support for the formulation and implementation of relevant plans.  
2. The Act on Prevention of Delays in Payment of Fees to Small and Medium-Sized Contractors for Manufacturing Outsourcing will come into effect on January 1, 2026. The act addresses the rapid rise in costs in recent years by promoting the establishment of an equal relationship between clients and contractors so that increases in labor, raw materials, energy, and other costs can be appropriately passed on to prices.

Key Initiatives

Strengthening Governance

1. Regular communication

· Monthly partner meetings

· Regular price negotiations once every three months\*

\* Reference: The Promotion Standards of the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises require such negotiations at least once a year.
2. Business partner surveys

· Once annually for all partners
3. Dedicated call center for transportation

· Established a dedicated contact point for transportation partners in June 2024 operating 24/7, 365 days a year

· Promoting problem resolution for each case, with respect for the privacy of consultees
4. Continuous employee education

· Various briefings on topics including reconfirming prohibited activities, addressing such activities if they happen, and the use of contract templates and management tools.

· Utilizing video learning tools
5. Collaboration with external experts

· Structured a system to monitor, advise, and report to management on the status of various initiatives with transportation partners

Close-Up Enhancing Communication with Partners

We are further improving communication effectiveness by conducting surveys covering all transportation partners regarding the results of our discussions. These surveys help us gain insights into awareness of and satisfaction with our initiatives, which support the early detection of issues and follow-up for improvements.

Specific Measures

■ Improving working conditions and ensuring appropriate delivery charges and fee structures

We are reducing the cost burden on our transportation partners with fuel surcharges that address rising fuel prices and with labor cost support payments to help improve driver working conditions. We also clearly document cargo wait time and incidental work such as forklift operation, bulk loading, and sorting, and ensure proper payment for such services.

■ Review of operation systems

We are reviewing conventional transport methods to enhance transportation and loading efficiency while curbing long working hours for our transportation partners. We are transitioning from direct

long-distance routes to transportation using relay connections at designated relay points while aggressively leveraging modal shifts, including the use of dedicated cargo aircraft.

■ Grasping actual operational conditions using systems

To build fair business relationships with transportation partners and strengthen governance, we are promoting the visualization of actual operational conditions through the use of systems. Drivers receive mobile devices that record waiting times and requests for additional work, with appropriate payment for such time and labor. Monitoring also enables early detection and correction of problems such as overloading and unreasonable transport requests.



Social Strategy

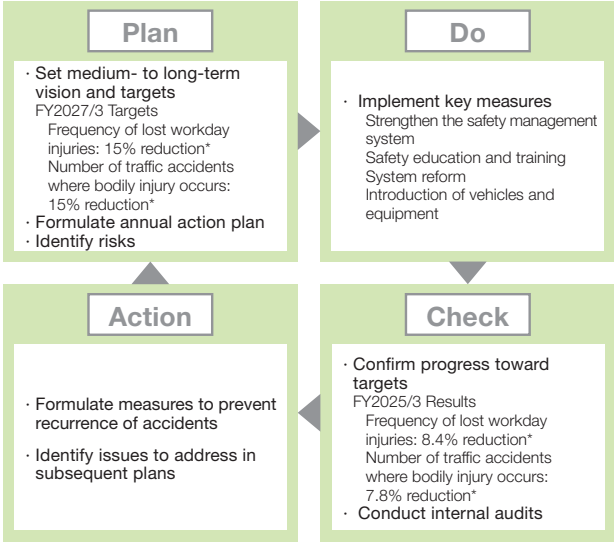
Safety and Security

Safety Promotion System

The Yamato Group thoroughly adheres to its philosophy of placing safety first and business second, with a corporate stance of respect for human life and ensuring safety as set forth in the Group Corporate Philosophy. We work with our transportation and delivery partners as well as our employees to prevent traffic and occupational accidents in order to achieve stable business operations and enhance corporate value.

The frequency of lost workday injuries and the number of traffic accidents where bodily injury occurs are two indicators we employ that improved more than planned in FY2025/3. However, challenges also became apparent, including serious traffic accidents. In light of these results, during FY2026/3 we have been strengthening safety education for new drivers and drivers who have been involved in accidents, and continue to take action such as employing safety equipment to reduce the risk of traffic accidents from both a human and physical perspective.

Safety Promotion System



\* Scope: Yamato Transport Co., Ltd., comparison with FY2024/3

Safety Expert System That Fosters a Culture of Safety on the Front Lines

The Yamato Group's original internal safety expert system is central to inculcating the philosophy of prioritizing safety throughout the Group and putting it into action on the front line. Safety Experts are safety specialists selected from employees with extensive driving experience and knowledge. Only those who meet a wide range of strict standards, including instructional techniques and communication skills, are certified.

As of March 31, 2025, approximately 360 Safety Experts were working at regional branches nationwide. They visit the sales offices under their jurisdiction with the mission of assiduously preventing traffic accidents and occupational accidents by conducting roll calls before and after shifts, checking compliance with laws and regulations that include statutory inspections, and providing on-board guidance to drivers.

Driver Education and Training

We aim to improve drivers' safety awareness and skills by combining on-the-job training that employs footage from dashcams and driving data with systematic off-the-job training. We set safety levels for each driver and provide practical education according to their level, with emphasis on drivers that have higher accident risk.

The Safety Experts responsible for educating drivers receive training to help enhance their instructional capabilities. They also undergo skill tests twice a year to assess their knowledge of laws and driving techniques and their observation and coaching skills. This approach strengthens the capabilities of each Safety Expert.

Introduction of Vehicles and Equipment

The Group is also reducing the risk of traffic accidents and occupational accidents by continually deploying vehicles equipped with safety features and electric lifting equipment as an alternative to forklifts.

	FY2022/3		FY2023/3		FY2024/3		FY2025/3	
	No. of vehicles	Installation rate	No. of vehicles	Installation rate	No. of vehicles	Installation rate	No. of vehicles	Installation rate
Electronic parking brake	9,887	22.6%	11,375	25.6%	14,673	31.8%	18,589	42.4%
Collision mitigation braking system	8,924	20.4%	11,237	25.3%	14,393	31.2%	23,968	54.6%
Wide-angle rearview camera	-	-	2,323	5.2%	4,851	10.5%	8,200	18.7%
Automatic transmission (AT) vehicles	27,687	63.3%	29,370	66.1%	33,643	72.9%	34,123	77.7%
Electric pallet stacker	-	-	11	-	12	-	81	-

