YAMATO HOLDINGS

INTEGRATED REPORT

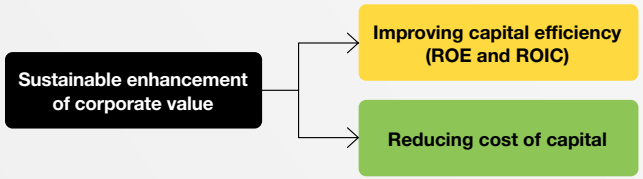
Integrated Report 2026

Sustainability Transformation 2030 ～1st Stage～

Communication Objectives of *Integrated Report 2026*

Yamato Holdings' *Integrated Report 2026* is published to build long-term trust with our stakeholders and give readers an in-depth understanding of the Yamato Group's medium- to long-term value creation story by conveying information, including non-financial information, on such aspects as management strategies, business overviews, and environmental, social, and governance (ESG) activities.

In particular, *Integrated Report 2026* focuses on communicating how the Yamato Group will achieve sustainable enhancement of corporate value by rebuilding its earning power and transforming its business portfolio, positioning the early achievement of a return on capital (ROE and ROIC) that exceeds the cost of capital as its most important priority.



Stakeholder Expectations and Frequently Asked Questions

1	What are the management policies under the new structure, and what is the path toward rebuilding the Group's earning power?	Page 2 Page 16	Message from the President Business Portfolio Transformation
2	What are specific measures to improve capital efficiency (ROE and ROIC)?	Page 6	Message from the CFO
3	What is the Group doing to improve the profitability of the Express Business?	Page 18	Value Creation in Action: Base Domain
4	What is the Group's growth driver after *TA-Q-BIN*? What is the strategy for expanding business for corporate clients?	Page 22 Page 27	Value Creation in Action: Growth Domain Value Creation in Action: New Domain
5	What are the Group's initiatives in AI and data utilization and human capital that support structural reform?	Page 29 Page 34	Human Resource Strategy Digital Strategy

CONTENTS

SECTION 1
Mission and Vision
01 Communication Objectives of *Integrated Report 2026*
02 Message from the President
06 Message from the CFO
09 Group Corporate Philosophy
10 Strategy and History of Innovation
11 The Yamato Group at a Glance

SECTION 2
Value Creation Story
12 Value Creation Process
13 Sources of Value Creation
15 Roadmap to 2030 and Medium-term Management Plan
16 Business Portfolio Transformation

SECTION 3
Value Creation in Action
17 Message from the President of Yamato Transport
18 Base Domain
22 Growth Domain
27 New Domain

SECTION 4
Reinforcement of Group Management Foundation
29 Human Resource Strategy
34 Digital Strategy
36 Environmental Strategy
39 Social Strategy
41 Sustainability Governance
43 Corporate Governance
- **43** Message from the Chairperson of the Board of Directors
- **44** Message from the Chairperson of the Nomination and Compensation Committee
- **45** Corporate Governance Structure
- **46** Evaluation of the Effectiveness of the Board of Directors
- **47** Audit & Supervisory Board
- **48** Management Team / Skill Matrix / Succession Plan
- **50** Officer Compensation
- **51** Improvement of Corporate Value through Dialogue with Shareholders and Investors

52 Risk Management

SECTION 5
Corporate Data
53 Performance Highlights
54 Ten-Year Summary and Business Highlights
55 Global Network / External Recognition
56 Corporate Data / Stock Information

■ **Reporting Period:** April 1, 2025 to March 31, 2026 (Some activities from outside the above period are also presented)

■ **Scope of Reporting:** Yamato Holdings Co., Ltd. and its consolidated subsidiaries (Annotated where the scope of aggregation differs for some indicators)

■ **Guidelines Referenced and Information Disclosure:** This report has been prepared with reference to the IFRS Foundation's *Integrated Reporting Framework* and the Ministry of Economy, Trade and Industry's *Guidance for Collaborative Value Creation 2.0 (Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue)*. For more detailed financial and non-financial information, please refer to our website.

■ **Forward-Looking Statements:** This integrated report contains forward-looking statements concerning Yamato Holdings' future plans, strategies, and performance. These statements represent assumptions and beliefs based on information available at the time this report was created. Furthermore, forward-looking statements are subject to a number of risks and uncertainties that include, but are not limited to, economic conditions, customer demand, foreign currency exchange rates, tax laws, and other regulations. Yamato Holdings therefore cautions readers that actual results may differ materially from these predictions.



Toshiyuki Sakurai

Representative Director, President and Executive Officer

Yamato Holdings Co., Ltd.

Rebuilding Our Earning Power through Front-line Capabilities and Teamwork

Introduction: My Resolve and Mission as the New President

I would like to express my sincere gratitude to our shareholders, investors, and other stakeholders for their continued support.

In 2026, I became representative director and president of Yamato Holdings Co., Ltd. The operating environment surrounding the logistics industry is at a historic turning point. As I take the helm of the Yamato Group, I feel both the weight of this responsibility and a strong sense of mission to lead the Group toward the future of a renewed Yamato that lies beyond this transformation. In these turbulent times, we must ask ourselves what we should steadfastly retain of our established strengths, and what we should boldly change to achieve future growth. Let me take this opportunity to unequivocally affirm my resolve and mission under the Yamato Group's new organizational structure.

Management Philosophy: Enrich the Community and Maximize Our Competitive Advantage through Front-Line Capabilities

The Internet age was just beginning to take shape when I joined the Yamato Group in the late 1990s. I joined with the conviction that I wanted to connect producers with communities throughout Japan and enrich everyone in the process. I also believed that the *TA-Q-BIN* network would be indispensable social infrastructure for the emerging society of the future.

Since then, I have been involved in a wide range of fields, from logistics operations in Japan and worldwide to IT, corporate sales, and Group management strategies. Throughout my career, I have consistently held to—and placed at the core of my management philosophy—the fact that the Yamato Group's primary competitive advantage is its front-line capabilities. Sales Drivers who interact directly with customers on the front lines throughout Japan, and employees at facilities that support our vast network, think and act on their own initiative to make our customers happy. A spirit of inclusive management has been the driving force that has enabled us to overcome numerous challenges and innovate.

As president, my foremost mission is to restore the front-line capabilities that are the DNA of the Yamato Group. This will not involve top-down, uniform instructions. Rather, our goal is to create an environment that maximizes teamwork and empowers all front-line employees to feel they are participating in management. I am confident this is the most reliable approach for adapting to a rapidly changing market environment and generating sustainable growth in corporate value.

Fully Leveraging Our Solid Foundation and Rebuilding Earning Power

To date, the Yamato Group has boldly pursued forward-looking investments such as network restructuring and digitalization in order to build a foundation for sustainable growth over the medium to long term. Within this process, we acknowledge the considerable concern our recent performance has caused shareholders and investors.

However, the resilient logistics network and data environment we have built to date are a solid foundation for future growth. The Group intends to fully exercise the potential of its many resources and translate it into quantifiable economic value.

In doing so we are not waiting passively for investment results. We are taking a proactive approach, rigorously reviewing past investments and asset holdings and then taking action to deploy them as efficiently as possible. Our operating environment is changing with ever greater speed, so we will not rest on past successes as we work to rebuild the Group's earning power. Furthermore, we will generate a return on capital that exceeds the cost of capital as quickly as possible.

Three Core Strategies for Rebuilding Earning Power

Our top priority for a new phase of growth is generating a return on capital that exceeds the cost of capital as quickly as possible. We intend to improve corporate value with emphasis on the following three core strategies.

Strategy 1 Comprehensive Review with No Exceptions

We intend to rebuild earning power in the Express Business and other core operations by reviewing and concentrating resources, rather than just continuing as in the past. We are determined to go beyond simply improving our day-to-day operations. We will rigorously review the results of past large-scale investments, then fundamentally restructure our network without being constrained by our existing assets or approaches.



1. Conclude Domestic Freighter Operations

As part of our business restructuring aimed at enhancing corporate value over the medium to long term, we have decided to discontinue domestic freighter operations by around June 2027. When operations began in April 2024, we anticipated a modal shift to air transportation in response to the logistics “2024 Problem.” However, air transportation costs rose significantly due to the depreciation of the yen and high fuel prices, making it impossible to foresee achieving commercial viability. When initial assumptions no longer hold due to changes in the environment, objectively assessing whether to continue a business and promptly deciding to withdraw is also a critical responsibility of management. We will maximize the use of alternative transportation methods, including passenger flight networks, to keep our customers’ logistics moving and minimize any impact. Taking this opportunity, we will further tighten investment discipline across the Group and concentrate management resources on growth areas offering greater certainty.

2. Optimize Pricing and Operating Costs

We intend to generate returns quickly by using the following two-pronged approach to maximize network profitability. This will establish an earnings foundation that is resilient to changes in the operating environment.

- **Large corporate clients:** Prioritize profitability by reviewing the overall transaction structure, including how risks associated with volume fluctuations resulting from the transition to new contract models are shared.
- **Small corporate clients and individuals:** Improve profitability by prioritizing capacity allocation.
- **Operating cost controls:** Eliminate downward cost rigidity by fundamentally reviewing inter-facility transportation routes and schedules, and by optimizing the agile deployment of personnel and outsourced vehicles.

3. Monetize Non-Core Assets and Reorganize Group Companies

We are establishing a precise, optimal capital allocation cycle based on objective evaluation criteria derived from the cost of capital. While continuing to retain critical core assets that are difficult to replace, we have completed the large-scale restructuring of non-core assets that did not meet our criteria, including non-operating real estate, at the end of the previous fiscal year.

Furthermore, as part of the reorganization of Group companies, in September 2026 we sold our entire stake in Yamato Credit Finance Co., Ltd., which removed approximately ¥40 billion in liabilities from our balance sheet. This increased ROIC and enabled us to concentrate our resources on our core logistics business. In addition, for Nakano Shokai Co., Ltd., which became a consolidated subsidiary in 2024, we squarely addressed the challenges it currently faces and revised its business plan to reflect actual conditions. Based on this revised plan, we are strengthening PMI and working to improve Groupwide profitability through initiatives such as increasing cross-selling to Yamato Transport’s customer base and building low-cost facilities utilizing our real estate development capabilities.

Strategy 2 Transform the Business Portfolio

We will integrate our long-established nationwide transportation network and warehousing capabilities to make our business for corporate clients a new pillar of growth.

Our strengths include our last-mile network, which reaches people’s doorsteps throughout Japan, and the customer base we have built through *TA-Q-BIN*. This network of direct connections with end users is precisely why our proposals for optimizing entire supply chains that incorporate upstream warehouse operations and international transportation are so effective, and why they can create value such as increasing sales opportunities for customers.

1. Break Down Organizational Silos and Optimize Personnel Allocation

Formerly, the *TA-Q-BIN* Business, the Contract Logistics Business and the Global Business operated independently, preventing us from fully leveraging our combined strengths. We are now strategically deploying core personnel with strong operational management capabilities to the Contract Logistics Business to strengthen collaboration across our businesses. We are shifting to an integrated account-based sales approach that directly targets the upstream segments of customer supply chains to expand our project pipeline.

2. Capture Opportunities Resulting from Amendments to the Act on Advancement of Integration and Streamlining of Distribution Business

The revised Act on Advancement of Integration and Streamlining of Distribution Business came into effect in April 2026 and requires shipping companies to appoint a chief logistics officer (CLO). As a result, there is a growing need among client companies for the comprehensive outsourcing of logistics operations. We will steadily capture revenue opportunities by serving as a strategic partner that assumes responsibility for customers' CLO functions on their behalf, enabling both regulatory compliance and greater supply chain efficiency.

3. Contract Logistics Business: Rollout Integrated Business Solution Hubs*

We have integrated warehousing functions with the *TA-Q-BIN* transport network at four facilities: Koriyama (Fukushima Prefecture); Shinonome (Koto Ward, Tokyo); Konan (Shiga Prefecture); and Hayashima (Okayama Prefecture).

- **Customer value:** Increase sales opportunities by extending order cutoff times through the handling of all operations—from inventory storage to shipping—within our facilities. Shorten lead times and reduce GHG emissions by eliminating the need for separate pickup operations.
- **Cost synergies:** Strengthen business-to-business (B2B) logistics capabilities by leveraging our existing network. Improve profit margins by integrating warehouse operations and trunk-route transport.
- **Effective use of real estate:** Deploy expertise gained from past M&As and other initiatives to convert surplus space into high-value-added, large-scale contract logistics centers.

4. Selection, Concentration, and Investment Discipline in the Global Business

Expansion in scale alone is not our goal. Rather, we are focusing on target lanes connecting markets where we have strengths, including Japan, North America, China, Southeast Asia, and India. We will enhance profitability by supporting Japanese companies in their global expansion, offering integrated services spanning in-plant logistics, service-parts facility operations, and international freight forwarding to and from Japan, as well as comprehensive cross-border e-commerce solutions. We will improve capital efficiency by rigorously applying hurdle rates tailored to the characteristics of each business and ensuring disciplined decision-making when undertaking M&As and new investments aimed at achieving non-linear growth.

Strategy 3 AI and Data-Driven Management

We are combining our front-line experience and intuition with the power of data to incorporate rigorous, data-driven cost management into our business processes.

1. Improve Back-Office Efficiency and Redeploy Resources to the Front Line

We are integrating generative AI and other advanced technologies into back-office business processes to automate and streamline routine administrative tasks. Our objectives are to reduce costs, and more importantly, to free up human resources for redeployment to front-line, customer-facing roles. Our systematic reskilling programs support employees in smoothly transitioning to specialized roles in areas such as corporate sales and logistics management, thereby establishing a solid foundation for restoring profitability.

2. Increase the Sophistication of Transport and Delivery Operations

We take seriously the fact that, during the third quarter of FY2026/3, when demand normally peaks, we were unable to adjust resources quickly enough in response to lower-than-expected shipment volumes from large corporate clients, revealing the downward rigidity of our cost structure. We also recognize that we have experienced delays in our efforts to improve the efficiency of short-distance transport in urban areas.

- **Enhance control capabilities:** Improve forecasting accuracy and promote agile resource allocation in response to emerging fluctuations in volume. Apply the expertise in deploying data gained in last-mile delivery to short-distance urban transport in order to optimize vehicle dispatch and route planning.
- **Co-create with partner companies:** Move beyond simple rate negotiations by using AI and data to jointly implement and share optimal fleet management practices, thereby maximizing truck load efficiency and utilization rates and increasing productivity for both parties. Progressively roll out this approach in Kansai and Chubu.

Shaping the Future with Inclusive Management Focused on People

Since becoming president, I have visited Group locations throughout Japan to speak directly with numerous front-line employees. My goal is to integrate management and front-line operations so that everyone is moving in the same direction and maximizing the speed of transformation.

My visits have reaffirmed my conviction that the added value we deliver to customers always comes from our employees on the front lines. Advances in digitalization are great, but they can never replace the sincere dedication of our people—the true foundation of the Yamato Group's business.

* Facilities that integrate inventory management and value-added processing with nationwide transport and distribution. Nine such facilities are currently in operation, including four new sites.

Creating an environment in which each of our approximately 170,000 employees can work with pride and a sense of fulfillment is an absolute prerequisite for sustainable growth. Truck drivers underpin Japan's logistics, particularly last-mile delivery and sophisticated transport operations. These people and all the employees who support them are highly skilled professionals who are essential workers sustaining social infrastructure.

I am firmly committed to championing the recognition these professionals deserve—something I regard as my responsibility as a business leader—so that they can fulfill their roles with pride. In addition, the resilience of our network relies on the dedicated efforts of our employees as well as of transport partners and contract collection and delivery providers throughout Japan. Amid a challenging operating environment marked by persistent inflation, we recognize that working with our partners to create mutually beneficial trading conditions that appropriately account for rising costs is essential to maintaining and developing the logistics network—a critical component of social infrastructure—over the long term.

In recent years, the Yamato Group has welcomed numerous mid-career hires with diverse expertise ranging from digital technology and logistics to corporate solutions. Their mission is to help maximize the Group's strengths by seamlessly integrating their expertise with the operational capabilities we have developed on the front lines over many years. We will further enhance our organizational capabilities by complementing our solid foundation based on inclusive management with new external insights.

This is the real objective in incorporating the latest AI and digital technologies in business processes. We are raising operational efficiency with technology to reduce the workload on the front lines, and intend to use the time and resources freed up to deliver high-value services only people can provide, along with solution-based sales that directly address customer issues. This is key to enhancing the expertise of individual employees and further solidifying the Group's competitiveness.

We are maximizing the potential of our people by strategically investing in human capital, including through ongoing increases in compensation. This represents more than a simple increase in costs. It is a clear expression of our management policy to recognize the dedication of our front-line employees and work together with them to build a sustainable future. In addition, we will further accelerate initiatives to enhance the environment for reskilling and structure a fair evaluation system, which will enable employees to increase their market value by autonomously taking on challenges. By creating an environment that empowers diverse employees to work autonomously, take pride in their work, and grow, we aim to become an attractive corporate group where talent developed through mutual learning and healthy competition is highly valued throughout society, even beyond the Yamato Group.

I am committed to collaborating with our front-line professionals to resolve challenges through teamwork and achieve sustainable growth in corporate value.

To Our Shareholders and Investors

We are currently in the midst of a major transformation unprecedented in the history of the Yamato Group. We will not stop moving toward our vision for 2030 of being a value-creating company that contributes to the realization of a sustainable future.

Our shareholders and investors are focusing closely on a recovery in profitability in the near term and enhanced corporate value over the medium to long term. Achieving these two objectives at the same time is my mission under the new management structure. The new management team is firmly united and will execute our plans with a sense of urgency based on a clear and resolute strategy. We are counting on your continued support and invite you to share our outlook for a new stage of growth for the Yamato Group that will result from bold transformation.



櫻井 敏之

Toshiyuki Sakurai



Masaru Nomura
Senior Managing Executive Officer and CFO
Yamato Holdings Co., Ltd.

Mr. Nomura has over a decade of experience in management in the Asia-Pacific region at global companies including Amazon, Apple, and Coach. In Japan, he served as a director at Seiyu and Rakuten Seiyu Netsuper, where he successfully led initiatives to improve performance, implement M&As, reform personnel systems, and promote digital transformation. He utilizes his investment fund insights to engage in in-depth dialogue with investors and to help improve the corporate value of the Yamato Group.

Rebuild Earning Power to Restore Strong Returns on Capital

Introduction

I would like to express the Yamato Group's sincere gratitude to its shareholders, investors, and other stakeholders for the exceptional understanding, support, and constructive feedback they have consistently provided regarding Yamato Group management.

Current Financial Situation and Challenges to Address

Since assuming the role of CFO in April 2025, I have faced a harsh reality in the course of my dialogue with capital market participants. The reality is that the Group's return on equity (ROE) and return on invested capital (ROIC) remain below its weighted average cost of capital (WACC). At the same time, I am convinced that the fundamental value of the Group's unparalleled resources signifies potential that far exceeds the Group's current market valuation. My primary mission as CFO is to resolve this gap between what I see as intrinsic value and market valuation as quickly as possible to maximize corporate value.

Overview of Financial Results for FY2026/3: Emerging Structural Challenges

Both revenue and earnings increased during FY2026/3, and operating profit increased to ¥28.3 billion. We successfully reversed the downward trend in earnings. However, the pace of recovery fell short of the forecast made at the beginning of the fiscal year and was by no means satisfactory. The main reason was that, when delivery volume declined more sharply than expected in the third quarter—typically our peak earnings period—our cost controls lacked the precision and speed needed to respond promptly to the resulting fluctuation in demand. However, we did make steady progress in managing our balance sheet. We reduced assets to improve capital efficiency. This included the ongoing sale of cross-shareholdings, and we completed the liquidation of large-scale, non-operating real estate assets as planned. These achievements notwithstanding, as a member of the management team, I take extremely seriously the fact that the delay in restoring the profitability of our core business has undermined the confidence of the capital markets.

CFO Commitment to the New Management Structure: Rebuilding Earning Power

The Group launched a new management structure in April 2026 under the leadership of our new president, Toshiyuki Sakurai. Under this new management structure, I am committed to ensuring a turnaround that puts the Group on a growth trajectory with a return on capital that exceeds the cost of capital. The key to this will be combining our extensive database as the market leader in parcel delivery with finance capabilities that reliably convert our data into cash. We will transcend the traditional boundaries of the administrative functions to drive agile cost control and rebuild the Group's earning power—its ability to generate cash. We will demonstrate the results of that structural reform to our stakeholders in the form of concrete improvements in financial performance in FY2027/3.

Financial Strategies for Restoring Our Ability to Generate Cash

The earnings forecast for FY2027/3 represents an important milestone that the Group must achieve while absorbing approximately ¥20 billion in upfront costs to address the shrinking workforce and ensure the medium- to long-term sustainability of its supply chain, including costs to improve

employee compensation and pay fair rates to business partners. We view these contributions to human and social capital not merely as an increase in costs, but as capital investments designed to mitigate future business risks and ensure we can generate sustainable cash flow. We have strengthened our business foundation with these upfront investments, so I will now focus on the following four approaches for increasing earnings and enhancing capital efficiency to ensure that the business strategies spearheaded by President Sakurai translate into measurable financial returns.

1. Qualitative Top-Line Shift through Price Optimization

We will take an approach to pricing that reflects the value we provide, rather than simply raising prices across the board. We are considering mechanisms such as surcharges that would enable us to flexibly pass on cost increases in response to soaring fuel prices and other fluctuations in external costs. Through these measures, we will build an inflation-resilient earnings structure that is less susceptible to changes in the external environment.

Furthermore, for contracts with large corporate clients, we will separate basic freight charges from ancillary service fees and revamp our pricing structure to align with the specific services provided. We are moving away from emotion-driven negotiations and making a qualitative shift toward data-driven communication that enables us to logically explain the value we provide and the basis for our costs. In addition, network capacity is finite, so we must achieve profitable top-line growth through customer portfolio optimization that prioritizes the allocation of resources to high-margin business.

2. Elimination of Downward Cost Rigidity through Operating Cost Optimization

We will eliminate the issue of downward cost rigidity and work to lower the break-even point and increase ROIC. Our structural weakness lies in carrying excess resources to accommodate substantial fluctuations in daily workload, resulting in persistently high fixed costs. The implementation of dispatch systems that leverage AI and data goes beyond simply improving operational efficiency in the field. It is a financial strategy under which we use precise data analysis to identify patterns in demand volatility and dynamically allocate resources accordingly, thereby converting fixed costs into variable costs and lowering the break-even point. At the same time, we are consolidating and eliminating surplus operating assets such as unneeded vehicles and small-scale facilities identified through our optimization processes. This is helping to reduce invested capital, which is the denominator of ROIC. We are pivoting to a lean cost structure capable of adapting to demand fluctuations to improve capital efficiency.

3. Allocation of Capital to High-ROIC Markets through Business Portfolio Transformation

Business portfolio transformation through expansion of the Contract Logistics Business and the Global Business is a key driver enhancing the Group's return on capital over the medium to long term. We will move away from excessive reliance on the Express Business by concentrating resources in these B2B businesses under strict investment discipline, while expanding solutions businesses with high capital efficiency.

4. Promotion of AI and Data-Driven Management and Deployment of Human Capital to Front-Line Operations

We are implementing AI and data-driven management to create new value as well as to reduce costs. We will establish a competitive advantage and improve capital efficiency over the medium to long term by transforming operations based on data and creating new services. The Group will achieve these objectives by restructuring its digital assets through initiatives such as expanding Groupwide data infrastructure and migrating core systems to the public cloud. We are transitioning from conventional large-scale, inflexible systems to a framework whereby functions operate independently. We are also strengthening our ability to respond agilely to market needs and changes in the operating environment by combining in-house and AI-driven development to create added value more quickly.

These initiatives also directly contribute to maximizing the value of the Group's human capital. We will streamline back-office operations by revamping business processes and redeploying reskilled personnel to cash-generating front-line roles. In doing so, we will both reduce indirect costs and build a resilient earnings structure.

Balance Sheet Management That Drives Improved Capital Efficiency

We are supporting our ability to sustainably generate cash by swiftly conducting objective and rigorous reviews of past investments and existing assets. Our approach to balance sheet management that maintains financial soundness while optimizing invested capital within an optimal capital structure is based specifically on the following two core tenets.

Decisive Monetization of Non-Core Assets and Removal of Liabilities from the Balance Sheet

The Group divested all shares held in Yamato Credit Finance Co., Ltd. on September 1, 2026 to optimize the business portfolio. The sale of our stake in this financial services company to a new owner that is capable of driving the business removed approximately ¥40 billion in liabilities, including ¥31.6 billion in interest-bearing debt, from our balance sheet. As a result, the Group was able to significantly reduce its total invested capital.

Another key focus is rigorous asset governance, which involves accurately assessing the intrinsic value of the assets we hold. The Group completed the securitization of large-scale non-operating real estate as planned in FY2026/3. We have also received feedback from some market participants expressing expectations for further real estate securitization. However, we will not hastily undertake sale-and-leaseback (S&LB) transactions involving critical core assets—facilities in which specialized automation equipment is integrated with the building and that perform functions that are difficult to replace within our network—merely to generate short-term cash or temporarily improve financial indicators. This is because

the substantial rent payments incurred over the long term could undermine our ability to generate free cash flow over the medium to long term. At the same time, we continue to thoroughly review the rationale for cross-shareholdings and are proceeding with the sale of holdings that do not meet our established criteria, as appropriate. We will continue to maximize corporate value over the medium to long term through disciplined balance sheet management, regardless of short-term market valuations.

Capital Allocation to Maximize Corporate Value

Disciplined Investment Governance and Business-Specific Hurdle Rates

We plan to make strategic investments in our facility strategy, M&As, and other initiatives to expand growth areas, primarily in our business for corporate clients, including integrated business solution hubs.

At the start of FY2027/3 we introduced new business-specific internal hurdle rates for all capital investments. These rates are customized for the characteristics of each business, as opposed to a uniform Groupwide rate. We rigorously apply these hurdle rates to new investments from the planning stage, and will not commit to investments that do not meet criteria for return on capital. M&As are an important strategic investment option, and we carefully select deals that will create synergies with our strengths and clearly offer post-acquisition EBITDA growth and lead to improved ROIC.

Furthermore, we do not limit this governance framework to the initial stages of new investments. Drawing on rigorous post-investment reviews of past investments, we have fully implemented a framework for regularly measuring the ROIC of existing businesses. If a business's ROIC falls below the hurdle rate, we formulate a turnaround plan and objectively determine whether to continue or exit the business.

Building an Optimal Capital Structure for the Next Medium-Term Management Plan

Our medium- to long-term financial strategy also involves preparations for our next medium-term management plan, which will start in FY2028/3. Management is currently conducting in-depth discussions about the optimal capital structure and ideal balance sheet for the Group, along with the appropriate level of leverage to support growth investments. These discussions fully consider the balance sheet impact from regulatory changes such as the application of the new lease accounting standards. Once we finalize our policy, we will clearly present our path forward to the capital markets.

Shareholder Return Policy: An Optimal Cash Cycle with a Focus on Cost of Capital

For shareholder returns, our target dividend payout ratio is 40% or more based on profit attributable to owners of parent, with a baseline of continuous and stable dividends of ¥46 per share. From this point of reference, we will carefully assess the balance between the capital we generate and our funding needs for growth investments, while dynamically and proactively considering additional shareholder returns through means including flexible share buybacks that directly help improve capital efficiency.

As CFO, I am acutely aware that holding cash carries a corresponding cost of capital. We will not hold excessive amounts of cash that are not linked to our business objectives and inflate our balance sheet. Our fundamental policy is to pursue a flexible financial strategy that involves raising funds from the capital markets in a timely manner using the most appropriate means when funding needs arise for major future investments. We will deploy the cash we generate either for effective growth investments or shareholder returns, rather than letting it sit idle. We will improve capital efficiency through a lean balance sheet and rigorous discipline.

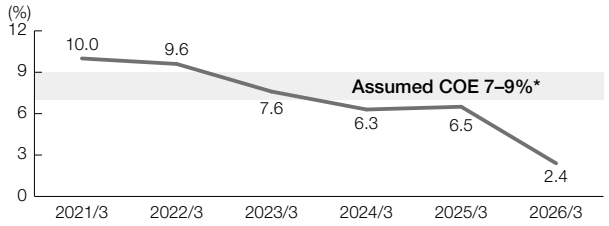
Conclusion: Constructive Dialogue with Capital Markets

Capital markets have harshly criticized our failure to meet our performance targets for FY2026/3, and we are taking it very seriously. Under the new management structure led by President Sakurai, we are addressing the current situation by making rational and swift decisions regarding both our business and asset portfolios with rigorous discipline, as we work to establish a structure in which the return on capital exceeds the cost of capital (ROE > cost of equity and ROIC > WACC).

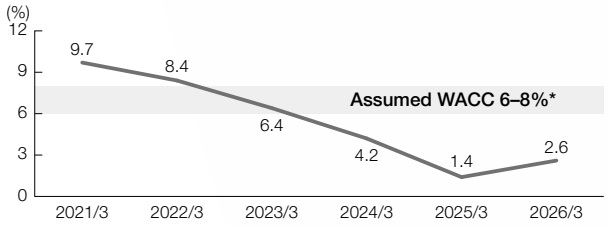
The first quarter of FY2027/3 is already over and we are closely monitoring our progress against our initial plan. First and foremost, my greatest responsibility as CFO is to ensure that we achieve our performance targets for FY2027/3 and demonstrate to everyone through concrete financial data that we have rebuilt our earning power.

The Yamato Group is now moving resolutely toward true transformation and renewed growth. We invite our shareholders and investors to share our expectations for the future and to continue giving us your frank opinions and encouragement.

