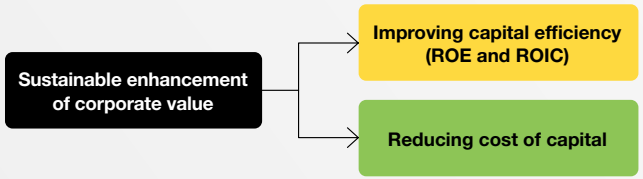
Communication Objectives of *Integrated Report 2026*

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

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■ **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.

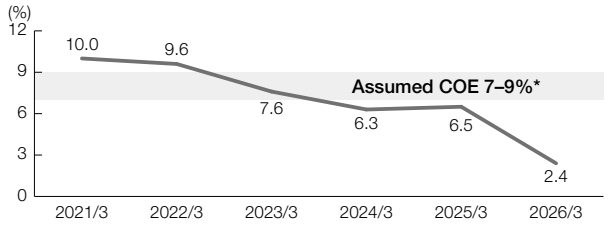
Conclusion: Constructive Dialogue with Capital Markets

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).

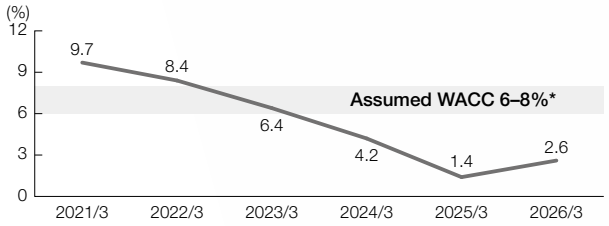
The first quarter of FY2027/3 is already over and we are closely monitoring our progress against our initial plan. First and foremost, my greatest responsibility as CFO is to ensure that we achieve our performance targets for FY2027/3 and demonstrate to everyone through concrete financial data that we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



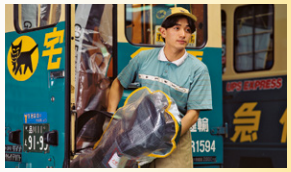
1919
Founding of trucking company Yamato Transport Co., Ltd.

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]

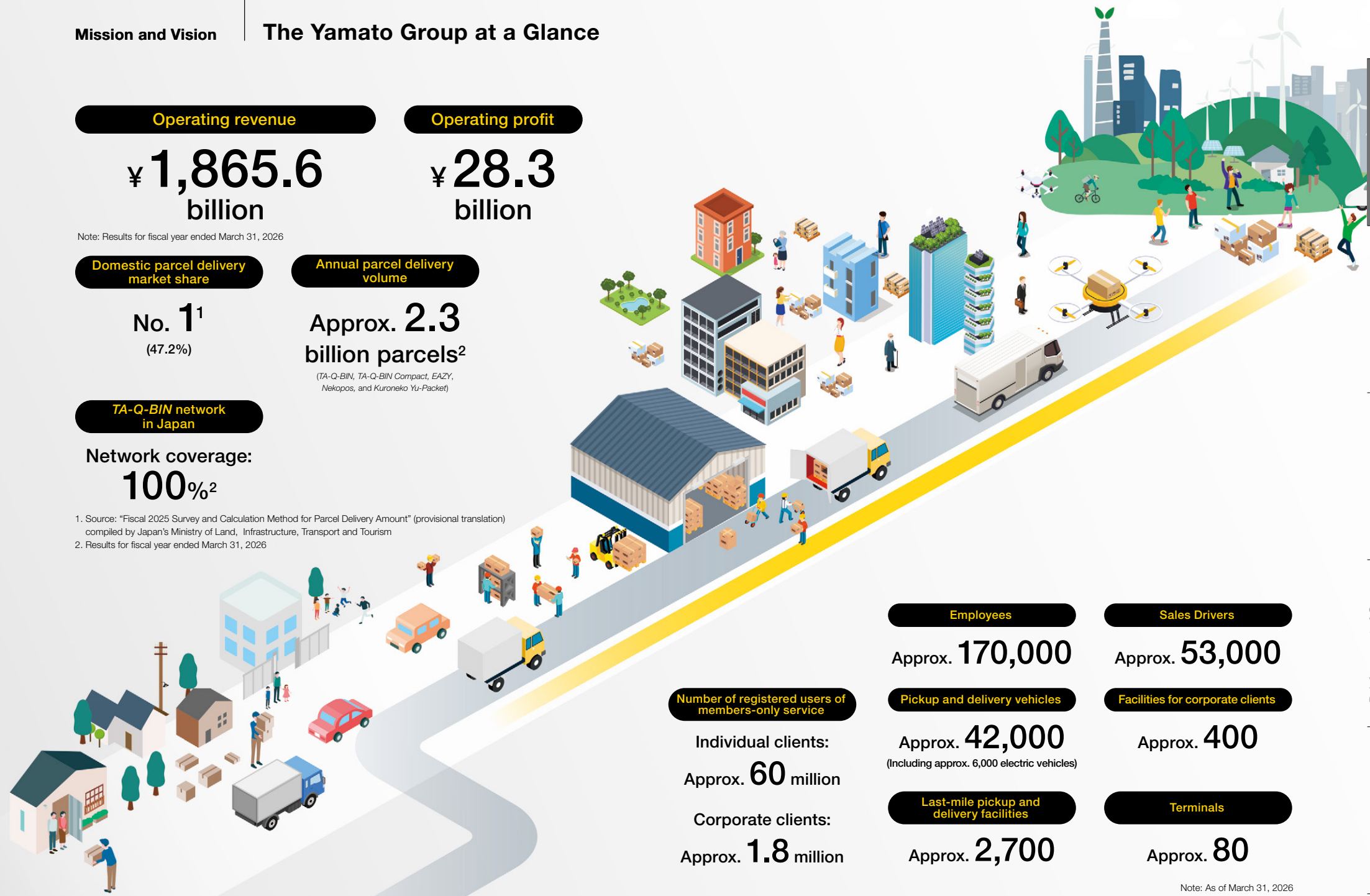
(*TA-Q-BIN*, *TA-Q-BIN Compact*, *EAZY*, *Nekopos*, and *Kuroneko Yu-Packet*)

***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