Sustainability Governance

Vision for the Environment and Society

Environmental Vision

Society Vision

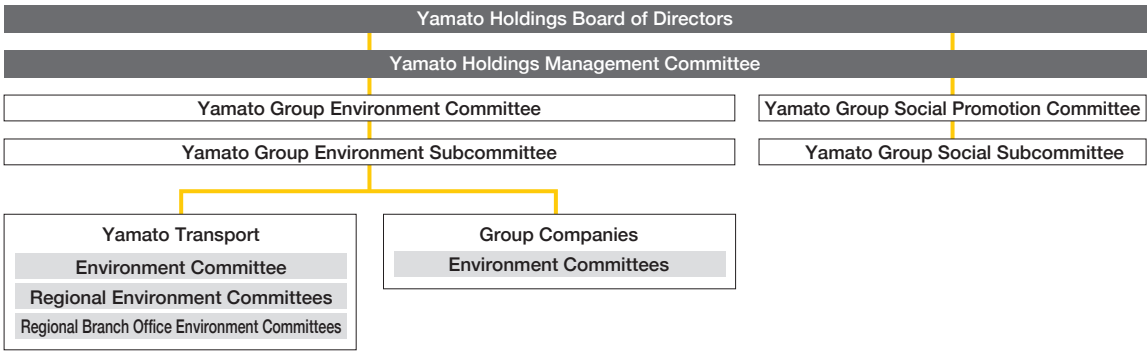
### Connect. Deliver the future via green logistics

### Through co-creation and fair business activities, help create a society that “leaves no one behind”\*

\* To leave no one behind: A basic philosophy of the SDGs

Sustainability Promotion System

The Yamato Group discusses and makes decisions on sustainability matters in the Management Committee meetings and Board of Directors meetings. To promote sustainable management, the Yamato Group Environment Committee and Yamato Group Social Promotion Committee, which are chaired by the president and comprise the executive officers of Yamato Transport and presidents of major Group companies, meet once a year to discuss and make decisions on issues related to sustainability. In addition, three subcommittees in the environmental field (energy, climate, and pollution; resources and waste; and management and collaboration), and three subcommittees in the social field (human rights and diversity; supply chain management; and local communities) each meet three times a year, considering measures and implementing progress checks.



Material Issues

Based on risks and opportunities in the Yamato Group's businesses, we identified important material issues that contribute to realizing a sustainable society and improving medium- to long-term corporate value. Among these issues, we recognize that Energy & Climate, Labor, Human Rights & Diversity, and Data Utilization & Security have a particularly significant impact on the Group's sustainability. As such, we are promoting initiatives that are linked with our management strategies.

**Step 1** Refine Choices for Material Issues

**Step 2** Stakeholder Dialogues (November 2019)

**Step 3** Identify Material Issues (January 2020)

Based on international frameworks, such as the GRI Standards, the Sustainability Accounting Standards Board (SASB standards), ISO 26000, and the Sustainable Development Goals (SDGs), as well as ESG research items that investors consider to be of high importance to the Group's business, we considered the risks and opportunities of the Group's business and narrowed down candidates for material issues.











We invited experts from universities, international institutions, and securities companies and exchanged opinions on material issues and the expected role of the Yamato Group in solving environmental and social issues.

At the same time as identifying material issues, we formulated the management structural reform plan "YAMATO NEXT100" as a grand design for management reform over the medium to long term.

The Yamato Group's Material Issues





Material Issues: Strategies, KPIs, and Targets (FY2027/3)												
Scope: Consolidated companies in Japan and Swan Co., Ltd.												
Domain	Material Issues and Initiative Themes		Risks/Opportunities		Strategy (Vision)		FY2027/3 Targets		FY2025/3 Results	Progress/Issues		
Environment		Energy & Climate Mitigate climate change	Risk	Opportunity	Reduce greenhouse gas (GHG) emissions by using electricity generated via renewable energy sources, enhancing transportation efficiency by using digital technology, and reducing the use of dry ice, etc.	· Reduce GHG emissions by 25% compared with FY2021/3¹		· 15% reduction¹		As planned		▶ Page 45 Environmental Strategy
						· 70% of electricity generated via renewable energy sources		· 55%		As planned		
						· Introduce 8,500 EVs (3-year total)		· Introduced 2,025 EVs		As planned		
						· Finish setting Scope 3 GHG emissions reduction targets		· Verified and confirmed methods for measuring the actual GHG emissions of transport partners		As planned		
		Atmosphere Clean up the skies (prevent air pollution)	Risk		Pursue transportation that reduces the effects of air pollutants emitted by vehicles to improve air quality in local communities	· Reduce NOx and PM emissions from vehicles by 40% compared with FY2021/3		· Reduced NOx emissions by 41% and PM emissions by 39%		As planned		
		Resource Conservation & Waste Promote resource conservation and reduce waste	Risk	Opportunity	Drastically reduce our environmental burden, promote the use of technology, and create opportunities to minimize environmental impact	· Promote a circular business model		· Started providing resource recycling solutions (school uniform reuse model)		As planned		
						· 65% of paper materials made from renewable resources and recycled materials		· 64%		As planned		
	Resilience of Companies & Society Support a society that combats environmental changes	Risk	Opportunity	Collaborate with diverse partners to increase the resilience of stakeholders and local communities and create environmental value	· Provide services that draw on our environmental investments and demonstration test expertise		· Established Yamato Energy Management Co., Ltd., which provides electricity generated via renewable energy sources		As planned		▶ Page 33 New Domain	
					· Increase accuracy of tools to visualize GHG · Use carbon neutral delivery		· Made tools for visualizing GHG emissions available in some regions · Using carbon-neutral delivery as a sales promotion tool		As planned			
Society		Labor Create a work environment where employees can thrive	Risk	Opportunity	Implement a high-value-added model for labor and promote decent work	· Increase engagement · Increase labor productivity		· Employee awareness survey results Employee-friendliness: 70%    Job satisfaction: 59% Desire to continue employment: 68% Sense of growth: 67%    Sense of contribution: 66% · Labor productivity: 1.34		Partially achieved: Planning and promoting measures for further improvement		▶ Page 37 Human Resource Strategy
						· Ensure 100% attendance rate for specific health checkups²		· 99.0%²		Partially achieved: Review of standards for health checkup recommendations and notification methods		
						· Encourage the aspiration of operational managers to step up to the next level: 66%³		· 64.5%³		As planned		
		Human Rights & Diversity Create a corporate culture that respects human rights and diversity	Risk	Opportunity	Respect human rights, recognize diversity, and create a framework for human rights due diligence	· Ensure 100% attendance rate for human rights and harassment training		· 90.0%		Partially achieved: Enhanced educational opportunities and content		
						· Ensure that 10% of all managers are women		· 6.6%		As planned		
						· Ensure that the percentage of employees with disabilities is at least 3.1%		· 3.4%		As planned		
		Safety & Security Create initiatives to carry out business in a safe, secure manner	Risk		Maintain traffic and labor safety and provide reliable service	· Reduce the number of traffic accidents involving bodily injury by 15% compared with FY2024/3		· 7.8% reduction³		As planned		▶ Page 51 Social Strategy Safety & Security
						· Reduce frequency of lost workday injuries by 15% compared with FY2024/3		· 8.4% reduction³		As planned		
		Data Utilization & Security Create an information security infrastructure	Risk	Opportunity	Create an information security infrastructure and businesses that utilize data to resolve social issues	· Provide information security training to all employees		· Percentage of employees who received information security training: 100%		As planned		▶ Page 43 Digital Strategy
						· Zero serious information security incidents		· 3 incidents		Partially achieved: Enhanced cybersecurity Groupwide		
						· Increase cybersecurity awareness among employees		· Provided email training to employees and shared information		As planned		
		Supply Chain Management Develop a common understanding with stakeholders	Risk	Opportunity	Build a stable business infrastructure through sound, resilient supply chains	· Ensure 100% support from major business partners for the Code of Conduct		· 100%		As planned		▶ Page 49 Social Strategy
	Community Create corporate citizenship activities that are rooted in local communities and create a framework for business creation		Opportunity	Establish corporate citizenship activities that are unique to the Yamato Group.	· Promote employee participation in corporate citizenship activities, including at Group companies		· Sustainability Ambassadors broadened corporate citizenship activities in the workplace and encouraged changes in employee behavior³		As planned			