ROE (vs. COE)



ROIC (vs. WACC)



* COE is based on our projections for the term of the medium-term management plan (FY2025/3 to FY2027/3).

Group Corporate Philosophy

The Yamato Group's foundation lies in its Core Values, which serve as the spirit of the Group's founding and have remained unchanged since their establishment in 1931. Supported by our Group Corporate Philosophy, created based on our unchanging Core Values, we aim to become a corporate group that can make sustainable contributions to the realization of an enriched society.



Management Philosophy

Yamato helps enrich our society by enhancing our social infrastructure, creating more convenient services for evolving lifestyles and industries, and developing innovative logistics and distribution systems.

Core Values

1. We all represent the Company.

This value represents the spirit of "inclusive management," whereby employees make decisions based on their own judgments and engage with our customers and business partners with an awareness that they represent the Company.

2. We connect our customers' hearts with every delivery.

This value defines deliveries as not simply the transportation of goods, but rather a chance for us to connect with our customers' hearts and offer them joy.

3. We conduct ourselves both professionally and ethically.

This value reflects the importance of ensuring that all our employees adhere to laws and regulations as members of society while conducting themselves in an ethical manner.

Realizing Our Vision

Values

Values that are important to the Yamato Group

Corporate Stance | Employee Code of Conduct

Policies that express the Yamato Group's values and way of thinking

Core Values

Vision

Our vision for the Yamato Group in the future

Medium-Term Management Plan

Sustainability Transformation 2030
～1st Stage～

Mission

The mission and purpose the Yamato Group should fulfill in society

Management Philosophy

Strategy and History of Innovation

Since its founding, the Yamato Group has been helping to enrich our society through “Delivery.” As a member of society squarely taking on the challenges of the future, the Yamato Group will create “New Logistics” and “New Value” with innovation as our starting point, in collaboration with a diverse array of partners.

Business environment



Around 1919
Transformation of freight transportation
(from ox and horse-drawn carriages and wagons to trucks)



Late 1920s to early 1930s
An era of change with urbanization intertwined with economic recession



Mid 1970s onward
Transition from rapid to stable economic growth

Transition to a more diverse and personalized consumer style



2020 onward
Changes in consumer behavior and distribution structure due to advances in electronic commerce and a focus on sustainability

Strategy and innovation



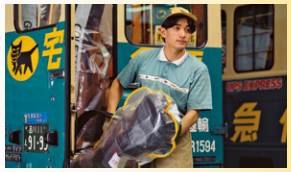
1919
Founding of trucking company Yamato Transport Co., Ltd.

When Japan had a total of only 204 trucks nationwide, founder Yasuomi Ogura bought four vehicles with the conviction that trucks would come to dominate freight transport, and entered the delivery business with creativity and ingenuity.



1929
Launch of Yamato-bin, Japan’s first regular route transport service

Yamato initiated regular route, combined-load transport service between Tokyo and Yokohama, the first such service in Japan. While full-truck-load (FTL) chartered transport service was the norm, regular delivery accommodated door-to-door, small-lot delivery and grew into an innovative logistics system that meets the needs of a diverse range of businesses.



1976
Launch of *TA-Q-BIN* service

TA-Q-BIN, Japan’s first full-scale service that allowed individuals to easily send packages, created the market for small parcel delivery to individuals. This innovation went on to significantly change logistics and consumer behavior in Japan.



Since 2020
Reinforcement of the *TA-Q-BIN* network and business portfolio transformation

Given significant changes in consumer behavior and distribution structures, we consolidated resources and accelerated management with Group management structure reforms. The Group is reinforcing its *TA-Q-BIN* network and transforming its business portfolio with the vision of becoming a value-creating company that contributes to the realization of a sustainable future.

A value-creating company that contributes to the realization of a sustainable future

Products and services

Creating diverse solutions based on *TA-Q-BIN*

Corporate domain

1929 Launch of regular route, combined-load transport service between Tokyo and Yokohama
1951 Conclusion of agent contract with Taiwanese airline Civil Air Transport (C.A.T.), and launch of air freight handling
1952 Launch of marine freight handling shipping operations
1958 Launch of artwork packing and shipping
1960 Launch of international mixed air-freight handling

1973 Establishment of Yamato System Development Co., Ltd. and commencement of business in information and communication domain
2000 Launch of third-party logistics (3PL) business
2003 Integration of Automobile Maintenance Division into Yamato Autoworks Co., Ltd.
2007 Launch of Kuroneko Yamato Recall Support Service
2012 Launch of Yamato Business Members, a members-only service for corporate clients

2020 Launch of EAZY service delivery product for e-commerce operators
2021 Group management structure reform (nine Group companies integrated into a single company, Yamato Transport, to establish the One YAMATO structure)
2021 Started full-scale participation and support for customer logistics planning and SCM strategy building as a Lead Logistics Partner (LLP)
2024 Contract logistics company Nakano Shokai Co., Ltd. became a consolidated subsidiary

TA-Q-BIN domain

1976 Launch of *TA-Q-BIN* service
1983 Launch of *Ski TA-Q-BIN* and International *TA-Q-BIN* services
1984 Launch of *Golf TA-Q-BIN* service
1988 Launch of *Cool TA-Q-BIN* service
1989 Launch of *Airport TA-Q-BIN* service
1997 Completion of *TA-Q-BIN* network in Japan
1998 Launch of *TA-Q-BIN Time Zone Delivery* service
2007 Launch of Kuroneko Members, a members-only service for individual clients

2021 Added sizes 180 and 200 to the *TA-Q-BIN* lineup
2023 Achieved international carbon neutrality standards for *TA-Q-BIN, TA-Q-BIN Compact*, and *EAZY*
2023 Launch of *Kuroneko Yu-Packet* service in collaboration with the Japan Post Group
2024 Launch of *Kuroneko Yu-Mail* service in collaboration with the Japan Post Group
2024 Initiated unattended delivery services for Kuroneko Members

Unchanging values

Core Values 1. We all represent the Company. 2. We connect our customers’ hearts with every delivery. 3. We conduct ourselves both professionally and ethically.

The Yamato Group at a Glance

Operating revenue

¥1,865.6 billion

Operating profit

¥28.3 billion

Note: Results for fiscal year ended March 31, 2026

Domestic parcel delivery market share

No. 1[1]

(47.2%)

Annual parcel delivery volume

Approx. 2.3 billion parcels[2]

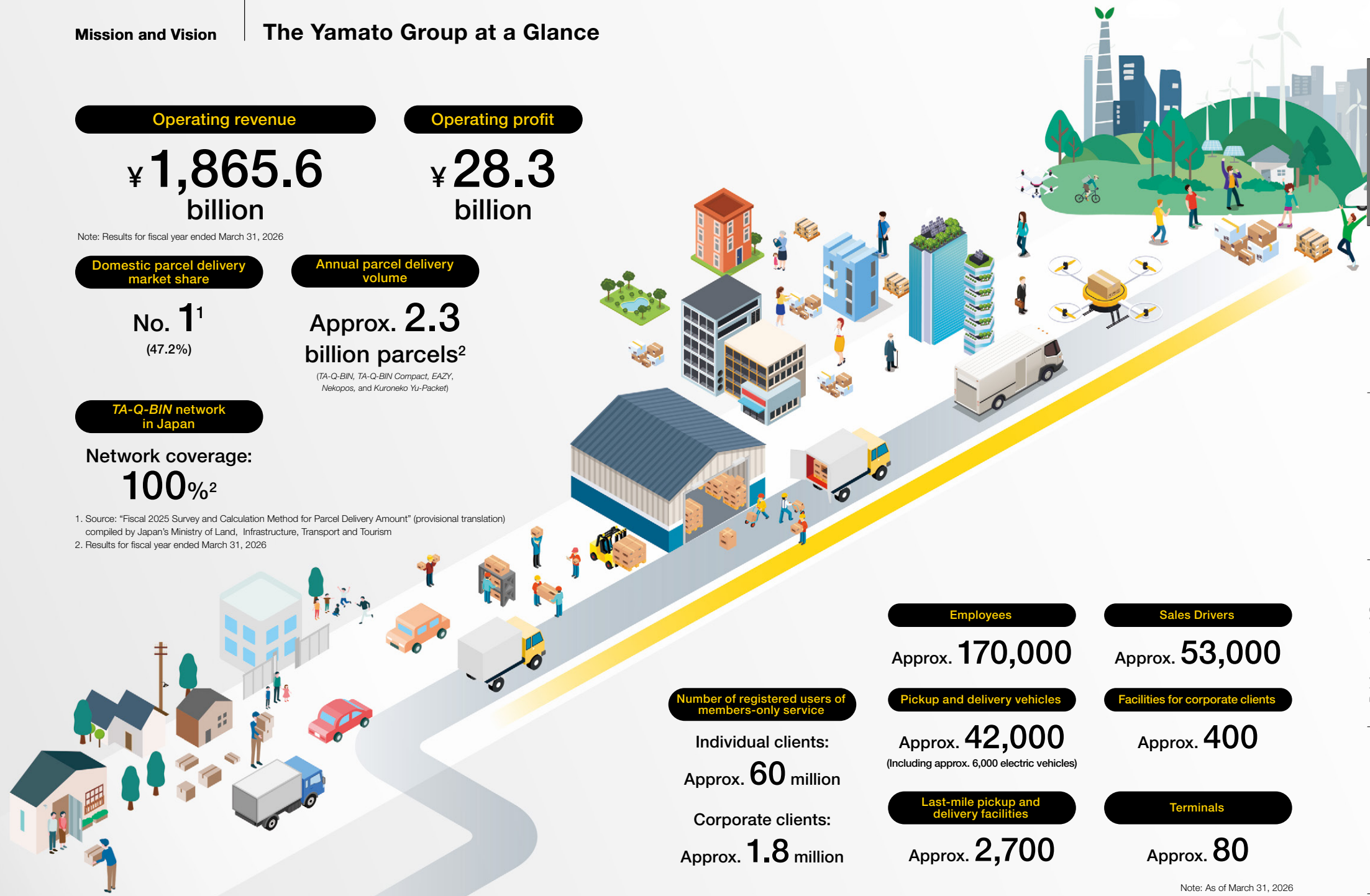
(*TA-Q-BIN*, *TA-Q-BIN Compact*, *EAZY*, *Nekopos*, and *Kuroneko Yu-Packet*)

***TA-Q-BIN* network in Japan**

Network coverage:

100%[2]

1. Source: "Fiscal 2025 Survey and Calculation Method for Parcel Delivery Amount" (provisional translation) compiled by Japan's Ministry of Land, Infrastructure, Transport and Tourism
2. Results for fiscal year ended March 31, 2026



Number of registered users of members-only service

Individual clients:

Approx. 60 million

Corporate clients:

Approx. 1.8 million

Employees

Approx. 170,000

Sales Drivers

Approx. 53,000

Pickup and delivery vehicles

Approx. 42,000

(Including approx. 6,000 electric vehicles)

Facilities for corporate clients

Approx. 400

Last-mile pickup and delivery facilities

Approx. 2,700

Terminals

Approx. 80

Note: As of March 31, 2026

Value Creation Proces

Since its founding, the Yamato Group has been helping to enrich our society through “Delivery.” We consider it our responsibility to create a sustainable society in the age of heightened uncertainty that lies ahead. Squarely taking on the challenges of the future in collaboration with a diverse array of partners, the Yamato Group will create “New Logistics” and “New Value” with innovation as our starting point.

Inputs: Sources of Value Creation Page 13

- **Human capital** — People with diverse backgrounds united by a shared philosophy
- **Logistics capital** — A logistics network that continually evolves toward greater quality and efficiency as part of the social infrastructure
- **Intellectual capital** — Big data gathered via *TA-Q-BIN* and the ability to innovate to create the future
- **Social capital** — Relationships with customers, partners, and communities based on trust built over a history of more than a century
- **Environmental capital** — A green platform created by environmental investment that enables the Group to reduce GHG emissions and provide value to customers
- **Financial capital** — A solid financial foundation that enables investment for sustainable growth

Business Environment / Social Issues (Identification of Risks)

- Development of e-commerce
- Decline of the working population Aging society, declining birth rate, and depopulation of suburban areas
- Shortage of transportation capacity intensifying
- Climate change intensifying
- Heightening of geopolitical risks
- Technological advances

Strategy Page 15

Our Vision

A value-creating company that contributes to the realization of a sustainable future

Creating New Logistics and New Value with innovation as our starting point

Medium-Term Management Plan ***SX2030*** ~1st Stage~ Page 15

Base Domain: Reinforcement of the *TA-Q-BIN* network and expansion of value provided

- Growth Domain: Growth of business for corporate clients
- New Domain: Commercialization of “Green Mobility”

Addressing Material Issues Page 41

Reinforcement of Group Management Foundation

- Human Resource, Digital, Environmental, and Social Strategies Page 29
- Corporate Governance Page 43

Group Corporate Philosophy Page 9

Management Philosophy | Corporate Stance | Employee Code of Conduct

Core Values

Outcomes: Helping to Enrich Society



Environmental Value

Realization of a low-carbon society

Economic Value

Achievement of sustainable profit growth





Social Value

Creation of a society that leaves no one behind

Sources of Value Creation

The six forms of capital presented here crystallize the unique value that we have created and refined together with society over our history of more than a century. Our collective capital is the source of our consistently powerful competitive advantage and the starting point for future value creation.

Human capital

People with diverse backgrounds united by a shared philosophy



Status of Capital

- Employees — Approx. 170,000
- Sales Drivers — Approx. 53,000
- Employee awareness survey results[1]
  - Employee-friendliness — 69%
  - Rewarding work — 60%
- Percentage of employees with disabilities[2] — 3.1%
- Percentage of women in management (executives)[1] — 6.9%

1. Consolidated companies in Japan and Swan Co., Ltd.
2. Consolidated companies in Japan and Swan Co., Ltd. (excluding companies not subject to reporting on the employment status of people with disabilities)

Measures to Enhance Our Capital

Human resource strategy 〉〉Page 29

- Appropriate human resource allocation in tandem with business structure reform
- Development and recruiting of human resources who create added value
- Establishment of a good working environment and fostering of a good corporate culture

Logistics capital

A logistics network that continually evolves toward greater quality and efficiency as part of the social infrastructure



Status of Capital

- Network coverage of *TA-Q-BIN* in Japan — 100%
- Last-mile pickup and delivery facilities — Approx. 2,700
- Pickup and delivery vehicles — Approx. 42,000
- Terminals — Approx. 80
- Facilities for corporate clients — Approx. 400
- Overseas development — 24 countries/regions

Measures to Enhance Our Capital

Reinforcement of the *TA-Q-BIN* network 〉〉Page 18

- Optimize pricing
- Optimize operating costs

Growth of business for corporate clients 〉〉Page 22

- Expand integrated business solution hubs
- Add value for customers in their global businesses
- M&A strategy

Intellectual capital

Big data gathered via *TA-Q-BIN* and the ability to innovate to create the future



Status of Capital

- Annual parcel delivery volume — Approx. 2.3 billion parcels
  (*TA-Q-BIN*, *TA-Q-BIN Compact*, *EAZY*, *Nekopos*, and *Kuroneko Yu-Packet*)
- Digital investment — Approx. ¥31.0 billion
- Human resources with digital skills — Approx. 870 employees

Measures to Enhance Our Capital

Digital strategy 〉〉Page 34

- Transition to AI- and data- driven management

Note: All figures are as of March 31, 2026.

Social capital

Relationships with customers, partners, and communities based on trust built over a history of more than a century



Status of Capital

- Number of registered users of members-only service for individual clients — Approx. 60 million
- Number of registered companies for members-only service for corporate clients — Approx. 1.8 million
- Business partners (ongoing) — Approx. 6,500 companies

Measures to Enhance Our Capital

Increasing the value we provide ›› Page 21
- Add value beyond *TA-Q-BIN*

Social strategy ›› Page 39
- Promote supply chain management
- Conduct initiatives in local communities

Environmental capital

A green platform created by environmental investment that enables the Group to reduce GHG emissions and provide value to customers



Status of Capital

- Reduction of GHG emissions volume — 20% reduction (compared with FY2021/3)[1]
- Percentage of electricity generated via renewable energy sources[2] — 68%
- Electric vehicles — Approx. 6,000

1. In-house emissions of consolidated companies in Japan and Swan Co., Ltd. (Scope 1 and Scope 2)
2. Consolidated companies in Japan and Swan Co., Ltd.

Measures to Enhance Our Capital

Commercialization of "Green Mobility" ›› Page 27
- Create economic value by resolving environmental and social issues

Environmental strategy ›› Page 36
- Reduce GHG emissions
- Achieve green delivery

Financial capital

A solid financial foundation that enables investment for sustainable growth



Status of Capital

- Shareholders' equity ratio — 44.6%
- D/E ratio — 0.34 times
- External credit rating (R&I) — AA- (As of June 2, 2026)

Measures to Enhance Our Capital

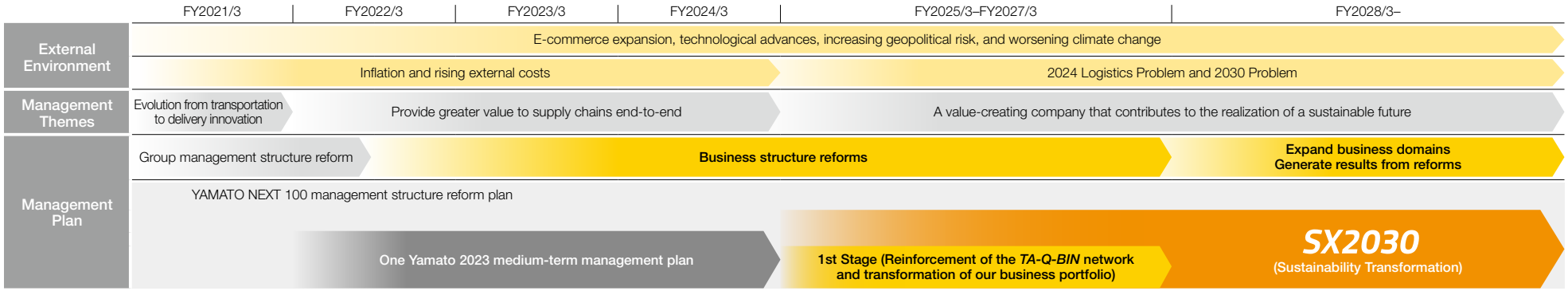
Embed management principles that place more focus on capital efficiency within the Group ›› Page 6
- Disciplined capital allocation based on business-specific hurdle rates

Note: All figures are as of March 31, 2026.

Roadmap to 2030 and Medium-term Management Plan

The Yamato Group is implementing its medium-term management plan, "Sustainability Transformation 2030 ~1st Stage~," toward its vision for 2030 of becoming a value-creating company that contributes to the realization of a sustainable future. As we leverage the resilient network infrastructure we have built, we are embedding a management approach that places more focus on capital efficiency. By reliably linking past investments to earnings, we aim to achieve a return on capital that exceeds the cost of capital at an early stage.

Positioning of the Medium-Term Management Plan "Sustainability Transformation 2030 (SX2030) ~1st Stage~"



Business Results and Core KPIs

Financial Indicators

Indicator	FY2024/3 Results	FY2025/3 Results	FY2026/3 Results
Operating revenue	¥1,758.6 billion	¥1,762.6 billion	¥1,865.6 billion
Operating profit	¥40.0 billion	¥14.2 billion	¥28.3 billion
Operating profit margin	2.3%	0.8%	1.5%
Profit attributable to owners of parent	¥37.6 billion	¥37.9 billion	¥13.6 billion
Return on equity (ROE)	6.3%	6.5%	2.4%
Return on invested capital (ROIC)	4.2%	1.4%	2.6%

Main Non-Financial (Material Issue) Indicators

Indicator		FY2024/3 Results	FY2025/3 Results	FY2026/3 Results
Reduction of GHG emissions volume[1]		11% reduction	15% reduction	20% reduction
Renewable electricity use[2]		37%	55%	68%
Employee awareness survey[2]	Employee-friendliness	66%	70%	69%
	Rewarding work	60%	59%	60%
Percentage of employees with disabilities[3]		3.1%	3.3%	3.1%
Percentage of women in management[2]		6.1%	6.6%	6.9%

1. In-house emissions of consolidated companies in Japan and Swan Co., Ltd. (Scope 1 and Scope 2)
2. Scope: Consolidated companies in Japan and Swan Co., Ltd.
3. Scope: Consolidated companies in Japan and Swan Co., Ltd. (excluding companies not subject to reporting on the employment status of people with disabilities)

Perception of Current Issues and Future Strategy

1. Reinforcing the *TA-Q-BIN* Network and Rebuilding Earning Power

Based on the medium-term management plan, the Yamato Group is working to reinforce its *TA-Q-BIN* network to ensure sustainable growth. We have already achieved some results, including the securitization of large non-operational real estate assets under our Asset Governance Policy and the introduction of data-driven planning for pickup and delivery routes. However, we were not able to realign resources quickly enough to keep pace with changes in the external environment, such as rising prices, and a greater-than-expected drop in *TA-Q-BIN* parcel delivery volume. As a result, we have not yet generated ROIC commensurate with our investments. We take this situation seriously. To overcome this challenge, we will comprehensively review all operations and adopt AI- and data-driven management to optimize our supply-demand, delivery, and pricing models. Through these measures, we will rebuild earning power by establishing a resilient business structure capable of generating stable profits regardless of changes in the external environment.

2. Transforming the Business Portfolio to Accelerate Growth

In addition to reinforcing the *TA-Q-BIN* network, we are transforming our business portfolio to drive the Group's medium- to long-term growth. We will conduct disciplined, optimized allocation of the capital we generate from restoring profitability in our base domain to expand business for corporate clients, such as the Contract Logistics and Global businesses in the growth domain. Integrating our sophisticated inventory management and distribution processing competencies with our nationwide sorting, transport, and delivery functions will accelerate our shift toward high-value-added businesses and reduce our excessive reliance on the Express Business.

3. Sustainable Value Creation for 2030

By maximizing the comprehensive Group capabilities generated by our robust *TA-Q-BIN* network and the transformation of our business portfolio, we will deepen and expand the value we provide to become a logistics partner that optimizes the entire supply chain for customers ranging from corporations to individuals. Through these initiatives, we will realize our vision for 2030 of becoming a value-creating company that contributes to the realization of a sustainable future.

Business Portfolio Transformation

The Yamato Group is transforming its business portfolio to achieve sustainable growth in corporate value. Specifically, we have categorized our businesses based on their role in the base domain, growth domain, and new domain, and have clearly defined how we will allocate management resources based on business growth potential and return on invested capital (ROIC). We will reform and stabilize the earnings structure of our base domain while investing the cash generated in strategic initiatives that include expanding business for corporate clients in our growth domain to accelerate sustainable profit growth for the Group.

Allocation of Management Resources Based on ROIC

Base Domain
Generate stable cash flow and earnings

Business Policies

Reinforcement of the *TA-Q-BIN* network and expansion of value provided
- Optimize pricing
- Optimize operating costs
- Implement back-office reforms

Core Businesses and Services

Express Business — Target customers: *TA-Q-BIN* domain — individuals and small corporate clients; Corporate domain — large corporate clients
Target areas: Last-mile domain and transportation domain
Core services: *TA-Q-BIN*, *TA-Q-BIN Compact*, and *EAZY*, mailed items (*Nekopos* and others), *JITBOX* chartered delivery

Growth Domain
Drive earnings growth

Business Policies

Growth of business for corporate clients
- Contract Logistics: Acquire large-scale distribution and fulfillment center projects
- Global Logistics: Concentrate resources in key regions
- Disciplined M&A and strategic investments based on business-specific hurdle rates

Core Businesses and Services

Contract Logistics Business	Core services: Design optimal logistics for each customer
Global Business	Core services: Forwarding and overseas contract logistics

New Domain
Generate new sources of revenue

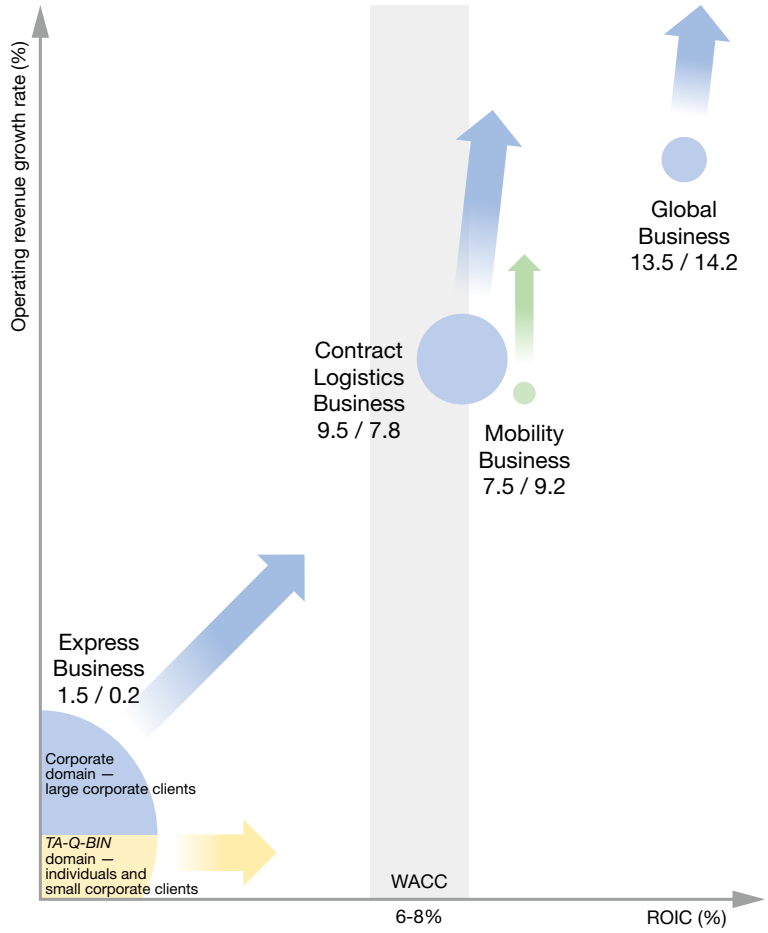
Business Policies

Commercialization of "Green Mobility"
- Co-create with diverse partners
- Create economic value by resolving environmental and social issues

Core Businesses and Services

Mobility Business	Core services: Vehicle maintenance, EV Lifecycle Service Efficient use of renewable electricity (Yamato Energy Management)
Other businesses	Online medical service for trucking companies (MY MEDICA)

Optimal Allocation of Management Resources



Circle size indicates relative size of operating revenue to external clients
Numbers below businesses: Operating revenue growth rate / ROIC
Note: Operating revenue growth rate is calculated year over year for FY2026/3. ROIC is based on results for FY2026/3. The 6-8% range on the horizontal axis represents the Company's assumed consolidated WACC for the medium-term management plan period (FY2025/3–FY2027/3)

Message from the President of Yamato Transport

In Pursuit of Profitability to Drive the Sustainable Growth of the Yamato Group



Seiichi Awa
Director and Executive Officer of Yamato Holdings Co., Ltd.
Representative Director, Executive Officer and President of Yamato Transport Co., Ltd.

Gratitude and Our Mission in *TA-Q-BIN's* 50th Year

Launched in 1976, the *TA-Q-BIN* delivery service marked its 50th anniversary in January 2026. We owe our growth to the support we have received from our customers, the local handling agents who have sustained us in their communities, and the partners who have walked this path with us. We sincerely appreciate your support.

The history of *TA-Q-BIN* is a journey of taking on the challenge of turning customer inconveniences into convenience. By earnestly addressing our customers' needs, we have created new services such as *Ski TA-Q-BIN*. Today, *TA-Q-BIN* fulfills its mission as an indispensable presence that supports people's daily lives. As president of Yamato Transport, leading a nationwide network and front-line operations, I am committed to maintaining and enhancing our role in enriching society. Looking ahead to the next 50 years, I will make the *TA-Q-BIN* network more resilient and expand our business for corporate clients to transform our business portfolio and achieve sustainable growth.

Achievements and Challenges Since Taking Office: Restructuring to Strengthen Execution

Since becoming president, I have focused on securing the time and conditions for our Sales Drivers to engage in face-to-face dialogue with customers. As a result of reviewing our work practices and staffing arrangements, a mindset of proactively making sales proposals has spread throughout the front lines, and we are beginning to see results in the form of higher revenue per Sales Driver.

However, challenges remain in promptly implementing measures and reliably generating results. When parcel delivery volume fell below usual during our peak season, delays in making adjustments to our vehicle fleet and staffing levels prevented us from optimizing costs as planned. In light of this situation and with a strong sense of urgency, I am working alongside President Sakurai of Yamato Holdings to thoroughly review all our existing measures without exception. To ensure greater effectiveness, we clarified the respective roles of strategic planning and execution, delegating substantial execution authority and earnings responsibility to the executives overseeing each region. I am engaging in extensive discussions with regional leaders to closely align their action plans and numerical targets with the unique characteristics of each market. This will ensure a transformation in attitudes across the organization, from viewing targets as being imposed from above to front-line employees taking ownership of and proactively committing to those targets.

Data-Driven Optimization of Costs and Pricing

We are leveraging our front-line execution capabilities to ramp up optimization of operating costs and pricing as key initiatives for FY2027/3.

To optimize operating costs, we began short-distance urban transportation in the Tokyo metropolitan area in March 2026. Using data to substantially reconfigure schedules for each transport route and increase the frequency of inter-terminal transport in the metropolitan area, we reduced the number of trucks in operation in the target area by approximately 30%. We plan to rollout this initiative to major metropolitan areas nationwide, aiming to reduce costs by more than ¥2 billion annually.

