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



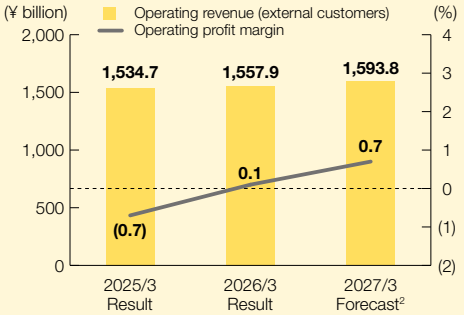
- Revise transportation processes to flexibly adapt to fluctuations in shipment volume
- Improve productivity in the last-mile domain



- 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

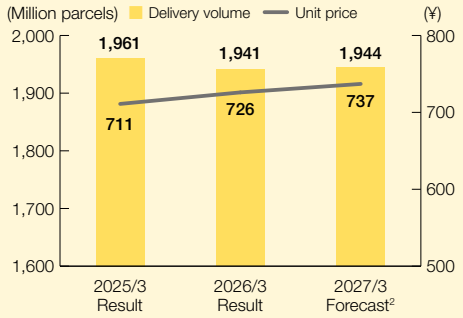
▶ Growth Domain (page 22)

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

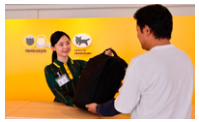
We conduct annual reviews of our delivery charges to pass on increases in external costs, such as fuel and labor costs, and thereby maintain or increase our unit rates.

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.

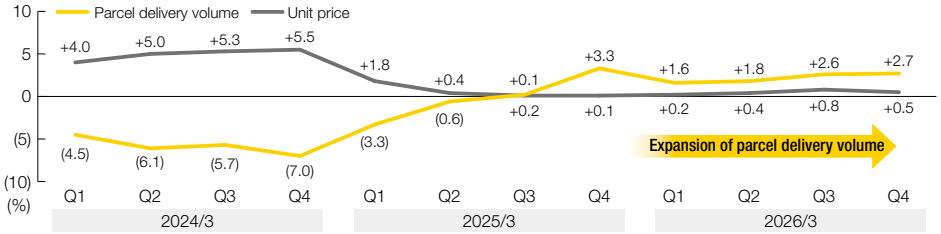
Case Study Capturing Inbound Demand and Strengthening Support for Tourism

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)



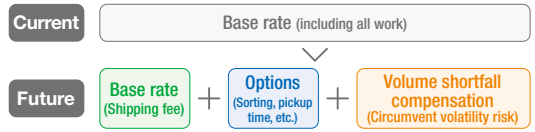
Corporate Domain

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)

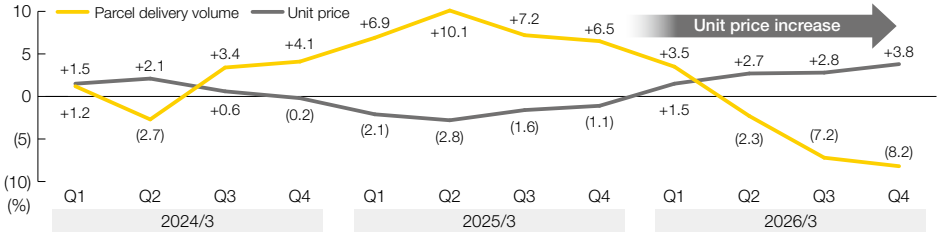
We are revising our fee structure to clearly separate base rates from service fees for sorting, specific pickup times, or other options to ensure that we receive appropriate compensation in line with customer needs and the value we provide. We are also transitioning to a fee structure that mitigates 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

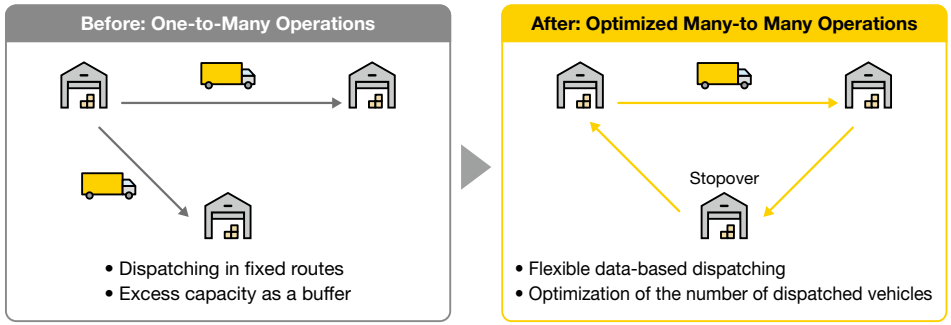
Transportation Domain

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.

