Annual Securities Report

(Pursuant to Article 24, paragraph (1) of the Financial Instruments and Exchange Act)

Fiscal year **From: April 1, 2024**
(160th Fiscal Year) **To: March 31, 2025**

Yamato Holdings Co., Ltd.

(E04187)

Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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INDEPENDENT AUDITOR'S REPORT

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[Company name]	**ヤマトホールディングス株式会社** (*Yamato Holdings Kabushiki Kaisha*)
[Company name in English]	YAMATO HOLDINGS CO., LTD.
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PART 1 INFORMATION ON THE COMPANY

I. Overview of the Company

1. Changes in Principal Management Indicators, etc.

(1) Consolidated management indicators, etc.

Fiscal Year		156th	157th	158th	159th	160th
Closing Month and Year		March 2021	March 2022	March 2023	March 2024	March 2025
Operating revenue	(Millions of yen)	1,695,867	1,793,618	1,800,668	1,758,626	1,762,696
Ordinary profit	(Millions of yen)	94,019	84,330	58,066	40,458	19,587
Profit attributable to owners of parent	(Millions of yen)	56,700	55,956	45,898	37,626	37,937
Comprehensive income	(Millions of yen)	73,292	47,276	46,114	42,003	50,607
Net assets	(Millions of yen)	584,287	598,233	616,430	591,980	600,350
Total assets	(Millions of yen)	1,089,991	1,086,854	1,107,587	1,181,782	1,267,428
Net assets per share	(Yen)	1,553.45	1,611.34	1,684.87	1,708.00	1,806.52
Basic earnings per share	(Yen)	151.55	151.03	126.64	107.23	111.87
Diluted earnings per share	(Yen)	–	–	–	–	–
Equity-to-asset ratio	(%)	52.9	54.3	55.1	49.6	46.5
Return on equity	(%)	10.0	9.6	7.6	6.3	6.5
Price earnings ratio	(Times)	20.0	15.2	17.9	20.1	17.5
Cash flows from operating activities	(Millions of yen)	123,921	52,016	89,953	64,333	47,732
Cash flows from investing activities	(Millions of yen)	44,078	(58,943)	(49,420)	(22,435)	(44,356)
Cash flows from financing activities	(Millions of yen)	(123,247)	(54,456)	(38,617)	(30,777)	9,421
Cash and cash equivalents at end of period	(Millions of yen)	241,284	180,603	183,225	194,702	208,057
Number of employees	(Number of people)	223,191	216,873	210,197	177,430	172,822

Notes:
1. Diluted earnings per share are not presented since no potential shares exist.
2. In calculating the net assets per share, the Company's shares held by the Board Benefit Trust (BBT) are included in the treasury shares deducted from the number of shares outstanding as of the end of the fiscal period. In addition, in calculating the basic earnings per share, the Company's shares held by BBT are included in the treasury shares deducted from the calculation of the average number of shares during the period.
3. The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the 157th Fiscal Year, and the principal management indicators, etc. relating to the 157th Fiscal Year onwards are those after applying the accounting standard and relevant ASBJ regulations.
4. The Company and its domestic consolidated subsidiaries have changed from the declining-balance method that was previously applied as their depreciation method for property, plant and equipment to the straight-line method from the 157th Fiscal Year in order to allocate costs in a manner that better reflects actual use of assets, and have accordingly modified useful lives of some vehicles. The principal management indicators, etc. relating to the 157th Fiscal Year onwards are those after applying such change.

(2) The Reporting Company's management indicators, etc.

Fiscal Year		156th	157th	158th	159th	160th
Closing Month and Year		March 2021	March 2022	March 2023	March 2024	March 2025
Operating revenue	(Millions of yen)	44,864	48,010	47,189	36,454	42,698
Ordinary profit	(Millions of yen)	22,686	43,205	42,116	30,580	40,645
Profit	(Millions of yen)	12,622	47,168	52,255	32,340	52,808
Share capital	(Millions of yen)	127,234	127,234	127,234	127,234	127,234
Total number of issued shares	(Thousands of shares)	388,575	388,575	379,824	360,496	360,496
Net assets	(Millions of yen)	294,863	310,596	333,868	304,918	305,362
Total assets	(Millions of yen)	489,922	403,163	425,145	449,101	496,831
Net assets per share	(Yen)	794.73	847.49	921.59	889.11	936.16
Dividend per share	(Yen)	46.00	46.00	46.00	46.00	46.00
[Interim dividend per share (included above)]	(Yen)	[16.00]	[23.00]	[23.00]	[23.00]	[23.00]
Basic earnings per share	(Yen)	33.74	127.32	144.17	92.17	155.72
Diluted earnings per share	(Yen)	–	–	–	–	–
Equity-to-asset ratio	(%)	60.2	77.0	78.5	67.9	61.5
Return on equity	(%)	4.1	15.6	16.2	10.1	17.3
Price earnings ratio	(Times)	90.0	18.0	15.7	23.4	12.6
Payout ratio	(%)	136.3	36.1	31.9	49.9	29.5
Number of employees	(Number of people)	389	25	21	19	15
Total shareholder return	(%)	181.6	140.5	141.8	138.0	129.1
[Benchmark index: TOPIX including dividends]	(%)	[142.1]	[145.0]	[153.4]	[216.8]	[213.4]
Highest share price	(Yen)	3,160.0	3,395.0	2,522.0	2,768.5	2,199.5
Lowest share price	(Yen)	1,641.0	2,130.0	2,008.0	2,091.0	1,524.5

Notes:
1. Diluted earnings per share are not presented since no potential shares exist.
2. In calculating the net assets per share, the Company's shares held by the Board Benefit Trust (BBT) are included in the treasury shares deducted from the number of shares outstanding as of the end of the fiscal period. In addition, in calculating the basic earnings per share, the Company's shares held by BBT are included in the treasury shares deducted from the calculation of the average number of shares during the period.
3. The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the 157th Fiscal Year, and the principal management indicators, etc. relating to the 157th Fiscal Year onwards are those after applying the accounting standard and relevant ASBJ regulations.
4. The Company has changed from the declining-balance method that was previously applied as its depreciation method for property, plant and equipment to the straight-line method from the 157th Fiscal Year in order to allocate costs in a manner that better reflects actual use of assets, and has accordingly modified useful lives of some vehicles. The principal management indicators, etc. relating to the 157th Fiscal Year onwards are those after applying such change.
5. Highest share price and lowest share price are those recorded on the Prime Market of the Tokyo Stock Exchange from April 4, 2022. The prices before this date were those recorded on the 1st Section of the Tokyo Stock Exchange.

2. History

The Company's predecessor (Yamato Transport Co., Ltd.) established in Kyobashi-ku Tokyo on November 29, 1919 with a share capital of 100,000 yen. Daini Yamato Transport Co., Ltd. was established as a procedure to increase capital in February 1929, and it merged with Yamato Transport Co., Ltd. and changed its name to Yamato Transport Co., Ltd. with a share capital of 250,000 yen.

Nov. 1919	Founded in Kyobashi-ku, Tokyo with a share capital of 100,000 yen and four vehicles.
Apr. 1929	Commenced regular delivery service between Tokyo and Yokohama (Japan's first regular route transport service).
May 1949	Listed its shares with the resumption of the Tokyo Stock Exchange.
Mar. 1950	Commenced forwarding business.
Jan. 1951	Signed a contract with Civil Air Transport (CAT) and started air freight agency operations.
Jan. 1952	Commenced sea cargo handling operations.
Oct. 1957	Established Yamato Shoji Co., Ltd. (currently: Yamato Autoworks Co., Ltd.)
Jun. 1958	Commenced the packing and shipping of artworks.
Aug. 1958	Entered into agency agreement with Japan Airlines Co., Ltd. and commenced handling cargo for domestic air routes.
Feb. 1960	Commenced handling mixed cargo for international air routes.
Apr. 1966	Commenced marketing of general port transportation business.
Jan. 1973	Separated the computer division and established Yamato System Development Co., Ltd.
Jan. 1976	Commenced the "TA-Q-BIN" small-lot delivery system service.
Mar. 1977	Established Kyokuto Lease Co., Ltd. (currently: Yamato Lease Co., Ltd.)
Mar. 1980	Established YAMATO TRANSPORT U.S.A., INC.
Sep. 1981	The Company's shares moved to the 1st Section of the Tokyo Stock Exchange.
Oct. 1982	Change of characters for Japanese trade name (with no change to English name).
Jul. 1986	Established Yamato Collect Service Co., Ltd. (currently: Yamato Financial Co., Ltd.)
Oct. 1986	Established Yamato Transport Netherlands B.V. (currently: YAMATO TRANSPORT EUROPE B.V.)
Jul. 1988	Commenced the "Cool TA-Q-BIN" service, Japan's first refrigerated delivery system.
Dec. 1996	Commenced Year-end/New Year TA-Q-BIN services. Operating 365 days a year.
Mar. 1997	Commenced "Kuroneko Mail" service nationwide.
Nov. 1997	Commenced service to Ogasawara Islands, completing the nationwide TA-Q-BIN network.
Jan. 2002	Established YAMATO.STAFF.SUPPLY.CO.,LTD.
Apr. 2003	The logistics business was partially split and merged with Yamato Logistics Co., Ltd. The ocean forwarding business, customs clearance business, artworks transportation business and international moving business were separated and merged with Yamato Global Freight Co., Ltd. Shikoku Yamato Transport Co., Ltd. merged with Yamato Transport Co., Ltd. Kyushu Yamato Transport Co., Ltd. merged with Yamato Transport Co., Ltd.
Oct. 2003	The car maintenance services division was separated and merged with Yamato Autoworks Co., Ltd.
Oct. 2004	Yamato Logistics Co., Ltd. and Yamato Parcel Service Co., Ltd. were combined with Yamato Global Freight Co., Ltd. through an absorption-type merger, and that company changed its name to Yamato Logistics Co., Ltd.
Nov. 2004	Established Yamato Management Services Co., Ltd. to handle bookkeeping and accounting operations as well as personnel affairs for companies in the Yamato Group.
Apr. 2005	Became involved in the management of Fine Credit Co., Ltd. (currently: Yamato Credit & Finance Co., Ltd.)
Nov. 2005	With the transition to a pure holding company, Yamato Transport Co., Ltd. changed its name to Yamato Holdings Co., Ltd. Delivery business, etc. was transferred to the Yamato Transport Successor Preparatory Company (currently: Yamato Transport Co., Ltd.)
Apr. 2008	Yamato Transport Co., Ltd.'s express business separated and merged with Yamato Global Express Co., Ltd.
Aug. 2008	Yamato Logistics Co., Ltd. split into Yamato Logistics Co., Ltd. conducting the logistics business, etc. and Yamato Global Logistics Japan Co., Ltd. conducting the international logistics services business, etc.
Sep. 2013	Completed construction of the integrated logistics terminal Haneda Chronogate.
Mar. 2015	Abolished "Kuroneko Mail" service.
Apr. 2015	Commenced TA-Q-BIN Compact, Nekopos and the new post service Kuroneko DM-Bin.
Jan. 2016	Formed business and capital alliance with major Malaysian delivery company GD EXPRESS CARRIER BHD. (currently: GDEX BHD.)
Jul. 2016	Packcity Japan Co., Ltd., a joint venture company with Neopost Shipping S.A. (France), commenced open-type parcel delivery locker business.
Aug. 2016	Agreed to acquire the shares of three OTL Group companies, which are based in Malaysia and operate cross-border land transportation, and their business in Vietnam.
Apr. 2020	60% of the issued common shares of Yamato Lease Co., Ltd. were transferred to Fuyo General Lease Co., Ltd.

Jun. 2020	Commenced the new “EAZY” delivery service for EC operators.
Apr. 2021	Seven companies including Yamato Logistics Co., Ltd. and Yamato Financial Co., Ltd. were involved with Yamato Transport Co., Ltd. in absorption-type mergers and absorption-type company splits.
Sep. 2021	Yamato Management Services Co., Ltd. merged with Yamato Transport Co., Ltd.
Apr. 2022	Due to the revision of the Tokyo Stock Exchange’s market categories, transferred from the 1st Section to the Prime Market of the Tokyo Stock Exchange.
Sep. 2023	Transferred 51% of the shares issued of YAMATO.STAFF.SUPPLY.CO.,LTD. to World Staffing Co., Ltd.
Oct. 2023	Launched Kuroneko Yu-Packet delivery service in cooperation with Japan Post Group.
Jan. 2024	Abolished “Kuroneko DM-Bin” service.
Feb. 2024	Launched Kuroneko Yu-Mail service in cooperation with Japan Post Group.
May 2024	Established Sustainable Shared Transport Inc., which provides an open platform for joint transport and delivery.
Sep. 2024	Acquired 48.57% of the issued common shares of RH Co., Ltd., enabling Yamato Transport Co., Ltd. to form a business alliance with Redhorse Corporation, aimed at strengthening efforts for regional revitalization.
Oct. 2024	Launched “EV Lifecycle Service” for business operators using vehicles
Dec. 2024	Acquired 87.74% of the issued common shares of Nakano Shokai Co., Ltd., which engages in the Contract Logistics Business, to make it a consolidated subsidiary. Established MY MEDICA Inc., which provides online medical services for transport operators.
Jan. 2025	Established Yamato Energy Management Co., Ltd., which provides electricity derived from renewable energy sources.

3. Description of Business

The Yamato Group (the Group) comprises YAMATO HOLDINGS CO., LTD. (the Company), 46 subsidiaries and 48 affiliates. The Group positions "Express Business," "Contract Logistics Business," "Global Business," and "Mobility Business" as its main businesses and operates other services related to these businesses.

The description of business and the positioning and relationship to reportable segments are as follows.

Since the fiscal year ended March 31, 2025, we have changed the classification of reportable segments. Details are shown on "V. Financial Information, 1. Consolidated Financial Statements, etc., (1) Consolidated Financial Statements, Notes to Consolidated Financial Statements (Segment information, etc.)."

The Company is categorized as a specified listed company pursuant to Article 49, paragraph (2) of the Cabinet Office Order on Restrictions on Securities Transactions. Accordingly, criteria for considering a material fact to be of minor importance for purposes of insider trading regulations are determined on the basis of consolidated figures.

Business segment	Description of business	Main companies
Express Business	Provide domestic transportation and delivery services centered on TA-Q-BIN to individual and corporate customers.	Yamato Transport Co., Ltd., Okinawa Yamato Transport Co., Ltd., YAMATO BOX CHARTER CO., LTD., Yamato Multi Charter Co., Ltd., BOX CHARTER CO., LTD., Sustainable Shared Transport Inc.*1, RH Co., Ltd.*2, Redhorse Corporation*2, Packcity Japan Co., Ltd., 2 other companies
	Small parcel delivery services for individual and corporate customers, cargo vehicle transportation service, roll box pallets transportation service	
Contract Logistics Business	Provide solutions that help solve problems and grow business of corporate customers.	Yamato Transport Co., Ltd., Nakano Shokai Co., Ltd.*3, IS Tosu II Development Special Purpose Company*3, 1 other company
	3PL (third-party logistics) business, real estate business	
Global Business	Combining international forwarding, international express, and contract logistics in international offices, provide solutions to optimize the entire global supply chain for corporate customers.	Yamato Transport Co., Ltd., Kobe Yamato Transport Co., Ltd., Konan Industry Co., Ltd., YAMATO TRANSPORT U.S.A., INC., YAMATO TRANSPORT EUROPE B.V., YAMATO ASIA PTE. LTD.*4, YAMATO TRANSPORT (S) PTE. LTD., YAMATO TRANSPORT (M) SDN. BHD., YAMATO CHINA CO., LTD., YAMATO INVESTMENT (HONG KONG) LIMITED*5, YAMATO INTERNATIONAL LOGISTICS CO., LTD., Yamato Logistics (HK) Ltd., TAIWAN YAMATO INTERNATIONAL LOGISTICS INC., GDEX BHD., 51 other companies
	Transportation services for corporate customers, planning and operation of logistics centers, customs services, air cargo agency services	
Mobility Business	Provide vehicle maintenance services that do not require stopping business operations, thereby facilitating operational safety and extending vehicle uptime of transportation companies. Provide renewable energy electricity used for EVs.	Yamato Autoworks Co., Ltd., Yamato Autoworks Iwate Co., Ltd., Yamato Autoworks Hokushinetsu Co., Ltd., Yamato Autoworks Shikoku Co., Ltd., Yamato Autoworks Okinawa Co., Ltd., Yamato Energy Management Co., Ltd.*6
	Vehicle maintenance business, fuel sales business, and non-life insurance agent business	
Other	Through the Yamato Group's IT, call center, financial service, and other functions, support our customers' efforts to expand the provision of value for their entire supply chain.	Yamato System Development Co., Ltd., YAMATO CONTACT SERVICE CO., LTD., Yamato Credit & Finance Co., Ltd., MY MEDICA Inc.*7, YMT-GB Investment Limited Partnership, YMT-GB2 Limited Liability Investment Partnership*8, YAMATO.STAFF.SUPPLY.CO.,LTD., Yamato Lease Co., Ltd., 2 other companies
	IT system development, operation and management business, call center business, and financial services business	

*1 The Company established Sustainable Shared Transport Inc. on May 21, 2024.

*2 RH Co., Ltd. and Redhorse Corporation became affiliates of the Company following the Company's partial acquisition of shares of RH Co., Ltd. on September 30, 2024.

*3 Nakano Shokai Co., Ltd. and IS Tosu II Development Special Purpose Company became subsidiaries of the Company following the Company's partial acquisition of shares of Nakano Shokai Co., Ltd. on December 1, 2024.

*4 At the Company's Board of Directors meeting held on February 17, 2023, the Company resolved to liquidate YAMATO ASIA PTE. LTD. The liquidation process is currently underway.

*5 The liquidation process was completed for YAMATO INVESTMENT (HONG KONG) LIMITED on May 25, 2025.

*6 The Company established Yamato Energy Management Co., Ltd. on January 7, 2025.

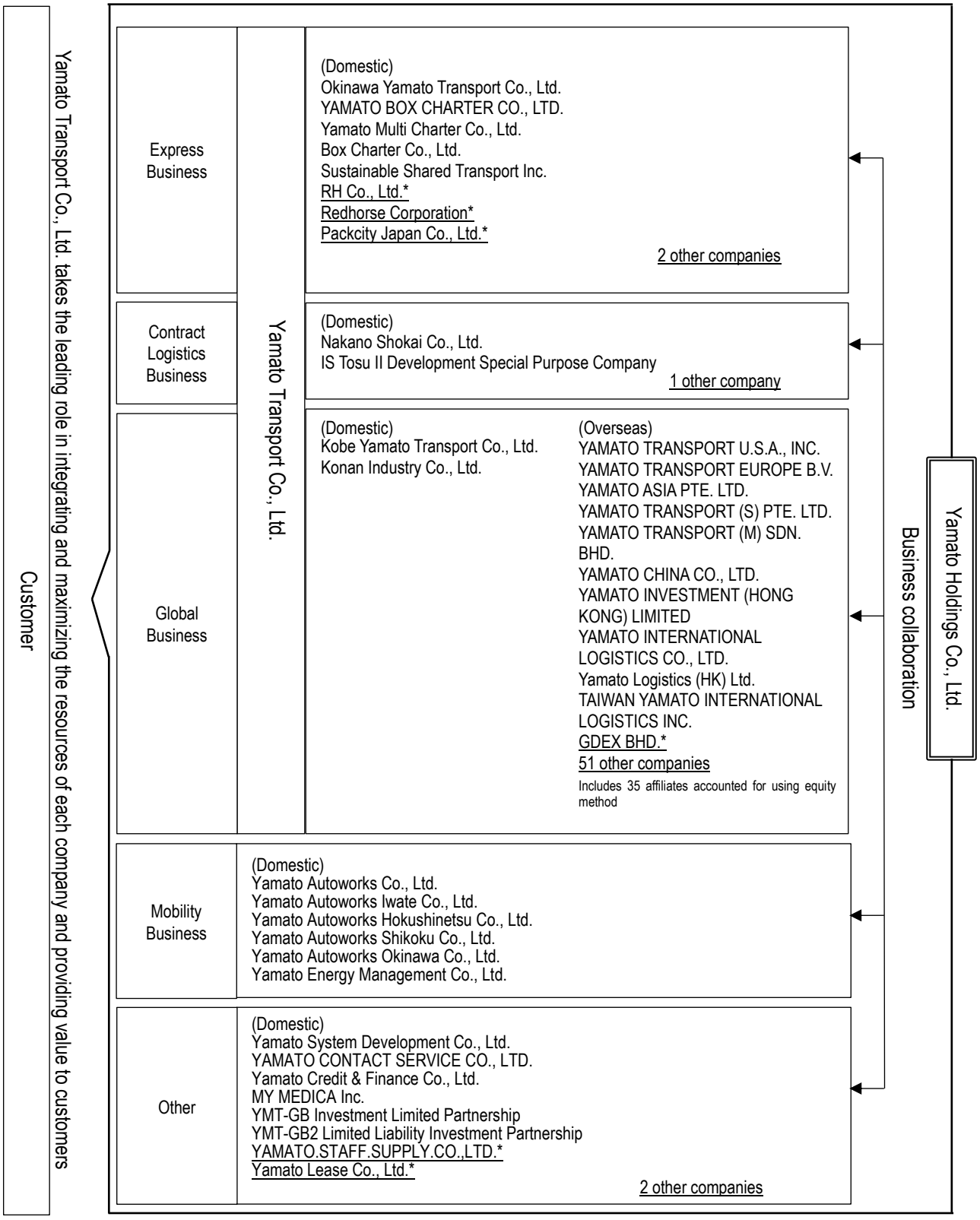
*7 The Company established MY MEDICA Inc. on December 12, 2024.

*8 The Company established YMT-GB2 Limited Liability Investment Partnership on May 15, 2024.

*9 The Company transferred its ownership of all the shares of Yamato Dialog & Media Co., Ltd. (current: YDM Co.,Ltd.) on November 1, 2024 and has since excluded this company from subsidiaries.

*10 The Company transferred its ownership of all the shares of Yamato Home Convenience Co., Ltd. (current: Art Setting Delivery Co., Ltd.) on January 1, 2025 and has since excluded this company from affiliates.

The following business structure chart shows the status of the above corporate group.



▭	The company that submits consolidated financial statements
No marking	Consolidated subsidiary
Underlined	Non-consolidated subsidiary or affiliate
	* Affiliate accounted for using equity method

4. Status of Subsidiaries and Associates

Name	Location	Share capital (Millions of yen)	Description of business	Ratio of voting rights held (%)	Relationship	
(Consolidated subsidiary) Yamato Transport Co., Ltd. *1 *2	Tokyo Chuo-ku	50,000	Express Business Contract Logistics Business Global Business	100	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	3 Company officers 22,181 million yen in loans for funding. Entrusted with the Company's administrative operations, etc. Leasing facilities. None
Okinawa Yamato Transport Co., Ltd.	Okinawa Prefecture Itoman City	50	Express Business	100	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	1 Company officer 2,100 million yen in loans for funding. None None None
YAMATO BOX CHARTER CO., LTD.	Tokyo Chuo-ku	400	Express Business	100	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	None None None None None
Yamato Multi Charter Co., Ltd.	Kyoto City Fushimi-ku	96	Express Business	100	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	None None None None None
Box Charter Co., Ltd.	Tokyo Chiyoda-ku	230	Express Business	55.87	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	None None None None None
Sustainable Shared Transport Inc.	Tokyo Chuo-ku	240	Express Business	72.92	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	1 Company officer None None None None

Name	Location	Share capital (Millions of yen)	Description of business	Ratio of voting rights held (%)	Relationship	
Nakano Shokai Co., Ltd.	Tokyo Edogawa-ku	100	Contract Logistics Business	87.74	Concurrent positions held by officers	1 Company officer
					Financial assistance	None
					Business transactions	None
					Leasing of facilities	None
					Other	None
IS Tosu II Development Special Purpose Company	Tokyo Chiyoda-ku	2,800	Contract Logistics Business	87.74 (87.74)	Concurrent positions held by officers	None
					Financial assistance	None
					Business transactions	None
					Leasing of facilities	None
					Other	None
Kobe Yamato Transport Co., Ltd.	Kobe City Chuo-ku	20	Global Business	100	Concurrent positions held by officers	None
					Financial assistance	None
					Business transactions	None
					Leasing of facilities	None
					Other	None
Konan Industry Co., Ltd.	Hamamatsu City Chuo-ku	20	Global Business	100 (100)	Concurrent positions held by officers	None
					Financial assistance	None
					Business transactions	None
					Leasing of facilities	None
					Other	None
YAMATO TRANSPORT U.S.A., INC.	California U.S.A.	Millions of US$ 4	Global Business	100	Concurrent positions held by officers	1 Company officer
					Financial assistance	None
					Business transactions	None
					Leasing of facilities	None
					Other	None
YAMATO TRANSPORT EUROPE B.V.	Schiphol-Rijk The Netherlands	Millions of euro 8	Global Business	100	Concurrent positions held by officers	1 Company officer
					Financial assistance	None
					Business transactions	None
					Leasing of facilities	None
					Other	None

Name	Location	Share capital (Millions of yen)	Description of business	Ratio of voting rights held (%)	Relationship	
YAMATO ASIA PTE. LTD. *1	Singapore	Millions of S$ 352	Global Business	100	Concurrent positions held by officers	2 Company officers
					Financial assistance	None
					Business transactions	None
					Leasing of facilities	None
					Other	None
YAMATO TRANSPORT (S) PTE. LTD.	Singapore	Millions of S$ 55	Global Business	100	Concurrent positions held by officers	1 Company officer
					Financial assistance	None
					Business transactions	None
					Leasing of facilities	None
					Other	None
YAMATO TRANSPORT (M) SDN. BHD.	Selangor Malaysia	Millions of RM 125	Global Business	60	Concurrent positions held by officers	None
					Financial assistance	None
					Business transactions	None
					Leasing of facilities	None
					Other	None
YAMATO CHINA CO., LTD.	Shanghai China	Millions of RMB 50	Global Business	100	Concurrent positions held by officers	1 Company officer
					Financial assistance	None
					Business transactions	None
					Leasing of facilities	None
					Other	None
YAMATO INVESTMENT (HONG KONG) LIMITED *1	Hong Kong	Millions of HK$ 970	Global Business	100	Concurrent positions held by officers	1 Company officer
					Financial assistance	None
					Business transactions	None
					Leasing of facilities	None
					Other	For the liquidation proceedings, funds are deposited with the Company.
YAMATO INTERNATIONAL LOGISTICS CO., LTD.	Shanghai China	Millions of RMB 120	Global Business	100 (100)	Concurrent positions held by officers	2 Company officers
					Financial assistance	None
					Business transactions	None
					Leasing of facilities	None
					Other	None

Name	Location	Share capital (Millions of yen)	Description of business	Ratio of voting rights held (%)	Relationship	
Yamato Logistics (HK) Ltd.	Hong Kong	Millions of HK$ 640	Global Business	100	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	1 Company officer None None None None
TAIWAN YAMATO INTERNATIONAL LOGISTICS INC.	Taipei Taiwan	Millions of NT$ 21	Global Business	100	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	1 Company officer None None None None
Yamato Autoworks Co., Ltd.	Tokyo Chuo-ku	30	Mobility Business	100	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	2 Company officers None None None None
Yamato Autoworks Iwate Co., Ltd.	Iwate Prefecture Kitakami City	1	Mobility Business	95 (95)	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	None None None None None
Yamato Autoworks Hokushinetsu Co., Ltd.	Niigata City Nishi-ku	30	Mobility Business	95 (95)	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	None None None None None
Yamato Autoworks Shikoku Co., Ltd.	Kagawa Prefecture Nakatado-gun	1	Mobility Business	100 (100)	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	None None None None None

Name	Location	Share capital (Millions of yen)	Description of business	Ratio of voting rights held (%)	Relationship	
Yamato Autoworks Okinawa Co., Ltd.	Okinawa Prefecture Itoman City	30	Mobility Business	100 (100)	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	None None None None None
Yamato Energy Management Co., Ltd.	Tokyo Chuo-ku	100	Mobility Business	100	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	2 Company officers None None None None
Yamato System Development Co., Ltd. *1	Tokyo Koto-ku	1,800	Other	100	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	2 Company officers None Entrusted with the Company's system operation and management. None None
YAMATO CONTACT SERVICE CO., LTD.	Tokyo Toshima-ku	20	Other	100	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	1 Company officer None None None None
Yamato Credit & Finance Co., Ltd.	Tokyo Toshima-ku	500	Other	70	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	2 Company officers 12,146 million yen in loans for funding. Outstanding guaranteed obligations of 16,373 million yen for bank loans, etc. None None None
MY MEDICA Inc.	Yokohama City Naka-ku	495	Other	66	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	None None None None None

Name	Location	Share capital (Millions of yen)	Description of business	Ratio of voting rights held (%)	Relationship	
YMT-GB Investment Limited Partnership	Tokyo Shibuya-ku	4,500	Other	99.50	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	None None None None None
YMT-GB2 Limited Liability Investment Partnership	Tokyo Shibuya-ku	3,200	Other	99.50	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	None None None None None
(an equity method affiliate) RH Co., Ltd.	Tokyo Sumida-ku	972	Express Business	48.57	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	None None None None None
Packcity Japan Co., Ltd.	Tokyo Chiyoda-ku	1,500	Express Business	49 (49)	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	None None None None None
GDEX BHD.	Selangor Malaysia	Millions of RM 337	Global Business	23.25	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	None None None None None
YAMATO.STAFF.SUPPLY.CO., LTD.	Tokyo Chuo-ku	100	Other	49.02	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	None None None None None

Name	Location	Share capital (Millions of yen)	Description of business	Ratio of voting rights held (%)	Relationship	
Yamato Lease Co., Ltd.	Tokyo Toshima-ku	30	Other	40	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	1 Company officer None None None None
36 other companies						

*1 Yamato Transport Co., Ltd., YAMATO ASIA PTE. LTD., YAMATO INVESTMENT (HONG KONG) LIMITED and Yamato System Development Co., Ltd. are categorized as specified subsidiaries.