To optimize pricing, we are conducting customer negotiations backed by data-based optimal rates and revising our pricing structure, which was primarily based on destination and package size. We are also transitioning to a revenue structure that ensures fair compensation for the value we provide by introducing shortfall compensation mechanisms and seasonal surcharges, thereby appropriately sharing with customers the risk of lower-than-expected shipment volumes.

Support for Supply Chain Optimization to Expand Business for Corporate Clients

The *TA-Q-BIN* network is also a key source of competitiveness in our business for corporate clients. To expand our Contract Logistics Business, we have strategically reassigned key personnel from other departments and strengthened our sales functions and our ability to integrally design warehouse operations and facilities. We are also expanding integrated business solution hubs that merge our transportation network with advanced inventory management and value-added processing capabilities. These hubs maximize sales opportunities for customers by extending order cut-off times and shortening lead times, while also enhancing offerings that incorporate our established value-added services, such as home appliance repair and medical equipment cleaning.

Furthermore, as rising geopolitical risks create uncertainty in global supply chains, we are strengthening our procurement bargaining power and sales capabilities by focusing our resources on specific trade lanes. We support supply chain stability by dynamically designing and proposing alternative routes and transport modes that do not rely on a single method of transportation. We are also expanding our cross-border e-commerce customer base through end-to-end solutions that extend from storage and customs clearance in the country of origin to direct connection with the *TA-Q-BIN* network.

Our pipeline is growing steadily, and multiple projects of unprecedented scale are now underway. We aim to turn our business for corporate clients into a second pillar of growth alongside *TA-Q-BIN*, achieving dramatic growth in profit.

Looking toward the next 50 years, we will harness the powerful execution capabilities of our front line—going beyond transportation to create new value throughout supply chains. Yamato Transport will drive the sustainable growth of the Yamato Group as a part of the social infrastructure that supports local communities and as an indispensable partner that supports the business of its corporate clients.

Express Business

In the Express Business, we are optimizing pricing in line with our value-added services and reviewing existing operations to transform our core *TA-Q-BIN* Business into a structure capable of generating stable profits. In addition to enhancing profitability and business sustainability through these reforms, we will make full use of our resilient network, which is part of the social infrastructure, to add value beyond *TA-Q-BIN*, helping to address social issues such as Japan's declining population and regional disparities. By achieving robust business growth as we help to resolve social issues, we will evolve into a value-creating company that contributes to the realization of a sustainable future.

Operating Environment and Customer Issues

- Expansion of the parcel delivery market in Japan driven by ongoing e-commerce growth
- Diversification of customer needs due to changing lifestyles
- Establishment of a sustainable logistics network in anticipation of labor shortages and environmental requirements (GHG emission reductions, etc.)

Yamato's Strengths and Capital

- A resilient nationwide *TA-Q-BIN* network and last-mile customer contact points
- Top market share and brand strength in Japan (ranked No. 1 in overall corporate brand strength for three consecutive years[1])
- A proprietary data platform that accumulates shipment information for approximately 2.3 billion parcels annually, along with customer data, and utilizes it in real time

Value Creation Strategy

Improve capital efficiency by transitioning to a resilient earnings structure that responds flexibly to rising costs and demand fluctuations

Improve Capital Efficiency =

Profit growth

- Pricing optimization — Increase income
- Optimization of operating costs — Increase income
- Indirect cost reduction — Increase income

Optimization of invested capital

- Review of pickup and delivery facilities (Asset governance) — Reduce assets



- Create an environment that enables us to focus on customers and provide superior service
- Develop products and services that meet diversifying needs



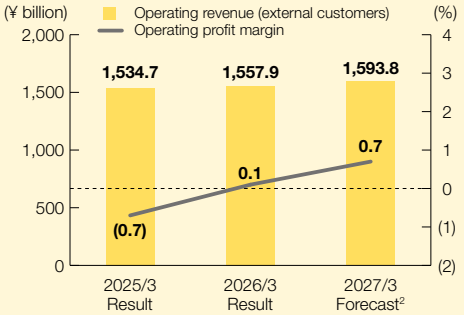
- Revise transportation processes to flexibly adapt to fluctuations in shipment volume
- Improve productivity in the last-mile domain



- Consolidate and relocate pickup and delivery facilities based on regional market characteristics
- Establish new facilities that integrate inventory management and distribution processing functions into the transportation and delivery network

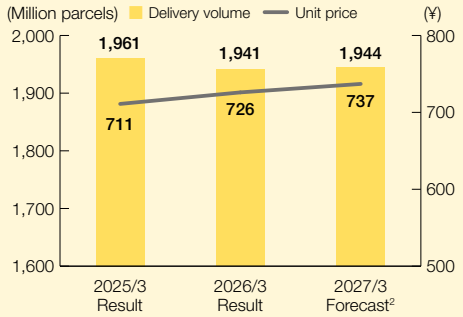
▶ Growth Domain (page 22)

Performance Highlights



Operating profit (¥ billion)	2025/3 Result	2026/3 Result	2027/3 Forecast[2]
	(10.5)	2.2	12.1

Parcel Delivery Volume/Unit Price for *TA-Q-BIN* Products[3]



1. Source: Nikkei Research Inc., "Brand Strategy Survey" (2023–2025 editions)
2. Forecast announced on August 3, 2026
3. Total for *TA-Q-BIN*, *TA-Q-BIN Compact*, and *EAZY*

Express Business: Carrying Out Our Strategy and Providing Value

Optimizing Pricing

To respond swiftly and flexibly to rising external procurement costs and daily fluctuations in demand amid a rapidly changing market environment and generate stable cash flow, we are further strengthening our efforts to optimize pricing and thereby improve business profitability by ensuring that the prices we charge reflect the value we provide. We are moving away from across-the-board price increases and instead pursuing a pricing strategy tailored to each customer's business characteristics and shipping conditions.

TA-Q-BIN Domain

Serving individual and small-business customers at *TA-Q-BIN* sales offices nationwide, with operations handled mainly by Sales Drivers, the *TA-Q-BIN* domain accounts for 46%* of total parcel delivery volume. With relatively high unit prices, this domain provides a strong earnings foundation for the Company.

* Scope: Three *TA-Q-BIN* products (*TA-Q-BIN, TA-Q-BIN Compact*, and *EAZY*) in FY2026/3

Key Strategy Maintain Appropriate Pricing and Expand Market Share

Pass on cost increases by setting appropriate prices

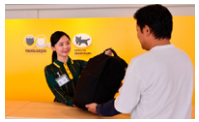
We conduct annual reviews of our delivery charges to pass on increases in external costs, such as fuel and labor costs, and thereby maintain or increase our unit rates.

Expand market share by enhancing convenience and sales capabilities

We enhance convenience by developing products and providing services that meet diverse customer needs. At the same time, we are reviewing staffing and operational workflows to enable our front-line Sales Drivers to focus on sales and proposals, thus driving the expansion of our market share and parcel delivery volume.

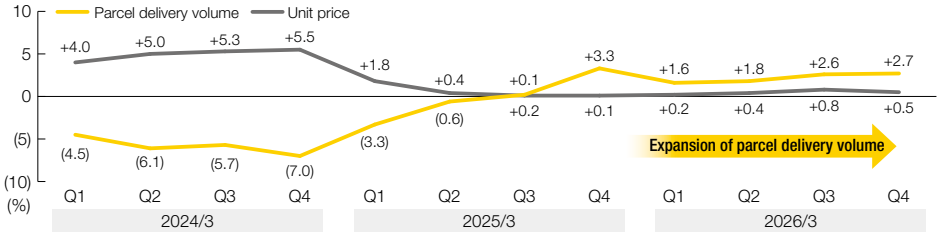
Case Study Capturing Inbound Demand and Strengthening Support for Tourism

To enhance temporary baggage storage and same-day delivery service at tourist destinations and hotels, we are expanding service contact points and providing a multilingual tool for printing out shipping labels.



Providing home delivery and temporary baggage storage services at the Osaka-Kansai Expo held in 2025

TA-Q-BIN Domain: Parcel Delivery Volume and Unit Price (Year-on-Year Change)



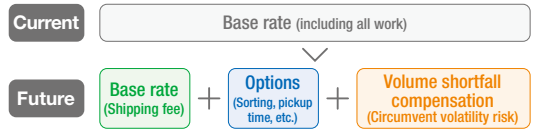
Corporate Domain

This domain serves large corporate clients through dedicated sales representatives based at the Group's corporate branches. These representatives arrange for trucks to collect cargo from customers' warehouses and logistics centers. It also accounts for more than half of our total parcel delivery volume. We negotiate freight charges, pickup and delivery terms, and other conditions individually with each customer, and review contract details annually.

Key Strategy Enhance Pricing Strategies and Provide Added Value

More detailed contracts and controls on volatility (fluctuation risk)

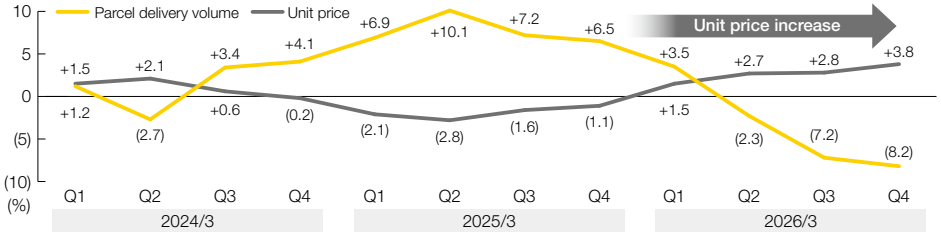
We are revising our fee structure to clearly separate base rates from service fees for sorting, specific pickup times, or other options to ensure that we receive appropriate compensation in line with customer needs and the value we provide. We are also transitioning to a fee structure that mitigates losses and fluctuation risks associated with external procurement costs by gradually introducing, for selected customers, volume shortfall compensation when shipment volumes fall significantly below plan and seasonal surcharges for peak periods such as the end of the year.



Optimize the customer portfolio and concentrate resources on high-margin accounts

For accounts with low profitability, we are negotiating terms to improve margins in order to shift to a strong portfolio that maximizes profit. We will enhance overall profitability by prioritizing the allocation of our limited capacity to high-profit accounts.

Corporate Domain: Parcel Delivery Volume and Unit Price (Year-on-Year Change)



Optimizing Operating Costs and Reducing Indirect Costs

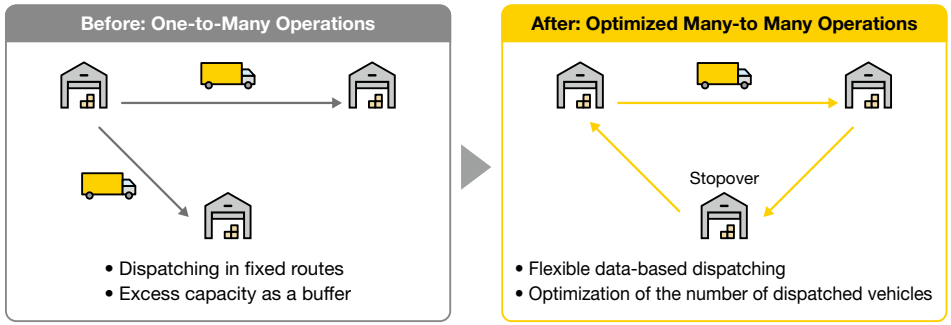
Transportation Domain

Previously, arranging trunk-route transportation between terminals relied on staff at each location making decisions based on their personal experience. This made it difficult to respond quickly to daily fluctuations in demand and led to the issue of downward cost rigidity arising from inefficiencies due to the need to maintain reserve vehicles as a buffer.

To address this, we have established a specialized organization to centrally manage vehicle dispatch, and are working to optimize the entire network. Moreover, since FY2026/3 we have been discussing with our transportation partners how to improve efficiency in urban areas where shipping is concentrated. We began short-distance urban transportation with centralized dispatch using AI in the Tokyo metropolitan area in March 2026. By using flexible, data-driven dispatching to optimize the number of vehicles, we have eliminated losses from the deadheading that is a part of traditional fixed-route, individual ("one-to-many") dispatch and transitioned to optimized, AI-driven ("many-to-many") operations.

This initiative reduced the number of active vehicles in the Tokyo metropolitan area by more than 30% in the first quarter of FY2027/3, reducing costs by approximately ¥600 million. We plan to expand this model to the Chubu and Kansai regions from the second half of FY2027/3 to drive further cost reductions.

More Efficient Short-Distance Urban Transportation



Impact of Measures

Q1 FY2027/3

30% improvement in transportation efficiency in the Tokyo metropolitan area

Future Rollout

- **¥2 billion in annual cost savings** (FY2027/3 estimate)
- **Expansion of service to the Chubu and Kansai regions**

Last-Mile Domain

Measures to optimize operating costs in the last-mile domain include using data and AI to improve productivity on the front line and streamlining fixed expenses, such as administrative costs.

Reviewing Pickup and Delivery Facilities

We are looking beyond our current setup to reconsider the placement and operational strategies of our pickup and delivery facilities. In addition to fundamentally redesigning our service areas based on comparisons with our competitors and detailed data, we are consolidating administrative tasks previously dispersed across various locations and reducing excess reserve vehicles and personnel used as buffers. These measures will optimize the entire network, which will in turn reduce invested capital and significantly cut fixed costs related to vehicle maintenance.

Optimizing Fixed Costs

We are streamlining the parcel-sorting process prior to the departure of Sales Drivers, enabling them to start their rounds earlier. By using the time freed up for sales activities and increasing delivery volume per driver, we are strictly managing outsourcing costs. We are also reducing fixed costs at the facility level by consolidating active facilities on weekends, when parcel volume is lower.

Optimizing Indirect Staffing and Improving Productivity

Through organizational streamlining and a review of work processes, we are reassigning administrative staff from the head office or management departments to customer-facing departments, thereby strengthening front-line pickup and delivery capabilities. Furthermore, by reallocating time freed up through the optimization of morning operations to maximize the pickup and delivery capacity of our Sales Drivers, we are strictly limiting the use of outsourcing and raising productivity across the organization.

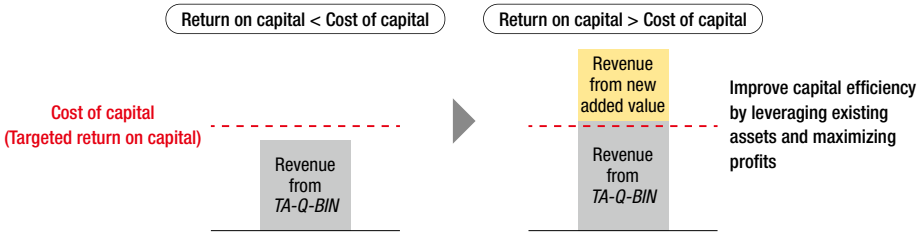
Adding Value Beyond *TA-Q-BIN*

The source of the Yamato Group's competitiveness lies in its nationwide *TA-Q-BIN* last-mile network. However, declining parcel volume due to a shrinking population in rural areas makes it difficult to ensure sufficient profitability to maintain the necessary infrastructure of vehicles, personnel, and facilities through the *TA-Q-BIN* parcel delivery function alone. Without scaling back our nationwide network, we will lower the break-even point at regional locations and transform the entire network to ensure sustainable profitability by maximizing the use of existing vehicles and personnel during idle periods and adding new value to our core transportation function. Furthermore, we will evolve this network beyond in-house use into a platform that helps resolve a wide range of issues facing local communities.

Basic Strategy Collaborate with Government Bodies and Business Partners to Offer New Value-Added Transportation Services as a Business, Without the Need for Additional Investment

We use our network as a platform to provide comprehensive services including joint delivery in depopulated areas and handling pre- and post-shipment processes on behalf of producers. This will create new revenue streams, and support local community infrastructure and key industries such as agriculture, which will in turn secure and expand cargo volume going forward.

Envisioned Revenue Structure at Rural *TA-Q-BIN* Pickup and Delivery Facilities



Case Study Support for Agricultural Producers

Background and Issues

In Japan's rural areas, the agricultural workforce is aging and the labor shortage is becoming increasingly severe. Not only is it becoming difficult for farmers to transport harvested crops to cooperative sorting facilities* or warehouses, a shortage of workers for sorting and packing at peak harvest season has become a problem.

Value Provided by the Yamato Group

In collaboration with local governments and Japan Agricultural Cooperatives (JA), we are using our existing network and facilities to support agricultural producers. We utilize our strengths in mixed freight and temperature-controlled transport to collect produce from multiple farmers and deliver it in bulk to sorting facilities on their behalf. In addition, we use available space at our pickup and delivery facilities and our own staff to undertake tasks including inspection, weighing, packing, and applying shipping labels.

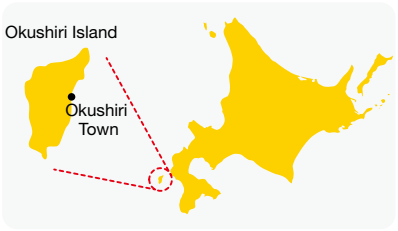
This initiative minimizes the workload for farmers, helping to maximize shipment volumes and reduce harvest losses. It also alleviates the burden on JA for cargo acceptance or collection, creating an environment where it can focus on its core operations, such as sorting produce and supporting farmers. For the Yamato Group, it secures additional revenue from new added value and underpins sustainable growth in *TA-Q-BIN* parcel delivery volume in rural areas.

* Sorting facility: A facility where agricultural produce undergoes quality inspection for size, shape, color, and other factors, then is graded and temporarily stored.

Case Study Support for Shopping and Mobility on Okushiri Island, Hokkaido

Background and Issues

Okushiri Island has a population of approximately 2,100, about 41% of whom are elderly. Public transportation is limited to a single taxi operator and bus service nine times per day, leading to transit gaps in terms of both location and time for daily activities such as shopping and visits to medical facilities.



Value Provided by the Yamato Group

In partnership with SATUDORA HOLDINGS CO., LTD., we sell daily necessities at *TA-Q-BIN* sales offices and use mobile sales vehicles to sell food and household goods, turning the needs of local residents who face difficulties with everyday shopping into new revenue opportunities. In addition, in August 2025, we launched pilot operation of Shima Noriai (island ride-sharing) in collaboration with the Ministry of Land, Infrastructure, Transport and Tourism and Okushiri Town. This public ride-sharing service utilizes existing pickup and delivery vans and available Sales Driver capacity during the day to transport both cargo and passengers. Based on the results of this pilot, we plan to transition to full-scale fee-based operations as a self-sustaining business from FY2027/3 onward. Development of elements of the service such as fares, compensation, and a reservation system is underway.


Mobile sales vehicle equipped to carry refrigerated and frozen goods


Passenger boarding the Shima Noriai public ride-sharing service

Contract Logistics Business

The Contract Logistics Business goes beyond individual operations to provide comprehensive logistics solutions designed to seamlessly and swiftly connect every stage of customers' supply chains, from procurement and supply through manufacturing and R&D to B2B and B2C sales and reverse logistics. As a key foundation for achieving this goal, we are ramping up operations at our integrated business solution hubs, which bring together advanced inventory management and distribution processing capabilities with nationwide sorting, transportation, and delivery functions under one roof. We are fully utilizing these hubs to improve customer inventory turnover and shorten lead times. This is driving our evolution into a logistics partner that provides comprehensive support for business growth.

Operating Environment and Customer Issues

- Addressing inventory imbalances and logistical inefficiencies caused by increasing supply chain complexity
- Shorter lead times and expanded sales opportunities driven by increasingly sophisticated consumer needs
- Establishment of a sustainable logistics network in anticipation of a labor shortage and environmental requirements (GHG emission reductions, etc.)

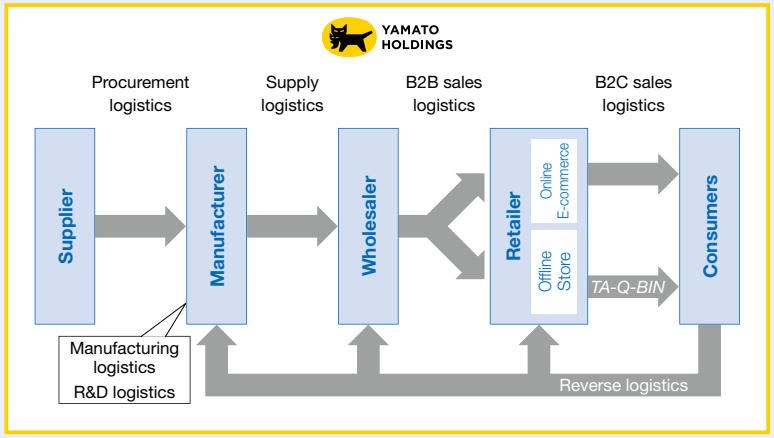
Yamato's Strengths and Capital

- A resilient nationwide *TA-Q-BIN* network and outstanding last-mile customer contact points
- Advanced logistics design and operation technology developed for a wide array of industries
- Ability to seamlessly integrate hub functions with transportation and delivery, and propose solutions that address customers' management issues

Value Creation Strategy

Supply Chain Optimization

Through the operation of hubs directly connected to our core *TA-Q-BIN* network, we are able to design and provide unique logistics solutions that maximize the speed of inbound and outbound operations and improve customer inventory turnover.



Integrated Business Solution Hubs

Inventory management and distribution processing functions

(Reduced transit time loss among hubs)

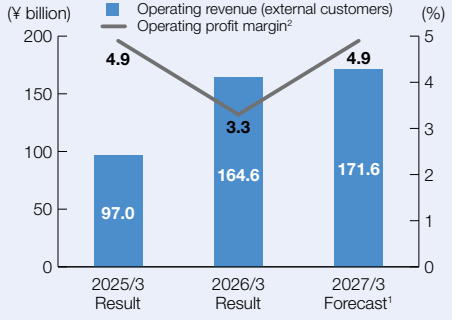
TA-Q-BIN sorting, transportation, and delivery functions

Value Delivered to Customers

Growth-oriented value (top-line contribution)
More sales opportunities and shorter lead times

Operational value (lower costs and ESG benefits)
Optimized inventory and higher inventory turnover
Higher quality and lower GHG emissions

Performance Highlights



Operating profit (¥ billion)	2025/3 Result	2026/3 Result	2027/3 Forecast[1]
	5.2[2]	6.2	9.5

Strategic Progress

Full-scale operation of integrated business solution hubs

Five hubs in operation — Contributing to earnings

- **Koriyama, Fukushima Prefecture** — Largest in the Tohoku region — Opened in October 2025 / Phased launch from November 2026
- **Shinonome, Koto-ku, Tokyo** — One of the Group's largest hubs — Opened in April 2026 / Phased launch from June 2026
- **Konan, Shiga Prefecture** — Logistics hub covering the Kansai region — Phased launch from June 2026
- **Hayashima, Okayama Prefecture** — Largest in the Chugoku and Shikoku regions — Phased launch from June 2026

1. Forecast announced on August 3, 2026 2. Data for FY2025/3 revised by retroactively applying changes in the cost allocation method

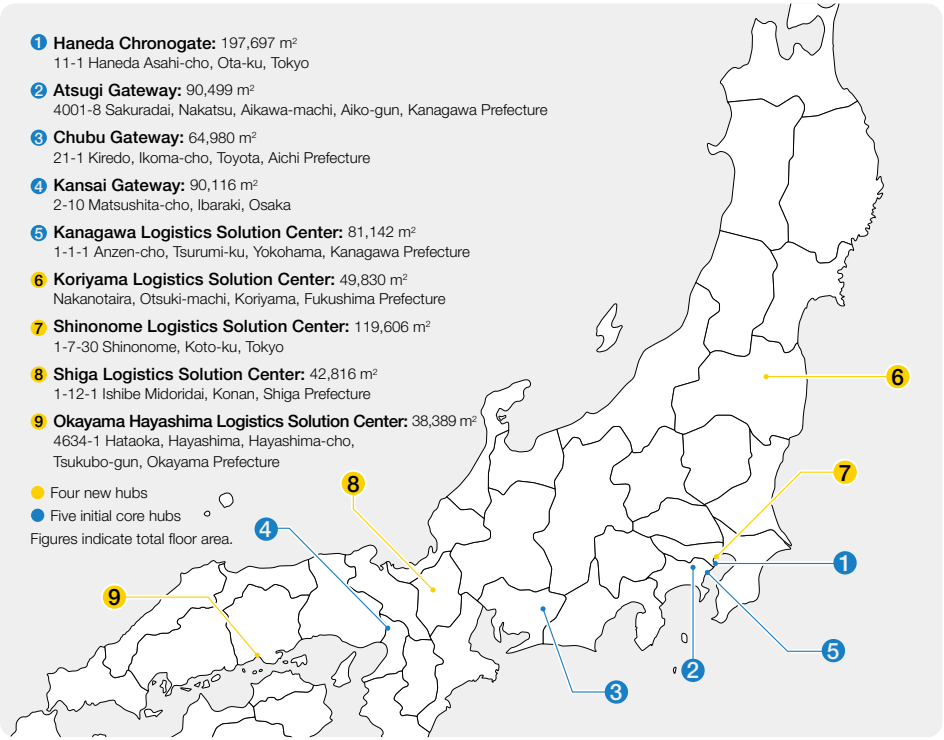
Contract Logistics Business: Strategy Execution and Value Delivered

Nine Integrated Business Solution Hubs Now Operating throughout Japan

Each of our integrated business solution hubs combines advanced inventory management and distribution processing capabilities with sorting, shipping, and delivery functions that connect to locations nationwide—all within a single facility. They are located at key transportation nodes where multiple expressways intersect and support wide-area logistics operations throughout Japan.

Our hubs eliminate the transit time loss associated with conventional secondary transit among locations because they handle everything from internal operations such as picking, inspection, packaging, and specialized maintenance within the facility, to transportation and delivery throughout Japan via the directly connected *TA-Q-BIN* network. They also serve as infrastructure that directly shortens customers' lead times and expands sales opportunities by enabling later order cutoff times and speedy next-day delivery.

Nine Integrated Business Solution Hubs Throughout Japan



Integrated Hubs Deliver Growth-Oriented and Operational Value

Seamless transitions from warehousing to transportation and delivery eliminate the need for secondary transit among hubs—a process required with conventional logistics models. We are able to deliver growth-oriented value that includes extended shipping cutoff times and expanded next-day delivery areas, while also delivering operational value that includes improved inventory turnover, reduced risk of package damage, and lower GHG emissions. This helps our customers achieve both business growth and sustainability.

Variable	Conventional Logistics Model	Yamato Logistics Model	Value for Customers
Process	Warehouse operations → Secondary transit → Delivery terminal	Warehousing → (Immediate dispatch) → Direct linkage with *TA-Q-BIN* network	Reduced losses from secondary transit
Speed	• Early shipping cutoff (typically end of day)	• Later shipping cutoff times	Growth-oriented value (top-line contribution) • Expanded sales opportunities • Shorter lead times
Quality, Cost, and ESG	• Risk of damage during secondary transit or transshipment • GHG emissions from secondary transit trucks	• Seamless process minimizes contact points • Elimination of secondary transit reduces GHG emissions	Operational value (lower costs and ESG benefits) • Higher inventory turnover that enhances capital efficiency • Enhanced quality that reduces damage risk • Reduced GHG emissions

Enhanced Proposal Capabilities

The Contract Logistics Business is key to the Group's growth. To accelerate its expansion, we are redeploying personnel with the front-line agility and execution capabilities developed through the Express Business to this growth domain, while also strengthening our specialized expertise. We are combining operational agility from the Express Business with the expertise and sophisticated operational design perspectives of the Contract Logistics Business to ensure the smooth launch of large-scale projects and deliver high-quality warehouse operations. The Group is integrating its talent and expertise to create sophisticated capabilities as a strong partner capable of providing solutions that help customers optimize entire supply chains and generate sustainable growth.

Global Business

The Global Business has a solid earnings foundation comprising cross-border e-commerce services directly linked to the Group's nationwide *TA-Q-BIN* network and international relocation services underpinned by its unique expertise. We will fully leverage these strengths, with maritime and air freight forwarding positioned as the engine driving growth. We are addressing the risks of global supply chain fragmentation and changes in the market environment by focusing resources on specific target lanes and high-value-added markets. The Group is seamlessly integrating its highly reliable network in Japan with its international operations to help customers optimize and strengthen their global supply chains.

Operating Environment and Customer Issues

- Rising geopolitical risk and supply chain fragmentation
- Global logistics network restructuring brought on by factors including production facility reorganization
- Tariff system revisions in various countries accompanying the rapid expansion of the cross-border e-commerce market

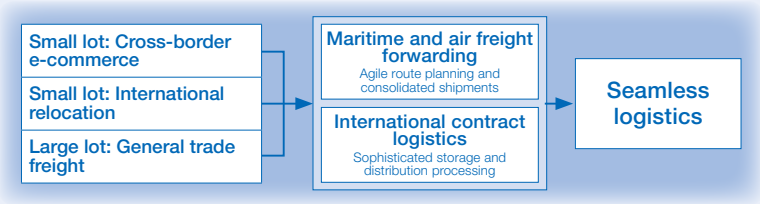
Yamato's Strengths and Capital

- Strong brand equity and solid customer base in Japan
- International freight forwarding seamlessly integrated with hubs worldwide
- Rapid and reliable customs clearance capabilities for cross-border e-commerce, backed by authorized economic operator (AEO) and other certifications
- Highly efficient local operations facilitated by proprietary systems and talent mapping

Value Creation Strategy

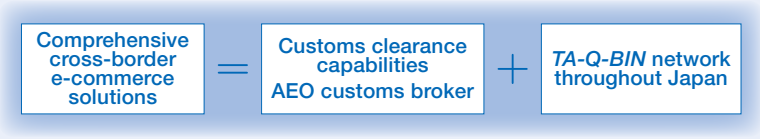
1 Maximizing Profitability with Mixed-Load Consolidation and Optimal Route Planning

We maximize loading efficiency by effectively consolidating B2B cargo with small-lot shipments, which have different characteristics. We also provide high-value-added, end-to-end logistics by combining international contract logistics with agile route planning that employs both internal and external assets.



