

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.

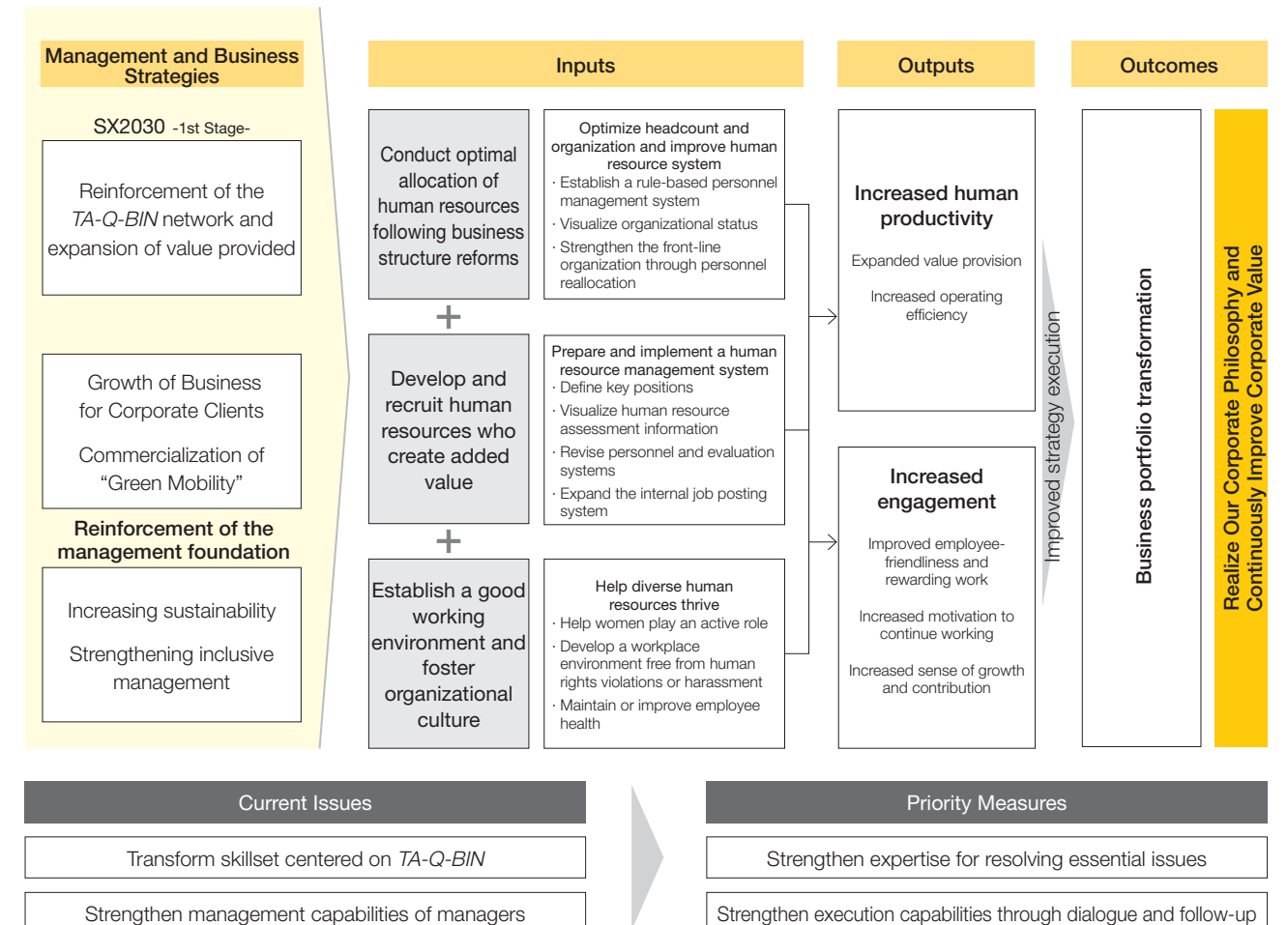
Our challenge in the Global Business and the Contract Logistics Business, which we consider our Growth Domain, is to develop and bring on sales and operations personnel. We are clarifying the duties and number of positions required to move our business strategies forward in order to conduct training 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