*2 The operating revenue (excluding inter-company operating revenue among the consolidated companies) of Yamato Transport Co., Ltd. accounts for more than 10% of consolidated operating revenue. However, since the operating revenue of that company (including inter-segment sales or transfer) accounts for more than 90% of the operating revenue under the Express Business in the segment information, the main profit and loss information has been omitted.

Note: The figures in parentheses in the Ratio of voting rights held are the indirect holding ratios.

5. Status of Employees

(1) Consolidated companies

As of March 31, 2025

Business segment	Number of employees (Number of people)
Express Business	156,175
Contract Logistics Business	7,348
Global Business	2,599
Mobility Business	2,046
Other	4,639
Corporate	15
Total	172,822

Notes: 1. Employees in the Express Business include employees in the Head Office division of Yamato Transport Co., Ltd.
2. The number for “Corporate” is the number of employees of the Company.

(2) Status of the Reporting Company

As of March 31, 2025

Number of employees (Number of people)	Average age (Years old)	Average length of service (Years)	Average annual salary (Yen)
15	50.8	24.7	12,262,553

Note: Average annual salary (including tax) includes non-standard allowances and bonuses.

(3) Status of the labor union

Yamato Transport Labor Union, etc. are organized in the Yamato Group. There are no particular matters to describe in relation to labor-management relations.

(4) Percentages of female employees in managerial positions, percentages of male employees who have taken childcare leave, and gender pay gaps

The Yamato Group actively presents exemplary ways of working for its diverse employees to follow, so that they all have opportunities to achieve success. We pursue diversity, fairness, and inclusiveness in the workplace for our employees, including part-time and fixed-term employees who work under limited conditions for working hours and/or places of work, among others.

Fiscal year under review					
Reporting Company and consolidated subsidiary	Female employees in managerial positions (%) (Note 1)	Male employees who have taken childcare leave (%) (Note 2)	Gender pay gap (%) (Notes 1 and 3)		
			All employees	Permanent employees	Part-time and fixed-term employees
Yamato Transport Co., Ltd.	6.0	33.7	57.2	74.9	96.1
Okinawa Yamato Transport Co., Ltd.	13.3	26.3	62.9	76.5	86.0
YAMATO BOX CHARTER CO., LTD.	4.2	45.5	63.3	77.1	100.3
Yamato Multi Charter Co., Ltd.	4.8	0.0	53.8	90.1	99.0
Nakano Shokai Co., Ltd.	10.1	77.8	53.7	79.3	73.6
Konan Industry Co., Ltd.	4.8	–	71.8	74.4	110.0
Yamato Autoworks Co., Ltd.	7.3	58.8	63.0	72.0	85.6
Yamato System Development Co., Ltd.	5.6	70.0	67.1	75.5	77.0
YAMATO CONTACT SERVICE CO., LTD.	28.9	100.0	64.1	72.1	97.6
Yamato Credit & Finance Co., Ltd.	6.1	–	–	–	–

Notes:
1. The percentages were calculated in accordance with the provision of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).
2. These calculated percentages are of employees who have taken childcare leave as specified in Article 71-6, item (i) of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991) in accordance with the provision of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).
3. In regard to gender pay gaps, the Company's personnel and wage systems are not gender-based. The gaps shown above are attributed mostly to the fact that many female employees are part-timers who work fewer hours, and to differences in numbers of employees between the lines of work.

II. Business Overview

1. Management Policy, Management Environment and Tasks to be Addressed

The management policy and management environment of the Yamato Group and its tasks to be addressed are as follows.

Forward-looking statements in the text are based on the judgment of the Yamato Group as of the filing date of the Annual Securities Report.

(1) Management policy

With the Management Philosophy that Yamato helps enrich our society by enhancing our social infrastructure, creating more convenient services for evolving lifestyles and industries, and developing innovative logistics and distribution systems, we are developing products and services that are useful for enhancing the convenience of lifestyles.

In the future, as a member of society, we will continuously contribute to the creation of an enriched society by creating a "new logistics ecosystem" that meets the needs of customers and addresses social issues head on. In addition, we will aim for stable management by building next-generation sales, trunk line transportation, and last-mile operations with technology as the starting point, and by working to increase profitability.

(2) Objective indicators to judge the management environment, the management strategy and the status of achievement of the management goals

The Yamato Group has set, in order to realize sustainable enhancement of corporate value through "helping enrich our society," as stated in our Management Philosophy, its vision for 2030 as "a value-creating company that contributes to the realization of a sustainable future." To create new logistics and new value together with a diverse range of partners, with innovation as our starting point, and face head-on the challenges posed to us from the future, we have formulated the Medium-term Management Plan "Sustainability Transformation 2030 —1st Stage—," which ends in the fiscal year ending March 31, 2027.

Positioning the plan as "Three years to reinforce TA-Q-BIN network and reform business portfolio," we pursued efforts during the fiscal year under review to optimize pricing in response to cost increases driven by environmental changes, begin operations of dedicated cargo aircraft (freighters), transfer postbox delivery service operations, and realize benefits from investments related to facility strategy.

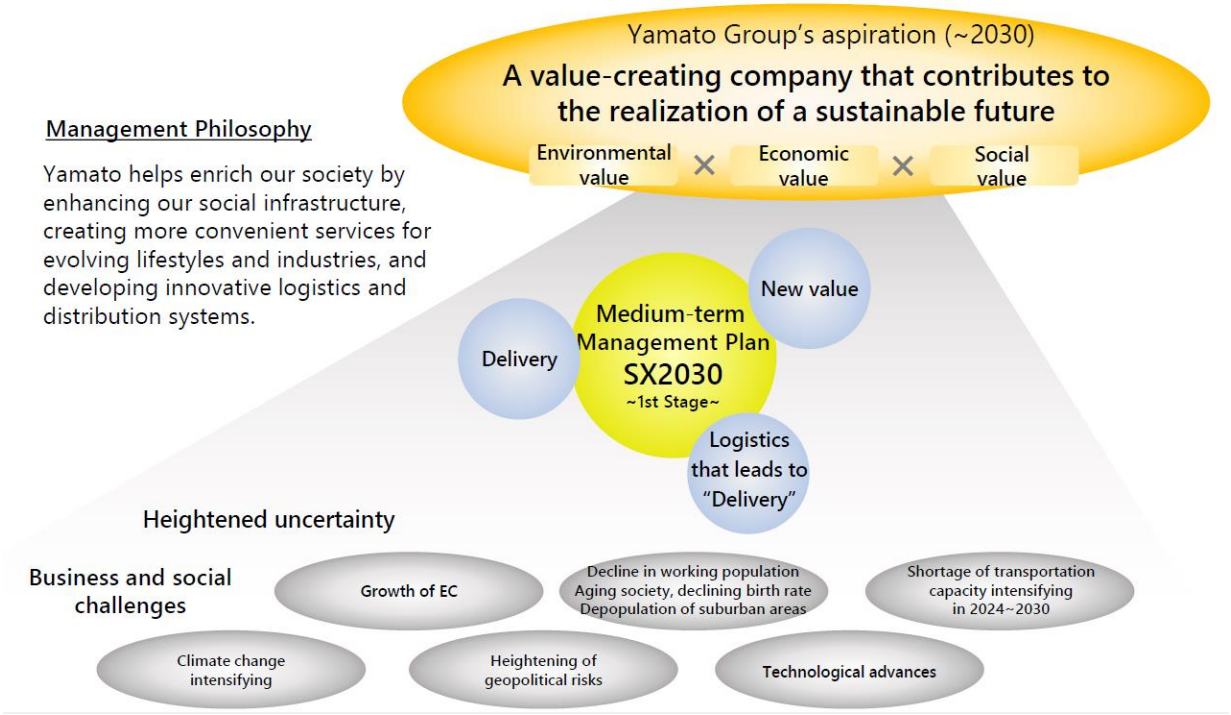
In the corporate business domain, we advanced business alliances and M&A activities that accelerate our growth strategy, including the consolidation of Nakano Shokai Co., Ltd. as a subsidiary, aimed at expanding the Contract Logistics business and creating synergy with the Express business. The Company will continue to maximize synergies from business alliances and M&A efforts, while leveraging its strengths to create and provide added value for its customers. We will respond to the diverse transportation needs of major corporate customers, while also focusing on reforming our revenue and customer structure and promoting appropriate pricing and fee collection corresponding to added value.

With the aim of generating economic value through the creation of business models that address environmental and social issues, we launched the "EV Lifecycle Service" to support the decarbonization efforts of commercial EV users. We also established Yamato Energy Management Co., Ltd. to provide electricity derived from renewable energy sources and other services for the decarbonization of logistics; Sustainable Shared Transport Inc. to provide an open platform for joint transportation aimed at developing a sustainable supply chain; and MY MEDICA Inc. to provide online medical services to support automobile transportation companies in their efforts for health management and prevention of accidents attributable to health. Going forward, the Company will develop services and businesses that address environmental and social issues for diverse stakeholders by leveraging its logistics network and other management resources. In doing so, we will enhance sustainability across society and the logistics industry while accelerating growth by positioning these services and businesses as a new revenue base.

On the other hand, although the parcel delivery market is showing a trend of expansion alongside the growth of EC, the market for individuals and small corporations, which is the basic domain, is being affected by the declining population and sluggish personal consumption. In addition, with the advancement of EC and changes in demographics, the work volume of collection and delivery in the last-mile domain and the transport volume of parcels between urban and rural areas in the transportation domain are changing, and the profitability of TA-Q-BIN network is on a downward trend.

In response to these conditions, we are transforming our revenue structure and setting the appropriate pricing that reflects the value-added services we provide, to convert the business structure of our core TA-Q-BIN business so that it can generate profit in a stable manner. Furthermore, we have started an alliance with Redhorse Corporation with the aim of reinforcing the initiatives toward regional revitalization based on the hometown tax payment. We will continue to expand our share of the hometown tax payment market while promoting the distribution of local products and tourism. In the transportation domain, to increase transportation and load efficiencies as well as restrain fixed costs and control variable costs according to workload while meeting the needs of our customers, we will make efforts to station workers taking on sorting properly by reviewing the way of carrying between terminals and between terminals and collection and delivery bases in conformity with changes in the fluid volume of loads.

Our aspiration



"SX2030 —1st Stage—" Key Initiatives

i) Basic domain: Reinforcement of the TA-Q-BIN network and expanding the value we provide

We will swiftly proceed with the following initiatives: the promotion of appropriate pricing in line with added value; "sales office reform," which aims to create an environment where sales drivers can interact with customers to focus on providing better services; the development of products and services that capture customer needs; the relocation of pickup and delivery bases based on local market demand; and the deployment of "Nekosapo," a community-based store that provides services beyond just package sending and receiving. In the transportation domain, to increase transportation and load efficiencies as well as restrain fixed costs and control variable costs according to workload while meeting the needs of our customers, we will make efforts to station workers taking on sorting properly by reviewing the way of carrying between terminals and between terminals and collection and delivery bases in conformity with changes in the fluid volume of loads.

ii) Growth domain: Expansion of corporate business domain

We will accelerate profit growth by providing corporate customers with high-value-added solutions that utilize the Group's management resources, such as our transportation and delivery network, including domestic and international warehouses and dedicated cargo aircraft (freighters), as well as know-how of logistics, customs clearance, and real estate.

iii) New domain: Commercialization of new business models

We will generate economic value through the creation of business models that address environmental and social issues with a diverse range of partners, utilizing existing management resources. In doing so, we will enhance sustainability across society and the logistics industry while accelerating growth by positioning these business models as a new revenue base.

iv) Reinforcement of the Group's management platform

We will promote HR strategy, digital strategy, and environmental/social strategy as the foundation for sustainable enhancement of corporate value and work on reinforcement of sustainable management and corporate governance.

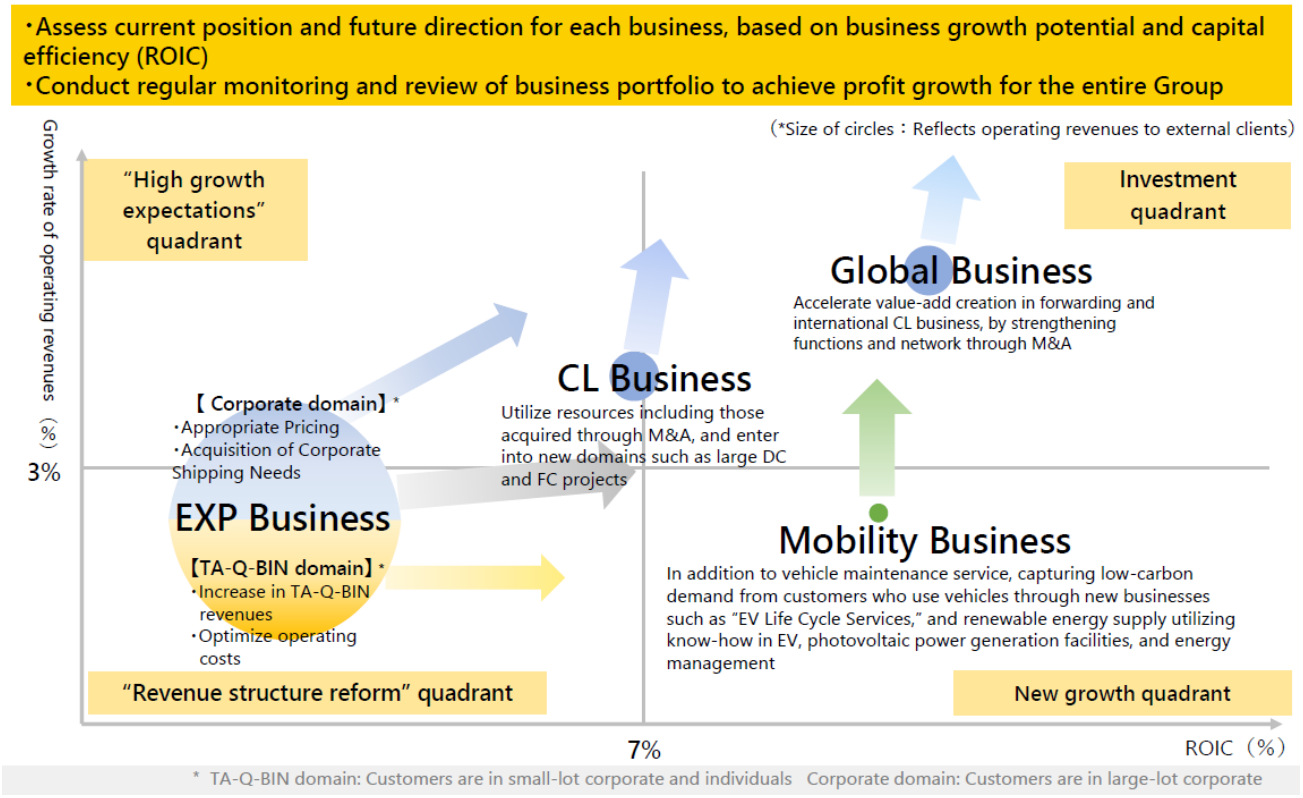
v) Embed management principles that place more focus on capital efficiency within the Group

We have set operating margin, ROE, and ROIC as new management metrics to embed management principles with greater emphasis on capital efficiency and achieve ROI above WACC. Besides improving business profitability and accelerating profit growth, we will work to improve capital efficiency by strengthening balance sheet management and optimizing cash flows, thereby building a foundation for increasing EPS (earnings per share) and shareholder value.

We have set targets of consolidated operating revenue of 2.0-2.4 trillion yen, consolidated operating profit of 120-160 billion yen

(consolidated operating margin of at least 6%), ROE of at least 12%, and ROIC of at least 8% for the fiscal year ending March 31, 2027, the final year of the Medium-term Management Plan. We are currently conducting a thorough review of the plan and its numerical targets, considering the financial results, the plan's progress, changes in the business environment, and other factors during the fiscal year ended March 31, 2025—the first year of the plan. If the numerical targets are revised, we will promptly disclose the updated information upon determination and remain committed to engaging in constructive dialogue with our shareholders and investors.

Our growth image



(3) Business and financial issues that require priority action

In the business environment surrounding the Yamato Group, the future outlook remains unclear due to factors such as the unstable international situation and fluctuations in financial markets. In addition, costs are expected to continuously rise in line with changes in the external environment such as the impact of rising prices and the enforcement of overtime work cap in car driving operations (2024 issue). Furthermore, in the medium and long term, we are expecting the further growth of EC, heightening of geopolitical risks, aging society, declining birthrate, depopulation of suburban areas, labor shortage, climate change intensifying, etc. Under these circumstances, at the Yamato Group we have set our aspiration of "a value-creating company that contributes to the realization of a sustainable future" to be realized in 2030 in order to realize sustainable enhancement of corporate value through "helping enrich our society" as stated in our Management Philosophy. Moreover, we will promote the following initiatives i) through v) by positioning the Medium-term Management Plan "Sustainability Transformation 2030 — 1st Stage—," which is formulated with the fiscal year ending March 31, 2027, as the final year, as "Three years to reinforce TA-Q-BIN network and reform business portfolio."

i) Reinforcement of the TA-Q-BIN network and expanding the value we provide

Although the parcel delivery market is showing a trend of expansion alongside the growth of EC, the market for individuals and small corporations, which is the basic domain, is being affected by the declining population and sluggish personal consumption. In addition, with the advancement of EC and changes in demographics, the work volume of collection and delivery in the last-mile domain and the transport volume of parcels between urban and rural areas in the transportation domain are changing, and the profitability of TA-Q-BIN network is on a downward trend.

In considering these circumstances, we will work to reform our revenue structure and promote appropriate pricing in line with added value in order to transform our basic domain TA-Q-BIN business into a business structure that can ensure stable profits. Moreover, based on the pillar of "sales office reform," which aims to create an environment where sales drivers can interact with customers to focus on providing better services, we will swiftly proceed with the development of products and services that capture customer needs, the relocation of pickup and delivery bases based on local market demand, and the deployment of "Nekosapo," a community-based store that provides services beyond just package sending and receiving. Furthermore, together with a hometown tax payment agency

with whom we have entered into a capital and business alliance with the aim of reinforcing the initiatives toward regional revitalization, we will continue to expand our share of the hometown tax payment market by providing a comprehensive solution to local governments, while promoting the distribution of local products and tourism.

In the transportation domain, to increase transportation and load efficiencies as well as restrain fixed costs and control variable costs according to workload while making our TA-Q-BIN network social infrastructure more efficient and sustainable and meeting the needs of our customers, we will make efforts to station workers taking on sorting properly by reviewing the way of carrying between terminals and between terminals and collection and delivery bases in conformity with changes in the fluid volume of loads.

ii) Expansion of corporate business domain

Companies are required to take responses amid increasing risk factors such as the division of the world into political and economic blocs, reshaping of global supply chains, and global environmental problems. The Yamato Group views changes as an opportunity, and positions the solutions business aiming to solve customers' management issues that extend throughout the entire supply chain as a growth area. We will accelerate profit growth by providing corporate customers with high-value-added solutions that utilize the Group's management resources, such as our transportation and delivery network, including domestic and international warehouses and dedicated cargo aircraft (freighters), as well as know-how of logistics, customs clearance, and real estate.

The Corporate Business Unit in the Express Business will respond to the diverse transportation needs of major corporate customers, while also focusing on reforming our revenue and customer structure and promoting appropriate pricing and fee collection corresponding to added value. Moreover, we will work to create synergy with Nakano Shokai Co., Ltd., which has become a consolidated subsidiary, mainly in Contract Logistics business.

In Global business, viewing changes in the supply chain resulted from the unstable international situation as an opportunity, placing international forwarding, international express, and overseas contract/logistics services as our pillars, we will make efforts to further expand business areas such as the automotive, high-tech, and food industries where the Yamato Group is demonstrating its strength, and strengthen sales capabilities especially in Japan, U.S. & Mexico, China, India, and Southeast Asia. We will promote improvement of the efficiency in mixed-loading of forwarding by narrowing down the focus markets, strengthening of proposals to the cross-border EC, and capture of the logistics demands such as consumer goods accompanying expansion of domestic demand in the focus regions, while utilizing M&A, as well as will make efforts to back up customers in their business growth in cooperation with the Corporate Business Unit and the Contract Logistics business in Japan.

iii) Develop new business model

We will promote commercialization of new business models that addresses diverse needs of customers and society with a diverse range of partners, while utilizing existing management resources, to realize a sustainable future.

In Mobility business, we will promote the decarbonization of logistics and work on the development of business and society by providing services that utilize know-how of EVs, solar power generation equipment, energy management, etc. accumulated through environment investment and demonstration experiment within the Yamato Group based on our vehicle maintenance services. Specifically, we will expand sales of the "EV Lifecycle Service," which provides a one-stop service from formulating greenhouse gas (GHG) reduction plans to introducing and supporting the operation of EVs and chargers, maintenance, energy management, and the supply of electricity derived from renewable energy sources, and with Yamato Energy Management Co., Ltd. playing a central role, we will promote the provision of electricity derived from renewable energy sources generated by Yamato Group's bases and power generation companies in each region to not only the Yamato Group but also business operators using vehicles. Providing renewable energy electricity generated by Yamato Group's facilities and local power producers.

Moreover, to secure stable carrying capacity and build sustainable supply chains with consideration for the environment by utilizing partnership with corporate customers and distributive traders and know-how of building transportation and delivery network operations that have been fostered through TA-Q-BIN, with Sustainable Shared Transport Inc. playing a central role, we will promote sales expansion of services utilizing an open platform for joint transportation and delivery that allows various stakeholders, such as owner companies and distributive traders, to participate in it.

Furthermore, through the online medical service "MY MEDICA" which was launched in February 2025, we will support automobile transportation companies, whose employees tend to be at high health risk, in their efforts for health management and prevention of accidents attributable to health.

iv) Reinforcement of the Group's management platform

We will promote HR strategy, digital strategy, and environmental/social strategy as the foundation for sustainable enhancement of corporate value and work on reinforcement of sustainable management and corporate governance.

With regard to the HR strategy, with priority given to the optimal allocation of human resources in conjunction with business structure reforms, we will optimize organization and headcount, and revise evaluation and compensation scheme. We will also promote the development and operation of a job-based HR management structure that promotes independent and autonomous career development in order to develop human resources who can create added value. Moreover, toward enhancing support to and motivation of diverse employees, we will establish welfare policy that matches the diversifying lifestyles of employees, promote employee health management

and health promotion measures, and continue initiatives to promote diversity, human rights due diligence, and participation of female employees. Through those initiatives, we will aim to create higher added value by maximizing activities and contribution of each and every employee.

In the digital strategy, we will promote data-driven management with the principal axis of product development and price optimization by utilizing big data accumulated through Ta-Q-BIN as well as cost control through modeled and elaborated future prediction. Moreover, strengthening our DX promotion framework and accelerating change of "operations" and our way of "working" and business process reengineering of back-office operation, we will promote DX in tandem with our business, eyeing the possibility of new business creation.

With regard to the environmental/social strategy, in order to realize "net-zero (in-house) GHG emissions in 2050" and "48% reduction in GHG emissions in 2030 (compared with fiscal year ended March 31, 2021)," we will continue to promote measures such as "introduction of 23,500 EVs," "introduction of 810 solar power generation units," and "increase in the use of electricity derived from renewable energy sources," and develop a measurement method for supply chain (Scope 3) emissions. We will address various social issues and build a sustainable supply chain through suitable relationships with business partners by holding regular discussions and establishing structure, process and mechanism for early detection and resolution of issues.

In strengthening corporate governance, we will continue working to separate management supervision and execution, promote the enhancement of executive management, and maintain and enhance management transparency, while striving to sustainably increase corporate value through constructive dialogue with shareholders and investors and enhancement of disclosure.

v) Embed management principles that place more focus on capital efficiency within the Group

In addition to promoting i) through iv) above, the Yamato Group has set operating margin, ROE, and ROIC as new management metrics to embed management principles with greater emphasis on capital efficiency and achieve ROI above WACC. Besides improving business profitability and accelerating profit growth, we will work to improve capital efficiency by strengthening balance sheet management and optimizing cash flows, thereby building a foundation for increasing EPS (earnings per share) and shareholder value. During the period of the Medium-term Management Plan, we will promote growth investments in facility strategy and DX strategy, etc. to help improve operation efficiency, while also promoting environmental investments in EVs, solar power generation equipment, etc. to realize a low carbon society, balancing the provision of logistics services with low environmental impact to customers and the improvement of energy efficiency of operations. In the growth domain of Contract Logistics business and Global business, we will utilize M&As and strategic alliances in addition to autonomous growth.

To support the above plan from a financial perspective, we will work to strengthen balance sheet management and consider liquidating fixed assets as appropriate, while raising funds through borrowings from financial institutions and issuance of corporate bonds as necessary by taking into consideration financial soundness and efficiency, such as status of cash generation, cash and deposits held, capital ratio, etc. as well as effective use of funds held in the Group. From the perspective of financial soundness, we set the capital ratio at around 45% to 50% and the D/E ratio at 0.3 to 0.5 times as guides. With regard to shareholder return, the Company set targets of a payout ratio at 40% or more and a total shareholder return ratio at 50% or more based on profit attributable to owners of parent. We will flexibly consider the acquisition of treasury shares from standpoints of the progress of growth investments, cash flow trends, stock price movement, etc.

2. Approach to Sustainability and Associated Initiatives

The Yamato Group's approach to sustainability and its associated initiatives are as follows.

Forward-looking statements in the text are based on the judgment of the Yamato Group as of the filing date of the Annual Securities Report.

(1) Promotion of sustainable management

As we face pressing issues that must be addressed by society as a whole, such as climate change, a shrinking working population, and human rights and inequality, there is an increasing need for each company to respond to those social challenges. In considering these circumstances, the Yamato Group promotes sustainable management with the aim of enhancing its corporate value over the medium to long term and realizing a sustainable society.

i) Governance

The Company deliberates and resolves important items related to sustainability at the Management Committee and the Board of Directors. In addition, in order to promote sustainable management, with the President as the Committee Chair and the members consisting of Executive Officers, etc. of Yamato Transport Co., Ltd. and the Presidents of major Group companies, the Yamato Group Environment Committee and the Yamato Group Social Promotion Committee meet once a year to deliberate and resolve sustainability issues. Also, in the area of "Environment," three subcommittees (Energy, Climate & Atmosphere; Resource Conservation & Waste; and Management and Collaboration) and in the "Social" area, three subcommittees (Human Rights & Diversity; Supply Chain Management; and Local Community) meet three times a year to discuss measures and check on their progress.

(Sustainability Promotion System)

(Roles of Yamato Group Environment Committee and Social Promotion Committee)

Yamato Group Environment Committee	i) As the decision-making body for initiatives with regard to environmental issues of the Yamato Group, it clarifies the direction of our initiatives, and examines, deliberates, and makes decisions with regard to environmental issues while confirming the status of operations of the environmental management system. ii) The Yamato Holdings Representative Director and President performs the top management role of Environment Executive Officer, which includes receiving reports from the committee's members. The Environment Executive Officer evaluates the results of the committee's activities, conducts a review (Top Management Review) and determines future policy and other matters.
Yamato Group Social Promotion Committee	i) As the decision-making body for initiatives with regard to social promotion of the Yamato Group, it clarifies the direction of our initiatives with respect to important issues concerning society and local regions, and examines, deliberates and makes decisions with regard to policies for social promotion. ii) The Yamato Holdings Representative Director and President performs the top management role of supervision, which includes receiving reports from the Yamato Group Social Promotion Committee and from each company in the Yamato Group. The President evaluates the results of the committee's activities, conducts a review, and determines future policy and other matters.

ii) Strategy

With a view to the improvement of corporate value over the medium to long term and the realization of a sustainable society, in our "YAMATO NEXT 100" grand design for medium- to long-term management, the Company adopted its vision for the environment and society as well as identified the key materiality that it should address with priority. Moreover, under the "Yamato Group Environmental Policy," the "Yamato Group Human Rights Policy," the "Basic Policy on Diversity" and the "Yamato Group Responsible Procurement

Policy," we are promoting initiatives for the material issues.

Starting from the fiscal year ended March 31, 2025, the Company has set its aspiration of "a value-creating company that contributes to the realization of a sustainable future" to be realized in 2030, and is working to strengthen sustainable management as a foundation for realizing sustainable enhancement of corporate value under the Medium-term Management Plan "Sustainability Transformation 2030 —1st Stage—," which ends in the fiscal year ending March 31, 2027.