1. In-house emissions of consolidated companies in Japan and Swan Co., Ltd. (Scope 1 and Scope 2) 2. Companies/offices covered by Yamato Group health insurance

3. Scope: Yamato Transport Co., Ltd.

# Corporate Governance

## Basic Position on Corporate Governance

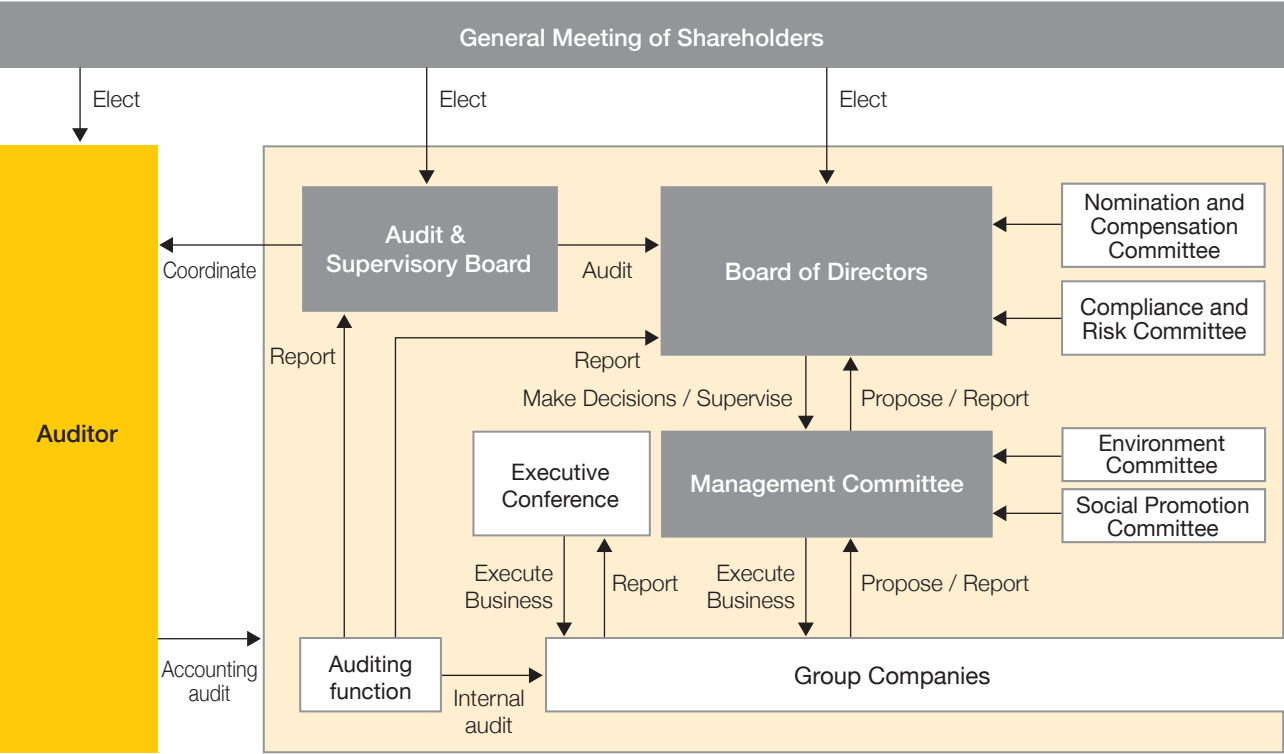
Based on its Corporate Philosophy, the Yamato Group carries out business activities in accordance with the law and social norms and actively promotes compliance management. Striving to maximize corporate value by effectively utilizing the management resources of the Group is one of the top priorities of management, and we have implemented measures and bolstered management systems as part of our corporate governance initiative.

## Corporate Governance System (As of June 26, 2025)

Yamato Holdings Co., Ltd. (“the Company”) is a company with an Audit & Supervisory Board. In addition to important management decision-making and the supervision of business execution by the Board of Directors, Audit & Supervisory Board members and the Audit & Supervisory Board, which are independent from the Board of Directors, shall audit the status of the execution of duties by directors. Also, to supplement the supervisory functions of the Board of Directors, the Company established the Nomination and Compensation Committee comprising a majority of independent outside directors. At the same time, the Company has separated the supervision and execution of management and adopted an executive officer system to ensure even more prompt decision-making related to business execution.

System	Company with an Audit & Supervisory Board
Number of directors	7
Outside directors	5
Number of Audit & Supervisory Board members	5
Outside auditors	3
Term of directors	1 year
Voluntary advisory committees	Yes (Nomination and Compensation Committee)
Executive officer system in place	Yes
Auditor	Deloitte Touche Tohmatsu LLC

## Corporate Governance Framework



## Board of Directors

## Message from the Chairperson of the Board of Directors



**Shiro Sugata**  
Outside Director  
(Chairperson of the Board of Directors)

### Toward Effective Governance That Will Shape Our Future

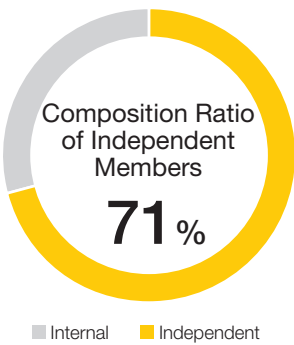
Dialogue with shareholders and investors serves as an essential compass for making advances in our governance. During our current medium-term management plan, Sustainability Transformation 2030 ~1st Stage~, the results have not met the expectations of our shareholders, and we take that very seriously. During my tenure as an independent outside director serving as chairperson of the Board of Directors, we have laid the groundwork to facilitate substantive discussions at Board of Directors meetings. Initiatives have included improving the way we set agendas and providing detailed explanations in advance of meetings. Our initiatives notwithstanding, our analysis indicates that one factor hindering the progress of our plan is that management had lofty aspirations but did not adequately consider or follow through its risk scenarios. Given this situation, the Board of Directors is determined to exercise its supervisory function even more effectively.

