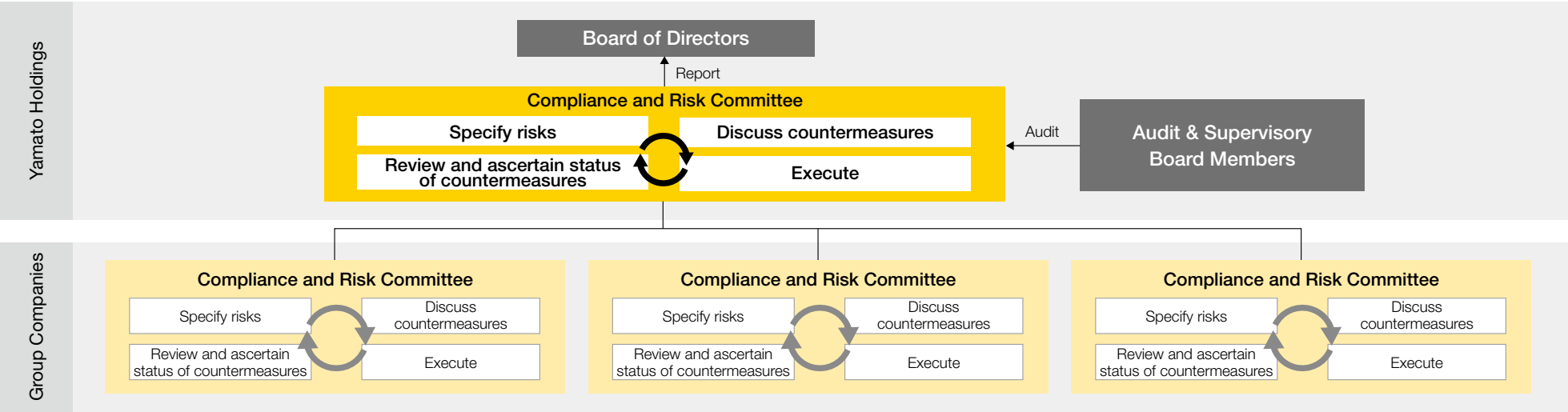
Risk Management

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	