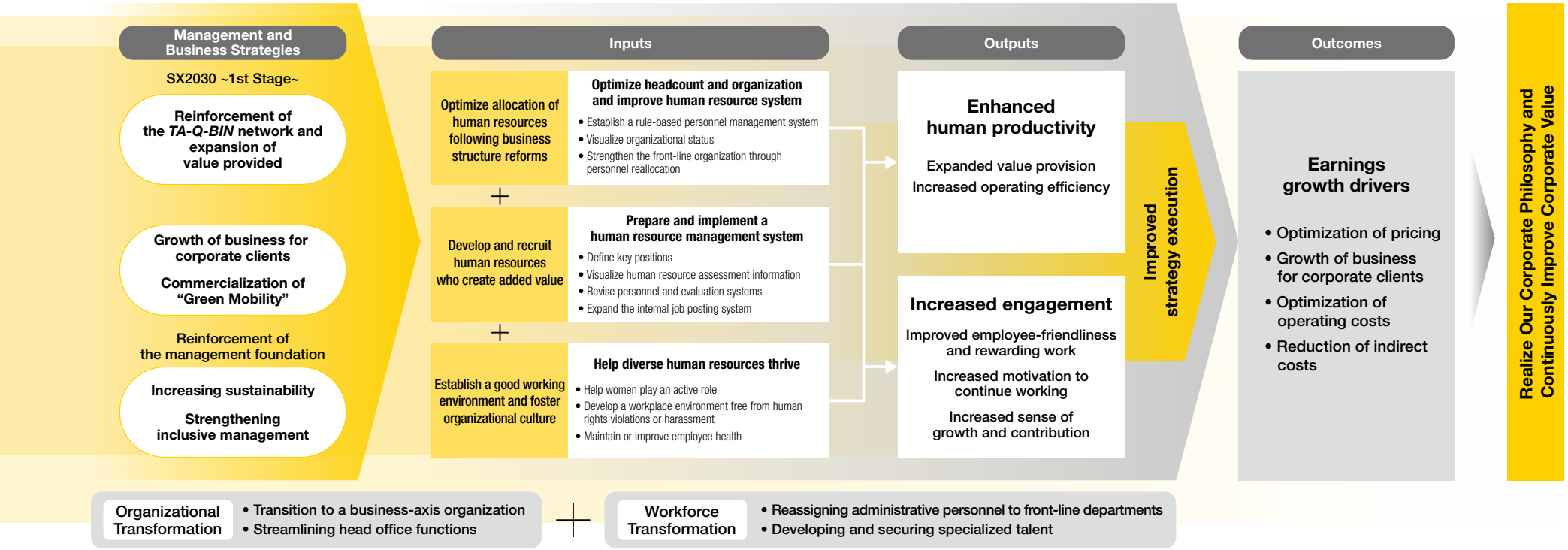
Human Resource Strategy

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

A Human Resource Strategy Linked to Management and Business Strategies



The key themes of our human resource strategy are creating an organization capable of proactively transforming its skill set and human resource portfolio in line with the Yamato Group's management strategy, and developing human resources who can take ownership of this transformation and carry it out in their respective positions and roles. We are implementing our human resource strategy based on our Human Resources Management Policy, which aims to achieve sustainable mutual growth by linking employee growth and fulfillment at work with the growth of the Group.

During the current medium-term management plan, we are reinforcing the *TA-Q-BIN* network and transforming our business portfolio. Key components of the human resource strategy for accomplishing these objectives are optimal human resource allocation following business structure reform, development and recruitment of people who create added value, the establishment of a good working environment, and the fostering of a strong organizational culture. We are deploying personnel to areas directly linked to our earning power—strengthening our core Express Business, expanding in the growth domain of our Contract Logistics Business and Global Business, and commercializing new businesses in the field of Green Mobility. We are also systematically recruiting and developing talent with the necessary skills in these areas. Through these measures, the Human Resources Department will work closely with business departments to improve profitability by expanding the value we provide and thereby enhance our ability to generate earnings. At the same time, we will steadily and continuously strengthen our human capital by creating a workplace where diverse employees can thrive, thereby contributing to the sustained enhancement of corporate value.

The target outputs of our human resource strategy are enhanced human productivity* and increased engagement. Human productivity continues to improve due to efforts to optimize personnel expenses, but our fundamental challenge is increasing added value. We aim to enhance human productivity by increasing this value-added component (the numerator in calculating productivity) by securing and developing human resources with the knowledge and skills necessary to provide value, and by establishing a personnel system that leads to improved performance and a sense of rewarding work. We consider engagement, which brings out the potential of individual employees and leads to greater value creation, to be a key indicator and have established a plan-do-check-act (PDCA) cycle that employs the results of employee awareness surveys. These indicators are influenced by a complex mix of factors other than our human resource strategy, so business departments and the Human Resources Department will enhance cooperation to evaluate and verify the effectiveness of measures from multiple angles.