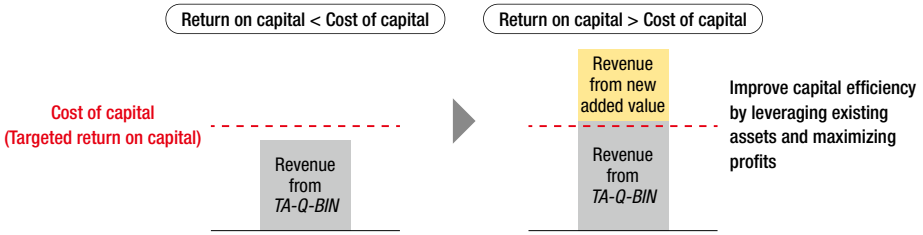
Adding Value Beyond *TA-Q-BIN*

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.

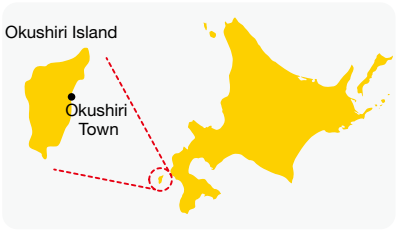
This initiative minimizes the workload for farmers, helping to maximize shipment volumes and reduce harvest losses. It also alleviates the burden on JA for cargo acceptance or collection, creating an environment where it can focus on its core operations, such as sorting produce and supporting farmers. 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.)

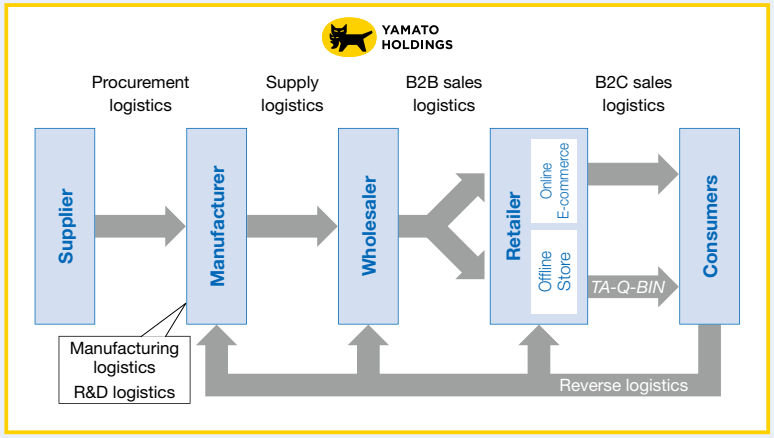
Yamato's Strengths and Capital

- 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)

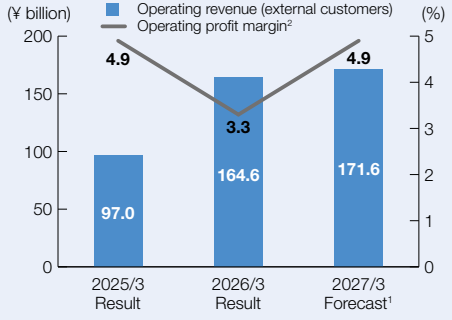
TA-Q-BIN sorting, transportation, and delivery functions

