Message from the Chairperson of the Nomination and Compensation Committee

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

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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.