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

Optimal Allocation and Development of Human Resources

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

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

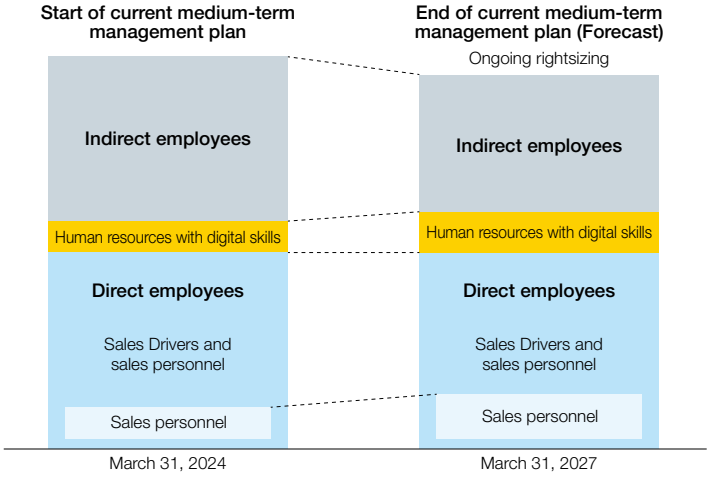
Building on this foundation, we are strategically and dynamically shifting personnel to create new opportunities for them to thrive in roles on the front line, such as at sales offices where they engage directly with customers, or in our growth domain such as the Contract Logistics Business that will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

Optimal Human Resource Allocation Following Business Structure Reforms

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

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

Envisioned Human Resources Portfolio



Development of People Who Create Added Value

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

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

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

Human Resource Development and Training Framework

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

Diversity and Inclusion

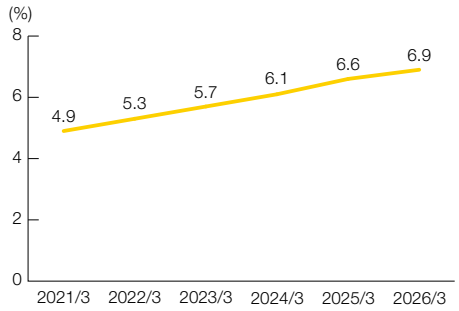
The Yamato Group has made diversity and inclusion a key priority for continuing to evolve in response to a changing market. Underpinning our approach is the spirit of “inclusive management” that is part of the Group’s heritage and our vision of a society that leaves no one behind.

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

Empowering Women

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

Percentage of Women in Management



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



Roundtable discussion with current executives

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

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

Non-Japanese Talent

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



Signing ceremony for the memorandum of understanding

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

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

Increasing Engagement

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

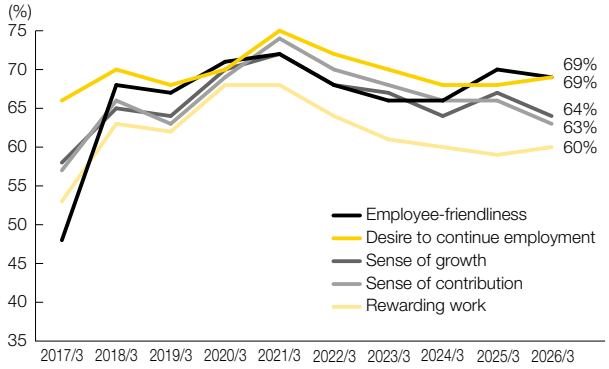
Employee Awareness Survey Results

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

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

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

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



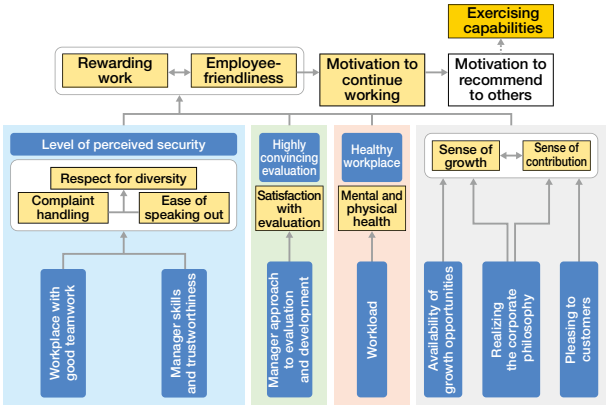
1. Awareness surveys regarding working styles administered on an annual basis (Scope: Consolidated companies in Japan and Swan Co., Ltd.)
2. Percentage of positive responses

Objective of the Employee Awareness Survey and Correlations among Its Indicators

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

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

Correlations among Employee Awareness Survey Indicators

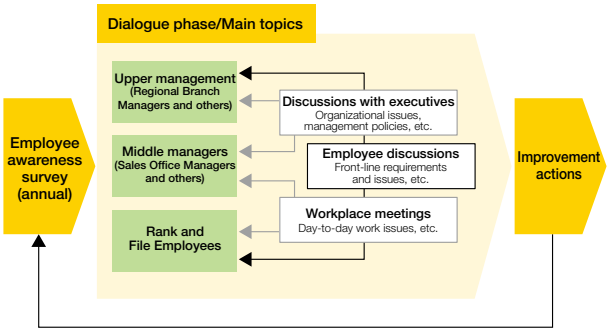


Improving the Workplace through Dialogue

We use the feedback collected from employee awareness surveys to plan Groupwide human resource policies and verify their effectiveness, and to support actions for improvement led by the front line. Dialogue between senior and middle managers and between upper management and employees deepens mutual understanding of management strategies and issues in the workplace. In addition, the opportunities we provide for managers and their teams to identify issues in their own workplaces and take action to improve them encourage a sense of ownership and an autonomous approach to solving problems at the individual level.

We conduct a multi-layered dialogue process once a year based on these surveys and their results. Through a cycle in which each workplace implements improvement measures throughout the year to address identified issues and then verifies their effectiveness in the subsequent survey, we drive continuous improvement in employee-friendliness and teamwork.