With regard to "Environment" area, in order to realize "net-zero (in-house) GHG emissions in 2050" and "48% reduction in GHG emissions in 2030 (compared with fiscal year ended March 31, 2021)," we are promoting measures such as "introduction of 23,500 EVs," "introduction of 810 solar power generation units," and "increase in the use of electricity derived from renewable energy sources," and working to ascertain net emissions in the supply chain (Scope 3) and set reduction targets.

With regard to "Social" area, we prioritize respect for human life and strengthen our initiatives to ensure the safety and health of our employees and partners, while also working to create a work environment where a variety of employees can play an active role. We are also working to address various social issues and build a sustainable supply chain through suitable relationships with business partners by holding regular discussions and establishing structure, process and mechanism for early detection and resolution of issues.

(Vision for the Environment and Society)

Environmental Vision	**Connect. Deliver the future via green logistics.** The Yamato Group will further promote its vision of "Connect. Deliver the future via green logistics." By leveraging cutting-edge connections between data, people, and resources, we will increase the efficiency of transportation and provide delivery services that are better for the planet, our customers' lifestyles, and the economy. We will also support a strong, smart society by striving toward virtually zero greenhouse gas emissions*1 and by creating business models based on sustainable resource use and consumption. *1 In-house emissions of consolidated subsidiaries in Japan and Swan Co., Ltd. (Scope 1 & Scope 2)
Social Vision	**Through co-creation and fair business activities, help create a society that "leaves no one behind."*2** As a social infrastructure company, the Yamato Group will contribute to improving the quality of life of various people, including employees and customers, by reducing and eliminating various inequalities and obstacles in society. We will do this by delivering goods and value to everyone through fair and efficient business processes. By promoting digital innovation and our strengths offline, as well as co-creation with various partners, we will be a leader in solving social challenges and creating a society that leaves no one behind. *2 To leave no one behind: A basic philosophy of the SDGs

(Material issues)

Material Issues	Themes of Initiatives	Vision	Risk/ Opportunity	Related SDGs
Energy & Climate	Mitigate climate change	Reduce greenhouse gas emissions by using electricity generated via renewable energy sources, enhancing transportation efficiency through the utilization of digital technology, and reducing the use of dry ice, etc.	Risk Opportunity	
Atmosphere	Clean up the skies (prevent air pollution)	Pursue transportation that reduces the effects of air pollutants emitted by vehicles and cleans up skies in local communities	Risk	
Resource Conservation & Waste	Promote resource conservation and reduce waste	Drastically reduce our environmental burden and promote the use of technology and creation of opportunities for minimizing environmental impact	Risk Opportunity	
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	
Labor	Create a work environment where employees can thrive	Implement a high-value-added model for labor and promote "decent work."	Risk Opportunity	
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	
Safety & Security	Create initiatives to carry out business in a safe and secure manner	Maintain traffic and labor safety and provide reliable service	Risk	
Data Utilization & Security	Create an information security infrastructure	Create an information security infrastructure and businesses that utilize data to resolve social issues	Risk Opportunity	
Supply Chain Management	Develop a common understanding with stakeholders	Build a stable business infrastructure through sound, resilient supply chains	Risk Opportunity	
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. Create a business model that revitalizes local economies	Opportunity	

iii) Risk management

The Company deliberates and resolves challenges and risks in promoting sustainable management at meetings of the Yamato Group Environment Committee and the Yamato Group Social Promotion Committee. In addition, important items are discussed and resolved at the Management Committee and the Board of Directors as necessary.

Information on risk management with respect to climate change is stated under "(3) Response to climate change."

iv) Indicators and targets

The Company has set forth achievement targets for its material issues in the Medium-term Management Plan "Sustainability Transformation 2030 —1st Stage—" formulated with the fiscal year ending March 31, 2027 as the final year. Specific targets for the fiscal year ending March 31, 2027 and results for the fiscal year ended March 31, 2024 are described in the "Integrated Report 2024." (Integrated Report 2024_Sustainable Management)

https://www.yamato-hd.co.jp/english/investors/library/annualreport/pdf/e_ir2024_06_04.pdf

The results for the fiscal year ended March 31, 2025 will be included in the "Integrated Report 2025" to be released in the fiscal year ending March 31, 2026.

(2) Promotion of HR strategies that support management strategies

The Yamato Group promotes HR strategies linked with management strategies in accordance with the Yamato Group Human Resources Management Policy as a foundation for realizing the sustainable enhancement of corporate value through "helping enrich our society" as stated in its Management Philosophy.

(Yamato Group Human Resources Management Policy)

Yamato endeavors to create value for the future, and further advance itself to continuously help enrich our society. Yamato recognizes employee's contribution and growth through fair evaluation and feedback, and aims to foster an inclusive work environment where each individual feels actively engaged. Yamato encourages employees who take ownership with a customer-centric perspective and sincerity, and rewards those who constantly strive to be at their best with challenging opportunities and personal growth.

i) Strategy

With priority given to the optimal allocation of human resources in conjunction with business structure reforms, the Yamato Group will optimize organization and headcount, and revise evaluation and compensation scheme. We will also promote the development and operation of an HR management structure that promotes independent and autonomous career development in order to develop human resources who can create added value. Moreover, toward enhancing support to and motivation of diverse employees, we will establish welfare policy that matches the diversifying lifestyles of employees, promote employee health management and health promotion measures, and continue initiatives to promote diversity, human rights due diligence, and participation of female employees. Through these initiatives, we will aim to create higher added value by maximizing activities and contribution of each and every employee.

A. Building an optimal human resources portfolio to create added value

In coordination with the "Reinforcement of the TA-Q-BIN network and transformation of the business portfolio" initiative under the Medium-term Management Plan "Sustainability Transformation 2030 —1st Stage—," we are promoting appropriate organizational structuring and personnel allocation based on a "right people in the right positions" approach.

In the fiscal year ended March 31, 2025, the number of positions required to fulfill managerial missions at Yamato Transport's head office—the core business company—was adjusted by identifying appropriate personnel allocation and visualizing roles based on job evaluations. We also visualized open positions and their fulfillment status through the implementation of an internal open recruitment system.

In the fiscal year ending March 31, 2026, the scope of job-based personnel management will be expanded from Yamato Transport's head office to its regional branches, with an extensive management system based on jobs and open positions established. In addition, we will revise the HR system for managers (operational managers) and specialists to strengthen the management structure with a primary focus on business operations, thereby establishing a framework that enables personnel driving business structure reforms to play a more active role.

In the digital domain, we will regularly conduct skill inventories to encourage personnel to apply their capabilities and promote highly effective skill enhancement training and education tailored to their skill levels.

Investment in human capital based on a "right people in the right positions" approach is needed in order to build such an optimal human resources portfolio linked to our management strategies. We will put a structure in place for monitoring investments and the

actualization of their effects over the medium to long term, which will include the establishment of “human productivity” as a key indicator, and will proceed to promote associated initiatives.

B. Improving work comfort and job satisfaction for diverse employees

To establish a foundation for realizing sustainable growth, we promote the fostering of a corporate culture that respects human rights and diversity and measures to put a work environment in place where our employees can thrive. Moreover, we will link measures to boost an actual sense of employees’ own growth through their work as well as their true sense of contributing to the forward development of the company to the improvement of employees’ work comfort and job satisfaction and, in the process, their engagement.

The Yamato Group has positioned the “development of an environment in which non-Japanese employees are not left behind in the workplace” and the “development of an environment in which diverse human resources can play active roles and support of women’s empowerment” as priority challenges. Accordingly, human rights risks are identified and assessed, with countermeasures incorporated into medium- to long-term plans to promote the initiatives. In the fiscal year ending March 31, 2026, as part of our human rights due diligence efforts, we will enhance “employee education to prevent discrimination and harassment,” and promote the “elimination of barriers caused by language and cultural differences amid increasing linguistic diversity.”

In addition, as a measure to promote women to managers, we have a support program for female employees who aim to become managers in place. We are working to prepare development plans for program participants and provide opportunities to gain experience based on these plans. We conduct training for both participants and their superiors with “doing away with unconscious bias” as its theme. In doing so, we back up the empowerment of ambitious female employees. Moreover, from the perspective of providing participants with experience at an earlier stage, we will support career development by providing mid-term training programs for regularly hired employees, while supporting the autonomous career development of motivated female employees, including advancement to management positions for which they have a good aptitude.

In the area of employment of people with disabilities, we have appointed a nationwide staff in charge of employment promotion and hold monthly staff meetings to share issues and good practices for employment promotion, thereby facilitating recruitment activities and support for retention. In addition, we have progressively been implementing education based on the “Universal Manners Test,” which was jointly developed with Mirairo Inc., which is a company we have invested in. By fostering human resources capable of putting oneself in another person’s shoes, we are promoting the development of an environment in which a diverse range of employees can play an active role.

To improve job satisfaction, we are striving to improve the workplace by encouraging open communication between management and employees. At Yamato Transport Co., Ltd., in order to help exchange opinions on issues in the workplace and deepen mutual understanding, “workplace discussions” are held at each site nationwide. In the fiscal year under review, initiatives have been implemented for management to hold dialogues with general managers of sales offices, logistics center managers, other operational managers, as well as employees engaged in driving, office work, and operations. Furthermore, to prevent harassment in the workplace, we provide education for all employees and promote the creation of a comfortable work environment.

ii) Indicators and targets

(Indicators and targets aimed at FY2027/3)

[Material issue: Labor]

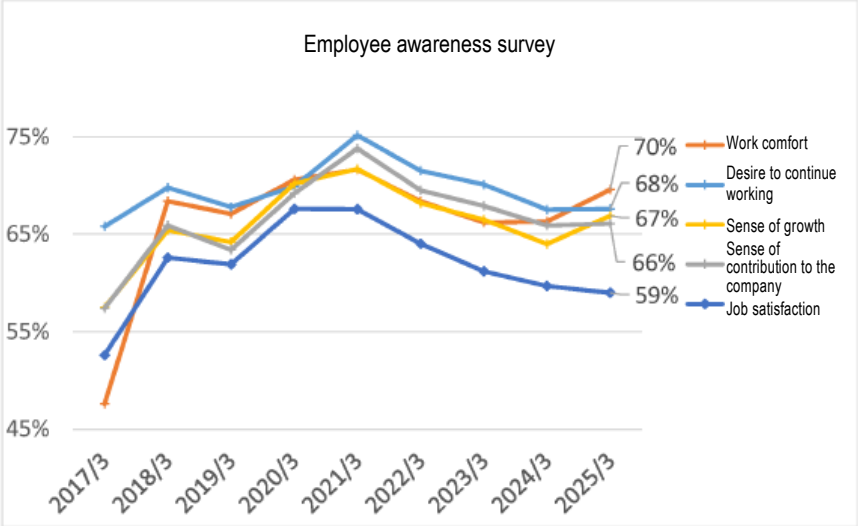
Indicator: Human productivity*1

Target: Improvement of work productivity

*1 (Consolidated operating revenue - Consolidated subcontracting expenses) ÷ Consolidated personnel expenses

Indicator: Employee awareness survey*2

Target: Improvement of engagement



*2 Applicable scope: Consolidated subsidiaries in Japan and Swan Co., Ltd.

[Material issue: Human rights & diversity]

Indicators and FY2027/3 targets	FY2025/3 actual
10% of all managers are women*1	6.6%
3.1% percentage rate of employees with disabilities*2,3	3.3%
100% attendance at human rights and anti-harassment training for all employees*1	90%

*1 Applicable scope: Consolidated subsidiaries in Japan and Swan Co., Ltd.

*2 Applicable scope: Consolidated subsidiaries in Japan and Swan Co., Ltd. (excluding companies that are not subject to reporting on the employment status of people with disabilities)

*3 Following the April 2025 reduction of the exclusion rate under the amended Act to Facilitate the Employment of Persons with Disabilities (Act No. 123 of 1960): from 20% to 10% for the road freight transport industry and from 15% to 5% for the freight forwarding industry

(3) Response to climate change

The Yamato Group recognizes that identifying the risks and opportunities that climate change issues pose to society and enterprises, evaluating the impact, and developing countermeasures are essential for business sustainability. Based on the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), we conducted a scenario analysis for Yamato Transport Co., Ltd. and continue to revise its evaluations, including an additional financial impact evaluation of physical risks undertaken. By clarifying the business impact of climate change issues and focusing on items that will have a significant impact, we will work on measures to improve sustainability of our business and enhance our corporate value by engaging in dialogue with our stakeholders.

i) Governance

The Yamato Group deliberates and resolves on environmental issues, including climate change, based on an environmental management framework with the Yamato Group Environment Committee as the decision-making body, while the Board of Directors supervises the execution of these decisions.

Specifically, the President and Representative Director chairs the Environment Committee and is responsible for overseeing environmental management. Then, important items discussed by the Environment Committee, such as Basic Policy on environmental issues, including climate change, are deliberated and resolved by the higher-level Management Committee and the Board of Directors.

In addition, as environmental officers, the Executive Officers in charge of environmental fields, the Executive Officers and other similar positions of Yamato Transport Co., Ltd., and the Presidents of Group companies are responsible for ensuring the implementation, maintenance, and oversight of environmental management, including the preparation of the necessary management resources.

Furthermore, in principle, all general managers and heads of field organizations are “environmental managers,” responsible for managing risks and opportunities related to the environment, including climate change.

ii) Strategy

STEP 1: Assessment of risk importance

[Criteria for assessing importance]

We have established the level of importance in accordance with three grades (high, medium and low) based on criteria for evaluating the financial impact of revenue and costs incurred over a one-year period.

High: 10 billion yen or greater; medium: 1 billion yen or greater but less than 10 billion yen; low: less than 1 billion yen

[Assumed time period]

Short term (up to 2026); medium term (from 2027 to 2030); long term: (2031 and beyond)

Impacts of climate change on the Yamato Group					Magnitude of impacts	Occurance timing
Risks			Risks	Opportunities		
Category	Type	Risk driver				
Transition Risks	Policy and Legal	(i) Carbon Pricing	Profit may decline if we cannot pass carbon tax on to prices.	Revenue may increase if low-carbon transport is sold as added value.	High	Medium-term
		(ii) Strengthened emissions reporting requirements	Revenue may decrease due to a loss in reputation if false reporting is made and found. System development costs and personnel expenses may increase in response to requests by business partners for precise reporting of GHG emissions.	—	Low	Medium-term
	Technology	(iii) Rising expectations for adding new technologies and high value to services	Revenue may decrease in the event of delays in responding to the transportation means and the deeper penetration of materials for curbing CO_2 emissions accompanying the shift to a low carbon society.	We may be chosen by customers as partners and revenue may increase if we introduce transportation means that will curb CO_2 emissions as the shift to a low carbon society takes place.	Low	Medium-term
		(iv) Request for low-carbon transport	Expenses for introducing low-carbon vehicles and equipment will increase.	If we promote low-carbon transport by introducing electric vehicles, energy used for vehicles may change from fossil fuels to electricity and procurement costs may fall.	Medium	Medium-term
	Market	(v) Change in energy mix	Expenses for energy used for vehicles and facilities may increase due to sharp rises in fuel prices and electricity prices caused by the deeper penetration of renewable energy, etc.	The energy self-sufficiency rate may rise and energy costs may fall, reflecting the introduction of renewable energy power generation facilities and solar power systems and the promotion of energy-savings activities.	Medium	Medium-term
		(vi) Rise in consumers and customers' environmental awareness	Our service may be avoided and revenue may fall if we fail to fully respond to the rising awareness of corporate and organizational clients of the need to reduce CO_2 emissions throughout the supply chain and consumers' rising awareness of climate change and ethical consumption.	In eco-friendly corporate and organizational clients and those in EU countries, if expectations for reduced CO_2 emissions throughout the supply chain and growing consumer expectations relating to climate change and ethical consumption are met, our service will be chosen, thereby resulting in revenue increase. If consumers actively use delivery lockers and pickup services at sales offices, redelivery due to absence may be reduced and delivery efficiency may improve, which may reduce working hours and related costs.	High	Medium-term
	Reputation	(vii) Criticism of the industrial sector	Expectations for the transport industry are high because it affects Scope 3 emissions in other industries. If it fails to achieve low-carbon transport, revenue may decline.	—	Low	Medium-term
		(viii) Impact on funding	If we are categorized as a company that is not environmentally sustainable, funding may become difficult.	Funding may diversify with a shift to a low carbon society, and funding by a variety of means may become easier. Higher evaluation for our environmental initiatives will result in an expansion in investment and stock price stabilization.	Low	Medium-term
Physical Risks	Acute	(ix) Increase in frequency and severity of extreme weather events	More frequent extreme weather events may lead to the more frequent suspension of business due to their effects on employees, delays in the recovery of facilities affected by extreme weather, and power and fuel supply disruptions, which in turn may cause a decrease in revenue. If customers' facilities and products are affected and shipments stop, revenue may fall. Damage to logistics facilities and equipment and cargo may increase losses and repair costs.	Increasing our capability to deal with natural disasters may increase demand from customers that are concerned about more extreme natural disasters, and this may increase revenue. We may reduce losses of business opportunities and expenses for restoration by relocating at an early stage business sites to places where the risk of natural disasters is low.	Medium	Short-term
	Chronic	(x) Rising sea levels	Costs may increase due to the impact of increased insurance premiums and expenses for flood disaster measures at logistics sites located in coastal areas	—	Low	Long-term
		(xi) Change in rainfall patterns and extreme changes in weather patterns	Decreases in shipments from customers significantly affected by climate change and water risk may cause a decrease in revenue. Delays in delivery due to disruptions to roads caused by flooding may increase related expenses.	—	Low	Medium-term
		(xii) Rise in average temperatures	Rising average temperatures may increase health damage, including heat stroke, to employees and may lead to difficulty in hiring employees and an increase in employees who leave the company, which in turn leads to increases in expenses, including personnel cost and recruiting expense. Rising average temperatures may cause an increase in energy consumption for temperature control at logistics facilities, which may result in an increase in utility costs. Local specialties may not be able to be harvested, which may cause a decrease in revenue from the delivery of fresh produce.	—	Low	Long-term

STEP 2: Definition of scenario categories

In the scenario analysis that we performed in the fiscal year ended March 31, 2024, we envisioned the following two scenarios for Yamato Transport Co., Ltd. based on information from the UN Intergovernmental Panel on Climate Change (IPCC), the International Energy Agency (IEA)[*1], and so forth.

A. 1.5°C Scenario[*2]: The incurrence of costs associated with reducing carbon emissions will become necessary and we must enforce stricter regulations and higher fuel and electricity costs; however, sustainability is the key to creating and offering competitive products in the society under this scenario.

B. 4°C Scenario: While we will continue to practice our current style of management, incurring costs to address damages from natural disasters, etc. in each area of operation will become necessary in the society under this scenario.

*1 IPCC: RCP8.5
IEA: Net Zero Emissions by 2050 Scenario, Sustainable Development Scenario, Stated Policies Scenario, etc.

*2 See 2°C Scenario for items with no scenario for 1.5°C

STEP 3: Evaluation of business impact

Recognizing the possibility that the introduction of a carbon tax and abnormal weather and disasters would exert a particularly large impact on revenue and costs among the risks that we extracted, we performed the following analysis and business impact evaluation.

●Items evaluated

A. Financial impact from introduction of carbon tax
B. Financial impact from decreasing revenues and increasing repair costs for facilities and equipment due to abnormal weather and disasters
C. Financial impact from decreasing revenues and damage to facilities and equipment due to flooding

●Details

A. Financial impact assessment regarding introduction of carbon tax

We calculated business impact in 2030 and 2050 related to calculations upon the full introduction of a carbon tax. As a result of estimating the impact from cost increases with the carbon tax price assumed to be 140 dollars/t for 2030 and 250 dollars/t for 2050, we calculated that estimate to be 15.7 billion yen for 2030 and 28.1 billion yen for 2050.

B. Financial impact assessment regarding decreasing revenues and increasing repair costs for facilities and equipment due to abnormal weather and disasters

As a result of estimating business impact of the decrease in revenues due to abnormal weather such as increasingly severe typhoons and heavy rain caused by linear rainbands, and the increase in damaged facility and equipment repair costs[*3], we calculated that estimate to be 1.9 billion yen for 2030 and 3.8 billion yen for 2050.

*3 Estimated using disasters that occurred in past as reference

C. Financial impact assessment regarding decreasing revenues and damage to facilities and equipment due to flooding

Based on floodwater depth projections using hazard maps, AQUEDUCT[*4], etc., the business impact was estimated for the amount of loss due to the suspension of operations and asset damage to facilities and equipment, using the damage rates by floodwater depth provided in “A Guide to Flood Risk Assessments for Enhanced TCFD Disclosures” by the Ministry of Land, Infrastructure, Transport and Tourism.

As a result, we calculated that the annual impact of a 1-in-100 year flood (floodwater depth) under the 4°C scenario (RCP8.5) on the amount of lost business and property damage would be 400 million yen in 2030 and 430 million yen in 2050.

[Conditions used in the analysis]

- Average of 5 climate models[*5]
- Average value of 3 km square including the surrounding area with 1 km spatial resolution
- 49 sites surveyed, including sites with the potential for flooding on hazard maps

*4 AQUEDUCT, a risk assessment tool developed by the World Resources Institute (WRI)

*5 GFDL-ESM2M (National Oceanic and Atmospheric Administration);
HadGEM2-ES (a U.K. climate research institute);
IPSL-CM5A-LR (a French climate research institute);
MIROC-ESM-CHEM (University of Tokyo, etc.); and
NorESM1-M (a Norwegian climate research institute).

STEP 4: Direction of countermeasures

A. Introduction of carbon tax

The Yamato Group is working towards its high adopted target of virtually zero in-house emissions by the year 2050 in order to reduce GHG emissions.

a. Having adopted a reduction of 48% compared with FY2021/3 as our target value for 2030, our primary planned measures for realizing that target include introducing 23,500 low-carbon vehicles (mainly EVs) and 810 solar power generation units by 2030. By doing so, we estimate reduction effects of 7.4 billion yen by 2030 compared to if we did not take this initiative.

b. Should we achieve virtually zero in-house emissions by also bolstering other measures, such as introducing EVs with cartridge batteries and other low-carbon vehicles and increasing the use of electricity derived from renewable energy sources generated by the solar power generation equipment installed at Yamato Group's bases and regional power generation companies, with a view to 2050, we envision that we will be able to eliminate the financial impact of a carbon tax.

c. We are looking into introducing internal carbon pricing with the aim of proactive capital investment in low-carbon transition.

B. Decrease in revenues and increase in damaged facility and equipment repair costs due to abnormal weather and disasters

In addition to store openings utilizing a hazard map and regular updates to its business continuity plan (BCP) manual, the Yamato Group examines the communication of information on adapting to climate change to internal members and external partners. In the future, we will perform demonstrations of utilization models of renewable energy that boosts resilience and EVs with cartridge batteries.

Furthermore, we will continue to examine countermeasures by reevaluating business impact while adding preconditions, including elevating assumptions of places and scales of occurrence.

C. Initiatives to seize opportunities for increased environmental awareness among consumers and customers

In order to achieve "net-zero (in-house) GHG emissions by 2050," the Yamato Group is promoting the reduction of its GHG emissions by introducing EVs and procuring electricity derived from renewable energy sources generated by Yamato Group's bases and regional power generation companies. At the same time, in order to optimize our customers' inventory and production activities, we are building a supply chain with a lower environmental impact. To this end, we are working to create new value to offer to our corporate customers, including the development of a GHG emissions visualization tool in compliance with the international standard ISO 14083:2023. During the fiscal year ended March 31, 2025, we made a carbon neutral claim for TA-Q-BIN, TA-Q-BIN Compact, and EAZY (the three parcel delivery services). This claim consists of achievement of carbon neutrality pursuant to the international standard ISO 14068-1:2023 in the fiscal year ended March 31, 2024 (April 2023 - March 2024), continuing from the fiscal year ended March 31, 2023, and commitment to achieving carbon neutrality for the three parcel delivery services by 2050 through continuous efforts to reduce in-house GHG emissions from our business activities. This claim was verified by BSI Group Japan K.K., a third-party organization. Through the provision of such climate-friendly transportation services, the Yamato Group will further promote the use of these services by individual and corporate customers.

Moreover, we promote efforts to generate economic value through the creation of business models that solve environmental issues. In the fiscal year ended March 31, 2025, we launched new businesses, such as the introduction of the "EV Lifecycle Service" leveraging the expertise in the adoption and utilization of commercial EVs developed in the last-mile domain; the establishment of Yamato Energy Management Co., Ltd. to provide electricity derived from renewable energy sources and other services to support the decarbonization efforts of customers; and the launch of Sustainable Shared Transport Co., Ltd. to provide an open platform for joint transport and delivery aimed at improving logistics efficiency. Through these initiatives, we aim to contribute to the Yamato Group's profit growth and the sustainability of society and the logistics industry as a whole.

iii) Risk management

A dedicated department has been established in our Company to oversee the promotion of measures related to climate change throughout the Yamato Group. In addition, each Group company has appointed an environmental officer (President and Representative Director) and an environmental promotion representative (Promoter), as the entire Group promotes action against climate change.

The Yamato Group Environment Committee, chaired by the President and Representative Director and composed of Executive Officers, etc. of Yamato Transport Co., Ltd. and Presidents of major Group companies, meets once a year to deliberate and resolve issues and risks related to the environment, including climate change. In addition, important items are discussed and resolved at the Management Committee and the Board of Directors as necessary.

iv) Indicators and targets

A. Indicators used in evaluations of climate-related risks and opportunities in accordance with strategy and risk management processes

As indicators to manage response to climate change, for migration risk, the Yamato Group refers to energy-related indicators such as "carbon pricing" published in the World Energy Outlook by the IEA. For physical risk, we reference data such as flood occurrence

frequency to understand changes in trends using the likes of materials based on climate change that are disclosed by the Ministry of Land, Infrastructure, Transport and Tourism, the Ministry of Education, Culture, Sports, Science and Technology, and the Japan Meteorological Agency.

B. GHG emissions

(Unit: tCO_2e)

	FY2021/3	FY2024/3	FY2025/3
Scope 1	668,554	656,732	649,522
Scope 2	252,307	166,350	129,513
Scope 1 & Scope 2 total (in-house emissions)	920,861	823,082	779,034
Scope 3	1,750,716	2,218,292	2,417,091
Scope 1, Scope 2 & Scope 3 total	2,671,577	3,041,374	3,196,126

・Applicable scope of Scope 1 & Scope 2: Consolidated subsidiaries in Japan and Swan Co., Ltd.

・Applicable scope of Scope 3: Categories 1, 2, 3, 4, 5, 6, 7, 11 and 12

C. Targeted and actual figures used in climate change-related risk and opportunity management

[Targeted GHG emission reductions*1]

Short term: 25% reduction by 2026 compared with FY2021/3

Medium term: 48% reduction by 2030 compared with FY2021/3

Long term: Virtually zero emissions by 2050

[Actual GHG emissions*1]

779,034 tCO_2e for FY2025/3 (15% reduction compared with FY2021/3)

*1 In-house emissions of consolidated subsidiaries in Japan and Swan Co., Ltd. (Scope 1 & Scope 2)

[Targeted ratio of electricity derived from renewable energy sources]

Short term: 70% of overall electricity by 2026

[Actual ratio of electricity derived from renewable energy sources]

58% of overall electricity for FY2025/3

The actual GHG emissions and ratio of electricity derived from renewable energy sources for the fiscal year ended March 31, 2025, as described in (iv) Indicators and targets, are provisional data as of the filing date of the Annual Securities Report. The finalized data will be included in the “Integrated Report 2025” to be released in the fiscal year ending March 31, 2026.

In parallel with implementing measures aimed at achieving the above targets, we are making concrete preparations to obtain accreditation for the SBT1.5°C.

Note that disclosures on “2. Approach to Sustainability and Associated Initiatives” have been made with the judgment that there are no significant differences between the situation at the Company and its consolidated subsidiaries and the situation in the Yamato Group, including its non-consolidated subsidiaries, etc.

3. Business and Other Risks

Among the matters related to business conditions, accounting conditions, etc., as described in the Annual Securities Report, the major risks that are recognized as having a significant impact on the Yamato Group's business results, etc., from the perspective of their impact on management and the likelihood that they will materialize, are categorized as risks related to the business environment and corresponding strategies, and risks related to business operations, and they are summarized as follows.

Forward-looking statements in the text are based on the judgment of the Yamato Group as of the date of submission of the Annual Securities Report.

(1) Risks related to the business environment and corresponding strategies

i) Risks due to changes in the market and competitive environment

The market environment surrounding the Yamato Group is changing with the advancement of e-commerce, the division of the world into political and economic blocs, reshaping of global supply chains, and the worsening of climate change and a declining working population. The progress in the shift to e-commerce is also changing the competitive environment, not only intensifying competition with logistics providers, but also making it more important to have strategic relationships with EC operators that are converting to in-house logistics, as well as the need to be aware of start-ups that have the potential to change business practices through digital means. Under such circumstances, failure to respond to the changing and diversifying needs of consumers and the logistics needs of corporate customers who are restructuring their existing distribution structures could result in a decline in operating revenue and missed growth opportunities, which could affect the Yamato Group's business results. In addition, if we are unable to respond appropriately to important issues related to sustainability for the Yamato Group, we may face a decline in customer support, deterioration in relationships with the regional society, difficulty in securing talented human resources, and higher financing costs. This may affect the business results of the Yamato Group in the mid- to long-term.