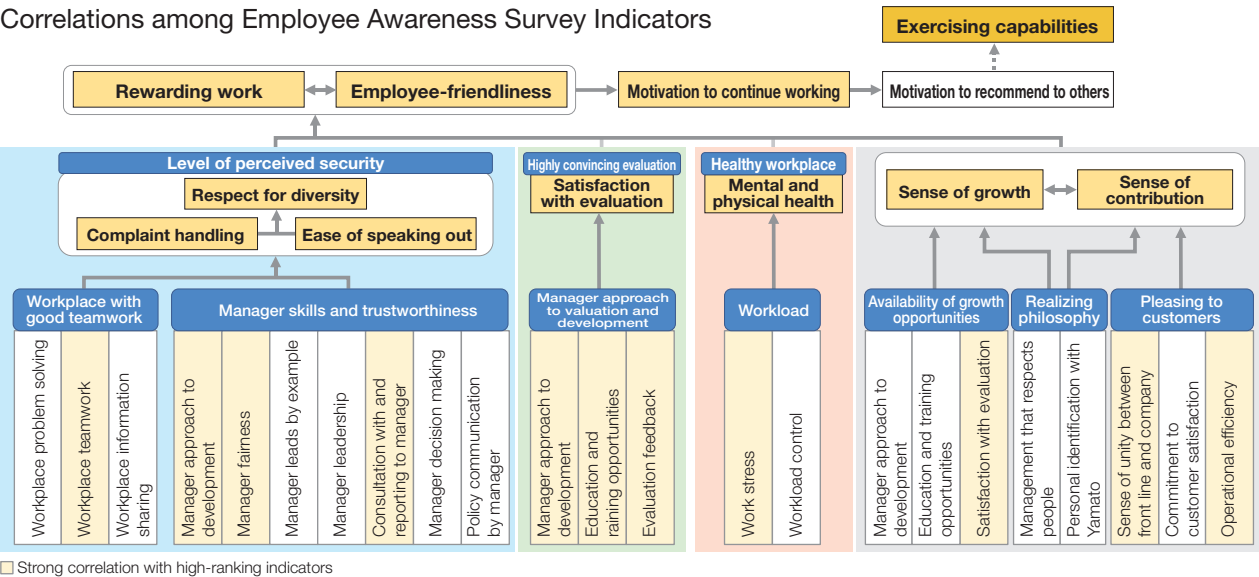
Establishing a Good Working Environment and Fostering Organizational Culture

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.

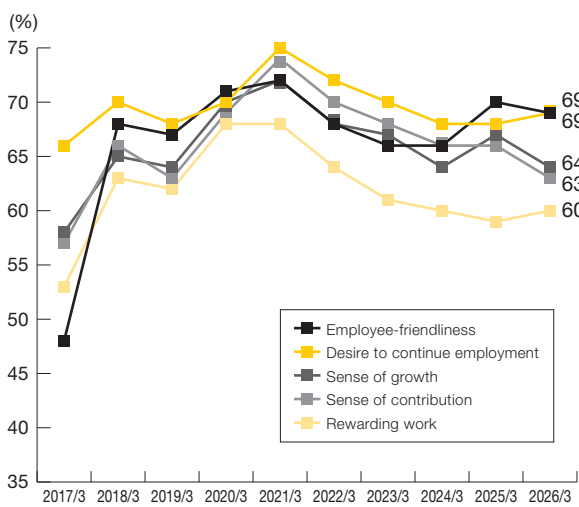
Analysis of Engagement Issues Based on Employee Awareness Surveys