Improving the Workplace through Dialogue



Messages from Employees



Takuya Kobayashi

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

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

Saving Time and Strengthening Teamwork through Greater Efficiency

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

A Partner in Resolving Local Issues in Tune with Our Customers

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



Isamu Aosawa

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

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

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

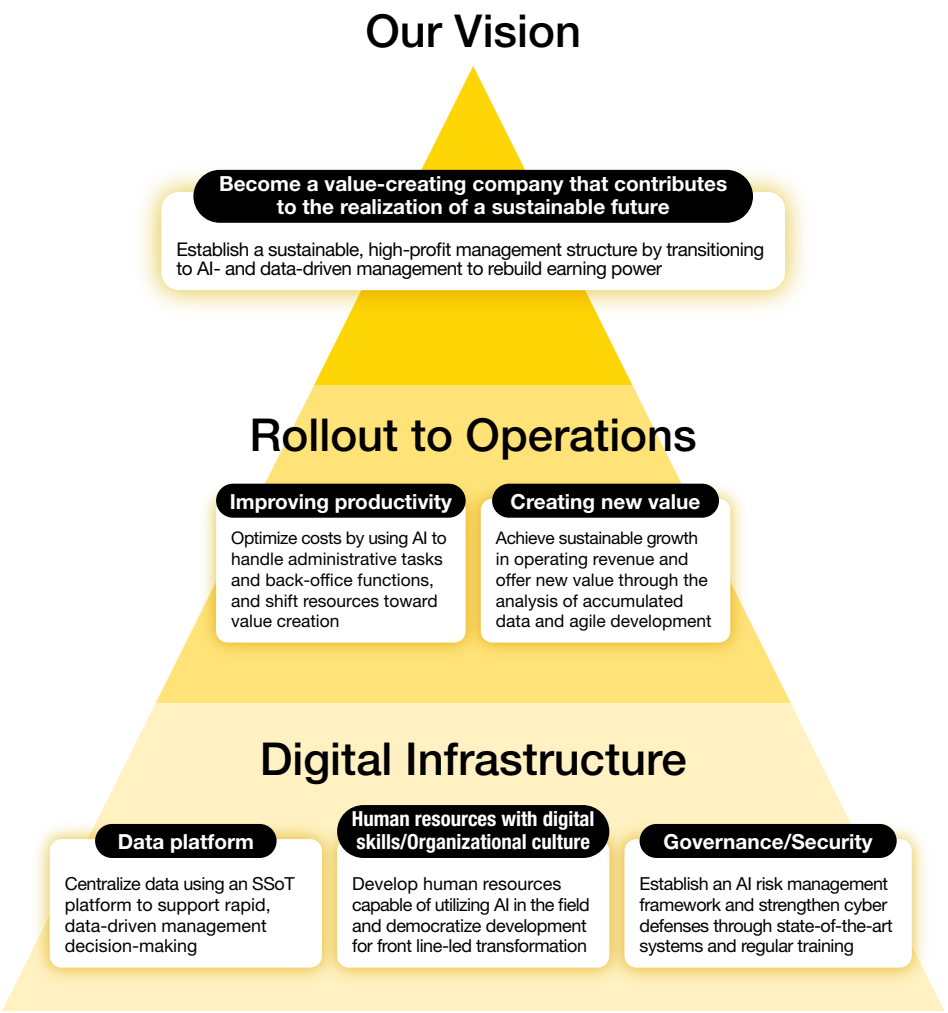
As the project leader for our newly established integrated business solution hub, I am at the forefront of driving growth in our business for corporate clients. Our mission is to optimize our customers' entire supply chains and offer high-value-added solutions. The key to this challenge is the ability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