2 Comprehensive Cross-Border E-Commerce Solutions That Link Entire Value Chains from the Source

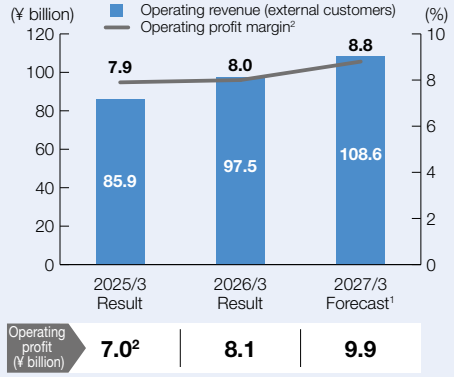
We seamlessly integrate rapid, rigorously compliant customs clearance capabilities with the *TA-Q-BIN* network to provide end-to-end service. We can significantly reduce lead times and maximize sales opportunities for customers.



3 Focus on Target Lanes and Enhance Organizational Execution

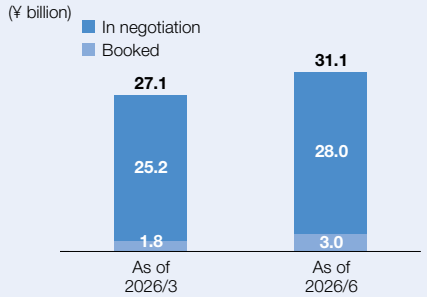
We are focusing resources on rapidly growing key routes in Asia, North America, and other regions. We exercise rigorous investment discipline in accelerating network expansion through alliances and M&As.

Performance Highlights



Key Performance Indicators (KPIs)

Global Business Project Pipeline (Projected Operating Revenue from Pipeline Projects)



1. Forecast announced on August 3, 2026 2. Data for FY2025/3 revised by retroactively applying changes in the cost allocation method

Global Business: Strategy Execution and Value Delivered

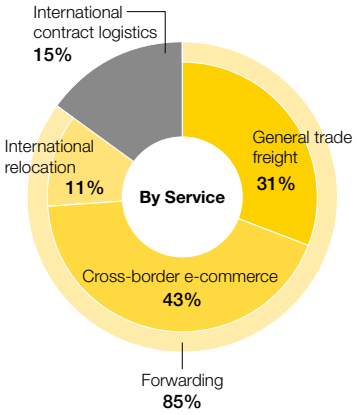
Global Business Overview

Composition of Operating Revenue (FY2026/3, Before Consolidated Eliminations)

The Global Business drives sustainable profit growth through a diverse portfolio of logistics services.

The forwarding market is a key source of operating revenue. It is an area in which we have structured a portfolio that addresses a wide range of transportation needs. Services range from general trade freight that supports corporate supply chains to cross-border e-commerce and specialized services such as international relocation.

The Group also links its forwarding service with international contract logistics. We provide comprehensive solutions that go beyond basic port-to-port transportation to include local inventory management and distribution processing overseas, helping customers optimize their entire supply chain.



Global Network and Key Lanes

Solid International Logistics Infrastructure Linking 24 Countries and Regions

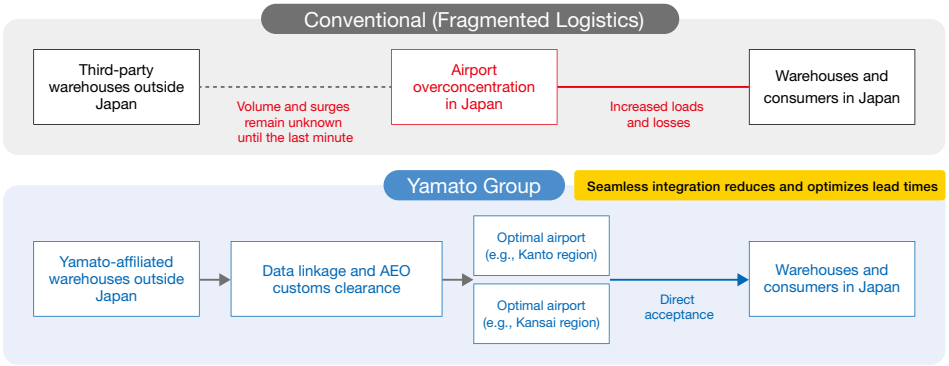
The Global Headquarters in Tokyo is the command center for the Group's international network of local subsidiaries in 24 countries and regions. The Group is addressing geopolitical risk and supply chain fragmentation by designating "target lanes," which are priority routes optimized for each mode of transportation. We have focused maritime freight forwarding resources on key routes where demand is growing, such as those connecting Japan and Southeast Asia with North America and India. In air freight forwarding, we are building an international logistics infrastructure resilient to market changes. This highly efficient consolidated transport network combines general trade freight with small-lot shipments in areas where we have particular strengths, such as cross-border e-commerce and personal effects.

Seamless Cross-Border E-Commerce Solutions

In the rapidly growing international small-lot market, we are expanding our comprehensive end-to-end model that seamlessly links entire supply chains, from initial upstream stages to last-mile delivery in Japan.

System-enabled data integration allows us to quickly capture local freight volumes and fluctuations at the furthest upstream point, while our AEO-certified* customs clearance capabilities ensure swift and reliable duty-exemption and customs procedures. By seamlessly connecting directly to our core *TA-Q-BIN* network, we significantly reduce lead times and maximize sales opportunities for customers.

* Authorized economic operator (AEO) system: A system of relaxed or simplified customs procedures available to companies that have established systems for cargo security management and legal compliance.



Solution Sales Organization

Focusing Resources on Priority Areas and Groupwide Collaboration Drive Results

We are accelerating Global Business growth with dedicated project teams focused on priority areas such as cross-border e-commerce and freight forwarding. We are bringing together specialized expertise from various fields and leveraging the Group's comprehensive capabilities to secure large-scale projects. Furthermore, we are currently strengthening Groupwide collaboration to link this global expertise with the strong customer bases of the Express Business and Contract Logistics Business. The Group is evolving its organization to optimize customers' entire global supply chains by developing highly specialized talent and deploying them where they can contribute most effectively.

M&A Strategy

Alliances and M&As are essential strategic options for accelerating the transformation of the Group's business portfolio. At the same time, drawing on lessons learned from past investments, we have made capital efficiency our overriding priority and fundamentally overhauled our investment discipline and post-merger integration (PMI) processes. We will carefully select deals that generate synergies with the objective of sustainably enhancing corporate value.

Fundamental M&A Policy and Target Areas

Expanding Growth Domains and Making Strategic Investments to Accelerate Growth

We will leverage Yamato Group advantages including the *TA-Q-BIN* customer base and a stable financial foundation in utilizing M&As in our growth domain to strengthen our ability to propose upstream supply chain solutions. Strategic acquisitions will complement our capabilities in key regions such as Japan, North America, China, Southeast Asia, and India as they will bring in specialized expertise and networks that would otherwise take significant time to build on our own.

Enhanced Investment Discipline and Governance

Commitment to Business-Specific Hurdle Rates Based on the Cost of Capital

Following a review of our previous investment evaluation process, we have introduced rigorous investment discipline to maximize capital efficiency. Rather than applying a uniform ROIC metric, we have implemented business-specific hurdle rates according to business risk to ensure that we make investment decisions that prioritize returns on capital. We will thoroughly scrutinize business plans during the acquisition evaluation process and strengthen our PMI framework, while also focusing on generating projected synergies including EBITDA growth and improved ROIC.

Spotlight Future Developments at Nakano Shokai Co., Ltd.

Course Correction to Align Plans and Realities and Generate Groupwide Synergies

Nakano Shokai became a consolidated subsidiary in 2024. After taking a candid look at current challenges, including the time required to launch major projects, we revised the timeline for achieving profitability and adjusted the business plan to better reflect actual conditions. As such, we recorded approximately ¥13.4 billion as extraordinary loss due to the one-time amortization of goodwill.

Taking this matter seriously, we will restructure Nakano Shokai under new leadership to strengthen the Group's earning power. We will generate synergies by strengthening our corporate sales platform through the combination of both companies' strengths. This will include enhancing cross-selling to Yamato Transport's customer base and building low-cost facilities by leveraging Nakano Shokai's real estate development capabilities. We will also incorporate the lessons we learned from reviewing the Nakano Shokai business plan into our pre-acquisition due diligence and post-integration monitoring processes, which will strengthen investment discipline Groupwide.

Recording of Extraordinary Loss (One-time Amortization of Goodwill)

Scaled-Back Business Plan

- Took a candid look at current challenges, including the time required to launch major projects
- Revised the timeline for achieving profitability and adjusted the business plan to better reflect actual conditions

Non-Recurring Amortization of Goodwill Will Reduce Amortization Expenses from FY2027/3

- Recorded an extraordinary loss in FY2026/3 of approximately ¥13.4 billion on the one-time amortization of goodwill following a decline in the underlying value of subsidiary shares based on the revised plan
- As a result of this accounting treatment, goodwill amortization expense will be reduced from FY2027/3

Business Restructuring under New Management

Strengthen Corporate Sales Platform

- Enhance cross-selling to Yamato Transport's customer base by integrating sales operations with Yamato Transport's Contract Logistics department
- Enhance proposals covering the entire supply chain, from procurement to delivery and distribution

Leverage Real Estate Development Capabilities

- **Reduce facility development costs**: Minimize profit leakage to external parties by employing internal real estate development and construction capabilities
- **Optimize facilities**: Leverage newly built properties, renovate existing properties, and employ subleasing capabilities
- **Improve capital efficiency**: Ensure asset-light operations based on the Group's Asset Governance Policy

▶ Please refer to our website for more details about the Asset Governance Policy
https://www.yamato-hd.co.jp/english/investors/policy/assetgovernance.html

Mobility Business

The Yamato Group views environmental and social issues such as climate change and labor shortages not simply as risks requiring rigorous management, but also as opportunities to create new value, and it is developing business models to do so. Through our in-house decarbonization and work style reform initiatives, we have accumulated expertise and empirical data related to electric vehicle (EV) operation and maintenance, proprietary energy management, and employee health management, which we are using to develop our "Green Mobility" business model.

By offering these practical solutions to vehicle operators and local communities, we support the sustainable business operations of our customers. By linking the creation of environmental and social value to economic value in the form of new revenue streams for the Yamato Group, we will also drive the sustainable enhancement of our own corporate value.

Operating Environment and Customer Issues

- A chronic driver shortage amid stricter regulations and an aging population
- Rising vehicle prices and increased costs associated with safety management and regulatory compliance
- Escalating fuel prices and pressure to address decarbonization

Yamato's Strengths and Capital

- A proven track record of nationwide EV operations and a 24/7/365 vehicle maintenance network
- A proprietary energy management system and expertise in leveraging operational data
- A strong base of business partners supporting the *TA-Q-BIN* network
- Intangible assets in the areas of safety, quality, and regulatory compliance cultivated through years of business operations

Value Creation Strategy

Accelerate the transformation of environmental and social value into economic value by integrating assets and data

We are rolling out a business model that leverages digital technology to integrate our accumulated assets and data in order to help resolve issues faced by vehicle operators. By linking the resolution of environmental and social issues to new revenue streams for the Yamato Group, we will achieve sustainable enhancement of our corporate value.

Solutions That Help to Resolve Issues

Yamato Energy Management

Minimizes electricity costs through an EMS* developed in-house and optimized procurement. Promotes the local production and consumption of renewable energy to help reduce GHG emissions.

* Energy management system

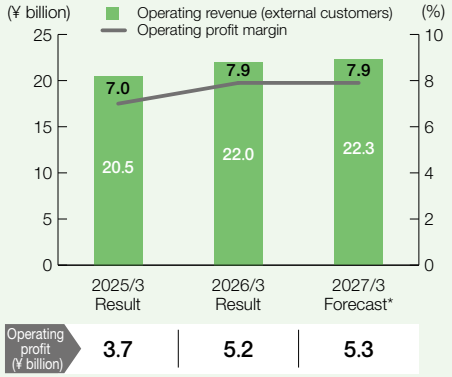
EV Lifecycle Service

Leverages our nationwide service network to provide comprehensive support from EV adoption to maintenance and operation. Assists businesses in decarbonization.

MY MEDICA Online Medical Service

Offers online medical consultation opportunities to drivers with irregular work schedules. Safeguards the workforce by reducing the risk of health-related accidents.

Performance Highlights



Operating profit (¥ billion)	2025/3 Result	2026/3 Result	2027/3 Forecast*
	3.7	5.2	5.3

Strategic Progress

- **Early-stage contribution to earnings from Yamato Energy Management**
- **Contribution to consolidated operating profit in the first year of operations**

Approx. ¥1 billion

Of which, non-consolidated operating profit

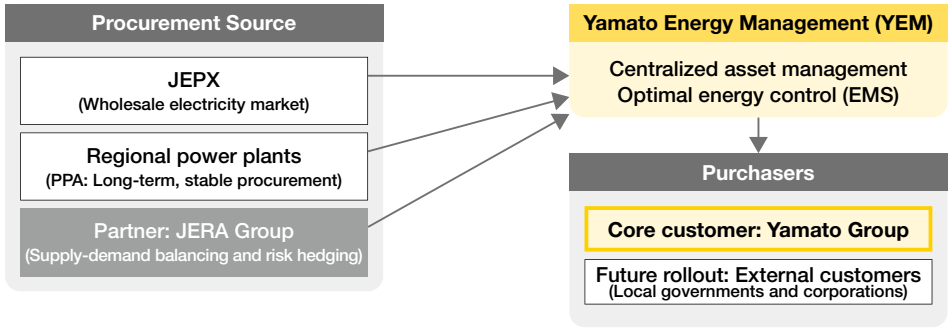
¥580 million

* Forecast announced on August 3, 2026

Mobility Business: Strategy Execution and Value Delivered

Yamato Energy Management

Financial Impact	Contribution to consolidated operating profit in the first year: **Approx. ¥1 billion**
	YEM (non-consolidated): Achieved **operating profit** from the first year



Transforming Energy into a Revenue Stream through the Group's Substantial Energy Demand and Advanced Supply–Demand Control

In January 2025, we established Yamato Energy Management Co., Ltd. (YEM) to handle electricity procurement and supply and undertake full-scale efforts to address the efficient use of renewable energy and cost control, a key bottleneck in achieving decarbonization.

As an electricity retailer, YEM procures power directly from the market and local power plants. Moreover, through a strategic partnership with the JERA Group, which is Japan's largest power generator, YEM has established an advanced supply-demand balancing framework for intermittent renewable energy and risk hedging in power procurement.

The company uses the Yamato Group's proprietary energy management system to minimize electricity costs through real-time, automated control of on-site solar power generation, storage batteries, and EV charging and discharging. We are also marketing this energy management model to businesses outside the Group to generate new sources of profit while contributing to the local production and consumption of energy and strengthening the resilience of local communities.

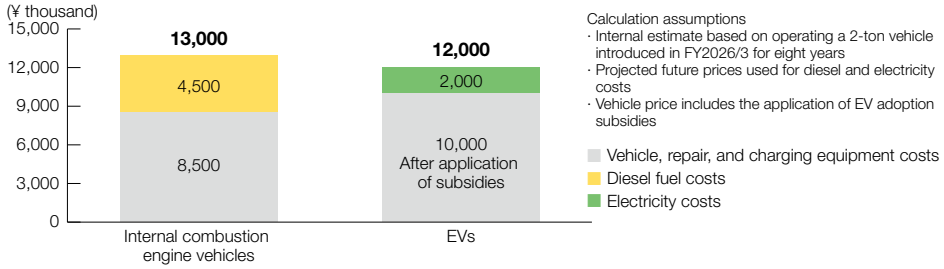
EV Lifecycle Service

Achieving Both Decarbonization and Optimized Vehicle Lifecycle Costs through Our Operational Expertise

We operate an EV Lifecycle Service that combines a Yamato strength—a nationwide network of approximately 70 vehicle maintenance facilities and 24/7/365 support—with the operational expertise gained from managing our own fleet of approximately 6,000 EVs.

Since upfront costs can be a hurdle to EV adoption, we utilize subsidies, our proprietary charging control technologies, and the Yamato Group's maintenance network to achieve vehicle lifecycle costs below those of internal combustion engine vehicles. The service helps business operators balance environmental measures with economic viability by significantly reducing costs associated with future carbon regulations and procurement risks from fuel market fluctuations.

Envisioned Vehicle Lifecycle Costs (8 Years): Internal Combustion Engine Vehicles vs. EVs



MY MEDICA Online Medical Service

Safeguarding the Logistics Industry Workforce through an Online Medical Service for Drivers with Irregular Schedules

In partnership with Alfresa Corporation, we operate MY MEDICA, an online medical service for trucking companies.

The service addresses the difficulties employees face in accessing medical care due to irregular work schedules, as well as the risks of health-related accidents and administrative penalties, by offering a one-stop solution that enables drivers to easily consult a doctor via smartphone during breaks or other available time and have prescribed medications delivered to them.

A pilot program conducted within the Yamato Group achieved a follow-up examination rate of 98%, exceeding the typical level. By rolling out this operational expertise to businesses outside the Group, we aim to ensure driver health and reduce the burden on managers. This will enhance the sustainability of logistics and transportation infrastructure.

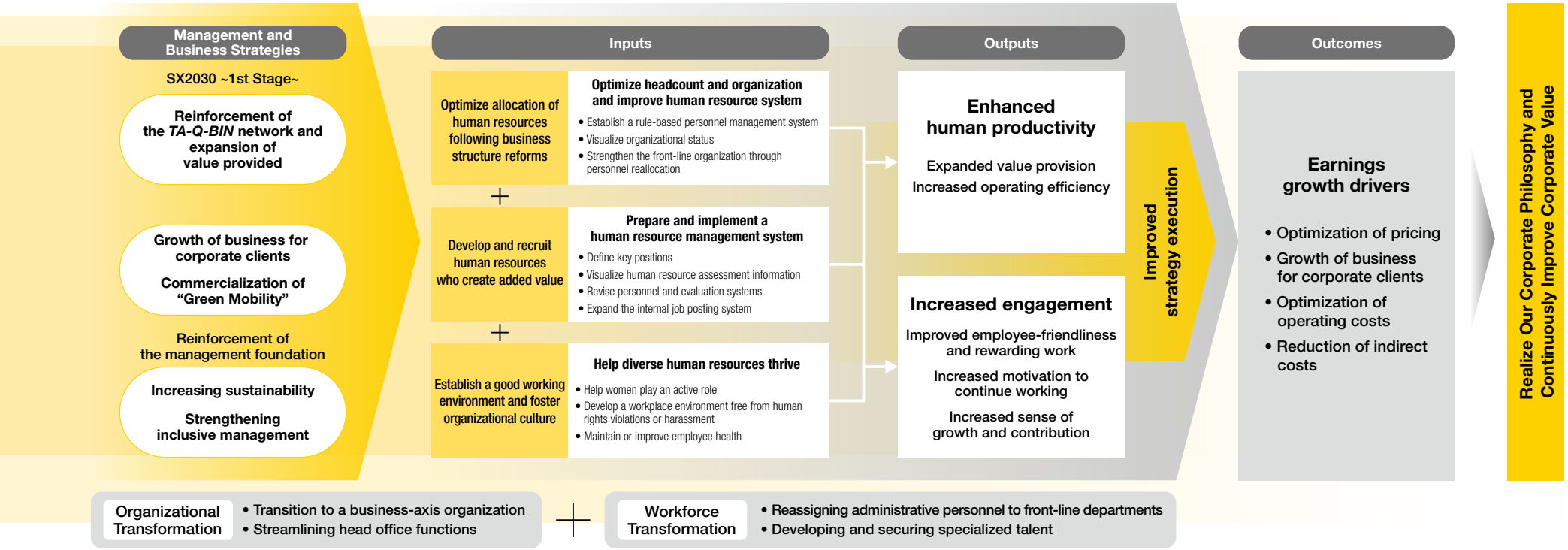
Operational insights gained from a workforce of approximately 170,000 employees

Achieved a follow-up examination rate of 98%
(Industry average: 50%–75%)

Human Resource Strategy

The Yamato Group is implementing a human resource strategy that supports the execution of its management and business strategies as the driving force for growth. To forcefully drive the structural reform of our business, we are advancing transformation on both the organizational and human resources fronts to unlock the full potential of every employee, thereby achieving profit growth over the medium to long term and sustainably enhancing corporate value.

A Human Resource Strategy Linked to Management and Business Strategies



The key themes of our human resource strategy are creating an organization capable of proactively transforming its skill set and human resource portfolio in line with the Yamato Group's management strategy, and developing human resources who can take ownership of this transformation and carry it out in their respective positions and roles. We are implementing our human resource strategy based on our Human Resources Management Policy, which aims to achieve sustainable mutual growth by linking employee growth and fulfillment at 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 recruitment of people who create added value, the establishment of a good working environment, and the fostering of a strong organizational culture. We are deploying personnel to areas directly linked to our earning power—strengthening our core Express Business, expanding in the growth domain of our Contract Logistics Business and Global Business, and commercializing new businesses in the field of Green Mobility. We are also systematically recruiting and developing talent with the necessary skills in these areas. Through these measures, the Human Resources Department will work closely with business departments to improve profitability by expanding the value we provide and thereby enhance our ability to generate earnings. At the same time, we will steadily and continuously strengthen our human capital by creating a workplace where diverse employees can thrive, thereby contributing to the sustained enhancement of corporate value.

The target outputs of our human resource strategy are enhanced human productivity* and increased engagement. Human productivity continues to improve due to efforts to optimize personnel expenses, but our fundamental challenge is increasing added value. We aim to enhance human productivity by increasing this value-added component (the numerator in calculating productivity) 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 consider engagement, which brings out the potential of individual employees and leads to greater value creation, to be a key indicator and have established 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.

* Human productivity = (Consolidated operating revenue – Consolidated subcontracting expenses) ÷ Consolidated personnel expenses

Optimal Allocation and Development of Human Resources

As key human resource initiatives linked to its management strategy for sustainably enhancing corporate value and maximizing business competitiveness, the Yamato Group is conducting optimal human resource allocation following business structure reforms, and the development and recruitment of people who create added value.

To drive this large-scale transformation from a Groupwide perspective, we have fundamentally reorganized our HR functions into an HRBP structure, in which HR works as a business partner with business departments to resolve personnel-related issues.

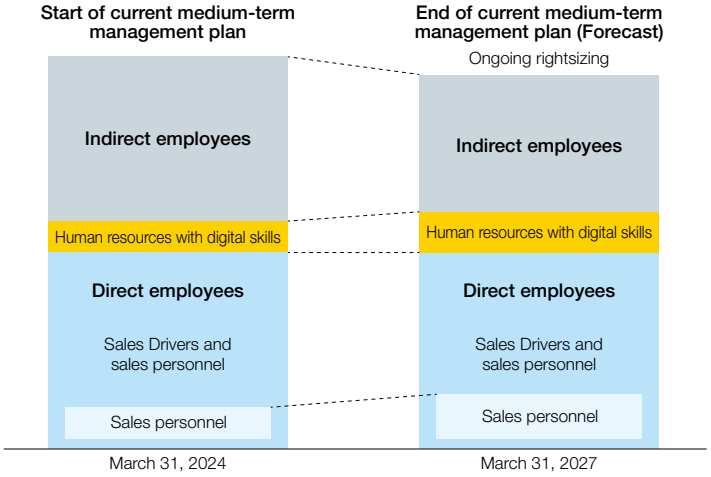
Building on this foundation, we are strategically and dynamically shifting personnel to create new opportunities for them to thrive in roles on the front line, such as at sales offices where they engage directly with customers, or in our growth domain such as the Contract Logistics Business that will drive our sustainable growth going forward. At the same time, we are cultivating the specialized talent and the next generation of leaders who will drive growth in each business, including by conducting various training programs for a wide range of seniority levels, positions, and businesses.

Optimal Human Resource Allocation Following Business Structure Reforms

In order to streamline operations through the use of AI, the consolidation of tasks, and other measures, we are rationalizing our organizational hierarchy and the number of positions at our head office, regional headquarters, and regional branches. We are strategically redeploying the human resources freed up by these measures to customer-facing operations such as *TA-Q-BIN* sales offices and corporate branches to strengthen our sales capabilities. In FY2026/3, we completed the redeployment of 843 employees from back-office operations.

We are also accelerating a strategic shift toward high-growth areas in connection with the transformation of our business portfolio. We have newly assigned key personnel from our Express Business and elsewhere to our integrated business solution hubs, which are being opened in stages in Koriyama (Fukushima), Shinonome (Tokyo), Konan (Shiga), and Hayashima-cho (Okayama). By shifting capable talent across the boundaries of our existing businesses into our growth domain, we are ensuring stable operation at our new facilities at an early stage and steady growth in business for corporate clients.

Envisioned Human Resources Portfolio



Development of People Who Create Added Value

We are establishing and implementing a framework for training that encourages independent learning and career autonomy for each employee, enabling them to develop their own careers.

We are focusing on enhancing the front-line capabilities that drive growth across our business domains and on cultivating next-generation leaders in tandem with the optimal allocation of human resources to support the professional growth of each employee.

Moreover, for priority talent such as successor candidates for future executive and other key positions, we hold a quarterly Human Resource Development Conference that brings together senior management as well as people from HR and business departments. At these meetings, we formulate individualized development plans, execute strategic reassignments, and monitor subsequent growth to ensure the continuous promotion of leaders who can drive our business transformation.

Human Resource Development and Training Framework

	Level-Specific Training		Development of Core Talent	Oversight
	Training and Career Development Support	Promotion Process		
President				Nomination and Compensation Committee
Officers	Level-based training		Talent pipeline for next-generation management talent	
Executives				
Senior Management	Medium-term education program for university graduate recruits / Training for new appointees	Training for promotion	Development of next-generation management talent candidates	Human Resource Development Conference
Rank and File Employees	Medium-term education program for university graduate recruits / Job-specific training / Promotion of women's empowerment / Training for new appointees	Training for promotion		

Diversity and Inclusion

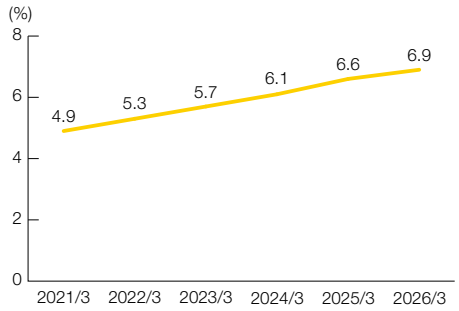
The Yamato Group has made diversity and inclusion a key priority for continuing to evolve in response to a changing market. Underpinning our approach is the spirit of “inclusive management” that is part of the Group’s heritage and our vision of a society that leaves no one behind.

We are fostering a workplace environment and developing talent so that every employee can make the most of their potential, regardless of gender, nationality, disability status, age, or other attributes. We believe that bringing together diverse talent—through initiatives such as increasing the number of women in management positions, promoting the active participation of non-Japanese employees, and supporting the independence of people with disabilities—will enhance our ability to respond to the evolving needs of customers and society, leading to better services and the sustainable creation of corporate value.

Empowering Women

In promoting respect for human rights and diversity and improving the working environment, the Yamato Group is also focusing on the active participation of women. We are supporting women in building their careers in the belief that enabling a diverse workforce to make the most of its potential leads to greater job satisfaction and engagement, and ultimately increases the value we provide.

Percentage of Women in Management



Scope: Consolidated companies in Japan and Swan Co., Ltd.



Roundtable discussion with current executives

Talent Development Meetings and Roundtable Discussions
To increase the percentage of women in management positions over the medium to long term, we provide career development support that takes into account changes in life stages. In addition to building networks among female employees throughout Japan, we hold roundtable discussions with female managers who serve as role models, providing opportunities to gain a concrete understanding of what it is like to work in a management role. This helps to alleviate anxieties when taking on management roles and encourages autonomous career development, which accelerates the promotion of diverse talent to decision-making positions.

Unconscious Bias Training
We are focused on resolving organizational issues and supporting autonomous career development so that our female employees can make the most of their potential while balancing work with childcare and other life events. One aspect of this is systematic unconscious bias training for management personnel and the supervisors of employees involved in career development. By deepening mutual understanding in the workplace, we are striving to alleviate concerns about career continuity during life-stage transitions and to foster an organizational culture where everyone feels empowered to take on new challenges in their jobs.

Non-Japanese Talent

In working to place our diverse workforce in roles that best suit their talents, we are fostering an environment that removes language and cultural barriers, enabling non-Japanese employees to make the most of their potential. In particular, we are expanding opportunities for these employees to participate not only in work at our facilities but also in the transportation domain that supports shipping among the Group’s facilities, thus helping to secure our future transport capacity. We aim to realize a sustainable logistics system in which everyone can thrive and play an active role.



Signing ceremony for the memorandum of understanding

Establishing a Multilingual Support System
To create a workplace where diverse talent can thrive, we are stepping up our efforts to recruit and retain students from other countries. We have assigned dedicated staff capable of communicating in multiple languages at Haneda Chronogate and other key hubs, and established a system for wide-ranging support from guidance in their duties to assistance with daily life to create an environment where they can overcome language and cultural barriers to work with confidence. These employees are becoming an integral part of our workforce, and play a vital role in supporting hub operations.