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^{1, 2}



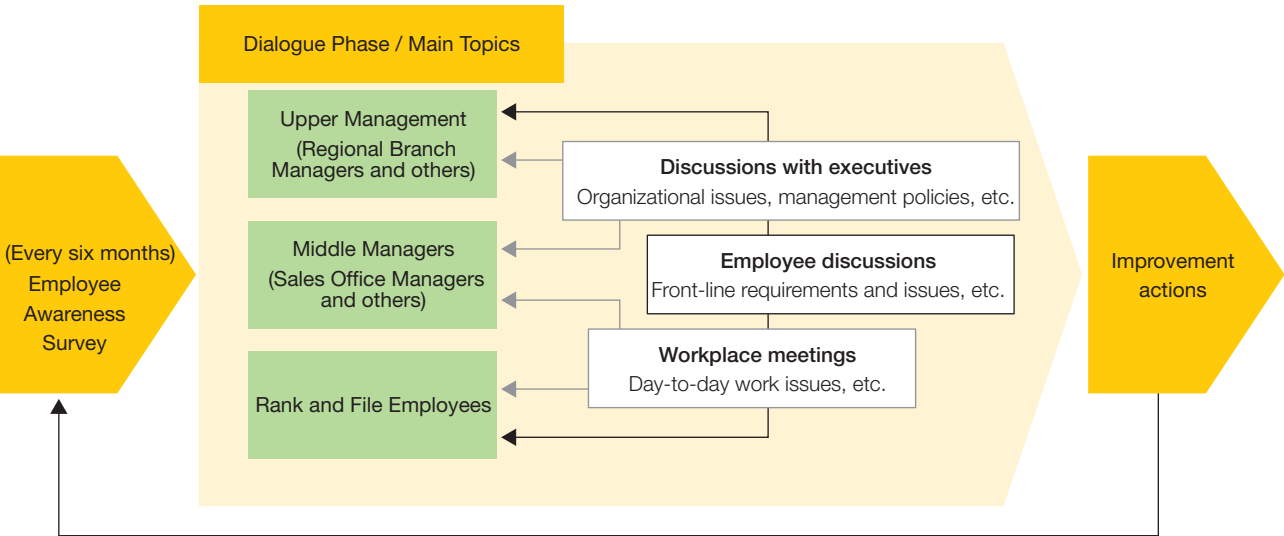
1. Scope: Consolidated companies in Japan and Swan Co., Ltd.
2. Percentage of positive responses

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.

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.

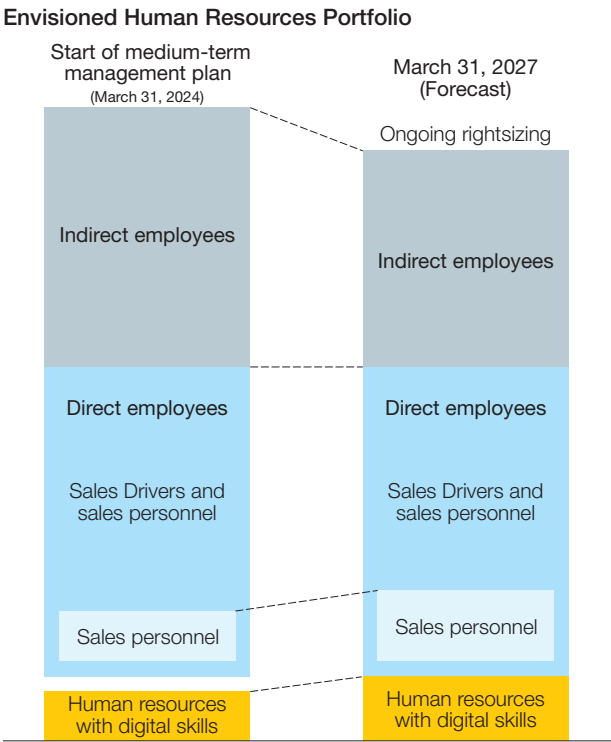
Human Resource Strategy

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.