In light of these risks, the Yamato Group has set its vision for 2030 as "a value-creating company that contributes to the realization of a sustainable future," and is promoting initiatives to enhance its corporate value.

In the reinforcement of the TA-Q-BIN network and expanding the value it provides, we will work to reform our revenue structure in order to transform our basic domain TA-Q-BIN business into a business structure that can ensure stable profits. In addition, in terms of expanding our corporate business domain, we are working to grow profits by viewing changes as an opportunity amid increasing risk factors such as division of the world into political and economic blocs, reshaping of global supply chains, and global environmental problems, and by providing corporate customers with high-value-added solutions that utilize the Group's management resources, such as our transportation and delivery network, including domestic and international warehouses and dedicated cargo aircraft (freighters), as well as know-how of logistics, customs clearance, and real estate. Additionally, we are working with a diverse range of partners to promote initiatives that generate economic value by creating business models that solve environmental and social issues.

We are also promoting our HR strategy, digital strategy, and environmental/social strategy, and are working on the reinforcement of sustainable management and corporate governance, etc., as a Group management foundation to support these initiatives.

ii) Risks due to the declining working population

Many of the businesses operated by the Yamato Group are labor-intensive, and it is essential for us to secure high-quality human resources as our workforce and to assign them to their positions appropriately. If the supply-and-demand for labor becomes even tighter due to a decline in Japan's working population and it is not possible to secure sufficient human resources including transportation and delivery partners, or if costs significantly increase due to more intense competition over human resources, the Yamato Group's business results may be affected.

In light of these risks, in addition to appropriately implementing human capital investment, including our partners, based on the Yamato Group Human Resources Management Policy, the Yamato Group is promoting to build an environment in which employees are motivated to work and can advance through an attractive personnel and evaluation system that contributes to the acquisition and retention of human resources. It is also developing a workplace environment in which human rights and diversity are respected and employees can work with greater peace of mind, and working to strengthen cooperation with our transportation and delivery partners, including in terms of safety and quality. In addition, in the transportation domain, to increase transportation and load efficiencies as well as restrain fixed costs and control variable costs according to workload while making our TA-Q-BIN network social infrastructure more efficient and sustainable and meeting the needs of our customers, we are making efforts to station workers taking on sorting properly by reviewing the way of carrying between terminals and between terminals and collection and delivery bases in conformity with changes in the fluid volume of loads.

iii) Risks involved in the evolution of technology

The logistics industry in which the Yamato Group operates is undergoing various changes due to the evolution of technology, such as resource optimization through the utilization of AI, IoT, big data, and more, the automation of warehouse operations through the

utilization of robotics, and reformation of trunk route transportation and last-mile delivery through the utilization of drones and automated driving. If the Yamato Group is unable to respond appropriately to the emergence of new business models expected in the short to mid-term, or if there is a misunderstanding of technological trends or inadequacies in the implementation method of cutting-edge technologies, the investment effect may not be achieved as expected, which may affect the Yamato Group's business results.

In light of these risks, the Yamato Group has positioned its digital strategy as one of the Group's management foundations for achieving sustainable improvement in corporate value, promoting data-driven management with the principal axis of product development that utilizes big data accumulated through its TA-Q-BIN business, and price optimization and cost control through modeled and elaborated future prediction. Moreover, strengthening our DX promotion framework and accelerating change of "operations" and our way of "working" and business process reengineering of back-office operation, we are promoting DX in tandem with our business, eyeing the possibility of new business creation. We are also striving to quickly detect technologies and business models that could become a threat to the Yamato Group through collaboration with CVC and VC funds, as well as to create new growth models through open innovation.

iv) Risks involved in information security

In addition to confidential business information, the Yamato Group also holds a great deal of personal and customer information through its logistics operations and commissioned information processing. If information were to be leaked externally or data were to be lost due to causes such as cyber-attacks or inadequate management, the business results of the Yamato Group may be affected due to damaged public trust, claims for damage compensation, and doubts about the digital strategy we are promoting. In addition, if the TA-Q-BIN system were to go down due to a cyber-attack, etc., and TA-Q-BIN deliveries were to be suspended nationwide, the Yamato Group's business results could be affected by lost revenue opportunities, etc.

In light of these risks, the Yamato Group is engaged in organizational and personnel-based measures as well as multi-layered technical measures, etc. in Japan and overseas assuming more advanced and more sophisticated cyber-attacks. Other security measures include 24 hours a day and 365 days a year monitoring against unauthorized access to the network and unauthorized entry into the facility. In addition, as a countermeasure against system outages due to broad-based disasters, we have decentralized data centers for critical systems and operate mutual backups. As a countermeasure against system breakdowns, we have maintenance contracts with manufacturers to deal with hardware degradation over time and potential bugs in their products, and we are constantly coordinating information on problems or defects.

v) Risks involved in depopulation of the region

Japan, which is the Yamato Group's main market, is experiencing a decline in the total population as well as a variety of issues in regional lifestyles and regional economies. In depopulated and aging regions, declining delivery efficiency and a shortage of human resources for pickup and delivery have become apparent. In the future, the business results of the Yamato Group may be affected if problems such as the decline of the regional social infrastructure due to a shrinkage of the local economy become more serious, or if it becomes more difficult to maintain a logistics network that covers the entire country in fine detail from a mid- to long-term perspective due to the decreasing profitability in such regions.

In light of these risks, to make our TA-Q-BIN network social infrastructure more efficient and sustainable, we are making efforts to station workers taking on sorting properly by reviewing the way of carrying between terminals and between terminals and collection and delivery bases in conformity with changes in the fluid volume of loads in the transportation domain. In addition, in order to respond to various needs of regional society, we are promoting the deployment of "Nekosapo," a community-based store that aims to provide new services beyond just package sending and receiving by relocating distribution centers in consideration of local market conditions and operational efficiency, as well as promoting expanded sales of the "Kuroneko Monitoring Service HelloLight Visit Plan" that uses "HelloLight" IoT light bulbs. We are also collaborating with partners to promote the distribution of local products and tourism.

vi) Risks involved in climate change

The Yamato Group uses a large number of vehicles to carry out its business. If global environmental issues, including climate change, become more serious, and if greenhouse gas (GHG) emission regulations or reduction obligations are tightened, or if carbon taxes are raised, the Yamato Group's business results may be affected due to increased costs for the introduction of low-carbon vehicles and facility renovations, etc. Also, with consumers becoming increasingly conscious of environmentally friendly consumption and with corporate customers' demands to reduce GHG emissions throughout their supply chains, if we are unable to meet the expected low-carbon transportation, operating revenue may decrease due to a decline in customer support, which may affect the Yamato Group's operating results among others. In addition, if the transition to a low-carbon society does not progress, the long-term effects could include frequent suspension of business activities due to damage to employees and facilities, road cutoffs, or power and fuel supply outages caused by more severe or more frequent natural disasters, which could affect the Yamato Group's operating results.

In light of these risks, the Yamato Group has set a medium-term target of reducing GHG emissions by 48% by 2030 compared to the fiscal year ended March 31, 2021, and is promoting initiatives such as "introduction of 23,500 EVs," "introduction of 810 solar power generation units," and "increase in the use of electricity derived from renewable energy sources," in order to achieve the long-term target of effectively zero GHG emissions (in-house emissions) by 2050. We are also working to ascertain net emissions in the supply chain (Scope 3) and set reduction targets. We made a carbon neutral claim for TA-Q-BIN, TA-Q-BIN Compact, and EAZY (the three parcel delivery services). This claim consists of achievement of carbon neutrality pursuant to the international standard ISO 14068-1:2023 for our services in the fiscal year ended March 31, 2024 (April 2023 - March 2024), following the fiscal year ended March 31, 2023, and commitment to achieving carbon neutrality for the three parcel delivery services by 2050 through continuous efforts to reduce in-house GHG emissions from our business activities. Through the provision of such climate-friendly transportation services, the Yamato Group will further promote the use of these services by individual and corporate customers.

In addition, the entire Group is working to improve its resilience by strengthening its crisis management system in anticipation of various emergency situations caused by natural disasters. Specifically, we are conducting drills based on the business continuity plan (BCP), assessing the risk of flood damage to facilities, reallocating bases, and continuously reviewing manuals related to post-disaster response, suspension of pickup and delivery, maintenance work, etc. in preparation for unexpected disasters.

vii) Risks involved in M&As and strategic business alliances

Companies are required to take responses amid increasing risk factors such as division of the world into political and economic blocs, reshaping of global supply chains, and global environmental problems. The Yamato Group views changes as an opportunity, and positions the solutions business aiming to solve customers' management issues that extend throughout the entire supply chain as a growth area. In order to accelerate its expansion, we are promoting M&As and strategic alliances in addition to autonomous growth measures. However, if we are unable to achieve the expected results due to changes in the business environment or competition, or if unforeseen business problems occur, our business results may be affected.

In light of these risks, the Yamato Group will work with discipline, focusing on compatibility with the growth strategies of Contract Logistics business and Global business as well as establishing quantitative criteria to measure investment effectiveness, among other things. In addition, following M&A implementation, we continue to conduct regular monitoring in accordance with the business feasibility determination rules.

(2) Risks related to business operations

i) Risks involved in compliance

The Yamato Group promotes management that places the utmost priority on compliance. However, it may not be possible to completely avoid compliance risks in products and services, work and safety, and the entire supply chain, and if a situation that infringes on a law or regulation were to occur, the Yamato Group's social trust and brand image could be damaged, and additional costs could be incurred in response to that occurrence. This may affect the business results of the Yamato Group. In particular, if violations of laws and regulations occur in operation management or transportation, not only is there a possibility of administrative or criminal penalties, but there is also a possibility of impact on human life and the continuation of major businesses. In addition, in light of the "2024 issue," which raises concerns about the stagnation of logistics, if appropriate measures are not taken in response to the revised "Motor Truck Transportation Business Act" and "Act on Advancement of Integration and Streamlining of Logistics Business" (later renamed the "Act on Advancement of Integration and Streamlining of Distribution Business") enacted in May 2024, this could have an adverse impact on the operating results of the Yamato Group.

In light of these risks, 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. As a foundation to improve the soundness of our Group management, we are striving for appropriate operation of our product management process based on our product management regulations, operation management using the system, implementation of philosophy training for employees, quick discovery and appropriate response to inappropriate incidents through our whistle blower system consultation desk for our transaction partners, regular

consultations with business partners, and the establishment of appropriate systems, processes and mechanisms. In addition, the Internal Audit Department conducts audits using a risk-based approach in a planned manner. In addition, in response to recent legal reforms in the logistics industry, we are implementing legal reform measures at each Group company, including making sufficient preparations during the period between the enactment and enforcement of the reforms and aligning current business operations and internal regulations with the provisions of the revised laws.

ii) Risks involved in large-scale natural disasters, and the like

The Yamato Group's main business is the transportation of parcels by vehicle, and we operate our business assuming the safety and health of our employees, the maintenance of our vehicles and facilities, and the stable supply of fuel and electricity. In the event of an unexpected large-scale natural disaster or power outage, etc., the Yamato Group's business results could be affected by a shortage of human resources due to employees becoming victims, business stoppages due to damage or submersion of vehicles, information equipment, or facilities, power or water outages or shortages of fuel or supplies, incurring repair or replacement costs for vehicles or facilities, or a decrease in shipment volume due to customers becoming victims, from immediately after the disaster and over the medium to long term.

In light of these risks, the Yamato Group, as a corporate group responsible for social infrastructure, has formulated a business continuity plan (BCP) to ensure that we can continue to provide stable services even in unexpected situations. The entire Group is working to strengthening its crisis management system in anticipation of various emergency situations. We are conducting drills based on the BCP, assessing the risks of facilities and implementing relocations, as well as continuously reviewing manuals related to post-disaster response, suspension of pickup and delivery, maintenance work, and other needs in preparation for unexpected disasters. In the event of an emergency, based on the Yamato Group basic BCP policy, which is centered on "placing the highest priority on human life," "aiming for early restoration of the business of each Group company," and "meeting the expectations of the local community as a social infrastructure," we will establish an internal task force in accordance with our standards, respond in cooperation with the Group companies, and work to provide value to the affected areas and customers in response to their issues.

iii) Risks involved in serious traffic accidents and occupational accidents

The Yamato Group conducts its business mainly using vehicles on public roads, and if a serious traffic accident were to arise, the Yamato Group could suffer a drop in social trust, discontinuation of the use of its vehicles due to administrative punishment, discontinuation of business operations at its offices due to the violation point system, revocation of its business license, and other measures. This could result in business being disrupted or suspended. In addition, causing a serious occupational accident that impairs the safety and health of employees and others could affect the business results of the Yamato Group.

In light of these risks, the Yamato Group places the utmost priority on respect for human life, and is working to promote initiatives in line with transportation safety management and occupational safety and health management systems (OSHMS), formulate and comply with rules to ensure safety, maintain facilities and systems, provide safety education and raise awareness among employees, implement periodic checks by the Audit Division and others on the status of compliance with laws and regulations in operations and maintenance management, and ensure a safe and secure working environment in accordance with the Industrial Safety and Health Act. In addition, the importance of heat countermeasures has increased from the perspective of preventing occupational accidents. To prevent employees from suffering from heatstroke or heatstroke complications, we are implementing measures tailored to job types and locations, such as establishing action guidelines based on the heat index (WBGT: Wet Bulb Globe Temperature), and introducing fan-equipped vests and cooling equipment.

iv) Risks involved in labor-related laws and systems

Many of the businesses operated by the Yamato Group are labor-intensive, and it is essential for us to secure high-quality human resources as our workforce and to assign them to their positions appropriately. In the event of revisions to laws, regulations, systems related to labor, social insurance, or the like, the Yamato Group's business results may be affected due to a significant increase in costs to comply with such revisions. In addition, the application of overtime caps in vehicle driving operations, etc., which will reduce capacity for long-distance transportation in the transportation industry and increase the cost of outsourcing to transportation partners, which may affect the Yamato Group's business results.

In light of these risks, Yamato Group is promoting the development of a working environment and HR system that appropriately complies with laws and regulations. In the transportation domain, to increase transportation and load efficiencies as well as restrain fixed costs and control variable costs according to workload while meeting the needs of our customers, we are making efforts to station workers taking on sorting properly by reviewing the way of carrying between terminals and between terminals and collection and delivery bases in conformity with changes in the fluid volume of loads. In addition, we expand the use of trailers, including the Super Full Trailer SF25, which contributes to more efficient long-distance transportation, and promote modal shifts, and as a method of long-distance

transportation toward building a sustainable logistics network, in addition to trucks, railroad, ferries, and cargo space under passenger aircraft floors, we have operated and utilized dedicated cargo aircraft (freighters).

v) Risks due to the influence of international situations and the like

If the regions in which the Yamato Group conducts its business activities or the regions in which its major clients conduct their business activities are affected by terrorism, war, or other international conflicts or trade disputes, the business results of the Yamato Group may be affected by stagnating logistics caused by a reduction in international trade or disruptions in the supply chain or the like. In addition, as the Yamato Group's main business is the transportation of parcels by vehicle, a constant, stable, and appropriate supply of fuel such as diesel oil is essential in order to carry out the business. If supply were to be restricted or fuel prices, etc. were to skyrocket due to international situations or the like, the business results of the Yamato Group may be affected.

In light of these risks, the Yamato Group is working to meet the needs of its customers by combining a variety of transportation methods by land, sea, and air for the globally extending supply chains of its customers, and by viewing changes as an opportunity, to provide high-value-added solutions that utilize the Group's management resources, such as our transportation and delivery network, including domestic and international warehouses and dedicated cargo aircraft (freighters), as well as know-how of logistics, customs clearance, and real estate. Additionally, we are promoting measures to improve energy efficiency, such as streamlining transportation and delivery through reviewing the way of carrying between terminals and between terminals and collection and delivery bases in conformity with changes in the fluid volume of loads and stationing workers taking on sorting properly, modal shifts, the introduction of more fuel-efficient vehicles, and the introduction of energy management systems, while also working to optimize pricing for customers in light of rising fuel prices and other factors.

vi) Risks due to influence from the financial market

The Yamato Group acquires the necessary funding by effectively utilizing Group funds as well as combining borrowing from financial institutions and issuing bonds, etc., while referring to our investment plans for business continuity and growth. The future economic situations of Japan and abroad may make it difficult to procure funding if the financial markets become dysfunctional or if financial institutions are selective in their lending, and interest expenses may increase due to rising interest rates.

In light of these risks, we will work to strengthen balance sheet management while taking into consideration financial soundness and efficiency, such as cash generation, cash and deposits held, capital ratio, etc. as well as effective utilization of Group funds. We will also consider measures to generate funds through liquidating fixed assets as appropriate. Additionally, when raising funds through borrowings from financial institutions and issuance of corporate bonds as necessary, we will strive to appropriately diversify our funding sources and timing.

4. Management's Analysis of Financial Conditions, Business Results and Cash Flows

(1) Overview of the business results, etc.

An overview of the Yamato Group's financial conditions, business results and cash flows for the fiscal year ended March 31, 2025 is provided below.

Forward-looking statements in the text are based on the judgment of the Yamato Group as of the filing date of the Annual Securities Report.

i) Financial conditions and business results

A. Financial conditions

Total assets were 1,267,428 million yen as of March 31, 2025, up 85,646 million yen from the end of the previous fiscal year.

Liabilities increased 77,276 million yen from the end of the previous fiscal year to 667,077 million yen.

Net assets were 600,350 million yen, up 8,369 million yen from a year earlier.

B. Business results

In the economic environment during the fiscal year under review, while the global inflationary trend has calmed down, business confidence is showing an improving trend at the moment in Japan as the moves to pass on price increases to consumers continue, and real wage decline is coming to a halt. However, with sluggish consumer spending and an expanding labor shortage, it remains difficult to foresee a full-fledged economic recovery.

Under these circumstances, to enhance its corporate value continuously through "helping enrich our society" held up in its Management Philosophy, in accordance with the Medium-term Management Plan "Sustainability Transformation 2030 —1st Stage—," the Yamato Group will promote efforts at: reinforcement of the TA-Q-BIN network to achieve profit growth in basic domain; expansion of corporate business domain through provision of business solutions; commercialization of new business models to meet the diversifying needs of customers and society; and strengthening of the Group's management base. The Group will also promote efforts to generate "economic value" and to create "environmental value" and "social value" toward social sustainability.

Our consolidated financial results for the fiscal year ended March 31, 2025 were as follows.

Category		Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Change	Growth (%)
Operating revenue	(Millions of yen)	1,758,626	1,762,696	4,069	0.2
Operating profit	(Millions of yen)	40,059	14,206	(25,853)	(64.5)
Ordinary profit	(Millions of yen)	40,458	19,587	(20,871)	(51.6)
Profit attributable to owners of parent	(Millions of yen)	37,626	37,937	311	0.8

For the fiscal year ended March 31, 2025, operating revenue amounted to 1,762,696 million yen, up 4,069 million yen year-on-year. This was mainly due to a revenue increase from parcel delivery and an expansion of corporate business including the implementation of M&As, despite a revenue decline in the post service as a result of initiatives to reform the revenue structure.

Operating expenses amounted to 1,748,490 million yen, up 29,923 million yen year-on-year. This was mainly due to an increase in expenses in a preceding manner for reviewing operations in the transportation domain and commercializing new business models, despite improved productivity in the last-mile domain through the appropriate allocation of management resources and response to the need for "Okihai" (unattended delivery service) amid a continuing rise in hourly wage rates and outsourcing costs to partner companies due to changes in the external environment.

As a result, for the fiscal year ended March 31, 2025, operating profit amounted to 14,206 million yen, down 25,853 million yen year-on-year. Profit attributable to owners of parent amounted to 37,937 million yen, up 311 million yen from the previous fiscal year, mainly due to gain on sales of investment securities and gain on sales of non-current assets while strengthening balance sheet management.

<Initiatives for the entire Yamato Group>

a. Reinforcement of the TA-Q-BIN network and expanding the value we provide

The Yamato Group is continuing to promote structural reforms of network operations in order to reinforce the TA-Q-BIN network more efficiently and sustainably as the social infrastructure. In order to respond more flexibly to business volume fluctuations, improve efficiency in trunk-route transportation, and reduce the waiting time for cargo, we are working on initiatives such as consolidating and enlarging last-mile facilities, which had been deployed in small-scale and multi-location, redefining terminal functions, using digital technologies to automate work instructions and optimize the allocation of management resources in response to workload, and business process reengineering of back-office operation.

We are expanding value provided to customers through broadening the line-up of transportation service, improving customer experience value through "Kuroneko Members," and "Carbon Neutral Delivery" for TA-Q-BIN/TA-Q-BIN Compact/EAZY. Also, we are revising reported fares each year based on changes in the external environment, and reviewing contracts with corporate customers. Through those initiatives, among others, we are promoting initiatives for appropriate pricing and fee collection.

During the fiscal year under review, we continued to offer an "Okihai" service for TA-Q-BIN and TA-Q-BIN Compact based on the requests of "Kuroneko Members" customers, thereby providing a comfortable parcel receiving experience to more customers, while also promoting initiatives to reduce redelivery, streamline logistics, and reduce GHG emissions. Moreover, in order to meet the needs for delivering small packages, we also promoted the expansion of sales in Tokyo of "Koneko-Bin 420," a service that allows customers to send packages nationwide for a flat fee of 420 yen by purchasing product-specific materials in advance.

b. Expansion of corporate business domain

Companies are required to take responses amid increasing risk factors such as the division of the world into political and economic blocs, reshaping of global supply chains, and global environmental problems. The Yamato Group views changes as an opportunity, and positions the solutions business aiming to solve corporate customers' management issues that extend throughout the entire supply chain as a growth area. We aim to achieve profit growth by providing high-value-added solutions that utilize the Group's management resources, such as our transportation and delivery network, including domestic and international warehouses and dedicated cargo aircraft (freighters), and know-how of logistics, customs clearance, and real estate.

In Contract Logistics business, putting an emphasis on synergy with Express business, we are strengthening our efforts to further expand the usage of parcel delivery services, collecting appropriate pricing corresponding to the value provided, and acquiring new logistics revenue through providing solutions that help solve problems and grow business of corporate customers using parcel delivery services.

In Global business, viewing changes in the supply chain as an opportunity, leveraging the existing vast customer base accumulated by TA-Q-BIN in Japan, we are making efforts to further expand business areas such as automotive, high-tech, and food industries where the Yamato Group is demonstrating its strength, and strengthening sales capabilities especially in Japan, U.S. & Mexico, China, India, and Southeast Asia. Moreover, we are working on initiatives such as improving the efficiency in mixed-loading of forwarding, strengthening proposals to the cross-border EC, and capturing the logistics demands accompanying the expansion of domestic demand in the focus regions.

In order to accelerate the expansion of the Contract Logistics business and Global business, we are promoting the consideration of M&As and strategic alliances in addition to autonomous growth. During the fiscal year under review, we acquired 87.74% of the issued shares of Nakano Shokai Co., Ltd., making it a consolidated subsidiary, and are promoting PMI (post merger integration) for the expansion of the Contract Logistics business, creation of synergy with the Express business, and creation of cost synergy through the joint use of resources of both companies.

c. Develop new business model

We are promoting the commercialization of new business models that address the diverse needs of customers and society with partners, while utilizing existing management resources, to realize a sustainable future.

In Mobility business, we are promoting initiatives toward decarbonization for business operators using vehicles by utilizing know-how of EVs, solar power generation equipment, energy management, etc. accumulated through environment investment and demonstration experiment within the Yamato Group based on our vehicle maintenance services. During the fiscal year under review, we launched the "EV Lifecycle Service," which provides a one-stop service from formulating GHG reduction plans to introducing and supporting the operation of EVs and chargers, maintenance, energy management, and the supply of electricity derived from renewable energy sources.

In addition, utilizing partnerships with corporate customers and distributive traders as well as know-how of building transportation and delivery network operations that are fostered through TA-Q-BIN, to secure stable carrying capacity and to build sustainable supply chains with consideration for the environment, with Sustainable Shared Transport Inc. playing a central role, we have started to provide services utilizing an open platform for joint transportation and delivery that allows various stakeholders, such as owner companies and distributive traders, to participate in it since February 2025.

Moreover, we are operating dedicated cargo aircraft (freighters) connecting Narita, Haneda, New Chitose, Kitakyushu, and Naha airports in order to capture new demand by providing stable and speedy transportation, to revitalize the regional economy through expanded distribution, and to maintain and improve the transportation quality. We will continue to promote sales expansion to customers who require

speedy transport of perishables, machinery, apparel, etc., and to respond to further customer needs.

In addition, in order to respond to various needs of regional society, we are working to deploy "Nekosapo," a community-based store that aims to provide new services beyond just package sending and receiving, and to expand sales of the "Kuroneko monitoring service: Hello Light Visit Plan" that uses "HelloLight" IoT light bulbs, etc. In addition, together with a hometown tax payment agency with whom we have entered into a capital and business alliance with the aim of reinforcing the initiatives toward regional revitalization, we are working to expand our share of the hometown tax payment market by providing a comprehensive solution that disseminates regional information to local governments, develops attractive return gifts, operates a donation website, provides a management system, distributes and processes return gifts, and delivers them to the last mile, while promoting the distribution of local products and tourism.

Moreover, in order to support automobile transportation companies, whose employees tend to be at high health risk, in their efforts for health management and prevention of accidents attributable to health, we established "MY MEDICA Inc." in collaboration with a pharmaceutical wholesaler and started offering the online medical service "MY MEDICA" from February 2025.

d. Reinforcement of the Group's management platform

The Yamato Group is continuously promoting HR strategy and digital strategy as the foundation for sustainable enhancement of corporate value, and is working on the reinforcement of sustainable management and corporate governance.

With regard to the HR strategy, with priority given to the optimal allocation of human resources in conjunction with business structure reforms, we are optimizing organization and headcount, and revising the evaluation and compensation scheme. We are also promoting the development and operation of an HR management structure that promotes independent and autonomous career development in order to develop human resources who can create added value. Moreover, in order to enhance support to and motivation of diverse employees, we are working to establish welfare policy that matches the diversifying lifestyles of employees, promote employee health management and health promotion measures, and continue initiatives to promote diversity, human rights due diligence, and participation of female employees.

With regard to the digital strategy, we are working to strengthen our DX promotion framework and promote DX in tandem with our business, such as expanding the value we provide to customers by utilizing our digital infrastructure, transforming our way of "sorting," "transporting," and "working," and business process reengineering of back-office operation.

With regard to reinforcement of sustainable management, we are working to strengthen our initiatives for identified key issues (materiality) to enhance corporate value and realize a sustainable society over the medium to long term based on our two visions: "Connect. Deliver the future via green logistics" and "Through co-creation and fair business activities, help create a society that 'Leaves No One Behind.'"

In the area of the Environment, in order to realize "net-zero (in-house) GHG emissions in 2050" and "48% reduction in GHG emissions in 2030 (compared with the fiscal year ended March 31, 2021)," we are continuing to promote measures such as "introduction of 23,500 EVs," "introduction of 810 solar power generation units," and "increase in the use of electricity derived from renewable energy sources," and working to ascertain net emissions in the supply chain (Scope 3) and set reduction targets. During the fiscal year under review, in a decarbonization leading area of Kawasaki City, we started operations of a sales office that uses 100% locally produced electricity derived from renewable energy sources through a public-private partnership. This sales office has introduced Yamato Transport's unique Energy Management System (EMS), which is optimized for logistics bases. The system allows visualization and automatic adjustment of the amount of electricity used within the sales office, the amount of electricity generated by the solar power generation equipment, and the amount of charge and discharge of the storage batteries in real time, enabling efficient energy management while reducing electricity costs by controlling maximum power usage. Note that we established Yamato Energy Management Co., Ltd. in January 2025. Going forward, Yamato Energy Management will play a central role in promoting the decarbonization of logistics and working on the development of business and society by providing electricity derived from renewable energy sources generated by Yamato Group's bases and power generation companies in each region to not only the Yamato Group but also business operators using vehicles.

With regard to Society, we continue to prioritize respect for human life and strengthen our initiatives to ensure the safety and health of our employees and partners, while also working to create a work environment where a variety of employees can play an active role. We are also working to address various social issues and build a sustainable supply chain through suitable relationships with business partners by holding regular discussions and establishing structure, process and mechanism for early detection and resolution of issues.

In strengthening corporate governance, we are continuing to work to separate management supervision and execution, and maintain and enhance management transparency, while striving to sustainably increase corporate value through constructive dialogue with shareholders and investors and enhancement of disclosure.

<Business strategies of each segment>

Since the fiscal year under review, we have changed the classification of reportable segments and transferred the figures for the previous fiscal year into changed reportable segments for the following comparison with the previous fiscal year.