The Board is also proactively exercising its supervisory responsibilities in an ongoing review of the medium-term management plan. Specifically, the Board is leading discussions aimed at enhancing corporate value, in ways that include analyzing the root causes of deviations from the plan and strongly encouraging executives to formulate and implement highly effective measures. Improving the quality of monitoring is a particular emphasis. This involves confirming the progress of financial indicators and deepening discussions by exploring ways to increase non-financial value, which is the source of future corporate value, such as business portfolio transformation and the human resource strategies that support it. We identify variance between plans and reality early on and determine next steps through constructive discussion. I see this as an important role for the Board of Directors in contributing to increased corporate value.

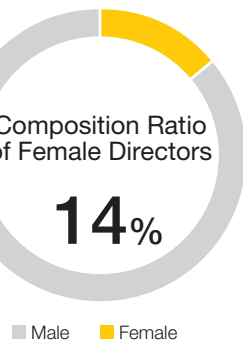
My role is to maintain constructive tension in the relationship between supervision and business execution through oversight with checks and balances, while at the same time I see my role as being a catalyst that helps the business professionals on the executive team to produce concrete measures for change and accelerate those measures through future-oriented dialogue. The objective of the Board of Directors is to transform the Group's business portfolio and the quality of management that empowers that transformation in order to put the Yamato Group on a strong growth trajectory. The Board will therefore continue to gauge its effectiveness while it contributes to sustainable improvement in corporate value.

## Composition of the Board of Directors (As of June 26, 2025)

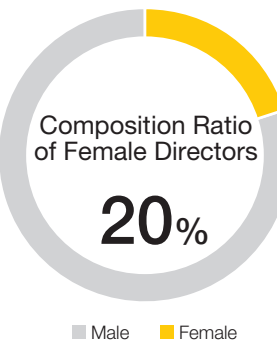
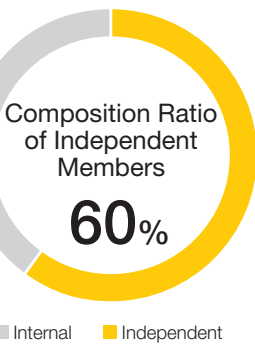
### Composition Ratio of the Board of Directors



### Composition Ratio of Female Directors



### Composition Ratio of the Audit & Supervisory Board



Corporate Governance

Invigorating Discussions at Board of Directors Meetings

The Board of Directors discusses basic policies, makes decisions, and monitors business execution to encourage the improvement of the Company's medium- to long-term corporate value. Furthermore, the Board of Directors takes the following into consideration when managing meetings to achieve constructive discussions and exchange of opinions, including meetings with independent outside directors.

- ▶ The annual schedule of Board of Directors meetings as well as anticipated agenda items shall be decided in advance, and this information shall be provided to directors and Audit & Supervisory Board members to allow attendees to prepare in advance.
- ▶ Agenda items and related materials shall be sent to directors well in advance of the meeting date, and explanation shall be provided in advance as needed.
- ▶ The number of issues to be deliberated and the frequency of meetings shall be appropriately set to allow sufficient time for deliberations.
- ▶ Meetings comprising attendees of the Board of Directors shall be held for the purpose of exchanging ideas, thereby encouraging lively debate.

Main Agenda Items and Reports at Board of Directors Meetings (FY2025/3)

Increasing Returns on Capital

Increasing Earnings through Business Portfolio Transformation

Foundation Issues

Progress of sales in Japan  
Revision of *TA-Q-BIN* delivery charges and fees  
Initiatives to review contracts based on appropriate delivery charges  
Progress of operational reforms for transportation and delivery  
Progress of *Neko-Support* station expansion plans, etc.

Growth Issues

Global business progress  
Progress in creating value using freighters  
Addition of Nakano Shokai Co., Ltd. as a consolidated subsidiary, etc.

New Issues

Establishment of Sustainable Shared Transport Inc.  
Acquisition of shares in RH Co., Ltd. and business alliance with Redhorse Corporation Co., Ltd.  
Launch of EV Lifecycle Service  
Establishment of MY MEDICA Inc.  
Establishment of Yamato Energy Management Co., Ltd. and others

Strengthening Balance Sheet Management and Optimizing Cash Flow

Effective employment of assets

Disposition of real estate using sale and leaseback transactions  
Assessment of rationale for cross-shareholdings, etc.

Cash and capital allocation

Strategic investments and environmental investments  
Collaboration with corporate venture capital and venture capital  
Repurchase of Company stock  
Procuring funding and others

Reducing Capital Costs

Reinforcing the Group Management Foundation

Implementing human resource, digital, environmental, and social strategies

Progress of sustainability initiatives  
Progress of initiatives to enhance employee engagement  
Countermeasures against cyberattacks and others

Strengthening corporate governance and management systems

Evaluation and planning of internal controls  
Evaluation of the effectiveness of the Board of Directors  
Compliance risk status and others

Analysis and Evaluation of the Effectiveness of the Board of Directors

Evaluation Process for FY2025/3

Description		
1. Questionnaire survey of Board meeting attendees (February 2025)	<div>Composition of the Board of Directors</div> <div>Details of Board deliberations</div> <div>Balance between execution and supervision</div>	<div>Constructive communication with shareholders and investors</div> <div>Summary</div>
2. Interviews by the chairperson of the Board of Directors (March 2025)	<div>Individual interviews of Board attendees by the chairperson</div> <div>Questions common to all interviews: Management issues facing the Company; matters to be discussed at Board meetings; and operational improvement issues</div>	
3. Report to the Board of Directors (April 2025)	<div>Analysis and evaluation of overall Board effectiveness based on the questionnaire survey and interview results, and confirmation of policies to further improve effectiveness</div>	