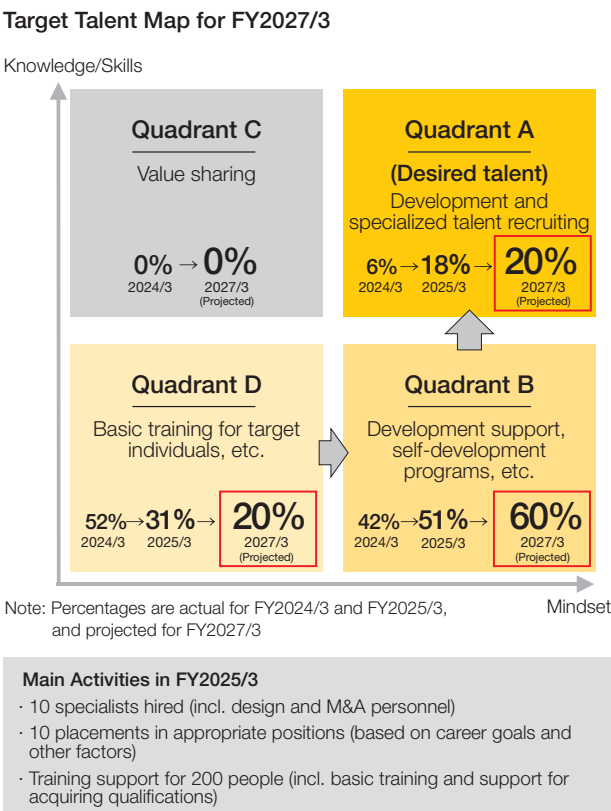


Developing and Recruiting Human Resources Who Create Added Value

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.



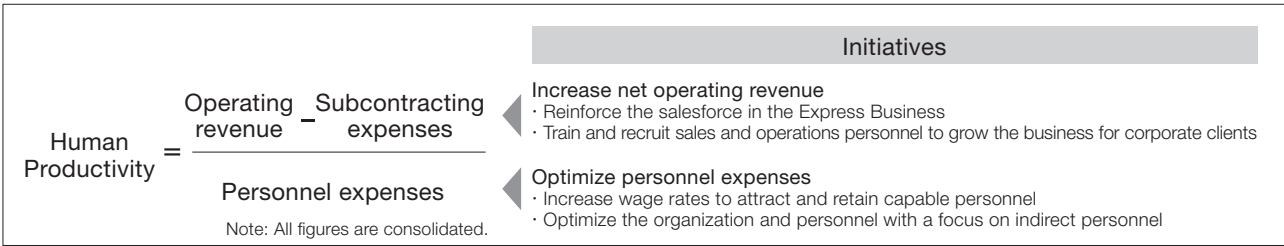
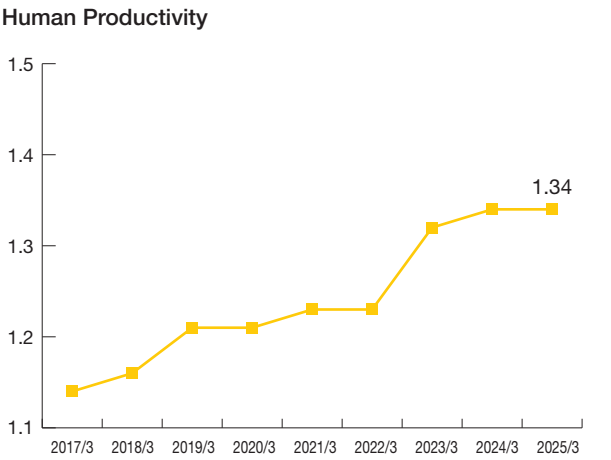
Increasing Human Productivity

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.

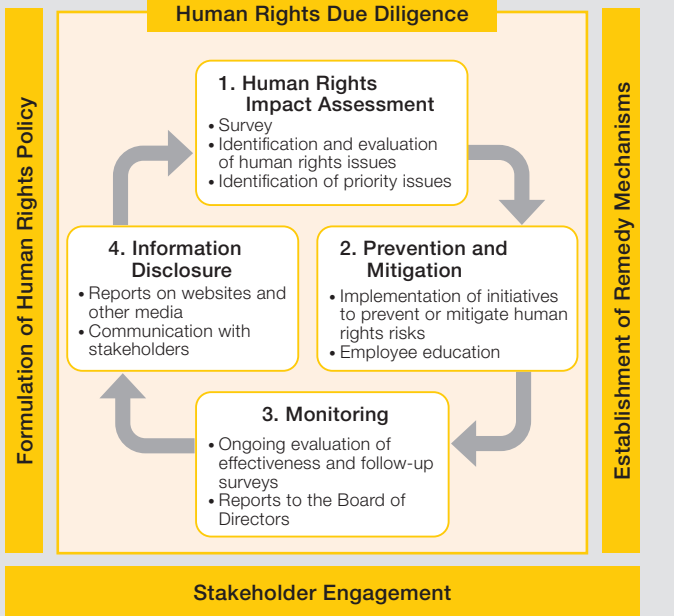


Close-Up Human Rights Due Diligence (Impact Assessment)

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.