○ Express Business

a. In the Express business, we provide individual and corporation customers with domestic transportation and delivery services mainly through TA-Q-BIN and expand value provided to customers through broadening the line-up of services, improving customer experience through "Kuroneko Members," and "Carbon Neutral Delivery" for TA-Q-BIN/TA-Q-BIN Compact/EAZY. Also, we revise reported fares each year based on changes in the external environment, and review contracts with corporate customers. Through those initiatives, among others, we promote appropriate pricing and fee collection. In light of the growth of EC, aging society, declining birthrate, depopulation of suburban areas, labor shortage, and climate change intensifying, we promote structural reforms of network operations in order to reinforce the TA-Q-BIN network more efficiently and sustainably as the social infrastructure.

b. In the fiscal year under review, after revising reported fares and charges based on a rise in costs owing to changes in the external environment, we continued to promote our efforts to strengthen business activities for small corporation and individual customers in the TA-Q-BIN Division, which is our base, increase new transactions with the aim of providing solutions that help solve problems of major corporate customers and grow their business in the Corporation Division and receive reasonable fares and charges according to value provided to existing customers. We also offered an "Okihai" service for TA-Q-BIN and TA-Q-BIN Compact based on the requests of "Kuroneko Members" customers, thereby providing a comfortable parcel receiving experience to more customers, while also promoting initiatives to reduce redelivery, streamline logistics, and reduce GHG emissions. In addition, in order to meet the needs for delivering small packages, we also promoted the expansion of sales in Tokyo of "Koneko-Bin 420," a service that allows customers to send packages nationwide for a flat fee of 420 yen by purchasing product-specific materials in advance.

   With regard to structural reforms of network operations, in order to respond more flexibly to business volume fluctuations, improve efficiency in trunk-route transportation, and reduce the waiting time for cargo, we have promoted initiatives such as consolidating and enlarging last-mile facilities, which had been deployed in small-scale and multi-location, redefining terminal functions, using digital technologies to automate work instructions and optimize the allocation of management resources in response to workload, and business process reengineering of back-office operation.

c. Operating revenue from customers decreased 0.9% from the previous fiscal year to 1,534,710 million yen, attributable mainly to a revenue decline in the post service despite a revenue increase from parcel delivery as a result of initiatives to reform the revenue structure. Operating expenses increased by 8,693 million yen compared to the previous fiscal year, resulting in an operating loss of 12,899 million yen. This was mainly due to an increase in expenses in a preceding manner for reviewing operations in the transportation domain and commercializing new business models, despite improved productivity in the last-mile domain through the appropriate allocation of management resources and response to the need for "Okihai."

○ Contract Logistics Business

a. In Contract Logistics business, we are providing solutions that help solve problems and grow business of corporate customers using parcel delivery services. Putting an emphasis on synergy with Express business, we are taking initiatives such as further expanding the usage of parcel delivery services, collecting appropriate pricing and fees corresponding to the value provided, and acquiring new logistics revenue.

b. During the fiscal year under review, we reinforced a sales structure so that corporate sales staff assigned to each area can make suitable proposals by utilizing information noticed by sales drivers through contacts with customers, etc., and have worked to optimize the organization and human resources based on regional characteristics in order to propose higher value-added supply chain solutions and accelerate improvements in operational quality and productivity. In addition, we acquired 87.74% of the issued shares of Nakano Shokai Co., Ltd., making it a consolidated subsidiary, and are promoting PMI (post merger integration) for the expansion of the Contract Logistics business, creation of synergy with the Express business, and creation of cost synergy through the joint use of resources of both companies.

c. Operating revenue from customers increased 9.0% from the previous fiscal year to 97,074 million yen, attributable mainly to the consolidation of Nakano Shokai Co., Ltd. despite negative repercussions from the COVID-19 vaccine as well as logistics related to a large recall case in the previous fiscal year. Operating profit amounted to 5,582 million yen, down 4,120 million yen from the previous fiscal year, as the progress we made in streamlining operations was not enough to offset the decline in operating revenue.

○ Global Business

a. As for Global business, the Yamato Group is combining international forwarding, international express, and contract logistics in international offices to provide solutions to optimize the entire global supply chain for corporate customers through cooperation of business companies in Japan and abroad. Viewing changes in the supply chain as an opportunity, and leveraging the existing vast customer base accumulated by TA-Q-BIN, we are making efforts to further expand business areas such as automotive, high-tech, and food industries where the Yamato Group is demonstrating its strength, and strengthening sales capabilities especially in Japan, U.S. & Mexico, China, India, and Southeast Asia.

b. During the fiscal year under review, we continued to promote initiatives such as improving the efficiency in mixed-loading of forwarding, strengthening proposals to the growing cross-border EC, and capturing the logistics demands accompanying the expansion of domestic demand in the focus regions. In addition, in light of geopolitical risks and opportunities, we worked to strengthen the global supply chain, such as by providing international intermodal transportation services by truck and rail connecting Southeast Asia and Europe, and a fast and highly punctual cross-border truck transport service utilizing “bonded transfer between airports,” which eliminates the need for customs clearance procedures at the U.S.-Mexico border.

c. Operating revenue from customers was 85,950 million yen, up 16.1% from the previous fiscal year, mainly as a result of an increase in the handling volume of cross-border EC. Operating profit was 9,027 million yen, up 2,364 million yen from the previous fiscal year, as a result of improved efficiency in mixed-loading of international forwarding in addition to an increase in operating revenue due to increased handling volume of cross-border EC.

(Reference)

Category		Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Change	Growth (%)
TA-Q-BIN/TA-Q-BIN Compact/EAZY	(Million units)	1,886	1,961	75	4.0
Nekopos/Kuroneko Yu-Packet	(Million units)	409	391	(18)	(4.5)
Kuroneko Yu-Mail	(Million parcels)	626	110	(516)	(82.4)

The delivery volume of Kuroneko DM-Bin is included in the Kuroneko Yu-Mail category in the fiscal year ended March 31, 2024.

○ Mobility Business

a. In Mobility business, we offer vehicle maintenance services that enable servicing without the need to stop business operations, thereby facilitating operational safety and extending vehicle uptime of transportation companies. In addition, by utilizing know-how of EVs, solar power generation equipment, energy management, etc. accumulated so far through environment investment and demonstration experiment within the Yamato Group, we are promoting the expansion of the “EV Lifecycle Service,” that offers a one-stop service to business operators from formulating GHG reduction plans to introducing and supporting the operation of EVs and chargers, maintenance, energy management, and the supply of electricity derived from renewable energy sources, with the aim of promoting decarbonization of business operators using vehicles.

b. During the fiscal year under review, we worked to further strengthen our network in areas with high demand by operating a vehicle maintenance plant for achieving operational efficiency and employee work comfort, while also working to expand sales of vehicle maintenance services and collect appropriate unit prices. Additionally, we started offering the “EV Lifecycle Service” to pharmaceutical wholesalers as the first users.

c. Operating revenue from customers was 20,505 million yen, up 1.7% from the previous fiscal year, mainly as a result of an increase in the number of contracted vehicles and collection of appropriate unit prices. Operating profit was 3,781 million yen, down 351 million yen from the previous fiscal year, due to an increase in outsourcing costs for vehicle maintenance and forwarding.

○ Other

a. The Yamato Group's IT, call center, financial service, and other functions are supporting our customers' efforts to expand the value they provide to the entire supply chain. During the fiscal year under review, we continued to promote the provision of IT services that contribute to streamlining the operations of our customers and the convenience of end users.
b. Operating revenue from customers was 24,455 million yen, down 2,279 million yen from the previous fiscal year. Meanwhile, operating profit was 8,200 million yen, up 77 million yen from the previous fiscal year.

<Other initiatives>

a. The Yamato Group places utmost priority on protecting human life and conducts a range of safety measures. Accordingly, its transport safety management practices in that regard involve drawing up its Safety Management Regulations, building up its transport safety management systems, and formulating fiscal year plans, all centered on respective Group companies whose main operations involve transport. During the fiscal year under review, we continued to conduct the "Traffic Safety Class for Children" at kindergartens and elementary schools, as well as engage in activities to raise awareness towards safety, including the "Zero Traffic Accidents Campaign" by the entire Group, as well as the "National Safety Competition," in which drivers from all over Japan competed with each other in their skills and knowledge regarding driving safety.
b. The Yamato Group believes that building strong communities is the foundation for the growth and development of the Yamato Group, and is working on corporate citizenship activities with the aim of ensuring the healthy and sustainable development of local communities and quality of life for the people living there. With regard to the Environment, as a corporate group with a nationwide network, we have held the "Kuroneko Yamato Environmental Class" sessions more than 3,000 times nationwide since 2005 to support environmental education for children who will bear responsibilities of the next generation in order to pass on the rich nature of local communities to future generations. The total number of participants has reached approximately 260,000. Moreover, with regard to Local Communities, we have held the Music TA-Q-BIN "Kuroneko Family Concert" 361 times nationwide since 1986 as an expression of gratitude to our customers and local residents, with the aim of delivering authentic music to everyone regardless of age or region. The total number of participants has reached approximately 590,000.
c. Aspiring to be a company that continually evolves in step with society, led by Yamato Welfare Foundation, the Yamato Group conducts various activities to help realize a society in which disabled people can freely enjoy a lifestyle as a member of each community. Specifically, we engage in ongoing programs that support economic independence of people with disabilities, such as actively employing people with disabilities at the Swan Bakery, which makes and sells bread, and operating job-finding support facilities where they take part in training to acquire the skills and knowledge necessary for employment.

ii) Cash flows

○ Cash flows from operating activities

Net cash provided by operating activities amounted to 47,732 million yen, which was 16,601 million yen less than the previous fiscal year. This is largely attributable to the 12,475 million yen decrease in accrued expenses, the 8,750 million yen decrease in accrued consumption taxes and the 7,321 million yen increase in trade receivables, partially offset by the 17,438 million yen decrease in income taxes paid.

○ Cash flows from investing activities

Net cash used in investing activities amounted to 44,356 million yen, which is an increase of 21,921 million yen compared with the previous fiscal year. This is largely attributable to purchase of shares of subsidiaries resulting in change in scope of consolidation of 35,307 million yen, partially offset by the 12,526 million yen increase in proceeds from sale of investment securities.

○ Cash flows from financing activities

Net cash provided by financing activities was 9,421 million yen, which is an increase of 40,199 million yen compared with the previous fiscal year. This is largely attributable to the 41,863 million yen increase in proceeds from borrowings and the 18,928 million yen decrease in spending related to the purchase of treasury shares, partially offset by the 19,928 million yen decrease in proceeds from the issuance of bonds.

As a result of the above, cash and cash equivalents were 208,057 million yen as of March 31, 2025, up 13,354 million yen from a year earlier.

iii) Production, orders received and sales results

Operating revenue by segment is as follows.

Since service focused on the cargo transport business is the main product of the Yamato Group, production and orders received have been omitted from the description.

With the change in management structure starting from the fiscal year ended March 31, 2025, operating revenue by segment is based on the reportable segments following the change.

Business segment		Fiscal year ended March 31, 2024 (From April 1, 2023 To March 31, 2024)		Fiscal year ended March 31, 2025 (From April 1, 2024 To March 31, 2025)		Change (%)
	Income	Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)	
Express Business	Transportation income	1,527,583	86.9	1,514,931	85.9	(0.8)
	Logistical support income	49,191	2.8	47,606	2.7	(3.2)
	Other	42,522	2.4	41,009	2.3	(3.6)
	Eliminations	(70,697)	(4.0)	(68,837)	(3.9)	(2.6)
	Total	1,548,598	88.1	1,534,710	87.1	(0.9)
Contract Logistics Business	Transportation income	10,123	0.6	18,825	1.1	86.0
	Logistical support income	88,113	5.0	81,916	4.6	(7.0)
	Other	1,955	0.1	5,121	0.3	161.8
	Eliminations	(11,118)	(0.6)	(8,789)	(0.5)	(21.0)
	Total	89,073	5.1	97,074	5.5	9.0
Global Business	Transportation income	6,157	0.4	6,510	0.4	5.7
	Logistical support income	96,084	5.5	116,480	6.6	21.2
	Other	3,533	0.2	3,745	0.2	6.0
	Eliminations	(31,719)	(1.8)	(40,786)	(2.3)	28.6
	Total	74,055	4.2	85,950	4.9	16.1
Mobility Business	Other	57,115	3.2	57,630	3.3	0.9
	Eliminations	(36,952)	(2.1)	(37,125)	(2.1)	0.5
	Total	20,163	1.1	20,505	1.2	1.7
Other	Other	96,785	5.5	71,872	4.1	(25.7)
	Eliminations	(70,050)	(4.0)	(47,417)	(2.7)	(32.3)
	Total	26,734	1.5	24,455	1.4	(8.5)
Total		1,758,626	100.0	1,762,696	100.0	0.2

(2) Details of analysis and investigation concerning the status of business results, etc. from a management perspective

The recognition of the status of the Yamato Group's business results, etc. and details of the analysis and investigation from a management perspective are as follows.

Forward-looking statements in the text are based on the judgment of the Yamato Group as of the filing date of the Annual Securities Report.

i) Recognition of the status of financial conditions and business results and details of the analysis and investigation

A. Financial conditions

Total assets were 1,267,428 million yen as of March 31, 2025, up 85,646 million yen from the end of the previous fiscal year. This is largely attributable to increases of 25,827 million yen in customer-related intangible assets, 15,827 million yen in goodwill, and 12,939 million yen in property, plant and equipment from the acquisition of shares of Nakano Shokai Co., Ltd.

Liabilities increased 77,276 million yen from the end of the previous fiscal year to 667,077 million yen. This is largely attributable to a 69,583 million yen increase in borrowings.

Net assets were 600,350 million yen, up 8,369 million yen from a year earlier. The major factors included profit attributable to owners of parent of 37,937 million yen, and a 17,279 million yen increase in remeasurements of defined benefit plans due to factors including the review of the discount rate used in retirement benefit accounting despite paying out 15,797 million yen of dividends of surplus and 31,086 million yen purchase of treasury shares.

As a result, the equity ratio dropped to 46.5% from the 49.6% at the end of the previous fiscal year.

B. Business results

For the fiscal year ended March 31, 2025, operating revenue amounted to 1,762,696 million yen, up 4,069 million yen year-on-year. This was mainly due to a revenue increase from parcel delivery and an expansion of corporate business including the implementation of M&As, despite a revenue decline in the post service as a result of initiatives to reform the revenue structure.

Operating expenses amounted to 1,748,490 million yen, up 29,923 million yen year-on-year. This was mainly due to an increase in expenses in a preceding manner for reviewing operations in the transportation domain and commercializing new business models, despite improved productivity in the last-mile domain through the appropriate allocation of management resources and response to the need for "Okihai" (unattended delivery service) amid a continuing rise in hourly wage rates and outsourcing costs to partner companies due to changes in the external environment.

As a result, for the fiscal year ended March 31, 2025, operating profit amounted to 14,206 million yen, down 25,853 million yen year-on-year. Profit attributable to owners of parent amounted to 37,937 million yen, up 311 million yen from the previous fiscal year, mainly due to gain on sales of investment securities and gain on sales of non-current assets while strengthening balance sheet management.

Basic earnings per share was 111.87 yen, up 4.64 yen from the previous fiscal year.

○ Express Business

Operating revenue from customers decreased 0.9% from the previous fiscal year to 1,534,710 million yen, attributable mainly to a revenue decline in the post service despite a revenue increase from parcel delivery as a result of initiatives to reform the revenue structure. Operating expenses increased by 8,693 million yen compared to the previous fiscal year, resulting in an operating loss of 12,899 million yen. This was mainly due to an increase in expenses in a preceding manner for reviewing operations in the transportation domain and commercializing new business models, despite improved productivity in the last-mile domain through the appropriate allocation of management resources and response to the need for "Okihai."

○ Contract Logistics Business

Operating revenue from customers increased 9.0% from the previous fiscal year to 97,074 million yen, attributable mainly to the consolidation of Nakano Shokai Co., Ltd. despite negative repercussions from the COVID-19 vaccine as well as logistics related to a large recall case in the previous fiscal year. Operating profit amounted to 5,582 million yen, down 4,120 million yen from the previous fiscal year, as the progress we made in streamlining operations was not enough to offset the decline in operating revenue.

○ Global Business

Operating revenue from customers was 85,950 million yen, up 16.1% from the previous fiscal year, mainly as a result of an increase in the handling volume of cross-border EC. Operating profit was 9,027 million yen, up 2,364 million yen from the previous fiscal year, as a result of improved efficiency in mixed-loading of international forwarding in addition to an increase in operating revenue due to increased handling volume of cross-border EC.

○ Mobility Business

Operating revenue from customers was 20,505 million yen, up 1.7% from the previous fiscal year, mainly as a result of an increase in the number of contracted vehicles and collection of appropriate unit prices. Operating profit was 3,781 million yen, down 351 million yen from the previous fiscal year, due to an increase in outsourcing costs for vehicle maintenance and forwarding.

○ Other

Operating revenue from customers was 24,455 million yen, down 2,279 million yen from the previous fiscal year. Meanwhile, operating profit was 8,200 million yen, up 77 million yen from the previous fiscal year.

ii) Details of the analysis and investigation of cash flows as well as information concerning financial resources for capital and liquidity of funds

A. Cash flows

Cash flows for the fiscal year ended March 31, 2025 are as described in "II. Business Overview 4. Management's Analysis of Financial Conditions, Business Results and Cash Flows (1) Overview of the business results, etc. (ii) Cash flows."

B. Financial resources for capital and liquidity of funds

Based on the Medium-term Management Plan "Sustainability Transformation 2030 —1st Stage—," which ends in the fiscal year ending March 31, 2027, the Yamato Group aspires to become "a value-creating company that contributes to the realization of a sustainable future" and simultaneously creates economic value as well as environmental and social value, thereby taking steps to realize a medium- to long-term increase in corporate value. During the period of the Medium-term Management Plan, we will promote growth investments in facility strategy and DX strategy, etc. to help improve operation efficiency, while also promoting environmental investments in EVs, solar power generation equipment, etc. to realize a low carbon society, balancing the provision of logistics services with low environmental impact to customers and the improvement of energy efficiency of operations. In the growth domain of Contract Logistics business and Global business, we will utilize M&As and strategic alliances in addition to autonomous growth.

To support the above plan from a financial perspective, we will work to strengthen balance sheet management and consider liquidating fixed assets as appropriate, while raising funds through borrowings from financial institutions and issuance of corporate bonds as necessary by taking into consideration financial soundness and efficiency, such as status of cash generation, cash and deposits held, capital ratio, etc. as well as effective use of funds held in the Group. From the perspective of financial soundness, we set the capital ratio at around 45% to 50% and the D/E ratio at 0.3 to 0.5 times as guides. With regard to shareholder return, the Company set targets of a payout ratio at 40% or more and a total shareholder return ratio at 50% or more based on profit attributable to owners of parent. We will flexibly consider the acquisition of treasury shares from standpoints of the progress of growth investments, cash flow trends, stock price movement, etc.

iii) Extent to which target indicators are being achieved

For the fiscal year ending March 31, 2027, the final year of the Medium-term Management Plan, we have set as a target the achievement of consolidated operating revenue of 2.0-2.4 trillion yen, consolidated operating profit of 120-160 billion yen (consolidated operating margin of at least 6%), ROE of at least 12%, and ROIC of at least 8%. We are currently conducting a thorough review of the plan and its numerical targets, considering the financial results, the plan's progress, changes in the business environment, and other factors during the fiscal year ended March 31, 2025—the first year of the plan. If the numerical targets are revised, we will promptly disclose the updated information upon determination and remain committed to engaging in constructive dialogue with our shareholders and investors.

iv) Significant accounting estimates and assumptions used in these estimates

The Yamato Group's consolidated financial statements are created based on the accounting standards generally accepted in Japan. For matters that need to be estimated when creating these consolidated financial statements, the accounting estimates are based on reasonable standards. Significant accounting estimates and the assumptions used in these estimates are shown in "V. Financial Information, 1. Consolidated Financial Statements, etc., (1) Consolidated Financial Statements, Notes to Consolidated Financial Statements (Significant accounting estimates)."

5. Significant Contracts

The Company resolved to acquire shares of Nakano Shokai Co., Ltd. at the Board of Directors meeting held on November 5, 2024, and entered into a share transfer agreement on the same day. Accordingly, the Company acquired 87.74% of the issued shares of the company, making it a consolidated subsidiary of the Company.

Details are shown on “V. Financial Information, 1. Consolidated Financial Statements, etc., (1) Consolidated Financial Statements, Notes to Consolidated Financial Statements (Business combinations, etc.).”

6. Research and Development Activities

The Yamato Group is engaged in initiatives that include those for research and development concerning digital technology to realize the improvement of logistics services. The total amount of research and development activities in the fiscal year ended March 31, 2025 was 2,832 million yen, which is broken down into 2,687 million yen for the consolidated subsidiary Yamato Transport Co., Ltd. (Express business, Contract Logistics business and Global business) and 144 million yen for the Company (as a whole).

III. Property, Plant and Equipment

1. Overview of Capital Investments

The Yamato Group made capital investments of 84,635 million yen (including leasehold deposits), mainly for the promotion of structural reforms of network operations to strengthen the TA-Q-BIN network and for growth investments to expand the value provided to the entire supply chain.

The Express business made capital investments of 70,254 million yen for the land purchase for the Shibuya Hatsudai Sales Office, the tenant improvement construction at the Itabashi-kita Sales Office, purchase of vehicles, etc.

The Contract Logistics business recorded the capital investment of 3,149 million yen for the refurbishment construction of offices, among others.

The Corporate segment (the Company) recorded the capital investment of 8,431 million yen for the construction of Yamato Headquarters Building, among others.

There are no particular matters to state in relation to the Global business, the Mobility business and Other.

The main capital investment completed in the fiscal year ended March 31, 2025 was the tenant improvement construction at the Itabashi-kita Sales Office in the Express business.

In addition, disposals and sales of important facilities during the fiscal year under review included the sale and transfer of the Yamato Headquarters Building and two other properties in Koto-ku, Tokyo in the possession of Yamato Transport Co., Ltd., including the seaside building, through sale and leaseback transactions. There is no significant impact on transportation and delivery capabilities.

2. Overview of Major Facilities

The Yamato Group's major facilities are as follows, together with the figures by segment and according to the disclosure method for the main property, plant and equipment. Further, major facilities are described with the inclusion of intangible assets.

(1) Segment breakdown

Business segment	Book value (Millions of yen)								Number of employees (Number of people)
	Vehicles	Buildings and structures	Machinery and equipment	Land (Ground area 1,000 m^2)	Leased assets	Other property, plant and equipment	Intangible assets	Total	
Express Business	28,895	154,050	14,328	162,270 (1,908) [6,481]	36,262	9,691	31,640	437,141	156,175
Contract Logistics Business	110	6,867	1,704	3,435 (86) [306]	5,479	1,187	853	19,638	7,348
Global Business	320	4,993	221	6,975 (70) [305]	107	3,589	125	16,332	2,599
Mobility Business	40	4,172	785	1,405 (9) [238]	1,684	169	618	8,875	2,046
Other	–	4,276	25	4,524 (6) [36]	1,293	315	1,303	11,739	4,639
Corporate	–	3,201	62	– [1]	–	656	49	3,969	15
Total	29,367	177,561	17,127	178,612 (2,080) [7,369]	44,827	15,609	34,591	497,696	172,822

(2) The Reporting Company

Name of business location (Location)	Business segment	Facilities	Book value (Millions of yen)								Number of employees (Number of people)
			Vehicles	Buildings and structures	Machinery and equipment	Land (Ground area 1,000 m^2)	Leased assets	Other property, plant and equipment	Intangible assets	Total	
Head office (Chuo-ku, Tokyo)	Corporate	–	–	3,201	62	– [1]	–	656	49	3,969	15

(3) Domestic subsidiaries

Company name (Location)	Business segment	Facilities	Book value (Millions of yen)								Number of employees (Number of people)
			Vehicles	Buildings and structures	Machinery and equipment	Land (Ground area 1,000 m^2)	Leased assets	Other property, plant and equipment	Intangible assets	Total	
Yamato Transport Co., Ltd. Head office (Chuo-ku, Tokyo)	Express Business Contract Logistics Business Global Business	–	0	9,544	98	1,999 (4) [2]	14,208	287	30,412	56,551	2,725
Yamato Transport Co., Ltd. Overseeing Hokkaido Area (Atsubetsu-ku, Sapporo City)	Express Business Contract Logistics Business Global Business	Business offices Warehouses	2,733	3,647	275	2,327 (181) [293]	56	656	5	9,703	6,246
Yamato Transport Co., Ltd. Overseeing Tohoku Area (Izumi-ku, Sendai City)	Express Business Contract Logistics Business Global Business	Business offices Warehouses	1,457	4,991	826	2,323 (124) [628]	7,073	519	12	17,203	9,890
Yamato Transport Co., Ltd. Overseeing Tokyo Area (Minato-ku, Tokyo)	Express Business Contract Logistics Business Global Business	Business offices Warehouses	4,047	58,188	3,178	103,076 (225) [436]	326	1,710	440	170,969	25,515
Yamato Transport Co., Ltd. Overseeing Minami Kanto Area (Tsurumi-ku, Yokohama City)	Express Business Contract Logistics Business Global Business	Business offices Warehouses	3,654	18,931	3,135	10,294 (155) [825]	283	1,663	189	38,152	20,616
Yamato Transport Co., Ltd. Overseeing Kita Kanto Area (Chuo-ku, Saitama City)	Express Business Contract Logistics Business Global Business	Business offices Warehouses	3,388	9,486	1,870	6,698 (181) [988]	1,077	1,310	75	23,909	18,381
Yamato Transport Co., Ltd. Overseeing Hokushinetsu Area (Nishi-ku, Niigata City)	Express Business Contract Logistics Business Global Business	Business offices Warehouses	1,711	3,506	170	5,980 (136) [457]	171	495	3	12,040	10,021
Yamato Transport Co., Ltd. Overseeing Chubu Area (Toyota City, Aichi Prefecture)	Express Business Contract Logistics Business Global Business	Business offices Warehouses	2,489	25,620	1,821	6,322 (252) [650]	865	1,167	11	38,298	15,536
Yamato Transport Co., Ltd. Overseeing Kansai Area (Ibaraki City, Osaka Prefecture)	Express Business Contract Logistics Business Global Business	Business offices Warehouses	5,081	12,782	2,487	13,229 (209) [904]	5,430	1,445	215	40,674	24,084

Company name (Location)	Business segment	Facilities	Book value (Millions of yen)								Number of employees (Number of people)
			Vehicles	Buildings and structures	Machinery and equipment	Land (Ground area 1,000 m^2)	Leased assets	Other property, plant and equipment	Intangible assets	Total	
Yamato Transport Co., Ltd. Overseeing Chugoku and Shikoku Areas (Kita-ku, Okayama City)	Express Business Contract Logistics Business Global Business	Business offices Warehouses	2,012	3,869	215	3,901 (198) [628]	631	522	10	11,163	11,949
Yamato Transport Co., Ltd. Overseeing Kyushu Area (Higashi-ku, Fukuoka City)	Express Business Contract Logistics Business Global Business	Business offices Warehouses	1,971	4,800	468	9,091 (251) [726]	680	836	6	17,856	13,332
Okinawa Yamato Transport Co., Ltd. (Itoman City, Okinawa Prefecture)	Express Business	–	540	6,214	1,458	1,057 (24) [68]	26	168	125	9,590	1,379
YAMATO BOX CHARTER CO., LTD. (Chuo-ku, Tokyo)	Express Business	–	7	51	0	– [96]	244	54	47	406	1,249
Yamato Multi Charter Co., Ltd. (Fushimi-ku, Kyoto City)	Express Business	–	79	60	2	2,215 (11) [26]	5,583	11	6	7,959	309
Box Charter Co., Ltd. (Chiyoda-ku, Tokyo)	Express Business	–	–	13	–	– [0]	–	9	398	421	21
Sustainable Shared Transport Inc. (Chuo-ku, Tokyo)	Express Business	–	–	–	–	–	–	0	193	193	–
Nakano Shokai Co., Ltd. (Edogawa-ku, Tokyo)	Contract Logistics Business	–	11	3,681	83	1,608 (62) [121]	5,126	114	342	10,969	3,147
IS Tosu II Development Special Purpose Company (Chiyoda-ku, Tokyo)	Contract Logistics Business	–	–	–	–	1,618 (20)	–	–	0	1,619	–
Kobe Yamato Transport Co., Ltd. (Chuo-ku, Kobe City)	Global Business	–	5	31	4	209 (2) [34]	55	10	9	327	90
Konan Industry Co., Ltd. (Chuo-ku, Hamamatsu City)	Global Business	–	0	278	1	642 (13) [56]	4	11	0	938	387
Yamato Autoworks Co., Ltd. (Chuo-ku, Tokyo)	Mobility Business	–	38	4,159	679	1,405 (9) [212]	1,030	156	618	8,087	1,868
Yamato Autoworks Iwate Co., Ltd. (Kitakami City, Iwate Prefecture)	Mobility Business	–	0	–	12	– [8]	–	2	–	14	56
Yamato Autoworks Hokushinetsu Co., Ltd. (Nishi-ku, Niigata City)	Mobility Business	–	0	3	43	– [8]	–	1	–	48	60
Yamato Autoworks Shikoku Co., Ltd. (Nakatado-gun, Kagawa Prefecture)	Mobility Business	–	0	5	8	– [8]	209	1	–	224	44

Company name (Location)	Business segment	Facilities	Book value (Millions of yen)								Number of employees (Number of people)
			Vehicles	Buildings and structures	Machinery and equipment	Land (Ground area 1,000 m^2)	Leased assets	Other property, plant and equipment	Intangible assets	Total	
Yamato Autoworks Okinawa Co., Ltd. (Itoman City, Okinawa Prefecture)	Mobility Business	–	1	4	41	– [1]	444	8	–	500	18
Yamato Energy Management Co., Ltd. (Chuo-ku, Tokyo)	Mobility Business	–	–	–	–	–	–	–	–	–	–
Yamato System Development Co., Ltd. (Koto-ku, Tokyo)	Other	–	–	3,686	–	3,562 (4) [23]	1,293	269	826	9,638	2,551
YAMATO CONTACT SERVICE CO., LTD. (Toshima-ku, Tokyo)	Other	–	–	115	–	– [12]	–	13	33	162	1,871
Yamato Credit & Finance Co., Ltd. (Toshima-ku, Tokyo)	Other	–	–	459	–	962 (1)	–	25	317	1,765	217
MY MEDICA Inc. (Naka-ku, Yokohama City)	Other	–	–	14	25	– [0]	–	7	126	173	–
YMT-GB Investment Limited Partnership (Shibuya-ku, Tokyo)	Other	–	–	–	–	–	–	–	–	–	–
YMT-GB2 Limited Liability Investment Partnership (Shibuya-ku, Tokyo)	Other	–	–	–	–	–	–	–	–	–	–

(4) Overseas subsidiaries

Company name (Location)	Business segment	Facilities	Book value (Millions of yen)								Number of employees (Number of people)
			Vehicles	Buildings and structures	Machinery and equipment	Land (Ground area 1,000 m^2)	Leased assets	Other property, plant and equipment	Intangible assets	Total	
YAMATO TRANSPORT U.S.A., INC. (California, U.S.A.)	Global Business	–	121	128	141	83 (8) [46]	–	1,747	7	2,231	337
YAMATO TRANSPORT EUROPE B.V. (Schiphol-Rijk, The Netherlands)	Global Business	–	0	4	9	– [18]	–	45	2	62	126
YAMATO ASIA PTE. LTD. (Singapore)	Global Business	–	–	–	–	–	–	–	–	–	–
YAMATO TRANSPORT (S) PTE. LTD. (Singapore)	Global Business	–	1	12	1	– [12]	–	92	30	139	135
YAMATO TRANSPORT (M) SDN. BHD. (Selangor, Malaysia)	Global Business	–	2	–	–	– [7]	–	15	6	24	116
YAMATO CHINA CO., LTD. (Shanghai, China)	Global Business	–	–	–	–	– [0]	–	10	–	10	3
YAMATO INVESTMENT (HONG KONG) LIMITED (Hong Kong)	Global Business	–	–	–	–	–	–	–	–	–	–
YAMATO INTERNATIONAL LOGISTICS CO., LTD. (Shanghai, China)	Global Business	–	6	11	–	– [18]	–	429	10	458	194
Yamato Logistics (HK) Ltd. (Hong Kong)	Global Business	–	–	46	–	– [23]	–	720	47	813	183
TAIWAN YAMATO INTERNATIONAL LOGISTICS INC. (Taipei, Taiwan)	Global Business	–	–	8	–	– [18]	–	410	5	424	151

Notes:
1. The figures for vehicles, buildings and structures, machinery and equipment, leased assets, other property, plant and equipment and intangible assets are the book values after deducting accumulated depreciation.
2. The above includes leased facilities between consolidated companies.
3. The areas of land shown in ( ) are the areas owned by the Company, the figures shown in [ ] indicate the areas of leased land.
4. Other property, plant and equipment refers to tools, furniture and fixtures, etc.
5. Intangible assets are software, etc.
6. The above does not include provisional balances.