Recruiting and Training Platform for Non-Japanese Specified Skilled Workers
To secure future transportation capacity and enable a diverse workforce to thrive, we are collaborating with the FPT Group of Vietnam to build a platform for training and recruiting heavy-duty truck drivers under the Specified Skilled Worker visa status for non-Japanese workers. We provide comprehensive support through a three-stage program that covers everything from local recruiting and basic training to help in obtaining a large vehicle license after arriving in Japan as well as post-hiring lifestyle support and technical instruction. With a view to recruiting approximately 100 individuals each year, we are establishing an environment in which non-Japanese employees can build long-term careers and thrive, thereby laying the foundation for the Yamato Group’s sustainable logistics network.

Increasing Engagement

The Yamato Group believes that enabling each employee to make the most of their potential is essential for them to embody our corporate philosophy and sustainably enhance corporate value. Enhancing employee-friendliness and providing more rewarding work strengthens employees' desire to continue working with us, which in turn brings out more of each individual's potential, leading directly to greater value for our customers. With this in mind, we regularly conduct employee awareness surveys to objectively gauge our employees' views. We view these surveys as a starting point for identifying and addressing organizational issues. Through collaboration between the Human Resources Department and business departments aimed at maintaining a cycle of improvement, we will create an environment where both our employees and the Company can grow.

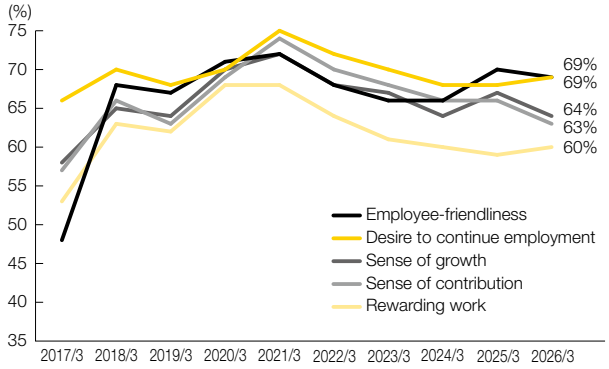
Employee Awareness Survey Results

In the FY2026/3 survey, indicators for rewarding work and desire to continue employment both improved by one point from the previous year. One contributing factor is that front-line discussions and initiatives to optimize personnel allocation in line with our facility strategy have led to more positive feedback regarding teamwork and supervisors' management skills, thereby enhancing the level of perceived security.

On the other hand, the score for employee-friendliness fell by one point from the previous year. We attribute this decline to the fact that front-line employees have had to adapt to a new and changing environment during the transitional phase of our business structure reforms.

We also take seriously the three-point declines in both sense of growth and sense of contribution. We will address concerns raised, such as difficulty seeing the connection between individual employees' work and Company's performance and insufficient feedback on performance evaluations. We will ensure that evaluations are conducted appropriately and will provide training for evaluators. Through these measures, we aim to strengthen employees' sense of growth and contribution.

Employee Awareness Survey[1]: Trends in Five Main Items[2]



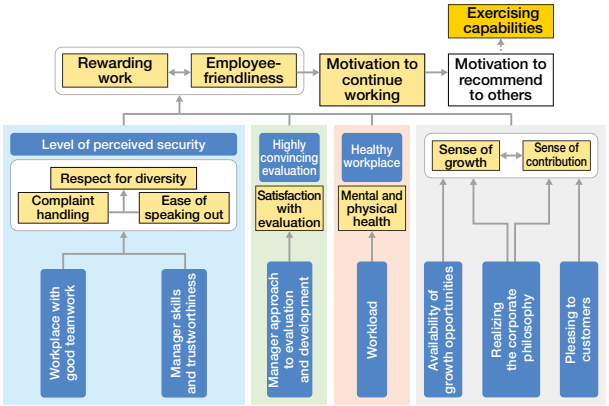
1. Awareness surveys regarding working styles administered on an annual basis (Scope: Consolidated companies in Japan and Swan Co., Ltd.)
2. Percentage of positive responses

Objective of the Employee Awareness Survey and Correlations among Its Indicators

The objective of this survey is to provide a multifaceted visualization of the attitudes of employees working in diverse roles and locations, as well as actual workplace conditions. In particular, we have set five key indicators: employee-friendliness, rewarding work, sense of growth, sense of contribution, and desire to continue employment (motivation to continue working). By measuring these indicators, we gain a multifaceted overview of employee engagement, in terms of both personal growth through work and contribution to the Company. The results serve as the core of a PDCA cycle for creating a better workplace.

We also conduct analyses using statistical methods such as multiple regression analysis to identify fundamental issues. The results have confirmed that the level of perceived security has the greatest impact on employee-friendliness and rewarding work. To raise that level, we are implementing effective workplace improvement measures focused on enhancing manager skills and trustworthiness.

Correlations among Employee Awareness Survey Indicators

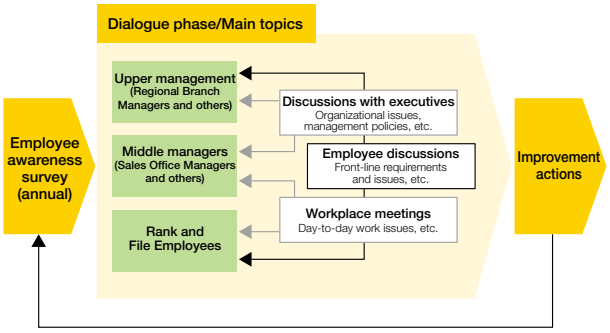


Improving the Workplace through Dialogue

We use the feedback collected from employee awareness surveys to plan Groupwide human resource policies and verify their effectiveness, and to support 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 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 a multi-layered dialogue process once a year based on these surveys and their results. Through a cycle in which each workplace implements improvement measures throughout the year to address identified issues and then verifies their effectiveness in the subsequent survey, we drive continuous improvement in employee-friendliness and teamwork.

Improving the Workplace through Dialogue



Messages from Employees



Takuya Kobayashi

Yamato Transport Co., Ltd.
Ota Haneda Sales Office Group Manager

Joined the Company in 2019. Appointed group manager after serving as a Sales Driver and safety instructor at multiple sales offices. Currently, as a group manager at the Ota Haneda Sales Office, he oversees a geographic area with a diverse customer base ranging from private households to shopping districts and small factories, and provides strong leadership on the front line to his team of Sales Drivers.

Saving Time and Strengthening Teamwork through Greater Efficiency

The introduction of digital tools has significantly transformed the way we work on the front lines. We used to rely on experience and intuition to plan delivery routes, but now mobile devices automatically suggest the best routes, prioritizing safe roads. This enables even less experienced employees to avoid hazards and complete their deliveries smoothly. Making route planning and other preparatory work more efficient gives drivers greater peace of mind, helping them drive safely without feeling rushed. Furthermore, because we can monitor our co-workers' delivery progress in real time on our devices, a culture has taken root in which drivers with time to spare take the initiative to help whenever another team member falls behind. The flexibility created through the use of these tools underpins strong teamwork, with team members looking out for one another and proactively helping each other.

A Partner in Resolving Local Issues in Tune with Our Customers

We use the time saved through greater working efficiency to initiate brief conversations with our customers. Because drivers serve the same geographic area every day, we make a conscious effort to offer seasonal greetings and inquire about our customers' well-being. Being quick to notice even the slightest changes from the usual routine helps safeguard the peace of mind and daily lives of community members. In talking with corporate customers as well, we pick up on their concerns through casual, everyday exchanges and offer solutions that combine our wide range of services. More than just delivering packages, we want to act as a "local concierge" who is attentive to changes in our customers' circumstances and listens to their feedback. We will continue to enhance the added value we provide as a partner that supports community safety and helps resolve local issues.



Isamu Aosawa

Yamato Transport Co., Ltd.
Strategic Hub Development Project Koriyama Project Manager

Joined the Company in 2007. After working at various sales offices and the head office, he served as Narita Regional Branch Manager in 2021 and South Tokyo Regional Branch Manager in 2024. Since then he has been project manager for the launch of an integrated business solution hub in Koriyama City, Fukushima Prefecture.

The Mission and Performance Capabilities of the New Hub Driving Growth of Business for Corporate Clients

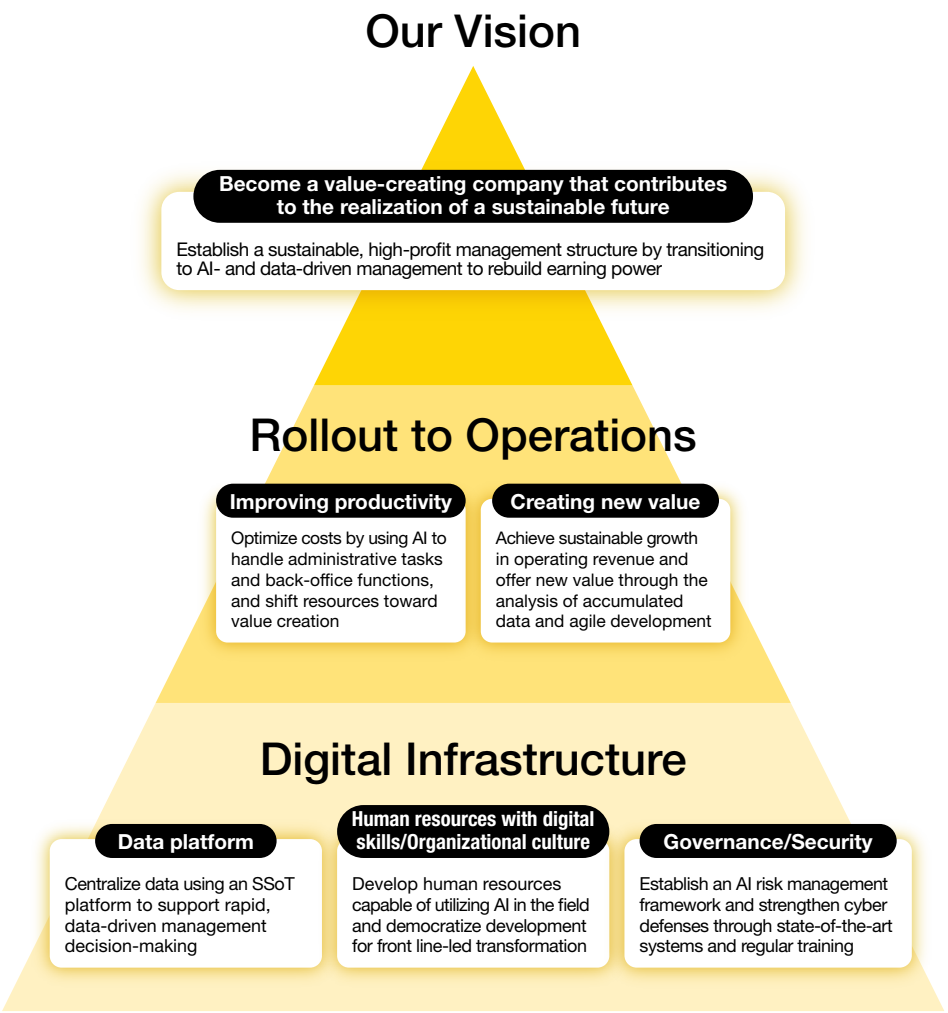
As the project leader for our newly established integrated business solution hub, I am at the forefront of driving growth in our business for corporate clients. Our mission is to optimize our customers' entire supply chains and offer high-value-added solutions. The key to this challenge is the ability to reliably translate strategy into action. I am leveraging the front-line responsiveness and agility I cultivated in *TA-Q-BIN* operations to launch operations at this site for our Contract Logistics (CL) Business, a core driver of our growth. My focus is on getting this large-scale project up and running quickly—combining these strengths with expertise in designing a wide range of operations tailored to the specific industries and needs of our CL Business customers. This experience has convinced me that combining these distinct strengths creates value that exceeds customer expectations and directly leads to steady profit growth for the Company.

Cross-Business Strengths Arising from an Organizational Culture of Learning from Each Other

At the critical juncture of successfully launching a new project and quickly bringing a facility into stable operation, the combination of two distinct sets of strengths—the flexible responsiveness of our *TA-Q-BIN* operations and the CL Business's expertise in providing highly specialized warehouse operations—is having a highly positive impact on the front lines. By incorporating diverse perspectives that transcend business boundaries into the project, I have seen clear signs that the organization is changing for the better, such as the smoother resolution of issues unique to the launch phase. I also remain humble, learning something new from front-line specialists every day and driving operations forward through ongoing dialogue with them. We will harness the synergy generated by this front-line collaboration as a driving force to turn an organization where teams learn from one another across business boundaries into a new strength for Yamato.

Strengthening Our Data Infrastructure

To become a value-creating company that contributes to the realization of a sustainable future, the Yamato Group is transitioning to AI- and data-driven management that places data and AI at the core of its operations. Our vision is to improve productivity through greater operational efficiency and to create new value driven by data. We are reinforcing the foundation of our earning power by automating administrative tasks and optimizing deliveries as we use our accumulated data and AI to generate new revenue opportunities. Underpinning these efforts are a centralized data management platform, a workforce and organizational culture capable of effectively utilizing AI, and a governance framework that enables all employees to use these tools with confidence. We will reinforce our foundation and implement these initiatives throughout our operations to improve capital efficiency over the medium to long term and achieve sustainable growth in corporate value.



Data Platform

To achieve the AI- and data-driven management we envision, we are transitioning from conventional monolithic, rigid systems to a flexible architecture in which each function operates independently. At the same time, we have built and begun full-scale operation of an SSoT* platform to centrally manage data that was previously dispersed across the Group. This enables us to gain a precise understanding of conditions based on consistent Groupwide metrics, and a system that combines various types of data to generate insights that inform decision-making by both management and front-line employees is beginning to function effectively. By accelerating the speed at which we assess situations to make more sophisticated use of the insights we generate, we will develop the platform into an environment that supports more agile decision-making in a rapidly changing business landscape.

* Single Source of Truth

Human Resources with Digital Skills/Organizational Culture

Each of our front-line employees is effectively using AI and digital technologies in their jobs. We are moving away from the traditional development model that relies on an IT department by promoting talent development and cultivating an organizational culture in an integrated manner. This results in the “democratization of development,” in which front-line employees use AI themselves to redesign their workflows. We conducted practical training for approximately 500 employees who volunteered to participate in FY2026/3. Going forward, we will ramp up investment in AI training specializing in logistics and in the development of talent with advanced AI capabilities to lead our transformation. A culture of coexistence with AI is taking root, in which employees solve everyday challenges using AI without requiring specialized technical knowledge, increasing opportunities to proactively participate in digital transformation.

Governance/Security

We are establishing a framework to prevent incidents and minimize damage so that all employees can use AI and digital tools safely and securely. Having designated addressing the new risks associated with AI adoption as a key management priority, we have begun promoting AI governance throughout the Yamato Group. For security, we are taking an integrated approach to strengthen our crisis response capabilities through technical countermeasures using advanced systems that automatically block increasingly sophisticated cyber threats, regular inspections at Group companies in Japan and overseas, and Groupwide training exercises.

Rollout of Our Digital Infrastructure to Operations

Improving Productivity

Streamlining Back-Office Operations and Shifting Resources to the Front Lines

To lay the groundwork for ramping up the adoption of digital technology on the front lines, we have prioritized streamlining administrative tasks and back-office operations. We are using AI and other technologies to automate routine tasks such as preparing performance indicators and aggregating data. This frees up time and personnel, which we strategically reallocate to the front-line customer contact points that are the source of our corporate value. This has resulted in the establishment of a framework that enables us to focus on providing customers with high-value-added proposals and services while reducing indirect costs.

AI Dispatch System for Short-Distance Urban Transportation

To optimize operating costs, we are implementing an AI dispatch system for short-distance transport in urban areas. For transport between hubs in the Kanto region and surrounding areas, we are shifting from traditional “one-to-many” dispatch to AI-optimized “”many-to-many” operations. This data-driven dispatch management optimizes operations throughout the Yamato Group. In the Tokyo metropolitan area, where the system was first introduced, we have already reduced the number of large trucks in operation by approximately 30%. We will roll out this system in stages to the Chubu and Kansai regions, aiming to optimize our Groupwide network and eliminate downward cost rigidity.

Front Line-Driven Operational Efficiency

Company-led efficiency initiatives aimed at coexisting with AI are spreading throughout the Company, enabling front-line employees to independently use AI to redesign their workflows. For example, by developing their own in-house apps for device management or streamlining routine tasks and data aggregation, front-line employees create a virtuous cycle in which the time and resources saved can be redirected to core customer-facing activities. We share outstanding measures initiated on the front lines internally and swiftly roll them out to hubs nationwide. This functions as a mechanism driving speedy operational improvements throughout the Group.

Creating New Value

The Yamato Group is building a system to analyze its vast amount of customer and operational data from multiple perspectives to maximize business opportunities. We aim for sustainable growth in operating revenue by accurately identifying the customers we should strategically target based on data such as AI-calculated on-site capacity. Using data and AI not simply to improve operational efficiency, but also to generate revenue will help us rebuild our earning power.

AI Sales Offices

We are creating AI sales offices to drive innovation on the front lines. This initiative involves using the know-how of outstanding sales office managers who drive strong business results to develop an AI agent—creating a system where AI automatically supports hundreds of administrative tasks. We will significantly reduce the workload for managers and administrative staff, freeing up time that can be redirected toward value-added tasks that only humans can perform, such as leading personnel and building relationships with customers and partners.

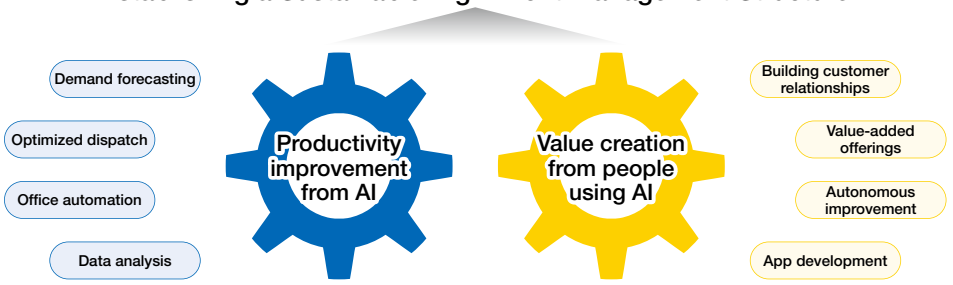
Event Support Model

To address the customer issue of long waits to ship packages at large-scale events, we developed a dedicated smartphone app featuring advance reservations and cashless payments, offering new value by reducing wait times. By employing AI-driven development, in which AI handles tasks formerly carried out by humans such as design and programming, we shortened the development period from the usual six to seven months to approximately two and a half months, enabling a rapid market launch. This initiative exemplifies how we are turning data and AI into tangible value that resolves immediate customer issues. We will continue to use this agile development model to create new value that addresses a wide range of issues.



Waiting to ship packages at a large-scale event

Establishing a Sustainable High-Profit Management Structure

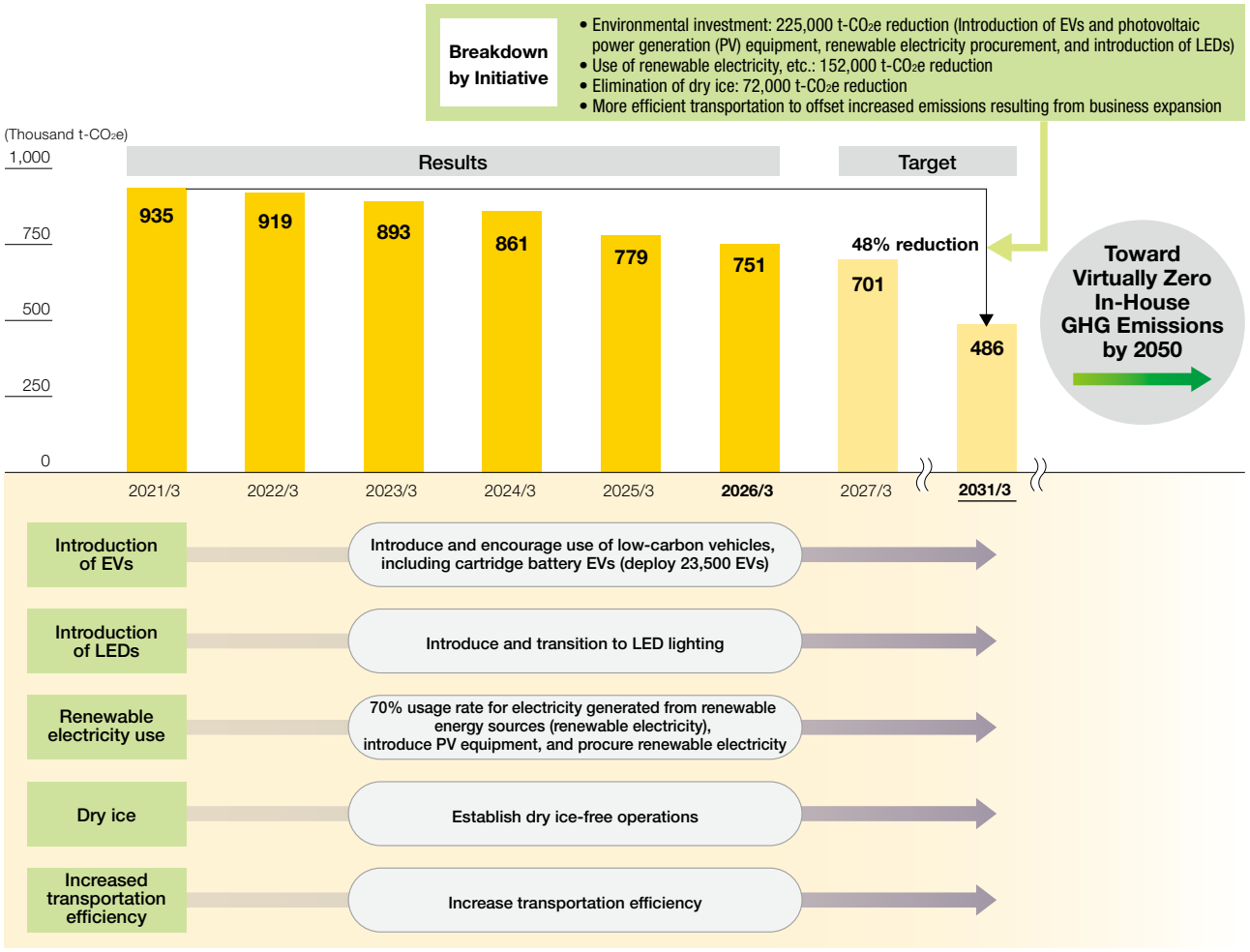


Environmental Strategy

Under its environmental vision, “Connect. Deliver the future via green logistics,” the Yamato Group is implementing initiatives to address the environment-related material issues it has identified. Placing particular emphasis on the impact of risks and opportunities brought about by climate change, we are promoting decarbonization to achieve virtually zero in-house greenhouse gas (GHG) emissions by 2050 and a 48% reduction[1] in GHG emissions by 2030. In FY2026/3, we achieved a 20% reduction[1] in GHG emissions through measures including expanding the electric vehicle (EV) fleet, improving operational efficiency, and proactively using electricity generated from renewable energy sources. Furthermore, to decarbonize not only our own operations but the entire supply chain (Scope 3), we are promoting GHG emissions reduction initiatives in collaboration with our partners. We view these environmental investments not merely as costs, but as growth investments that will generate new revenue streams. Through these efforts, we will enhance the sustainability of society and the logistics industry as a whole, while linking them with the sustainable enhancement of the Group’s corporate value

1. Scope 1 and Scope 2 (compared with FY2021/3)

Plan for Reducing GHG Emissions (Scope 1 and Scope 2) to Achieve Medium-Term Targets (FY2031/3)[2]



2. Scope: Consolidated companies in Japan and Swan Co., Ltd.
Due to changes in the scope of consolidation, figures from the base year (FY2021/3) onward have been restated to reflect the scope of calculation for FY2026/3.

Expanding the Introduction of EVs and Utilizing Electricity Generated from Renewable Energy Sources

To achieve our medium-term GHG emissions reduction target, the Group is promoting the introduction of EVs for pickup and delivery, as well as the proactive utilization of electricity generated from renewable energy sources.

Regarding the shift to EVs, we are gradually expanding their deployment while considering the power capacity of our facilities and the characteristics of delivery routes. As of the end of March 2026, approximately 6,000 units were in operation. Furthermore, through Yamato Energy Management, we are promoting the procurement of electricity generated from renewable energy sources and the introduction of PVs at our own facilities, and the use of such energy has increased to 68%. We will continue to advance infrastructure development with a focus on investment efficiency and feasibility, accelerating the realization of green logistics.

Status of Scope 3 Reduction Initiatives

Green Logistics in Collaboration with Partners

To achieve decarbonization across the entire supply chain (Scope 3), we are collaborating with suppliers, such as transportation and delivery partners, to calculate GHG emissions using primary activity data such as distance traveled.

In the next phase, we will consider calculating GHG emissions for each partner, formulating reduction plans, and providing support to help reduce emissions. To establish Scope 3 reduction targets in accordance with the certification standards of the Science Based Targets initiative (SBTi),[3] we will further deepen our collaboration with partners and enhance the sustainability of the entire value chain.

3. Science-based targets (SBTs) are greenhouse gas reduction targets set by companies for the next 5 to 10 years that are consistent with the levels required by the Paris Agreement.

Development and Demonstration Tests to Realize Green Delivery

The Yamato Group is building an energy ecosystem that achieves both decarbonization and power cost reductions for its own operations by integrating cartridge battery EVs, photovoltaic power generation, and an energy management system (EMS). Furthermore, we are expanding and sharing this energy infrastructure with local communities and members of our supply chain. As a subsidized project of the New Energy and Industrial Technology Development Organization (NEDO), we have been promoting development and demonstration tests since FY2023/3 in close collaboration with administrative bodies, vehicle manufacturers, and other partners.

Our aim in rolling out the technologies and know-how gained through these demonstration tests nationwide is not just to reduce our environmental impact. We also intend to build a logistics model that is resilient to external factors such as rapidly rising energy prices as we drive the decarbonization of society as a whole and achieve sustainable growth for the Yamato Group.

• Expanding EV Use and Addressing Issues in Practical Operation
As we proceed with the full-scale nationwide deployment of EVs, we are working to test and refine the optimal operating framework and necessary functions. For instance, to address the resulting reduction in driving range when operating the refrigeration units in our *Cool TA-Q-BIN* EVs, we are conducting tests on adjustments to air intake and exhaust vents and dedicated cartridge batteries to extend driving range and increase convenience.

• Energy Management System (EMS)
We have developed an EMS that automatically controls charging and discharging of on-site solar power generation systems, storage batteries, and EV chargers. We are expanding it into a wide-area EMS spanning multiple facilities and implementing controls optimized based on supply-demand forecasts and electricity market prices, including those from the Japan Electric Power Exchange (JEPX). By storing electricity when prices are low and discharging it or operating EVs when prices are high, we are minimizing procurement costs and maximizing energy efficiency.

• Commercializing Our Initiatives (Yamato Energy Management)
To turn our environmental technologies into a new revenue stream, we established a subsidiary, Yamato Energy Management Co., Ltd., to handle energy supply and management. The company is optimizing electricity usage throughout the Group.
▶ Page 28: Yamato Energy Management

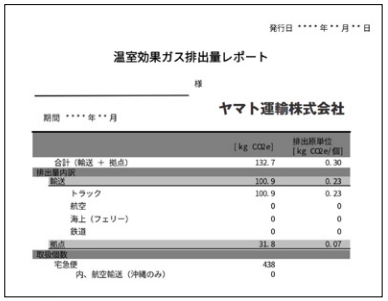
• Progress on Demonstration Tests and Optimization of Targets for FY2031/3
Introduction of EVs and energy management systems proceeded on schedule in FY2026/3, leading to steady reduction of CO_2 emissions. Demonstration tests showed that EV driving ranges exceeded initial assumptions. As a result, we need fewer EVs (and thus a lower level of investment) than originally planned to replace our existing fleet of internal combustion engine vehicles, while achieving an equal or greater reduction in CO_2 emissions. Meanwhile, we have revised our plan for installing PV equipment at our facilities to make it more realistic in light of specific site conditions and other factors. Reflecting the increased efficiency of EV operations and the optimized PV equipment installation plan, we have adjusted the area CO_2 reduction target for FY2031/3 from 7,000 tons to 6,520 tons. Although the absolute amount of CO_2 reduction will differ from the initial plan, we continue to anticipate a level of CO_2 reduction that exceeds the Group's overall GHG emissions reduction targets. Through this demonstration, we will establish a practical operational model with greater investment efficiency and feasibility.

Demonstration Period and Area	FY2023/3 to FY2031/3 (Scheduled), Gunma Prefecture
KPIs[1]	FY2026/3 results: 456 EVs introduced / 5,376-ton reduction of CO_2 emissions from vehicles Transition all pickup and delivery vehicles to cartridge battery EVs by FY2031/3 / Reduce CO_2 emissions from vehicles by 6,520 tons

1. Within the demonstration project area
Note: Hypothetical CO_2 emission coefficient: 0.000447 t-CO_2/kWh (base emission coefficient of TEPCO Energy Partner, Inc. for fiscal 2020, from Ministry of the Environment, "Emission Coefficients by Electric Power Company")
Reference: https://policies.env.go.jp/earth/ghg-santeikohyo/files/calc/r04_coefficient_rev4.pdf (Japanese only)

Launch of GHG Emissions Reporting Service

Amid growing demand for companies to disclose Scope 3 GHG emissions as part of their response to climate change, the Yamato Group launched a GHG Reporting Service in November 2025 to calculate and report GHG emissions generated in transportation and delivery processes. The service provides highly reliable data compliant with international calculation standards for logistics[2] and verified by a third-party organization. It also streamlines the calculation process for customers through integration with the Yamato Business Members platform.


