



Shiro Sugata

Outside Director
(Chairperson of the Board of Directors)

Toward Effective Governance That Will Shape Our Future

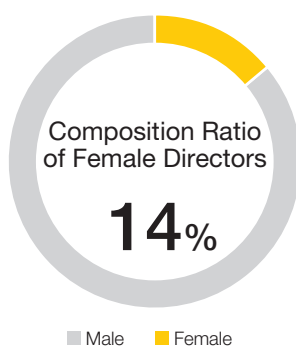
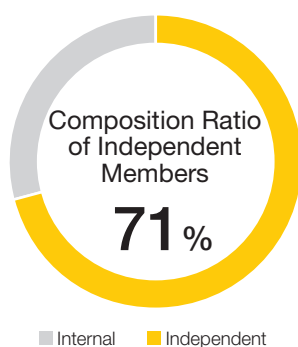
Dialogue with shareholders and investors serves as an essential compass for making advances in our governance. During our current medium-term management plan, Sustainability Transformation 2030 ~1st Stage~, the results have not met the expectations of our shareholders, and we take that very seriously.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