3. Planned Capital Investments and Disposals of Property

The Yamato Group's capital investment plan is adjusted by the Company following individual decisions by each consolidated company, considering investment efficiencies and cash flow trends for the purpose of strengthening the service framework and increasing productivity.

Significant capital investment plans as of March 31, 2025 are as follows.

Company name	Business segment	Content of investment	Planned investment amount (Millions of yen)		Funding method	Start and completion planned date	
			Total amount	Amount already paid		Start	Completion
Yamato Transport Co., Ltd.	Express Business Contract Logistics Business	Tenant improvement construction at the DPL Shinonome (119,607 m^2)	15,452	–	Own funds and borrowings	2026.6	2027.4
	Global Business	Purchase of loading equipment and business and communications equipment	9,226	–	Own funds	2025.4	2026.3

IV. Status of the Reporting Company

1. Status of Shares, etc.

(1) Total Number of Shares, etc.

i) Total number of shares

Type	Total number of shares authorized (Shares)
Common shares	1,787,541,000
Total	1,787,541,000

ii) Issued shares

Type	Number of issued shares as of the end of the fiscal year (Shares) (March 31, 2025)	Number of issued shares as of the filing date (Shares) (June 13, 2025)	Stock exchange on which the company is listed	Details
Common shares	360,496,492	360,496,492	Tokyo Stock Exchange Prime Market	Shares for which the rights of shareholders are not restricted Number of shares per unit: 100
Total	360,496,492	360,496,492	–	–

(2) Status of Stock Acquisition Rights, etc.

i) Details of stock option system

Not applicable

ii) Details of rights plan

Not applicable

iii) Status of other stock acquisition rights, etc.

Not applicable

(3) Status of Exercise of Moving Strike Convertible Bonds, etc.

Not applicable

(4) Changes in the Total Number of Issued Shares and Capital, etc.

Date	Change in the number of issued shares (Shares)	Balance of total number of issued shares (Shares)	Change in the amount of share capital (Millions of yen)	Share capital balance (Millions of yen)	Change in the amount of legal capital surplus (Millions of yen)	Balance of legal capital surplus (Millions of yen)
October 13, 2020*	(22,764,400)	388,575,592	–	127,234	–	36,822
April 1, 2021– March 31, 2022	–	388,575,592	–	127,234	–	36,822
June 23, 2022*	(8,750,700)	379,824,892	–	127,234	–	36,822
March 29, 2024*	(19,328,400)	360,496,492	–	127,234	–	36,822
April 1, 2024– March 31, 2025	–	360,496,492	–	127,234	–	36,822

* A decline due to the cancellation of treasury shares.

(5) Composition of Shareholders

As of March 31, 2025

Category	Status of shares (Number of shares per unit: 100)								Status of shares less than one unit (Shares)
	National and local government bodies	Financial institutions	Financial instrument business operators	Other corporations	Foreign shareholders		Individuals and others	Total	
					Non-individuals	Individuals			
Number of shareholders (Number of people)	2	64	35	643	354	198	60,545	61,841	–
Number of shares held (Units)	21	1,457,325	91,003	244,887	652,970	636	1,155,043	3,601,885	307,992
Ratio of the number of shares held (%)	0.00	40.46	2.52	6.80	18.13	0.02	32.07	100	–

Note: "Individuals and others" includes 338,395 units of treasury shares and "Number of less than one unit of stock" includes 51 treasury shares of less than one unit of stock.

(6) Status of Major Shareholders

As of March 31, 2025

Name	Location	Number of shares held (Thousands of shares)	The ratio of the number of shares held relative to the total number of issued shares (excluding treasury shares) (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	Akasaka Intercity AIR, 8-1, Akasaka 1-chome, Minato-ku, Tokyo	54,118	16.57
Yamato Employees' Shareholding Association	16-10, Ginza 2-chome, Chuo-ku, Tokyo	30,110	9.22
Custody Bank of Japan, Ltd. (Trust Account)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	23,981	7.34
Meiji Yasuda Life Insurance Company	1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	14,814	4.54
Nippon Life Insurance Company	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo Within the Nippon Life Securities Management Department	14,770	4.52
Mizuho Bank, Ltd.	1-5-5 Otemachi, Chiyoda-ku, Tokyo	10,247	3.14
Yamato Trading-Partner Shareholding Association	16-10, Ginza 2-chome, Chuo-ku, Tokyo	8,125	2.49
STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Mizuho Bank, Ltd.)	ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS (Shinagawa Intercity Building A, 15-1, Konan 2-chome, Minato-ku, Tokyo)	6,066	1.86
TOYOTA MOTOR CORPORATION	1 Toyota-cho, Toyota City, Aichi Prefecture	5,748	1.76
Sompo Japan Insurance Inc.	26-1, Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo	5,133	1.57
Total	–	173,116	53.00

Notes: 1. The number of shares related to trust operations in the aforementioned number of shares owned is as follows.

The Master Trust Bank of Japan, Ltd. (Trust Account) 54,118 thousand shares

Custody Bank of Japan, Ltd. (Trust Account) 23,981 thousand shares

2. Although the Company holds 33,839 thousand of its own shares as treasury shares, it is excluded from the above list of major shareholders.
3. Although the publicly available Substantial Shareholding Report (amended report) dated September 7, 2023 shows that Mizuho Bank, Ltd. and two other joint holders hold 21,601 thousand shares as of August 31, 2023, the Company is unable to confirm the exact number of shares actually held as of March 31, 2025, so this is not included in the above Status of Major Shareholders.
The details of such Substantial Shareholding Report (amended report) are as follows.

Name	Location	Number of shares held (Thousands of shares)	Shareholding ratio (%)
Mizuho Bank, Ltd.	1-5-5 Otemachi, Chiyoda-ku, Tokyo	11,247	2.96
Mizuho Trust & Banking Co., Ltd.	3-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo	617	0.16
Asset Management One Co., Ltd.	8-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo	9,737	2.56
Total	–	21,601	5.69

4. Although the publicly available Substantial Shareholding Report (amended report) dated October 5, 2023 shows that Sumitomo Mitsui Trust Asset Management Co., Ltd. and one other joint holder hold 19,581 thousand shares as of September 29, 2023, the Company is unable to confirm the exact number of shares actually held as of March 31, 2025, so this is not included in the above Status of Major Shareholders.
The details of such Substantial Shareholding Report (amended report) are as follows.

Name	Location	Number of shares held (Thousands of shares)	Shareholding ratio (%)
Sumitomo Mitsui Trust Asset Management Co., Ltd.	1-1-1 Shibakoen, Minato-ku, Tokyo	10,662	2.81
Nikko Asset Management Co., Ltd.	9-7-1 Akasaka, Minato-ku, Tokyo	8,919	2.35
Total	–	19,581	5.16

5. Although the publicly available Substantial Shareholding Report (amended report) dated March 24, 2025 shows that Nomura Asset Management Co., Ltd. and two other joint holders hold 19,588 thousand shares as of March 14, 2025, the Company is unable to confirm the exact number of shares actually held as of March 31, 2025, so this is not included in the above Status of Major Shareholders.
The details of such Substantial Shareholding Report (amended report) are as follows.

Name	Location	Number of shares held (Thousands of shares)	Shareholding ratio (%)
Nomura Securities Co., Ltd.	1-13-1 Nihonbashi, Chuo-ku, Tokyo	(2)	0.00
NOMURA INTERNATIONAL PLC	1 Angel Lane, London EC4R 3AB, United Kingdom	213	0.06
Nomura Asset Management Co., Ltd.	2-2-1, Toyosu, Koto-ku, Tokyo	19,378	5.38
Total	–	19,588	5.43

(7) Status of Voting Rights

i) Issued shares

As of March 31, 2025

Category	Number of shares (Shares)		Number of voting rights (Units)	Details
Shares without voting rights	–		–	–
Shares with restricted voting rights (treasury shares, etc.)	–		–	–
Shares with restricted voting rights (other)	–		–	–
Shares with full voting rights (treasury shares, etc.)	Common shares	33,839,500	–	Number of shares per unit: 100
Shares with full voting rights (other)	Common shares	326,349,000	3,263,490	As above
Number of less than one unit of stock	Common shares	307,992	–	–
Total number of issued shares		360,496,492	–	–
Total number of voting rights		–	3,263,490	–

Note: The common shares in the cell for "Shares with full voting rights (other)" includes 471,800 of the Company's shares held by the Board Benefit Trust (BBT) (Number of voting rights: 4,718 units).

ii) Treasury shares, etc.

As of March 31, 2025

Name of shareholder	Address of shareholder	Number of shares held under own name	Number of shares held under the names of others	Total number of shares held	The ratio of the number of shares held relative to the total number of issued shares (%)
The Company	16-10, Ginza 2-chome, Chuo-ku, Tokyo	33,839,500	–	33,839,500	9.39
Total	–	33,839,500	–	33,839,500	9.39

Note: The aforementioned treasury shares do not include the Company's shares held by BBT (Board Benefit Trust).

(8) Details of Stock Ownership System for Officers and Employees

The Company has, in accordance with a resolution of the 155th Ordinary General Meeting of Shareholders convened on June 23, 2020, established the "Stock Benefit Trust (BBT [Board Benefit Trust], hereinafter the "System")," a performance-linked stock compensation plan, in order to clarify the linkage between the compensation of Directors (excluding Outside Directors) and executive officers who do not concurrently serve as directors (hereinafter "Officers") and the Company's business performance and stock value and also to have the Officers share not only the benefits of higher stock prices but also the risks of lower stock prices with shareholders, thereby raising awareness of contributing to improving the Company's medium- to long-term business performance and increasing its corporate value.

i) Overview of the System

The System is a performance-linked and share-based remuneration system under which the Company's shares are acquired through a trust using money contributed by the Company as the source of funds (hereinafter the "Trust"), and the Officers are provided with the Company's shares and an amount of money equivalent to the market value of the Company's shares (hereinafter the "Company's Shares, Etc.") through the Trust in accordance with the Regulations on Share-based Remuneration for Officers established by the Company. The Officers shall receive the Company's Shares, Etc. upon their retirement, in principle.

The Company introduced the System for the three fiscal years from the fiscal year ended March 31, 2022 to the fiscal year ended March 31, 2024 (hereinafter, such three-fiscal-year period is referred to as the "Initial Period," and the Initial Period and each three consecutive fiscal years following the Initial Period are respectively referred to as "Applicable Period"), as well as each Applicable Period thereafter and contributed 1,377 million yen (including 519 million yen for Directors) to the Trust as the source of funds to acquire the Company's shares for the purpose of granting the Company's Shares, Etc. to the Officers in the Initial Period. Furthermore, after the expiration of the Initial Period, in principle, the Company shall make additional contributions to the Trust, of up to 1,377 million yen (including 519 million yen for Directors) for each Applicable Period until the termination of the System. However, in the case of making such additional contributions, if the Company's shares (excluding a number of the Company's shares that have not yet been provided to Officers equivalent to points granted to them for each Applicable Period up to the immediately preceding Applicable Period) and money remain in the trust asset (hereinafter referred to as the "Remaining Shares, etc."), the total amount of the Remaining Shares, etc. (the amount for the Company's shares shall be the market value on the final day of the immediately preceding Applicable Period) and additionally contributed money shall not exceed 1,377 million yen (including 519 million yen for Directors) The acquisition of the Company's shares by the Trust shall be through the stock market or by a method of underwriting the treasury shares disposed by the Company, funded by the contributed funds.

ii) The total number of the Company's shares intended to be acquired under the System

The trustee of the Trust, Mizuho Trust & Banking Co., Ltd., has acquired 483,700 shares from the stock market with the 1,377 million yen contributed to the Trust by the Company to grant the Company's Shares, Etc. to Officers in the Initial Period. Future acquisition plans are yet to be made.

iii) The scope of persons eligible to receive beneficiary rights and other rights under the System

Officers who have retired and satisfy the beneficiary requirements prescribed in the Regulations on Share-based Remuneration for Officers.

2. Status of Acquisition of Treasury Shares, etc.

[Class of shares, etc.] Acquisition of common shares in accordance with Article 155, items (iii) and (vii) of the Companies Act

(1) Status of acquisition in accordance with a resolution of the general meeting of shareholders

Not applicable

(2) Status of acquisition in accordance with a resolution of the Board of Directors

Category	Number of shares (Shares)	Total amount (Yen)
Status of resolution by the Board of Directors (November 5, 2024) (Acquisition period: November 18, 2024–September 30, 2025)	39,000,000	50,000,000,000
Treasury shares acquired before the fiscal year ended March 31, 2025	–	–
Treasury shares acquired during the fiscal year ended March 31, 2025	16,770,000	31,085,213,450
Total number of shares and total amount remaining under the resolution	22,230,000	18,914,786,550
Ratio of non-exercised portion at the end of the fiscal year ended March 31, 2025 (%)	57.00	37.83
Treasury shares acquired during the period after the reporting period to the filing date of this Annual Securities Report	9,510,700	18,914,750,800
Ratio of non-exercised portion as of the filing date (%)	32.61	0.00

(3) Details of acquisitions not based on resolution of the general meeting of shareholders or resolution of the Board of Directors

Category	Number of shares (Shares)	Total amount (Yen)
Treasury shares acquired during the fiscal year ended March 31, 2025	816	1,494,828
Treasury shares acquired during the period after the reporting period to the filing date of this Annual Securities Report*	111	216,331

* Treasury shares acquired during the period after the reporting period to the filing date of this Annual Securities Report do not include shares purchased as less than one unit of stock in the period from June 1, 2025 until the filing date of this Annual Securities Report.

(4) Status of disposal and holdings of acquired treasury shares

Category	Fiscal year ended March 31, 2025		Period after the reporting period to the filing date of this Annual Securities Report	
	Number of shares (Shares)	Total disposal amount (Yen)	Number of shares (Shares)	Total disposal amount (Yen)
Acquired treasury shares that were offered to subscribers	–	–	–	–
Acquired treasury shares that were cancelled	–	–	–	–
Acquired treasury shares that were transferred due to merger, share exchange, share issuance or company split	–	–	–	–
Other*1 (Sales due to demand for sales of less than one unit of stock)	50	87,900	–	–
Number of treasury shares held*2,3	33,839,551	–	43,350,362	–

*1 The number of shares in the period after the reporting period to the filing date of this Annual Securities Report does not include shares for which there was a demand for sales of less than one unit of stock in the period from June 1, 2025 until the filing date of this Annual Securities Report.

*2 The number of treasury shares held in the period after the reporting period to the filing date of this Annual Securities Report does not include the change in shares due to purchases or sales of less than one unit of stock in the period from June 1, 2025 until the filing date of this Annual Securities Report.

*3 The number of treasury shares held in the fiscal year ended March 31, 2025 or that in the period after the reporting period to the filing date of this Annual Securities Report does not include the Company's shares held by the Board Benefit Trust (BBT).

3. Dividend Policy

As a pure holding company, the major management objective of the Company is to enhance the entire Group's corporate value.

With regard to shareholder return, the Company sets a basic policy to pay dividends from surplus with the goal of having a payout ratio of 40% or more on the basis of profit attributable to owners of parent for the fiscal year under review. The Company will flexibly consider the acquisition of treasury shares by taking into consideration the management environment and market trends. Moreover, the Company will flexibly consider the use of treasury shares upon acquisition, such as utilization for M&As, as a part of our capital policy.

Retained earnings are used to facilitate the sustainable growth of the Group as a whole through growth investments and environment investment.

The Company pays dividends of surplus twice a year with an interim dividend and year-end dividend, and these dividends of surplus are determined by resolution of the Board of Directors. In addition, apart from the matters prescribed in each item of Article 459, paragraph (1) of the Companies Act, the Company prescribes the interim dividend and year-end dividend and the record date, and the fact that the dividends of surplus can be paid by resolution of the Board of Directors in its Articles of Incorporation.

For the fiscal year under review, the year-end dividend is set at 23 yen per share. This, together with the interim dividend of 23 yen per share, brings the annual dividend to 46 yen per share. The dividend for the next fiscal year will also be determined based on the profit attributable to owners of parent in accordance with the Basic Policy.

The dividends of surplus for the fiscal year under review are as follows.

Date of resolution	Total amount of dividends (Millions of yen)	Dividend per share (Yen)
November 5, 2024 Board of Directors' resolution	7,898	23
May 14, 2025 Board of Directors' resolution	7,513	23

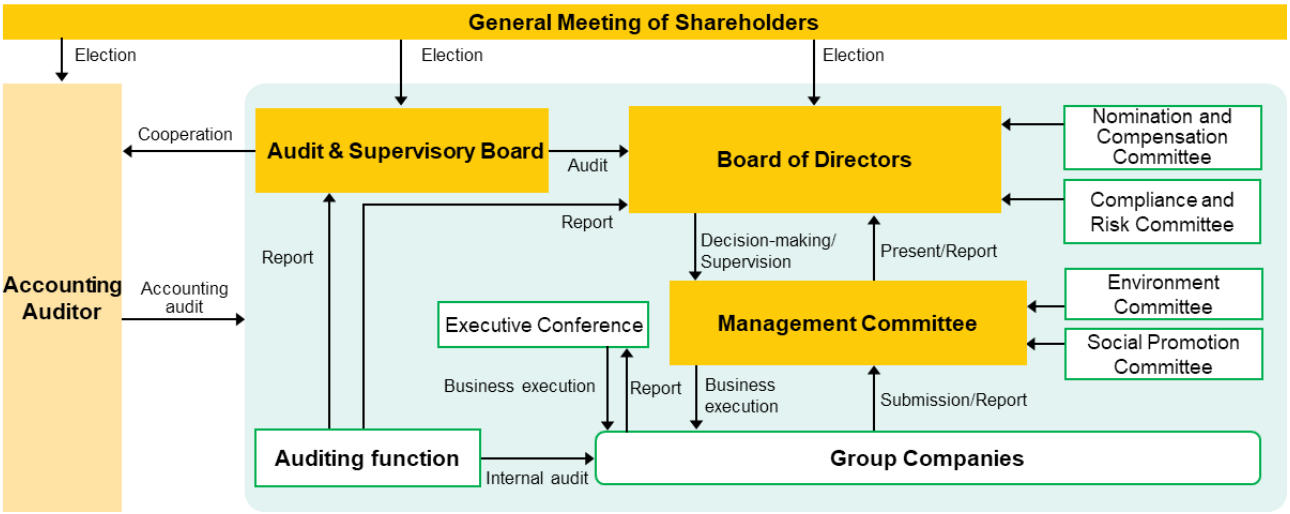
4. Status of Corporate Governance, etc.

(1) Overview of Corporate Governance

i) Basic views 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.

A schematic diagram of the status of the preparation of matters such as the oversight and internal controls for the Company's business execution and management is as follows.



ii) Overview of the corporate governance framework and the reasons for adopting such framework

The Company is a company with an Audit & Supervisory Board. In addition to the Board of Directors supervising important management decision-making and business execution, Audit & Supervisory Board Members and the Audit & Supervisory Board which are independent from the Board of Directors shall audit the status of execution of duties by Directors.

In addition, apart from this, we have established a Management Committee and Executive Conference as executive management organizations related to management decision-making and execution. We adopted this management structure for prompt and appropriate decision-making on important matters. In addition, to increase management transparency, we have established a Nomination and Compensation Committee, as an advisory committee to the Board of Directors to deliberate on particularly important matters such as nominations and compensation. The Company can have up to 12 Directors and up to five Audit & Supervisory Board Members in accordance with the Articles of Incorporation and as of the filing date, the Company's Board of Directors comprised a total of seven members including five Outside Directors and the Audit & Supervisory Board comprised a total of five members including three Outside Audit & Supervisory Board Members. In addition, to clarify the management responsibilities in each fiscal year, the Directors' terms of office are one year.

The objectives, authority, chairperson and members of the Board of Directors, Management Committee, Executive Conference, Nomination and Compensation Committee, and Audit & Supervisory Board as of the filing date are as follows.

A. Board of Directors

a. Objectives and authority

Convened for the purpose of deliberating and deciding on important matters concerning the Basic Policy for executive management and other management matters, and apart from the matters prescribed in laws and regulations and in the Articles of Incorporation, it decides on all matters prescribed in the Board of Directors Regulation including matters related to medium to long-term management plans.

b. Chairperson and Members

Comprised of all Directors.

Directors:

Yutaka Nagao, Toshizo Kurisu,

Mariko Tokuno (Outside Director), Shiro Sugata (Chairperson, Outside Director),

Noriyuki Kuga (Outside Director), Charles Yin (Outside Director), Junichiro Ikeda (Outside Director)

Furthermore, the following Audit & Supervisory Board Members attend Board of Directors meetings and express their opinions when deemed necessary.

Audit & Supervisory Board Members:

Tsutomu Sasaki, Yoshito Shoji, Takashi Yamashita (Outside Audit & Supervisory Board Member), Ryuji Matsuda (Outside Audit & Supervisory Board Member), Setsuko Ino (Outside Audit & Supervisory Board Member)

B. Management Committee

a. Objectives and authority

Apart from deliberating and determining important matters related to business execution other than matters to be resolved by the Board of Directors, convened for the purpose of prior deliberation on matters submitted to the Board of Directors. It determines each matter prescribed in the Management Committee Regulations including matters concerning the start of sales of major new products and services by subsidiaries and affiliates and changes to existing services.

b. Chairperson and Members

Comprised of Executive Directors, Executive Officers and Full-time Audit & Supervisory Board Members.

Executive Directors:

Yutaka Nagao (Chairperson, Representative Director, Executive Officer and President), Toshizo Kurisu

Executive Officers:

Masaru Nomura, Atsushi Kashimoto, Atsushi Terasawa

Full-time Audit & Supervisory Board Members:

Tsutomu Sasaki, Yoshito Shoji

C. Executive Conference

a. Objectives and authority

Apart from reporting the status of execution of business for which the executive officers are in charge, convened for the purpose of discussing matters under investigation and shared matters.

b. Chairperson and Members

Comprised of Executive Officers.

Executive Officers:

Yutaka Nagao (Chairperson, Representative Director, Executive Officer and President), Masaru Nomura, Atsushi Kashimoto, Atsushi Terasawa

D. Nomination and Compensation Committee

a. Objectives and authority

The Committee deliberates and verifies the appropriateness of the details of agenda items concerning the appointment and dismissal of Directors, Audit & Supervisory Board Members, and Executive Officers and the method for determining the compensation to be received by Directors and Executive Officers to bring them up at the Board of Directors meeting.

b. Chairperson and Members

Comprised of Directors elected by resolution of the Board of Directors, with a majority being Outside Directors.

Directors:

Mariko Tokuno (Chair, Outside Director), Shiro Sugata (Outside Director), Noriyuki Kuga (Outside Director), Charles Yin (Outside Director), Junichiro Ikeda (Outside Director), Yutaka Nagao

E. Audit & Supervisory Board

a. Objectives and authority

The Audit & Supervisory Board is convened for the purpose of receiving reports, consulting and resolving important matters concerning audits. Apart from the matters prescribed in laws and regulations or the Articles of Incorporation, it determines all matters prescribed in the Audit & Supervisory Board regulations including the audit policy, the method for studying the operations and financial positions, and the determination of other matters concerning the execution of duties by Audit & Supervisory Board Members.

b. Chairperson and Members

Comprised of Audit & Supervisory Board Members.

Audit & Supervisory Board Members:

Tsutomu Sasaki (Chairperson, Full-time Audit & Supervisory Board Member), Yoshito Shoji, Takashi Yamashita (Outside Audit & Supervisory Board Member), Ryuji Matsuda (Outside Audit & Supervisory Board Member), Setsuko Ino (Outside Audit & Supervisory Board Member)

Note: There are proposals on the agenda items (Matters to be resolved) for the Ordinary General Meeting of Shareholders to be convened on June 20, 2025 for the "Election of Seven (7) Directors" and the "Election of One (1) Audit & Supervisory Board Member." If such agenda items are approved as proposed, the chairpersons and members of the Board of Directors and the Audit & Supervisory Board and the members of the Nomination and Compensation Committee shall be as follows. (The Chair of the Nomination and Compensation Committee will be elected from among the Outside Directors by the following members at the Nomination and Compensation Committee meeting scheduled for June 20, 2025.) This also describes the details of matters to be resolved (Tittles and members of the Nomination and Compensation Committee) at the Board of Directors and Audit & Supervisory Board meetings scheduled to be convened immediately following such Ordinary General Meeting of Shareholders.

A. Board of Directors

Directors:

Yutaka Nagao, Toshizo Kurisu,
Shiro Sugata (Chairperson, Outside Director), Noriyuki Kuga (Outside Director), Charles Yin (Outside Director),
Junichiro Ikeda (Outside Director), Tami Kihara (Outside Director)

Audit & Supervisory Board Members:

Tsutomu Sasaki, Yoshito Shoji,
Ryuji Matsuda (Outside Audit & Supervisory Board Member), Setsuko Ino (Outside Audit & Supervisory Board Member), Akihito Terada (Outside Audit & Supervisory Board Member)

D. Nomination and Compensation Committee

Directors:

Shiro Sugata (Outside Director), Noriyuki Kuga (Outside Director), Charles Yin (Outside Director),
Junichiro Ikeda (Outside Director), Tami Kihara (Outside Director), Yutaka Nagao

E. Audit & Supervisory Board

Audit & Supervisory Board Members:

Tsutomu Sasaki (Chairperson, Full-time Audit & Supervisory Board Member), Yoshito Shoji,
Ryuji Matsuda (Outside Audit & Supervisory Board Member), Setsuko Ino (Outside Audit & Supervisory Board Member), Akihito Terada (Outside Audit & Supervisory Board Member)

iii) Basic approach to internal control systems and status of development

In accordance with the Companies Act and the Regulation for Enforcement of the Companies Act, the Company has established Policy to develop its internal control system, as follows.