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

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

Strengthening Our Data Infrastructure

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



Data Platform

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

* Single Source of Truth

Human Resources with Digital Skills/Organizational Culture

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

Governance/Security

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

Rollout of Our Digital Infrastructure to Operations

Improving Productivity

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

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

AI Dispatch System for Short-Distance Urban Transportation

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

Front Line-Driven Operational Efficiency

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

Creating New Value

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

AI Sales Offices

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

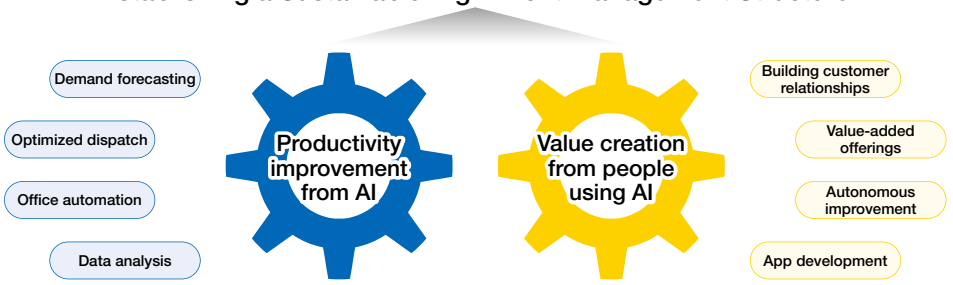
Event Support Model

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



Waiting to ship packages at a large-scale event

Establishing a Sustainable High-Profit Management Structure

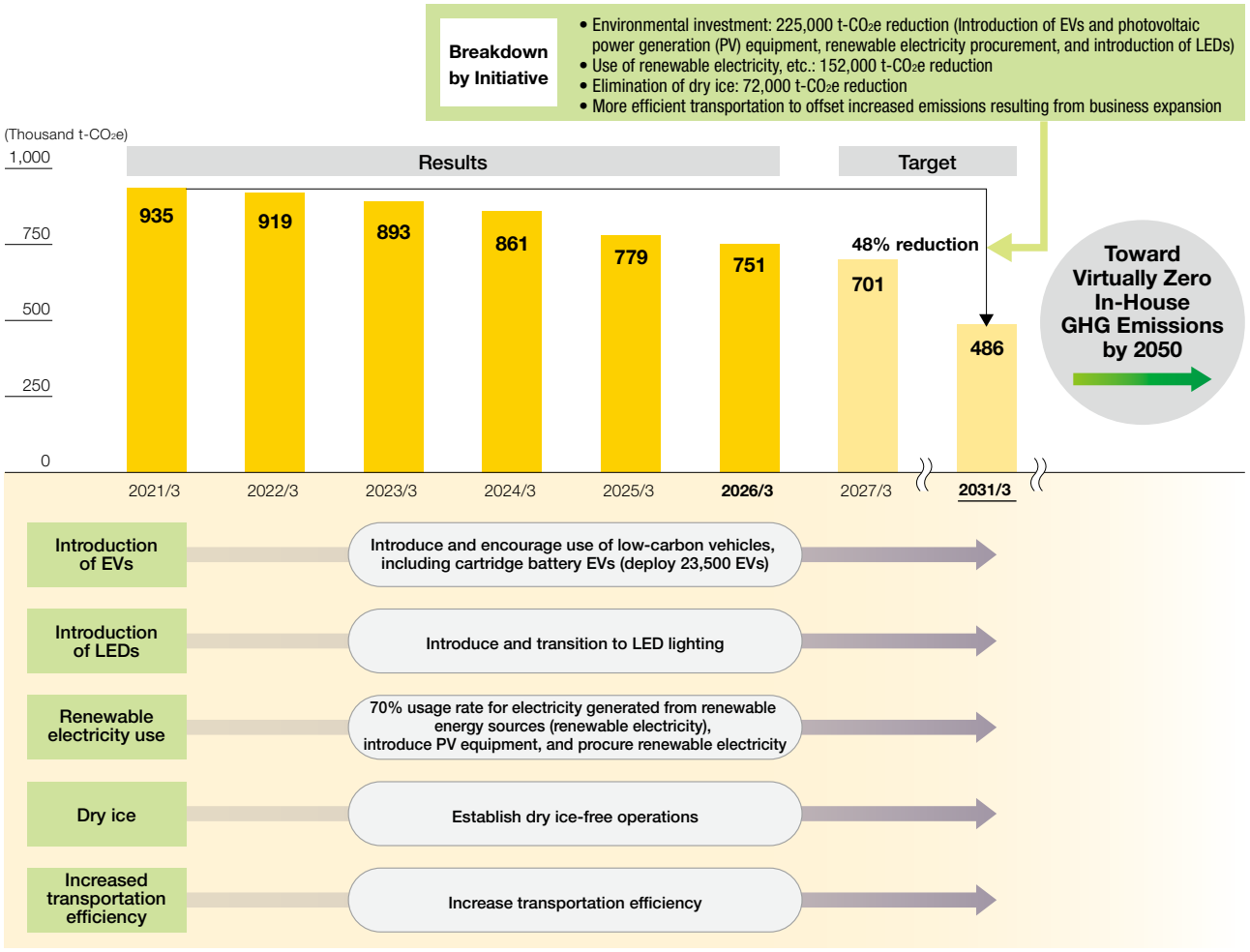


Environmental Strategy

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

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

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



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

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

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

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

Status of Scope 3 Reduction Initiatives

Green Logistics in Collaboration with Partners

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

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

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

Development and Demonstration Tests to Realize Green Delivery

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

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

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

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

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

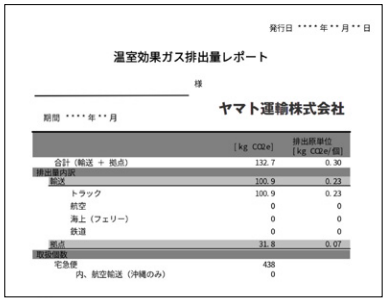
• Progress on Demonstration Tests and Optimization of Targets for FY2031/3
Introduction of EVs and energy management systems proceeded on schedule in FY2026/3, leading to steady reduction of CO_2 emissions. Demonstration tests showed that EV driving ranges exceeded initial assumptions. As a result, we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

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

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

Launch of GHG Emissions Reporting Service

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


発行日 ****年**月**日

温室効果ガス排出量レポート

様

ヤマト運輸株式会社

期間 ****年**月

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

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

2. ISO 14083:2023

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

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

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



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

Disclosures Based on the TCFD Recommendations

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

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

Governance

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

Risk Management

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

Strategy

Scenario Analysis and Evaluation of Business Impact

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

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

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

Direction of Countermeasures

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

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

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

Metrics and Targets

GHG Emissions Reduction Targets[1, 2]