Evaluation Results and Future Initiatives

Evaluation Results	
Overall evaluation	<div>The composition, management conditions, and deliberation conditions of the Board of Directors were largely appropriate as a system where the Board of Directors serves as the oversight function, and where a culture of attendees actively speaking up and engaging in unrestricted discussions at Board of Directors meetings had taken hold.</div> <div>Outside directors are a majority on the Board of Directors, and the appointment of outside directors with specialized knowledge of the logistics industry gives the Board balanced knowledge, experience, and capabilities and makes the governance structure more effective.</div> <div>The Board receives timely reports on dialogue with shareholders and investors, allowing it to understand the perspectives of investors and markets.</div> <div>The progress of the medium-term management plan is appropriately monitored, but further improvement of reporting is required.</div>
Future Initiatives	
Further enhancement of corporate governance and the effectiveness of the Board of Directors	<div>The Board of Directors will further enhance the content of regular reports from executives, including KPIs in the medium-term management plan and annual plan and progress on key measures, and will further expand discussion of risk scenarios for large-scale investments and M&amp;A projects.</div> <div>Managers responsible for each business will periodically report on the progress of their business plans and provide opportunities for front-line observation to deepen understanding of the monitoring for M&amp;A and new business projects.</div>
Stronger, more practical operational support for the Board of Directors	<div>Create opportunities for casual communication to understand the vision and character of the executive officers who are running the business.</div> <div>Share the content of discussions conducted during preliminary briefings for outside directors with all Board meeting attendees to enhance Board discussions.</div>

Audit & Supervisory Board

The Audit & Supervisory Board and its members hold roles and responsibilities that include auditing the execution of duties carried out by directors, selection and dismissal of the independent auditor, and execution of authority related to auditor compensation. They make appropriate judgments from an independent, objective perspective based on their fiduciary duty to shareholders.

Roles and Duties

1. The Audit & Supervisory Board and its members shall exercise their authority actively and assertively to sufficiently fulfill their role and responsibilities, including operational audits, accounting audits, and other functions, and they shall appropriately state their opinions at Board of Directors meetings and to members of senior management.

2. The full-time Audit & Supervisory Board members shall attend Board of Directors meetings and other important meetings related to the execution of business, express reasonable opinions, hold effective Audit & Supervisory Board meetings, and ensure that information is shared and that members work together in a coordinated manner.

3. The Audit & Supervisory Board shall regularly hold information exchange meetings for the purpose of sharing information with outside directors, thereby ensuring more robust gathering of information and encouraging teamwork.

Provision of Information for Directors and Audit & Supervisory Board Members

For directors and Audit & Supervisory Board members to effectively fulfill their roles and responsibilities, the Company continuously provides opportunities for them to deepen their understanding of management strategies and enhance discussions at Board of Directors meetings.

During the year ended March 31, 2025, directors and Audit & Supervisory Board members focused on reinforcement of the *TA-Q-BIN* network, a core measure of the medium-term management plan, and made observation visits to front-line sites including large-scale last mile pick-up and delivery facilities and new operation demonstration terminals. Going beyond simply observing equipment and operations, directors and Audit & Supervisory Board members discussed specific initiatives, current challenges, potential risks and other matters with front-line managers and employees, which deepened their understanding of the effects and challenges of investments to improve operational efficiency. These visits will be the basis for further enhancing supervisory functions by holding deeper discussions with the executive side of the Board of Directors to support increased corporate value.

An October 2024 visit to a multi-tenant logistics facility at Yamato Transport's Nagoya Branch Office (Logiport Nagoya) to observe a large-scale last mile pick-up and delivery facility in a multi-tenant logistics facility, as well as efforts to build an environmentally friendly cold chain.













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Management Team

As of June 26, 2025

														
Position		Representative Director, Executive Officer and President	Representative Director, Chairman	Director (Chairman of the Board of Directors)	Director	Director		Director (Chairman, Nomination and Compensation Committee)	Director	Full-time Audit & Supervisory Board Member	Full-time Audit & Supervisory Board Member	Audit & Supervisory Board Member	Audit & Supervisory Board Member	Audit & Supervisory Board Member
Name		Yutaka Nagao	Toshizo Kurisu	Shiro Sugata	Noriyuki Kuga	Charles Yin		Junichiro Ikeda	Tami Kihara	Tsutomu Sasaki	Yoshito Shoji	Ryuji Matsuda	Setsuko Ino	Akihito Terada
Bio		Apr. 1988 Joined the Company Apr. 2019 Representative Director, Executive Officer and President of the Company (current) Apr. 2021 Representative Director, President and Executive Officer of Yamato Transport Co., Ltd. Apr. 2025 Member of the Board of Yamato Transport Co., Ltd. (current)	Apr. 1983 Joined the Company Apr. 2019 Representative Director, Executive Officer and President of Yamato Transport Co., Ltd. Apr. 2025 Representative Director, Chairman of the Company / Member of the Board of Yamato Transport Co., Ltd. (current)	Apr. 1972 Joined USHIO INC. Jan. 1993 President of BLV LICHT-UND VAKUUMTECHNIK GmbH Mar. 2005 Representative Director, Executive Officer and President of USHIO INC. Jun. 2019 Director of the Company (current)	Apr. 1979 Joined Tokyo Electron Ltd. Oct. 2004 Representative Director, Executive Officer and President of Tokyo Electron BP Ltd. Jun. 2016 Chairman of the Board of TOKYO ELECTRON DEVICE LIMITED Jun. 2020 Director of the Company (current)	Feb.1990 Joined L3, Inc. (New York) Aug. 2007 CEO of Worldwide City Group (Hong Kong) Jul.2018 Executive Chairman of Worldwide City Group (Hong Kong) (current) Jun. 2022 Director of the Company (current)		Apr. 1979 Joined Mitsui O.S.K. Lines, Ltd. (currently Mitsui O.S.K. Lines, Ltd.) Jun. 2015 Representative Director and President Apr. 2023 Director and Chairman of the Board (current) Jun. 2024 Director of the Company (current)	Apr. 1985 Joined Ricoh Company, Ltd. Apr. 2019 Administrative Officer and General Manager of Technology Management Division of Ricoh IT Solutions Co., Ltd. Jul. 2022 Director of Ricoh IT Solutions Co., Ltd. Jun. 2025 Director of the Company (current)	Apr. 1987 Joined the Company Sep. 2018 Representative Director, Executive Officer and President of Yamato Logistics Co., Ltd. Mar. 2020 Representative Director and Senior Managing Executive Officer of Yamato Transport Co., Ltd. Jun. 2022 Full-time Audit & Supervisory Board Member of the Company (current)	Apr. 1980 Joined the Company Apr. 2019 Managing Executive Officer of Yamato Transport Co., Ltd. Apr. 2022 General Manager of Project Group, Finance Division Jun. 2023 Full-time Audit & Supervisory Board Member of the Company (current)	Apr. 1986 Registered as Attorney at Law and Certified Public Accountant Jul. 1992 Established Matsuda Law Office (current) May 2012 Auditor of the Japan Federation of Bar Associations Jun. 2020 Audit & Supervisory Board Member of the Company (current)	Apr. 1988 Joined Suntory Ltd. Nov. 2006 CFO and Representative Director of SAP Japan Jan. 2024. Venture Partner of Eight Roads Ventures Japan (current) Jun. 2024 Audit & Supervisory Board Member of the Company (current)	Apr. 1985 Joined Asahi & Co. (currently KPMG AZSA LLC) May 2009 Senior Partner of KPMG AZSA LLC Jul. 2022 Representative of Terada CPA Office (current) Jun. 2025 Audit & Supervisory Board Member of the Company (current)
Independent Director				○	○	○		○	○			○	○	○
Nomination and Compensation Committee		○		○	○	○		○	○					
Shares Owned		41,600 shares	46,610 shares	0 shares	2,300 shares	0 shares		400 shares	0 shares	12,600 shares	8,200 shares	0 shares	0 shares	0 shares
Expertise and Experience	Corporate management	●	●	●	●	●		●		●	●			
	Marketing / Sales	●		●		●				●				
	Personnel / Labor management	●			●			●	●					
	Finance / Accounting		●		●						●	●	●	●
	Legal affairs / Risk management		●							●		●		●
	IT / Digital technology	●	●	●		●			●					
	Global	●		●	●	●		●					●	

