

# Corporate Governance

## Basic Position on Corporate Governance

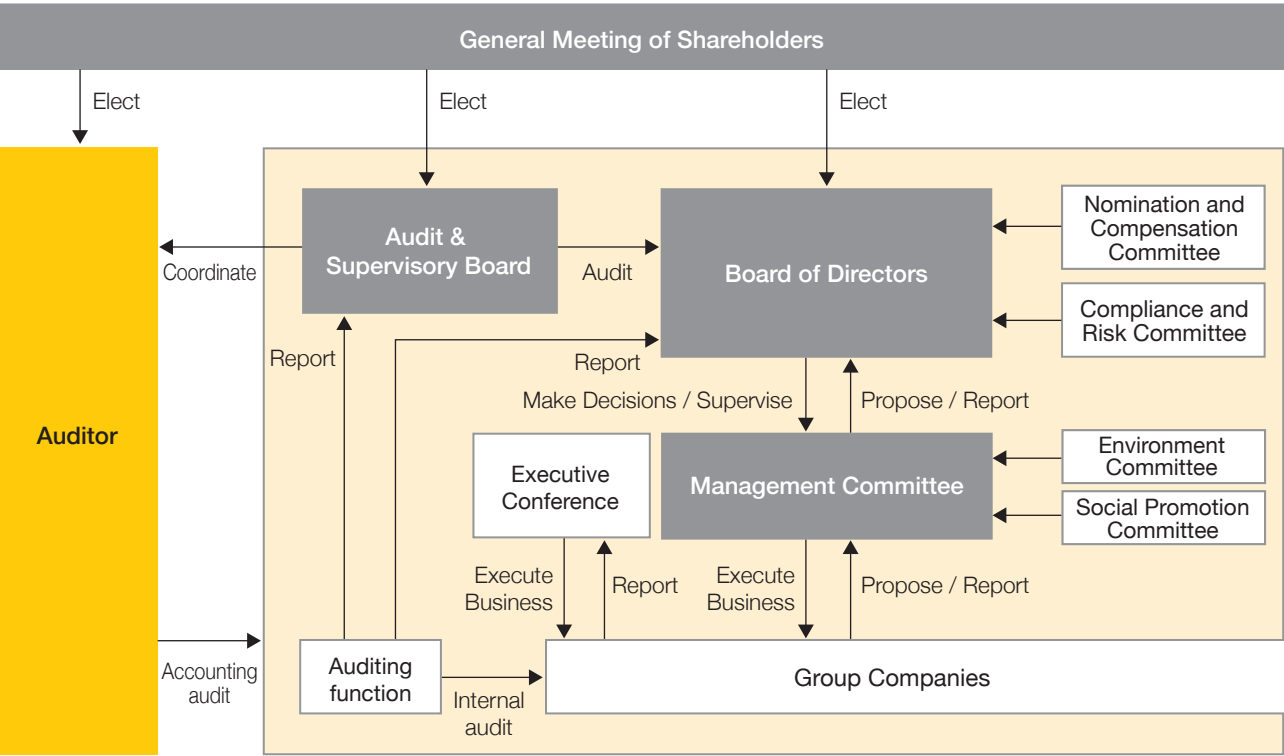
Based on its Corporate Philosophy, the Yamato Group carries out business activities in accordance with the law and social norms and actively promotes compliance management. Striving to maximize corporate value by effectively utilizing the management resources of the Group is one of the top priorities 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

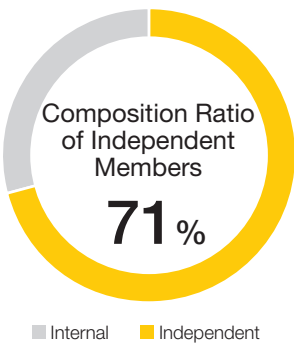
Dialogue with shareholders and investors serves as an essential compass for making advances in our governance. During our current medium-term management plan, Sustainability Transformation 2030 ~1st Stage~, the results have not met the expectations of our shareholders, and we take that very seriously. 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.

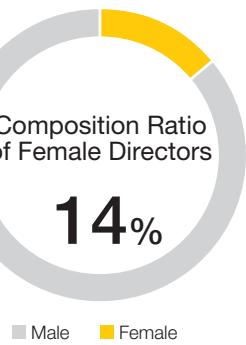
My role is to maintain constructive tension in the relationship between supervision and business execution through oversight with checks and balances, while at the same time I see my role as being a catalyst that helps the business professionals on the executive team to produce concrete measures for 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)

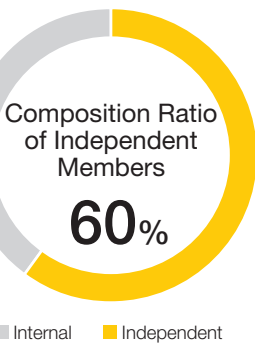
### Composition Ratio of the Board of Directors



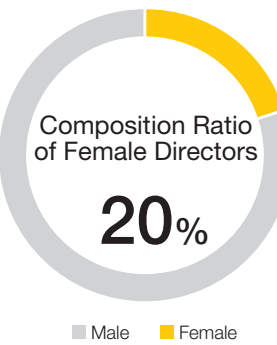
### Composition Ratio of the Audit & Supervisory Board



