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

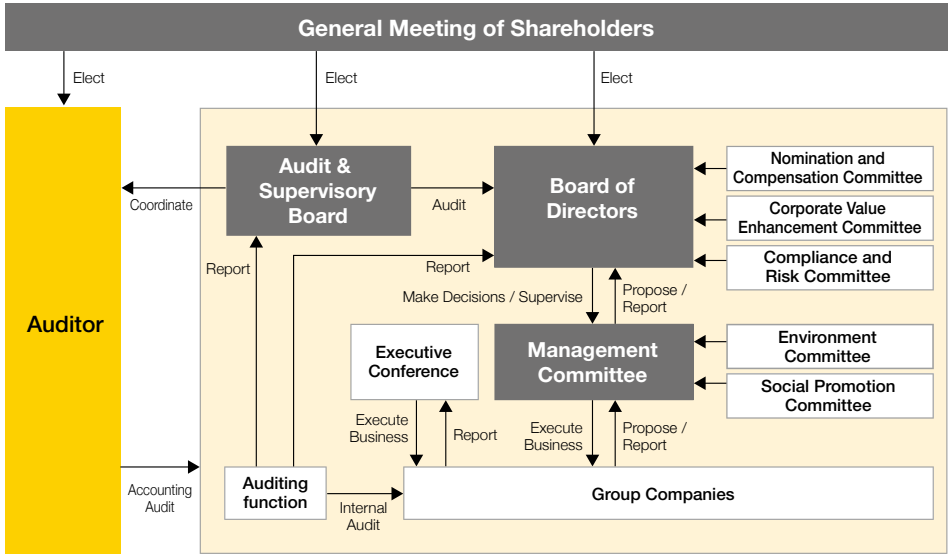
Basic Position on Corporate Governance

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)

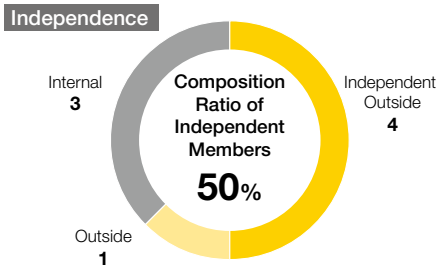


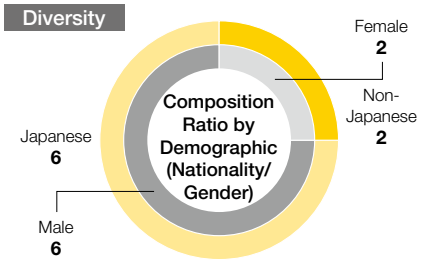
Corporate Governance Framework Overview (As of June 23, 2026)

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

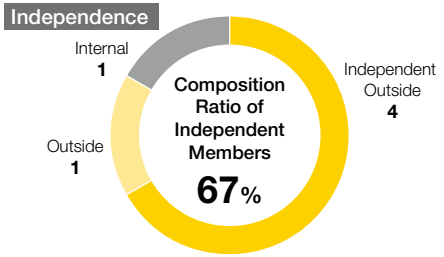
Composition of the Board of Directors (As of June 23, 2026)

Board of Directors

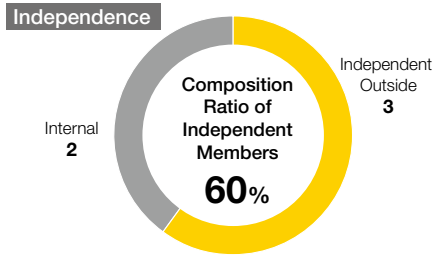




Nomination and Compensation Committee



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

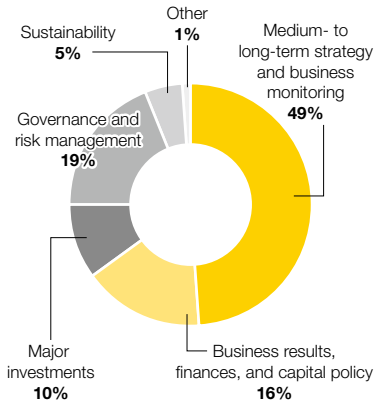
Medium- to long-term strategy and business monitoring
- Verification of progress on the medium-term management plan and review of strategy
- Periodic monitoring of key businesses
- Monitoring of new businesses and post-merger integration

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

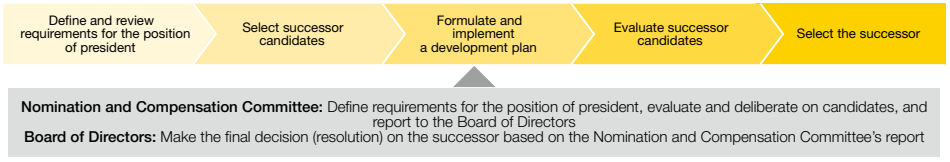
During this period of business portfolio transformation, the Company has defined the competencies required of the president to include diverse expertise that transcends existing business domains, as well as the leadership and courage to carry out reforms decisively even in the face of adversity. We have 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

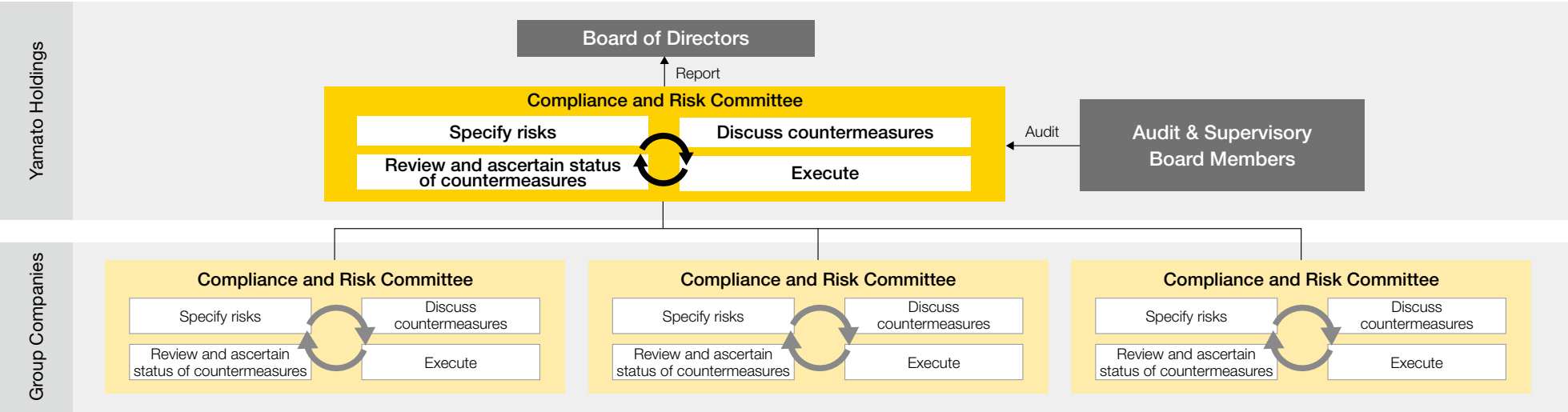
Note: Response based on shareholder and investor requests and purpose of interviews

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	