A. Corporate framework ensuring that execution of duties by Directors of the Company complies with laws and regulations and the Articles of Incorporation, and other systems for ensuring the proper business operation of the corporate group consisting of the Company and its subsidiaries

a. To ensure that execution of duties by Directors of the Company complies with laws and regulations and the Articles of Incorporation, and to ensure the proper business operation of the Company and each Group company, the Company has established the "Group Corporate Philosophy" and the "Statement of Compliance." The Representative Director of the Company is responsible for ensuring that this statement is fully understood by directors of the Company and each Group company. At the same time, directors shall perform their businesses in accordance with this statement.

b. To ensure that the above directives are fully understood, the Company establishes the "Compliance and Risk Committee" chaired by the Executive Officer who oversees the Group's compliance and risk management and shall monitor the undertaking of the Group-wide compliance and risk management. The Chair of the Committee shall monitor compliance at the Company and each Group company and report the situation to the Board of Directors of the Company.

c. The Company shall develop a whistle-blower system for the Group to allow employees to report any compliance violations by directors of the Company and each Group company.

d. In "Corporate Stances" of the "Group Corporate Philosophy," the Company declares it shall have no relationship with antisocial forces, and shall station employees to perform related businesses in departments responsible for compliance and risk management of the Company and each Group company. Departments responsible for compliance and risk management make systematic efforts in collaboration with outside specialized institutions, such as the police and attorneys, to prevent antisocial forces from being involved in management and prevent possible damage caused by antisocial forces.

B. Framework for storing and managing information related to execution of duties by Directors of the Company

Directors of the Company shall prescribe the retention period of the documents and the division in charge in the organization regulations and basic regulations on document management and prepare, store and manage the material documents in relation to

the execution of duties by Directors and minutes of each meeting.

C. Policy and framework for managing risks of loss of the Company and its subsidiaries
   a. The Company shall assign an executive officer to oversee Group-wide compliance and risk management. Employees shall be stationed to perform related businesses in the Company and each Group company.
   b. The Company shall develop a "Risk Management Basic Policy" as the basis of risk management. Each Group company shall also develop a "Risk Management Basic Policy" on the basis of this policy.
   c. Large companies under the Companies Act in the Group companies shall establish a division in charge of compliance and risk supervising and assign an officer in charge of the same. Departments responsible for compliance and risk management of the Company shall oversee this, and monitor and manage the risk status at each Group company in a timely manner.
   d. The Company shall establish the Internal Audit Department to audit the implementation status and the effectiveness of risk management at the Company and each Group company.

D. Framework ensuring the efficiency of execution of duties by directors of the Company and its subsidiaries
   a. The Company shall adopt the executive officer system in order to realize the efficiency of the management and the clarification of responsibility through the clear division of management decision-making, supervision and execution.
   b. The Company shall hold a Board of Directors meeting once or more a month. In addition, material matters to be deliberated at the Board of Directors meeting shall be discussed and examined at the Management Committee comprising Executive Directors, Executive Officers, and Full-time Audit & Supervisory Board Members.
   c. The Company shall define in the organizational regulations the procedure and the officer in charge with respect to the business operation based on the resolution of the Board of Directors and at the Management Committee of the Company as well as the resolution of each Group company's Board of Directors.

E. Framework ensuring that execution of duties by employees of the Company as well as directors and employees of its subsidiaries complies with laws and regulations and the Articles of Incorporation
   a. To realize management in conformity with compliance at the Company and each Group company, the Company and each Group company shall formulate "Corporate Stances" and "Employee Credo of Conduct" as directives applicable to all employees. The documents shall be displayed and distributed etc. and training implemented.
   b. Large companies under the Companies Act in the Group companies shall establish a division in charge of compliance and risk supervising and assign an officer in charge of the same. Departments responsible for compliance and risk management of the Company shall oversee this, and monitor and manage the status of compliance promotion at the Group in a timely manner.
   c. The Company shall establish the Internal Audit Department to audit the implementation status and the effectiveness of compliance at the Company and each Group company.
   d. The Company shall hold "Compliance and Risk Committee" meetings regularly to develop and promote specific measures to ensure compliance and monitor the progress at the Company and each Group company.
   e. The Company shall establish a whistle-blower system for the Group to develop an environment in which compliance violations are promptly reported.

F. Framework ensuring the proper business operation of the corporate group consisting of the Company and its subsidiaries
   a. To ensure the proper business operation of the Company and each Group company, the Company shall establish the "Group Corporate Philosophy." The Company and each Group company shall formulate their company rules and execute business operations accordingly.
   b. The Company shall assign an executive officer to be in charge of basic strategy for Group-wide management, and station employees to perform related businesses at the Management Strategy Department at the Company and each Group company.
   c. The Company, as a pure holding company, shall be responsible for the planning and control of each Group company's operation in accordance with the executive management contract that prescribes the management duties that the Company will execute with respect to each Group company.
   d. Each Group company shall execute business operations in accordance with the group company management rules established by the Company, and shall obtain the approval of the Company's Board of Directors or the Management Committee in advance, when executing material matters. In addition, all material management matters shall be reported to the Company's related division.

G. Appointment of supporting personnel when Audit & Supervisory Board Members of the Company request such personnel
   The Internal Audit Department shall provide support to Audit & Supervisory Board Members and personnel shall be appointed when deemed necessary in consultation with the Audit & Supervisory Board.

H. Securing independence of the personnel in the preceding item from Directors and effectiveness of instructions from Audit & Supervisory Board Members
   The personnel in the preceding item cannot hold a concurrent position that has the duties of planning or control of business operations. Accordingly, reassignment, evaluation, or disciplinary action against the supporting personnel requires the approval of the Audit & Supervisory Board in advance.

I. Framework for reporting to Audit & Supervisory Board Members by Directors and employees of the Company and framework for reporting to Audit & Supervisory Board Members of the Company by directors, audit & supervisory board members and employees of subsidiaries, or those who have received reports from the said persons

a. In addition to matters designated by law, Directors and employees of the Company and directors, audit & supervisory board members and employees of each Group company shall report the following to Audit & Supervisory Board Members of the Company without delay.

- Material violations of laws and regulations and the Articles of Incorporation as well as misconduct, by directors or employees
- Crucial information obtained through whistle blowing
- Other facts that threaten to cause significant losses to the Company and each Group company

b. The Company and each Group company shall create a framework to ensure that persons who have reported to Audit & Supervisory Board Members of the Company and each Group company are not treated disadvantageously because of the said report.

J. Policy on procedures for advance payment or reimbursement of expenses incurred in the execution of duties by Audit & Supervisory Board Members of the Company, and other expenses incurred in the said execution of duties, or handling of debts

The Company shall develop a policy regarding the handling of audit expenses and secure a budget of a certain amount to cover audit expenses.

K. Framework ensuring the effectiveness of auditing by Audit & Supervisory Board Members of the Company

a. Audit & Supervisory Board Members of the Company may attend Board meetings, those of the Management Committee, the executive conferences, and other important meetings, and understand the process of important decision-making and status of business operation, and provide necessary opinions.

b. The Company shall establish regular meetings between Audit & Supervisory Board Members and the Representative Director to exchange opinions.

c. The Internal Audit Department of the Company shall report progress and results of internal audits of the Company and each Group company as necessary to Audit & Supervisory Board Members to realize a collaborative framework for effective audits.

d. Audit & Supervisory Board Members of the Company and each Group company shall exchange information and enhance collaboration throughout the Group at Group Audit & Supervisory Board Members' Liaison Meetings.

e. The Company shall establish a liaison office for the Audit & Supervisory Board and Group Audit & Supervisory Board Members' Liaison Meetings in the Internal Audit Department of the Company to promote efficient audits by Audit & Supervisory Board Members of the Company and each Group company.

f. The Company shall receive explanations on the contents of its accounts from the Accounting Auditor as needed and exchange information to realize a collaborative framework for effective audits.

iv) Overview of the agreement on liability limitation

The Company's Articles of Incorporation allow for the conclusion of agreements with Directors (excluding Executive Directors, etc.) and Audit & Supervisory Board Members limiting liability stipulated in Article 423, paragraph (1) of the Companies Act. The Company has entered into an agreement on liability limitation with all Outside Directors and Audit & Supervisory Board Members in accordance with such Articles of Incorporation. The amount of liability allowed for in those agreements is as per the minimum amount of liability provided for under Article 425, paragraph (1) of the Companies Act.

v) Summary of the directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy, as provided for in Article 430-3, paragraph (1) of the Companies Act, with an insurance company. The insureds of this policy include Directors, Audit & Supervisory Board Members and Executive Officers of the Company and its subsidiaries, and the insureds do not pay the insurance premium. This policy covers losses, such as the amount of indemnification and litigation expenses incurred by the insureds in case where claims for the insureds' action (or omission) based on their position in the Company is brought forward. However, in order not to lose appropriateness of the execution of operation by the insureds, the policy does not cover the insureds' criminal acts or illegal acts done intentionally.

vi) Requirements for resolution to elect Directors

The Company prescribes in its Articles of Incorporation that a resolution to elect Directors shall be made by a majority of the votes of the shareholders present at such meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their votes at such meetings are present and that such resolutions shall not be conducted by cumulative voting.

vii) Organizational body to determine dividends of surplus, etc.

The Company prescribes in its Articles of Incorporation that unless otherwise provided for by laws and regulations, the Company may, by resolution of the Board of Directors, determine dividends of surplus and other matters set forth in the items of Article 459, paragraph

(1) of the Companies Act. This is for the purpose of flexibly returning profits to shareholders by giving authority on dividends of surplus, etc. to the Board of Directors.

viii) Exemption of liabilities of Directors and Audit & Supervisory Board Members

The Company prescribes in its Article of Incorporation that pursuant to the provisions of Article 426, paragraph (1) of the Companies Act, the Company may, by resolution of the Board of Directors, exempt a Director (including a person who was formerly a Director) and an Audit & Supervisory Board Member (including a person who was formerly an Audit & Supervisory Board Member) from his/her liability for damages for their acts stipulated under Article 423, paragraph (1) of the Companies Act arising from neglecting his/her duties to the extent permitted by laws and regulations. This is for the purpose of establishing an environment in which Directors and Audit & Supervisory Board Members can adequately demonstrate their abilities and accomplish their expected roles when executing their duties.

ix) Requirements for special resolutions of the general meeting of shareholders

For the smooth operation of the general meeting of shareholders, the Company prescribes in its Articles of Incorporation that resolutions as prescribed in Article 309, paragraph (2) of the Companies Act shall be made by at least two-thirds of the votes of the shareholders present at such meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their votes at such meetings are present.

x) Activities of the Board of Directors, etc.

A. Activities of the Board of Directors and the Nomination and Compensation Committee

During the fiscal year ended March 31, 2025, 18 meetings of the Board of Directors were held, and 12 meetings of the Nomination and Compensation Committee were held. Attendance of each Director and Audit & Supervisory Board Member is as follows.

Title	Name	Board of Directors meeting	Nomination and Compensation Committee Meeting
President	Yutaka Nagao	100% (18 of 18 meetings)	100% (12 of 12 meetings)
Executive Officer and Vice President (Note 2)	Toshizo Kurisu	94% (17 of 18 meetings)	–
Outside Director	Mariko Tokuno	100% (18 of 18 meetings)	100% (12 of 12 meetings)
Outside Director	Shiro Sugata	100% (18 of 18 meetings)	100% (12 of 12 meetings)
Outside Director	Noriyuki Kuga	100% (18 of 18 meetings)	100% (12 of 12 meetings)
Outside Director	Charles Yin	100% (18 of 18 meetings)	83% (10 of 12 meetings)
Outside Director	Junichiro Ikeda	100% (14 of 14 meetings) (Note 3)	100% (9 of 9 meetings) (Note 4)
Audit & Supervisory Board Member	Tsutomu Sasaki	100% (18 of 18 meetings)	–
Audit & Supervisory Board Member	Yoshito Shoji	100% (18 of 18 meetings)	–
Outside Audit & Supervisory Board Member	Takashi Yamashita	94% (17 of 18 meetings)	–
Outside Audit & Supervisory Board Member	Ryuji Matsuda	100% (18 of 18 meetings)	–
Outside Audit & Supervisory Board Member	Setsuko Ino	93% (13 of 14 meetings) (Note 5)	–
Director (Note 6)	Yasuharu Kosuge	100% (4 of 4 meetings) (Note 7)	–
Outside Director (Note 6)	Yoichi Kobayashi	100% (4 of 4 meetings) (Note 7)	100% (3 of 3 meetings)
Outside Audit & Supervisory Board Member (Note 6)	Yoshihide Shimoyama	100% (4 of 4 meetings) (Note 7)	–

Notes: 1. The numbers in parentheses indicate the number of meetings attended/the number of meetings held during the term of office.
2. Following changes in officers effective April 1, 2025, he assumed the position of Director and Chairman as of the filing date of the Annual Securities Report.
3. He was appointed as Director at the Ordinary General Meeting of Shareholders held on June 21, 2024.

4. He was elected as member of the Nomination and Compensation Committee at the Board of Directors Meeting held on June 21, 2024.
5. She was appointed as Audit & Supervisory Board Member at the Ordinary General Meeting of Shareholders held on June 21, 2024.
6. The titles presented are those held during the terms of office.
7. They retired due to the expiration of their terms of office at the Ordinary General Meeting of Shareholders held on June 21, 2024.

B. Specific details of discussion

a. Board of Directors

The Board of Directors checks and supervises the status of business execution, the status of initiatives in each business area based on medium- to long-term management strategies, matters related to corporate governance, etc. In the fiscal year ended March 31, 2025, the Board confirmed and/or discussed matters, including progress in the pricing strategy and domestic sales, reinforcement of corporate sales capabilities in global and other domains and promotion of the M&A strategy, structural reform of the transportation and delivery network and last-mile operations, creation of new businesses, the status of the promotion of sustainable management, the status of Group-wide risk management and internal control, assessment of the effectiveness of the Board of Directors, and the status of dialogue with shareholders and investors.

b. Nomination and Compensation Committee

- The Committee deliberated on and determined matters concerning the appointment and dismissal of Directors, Audit & Supervisory Board Members, and Executive Officers, policies regarding the compensation to be received by Directors and Executive Officers, and processes to increase objectivity and transparency, verified the appropriateness of the details thereof, and brought them up at the Board of Directors meetings.
- In order to sustainably strengthen corporate competitiveness, the Committee deliberated on matters related to nomination processes for developing and selecting candidates for the person who will succeed the President in the future.

(2) Status of Officers

i) List of Officers

A. The status of officers as of June 13, 2025 (the filing date of the Annual Securities Report) is as follows.

10 men and 2 women (ratio of women: 16.7%)

Title	Name	Date of birth	Brief career summary	Term	Number of shares held (Thousands of shares)
Representative Director, Executive Officer and President	Yutaka Nagao	August 31, 1965	Apr. 1988 Joined the Company Apr. 2004 Regional Branch Manager of Yamaguchi Regional Branch Apr. 2006 Regional Branch Manager of Saitama Regional Branch of Yamato Transport Co., Ltd. Apr. 2009 General Manager of TSS Sales Promotion Office Apr. 2010 Executive Officer and President of Kanto Regional Office Apr. 2013 Managing Executive Officer Apr. 2015 Executive Officer of the Company Apr. 2015 Representative Director, Executive Officer and President of Yamato Transport Co., Ltd. Jun. 2017 Director and Executive Officer of the Company Apr. 2019 Representative Director, Executive Officer and President (current) Apr. 2021 Representative Director, Executive Officer and President of Yamato Transport Co., Ltd. Apr. 2025 Director (current)	Note 3	41
Representative Director and Chairman	Toshizo Kurisu	September 29, 1960	Apr. 1983 Joined the Company Jul. 1999 General Manager of Accounting Division Jun. 2002 General Manager of Finance Division Apr. 2006 Executive Officer Apr. 2012 Representative Director, Executive Officer and President of Yamato Financial Co., Ltd. Apr. 2017 Representative Director and Senior Managing Executive Officer of Yamato Transport Co., Ltd. Apr. 2019 Representative Director, Executive Officer and President of Yamato Transport Co., Ltd. Mar. 2020 Managing Executive Officer of the Company Apr. 2021 Senior Managing Executive Officer of Yamato Transport Co., Ltd. Feb. 2022 Executive Officer and Vice President of the Company Feb. 2022 Responsible for Finance, Public Relations and Digital Feb. 2022 Representative Director, Executive Officer, and Vice President of Yamato Transport Co., Ltd. Jun. 2022 Representative Director, Executive Officer and Vice President of the Company Apr. 2025 Representative Director and Chairman (current) Apr. 2025 Director of Yamato Transport Co., Ltd. (current)	Note 3	46
Director	Mariko Tokuno	October 6, 1954	Jan. 1994 Joined Louis Vuitton Japan KK Apr. 2002 Senior Director for Sales Administration Mar. 2004 Vice President of Tiffany & Co. Japan Inc. Aug. 2010 Representative Director and President of Christian Dior Japan KK Sep. 2013 Representative Director, President and CEO of Ferragamo Japan KK Jun. 2017 Director of the Company (current) (Important Concurrent Positions at Other Organizations) Outside Director of Shiseido Company, Limited Outside Director of Nissan Motor Co., Ltd.	Note 3	11
Director	Shiro Sugata	November 17, 1949	Apr. 1972 Joined USHIO INC. Jan. 1993 President of BLV LICHT– UND VAKUUMTECHNIK GmbH Jun. 2000 Director and Corporate Senior Vice President of USHIO INC. Apr. 2004 Director and Corporate Executive Vice President Jun. 2004 Representative Director and Corporate Executive Vice President Mar. 2005 President and CEO Oct. 2014 Director and Corporate Advisor Jun. 2016 Corporate Advisor Jul. 2017 Special Corporate Advisor Jun. 2019 Director of the Company (current)	Note 3	–
Director	Noriyuki Kuga	August 25, 1955	Apr. 1979 Joined Tokyo Electron Ltd. Apr. 2002 Vice President and General Manager	Note 3	2

Title	Name	Date of birth	Brief career summary	Term	Number of shares held (Thousands of shares)
			Oct. 2004 President and Representative Director of Tokyo Electron BP Ltd. Oct. 2006 Executive Vice President of TOKYO ELECTRON DEVICE LIMITED Jun. 2007 Corporate Director and Executive Vice President Jun. 2011 Senior Executive Vice President and Representative Director Jun. 2016 Chairman of the Board Jun. 2020 Director of the Company (current)		
Director	Charles Yin	May 29, 1964	Feb. 1990 Joined L3, Inc. (New York) Mar. 1992 Vice President Sep. 1996 Joined Fuji Xerox Asia Pacific Pte. Ltd. (Singapore) Aug. 2007 CEO of Worldwide City Group (Hong Kong) Jul. 2018 Executive Chairman (current) Jun. 2022 Director of the Company (current) (Important Concurrent Positions at Other Organizations) Executive Chairman of Worldwide City Group (Hong Kong) Chairman of China–Japan CEO Forum Chairman of China–Japan Asia CEO Forum	Note 3	–
Director	Junichiro Ikeda	July 16, 1956	Apr. 1979 Joined Mitsui O.S.K. Lines, Ltd. (currently: Mitsui O.S.K. Lines, Ltd.) Jun. 2004 General Manager of Human Resources Division Jun. 2007 General Manager of Liner Division Jun. 2008 Executive Officer Jun. 2010 Managing Executive Officer Jun. 2013 Director and Senior Managing Executive Officer Jun. 2015 Representative Director and President Apr. 2021 Representative Director and Chairman Executive Officer Apr. 2023 Director and Chairman of the Board (current) Jun. 2024 Director of the Company (current) (Important Concurrent Positions at Other Organizations) Director and Chairman of the Board of Mitsui O.S.K. Lines, Ltd.	Note 3	0
Full-time Audit & Supervisory Board Member	Tsutomu Sasaki	November 13, 1964	Apr. 1987 Joined the Company Apr. 2005 General Manager of TA-Q-BIN Sales Division III Jul. 2006 General Manager of Product Development Division of Yamato Transport Co., Ltd. Apr. 2007 General Manager of Manufacturer Solution Sales Division Apr. 2009 General Manager of Global Sales Division Apr. 2011 General Manager of Sales Strategy Division Apr. 2017 Executive Officer of the Company Sep. 2018 Representative Director, Executive Officer and President of Yamato Logistics Co., Ltd. Apr. 2019 Managing Executive Officer of the Company Mar. 2020 Representative Director and Senior Managing Executive Officer of Yamato Transport Co., Ltd. Apr. 2021 Senior Managing Executive Officer of the Company Apr. 2021 Senior Managing Executive Officer of Yamato Transport Co., Ltd. Feb. 2022 Attached to the President of the Company Jun. 2022 Full–time Audit & Supervisory Board Member of the Company (current)	Note 4	12

Title	Name	Date of birth	Brief career summary	Term	Number of shares held (Thousands of shares)
Full-time Audit & Supervisory Board Member	Yoshito Shoji	April 22, 1961	Apr. 1980 Joined the Company Nov. 2007 General Manager of Finance Division, Yamato Transport Co., Ltd. Apr. 2019 Managing Executive Officer Mar. 2020 Director and Managing Executive Officer, Yamato Management Services Co. Apr. 2021 General Manager, Professional Service Function Division, Yamato Transport Co., Ltd. Apr. 2022 General Manager of Project Group, Finance Division Feb. 2023 Human Resources Department of the Company Jun. 2023 Full–time Audit & Supervisory Board Member of the Company (current)	Note 5	8
Audit & Supervisory Board Member	Takashi Yamashita	February 18, 1956	Oct. 1983 Joined Asahi Accounting Company Mar. 1987 Registered as Certified Public Accountant May 2003 Representative Partner of Asahi & Co. (currently: KPMG AZSA LLC) Aug. 2014 Established Takashi Yamashita CPA Office, Representative (current) Jan. 2015 Registered as Certified Tax Accountant Jun. 2017 Audit & Supervisory Board Member of the Company (current) (Important Concurrent Positions at Other Organizations) Representative of Takashi Yamashita CPA Office Outside Director of SHIN NIPPON BIOMEDICAL LABORATORIES, LTD.	Note 6	–
Audit & Supervisory Board Member	Ryuji Matsuda	April 30, 1955	Apr. 1986 Registered as Attorney at Law and Certified Public Accountant Jul. 1992 Established Matsuda Law Office (current) Jun. 2007 Audit & Supervisory Board Member of SQUARE ENIX CO., LTD. Jun. 2008 Audit & Supervisory Board Member of Seika Corporation May 2012 Auditor of the 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) (Important Concurrent Positions at Other Organizations) Attorney at Law, Matsuda Law Office	Note 7	–
Audit & Supervisory Board Member	Setsuko Ino	March 18, 1964	Apr. 1988 Joined Suntory Spirits Ltd. Sep. 1994 Joined PepsiCo, Inc. Jul. 2003 CFO and Finance Director of Sun Microsystems Japan KK Nov. 2006 CFO and Representative Director of SAP Japan Mar. 2012 CFO of Retail Division of Amazon Japan Jun. 2017 CFO of Asurion Japan Jan. 2024 Venture Partner of Eight Roads Ventures Japan (current) Jun. 2024 Audit & Supervisory Board Member of the Company (current) (Important Concurrent Positions at Other Organizations) Venture Partner of Eight Roads Ventures Japan Outside Audit & Supervisory Board Member of KUBOTA Corporation	Note 7	–
			Total		122

Notes:
1. Directors Mariko Tokuno, Shiro Sugata, Noriyuki Kuga, Charles Yin and Junichiro Ikeda are Outside Directors.
2. Audit & Supervisory Board Members Takashi Yamashita, Ryuji Matsuda and Setsuko Ino are Outside Audit & Supervisory Board Members.
3. One year from the conclusion of the Ordinary General Meeting of Shareholders held on June 21, 2024.
4. Four years from the conclusion of the Ordinary General Meeting of Shareholders held on June 23, 2022.
5. Four years from the conclusion of the Ordinary General Meeting of Shareholders held on June 23, 2023.
6. Four years from the conclusion of the Ordinary General Meeting of Shareholders held on June 24, 2021.
7. Four years from the conclusion of the Ordinary General Meeting of Shareholders held on June 21, 2024.
8. Setsuko Ino's name in the family register is Setsuko Yamada.
9. Important Concurrent Positions at Other Organizations are as of March 31, 2025.

10. The Company has introduced an executive officer system. Of the four executive officers, the following three do not concurrently serve as Directors.

Title	Name
Senior Managing Executive Officer	Masaru Nomura
Managing Executive Officer	Atsushi Kashimoto
Executive Officer	Atsushi Terasawa

B. The Company has proposed the “Election of Seven (7) Directors” and “Election of One (1) Audit & Supervisory Board Member” as agenda items (Matters to be resolved) at the Ordinary General Meeting of Shareholders to be held on June 20, 2025, and if these agenda items are approved as proposed, the status of the Company’s officers shall be as follows.
Note that this also includes a description of the matters to be resolved (titles) at the Board of Directors and Audit & Supervisory Board meetings scheduled to be convened immediately following such Ordinary General Meeting of Shareholders.
10 men and 2 women (ratio of women: 16.7%)

Title	Name	Date of birth	Brief career summary	Term	Number of shares held (Thousands of shares)
Representative Director, Executive Officer and President	Yutaka Nagao	August 31, 1965	Apr. 1988 Joined the Company Apr. 2004 Regional Branch Manager of Yamaguchi Regional Branch Apr. 2006 Regional Branch Manager of Saitama Regional Branch of Yamato Transport Co., Ltd. Apr. 2009 General Manager of TSS Sales Promotion Office, Yamato Transport Co., Ltd. Apr. 2010 Executive Officer and President of Kanto Regional Office, Yamato Transport Co., Ltd. Apr. 2013 Managing Executive Officer of Yamato Transport Co., Ltd. Apr. 2015 Executive Officer of the Company Apr. 2015 Representative Director, Executive Officer and President of Yamato Transport Co., Ltd. Jun. 2017 Director and Executive Officer of the Company Apr. 2019 Representative Director, Executive Officer and President (current) Apr. 2021 Representative Director, Executive Officer and President of Yamato Transport Co., Ltd. Apr. 2025 Director (current)	Note 3	41
Representative Director and Chairman	Toshizo Kurisu	September 29, 1960	Apr. 1983 Joined the Company Jul. 1999 General Manager of Accounting Division Jun. 2002 General Manager of Finance Division Apr. 2006 Executive Officer Apr. 2012 Representative Director, Executive Officer and President of Yamato Financial Co., Ltd. Apr. 2017 Representative Director and Senior Managing Executive Officer of Yamato Transport Co., Ltd. Apr. 2019 Representative Director, Executive Officer and President of Yamato Transport Co., Ltd. Mar. 2020 Managing Executive Officer of the Company Apr. 2021 Senior Managing Executive Officer of Yamato Transport Co., Ltd. Feb. 2022 Executive Officer and Vice President of the Company Feb. 2022 Responsible for Finance, Public Relations and Digital Feb. 2022 Representative Director, Executive Officer, and Vice President of Yamato Transport Co., Ltd. Jun. 2022 Representative Director, Executive Officer and Vice President of the Company Apr. 2025 Representative Director and Chairman (current) Apr. 2025 Director of Yamato Transport Co., Ltd. (current)	Note 3	46
Director	Shiro Sugata	November 17, 1949	Apr. 1972 Joined USHIO INC. Jan. 1993 President of BLV LICHT- UND VAKUUMTECHNIK GmbH Jun. 2000 Director and Corporate Senior Vice President of USHIO INC. Apr. 2004 Director and Corporate Executive Vice President Jun. 2004 Representative Director and Corporate Executive Vice President Mar. 2005 President and CEO Oct. 2014 Director and Corporate Advisor Jun. 2016 Corporate Advisor Jul. 2017 Special Corporate Advisor Jun. 2019 Director of the Company (current)	Note 3	–
Director	Noriyuki Kuga	August 25, 1955	Apr. 1979 Joined Tokyo Electron Ltd. Apr. 2002 Vice President and General Manager Oct. 2004 President and Representative Director of Tokyo Electron BP Ltd. Oct. 2006 Executive Vice President of TOKYO ELECTRON DEVICE LIMITED Jun. 2007 Corporate Director and Executive Vice President Jun. 2011 Senior Executive Vice President and Representative Director Jun. 2016 Chairman of the Board Jun. 2020 Director of the Company (current)	Note 3	2