Skills Expected of Directors and Audit & Supervisory Board Members and Reasons for Their Selection

Skills	Reason for Selection
Corporate management	To demonstrate appropriate decision-making and supervisory functions in the formulation and execution of the Yamato Group's medium- to long-term management plan to sustainably improve corporate value, extensive experience and expertise in corporate management has been selected as a necessary skill. Corporate management includes experience and knowledge integrating sustainability and an ESG perspective into business strategies in support of increased corporate value.
Marketing / Sales	To provide value that utilizes the Group's management resources to meet the changing needs of customers and society, extensive experience and expertise in marketing and sales has been selected as a necessary skill.
Personnel / Labor management	To become a company that respects human rights and diversity and enables employees to work with peace of mind, and at the same time as ensuring that the Group's employees, its greatest asset, are motivated and play an active role, extensive experience and expertise in human resources and labor management has been selected as a necessary skill.
Finance / Accounting	To promote investment linked to growth potential and enhancement of capital efficiency by creating a strong financial foundation, extensive experience and expertise in finance and accounting has been selected as a necessary skill.
Legal affairs / Risk management	To become a company that is fair and trusted through safe and secure business activities in line with legal and social standards based on the Group Corporate Philosophy, extensive legal experience and expertise and risk management capabilities have been selected as a necessary skill.
IT / Digital technology	To achieve the optimal allocation of management resources based on data analysis and efficient business management that fully utilizes digital technology, extensive experience and expertise in IT and digital technologies has been selected as a necessary skill.
Global	To contribute to the innovation of customer supply chains and business processes through global business development, extensive global experience and expertise has been selected as a necessary skill.

Succession Plan

The Nomination and Compensation Committee continuously improves the effectiveness of the succession plan for the president, which is its most important responsibility, through strategic discussions in order to achieve sustainable improvement in the Company's corporate value.

1. Basic Approach and Issues

The Company is currently transforming its business portfolio to enter new growth domains and ensure sustainable growth. It therefore needs a leader who has diverse knowledge that goes beyond existing business domains and the courage to make rational decisions even under adverse circumstances. We select and develop candidates using objective criteria based on this clear leadership profile and strategic background.

2. Main Actions in FY2025/3 and Future Measures

During the year ended March 31, 2025, the Nomination and Compensation Committee discussed its evaluation of leadership

candidates to manage the Yamato Group in the future and the current status of the talent pool.

These discussions are the basis for further strengthening the candidate development process. Specifically, we intentionally create opportunities for explanations and questions at Board of Directors meetings, thereby encouraging candidates to grow through suggestions from the management supervision side.

This initiative provides an important monitoring opportunity for the outside directors who serve on the Nomination and Compensation Committee to directly and continuously assess candidate qualities and potential. This approach ensures the effectiveness and transparency of the succession planning process.

A highly effective succession plan linked to management strategy will help the Yamato Group generate sustainable increases in corporate value.

Corporate Governance

Nomination and Compensation Committee

Message from the Chairperson of the Nomination and Compensation Committee



**Junichiro Ikeda**  
Outside Director  
(Chairperson of the Nomination and Compensation Committee)

Selecting and Developing Leadership and Enhancing Incentives to Create Corporate Value

The Nomination and Compensation Committee supervises management and promotes and advances initiatives related to nominations and compensation to meet shareholder expectations and to sustainably enhance corporate value.

**Nomination** Strategic Development of Leaders to Drive Business Portfolio Transformation

The most important theme in the nomination process is strategically developing and identifying the next generation of management leaders who can vigorously drive the transformation of the Group's business portfolio. This is a management issue that is essential to enhancement of the Group's corporate value.

The Nomination and Compensation Committee is enhancing the selection process to promote a more effective succession plan. For example, we ask candidates to actively participate in discussions about key management issues, such as the review of the medium-term management plan, and provide them with the opportunity to directly receive

pointed critiques from us on the supervisory side in a high-pressure environment. This encourages candidates to grow while enabling the committee to objectively assess their qualifications.

In addition, we gain a deeper understanding of the candidate's vision and personality by utilizing opportunities to communicate not only in formal venues, but also in casual settings that enable more frank dialogue.

Our initiatives are the means to consistently implement a highly effective and transparent succession plan and promote the development and selection of leaders who can vigorously drive the Group's transformation.

**Compensation** Objective: A Compensation System More Closely Linked to Corporate Value

The key theme for compensation is strengthening the link between officer compensation and increased corporate value to promote the sharing of interests with shareholders. We have been transitioning the Group's compensation system away from a high proportion of fixed compensation to merit-based incentives for increasing corporate value over the medium to long term.

Revisions during FY2025/3 included increasing the proportion of variable compensation and adding return on invested capital (ROIC) to the metrics for determining medium- to long-term performance-linked compensation. We will further accelerate these reforms with ongoing systemic reviews that will include considering a share-based compensation system that supports increased corporate value over the medium to long term.

By promoting management reform in terms of nomination and compensation, we will contribute to sustainable growth in the Yamato Group's corporate value.

The Nomination and Compensation Committee comprises five independent outside directors and one inside director, with an independent outside director acting as chairperson. As an advisory body to the Board of Directors, the committee deliberates on the details of particularly important matters pertaining to nomination and compensation, and presents the results of these discussions to the Board of Directors in an effort to enhance management transparency.