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

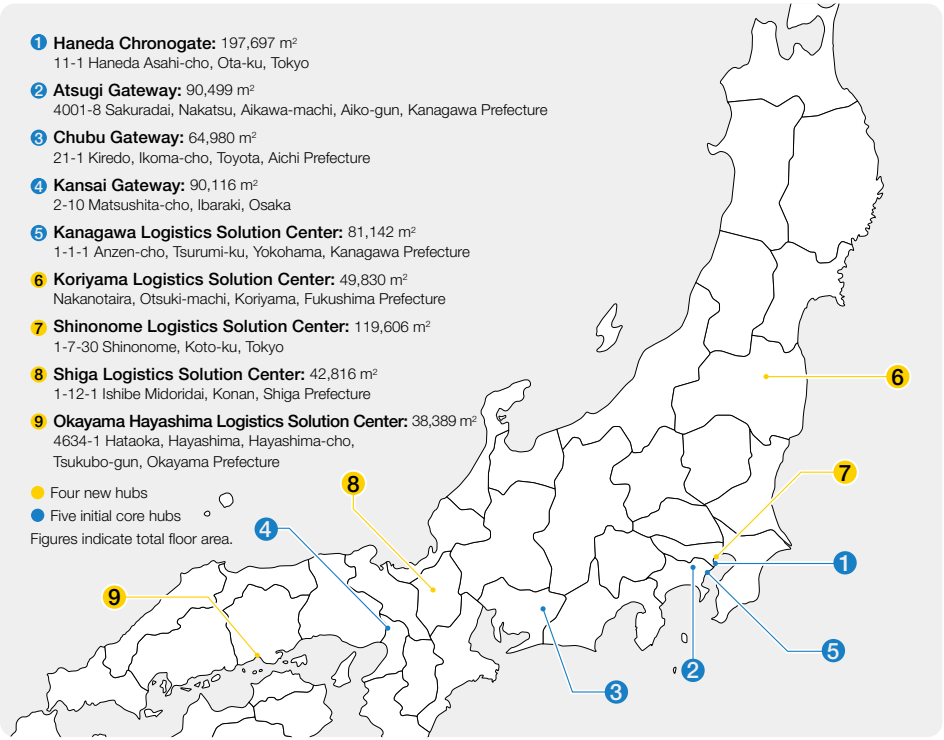
Contract Logistics Business: Strategy Execution and Value Delivered

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

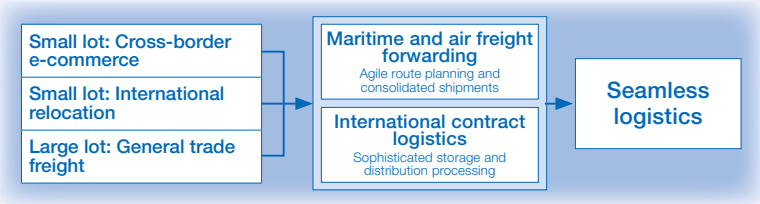
Yamato's Strengths and Capital

- 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

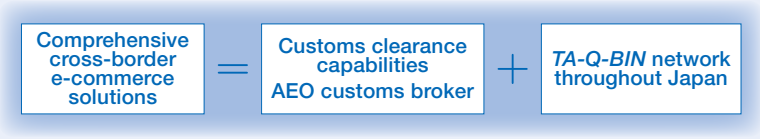
1 Maximizing Profitability with Mixed-Load Consolidation and Optimal Route Planning

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

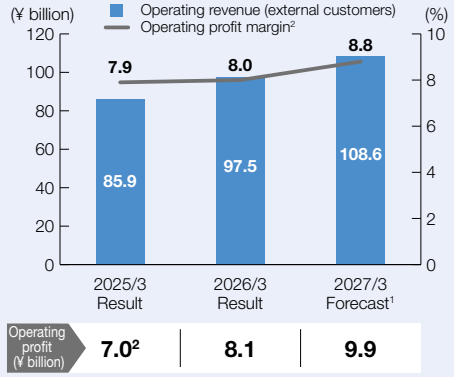
We seamlessly integrate rapid, rigorously compliant customs clearance capabilities with the *TA-Q-BIN* network to provide end-to-end service. We can significantly reduce lead times and maximize sales opportunities for customers.



3 Focus on Target Lanes and Enhance Organizational Execution

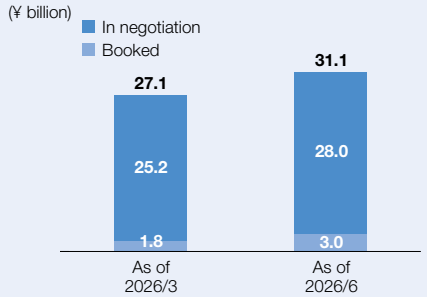
We are focusing resources on rapidly growing key routes in Asia, North America, and other regions. We exercise rigorous investment discipline in accelerating network expansion through alliances and M&As.