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

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

Target for Percentage of Electricity Use from Renewable Energy Sources

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

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

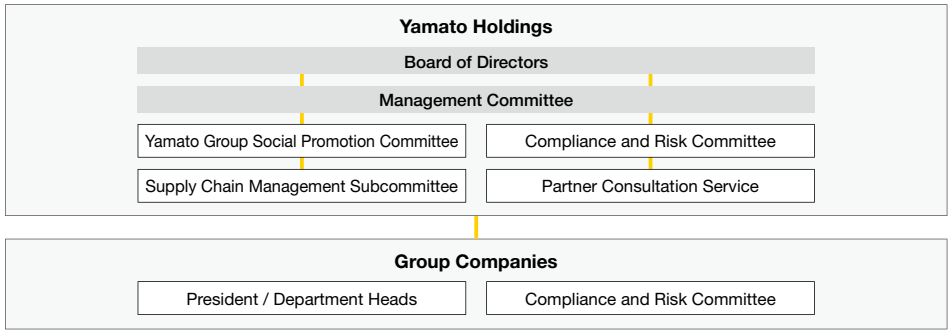
Supply Chain Management (SCM)

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

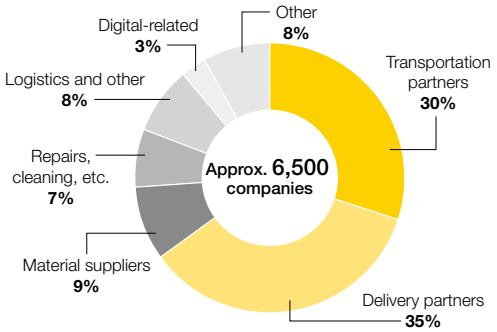
▶ Please refer to our website for our supply chain management policy. https://www.yamato-hd.co.jp/english/csr/society/scm.html

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

Promotion System



The Yamato Group's Business Partners



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

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

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

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

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

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

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

Overview of Initiatives

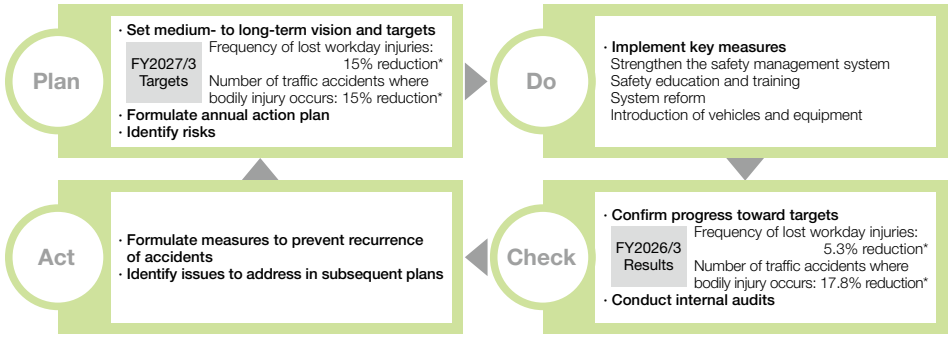
Target		Key Measures	
Business partners	All	Business partner surveys	· Conducted annually to ensure fair business practices · Results reported to management and used in improvement activities
		Establishment of a consultation service	· System established within Yamato Holdings to facilitate the early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

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

Safety and Security

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

Safety Promotion System



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

Progress and Issues

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

Workplace Safety: Strengthening Management and Physically Eliminating Major Risks

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



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

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

Driving Safety: Objective, Data-Based Safety Management



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

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

Participants in FY2026/3

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

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

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

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

Sustainability Governance

Vision for the Environment and Society

Environmental Vision

Connect. Deliver the future via green logistics

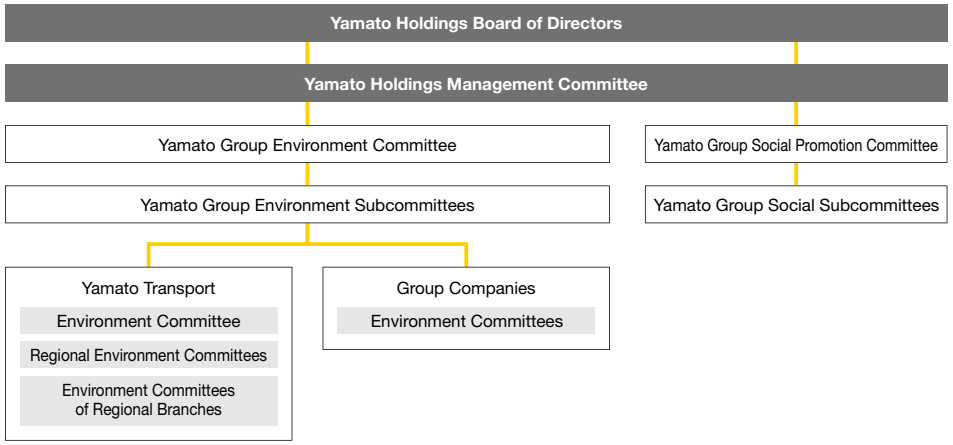
Social Vision

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

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

Sustainability Promotion Structure

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



Evolution of Sustainability Governance

Recognition of Challenges

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

Future Direction

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

Specific Actions

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

Material Issues

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

Step 1 Refine Choices for Material Issues

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

Step 2 Stakeholder Dialogue (November 2019)

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

Step 3 Identify Material Issues (January 2020)

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

Progress on Sustainability Targets

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

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

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

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

Message from the Chairperson of the Board of Directors

Enhancing Board Effectiveness to Support Robust Growth

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



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

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

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

Board Operational Reform: Maximizing Management Oversight and Ensuring Disciplined Monitoring