発行日 ****年**月**日

温室効果ガス排出量レポート

様

ヤマト運輸株式会社

期間 ****年**月

	[kg CO2e]	排出原単位 [kg CO2e/個]
合計（輸送 ＋ 拠点）	132.7	0.30
排出量内訳		
輸送	100.9	0.23
トラック	100.9	0.23
航空	0	0
海上（フェリー）	0	0
鉄道	0	0
拠点	31.8	0.07
取扱個数		
宅急便	438	
内、航空輸送（沖縄のみ）	0	

More than 2,500 customers adopted the service during FY2026/3, leading to new business opportunities arising from our environmental initiatives and strengthening of relationships with customers. In addition to standard data, we are evolving the service into a business model that offers detailed data tailored to specific customer needs on a paid basis, with the aim of both helping to resolve environmental issues and achieving business growth.

2. ISO 14083:2023

Optimizing the Cost Structure through a Shift to EVs and Energy Management

In recent years, energy security risks such as instability in the supply of fossil fuels and price fluctuations have become apparent due to geopolitical risks and other factors. Against this backdrop, the Group is building a resilient logistics model that is unaffected by fuel price fluctuations and supply risks by promoting the introduction of EVs (the EV shift) and energy management that optimizes vehicle operations and charging.

EVs offer structural advantages over internal combustion vehicles in terms of operating and maintenance costs, including lower repair expenses. We are optimizing total cost of ownership (TCO) by taking advantage of subsidies to reduce initial acquisition costs, together with our expertise in minimizing electricity costs from our proprietary EMS. We expect this approach to reduce lifetime costs compared with a scenario without these environmental initiatives. It will also mitigate the financial risk of a potential annual cost increase of roughly ¥15.6 billion from the future introduction of carbon taxes.



We will continue to optimize our cost structure through disciplined environmental investment and maintain a sustainable logistics infrastructure that is resilient to changes in the external environment.

Disclosures Based on the TCFD Recommendations

The Yamato Group expressed its agreement with the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations in FY2023/3. Based on that framework, we are conducting ongoing reviews that include implementing scenario analyses for Yamato Transport and additional assessments of the financial impact of physical risks. We will improve the sustainability of our business by clarifying the business impact of climate-related issues and implementing countermeasures focusing on issues with the greatest impact. We will increase corporate value through further dialogues with stakeholders.

▶ For our response to the TCFD recommendations, please refer to our corporate website. https://www.yamato-hd.co.jp/english/csr/environment/tcfd.html

Governance

The Yamato Group Environmental Committee, chaired by the president, deliberates and makes decisions with regard to environmental issues, including climate change, with the Board of Directors supervising the status of execution. Executive officers assigned to the environment field, executive officers in charge of each region, and presidents of Group companies are responsible for the reliable implementation, maintenance, and supervision of environmental management as “environmental officers,” while all managers and heads of front-line organizational structures are responsible for managing environmental risks and opportunities, including climate change, as “environmental managers.”

Risk Management

We have created a dedicated department responsible for promoting the Groupwide response to climate change. We also hold annual meetings of the Yamato Group Environmental Committee, which is chaired by the president and comprises the executive officers and others as well as presidents of the main Group companies. The committee deliberates and makes decisions regarding issues and risks related to the environment, including climate change.

Strategy

Scenario Analysis and Evaluation of Business Impact

Based on two scenarios (1.5°C and 4°C), we have identified the risks and opportunities for Yamato Transport and conducted an analysis and business impact assessment of the risks that have a significant impact on management.

Financial impact assessment	2030	2050
Carbon tax introduction[1]	¥15.6 billion	¥27.9 billion
Abnormal weather and disasters[2]	¥1.9 billion	¥3.8 billion
Floods	¥0.4 billion	¥0.4 billion

1. Estimated using carbon tax prices of $140 per ton (2030) and $250 per ton (2050)
2. Calculated using past disasters as a reference

Direction of Countermeasures

(1) Response to carbon tax introduction
- Introduction of low-carbon vehicles (mainly EVs), installation of solar power generation equipment, utilization of renewable energy generated by local power generation companies, etc.
- Commence the pilot introduction of internal carbon pricing (shadow pricing) for certain large-scale facilities beginning in FY2027/3, with the aim of promoting proactive capital investment in decarbonization

(2) Response to abnormal weather and disasters
- Opening of offices by utilizing hazard maps and periodic reviews of our business continuity plan manual
- Examination of disclosing information on efforts to adapt to climate change internally and to our business partners
- Testing for use of electricity generated from renewable energy and EVs with cartridge batteries that enhance resilience

(3) Initiatives to capture opportunities presented by the increase in environmental awareness among consumers and customers
- Further promotion of service use by individual and corporate customers through the provision of transport services with consideration for climate change (development of tools to visualize GHG emissions and carbon neutral delivery, etc.)
- Commercialization of new business models using expertise accumulated through environmental investment and verification testing (Expansion of sales of EV Lifecycle Services, establishment of Yamato Energy Management Co., Ltd., which provides renewable energy-derived electricity, etc.)

Metrics and Targets

GHG Emissions Reduction Targets[1, 2]

Short-term (FY2026/3): 20% decrease→ Result 20% decrease (achieved)
(FY2027/3): 25% decrease
Medium-term (FY2031/3): 48% decrease
Long-term (to 2050): Virtually zero GHG emissions

1. In-house emissions of consolidated companies in Japan and Swan Co., Ltd. (Scope 1 and Scope 2)
2. Compared with FY2021/3

Target for Percentage of Electricity Use from Renewable Energy Sources

Short-term (FY2026/3): Increase percentage of electricity use from renewable energy sources → Result 68% (achieved)
(FY2027/3): 70%

We will create green logistics in collaboration with our business partners to reduce GHG emissions across the entire value chain (Scope 3), and promote specific preparations for acquiring SBT 1.5°C certification.

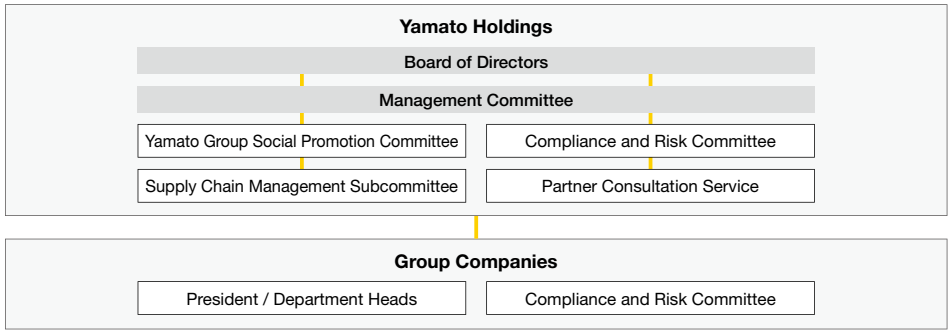
Supply Chain Management (SCM)

The Yamato Group operates its businesses with the support of numerous business partners. Therefore, building a sound and sustainable supply chain is an important issue for us. Based on fair, equitable, and sincere business transactions in accordance with our basic policy, we aim to achieve sustainable improvement in corporate value by fostering mutually beneficial relationships with our partners through environmentally and socially responsible procurement activities, thereby strengthening the resilience of our entire supply chain.

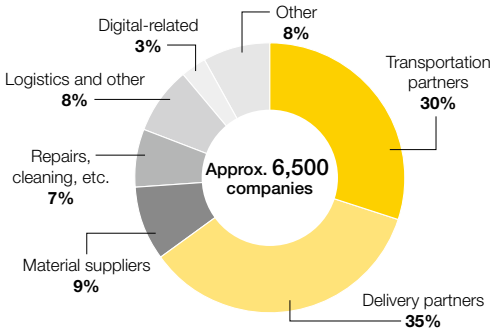
▶ Please refer to our website for our supply chain management policy. https://www.yamato-hd.co.jp/english/csr/society/scm.html

The Yamato Group has approximately 6,500 business partners, more than 60% of which are transportation and delivery partners in the Express Business. The Board of Directors and the Yamato Group Social Promotion Committee are among the venues through which we promote initiatives to reduce risk and enhance supply chain management. We are also implementing measures to ensure fair business practices with our partners, which include conducting partner surveys and establishing a partner consultation service.

Promotion System



The Yamato Group's Business Partners



Scope: Ongoing business partners of consolidated companies in Japan and Swan Co., Ltd.

Close-Up | Human Rights Due Diligence in the Supply Chain (Impact Assessment)

The Yamato Group promotes respect for human rights based on the United Nations Guiding Principles on Business and Human Rights.

In FY2025/3, we initiated systematic, periodic reviews of human rights impact assessments and risk mapping throughout our business operations as part of our human rights due diligence. In the initial year, we assessed our own operations, identified priority issues, and began taking action to mitigate risks. The following year, in FY2026/3, we expanded the scope to our supply chain, conducting impact assessments with the cooperation of 89 key business partners and visualizing potential risks.

The analysis identified four high-risk areas in our supply chain: occupational health and safety, excessive or unreasonable working hours, harassment, and the environment/climate change. We will work together with our business partners to address these issues and make improvements. While prioritizing compliance with legal obligations, we are revising our approach and survey content to better align with the realities of the small and medium-sized enterprises that make up the majority of our partners. We are also strengthening support functions provided by our employees, who serve as the primary points of contact, to establish a collaborative support framework that is in touch with actual conditions on the front lines.

By continuing to engage in dialogue to better understand front-line logistics operations and working together to improve working conditions and establish mechanisms for corrective action, we aim to ensure respect for human rights throughout the supply chain and build a sustainable and resilient logistics network.

▶ Please refer to our website for our Human Rights Policy and human rights due diligence process.
https://www.yamato-hd.co.jp/english/csr/society/human-rights.html

Overview of Initiatives

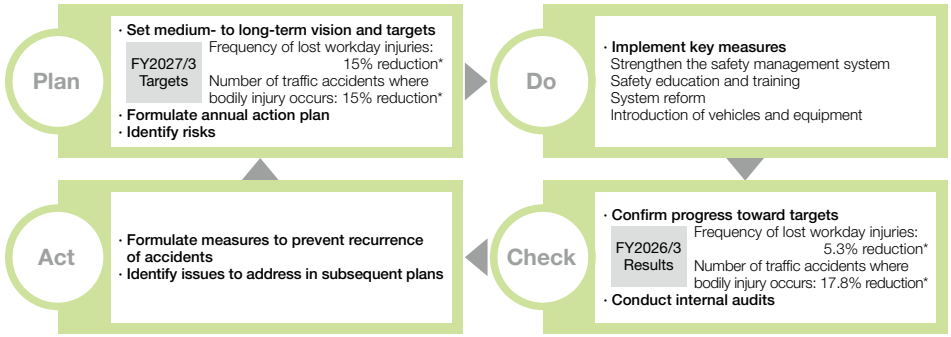
Target		Key Measures	
Business partners	All	Business partner surveys	· Conducted annually to ensure fair business practices · Results reported to management and used in improvement activities
		Establishment of a consultation service	· System established within Yamato Holdings to facilitate the early detection and resolution of problems, including issues that business partners might hesitate to discuss through their regular points of contact
	Key business partners[1]	Briefings for business partners	· Held to build a common understanding of the supply chain management that the Yamato Group aims to achieve
		Business partner surveys (monitoring)	· Identify and assess any issues faced by partners, and engage in ongoing dialogue and consensus-building to enhance sustainability
	Transportation partners	Regular communication	· Monthly partner meetings · Regular price negotiations once every three months[2]
		Dedicated call center for transportation partners	· Established a dedicated contact point for transportation partners, operating 24/7, 365 days a year since June 2024 · Swiftly resolve each case, with respect for the privacy of consultees
		Collaboration with external experts	· Structured a system to monitor, advise, and report to management on the status of various initiatives with transportation partners
Employees		Education regarding sustainable procurement	· Various briefings on topics including reconfirming prohibited activities, addressing such activities if they happen, and the use of contract templates and management tools · Utilizing video learning tools

1. Selected with reference to the Business Partner Guidelines pursuant to the following three criteria in order to improve the level of sustainability efforts throughout the supply chain
(1) Irreplaceable (2) Provides goods and services essential for business continuity (3) Significant transaction value
2. Reference: The Promotion Standards of the Act on the Promotion of Entrusted Small and Medium-sized Enterprises require such negotiations at least once a year.

Safety and Security

The Yamato Group thoroughly adheres to its philosophy of placing safety first and business second, with respect for human life and ensuring safety as one of its corporate stances. Ensuring safety is fundamental to our business operations and a core issue for mitigating management risks that could threaten business continuity. Through continuous investment in facilities and systems, as well as safety management for employees and partners, we prevent traffic and occupational accidents—leading to a more resilient logistics network and enhanced corporate value.

Safety Promotion System



* Scope: Yamato Transport Co., Ltd. (compared with FY2024/3)

Progress and Issues

The Safety Department of Yamato Transport leads the rigorous implementation of a plan-do-check-act (PDCA) cycle, from setting targets and implementing measures to evaluating their effectiveness and incorporating them into future plans. In FY2026/3, the number of traffic accidents where bodily injury occurred and occupational accidents steadily decreased as a result of progress in key measures. However, the frequency of lost workday injuries fell short of the target for the year because total working hours (the denominator used in the calculation) declined substantially due to optimization of staff allocation and working hours, outpacing the reduction in the number of accidents. In light of these results, in FY2027/3 we will further strengthen work environment-related management and promote fundamental safety measures, including creating workplaces that physically eliminate occupational accident risks and leveraging AI and data to prevent accidents.

Workplace Safety: Strengthening Management and Physically Eliminating Major Risks

To prevent occupational accidents at their source, we have established Groupwide standards compliant with the international Occupational Safety and Health Management System (OSHMS). We are further promoting a culture of safety by embedding a framework throughout front-line operations for the systematic and autonomous implementation of the PDCA cycle based on risk assessments.



Based on the results of a risk assessment, we concluded that loading and unloading roll box pallets using forklifts is likely to lead to a serious occupational accident. Recognizing the limitations of safety management that relies on individual skill or attentiveness, we are introducing pallet lifters to replace forklifts. This is expected to physically eliminate the risk of occupational accidents while also boosting productivity and saving labor (as certification is not required to operate these lifters). Furthermore, we have addressed the extreme heat of recent years by introducing our own standards that factor in individual physical condition along with the heat index in order to systematically reduce the risk of heatstroke.

In addition to establishing this management system and improving the work environment, we are enhancing safety by stepping up site inspection patrols conducted by designated Safety Experts to address workplace hazards at an early stage.

Driving Safety: Objective, Data-Based Safety Management



To reduce traffic accidents, the Yamato Group has continuously invested in technology-driven safety infrastructure, including introducing vehicles with safety systems and digitizing daily inspections and roll calls. Since FY2026/3, we have been progressively upgrading the dashcams installed in our fleet of approximately 42,000 pickup and delivery vehicles. By recording data on behaviors such as compliance with stop signs and signs of drowsiness, then using the video footage for a review, we provide detailed guidance tailored to each driver's individual driving characteristics.

In addition, we have established a new Safety Training Center as part of our educational system. Strengthening and standardizing guidance for novice drivers and others at higher risk of accidents has shown results in areas such as reducing accidents during the initial period after drivers begin working independently. Centralizing training has also freed up time for on-site Safety Experts to provide direct guidance to drivers in the field. Investment in the latest technologies and systematic training directly contributes to optimizing operating costs, as fewer accidents result in lower repair expenses and damage-related costs. At the same time, providing a safe work environment helps boost employee engagement. Through its safety initiatives, the Yamato Group creates a sustainable competitive advantage and enhances corporate value over the medium to long term.

Participants in FY2026/3

On-board guidance	48,501
Dashcam footage-based guidance	55,234

Close-Up | The Business of Safety: From Risk Prevention to a Source of Value Creation

In June 2026, we launched e-TranSpot, a new service that supports safety management operations by enabling transport operators to digitize roll-call procedures and providing functions such as GHG emissions calculation. We will ensure that the Yamato Group's safety initiatives go beyond being merely a cost and lead to the creation of new revenue streams and solutions to social issues.

▶ Please see the following news release for more information.
https://www.yamato-hd.co.jp/english/news/2026/pdf/newsrelease_20260609_en01.pdf

Sustainability Governance

Vision for the Environment and Society

Environmental Vision

Connect. Deliver the future via green logistics

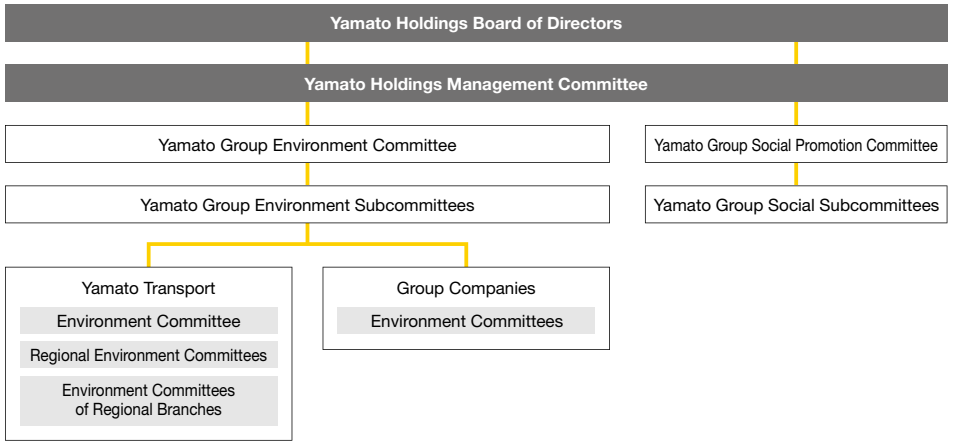
Social Vision

Through co-creation and fair business activities, help create a society that "leaves no one behind"*

* Leave no one behind: A basic philosophy of the SDGs

Sustainability Promotion Structure

The Yamato Group discusses and makes decisions on sustainability matters in the Management Committee meetings and Board of Directors meetings. To promote sustainable management, the Yamato Group Environment Committee and Yamato Group Social Promotion Committee, which are chaired by the president and comprise the executive officers of Yamato Transport and presidents of major Group companies, meet once a year to discuss and make decisions on issues related to sustainability. In addition, three subcommittees in the environmental field (energy, climate, and atmosphere; resources and waste; and management and collaboration), and three subcommittees in the social field (human rights and diversity; supply chain management; and local communities) each meet three times a year, considering measures and implementing progress checks.



Evolution of Sustainability Governance

Recognition of Challenges

To date, the Yamato Group's material issues have focused on creating environmental and social value, with the primary objectives of fulfilling the Group's responsibilities as social infrastructure and earning public trust. From the solid foundation of trust we have built, we will transition into a new growth phase in which we contribute to society and reliably create economic value. We will generate economic value through the evolution of a business model that helps to resolve environmental and social issues. This will enhance the sustainability of society and the logistics industry as a whole, while accelerating business growth as a new revenue base for the Group.

Future Direction

We will establish a framework for visualizing and quantitatively evaluating the impact of each initiative on our balance sheet (assets) and income statement (earnings), and incorporate it in our investment decision-making process. Through our "defensive" approach to risk management, we will view environmental and social impacts as future liabilities and reduce uncertainty. At the same time, we will take an "offensive" approach by transforming solutions to social issues into new revenue streams. By integrating sustainability into our business strategy from the perspective of cost reduction as well as revenue growth, and thereby generating a tangible impact, we will build a more resilient financial foundation for the future.

Specific Actions

Financial and business departments will collaborate to verify how each sustainability issue contributes to various drivers of corporate value, such as reduced costs or increased sales, and incorporate the findings in business strategies to further evolve our material issues. In addition, to ensure that our sustainability initiatives lead to sustainable growth in corporate value, we will strongly encourage behavioral change at both the organizational and individual levels in ways such as incorporating environmental and social performance indicators in each business department's budget targets and placing greater emphasis on ESG metrics in executive evaluations.

Material Issues

Based on risks and opportunities in the Yamato Group's businesses, we identified material issues that contribute to realizing a sustainable society and improving medium- to long-term corporate value. Among these issues, we recognize that Energy & Climate, Labor, Human Rights & Diversity, and Data Utilization & Security have a particularly significant impact on the Group's sustainability. As such, we are promoting initiatives that are linked with our management strategies.

Step 1 Refine Choices for Material Issues

Based on international frameworks, such as the GRI Standards, the Sustainability Accounting Standards Board (SASB) standards, ISO 26000, and the Sustainable Development Goals (SDGs), as well as ESG research items that investors consider to be of high importance to the Group's business, we analyzed the risks and opportunities of the Group's business based on actual data and narrowed down candidates for material issues.

Step 2 Stakeholder Dialogue (November 2019)

We invited experts from universities, international institutions, and securities companies and exchanged opinions on material issues and the expected role of the Yamato Group in solving environmental and social issues.

Step 3 Identify Material Issues (January 2020)

At the same time as identifying material issues, we formulated the management structural reform plan "YAMATO NEXT100" as a grand design for management reform over the medium to long term.

Progress on Sustainability Targets

Scope: Consolidated companies in Japan and Swan Co., Ltd.

Domain	Material Issues and Initiative Themes	Strategy (Vision)	Risks/ Opportunities	FY2027/3 Targets	FY2026/3 Results	Progress/Issues
Environment	**Energy & Climate** Mitigate climate change	Reduce greenhouse gas (GHG) emissions by using electricity generated via renewable energy sources, enhancing transportation efficiency by using digital technology, and reducing the use of dry ice, etc.	Risk Opportunity	Reduce in-house GHG emissions by 25% compared with FY2021/3[1]	20% reduction[1]	As planned
				70% of electricity generated via renewable energy sources	68%	As planned
				Finish setting Scope 3 GHG emissions reduction targets	Verified and confirmed methods for measuring the actual GHG emissions of transport partners	Continuing to track emissions despite some remaining challenges
	Atmosphere Clean up the skies (prevent air pollution)	Pursue transportation that reduces the effects of air pollutants emitted by vehicles to improve air quality in local communities	Risk	Reduce NOx and particulate matter emissions from vehicles by 40% compared with FY2021/3	Reduced NOx emissions by 56% and particulate matter emissions by 52%	As planned
	Resource Conservation & Waste Promote resource conservation and reduce waste	Drastically reduce our environmental burden, promote the use of technology, and create opportunities to minimize environmental impact	Risk Opportunity	65% of paper materials made from renewable resources and recycled materials	64%	As planned
	Resilience of Companies & Society Support a society that combats environmental changes	Collaborate with diverse partners to increase the resilience of stakeholders and local communities and create environmental value	Risk Opportunity	Provide services that draw on our environmental investments and demonstration test expertise	Rollout the GHG Reporting Service nationwide	As planned
Society	**Labor** Create a work environment where employees can thrive	Implement a high-value-added model for labor and promote decent work	Risk Opportunity	Increase engagement and human productivity	Employee awareness survey results Employee-friendliness: 69% Rewarding work: 60% Desire to continue employment: 69% Sense of growth: 64% Sense of contribution: 63%	Implementing workplace improvement measures
	Human Rights & Diversity Create a corporate culture that respects human rights and diversity	Respect human rights, recognize diversity, and create a framework for human rights due diligence	Risk Opportunity	Ensure 100% attendance rate for human rights and harassment training Ensure that 10% of all managers are women Ensure that the percentage of employees with disabilities is at least 3.1%	Human rights and harassment training attendance rate: 100% Percentage of women in management: 6.9% Percentage of employees with disabilities: 3.1%	Continuing to promote career development support
	Safety & Security Create initiatives to carry out business in a safe, secure manner	Maintain traffic and labor safety and provide reliable service	Risk	Reduce the number of traffic accidents involving bodily injury by 15% compared with FY2024/3[2] Reduce frequency rate of lost workday injuries by 15% compared with FY2024/3[2]	17.8% reduction in the number of traffic accidents involving bodily injury[2] 5.3% reduction in the frequency rate of lost workday injuries[2]	Strengthening occupational safety and health management
	Data Utilization & Security Create an information security infrastructure	Create an information security infrastructure and businesses that utilize data to resolve social issues	Risk Opportunity	Percentage of employees who received information security training: 100% Zero serious information security incidents	Percentage of employees who received information security training: 100% 2 serious information security incidents	Strengthening Groupwide cybersecurity
	Supply Chain Management Develop a common understanding with stakeholders	Build a stable business infrastructure through sound, resilient supply chains	Risk Opportunity	Ensure 100% support from major business partners for the Code of Conduct	Percentage of support from major business partners for the Code of Conduct: 100%	As planned
	Community Create corporate citizenship activities that are rooted in local communities and create a framework for business creation	Establish corporate citizenship activities that are unique to the Yamato Group	Opportunity	Foster corporate citizenship activities throughout local communities and Group companies	Region-specific initiatives are taking root and activities are expanding, led by ambassadors appointed in each organization	As planned

1. In-house emissions of consolidated companies in Japan and Swan Co., Ltd. (Scope 1 and Scope 2)
2. Scope: Yamato Transport Co., Ltd.

▶ Please refer to our website for all sustainability indicators and targets. https://www.yamato-hd.co.jp/english/csr/goals/

Message from the Chairperson of the Board of Directors

Enhancing Board Effectiveness to Support Robust Growth

Junichiro Ikeda
Independent Outside Director and
Chairperson of the Board of Directors



A Sense of Urgency Regarding Our Challenging Conditions and the Fundamental Cause of Declining Profitability

Under its medium-term management plan, Sustainability Transformation 2030 ~1st Stage~, the Yamato Group is working to enhance its corporate value. However, in FY2026/3 ROE and ROIC remained at 2.4% and 2.6%, respectively, and the Group has continued to find itself forced to revise its earnings forecasts. The fundamental cause of the current decline in profitability is that the benefits of our structural reforms have been slower to materialize than expected amid dramatic changes in the operating environment.

Furthermore, considering these results in light of the Board's responsibility for overseeing management, I conclude that the Board was not sufficiently effective in overseeing and supporting the structural reforms being implemented by the executive team. A review of operational processes as part of the evaluation of Board effectiveness identified two issues for improvement in light of the Board's performance to date. The first issue was agenda balance and the allocation of time for discussion. The Board was spending too much time receiving status and progress reports from the executive team, which left insufficient time for substantive discussion of future growth. The second issue is insufficient assessment of risks and alternatives. Board discussions should have been more thorough in proactively identifying risks, alternative plans to address changing conditions, and exit criteria and strategies. The Group's outside directors, including myself, take this situation very seriously and recognize that these issues are among the factors that prevented the Group from sufficiently accelerating the pace of structural reform.

Board Operational Reform: Maximizing Management Oversight and Ensuring Disciplined Monitoring

As chairperson, I intend to transform the Board into a forum for substantive discussion that drives increased corporate value in order to fundamentally resolve these issues and enhance the execution of our plans. Specifically, we are committed to the following two reforms.

(1) Create an Environment That Enables a Genuine Focus on Substantive Discussions

We will review the criteria for matters to be submitted to the Board. This will involve considering quantitative factors along with qualitative significance, and delegating authority for routine matters to the executive team. We will narrow the scope of deliberations to key matters that are directly linked to Group strategy, with an emphasis on allocating the time freed up to exploring medium- to long-term themes. We reinforced this initiative by establishing the Corporate Value Enhancement Committee in July 2026, which comprises five outside directors and the president and representative director. The committee will move beyond the constraints of formal reporting to focus on objectively assessing corporate value from a market perspective and reviewing past investments, which will enhance the quality of Board discussions.

(2) Strengthen Disciplined Monitoring

For critical initiatives such as large-scale facility restructuring or M&As, we will ensure that alternative options and clear exit criteria are incorporated from the preliminary deliberation stage. Furthermore, we will also continue to strengthen post-investment monitoring based on criteria such as business-specific hurdle rates. A recent example is Nakano Shokai. It recognized one-time amortization of goodwill in FY2026/3, which underscored the importance of identifying variance between plans and actual results early and objectively. We are therefore enhancing our monitoring framework for post-merger integration following an investment. Through these initiatives, the Board will serve as an effective check—facilitating prompt course corrections in response to variances between initial plans and actual results, and immediately calling for plans to be revised or projects to be discontinued if the expected returns are unlikely to materialize.

Offensive and Defensive Governance under the New Management Structure

We are enhancing our governance framework so that the Board can provide structural support for the above reforms. Two new outside directors joined the Board in June 2026: Mr. Masayoshi Fujimoto, who has extensive experience in business and marketing strategies; and Ms. Christine Edman, who has extensive experience in global marketing and branding strategies. We believe they will further strengthen the oversight and advisory functions with respect to our growing Contract Logistics and Global businesses, and enhance the effectiveness of the substantive discussions mentioned earlier.

We also reformed the executive structure in April 2026. President Sakurai has extensive expertise in growth areas such as corporate sales, and now leads the Group. Mr. Awa, president of the core Group operating company Yamato Transport Co., Ltd., has joined the Board of Directors. This structure has strengthened collaboration in the Group and accelerated decision-making. Mr. Nagao has entrusted front-line operational responsibilities to the new management team in transitioning from president to chairman, and is focusing on external activities and management oversight. This has created an environment in which the new executive team can devote its full energy to revitalizing the Group's businesses, while the Board of Directors provides appropriate supervision to ensure that this team management approach generates maximum synergy.

