

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&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&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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