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

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

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

(2) Strengthen Disciplined Monitoring

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

Offensive and Defensive Governance under the New Management Structure

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

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

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

Message from the Chairperson of the Nomination and Compensation Committee

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

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



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

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

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

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

Management Structure Reform and Succession Process Effectiveness

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

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

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

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

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

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

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

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

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

Corporate Governance Structure

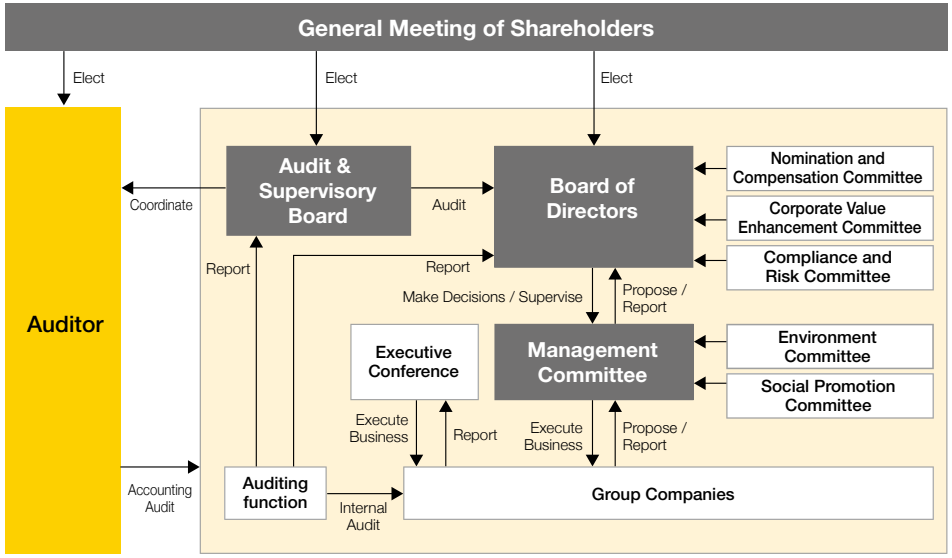
Basic Position on Corporate Governance

Based on its Corporate Philosophy, the Yamato Group carries out business activities in accordance with the law and social norms and actively promotes compliance management. Striving to maximize corporate value by effectively utilizing the management resources of the Group is one of the top priorities of management, and we have implemented measures and bolstered management systems as part of our corporate governance initiative.

Corporate Governance Structure

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

Corporate Governance Framework (As of June 23, 2026)

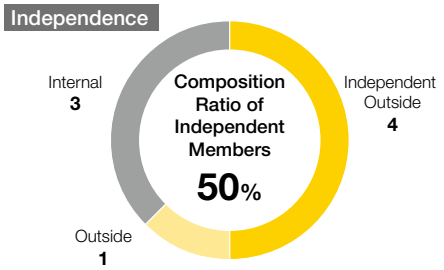


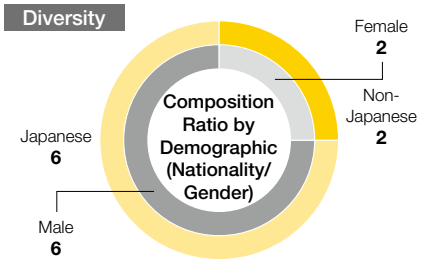
Corporate Governance Framework Overview (As of June 23, 2026)

System	Company with an Audit & Supervisory Board
Number of directors	8
Outside directors	5
Number of Audit & Supervisory Board members	5
Outside members	3
Term of directors	1 year
Voluntary advisory committees	Yes (Nomination and Compensation Committee)
Executive officer system in place	Yes
Auditor	Deloitte Touche Tohmatsu LLC

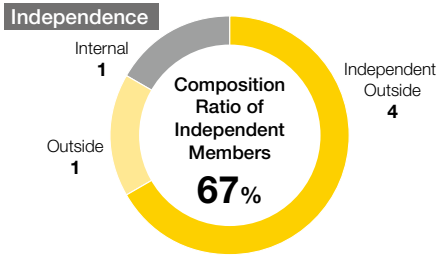
Composition of the Board of Directors (As of June 23, 2026)

Board of Directors

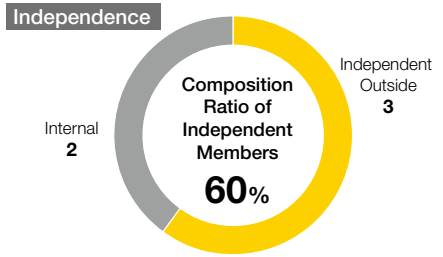




Nomination and Compensation Committee



Audit & Supervisory Board



Evaluation of the Effectiveness of the Board of Directors

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

Evaluation Process for FY2026/3

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

Issues Identified in FY2025/3

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

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

Main Initiatives in FY2026/3

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

Issues in FY2026/3 and Initiatives Going Forward

Evaluation Results

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

Initiatives Going Forward

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

Invigorating Discussions at Board of Directors Meetings

The Board of Directors discusses basic policies, makes decisions, and monitors business execution to encourage the improvement of the Company's medium- to long-term corporate value. Furthermore, the Board of Directors takes the following into consideration when managing meetings to achieve constructive discussions and exchange of opinions, including meetings with independent outside directors.

- The annual schedule of Board of Directors meetings as well as anticipated agenda items shall be decided in advance, and this information shall be provided to directors and Audit & Supervisory Board members to allow attendees to prepare in advance.
- Agenda items and related materials shall be sent to directors well in advance of the meeting date, and explanation shall be provided in advance as needed.
- The number of issues to be deliberated and the frequency of meetings shall be appropriately set to allow sufficient time for deliberations.
- Meetings comprising attendees of the Board of Directors shall be held for the purpose of exchanging ideas, thereby encouraging lively debate.