Steady improvements in performance resulting from our governance system, rather than the form of the system itself, will demonstrate the effectiveness of our approach to governance. We will strengthen the supervisory and advisory functions of the Board of Directors to drive management transformation. Management will also remain mindful of the cost of capital to continuously enhance corporate value and meet the expectations of shareholders and investors.

Message from the Chairperson of the Nomination and Compensation Committee

Launch of the New Management Structure with Nomination and Compensation Governance Driving Transformation

Tami Kihara
Independent Outside Director and Chairperson of the Nomination and Compensation Committee



Toshiyuki Sakurai (new president of Yamato Holdings with Group-wide oversight): Lead structural reform and execute growth strategies.
Seiichi Awa (director of Yamato Holdings and president of Yamato Transport): Strengthen core business operations and generate synergies.
Masaru Nomura (senior managing executive officer and CFO of Yamato Holdings): Enforce strict financial discipline based on cost-of-capital management

Upon Assuming Office: Assessment of the Challenges We Face and the Nomination and Compensation Governance Mission

The Yamato Group is confronting the challenging issue of a return on capital that is below its cost of capital. The Nomination and Compensation Committee takes this situation very seriously. The Group's top priority now is to accelerate the implementation of measures to drive earnings growth and deliver a concrete early improvement in business performance.

As of June 2026, the committee has a highly independent composition, with five outside directors and the representative director and president as the sole internal director. As the new chairperson, I will be the facilitator drawing out the full potential of the insights of committee members from diverse backgrounds. The committee will contribute to achieving both solid short-term performance improvements and enhanced corporate value over the medium to long term. We will emphasize both nominations for an optimal management structure and designing compensation incentives that strongly support that structure.

Management Structure Reform and Succession Process Effectiveness

The reform of the Group's management structure implemented in April 2026 was based on a succession plan that had long been in preparation. It was designed to enable a swift response to a rapidly changing business environment and to ensure sustainable growth for the Group. Led by independent outside directors, the committee has defined the requirements for the position of president and has engaged in extensive, rigorous discussions regarding whether candidates possess the qualities befitting the next president.

Under the previous management framework, the Group implemented major reforms that included reorganizing the Group's management structure. However, as the Group confronts rapid changes in the business environment, it now requires strong execution capabilities to objectively reassess the measures taken to date and quickly translate their benefits into earnings. The committee determined that a transition to new leadership was essential to overcome these challenges and improve capital efficiency, and therefore decided on a change in leadership.

Appointment of the New President and Team-Based Management to Maximize Strategic Execution Capabilities

In selecting the new president, the committee placed the highest priority on finding a leader capable of driving structural reform—combining digital expertise with the front-line capabilities that are a Yamato Group strength. Mr. Sakurai has a strong track record spanning operations outside Japan, corporate sales, and digital operations. As head of Yamato Transport's *TA-Q-BIN* domain (for small corporate clients and individuals) since April 2025, he clearly demonstrated the ability to lead initiatives to optimize costs and increase transaction volume in the last-mile domain. Mr. Sakurai impressed us as having the qualities best suited to resolving the Group's current management challenges.

Furthermore, based on objective assessments, we determined that the team-based management structure shown on the upper right would maximize the execution capabilities of the new team.

We have every expectation that the new president will lead the management team as it further enhances execution capabilities by establishing a cycle of refining management strategies after reviewing their progress. Furthermore, we created a structure that enables the executive team to devote its full energy to improving capital efficiency. Former President Nagao now serves in an advisory and supervisory capacity as chairman and is focusing on external activities to ensure the sustainable growth of the transportation industry. Outside directors now account for half of the members of the Board of Directors, which will oversee the execution of the new structure while supporting its bold initiatives. The committee will ensure the effectiveness of this supervisory function from the perspectives of nomination and compensation.

Revision of Compensation System: Sharing Value with Shareholders and Strengthening Incentives

A compensation framework that supports management's determination and commitment to transformation is essential for rapidly advancing both performance improvement and structural reform. Following approval at the Ordinary General Meeting of Shareholders held in June 2026, the Group introduced a new performance-linked post-delivery restricted stock compensation plan for internal directors and executive officers of Yamato Holdings and its subsidiaries. This revision involved transitioning and restructuring the compensation framework under the existing trust-type share-based compensation plan. The revised framework incorporates capital efficiency and shareholder value metrics, such as ROE, ROIC, and relative TSR. We transitioned from the previous trust-based model to a system of direct share delivery to establish a framework through which the Group's management team shares the benefits and risks of share price fluctuations more directly with shareholders. This heightens their commitment to enhancing corporate value over the medium to long term. The new structure will motivate the team's relentless execution.

The Nomination and Compensation Committee will continue to help the Group sustainably enhance corporate value and generate returns that meet shareholder expectations through objective and highly effective governance.

Corporate Governance Structure

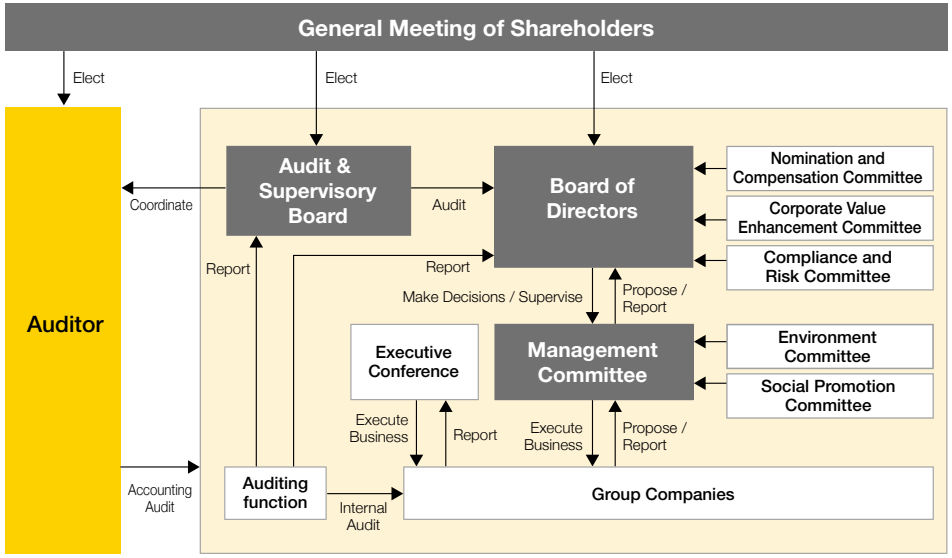
Basic Position on Corporate Governance

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 Structure

As a company with an Audit & Supervisory Board, the Board of Directors makes important management decisions and supervises business execution, while Audit & Supervisory Board members and the Audit & Supervisory Board, which are independent from the Board of Directors, audit the status of the execution of duties by directors. To supplement supervisory functions, we established the Corporate Value Enhancement Committee in July 2026 to discuss sustainable growth and the enhancement of corporate value over the medium to long term. This committee complements the existing Nomination and Compensation Committee, a majority of whose members are independent outside directors. Furthermore, we have separated the supervision and execution of management and adopted an executive officer system to ensure prompt decision-making related to business execution.

Corporate Governance Framework (As of June 23, 2026)

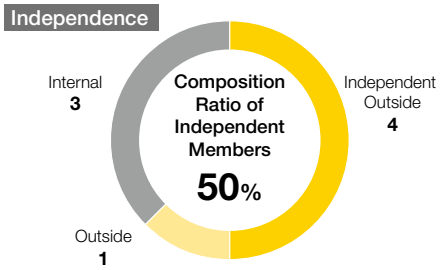


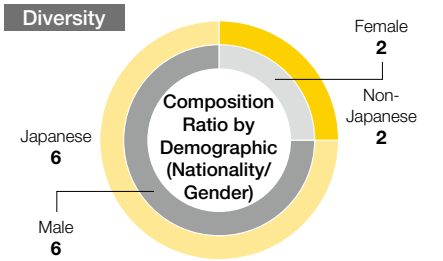
Corporate Governance Framework Overview (As of June 23, 2026)

System	Company with an Audit & Supervisory Board
Number of directors	8
Outside directors	5
Number of Audit & Supervisory Board members	5
Outside members	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

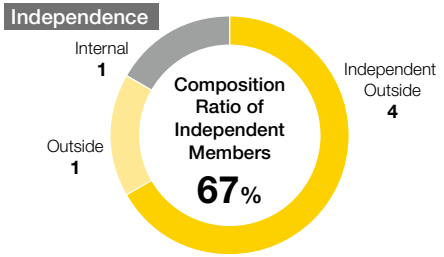
Composition of the Board of Directors (As of June 23, 2026)

Board of Directors

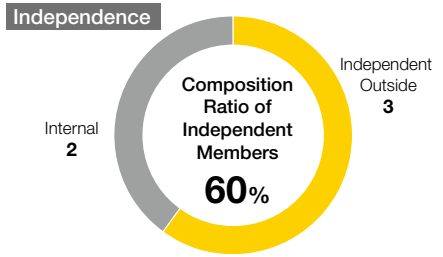




Nomination and Compensation Committee



Audit & Supervisory Board



Evaluation of the Effectiveness of the Board of Directors

In order to verify the effectiveness of the Board of Directors, each year the Company conducts a questionnaire survey of all directors and Audit & Supervisory Board members on the composition and proceedings of the Board of Directors, as well as individual interviews by the chairperson. Based on the results, the Company evaluates the effectiveness of the Board's proceedings, deliberations, and other matters.

Evaluation Process for FY2026/3

1 Questionnaire survey of Board meeting attendees (February 2026)	· Conducted a questionnaire survey of all directors and Audit & Supervisory Board members on the effectiveness of the Board of Directors · Survey topics: Board composition; content of Board deliberations; balance between execution and oversight; dialogue with shareholders and investors; and other matters
2 Interviews by the chairperson of the Board of Directors (March 2026)	· Individual interviews of Board attendees by the chairperson · Interview topics: Management issues facing the Company; matters to be discussed at Board meetings; operational improvement issues; and other matters
3 Report to the Board of Directors and formulation of policies in response (April 2026)	· Conducted analysis and evaluation based on the results of (1) and (2) · Shared and deliberated on the issues identified at the Board of Directors meeting and formulated actions to enhance effectiveness

Issues Identified in FY2025/3

Further enhancement of corporate governance and ensuring the effectiveness of the Board of Directors
- Further enhance the content of reporting on KPIs and key initiatives in the medium-term management plan and annual plan
- Expand discussion of risk scenarios for large-scale investments and M&A projects
- Strengthen monitoring for M&As and new business projects
- Expand front-line points of contact to deepen understanding of business operations

Stronger, more practical operational support for the Board of Directors
- Create opportunities for communication with executive officers
- Foster a deeper understanding among outside directors of the business and management personnel
- Strengthen sharing of points for discussion

Main Initiatives in FY2026/3

Establish regular, quantitative monitoring	· Conduct regular, systematic progress reports on each business strategy and shift to reporting based on KPIs and other quantitative data · When reviewing the medium-term management plan, secure sufficient time for deliberation (holding multiple discussions) before making a resolution
Present risk scenarios and discuss them at an early stage	· Implement a process for submitting proposals on large-scale investments and similar matters that explicitly details the risk scenarios evaluated by the executive team · Establish a new forum for sharing information and consulting on key projects from the initial planning stage
Conduct meetings with a focus on decision-making	· Revise the operational approach to clearly position preliminary briefings as forums for asking questions and identifying key issues in advance, thereby allowing the main meetings to focus on higher-level decision-making and strategic dialogue · At the main meeting, share a "Q&A memo" listing key points that have been raised in advance to eliminate repetition and concentrate on substantive discussion
Promote deeper understanding of the business and communication	· Conduct on-site visits in the Contract Logistics Business, which is a growth area · Conduct meetings with executive officers to create opportunities for communication between outside directors and the executive team

Issues in FY2026/3 and Initiatives Going Forward

Evaluation Results

Overall evaluation		· A framework has been established to ensure effective governance. Outside officers account for a majority of both the Board of Directors and the Audit & Supervisory Board, and an independent outside director leads the selection of agenda items as chairperson. · As a result of thorough preliminary briefings, efficient and constructive discussions that focus on key points are held at Board of Directors meetings. · Shareholder and investor perspectives gained through IR and SR activities are appropriately reflected in the Board of Directors' discussions and decision-making. · In addition to meetings of the Board of Directors, the Company provides separate opportunities to discuss major investments and medium- to long-term management strategies and exchange views from various perspectives. Through these discussions, the Company strives to make careful and appropriate decisions that account for potential risks, with the aim of achieving sustainable growth.
Issues identified	Deepening discussions of strategies for future growth	Because discussions on business monitoring tend to focus disproportionately on reviewing past results and current progress, more time needs to be allocated to discussions regarding future growth strategies, such as business portfolio transformation.
	Enhancing monitoring	It is necessary to go beyond qualitative reporting and strengthen quantitative reporting on progress using KPIs and other metrics.
	Clearly identifying risks and countermeasures	For large-scale investments and similar initiatives, risk thresholds and alternative options, including contingency plans, must be clearly defined.

Initiatives Going Forward

Deepen discussion of strategy	· Conduct meetings that focus on substantive discussions by incorporating key themes, such as progress on the medium-term management plan and human capital management, into the annual agenda · Allocate time appropriately based on the nature of agenda items to prioritize discussion of strategy · Establish forums, such as the Corporate Value Enhancement Committee, for discussing ways to enhance corporate value over the medium to long term
Structure materials to focus on the issues at hand	· Use preliminary briefings and other methods to streamline reporting and explanations during main meetings and dedicate the time saved to decision-making and discussion of strategy
Strengthen quantitative monitoring	· Transition to a format that visualizes current progress against deadlines and quantitative targets (KPIs) for each initiative to support objective decision-making · Firmly establish root-cause analysis and discussions on corrective action—including consideration of alternative plans and withdrawal—for projects falling short of plans, guided by investment discipline based on business-specific hurdle rates

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 Topics Discussed at Board of Directors Meetings in FY2026/3

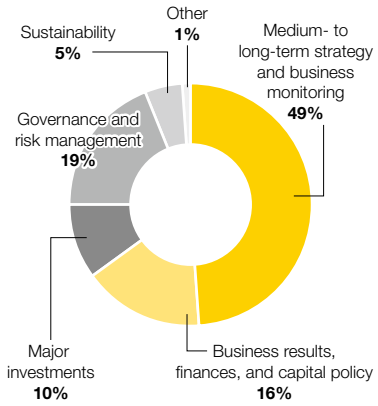
Medium- to long-term strategy and business monitoring
- Verification of progress on the medium-term management plan and review of strategy
- Periodic monitoring of key businesses
- Monitoring of new businesses and post-merger integration

Business results, finances, and capital policy
- Review of the rationale for cross-shareholdings and reduction of holdings
- Real estate strategy and asset liquidation based on balance sheet management
- Shareholder returns (share repurchases and dividends)

Major investments
- Development of digital infrastructure
- Approval of leases for major facilities and investment plans

Governance and risk management
- Resolutions on the next management structure and key personnel
- Evaluation of the Board of Directors' effectiveness
- Sharing the status of dialogue with shareholders and investors and their feedback
- Evaluation of cybersecurity measures and internal controls

Breakdown of Agenda Items



Audit & Supervisory Board

Audit & Supervisory Board

The members of the Audit & Supervisory Board 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.

1. The members of the Audit & Supervisory Board 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 information gathering and encouraging collaboration.

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.

Facilities visited during FY2026/3 included a logistics center handling large-scale projects in the Contract Logistics Business, which the Company has designated as a growth domain, and a site with distribution processing capabilities. Participants went beyond merely inspecting facilities and operations, engaging in direct dialogue with site managers and front-line employees to gain an in-depth understanding of the effectiveness of investments in the growth domain, the progress and challenges of related initiatives, and potential risks. Directors and Audit & Supervisory Board members will use these activities as the basis for providing more effective oversight and advice to drive growth strategies and enhance corporate value.





Activities in October 2025 included visits to Nakano Shokai's logistics center and Yamato Transport's integrated business solution hubs, as well as a roundtable discussion with heads of business units and site managers.

Management Team



Yutaka Nagao
Representative Director and Chairman
Number of Company Shares Held: 47,300

Apr. 1988: Joined the Company
Apr. 2019: Representative Director, Executive Officer and President
Apr. 2021: Representative Director, Executive Officer and President of Yamato Transport Co., Ltd.
Apr. 2025: Director (current)
Apr. 2026: Representative Director and Chairman of the Company (current)



Toshiyuki Sakurai
Representative Director, Executive Officer and President
Number of Company Shares Held: 2,100

Apr. 1998: Joined the Company
Apr. 2015: Representative Director and President of Yamato Web Solutions Co., Ltd.
Mar. 2020: Executive Officer of Sales Management Department, Yamato Logistics Co., Ltd.
Apr. 2025: Managing Executive Officer of Yamato Transport Co., Ltd. (responsible for *TA-Q-BIN* Business)
Apr. 2026: Executive Officer and President of the Company
Jun. 2026: Representative Director, Executive Officer and President of the Company, and Director of Yamato Transport Co., Ltd. (current)



Seiichi Awa
Director and Executive Officer
Number of Company Shares Held: 21,500

Apr. 1993: Joined the Company
Apr. 2012: General Manager of Business Strategy Department of Yamato Transport Co., Ltd.
Mar. 2020: Representative Director, Executive Officer and President of Yamato System Development Co., Ltd.
Oct. 2024: Senior Managing Executive Officer of Yamato Transport Co., Ltd. (responsible for network restructuring)
Apr. 2025: Representative Director, Executive Officer and President (current)
Jun. 2026: Director and Executive Officer of the Company (current)



Charles Yin
Director
Outside Independent
Number of Company Shares Held: -

Feb. 1990: Joined L3, Inc. (New York)
Mar. 1992: Vice President
Aug. 2007: CEO of Worldwide City Group (Hong Kong)
Jul. 2018: Executive Chairman (current)
Jun. 2022: Director of the Company (current)



Junichiro Ikeda
Director and Chairperson of the Board of Directors
Outside Independent
Number of Company Shares Held: 900

Apr. 1979: Joined Mitsui O.S.K. Lines, Ltd.
Jun. 2015: Representative Director, Executive Officer and President
Apr. 2023: Director and Chairman of the Board
Jun. 2024: Director of the Company (current)
Jun. 2026: Corporate Advisor of Mitsui O.S.K. Lines, Ltd. (current)



Tami Kihara
Director and Chairperson of the Nomination and Compensation Committee
Outside Independent
Number of Company Shares Held: -

Apr. 1985: Joined Ricoh Company, Ltd.
Apr. 2019: Administrative Officer and General Manager of Technology Management Division, Ricoh IT Solutions Co., Ltd.
Apr. 2021: General Manager of Digital Professionals Strategy Center of Digital Strategy Department, Ricoh Company, Ltd.
Jul. 2022: Director of Ricoh IT Solutions Co., Ltd.
Jun. 2025: Director of the Company (current)



Christine Edman
Director
Outside
Number of Company Shares Held: -

Nov. 1997: Joined Mattel Inc.
Aug. 2005: Joined H & M Hennes & Mauritz AB (Sweden)
Mar. 2008: Representative Director and President of H & M Hennes & Mauritz Japan
Jun. 2017: Director of LVMH Fashion Group Japan K.K. (currently LVMH Fashion Group Japan G.K.), President and CEO of GIVENCHY Japan
Dec. 2021: Executive Officer of ZOZO, Inc. (resigned in Nov. 2024)
Jun. 2026: Director of the Company (current)



Masayoshi Fujimoto
Director
Outside Independent
Number of Company Shares Held: -

Apr. 1981: Joined Nissho Iwai Corporation
Dec. 2008: Director President of MMC Automotriz S.A.
Jun. 2017: Representative Director, President & CEO of Sojitz Corporation
Apr. 2024: Representative Director, Chairman & CEO
Apr. 2025: Representative Director and Chairman (current)
Jun. 2026: Director of the Company (current)



Tsutomu Sasaki
Full-time Audit & Supervisory Board Member
Number of Company Shares Held: 12,600

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: Audit & Supervisory Board Member of the Company (current)



Yoshito Shoji
Full-time Audit & Supervisory Board Member
Number of Company Shares Held: 8,800

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: Audit & Supervisory Board Member of the Company (current)



Ryuji Matsuda
Audit & Supervisory Board Member
Outside Independent
Number of Company Shares Held: -

Apr. 1986: Registered as an Attorney at Law and Certified Public Accountant
Jul. 1992: Established Matsuda Law Office (current)
May 2012: Auditor of Japan Federation of Bar Associations
Jun. 2014: Auditor of ASAHI GROUP ARTS FOUNDATION (currently ASAHI GROUP FOUNDATION) (current)
Jun. 2020: Audit & Supervisory Board Member of the Company (current)



Setsuko Ino
Audit & Supervisory Board Member
Outside Independent
Number of Company Shares Held: -

Apr. 1988: Joined Suntory Spirits Limited
Nov. 2006: CFO and Representative Director of SAP Japan
Mar. 2012: CFO of Retail Division, Amazon Japan
Jan. 2024: Venture Partner of Eight Roads Ventures Japan (current)
Jun. 2024: Audit & Supervisory Board Member of the Company (current)



Akihito Terada
Audit & Supervisory Board Member
Outside Independent
Number of Company Shares Held: -

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)

Skill Matrix

Name	Position	Outside Officer	Nomination and Compensation Committee	Corporate Value Enhancement Committee	Expertise and Experience						
					Corporate Management	Marketing / Sales	Personnel / Labor Management	Finance / Accounting	Legal Affairs / Risk Management	IT / Digital Technology	Global
Yutaka Nagao	Representative Director and Chairman				●	●	●			●	●
Toshiyuki Sakurai	Representative Director, Executive Officer and President		○	○	●	●	●			●	●
Seiichi Awa	Director and Executive Officer				●		●	●	●	●	
Charles Yin	Director	○	○	○	●	●				●	●
Junichiro Ikeda	Director Chairperson of the Board of Directors	○	○	○	●		●				●
Tami Kihara	Director Chairperson of the Nomination and Compensation Committee	○	○	○			●			●	
Christine Edman	Director	○	○	○	●	●					●
Masayoshi Fujimoto	Director	○	○	○	●	●					●
Tsutomu Sasaki	Full-time Audit & Supervisory Board Member				●	●			●		
Yoshito Shoji	Full-time Audit & Supervisory Board Member				●			●			
Ryuji Matsuda	Audit & Supervisory Board Member	○						●	●		
Setsuko Ino	Audit & Supervisory Board Member	○						●			●
Akihito Terada	Audit & Supervisory Board Member	○						●	●		

Note: The above list does not represent the entirety of each individual's knowledge or experience.

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 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 Yamato Group has made succession planning for the president and the next generation of management one of its top priorities for ensuring the sustainable enhancement of its corporate value. The Nomination and Compensation Committee, a majority of which consists of independent outside directors, ensures the independence and increases the effectiveness of the succession planning process through strategic discussion and deliberation.

Defining Management Requirements and Creating a Talent Pool

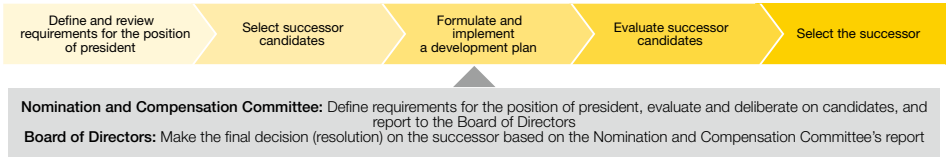
During this period of business portfolio transformation, the Company has defined the competencies required of the president to include diverse expertise that transcends existing business domains, as well as the leadership and courage to carry out reforms decisively even in the face of adversity. We have also set requirements for the next generation of management, including high-level expertise and execution capabilities to lead their respective areas of responsibility. Based on these criteria, we conduct talent management that links training with strategic assignments. We have established talent pools for each management level, conduct annual selective training programs, and place selected employees in challenging key positions, thereby identifying talent and systematically developing promising future leaders.

Appointment of the New President and Further Enhancement of Monitoring

Each year, the Nomination and Compensation Committee deliberates on the appointment and reappointment of directors. In connection with the appointment of a new president in April 2026, the Nomination and Compensation Committee held objective and rigorous discussions taking into account the current business environment and future business challenges, following which the Board of Directors decided to transition to a new management structure. Candidates from the talent pool were shortlisted, after which members of the Nomination and Compensation Committee conducted direct interviews with the finalists to assess their qualities and resolve to drive transformation before submitting a recommendation to the Board of Directors.

To further raise the objectivity and transparency of this process, we are enhancing the monitoring of the talent pool by outside directors. In addition to Q&A sessions at Board of Directors meetings and similar forums, we are expanding opportunities such as direct dialogue with next-generation leadership candidates and on-site visits to deepen our understanding of their qualities and character. By doing so, we aim to conduct multifaceted assessments from a management oversight perspective and systematically develop the next generation of management.

Process for Appointing the President



Officer Compensation

The Company has established an officer compensation system designed to increase the management team's commitment to enhancing corporate value over the medium to long term. Compensation consists of three components: basic compensation, short-term performance-linked compensation, and medium- to long-term performance-linked stock compensation (recently revised). By linking compensation to business performance and share price, this structure ensures that the management team makes decisions from the same perspective as shareholders.

Basic Policy

Maintain a competitive level
- Provide rewards according to roles and responsibilities, as well as performance, and set compensation at an appropriate 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 compensation (variable compensation), considering the compensation level at other companies and other factors. Compensation for Audit & Supervisory Board members and outside directors consists exclusively of basic compensation due to the nature of their roles.

Basic compensation: Short-term performance-linked compensation: Medium- to long-term performance-linked stock compensation = 1.0: 0.8: 1.0*		
Fixed compensation	Variable compensation	
Basic compensation	Short-term performance-linked compensation	Medium- to long-term performance-linked stock compensation (Restricted stock compensation)

* For the highest ranking positions

Fixed Basic compensation

Basic compensation is determined for each rank and title based on responsibilities, taking into account external standards and other factors.

Variable Short-term performance-linked compensation (variable compensation)

- The standard amount is set as a percentage of basic compensation (fixed compensation) in accordance with rank and title.
- 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.

Short-term performance benchmarks	Consolidated operating revenue, consolidated operating profit, profit attributable to owners of parent, and individual mission evaluation

Variable Medium- to long-term performance-linked stock compensation (restricted stock compensation)

- The standard amount is set as a percentage of basic compensation (fixed compensation) in accordance with rank and title.
- Based on the degree of achievement of the Company's performance targets and other factors, monetary compensation claims are granted within the range of 0.25–150% of the standard amount. Recipients contribute these claims in kind in exchange for restricted stock.

Allottees	Inside directors and executive officers of the Yamato Group (including subsidiaries)
Type of shares for issuance or disposal	Common shares
Total number of restricted shares	198,790 shares (Approximately 0.06% of the total number of issued shares as of March 31, 2026)
Transfer restriction period	From the date of delivery of the restricted shares until the date of retirement or resignation
Grounds for acquisition without compensation and return	In any of the circumstances specified by the Board of Directors apply, such as violations of laws and regulations or resignation during the term without justifiable reasons, the Company will withhold shares and cash or demand their return.
Medium- to long-term performance benchmarks	ROE, ROIC, relative TSR, ESG indicators, and individual mission evaluation

Medium- to long-term performance-linked stock compensation reflects not only financial results but also efforts to increase shareholder value and sustainability initiatives in the evaluation. This approach reinforces management's commitment to enhancing corporate value over the medium to long term.

Revision of Compensation System to Enhance Medium- to Long-Term Corporate Value

To strengthen our commitment to enhancing corporate value over the medium to long term, we have introduced a performance-linked post-delivery restricted stock compensation plan from the fiscal year ending March 2027, replacing the previous Board Benefit Trust plan. By granting shares that cannot be transferred until retirement based on the level of achievement of performance targets and other factors, we have established a more direct and highly effective compensation system to better link executive compensation to both business performance and shareholder value in order to take the same perspective as our shareholders in working to enhance corporate value over the medium to long term.

Improvement of Corporate Value through Dialogue with Shareholders and Investors

To sustainably enhance corporate value, the Yamato Group emphasizes constructive dialogue with shareholders and investors. We have established a dedicated department to conduct our investor relations (IR) and shareholder relations (SR) activities under the overall supervision of the executive officer responsible for IR. This structure ensures that our institutional investors have ample opportunities for dialogue with the president and other members of the management team, as well as independent outside directors. In addition, we provide information to individual shareholders and organize opportunities for interaction, such as facility tours, with the aim of fostering a better understanding of the Yamato Group, strengthening our relationships with shareholders, and encouraging long-term share ownership. Opinions and requests received through these forums are reported to the Board of Directors as appropriate and used to fine-tune business and financial strategies, among other actions.

Market Feedback and Initiatives to Enhance Corporate Value

In FY2026/3, investors and others showed a strong interest in our ability to restore earnings and optimize our business portfolio to achieve medium- to long-term growth. We have taken this feedback to heart and turned it into concrete actions through discussions in various internal committees, as outlined below.

Management Structure to Drive the Next Stage of Growth

Market feedback

In an increasingly uncertain business environment, I expect the Yamato Group to exhibit resilient leadership and a management structure that will further accelerate its transformation and chart a new course for growth.

Our response

Following objective deliberations by the Nomination and Compensation Committee, we transitioned to a new management structure that maintains the management foundation established through previous reforms while incorporating diverse perspectives that transcend existing boundaries to enable agile decision-making. Under this new structure, we will achieve sustainable growth by further enhancing our governance functions and rapidly executing our strategies.

▶ Page 44: Message from the Chairperson of the Nomination and Compensation Committee

Transforming the Business Portfolio and Improving Capital Efficiency

Market feedback

I want the Yamato Group to objectively evaluate the position of each of its businesses in terms of both growth potential and profitability, and to engage in more in-depth discussions and take decisive action to optimize resource allocation and balance sheet management.

