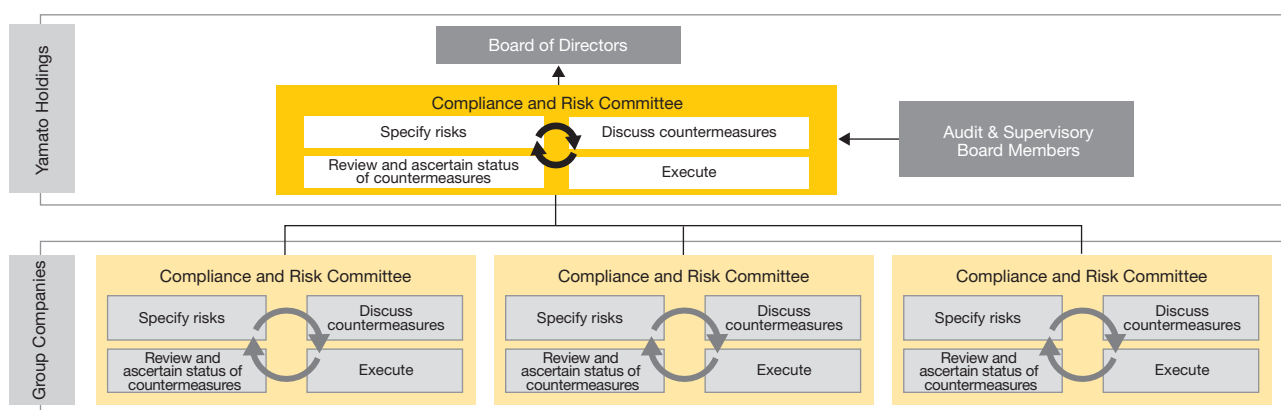


Risk Management

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

- 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

(2) Risks related to business operations

- 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.