Main Topics Discussed at Board of Directors Meetings in FY2026/3

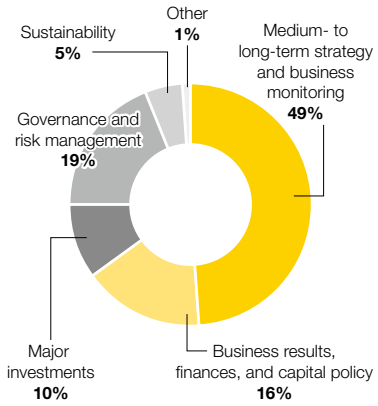
Medium- to long-term strategy and business monitoring
- Verification of progress on the medium-term management plan and review of strategy
- Periodic monitoring of key businesses
- Monitoring of new businesses and post-merger integration

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

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

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

Breakdown of Agenda Items



Audit & Supervisory Board

Audit & Supervisory Board

The members of the Audit & Supervisory Board hold roles and responsibilities that include auditing the execution of duties carried out by directors, selection and dismissal of the independent auditor, and execution of authority related to auditor compensation. They make appropriate judgments from an independent, objective perspective based on their fiduciary duty to shareholders.

1. The members of the Audit & Supervisory Board shall exercise their authority actively and assertively to sufficiently fulfill their role and responsibilities, including operational audits, accounting audits, and other functions, and they shall appropriately state their opinions at Board of Directors meetings and to members of senior management.
2. The full-time Audit & Supervisory Board members shall attend Board of Directors meetings and other important meetings related to the execution of business, express reasonable opinions, hold effective Audit & Supervisory Board meetings, and ensure that information is shared and that members work together in a coordinated manner.
3. The Audit & Supervisory Board shall regularly hold information exchange meetings for the purpose of sharing information with outside directors, thereby ensuring more robust information gathering and encouraging collaboration.

Provision of Information for Directors and Audit & Supervisory Board Members

For directors and Audit & Supervisory Board members to effectively fulfill their roles and responsibilities, the Company continuously provides opportunities for them to deepen their understanding of management strategies and enhance discussions at Board of Directors meetings.

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





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

Management Team



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

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



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

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



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

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



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

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



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

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



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

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



Christine Edman
Director
Outside
Number of Company Shares Held: -

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



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

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



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

Apr. 1987: Joined the Company
Sep. 2018: Representative Director, Executive Officer and President of Yamato Logistics Co., Ltd.
Mar. 2020: Representative Director and Senior Managing Executive Officer of Yamato Transport Co., Ltd.
Jun. 2022: Audit & Supervisory Board Member of the Company (current)



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

Apr. 1980: Joined the Company
Apr. 2019: Managing Executive Officer of Yamato Transport Co., Ltd.
Apr. 2022: General Manager of Project Group, Finance Division
Jun. 2023: Audit & Supervisory Board Member of the Company (current)



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

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



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

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



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

Apr. 1985: Joined Asahi & Co. (currently KPMG AZSA LLC)
May. 2009: Senior Partner of KPMG AZSA LLC
Jul. 2022: Representative of Terada CPA Office (current)
Jun. 2025: Audit & Supervisory Board Member of the Company (current)

Skill Matrix

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

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

Skills Expected of Directors and Audit & Supervisory Board Members and Reasons for Their Selection

Skills	Reason for Selection
Corporate Management	To demonstrate appropriate decision-making and supervisory functions in the formulation and execution of the Yamato Group's medium- to long-term management plan to sustainably improve corporate value, extensive experience and expertise in corporate management has been selected as a necessary skill. Corporate management includes experience and knowledge integrating sustainability and an ESG perspective into business strategies in support of increased corporate value.
Marketing / Sales	To provide value that utilizes the Group's management resources to meet the changing needs of customers and society, extensive experience and expertise in marketing and sales has been selected as a necessary skill.
Personnel / Labor Management	To become a company that respects human rights and diversity and enables employees to work with peace of mind, and at the same time ensuring that the Group's employees, its greatest asset, are motivated and play an active role, extensive experience and expertise in human resources and labor management has been selected as a necessary skill.
Finance / Accounting	To promote investment linked to growth potential and enhancement of capital efficiency by creating a strong financial foundation, extensive experience and expertise in finance and accounting has been selected as a necessary skill.
Legal Affairs / Risk Management	To become a company that is fair and trusted through safe and secure business activities in line with legal and social standards based on the Group Corporate Philosophy, extensive legal experience and expertise and risk management capabilities have been selected as a necessary skill.
IT / Digital Technology	To achieve the optimal allocation of management resources based on data analysis and efficient business management that fully utilizes digital technology, extensive experience and expertise in IT and digital technologies has been selected as a necessary skill.
Global	To contribute to the innovation of customer supply chains and business processes through global business development, extensive global experience and expertise has been selected as a necessary skill.