Our response

We are optimizing resource allocation in each of our businesses, focusing our efforts on management based on return on invested capital (ROIC) to achieve sustainable improvement in profitability. In parallel, we have introduced business-specific hurdle rates and an Asset Governance Policy for rigorous investment discipline to strengthen balance sheet management. We are swiftly putting our bold decisions into action to maximize capital efficiency, including accelerating the sale of cross-shareholdings and monetizing real estate assets through measures such as sale-and-leaseback transactions.

▶ Page 6: Message from the CFO

Linking Sustainability Strategy to Corporate Value

Market feedback

I would like to hear a persuasive explanation of how initiatives to address ESG and environmental issues will go beyond being mere costs to lead to medium- to long-term corporate value (financial impact).

Our response

Through briefings on sustainability and other channels, we are conducting more sophisticated disclosure that integrates non-financial information with our financial strategy. We provide both quantitative and qualitative explanations of our frameworks for converting non-financial initiatives into economic value and show their links to enhancing corporate value over the medium to long term. Examples include cost reductions from adopting electric vehicles and energy management, the creation of new revenue streams, and improvements in labor productivity and engagement driven by organizational and workforce transformation.

▶ Page 27: New Domain ▶ Page 29: Human Resource Strategy ▶ Page 36: Environmental Strategy

Implementation of Engagement Activities (FY2026/3)

Target	Details of Activities	Company Speakers	Number of Times
Institutional investors	Financial results briefings	President and responsible executive officer	4
	Small meetings	President and responsible executive officer	2
		Outside directors	1
	Briefings on sustainability (environment and society)	Responsible executive officer	1
	Visits with investors outside Japan (Europe, Americas, and Asia)	President	4
	One-on-one meetings	President, executive officer responsible for IR, and IR staff	303
Individual investors	Facility tours (integrated business solution hubs)	IR staff	6
	Dialogue sessions	Executive officer responsible for the region and executive officer responsible for IR	2

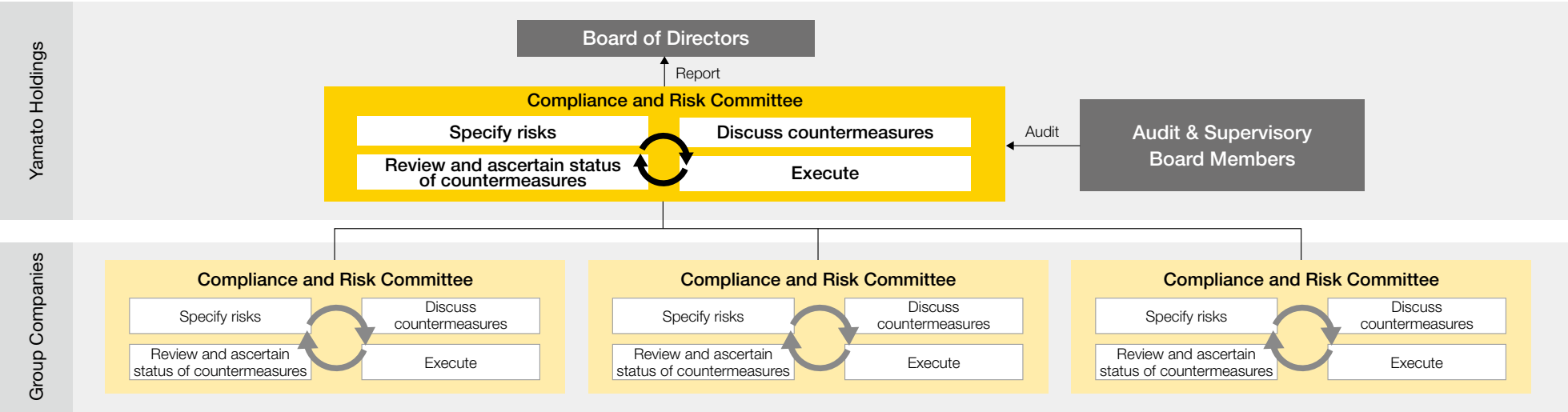
Note: Response based on shareholder and investor requests and purpose of interviews

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.

Risk Management Framework



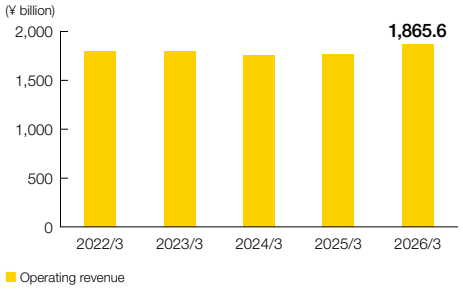
Key Risks

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.

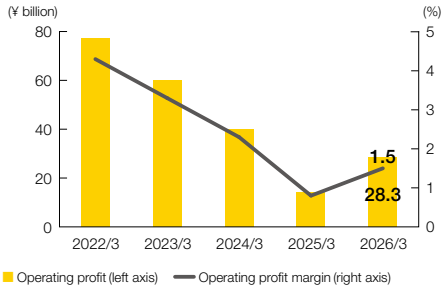
(1) Risks related to the business environment and corresponding strategies	(2) Risks related to business operations
A. Risks arising from changes in the market and competitive environment	**A.** Risks related to compliance
B. Risks arising from decreased working population	**B.** Risks related to large-scale natural disasters
C. Risks related to technological advances	**C.** Risks related to serious traffic and occupational accidents
D. Risks related to information security	**D.** Risks related to labor legislation
E. Risks arising from regional depopulation	**E.** Risks arising from the impact of the international situation, etc.
F. Risks related to climate change	**F.** Risks arising from the impact of financial markets
G. Risks related to M&A and strategic business alliances	

Performance Highlights Fiscal Year Ended March 31, 2026

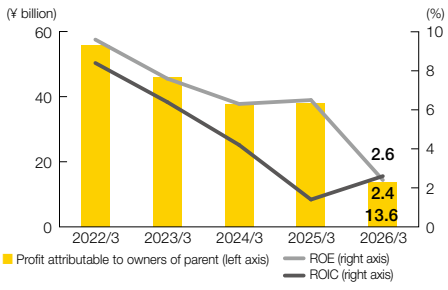
Operating Revenue



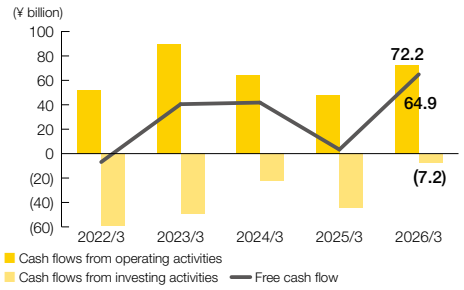
Operating Profit / Operating Profit Margin



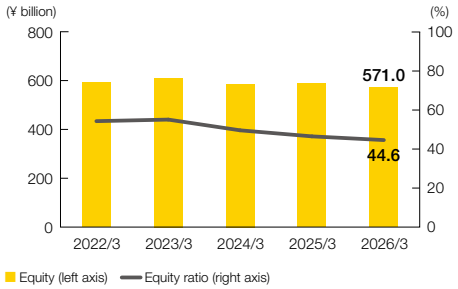
Profit Attributable to Owners of Parent / ROE[1] / ROIC[2]



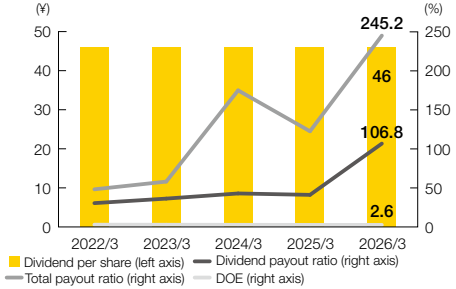
Operating and Investing Cash Flows / Free Cash Flow[3]



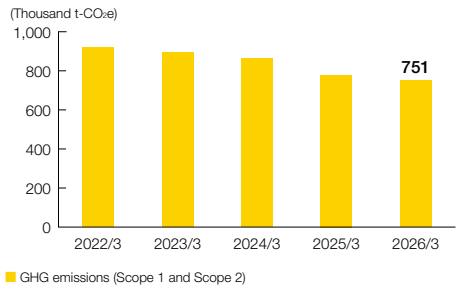
Equity / Equity Ratio



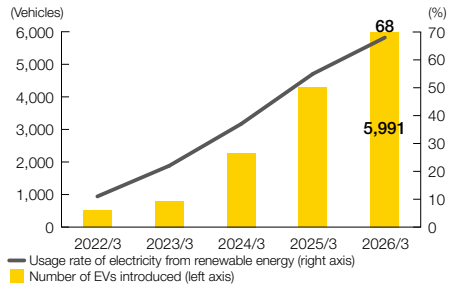
Shareholder Returns



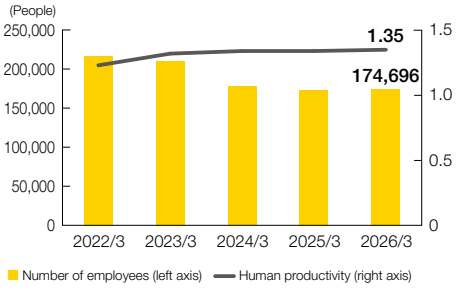
GHG Emissions[4]



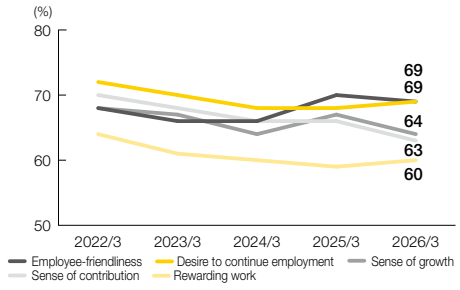
Usage Rate of Electricity from Renewable Energy[4, 5] / Number of EVs Introduced[6]



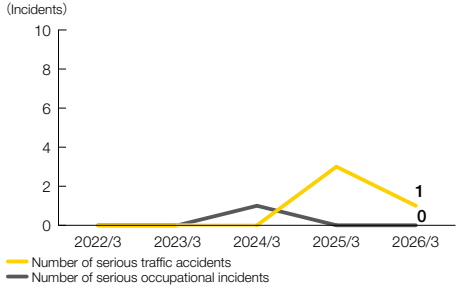
Number of Employees / Human Productivity[7]



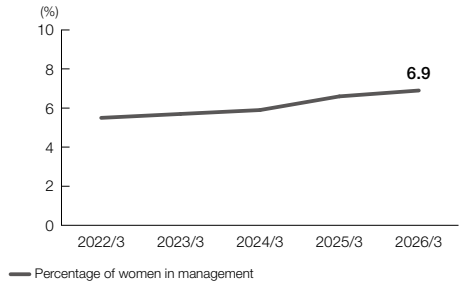
Employee Awareness Surveys[4, 8]



Number of Serious Traffic Accidents[9] / Number of Serious Occupational Incidents[4, 10]



Percentage of Women in Management



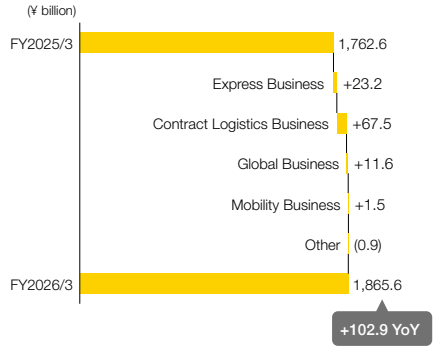
1. Return on equity (ROE) = Profit attributable to owners of parent ÷ Average equity during the period 2. Return on invested capital (ROIC) = Net operating profit after tax ÷ (Average interest-bearing liabilities during the period + Average equity during the period)
3. Free cash flow = Cash flows from operating activities + Cash flows from investing activities 4. Scope: Consolidated companies in Japan and Swan Co., Ltd. 5. Electricity generated from renewable energy sources (MWh) ÷ Total power generated (MWh)
6. Scope: Yamato Transport Co., Ltd. 7. Human productivity = (Consolidated operating revenue – Consolidated subcontracting expenses) ÷ Consolidated personnel expenses 8. Awareness surveys regarding working styles administered on an annual basis
9. Fatal traffic accidents (for which the employee is responsible) 10. Incidents involving a fatality

Ten-Year Summary and Business Highlights Years ended March 31

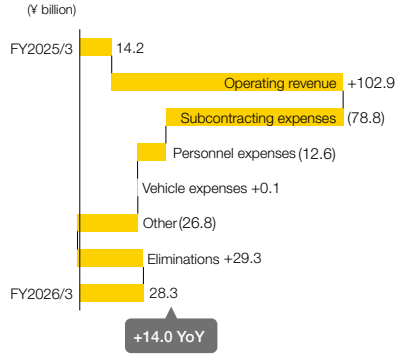
	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3	2025/3	2026/3
RESULTS OF OPERATIONS:										Millions of Yen
Operating revenue	1,466,852	1,538,813	1,625,315	1,630,146	1,695,867	1,793,618	1,800,668	1,758,626	1,762,696	**1,865,675**
Operating costs	1,385,492	1,452,485	1,513,988	1,526,102	1,538,524	1,654,085	1,687,241	1,664,317	1,692,669	**1,776,935**
Selling, general and administrative expenses	46,474	50,642	52,981	59,342	65,220	62,333	53,341	54,249	55,820	**60,435**
Operating profit	34,885	35,685	58,345	44,701	92,121	77,199	60,085	40,059	14,206	**28,304**
Profit before income taxes	33,037	33,123	52,258	44,581	91,759	81,040	56,815	51,704	54,791	**29,854**
Income taxes	14,672	14,435	26,308	21,678	34,825	23,968	11,393	13,864	16,435	**16,140**
Profit attributable to owners of parent	18,053	18,231	25,682	22,324	56,700	55,956	45,898	37,626	37,937	**13,662**
PER SHARE OF COMMON STOCK:										Yen
Basic earnings	45.37	46.24	65.14	56.78	151.55	151.03	126.64	107.23	111.87	**43.07**
Diluted earnings	—	—	—	—	—	—	—	—	—	**—**
Cash dividends	27.00	27.00	28.00	41.00	46.00	46.00	46.00	46.00	46.00	**46.00**
Net assets per share	1,367.51	1,395.74	1,435.15	1,441.20	1,553.45	1,611.34	1,684.87	1,708.00	1,806.52	**1,803.21**
Stock price (closing), end of year	2,332.5	2,668.5	2,859	1,697	3,035	2,293	2,269	2,158	1,961.5	**1,744.5**
FINANCIAL POSITION:										Millions of Yen
Working capital	214,661	164,599	139,834	134,072	139,010	128,037	139,888	150,448	166,520	**197,254**
Equity	539,179	550,307	565,841	555,173	576,367	590,542	610,380	585,755	589,259	**571,033**
Total assets	1,114,672	1,114,870	1,123,659	1,100,739	1,089,991	1,086,854	1,107,587	1,181,782	1,267,428	**1,280,170**
Capital expenditures	48,993	54,482	79,838	55,033	55,431	78,572	55,691	62,359	126,319	**69,886**
Depreciation and amortization	46,114	46,423	51,346	55,083	48,861	35,524	41,557	44,294	48,586	**53,200**
Net cash provided by operating activities	73,324	51,728	118,093	74,433	123,921	52,016	89,953	64,333	47,732	**72,218**
KEY RATIOS:										
Operating profit margin (%)	2.4	2.3	3.6	2.7	5.4	4.3	3.3	2.3	0.8	**1.5**
Net margin (%)	1.2	1.2	1.6	1.4	3.3	3.1	2.5	2.1	2.2	**0.7**
Return on assets (ROA) (%)	1.6	1.6	2.3	2.0	5.2	5.1	4.2	3.4	3.1	**1.1**
Return on equity (ROE) (%)	3.4	3.3	4.6	4.0	10.0	9.6	7.6	6.3	6.5	**2.4**
Return on invested capital (ROIC) (%)	3.4	3.5	5.9	4.6	9.7	8.4	6.4	4.2	1.4	**2.6**
Current ratio (%)	157.7	141.7	134.1	132.8	135.7	136.3	140.6	143.5	147.0	**155.0**
Shareholders' equity ratio (%)	48.4	49.4	50.4	50.4	52.9	54.3	55.1	49.6	46.5	**44.6**
Asset turnover (Times)	1.3	1.4	1.5	1.5	1.5	1.6	1.6	1.5	1.4	**1.5**
D/E ratio (Times)	0.33	0.28	0.20	0.22	0.11	0.08	0.08	0.16	0.29	**0.34**
Price earnings ratio (PER) (Times)	51.4	57.7	43.9	29.9	20.0	15.2	17.9	20.1	17.5	**40.5**
Price book-value ratio (PBR) (Times)	1.7	1.9	2.0	1.2	2.0	1.4	1.3	1.3	1.1	**1.0**
NON-FINANCIAL DATA:										
Number of employees	201,784	213,096	225,125	224,945	223,191	216,873	210,197	177,430	172,822	**174,696**
Full-time	90,737	93,534	97,587	98,744	96,829	94,473	92,727	88,917	88,102	**87,347**
Part-time	111,047	119,562	127,538	126,201	126,362	122,400	117,470	88,513	84,720	**87,349**
Parcel delivery volume (Millions of parcels)	1,800	1,758	1,668	1,627	1,803	1,890	1,926	1,886	1,961	**1,941**
Parcel delivery unit price (Yen)	574	615	702	726	704	700	703	721	711	**726**
Nekopos and *Kuroneko Yu-Packet* volume (Millions of parcels)	67	78	135	172	293	384	413	409	391	**451**
Nekopos and *Kuroneko Yu-Packet* unit price (Yen)	171	181	191	201	195	190	189	190	189	**190**
Kuroneko DM-Bin and *Kuroneko Yu-Mail* volume (Millions of parcels)	1,542	1,464	1,211	987	826	824	800	626	110	**95**
Kuroneko DM-Bin and *Kuroneko Yu-Mail* unit price (Yen)	55	56	60	65	67	67	67	68	79	**86**

Note: Parcel delivery includes *TA-Q-BIN, TA-Q-BIN Compact*, and *EAZY. Kuroneko Yu-Packet*, which uses Japan Post's delivery network, was launched in October 2023. On January 31, 2024, Yamato Transport terminated its *Kuroneko DM-Bin* delivery service and relaunched it as the new service *Kuroneko Yu-Mail*, which uses Japan Post's delivery network.

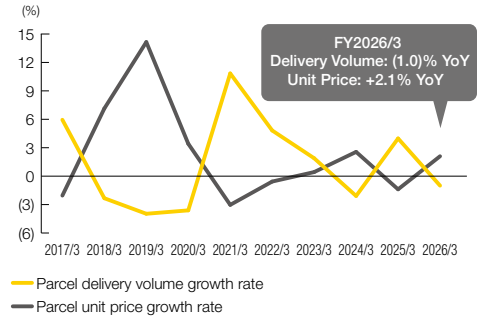
Analysis of Operating Revenue



Analysis of Operating Profit



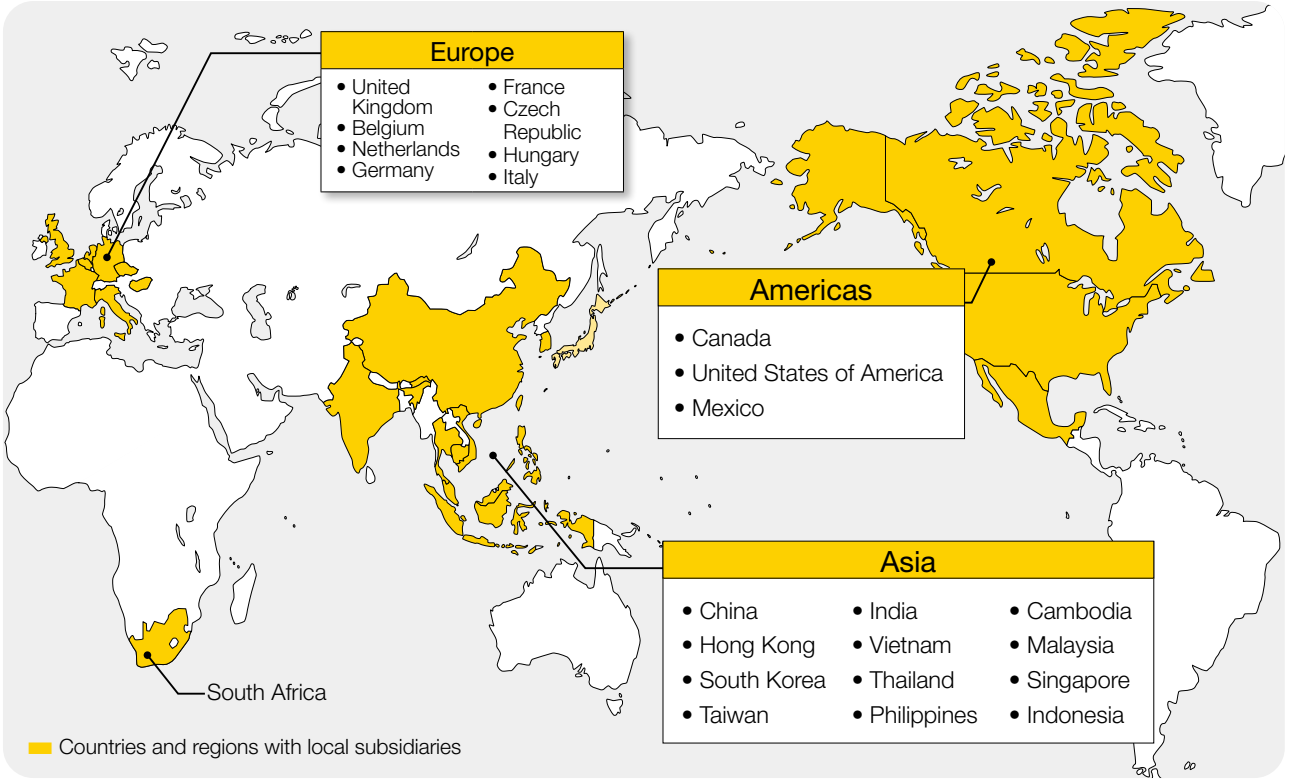
Growth Rates of Parcel Delivery Volume and Unit Price (YoY)



Global Network / External Recognition

22 overseas subsidiaries

24 countries and regions of operation
(including representative offices and branch offices)



Environment

- Eco-First Company
- ESG Finance Award in Environmentally Sustainable Company Category
- Sustainability Yearbook
- CDP

Society

- KENKO Investment for Health Outstanding Organization

Six Yamato Group companies were recognized as 2026 Outstanding Organizations of KENKO Investment for Health by Japan's Ministry of Economy, Trade and Industry (METI).
- Large Enterprise Category: Yamato System Development Co., Ltd., Yamato Box Charter Co., Ltd.
- SME Category: Yamato Contact Service Co., Ltd., Kobe Yamato Transport Co., Ltd., Box Charter Co., Ltd., Yamato Group Health Insurance Society

Inclusion in SRI Indexes

- FTSE4Good Index Series
- FTSE Blossom Japan Index
- FTSE Blossom Japan Sector Relative Index
- MSCI Selection Indexes
- MSCI Nihonkabu ESG Select Leaders Index
- MSCI Japan ESG Select Leaders Index
- SOMPO Sustainability Index
- S&P/JPX Carbon Efficient Index
- Morningstar Japan ex-REIT Gender Diversity Tilt Index
- Dow Jones Best-in-Class Asia Pacific Index

FTSE4Good
FTSE JPX Blossom Japan Index
FTSE JPX Blossom Japan Sector Relative Index
2026 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX
2026 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX
2026 Sompo Sustainability Index
S&P/JPX Carbon Efficient Index

Note: The use of data from MSCI ESG Research LLC or its affiliates (MSCI), or the use of MSCI logos, trademarks, service marks or index names by Yamato Holdings does not constitute sponsorship, endorsement or promotion of Yamato Holdings by MSCI. MSCI services and data are the exclusive property of MSCI or its information providers and are presented as is, without warranty. MSCI and the MSCI names and logos are trademarks or service marks of MSCI.

Corporate Data / Stock Information As of March 31, 2026

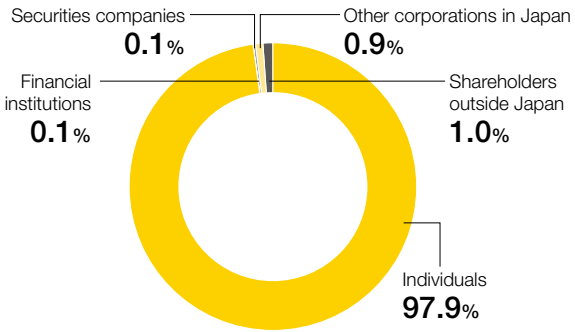
Company Name	Yamato Holdings Co., Ltd.
Head Office	16-10, Ginza 2-chome, Chuo-ku, Tokyo 104-8125 Japan Telephone: 81-3-3541-4141
Established	November 29, 1919
Registered	April 9, 1929
Paid-In Capital	127,234 million yen
Website	https://www.yamato-hd.co.jp/english/
Fiscal Year	From April 1 to March 31
Common Stock	Authorized: 1,787,541,000 shares Issued: 360,496,492 shares
Stock Exchange Listing	Tokyo Stock Exchange, Prime Market (Securities Code: 9064)
Transfer Agent and Registrar	Mizuho Trust & Banking Co., Ltd.
General Meeting of Shareholders	Held in June
Auditor	Deloitte Touche Tohmatsu LLC

Principal Shareholders

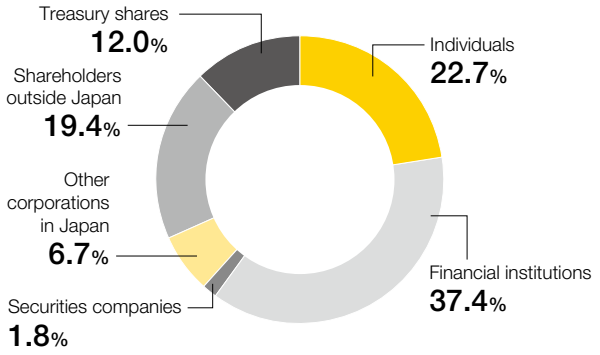
	Ownership Percentage
The Master Trust Bank of Japan, Ltd. (Trust Account)	15.18%
Yamato Employees' Shareholding Association	9.73%
Custody Bank of Japan, Ltd. (Trust Account)	6.84%
Meiji Yasuda Life Insurance Company	4.67%
Nippon Life Insurance Company	4.66%
STATE STREET BANK AND TRUST COMPANY 505001	3.26%
Mizuho Bank, Ltd.	3.23%
GOLDMAN, SACHS & CO. REG	2.48%
Yamato Trading-Partner Shareholding Association	2.44%
Toyota Motor Corporation	1.81%
Total	**54.30%**

Note: Ownership percentage is calculated excluding treasury shares.

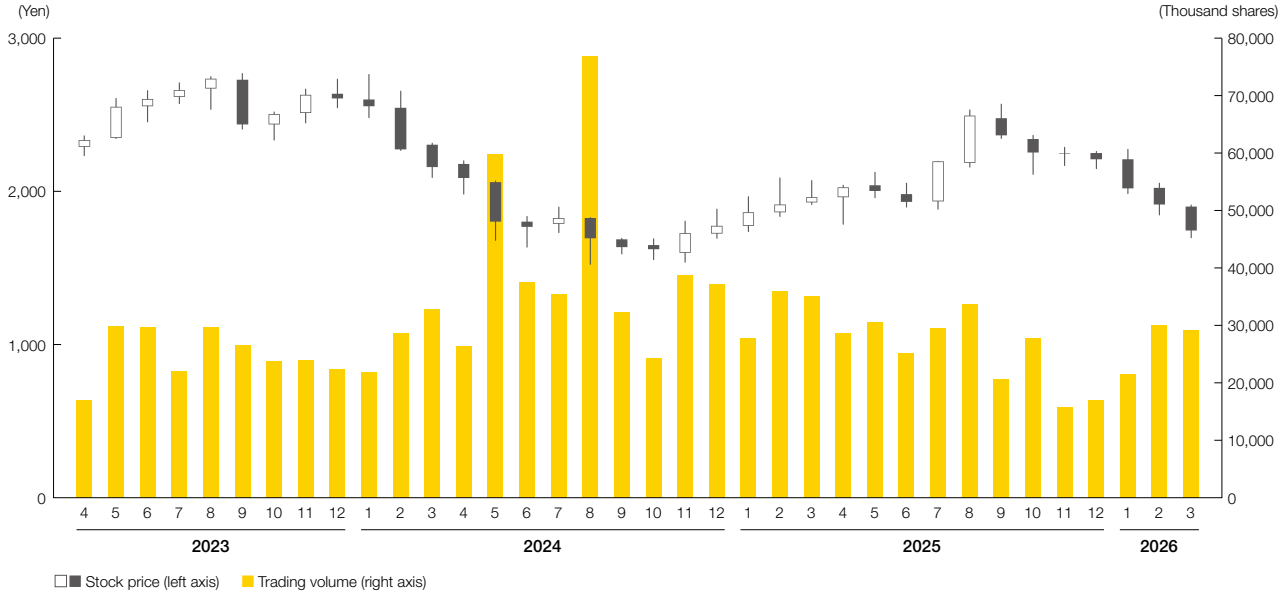
Shareholder Composition



Shareholding Ratio



Stock Price and Trading Volume





16-10, Ginza 2-chome, Chuo-ku, Tokyo 104-8125 Japan
Telephone: 81-3-3541-4141

Printed in Japan
Published in October 2026