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

Evaluation Results and Future Initiatives

Evaluation Results	
Overall evaluation	<ul style="list-style-type: none"><li>· 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.</li><li>· 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.</li><li>· The Board receives timely reports on dialogue with shareholders and investors, allowing it to understand the perspectives of investors and markets.</li><li>· The progress of the medium-term management plan is appropriately monitored, but further improvement of reporting is required.</li></ul>
Future Initiatives	
Further enhancement of corporate governance and the effectiveness of the Board of Directors	<ul style="list-style-type: none"><li>· 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.</li><li>· 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.</li></ul>
Stronger, more practical operational support for the Board of Directors	<ul style="list-style-type: none"><li>· Create opportunities for casual communication to understand the vision and character of the executive officers who are running the business.</li><li>· Share the content of discussions conducted during preliminary briefings for outside directors with all Board meeting attendees to enhance Board discussions.</li></ul>

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.

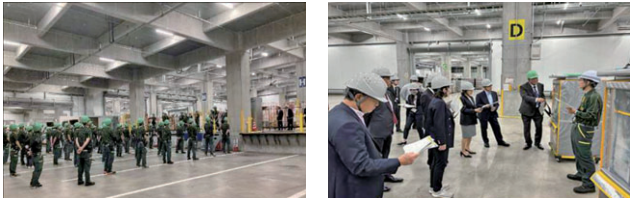
Roles and Duties

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.

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.

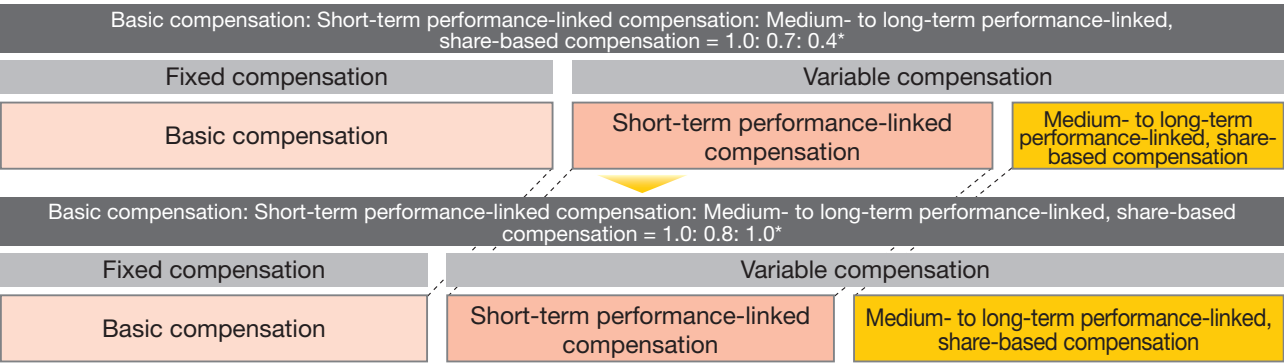
- A competitive level of compensation
  - Provide rewards according to roles and responsibilities, as well as performance, and set compensation at an adequate level to secure exceptional personnel
- A compensation system emphasizing the improvement of corporate and shareholder value
  - Link compensation 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)

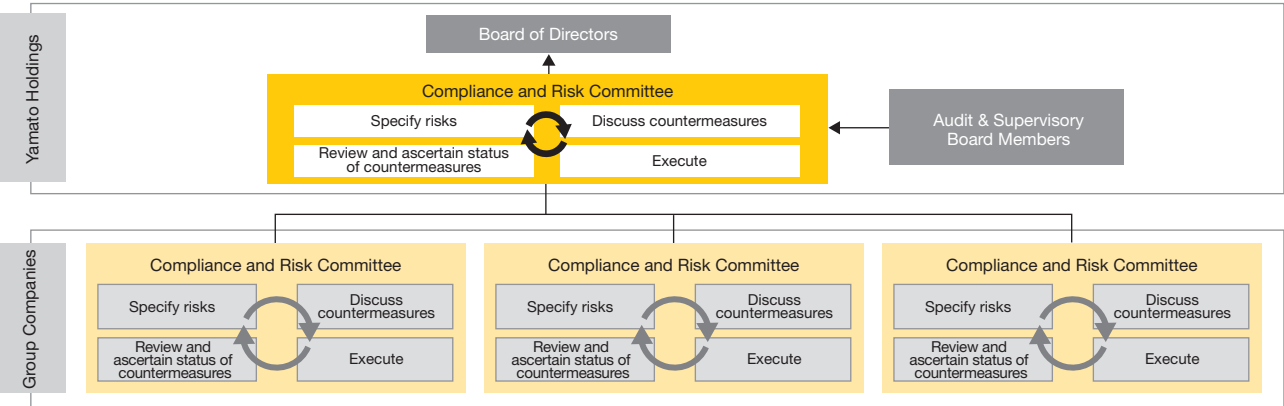
Disclosure through Presentation in Integrated Report 2025

- 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.