Succession Plan

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

Defining Management Requirements and Creating a Talent Pool

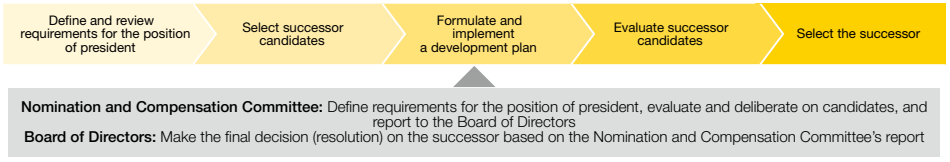
During this period of business portfolio transformation, the Company has defined the competencies required of the president to include diverse expertise that transcends existing business domains, as well as the leadership and courage to carry out reforms decisively even in the face of adversity. We have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

Appointment of the New President and Further Enhancement of Monitoring

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

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

Process for Appointing the President



Officer Compensation

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

Basic Policy

Maintain a competitive level
- Provide rewards according to roles and responsibilities, as well as performance, and set compensation at an appropriate level to secure exceptional personnel

A compensation system emphasizing the improvement of corporate and shareholder value
- Link compensation to business performance to provide directors with incentives to achieve performance targets
- Structure compensation to encourage a common interest with shareholders by linking it to corporate value over the medium to long term

A fair and equitable compensation system
- Ensure that the process for determining compensation is objective and highly transparent

Compensation Structure

The Company's compensation for directors consists of basic compensation (fixed compensation), short-term performance-linked compensation (variable compensation) and medium- to long-term performance-linked stock compensation (variable compensation), considering the compensation level at other companies and other factors. Compensation for Audit & Supervisory Board members and outside directors consists exclusively of basic compensation due to the nature of their roles.

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

* For the highest ranking positions

Fixed Basic compensation

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

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

- The standard amount is set as a percentage of basic compensation (fixed compensation) in accordance with rank and title.
- The amount paid out to individuals is determined within a range of 0–150% of the standard amount, in line with the achievement rate for the Company's performance benchmarks and the evaluation of individual missions.

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

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

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

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

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

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

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

Improvement of Corporate Value through Dialogue with Shareholders and Investors

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

Market Feedback and Initiatives to Enhance Corporate Value

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

Management Structure to Drive the Next Stage of Growth

Market feedback

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

Our response

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

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

Transforming the Business Portfolio and Improving Capital Efficiency

Market feedback

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

Our response

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

▶ Page 6: Message from the CFO

Linking Sustainability Strategy to Corporate Value

Market feedback

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

Our response

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

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

Implementation of Engagement Activities (FY2026/3)

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

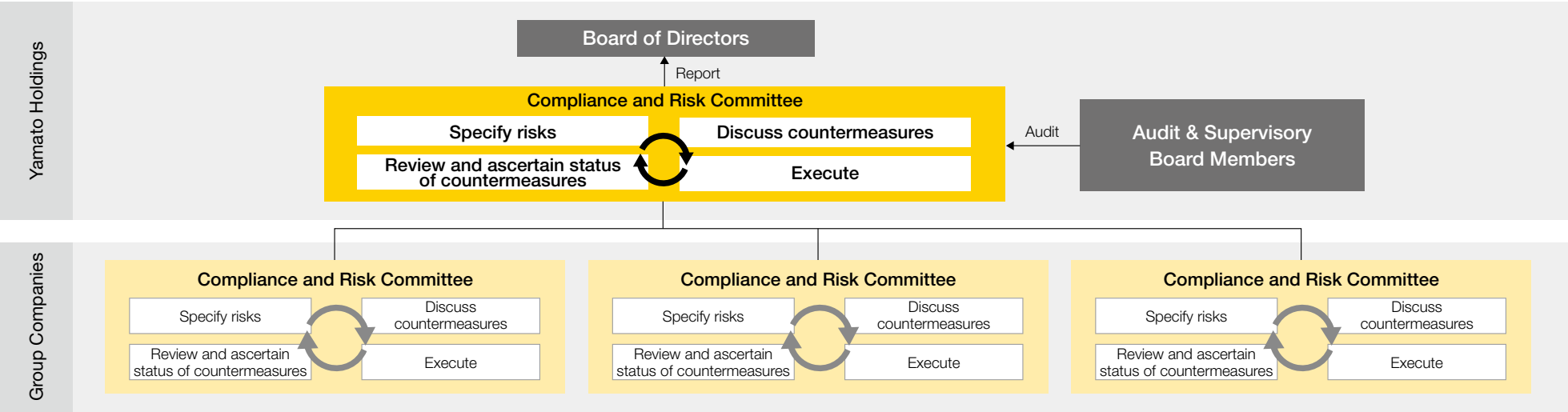
Note: Response based on shareholder and investor requests and purpose of interviews

Risk Management

Risk Management System

The Yamato Group aims to ensure business continuity and stable growth by managing risks in accordance with its Basic Risk Management Regulations. Relevant risks include economic loss, business interruption or suspension, damage to trust and brand image, and various other risks that impede the achievement of the Group Corporate Philosophy, management plans, or management strategies. The Group identifies and evaluates risks that could occur in the course of business at least once a year. With regard to risks that are identified as having a significant impact on our corporate activities in particular, a Compliance and Risk Committee meeting held at each Group company discusses measures for avoidance and mitigation, and reports on these to the Board of Directors at each company. At Yamato Holdings as well, a Compliance and Risk Committee meeting is held four times a year, chaired by a representative director or a director or executive officer appointed by a representative director. The committee checks to ensure that risk management at each Group company is being carried out correctly and reports the result to the Board of Directors.

Risk Management Framework



Key Risks

The Yamato Group classifies key risks it recognizes as having a significant impact on business performance into risks related to the business environment and corresponding strategies, and risks related to business operations, based on their impact on management and their likelihood of materializing.

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