Roles and Duties

1. The committee shall deliberate on matters related to the appointment or dismissal of directors, Audit & Supervisory Board members, and executive officers on the basis of business performance and multifaceted observations and evaluations, verify the validity of such decisions, and present the results to the Board of Directors.
2. The committee shall deliberate policies for determining compensation, etc., for directors and executive officers, and the details of individual compensation, verify the validity of such decisions, and present the results to the Board of Directors.
3. The committee shall deliberate on several candidates for representative director, including candidates recommended by the incumbent representative director, based on multifaceted observations and evaluations of candidates' track records, human nature, and other factors and present the results to the Board of Directors.

Main Nomination and Compensation Committee Agenda Items and Reports during FY2025/3

**Related to Nomination**

- Deliberation on appointment or reappointment of director candidates
- Evaluation of candidates for president and deliberation on the talent pool
- Deliberation on management structure and important personnel matters

**Related to Compensation**

- Deliberation on establishment of missions for inside director compensation
- Deliberation on verification of compensation levels for directors and executive officers
- Deliberation on the revision of compensation for individual directors
- Deliberation on performance-based compensation decisions
- Overall structure of deliberations on officer compensation benchmarks

Officer Compensation

Basic Policy

Compensation for directors is determined based on the following factors.

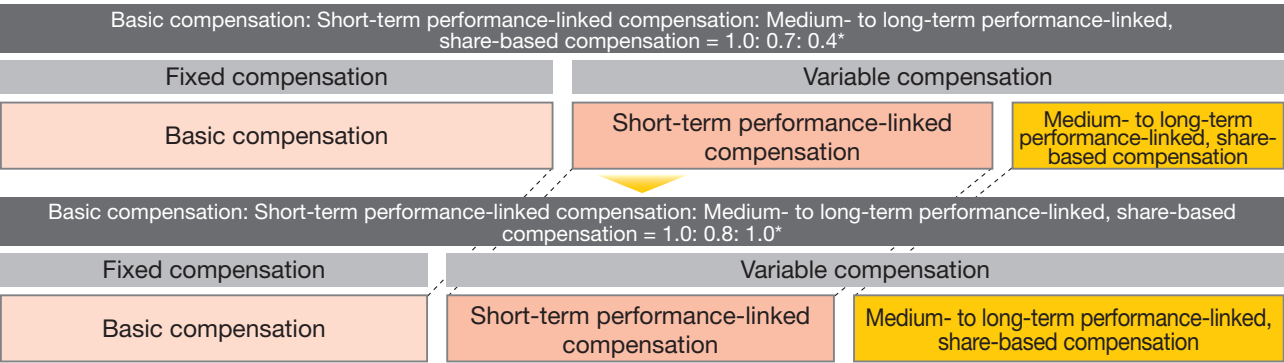
- A competitive level of compensation
  - Provide rewards according to roles and responsibilities, as well as performance, and set compensation at an adequate level to secure exceptional personnel
- A compensation system emphasizing the improvement of corporate and shareholder value
  - Link compensation to business performance to provide directors with incentives to achieve performance targets
  - Structure compensation to encourage a common interest with shareholders by linking it to corporate value over the medium to long term
- A fair and equitable compensation system
  - Ensure that the process for determining compensation is objective and highly transparent

Compensation Structure

The Company's compensation for directors consists of basic compensation (fixed compensation), short-term performance-linked compensation (variable compensation) and medium- to long-term performance-linked, stock-based compensation (variable compensation), considering the compensation level at other companies and other factors. In addition, compensation for Audit & Supervisory Board members and independent outside directors consists exclusively of basic compensation due to the nature of their functional roles.

Since FY2022/3

- The structure of compensation changed from basic compensation (fixed compensation) and performance-linked compensation (variable compensation) to basic compensation (fixed compensation), short-term performance-linked compensation (variable compensation) and medium- to long-term performance-linked, share-based compensation (variable compensation).



Since FY2025/3

- ROIC was added to the performance benchmarks for medium- to long-term performance-linked, share-based compensation, joining ROE, TSR, and ESG indicators (greenhouse gas emissions).
- The base ratio of short-term performance-linked compensation (variable compensation) to basic compensation (fixed compensation) increased from 40-70% to 65-80%.
- The base ratio of medium- to long-term performance-linked, share-based compensation (variable compensation) to basic compensation (fixed compensation) increased from 30-40% to 40-100%.

**Basic compensation**

Basic compensation is determined for each rank and title based on responsibilities, with reference to levels outside the Company.

**Short-term performance-linked compensation (variable compensation)**

- The standard amount is set by determining a ratio within a range of 65-80% of basic compensation (fixed compensation) in accordance with rank and title.
- Subsequently, the amount paid out to individuals is determined within a range of 0-150% of the standard amount, in line with the achievement rate for the Company's performance benchmarks and the evaluation of individual missions.
- The performance benchmarks comprise consolidated operating revenue, consolidated operating profit, and consolidated profit attributable to owners of parent.

**Medium- to long-term performance-linked, share-based compensation**

- The standard amount is set by determining a ratio within a range of 40-100% of basic compensation (fixed compensation) in accordance with rank and title.
- Subsequently, the amount is determined within a range of 0-150% of the standard amount, in line with the achievement rate for the Company's performance benchmarks and the evaluation of individual missions.
- The performance benchmarks comprise ROE, ROIC, total shareholder return, and ESG indicators (greenhouse gas emissions).
- The amount of medium- to long-term performance-linked, share-based compensation (variable compensation) is allocated as points each fiscal year, whereby one share equals one point, with the number of points obtained by dividing the amount of medium- to long-term performance-linked, share-based compensation (variable compensation) allocated by the average of the closing prices of the Company's shares at the Tokyo Stock Exchange in the month preceding the fiscal year in which the medium-term management plan starts.

Corporate Governance

Improvement of Corporate Value through Dialogue with Shareholders and Investors

Committed to continuously increasing medium- to long-term corporate value through dialogue with shareholders and investors, we are systematically enhancing IR and SR activities with emphasis on the executive officer responsible for IR. We promote IR and SR activities by providing an array of opportunities for dialogue with the president and other executive officers and with independent outside directors so that shareholders and investors can fully understand our management strategies and businesses. Additionally, the opinions and requests received from shareholders and investors through dialogue and other means are reported to the Board of Directors as necessary to share awareness of issues within the Company from an objective perspective.