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

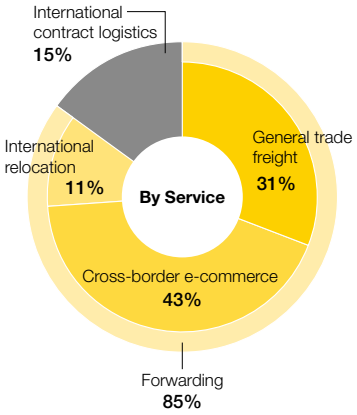
Global Business Overview

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

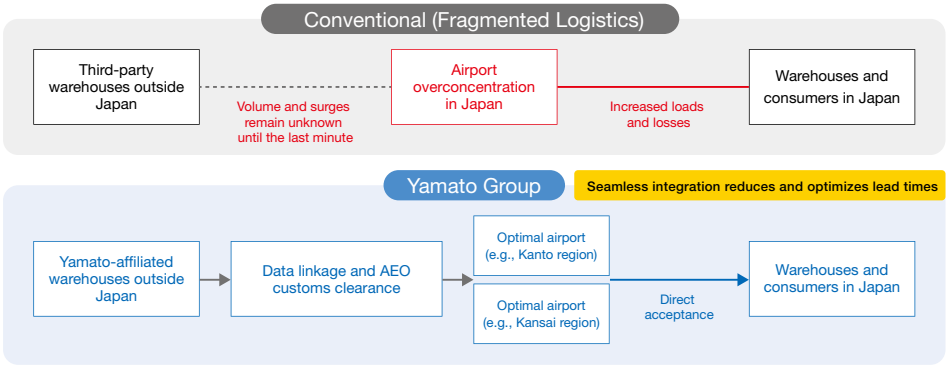
The Global Headquarters in Tokyo is the command center for the Group's international network of local subsidiaries in 24 countries and regions. The Group is addressing geopolitical risk and supply chain fragmentation by designating "target lanes," which are priority routes optimized for each mode of 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

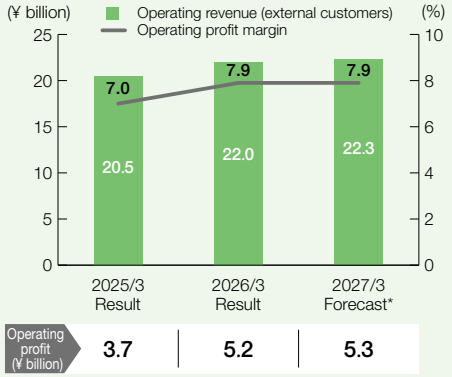
EV Lifecycle Service

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

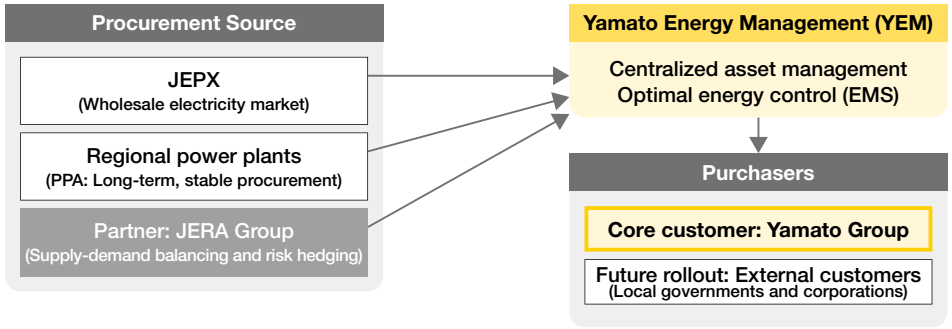
¥580 million

* 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.

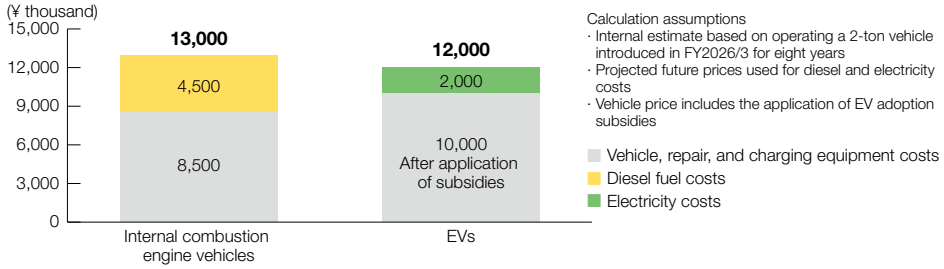
EV Lifecycle Service

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%)