Implementation of Engagement Activities (FY2025/3)

Details of Activities	Speakers	Number of Times
Results presentations	President and responsible executive officer	4
Small meetings	President and responsible executive officer	2
	Independent outside directors	1
Briefings on sustainability (environment and society)	Responsible executive officer	1
On-site tours (last-mile pickup and delivery facilities, Contract Logistics Business facilities, etc.)	IR Department representative	1
Visits with investors outside Japan (Europe, Americas, and Asia)	President and executive officer responsible for IR	5
Individual conversations (one on one)	President, executive officer responsible for IR, and IR department representative*	331

\* Response based on shareholder and investor requests and purpose of interviews

Implementation of Engagement Activities (FY2025/3)

Key Dialogue Themes and Points of Interest
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■ Medium-Term Management Plan Progress

■ Increasing Returns on Capital

(Profit growth from business portfolio transformation)

- Current status and direction of each business
- Measures to improve Express Business profitability
- Progress in optimizing pricing for corporate clients
- Reinforcement of the TA-Q-BIN network and cost-curtailing effects
- Policies, measures, and progress for expansion in the Corporate Business domain
- Initiatives to improve freighter profitability

(Enhancing balance sheet management and optimizing cash flow)

- Policies and disciplined approach to growth investment and M&A, with specific examples of progress
- Approach to balance sheet management

■ Reducing Capital Costs

(Reinforcement of Group management foundation)

- Tracking of management strategy progress and status of data-driven management
- Progress of initiatives to enhance employee engagement
- Relationship between human capital and increased corporate value
- Risk reduction and returns from environmental investments and measures
- Relationships with business partners
- Succession plan progress
- Effectiveness of the Board of Directors
- Revised ratio of fixed to variable officer compensation
- Disclosure enhancement resulting from dialogue

Disclosure Enhancement Resulting from Dialogue
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■ Briefings on Sustainability (Environment and Society)

- Briefings that cover environmental and human resource strategies and our approach to sustainable relationships with business partners  
[https://www.yamato-hd.co.jp/english/investors/library/business\\_briefing/](https://www.yamato-hd.co.jp/english/investors/library/business_briefing/)

■ Enhanced Business Portfolio Transformation Disclosure

- Disclosure of the current status and direction of each business in the financial results briefing materials for FY2025/3  
[https://www.yamato-hd.co.jp/english/investors/library/briefing/pdf/4q\\_presentation\\_2025\\_03.pdf](https://www.yamato-hd.co.jp/english/investors/library/briefing/pdf/4q_presentation_2025_03.pdf)

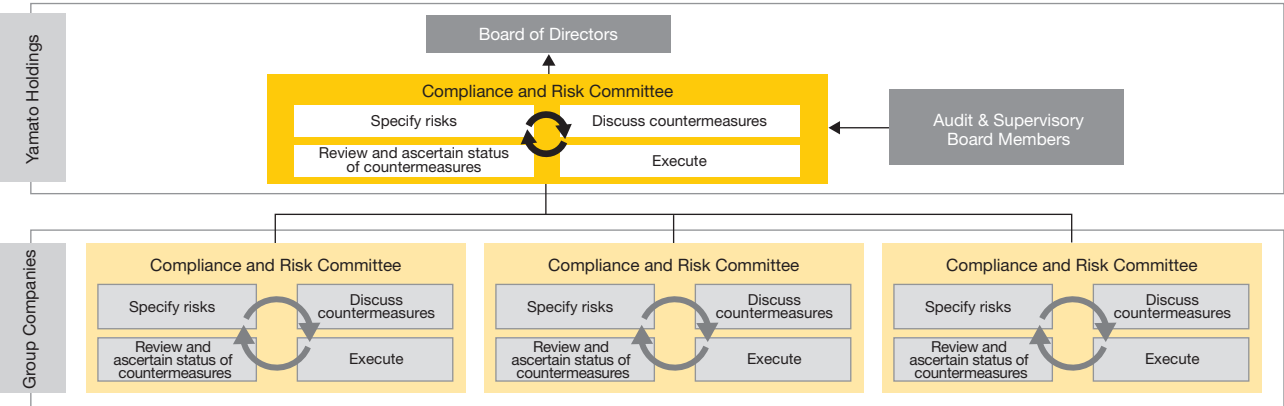
■ Disclosure through Presentation in Integrated Report 2025

- Focused explanation of enhanced returns on capital and reduced capital costs within the context of sustainable growth in corporate value

Risk Management

Risk Management System

The Yamato Group aims to ensure business continuity and stable growth by managing risks in accordance with its Basic Risk Management Regulations. Relevant risks include economic loss, business interruption or suspension, damage to trust and brand image, and various other risks that impede the achievement of the Group Corporate Philosophy, management plans, or management strategies. The Group identifies and evaluates risks that could occur in the course of business at least once a year. With regard to risks that are identified as having a significant impact on our corporate activities in particular, a Compliance and Risk Committee meeting held at each Group company discusses measures for avoidance and mitigation, and reports on these to the Board of Directors at each company. At Yamato Holdings as well, a Compliance and Risk Committee meeting is held four times a year, chaired by a representative director or a director or executive officer appointed by a representative director. The committee checks to ensure that risk management at each Group company is being carried out correctly and reports the result to the Board of Directors.



Key Risks

The Yamato Group classifies key risks it recognizes as having a significant impact on business performance into risks related to the business environment and corresponding strategies, and risks related to business operations, based on their impact on management and their likelihood of materializing.

(1) Risks related to the business environment and corresponding strategies	(2) Risks related to business operations
A. Risks arising from changes in the market and competitive environment B. Risks arising from decreased working population C. Risks related to technological advances D. Risks related to information security E. Risks arising from regional depopulation F. Risks related to climate change G. Risks related to M&A and strategic business alliances	A. Risks related to compliance B. Risks related to large-scale natural disasters C. Risks related to serious traffic and occupational accidents D. Risks related to labor legislation E. Risks arising from the impact of the international situation, etc. F. Risks arising from the impact of financial markets

Close-Up

Compliance Initiatives

Based on its Corporate Philosophy, the Yamato Group precludes improprieties by conducting business activities in accordance with the law and social norms and actively promoting compliance management.

The Yamato Group manages risk using the above risk management system. Additionally, the Group has established an internal whistle-blower system and contact points for partners to promptly discover and appropriately respond to improprieties. Furthermore, we hold regular discussions with our business partners to help them establish and operate appropriate systems, processes, and mechanisms.

The Group has developed a roll call system for managing vehicle operation in compliance with laws and regulations, in which the operation manager confirms driver health, sobriety, and other issues in making a decision to permit vehicle operation.

The Group also has approximately 360 Safety Experts stationed throughout Japan who are primary providers of statutory training and crew member training that includes ride-along guidance.

We are enhancing the effectiveness of these efforts with an independent internal audit organization that encompasses 171 internal auditors Groupwide. The work of these auditors helps to reduce risks throughout the Group based on an annual audit plan.

The results of audits are regularly reported to the president and Audit & Supervisory Board members, and also to the Board of Directors and the Audit & Supervisory Board.

During FY2025/3, Yamato Transport conducted a total of approximately 18,000 on-site audits of approximately 3,000 business sites to ensure that operational conduct is appropriate from perspectives that include compliance, safety, and quality.