Title	Name	Date of birth	Brief career summary		Term	Number of shares held (Thousands of shares)
Director	Charles Yin	May 29, 1964	Feb. 1990 Mar. 1992 Sep. 1996 Aug. 2007 Jul. 2018 Jun. 2022	Joined L3, Inc. (New York) Vice President Joined Fuji Xerox Asia Pacific Pte. Ltd. (Singapore) CEO of Worldwide City Group (Hong Kong) Executive Chairman (current) Director of the Company (current)	Note 3	–
Director	Junichiro Ikeda	July 16, 1956	Apr. 1979 Jun. 2004 Jun. 2007 Jun. 2008 Jun. 2010 Jun. 2013 Jun. 2015 Apr. 2021 Apr. 2023 Jun. 2024	Joined Mitsui O.S.K. Lines, Ltd. (currently: Mitsui O.S.K. Lines, Ltd.) General Manager of Human Resources Division General Manager of Liner Division Executive Officer Managing Executive Officer Director and Senior Managing Executive Officer Representative Director and President Representative Director and Chairman Executive Officer Chairman of the Board (current) Director of the Company (current)	Note 3	0
Director	Tami Kihara	June 27, 1962	Apr. 1985 Apr. 2019 Apr. 2021 Jul. 2022 Jun. 2025	Joined Ricoh Company, Ltd. Administrative Officer and General Manager of Technology Management Division, Ricoh IT Solutions Co., Ltd. General Manger of Digital Professionals Strategy Center of Digital Strategy Department, Ricoh Company, Ltd. Director of Ricoh IT Solutions Co. Director of the Company (current)	Note 3	–
Full-time Audit & Supervisory Board Member	Tsutomu Sasaki	November 13, 1964	Apr. 1987 Apr. 2005 Jul. 2006 Apr. 2007 Apr. 2009 Apr. 2011 Apr. 2017 Sep. 2018 Apr. 2019 Mar. 2020 Apr. 2021 Apr. 2021 Feb. 2022 Jun. 2022	Joined the Company General Manager of TA-Q-BIN Sales Division III General Manager of Product Development Division of Yamato Transport Co., Ltd. General Manager of Manufacturer Solution Sales Division General Manager of Global Sales Division General Manager of Sales Strategy Division Executive Officer of the Company Representative Director, Executive Officer and President of Yamato Logistics Co., Ltd. Managing Executive Officer of the Company Representative Director and Senior Managing Executive Officer of Yamato Transport Co., Ltd. Senior Managing Executive Officer of the Company Senior Managing Executive Officer of Yamato Transport Co., Ltd. Attached to the President of the Company Full-time Audit & Supervisory Board Member of the Company (current)	Note 4	12
Full-time Audit & Supervisory Board Member	Yoshito Shoji	April 22, 1961	Apr. 1980 Nov. 2007 Apr. 2019 Mar. 2020 Apr. 2021 Apr. 2022 Feb. 2023 Jun. 2023	Joined the Company General Manager of Finance Division, Yamato Transport Co., Ltd. Managing Executive Officer Director and Managing Executive Officer, Yamato Management Services Co. General Manager, Professional Service Function Division, Yamato Transport Co., Ltd. General Manager of Project Group, Finance Division Human Resources Department of the Company Full-time Audit & Supervisory Board Member of the Company (current)	Note 5	8
Audit & Supervisory Board Member	Ryuji Matsuda	April 30, 1955	Apr. 1986 Jul. 1992 Jun. 2007 Jun. 2008 May 2012 Jun. 2014 Jun. 2020	Registered as Attorney at Law and Certified Public Accountant Established Matsuda Law Office (current) Audit & Supervisory Board Member of SQUARE ENIX CO., LTD. Audit & Supervisory Board Member of Seika Corporation Auditor of the Japan Federation of Bar Associations Auditor of ASAHI GROUP ARTS FOUNDATION (currently: ASAHI GROUP FOUNDATION) (current) Audit & Supervisory Board Member of the Company (current)	Note 6	–

Title	Name	Date of birth	Brief career summary		Term	Number of shares held (Thousands of shares)
Audit & Supervisory Board Member	Setsuko Ino	March 18, 1964	Apr. 1988 Sep. 1994 Jul. 2003 Nov. 2006 Mar. 2012 Jun. 2017 Jan. 2024 Jun. 2024	Joined Suntory Spirits Ltd. Joined PepsiCo, Inc. CFO and Finance Director of Sun Microsystems Japan KK CFO and Representative Director of SAP Japan CFO of Retail Division of Amazon Japan CFO of Asurion Japan Venture Partner of Eight Roads Ventures Japan (current) Audit & Supervisory Board Member of the Company (current)	Note 6	–
Audit & Supervisory Board Member	Akihito Terada	October 26, 1962	Apr. 1985 Apr. 1988 May 2004 Jun. 2007 May 2009 Jul. 2022 Jun. 2025	Joined Asahi & Co. (currently: KPMG AZSA LLC) Registered as Certified Public Accountant Partner of KPMG AZSA LLC Registered as Certified Tax Accountant Senior partner of KPMG AZSA LLC Representative of Terada CPA Office (current) Audit & Supervisory Board Member of the Company (current)	Note 7	–
Total						111

Notes:
1. Directors Shiro Sugata, Noriyuki Kuga, Charles Yin, Junichiro Ikeda and Tami Kihara are Outside Directors.
2. Audit & Supervisory Board Members Ryuji Matsuda, Setsuko Ino and Akihito Terada are Outside Audit & Supervisory Board Members.
3. One year from the conclusion of the Ordinary General Meeting of Shareholders to be held on June 20, 2025.
4. Four years from the conclusion of the Ordinary General Meeting of Shareholders held on June 23, 2022.
5. Four years from the conclusion of the Ordinary General Meeting of Shareholders held on June 23, 2023.
6. Four years from the conclusion of the Ordinary General Meeting of Shareholders held on June 21, 2024.
7. Four years from the conclusion of the Ordinary General Meeting of Shareholders to be held on June 20, 2025.
8. Director Tami Kihara's name in the family register is Tami Isobe, and Audit & Supervisory Board Member Setsuko Ino's name in the family register is Setsuko Yamada.
9. The Company has introduced an executive officer system. Of the four executive officers, the following three do not concurrently serve as Directors.

Title	Name
Senior Managing Executive Officer	Masaru Nomura
Managing Executive Officer	Atsushi Kashimoto
Executive Officer	Atsushi Terasawa

ii) Information about Outside Directors (and other outside officers)

The Company has elected five Outside Directors and three Outside Audit & Supervisory Board Members. There is no human relationship, capital relationship, business relationship, or other interest between the Company and the Outside Directors and Outside Audit & Supervisory Board Members and between the Company and the companies where the Outside Directors and Outside Audit & Supervisory Board Members are, or were, officers or employees.

The Outside Directors provide remarks and advice that are necessary for overall management as appropriate and improve the management in cooperation with the Accounting Audit and Internal Audit Departments.

The Outside Audit & Supervisory Board Members attend meetings of the Audit & Supervisory Board and meetings between the President and the Outside Directors and Audit & Supervisory Board Members, which are regularly held. They provide remarks that are necessary from the standpoint of the Audit & Supervisory Board Members, confirm the job execution status of Directors, and ask questions about management measures.

The Company has the five Outside Directors, of the nine Directors in total, to check its management from an objective point of view, and its functioning is strengthened by having more than half of all the Directors being Outside Directors. In order to strengthen the auditing function over the Company's business execution, three of the five Audit & Supervisory Board Members are Outside Audit & Supervisory Board Members, and its functioning is strengthened by having more than half of all the Audit & Supervisory Board Members being Outside Audit & Supervisory Board Members.

The following is the Company's ideas about the election of Outside Directors and Outside Audit & Supervisory Board Members as of June 13, 2025 (the filing date of the Annual Securities Report).

<Outside Directors>

Name	Reasons for the election of the Outside Director
Mariko Tokuno	Mariko Tokuno possesses abundant experience and considerable insight, particularly in the fields of marketing/sales and global business, as a corporate manager. She has been utilizing this insight to furnish advice on the Company's general management from a managerial standpoint in addition to the standpoint of customers and employees, particularly regarding business execution, business strategy, and human resources strategy. Accordingly, in order to further enhance our management structure, the Company has elected her as an Outside Director. The Company appointed Mariko Tokuno as an independent officer, as provided for under the provisions of Tokyo Stock Exchange, Inc., and registered her as such with that exchange. Mariko Tokuno satisfies the requirements for Criteria for Determining Independence of the Company.
Shiro Sugata	Shiro Sugata possesses abundant experience and considerable insight, particularly in the fields of marketing/sales, IT/digital technology and global business as a corporate manager. He has been utilizing this insight to furnish advice on the Company's general management from a managerial standpoint, particularly regarding business execution, business strategy, increasing productivity, and cost structure reform. Accordingly, in order to further enhance our management structure, the Company has elected him as an Outside Director. The Company appointed Shiro Sugata as an independent officer, as provided for under the provisions of Tokyo Stock Exchange, Inc., and registered him as such with that exchange. Shiro Sugata satisfies the requirements for Criteria for Determining Independence of the Company.
Noriyuki Kuga	Noriyuki Kuga possesses abundant experience and considerable insight, particularly in the fields of personnel/labor management, finance/accounting and global business as a corporate manager. He has been utilizing this insight to furnish advice on the Company's general management from a managerial standpoint, particularly regarding business execution, financial strategy, and corporate governance. Accordingly, in order to further enhance our management structure, the Company has elected him as an Outside Director. The Company appointed Noriyuki Kuga as an independent officer, as provided for under the provisions of Tokyo Stock Exchange, Inc., and registered him as such with that exchange. Noriyuki Kuga satisfies the requirements for Criteria for Determining Independence of the Company.

Name	Reasons for the election of the Outside Director
Charles Yin	Charles Yin possesses abundant experience and considerable insight, particularly in the fields of marketing/sales, IT/digital technology and global business as a corporate manager. He has been utilizing this insight to furnish advice on the Company's general management from a managerial standpoint, particularly regarding business execution and global business strategy. Accordingly, in order to further enhance our management structure, the Company has elected him as an Outside Director. The Company appointed Charles Yin as an independent officer, as provided for under the provisions of Tokyo Stock Exchange, Inc., and registered him as such with that exchange. Charles Yin satisfies the requirements for Criteria for Determining Independence of the Company.
Junichiro Ikeda	Junichiro Ikeda possesses abundant experience and considerable insight, particularly in the fields of human resources and global business, as a corporate manager. He has been utilizing this insight to furnish advice on the Company's general management from a managerial standpoint, particularly regarding business execution, business strategy, and human resources strategy. Accordingly, in order to further enhance our management structure, the Company has elected him as Outside Director. The Company appointed Junichiro Ikeda as an independent officer, as provided for under the provisions of Tokyo Stock Exchange, Inc., and registered him as such with that exchange. Junichiro Ikeda satisfies the requirements for Criteria for Determining Independence of the Company.

<Outside Audit & Supervisory Board Members>

Name	Reasons for the election of the Outside Audit & Supervisory Board Member
Takashi Yamashita	The Company has elected Takashi Yamashita as an Outside Audit & Supervisory Board Member in order to draw on his expertise related to finance and accounting as a certified public accountant with respect to the Company's audit structure. The Company appointed Takashi Yamashita as an independent officer, as provided for under the provisions of Tokyo Stock Exchange, Inc., and registered him as such with that exchange. Takashi Yamashita satisfies the requirements for Criteria for Determining Independence of the Company.
Ryuji Matsuda	The Company has elected Ryuji Matsuda as an Outside Audit & Supervisory Board Member in order to draw on his sophisticated expertise as a lawyer with respect to the Company's audit structure. The Company appointed Ryuji Matsuda as an independent officer, as provided for under the provisions of Tokyo Stock Exchange, Inc., and registered him as such with that exchange. Ryuji Matsuda satisfies the requirements for Criteria for Determining Independence of the Company.
Setsuko Ino	The Company has elected Setsuko Ino as an Outside Audit & Supervisory Board Member in order to draw on her abundant experience and broad knowledge, particularly in the fields of finance and accounting, at other companies with respect to the Company's audit structure. The Company appointed Setsuko Ino as an independent officer, as provided for under the provisions of Tokyo Stock Exchange, Inc., and registered her as such with that exchange. Setsuko Ino satisfies the requirements for Criteria for Determining Independence of the Company.

Note: As agenda items (Matters to be resolved) at the Ordinary General Meeting of Shareholders of the Company to be held on June 20, 2025, the Company has proposed the "Election of Seven (7) Directors" and the "Election of One (1) Audit & Supervisory Board Member." If these agenda items are approved as proposed, the Company's Outside Directors and Outside Audit & Supervisory Board Members shall be as follows.

<Outside Directors>

Name	Reasons for the election of the Outside Director
Shiro Sugata	Shiro Sugata possesses abundant experience and considerable insight, particularly in the fields of marketing/sales, IT/digital technology and global business as a corporate manager. He has been utilizing this insight to furnish advice on the Company's general management from a managerial standpoint, particularly regarding business execution, business strategy, increasing productivity, and cost structure reform. Accordingly, in order to further enhance our management structure, the Company has elected him as an Outside Director. The Company appointed Shiro Sugata as an independent officer, as provided for under the provisions of Tokyo Stock Exchange, Inc., and registered him as such with that exchange. Shiro Sugata satisfies the requirements for Criteria for Determining Independence of the Company.
Noriyuki Kuga	Noriyuki Kuga possesses abundant experience and considerable insight, particularly in the fields of personnel/labor management, finance/accounting and global business as a corporate manager. He has been utilizing this insight to furnish advice on the Company's general management from a managerial standpoint, particularly regarding business execution, financial strategy, and corporate governance. Accordingly, in order to further enhance our management structure, the Company has elected him as an Outside Director. The Company appointed Noriyuki Kuga as an independent officer, as provided for under the provisions of Tokyo Stock Exchange, Inc., and registered him as such with that exchange. Noriyuki Kuga satisfies the requirements for Criteria for Determining Independence of the Company.
Charles Yin	Charles Yin possesses abundant experience and considerable insight, particularly in the fields of marketing/sales, IT/digital technology and global business as a corporate manager. He has been utilizing this insight to furnish advice on the Company's general management from a managerial standpoint, particularly regarding business execution and global business strategy. Accordingly, in order to further enhance our management structure, the Company has elected him as an Outside Director. The Company appointed Charles Yin as an independent officer, as provided for under the provisions of Tokyo Stock Exchange, Inc., and registered him as such with that exchange. Charles Yin satisfies the requirements for Criteria for Determining Independence of the Company.
Junichiro Ikeda	Junichiro Ikeda possesses abundant experience and considerable insight, particularly in the fields of human resources and global business, as a corporate manager. He has been utilizing this insight to furnish advice on the Company's general management from a managerial standpoint, particularly regarding business execution, business strategy, and human resources strategy. Accordingly, in order to further enhance our management structure, the Company has elected him as Outside Director. The Company appointed Junichiro Ikeda as an independent officer, as provided for under the provisions of Tokyo Stock Exchange, Inc., and registered him as such with that exchange. Junichiro Ikeda satisfies the requirements for Criteria for Determining Independence of the Company.
Tami Kihara	Tami Kihara possesses abundant experience and considerable insight, particularly in the fields of IT/digital/technology and human resources. We expect her to use this insight to furnish advice on the Company's general management from an expert standpoint, particularly regarding business execution, digital strategy, and human resources strategy. Accordingly, in order to further enhance our management structure, the Company has elected her as Outside Director. The Company appointed Tami Kihara as an independent officer, as provided for under the provisions of Tokyo Stock Exchange, Inc., and registered her as such with that exchange. Tami Kihara satisfies the requirements for Criteria for Determining Independence of the Company.

<Outside Audit & Supervisory Board Members>

Name	Reasons for the election of the Outside Audit & Supervisory Board Member
Ryuji Matsuda	The Company has elected Ryuji Matsuda as an Outside Audit & Supervisory Board Member in order to draw on his sophisticated expertise as a lawyer with respect to the Company's audit structure. The Company appointed Ryuji Matsuda as an independent officer, as provided for under the provisions of Tokyo Stock Exchange, Inc., and registered him as such with that exchange. Ryuji Matsuda satisfies the requirements for Criteria for Determining Independence of the Company.
Setsuko Ino	The Company has elected Setsuko Ino as an Outside Audit & Supervisory Board Member in order to draw on her abundant experience and broad knowledge, particularly in the fields of finance and accounting, at other companies with respect to the Company's audit structure. The Company appointed Setsuko Ino as an independent officer, as provided for under the provisions of Tokyo Stock Exchange, Inc., and registered her as such with that exchange. Setsuko Ino satisfies the requirements for Criteria for Determining Independence of the Company.
Akihito Terada	The Company has elected Akihito Terada as an Outside Audit & Supervisory Board Member in order to draw on his expertise related to finance and accounting as a certified public accountant with respect to the Company's audit structure. The Company appointed Akihito Terada as an independent officer, as provided for under the provisions of Tokyo Stock Exchange, Inc., and registered him as such with that exchange. Akihito Terada satisfies the requirements for Criteria for Determining Independence of the Company.

For electing the Outside Directors and Outside Audit & Supervisory Board Members, the Company has established the following original criteria for determining their independence from the Company, based on the Criteria for Determining Independence shown by Tokyo Stock Exchange, Inc.

The Company has appointed all of the Outside Directors and Outside Audit & Supervisory Board Members as independent officers, as provided for under the provisions of the Tokyo Stock Exchange, Inc., and registered them as such with that exchange.

<Criteria for Determining Independence>

A party with respect to whom any of the following apply shall be deemed as not having met the requirements of independence for an Outside Director or Outside Audit & Supervisory Board Member of the Company.

A. A party who is a major business partner[*1] of either the Company or a Group company (hereinafter collectively referred to as the "Company"), or otherwise if such party is a corporation or other such entity, a person who executes business thereof;
B. A major business partner[*2] of the Company, or otherwise if such party is a corporation or other such entity, a person who executes business thereof;
C. A consultant, accounting professional or legal professional who receives substantial monetary consideration and/or other economic benefits[*3] from the Company besides officer remuneration;
D. A consultant, accounting professional, legal professional or other such professional who is a member of a corporation or other such entity[*4] that provides professional services acting as a major business partner of the Company;
E. A major shareholder[*5] of the Company, or otherwise if such major shareholder is a corporation or other such entity, a person who executes business thereof;
F. A recipient of donations[*6] from the Company or a person who executes business thereof;
G. A party who fell under (A) through (F) above in the past three years;
H. A CPA or member of an audit corporation that served as the accounting auditor of the Company in the past three years;
I. A person who served in the past ten years as a Director (excluding Outside Director), Audit & Supervisory Board Member (excluding Outside Audit & Supervisory Board Member), Executive Officer, or employee of the Company;
J. A close relative[*8] of a person (limited to significant persons[*7]) who falls under any of the above.

*1 This refers to a business partner whose transaction amount in the most recent fiscal year exceeds 2% of the annual consolidated operating revenue of such group.

*2 This refers to a business partner whose transaction amount in the most recent fiscal year exceeds 2% of the Company's annual consolidated operating revenue, or a financial institution whose financing to the Company in the most recent fiscal year exceeds 2% of the Company's consolidated total assets.

*3 This refers to monetary consideration and/or other economic benefits that exceed 10 million yen per annum in the most recent fiscal year.

*4 This refers to a corporation or other such entity that has received payments from the Company that make up 2% or more of the consolidated operating revenue of the said corporation or other such entity on average in the past three fiscal years.

*5 This refers to a person or corporation who directly or indirectly holds voting rights that constitute 10% or more of all voting rights of the Company.

*6 In the event that the donation exceeds 10 million yen in one fiscal year or if the party receiving the donation is a corporation, this refers to donations that exceed 2% of the annual operating revenue of the said party in the most recent fiscal year.

*7 "Significant person" refers to Directors (excluding Outside Directors), executive officers (Shikkoyaku), executive officers (Shikkoyakuin), and other persons who execute business in positions of general manager or above; certified public accountants belonging to audit corporations or accounting offices; attorneys at law belonging to legal professional corporations or law firms; and other persons objectively and reasonably deemed to be in positions of similar importance.

*8 A spouse or a relative within the second-degree of kinship.

(3) Information about Audits

i) Information about audits by Audit & Supervisory Board Members

A. Organization, staff, and procedures of audits by Audit & Supervisory Board Members

The Audit & Supervisory Board is comprised of two Full-time Audit & Supervisory Board Members and three Outside Audit & Supervisory Board Members as of the filing date of the Annual Securities Report. Yoshito Shoji, Full-time Audit & Supervisory Board Member, possesses considerable insight into finance and accounting related matters through his many years of experience in group financial accounting. Takashi Yamashita, Outside Audit & Supervisory Board Member, possesses considerable insight into finance and accounting related matters through his services as a certified public accountant. Ryuji Matsuda, Outside Audit & Supervisory Board Member, possesses considerable insight into finance and accounting related matters through his services as an attorney. Setsuko Ino, Outside Audit & Supervisory Board Member, possesses considerable insight into finance and accounting related matters through her rich experience mainly in the fields of finance and accounting at other companies.

As an agenda item (Matter to be resolved) at the Ordinary General Meeting of Shareholders of the Company to be held on June 20, 2025, the Company has proposed the "Election of One (1) Audit & Supervisory Board Member," due to the expiration of the term of office of Takashi Yamashita, the current Outside Audit & Supervisory Board Member. If the agenda item is approved as proposed, the Audit & Supervisory Board shall continue to be comprised of two (2) Full-time Audit & Supervisory Board Members and three (3) Outside Audit & Supervisory Board Members. Akihito Terada, who is scheduled to serve as a new Outside Audit & Supervisory Board Member, possesses considerable insight into finance and accounting related matters through his services as a certified public accountant. In addition, the Company has assigned a dedicated person who supports the Audit & Supervisory Board Members to ensure a system where their audit work is executed smoothly.

The Audit & Supervisory Board Members attend the Board of Directors meetings and other important meetings and oversee the execution of duties by the Directors in accordance with the audit policy, allocation of work, etc., thereby enhancing sound management and social trust in the Company. The Audit & Supervisory Board Members hold Group Audit & Supervisory Board Members' Liaison Meetings once a month and discuss the audit policy and method with the full-time audit & supervisory board members of the Group's major business companies, exchange information, and strengthen the relationships with them. They also hold monthly reporting sessions with internal auditors and exchange information with them. The Audit & Supervisory Board Members maintain independence from the Accounting Auditor and monitor and verify whether they implemented appropriate audits, and they receive reports from the Accounting Auditor regarding the performance of their duties and seek explanations as necessary.

B. Activities of Audit & Supervisory Board Members and Audit & Supervisory Board

In the fiscal year under review, the Audit & Supervisory Board held 19 meetings, made 13 resolutions (about the audit plan, the audit report, agenda items on the election of Audit & Supervisory Board Members at the General Meeting of Shareholders, evaluated reappointing the Accounting Auditor, and other items) and issued 37 reports (details of the reports based on the whistleblowing system, the status of implementing the internal audit, the operational status of the internal control system, and others) throughout the year. Each meeting lasted about 78 minutes on average. The following shows the attendance records of the Audit & Supervisory Board Members.

Title	Name	Attendance at Audit & Supervisory Board meetings
Full-time Audit & Supervisory Board Member	Tsutomu Sasaki	19 of 19 meetings (100%)
Full-time Audit & Supervisory Board Member	Yoshito Shoji	19 of 19 meetings (100%)
Outside Audit & Supervisory Board Member	Takashi Yamashita	17 of 19 meetings (89%)

Title	Name	Attendance at Audit & Supervisory Board meetings
Outside Audit & Supervisory Board Member	Ryuji Matsuda	17 of 19 meetings (89%)
Outside Audit & Supervisory Board Member	Setsuko Ino	15 of 15 meetings (100%)
Outside Audit & Supervisory Board Member	Yoshihide Shimoyama	4 of 4 meetings (100%)

* The attendance at Audit & Supervisory Board meetings of Setsuko Ino, Outside Audit & Supervisory Board Member, is her attendance at the Audit & Supervisory Board meetings that were held after her appointment on June 21, 2024. The attendance at Audit & Supervisory Board meetings of Yoshihide Shimoyama, Outside Audit & Supervisory Board Member, is his attendance at the Audit & Supervisory Board meetings that were held before his retirement on June 21, 2024.

The Audit & Supervisory Board set the following as its significant audit items: the status of decision making by Directors, the internal control systems, the status of initiatives to reinforce Group companies' management, the compliance and risk management systems, the information management systems, and the status of decision-making by Directors and operation of the internal control systems in the context of initiatives for the "Sustainability Transformation 2030 —1st Stage—" Medium-term Management Plan, etc. In addition, the Audit & Supervisory Board received detailed explanation for the results of the impairment test for Yamato Transport Co., Ltd.'s non-current assets and valuation of shares of the Company's subsidiaries and associates, which were recognized as Key Audit Matters (KAMs) for the fiscal year ended March 31, 2025, from the finance department and the Accounting Auditor and asked them questions. The Audit & Supervisory Board Members attended the Board of Directors meetings, oversaw the proceedings of management and the resolutions, and expressed their opinions as necessary. The total attendance rate was 98% (100% for the Full-time Audit & Supervisory Board Members and 96% for the Outside Audit & Supervisory Board Members). The Audit & Supervisory Board held semi-annual meetings to exchange opinions with the President and exchanged opinions based on the audit reports and audit findings. It also received reports from Directors, Executive Officers, and general managers in charge of business departments and exchanged opinions with them as necessary.
The Full-time Audit & Supervisory Board Members attended meetings of the Management Committee and other important meetings. The Full-time and Outside Audit & Supervisory Board Members exchanged opinions with the representative directors of Group companies as necessary.

ii) Information about internal audits

The Company has established the Internal Audit Department as an independent organization. Under the internal audit supervisor of the Company, there are 171 internal auditors within the Group. According to the annual audit plan, they conduct audits using a risk-based approach aimed at mitigating risks throughout the Group. As for audit results, the Company has established a dual-reporting structure, including monthly reports to the President and Audit & Supervisory Board Members as well as regular reports to the Board of Directors and the Audit & Supervisory Board. The Company holds regular Group internal audit meetings to discuss audit policies and problems and improvement proposals based on audit results. The Company also makes efforts to improve and maintain the effectiveness of internal control over financial reporting in cooperation with the internal control departments of Group companies. In addition, internal auditors, Audit & Supervisory Board Members, and the Accounting Auditor regularly exchange information with each other on audit plans and audit results. They also attend each other's audits. The Company is thus working to strengthen coordination in its three-pillar audit system for effective audits.

iii) Information about accounting audits

A. Name of audit firm
Deloitte Touche Tohmatsu LLC

B. Years of continuous auditing
Since 1983

C. Certified public accountants who executed the audit duties
Designated Engagement Partner CPA Michiyuki Yamamoto
Designated Engagement Partner CPA Shinji Seki
Designated Engagement Partner CPA Yusuke Kumei

D. Composition of assistants who supported audit duties

The auditing team for the Company includes 17 other CPAs and 35 other assistants.

E. Policy and reason for appointing audit firm

The Company comprehensively takes into account the capabilities of the Accounting Auditor to properly react to the Company's business size, diversification and internationalization of its business domains in line with the development of Group management and environmental changes, such as revisions to the laws, orders, and criteria with respect to accounting. And it evaluates the Accounting Auditor according to the evaluation criteria for selecting and reappointing or not reappointing the Accounting Auditor set by the Audit & Supervisory Board. Based on the above, the Company confirms the Accounting Auditor's quality control system, independence, and expertise before electing the Accounting Auditor.

Moreover, the Audit & Supervisory Board evaluates whether the election of the Accounting Auditor is proper or not according to the criteria for the election and reappointment or not of the Accounting Auditor.

If the Company's Audit & Supervisory Board recognizes a fact about the Accounting Auditor, as the Company's accounting auditor, that falls under the matters prescribed in each item of Article 340, paragraph (1) of the Companies Act, it shall deliberate on the dismissal of the Accounting Auditor based on that fact and shall dismiss the Accounting Auditor if there is consent from all members of the Audit & Supervisory Board.

If the Company's Audit & Supervisory Board recognizes a fact deemed to show that the audit quality and other standards of the Accounting Auditor, as the Company's accounting auditor, are insufficient for performing audit services, it shall deliberate on the non-reappointment of the Accounting Auditor based on that fact and shall resolve an agenda item for the non-reappointment of the Accounting Auditor to be submitted to the General Meeting of Shareholders.

The details of the criteria for the election of the Accounting Auditor are as follows.

(Details of criteria for election of Accounting Auditor)

a. Overview of audit firm

b. Audit implementation system, etc.

c. Estimated audit fee amount

F. Evaluation of audit firm by the Audit & Supervisory Board and its Members

The Audit & Supervisory Board has set the criteria for electing and reappointing or not reappointing the Accounting Auditor. According to the criteria, the Audit & Supervisory Board monitors and verifies whether the Accounting Auditor maintains independence and implement appropriate audits and receives reports from the Accounting Auditor regarding the performance of their duties and carries out evaluations after seeking explanations as necessary. In addition, the Audit & Supervisory Board received notice from the Accounting Auditor that "the system for ensuring that duties are performed correctly" (matters set forth in each item of Article 131 of the Regulations on Corporate Accounting) is organized in accordance with the "product quality management standards regarding audits" (Business Accounting Council) and other relevant standards and sought explanations as necessary.

As a result, the Audit & Supervisory Board has reappointed the Accounting Auditor of the Company after comprehensively evaluating and considering the audit quality, independence and expertise of the audit firm, as well as the effectiveness of communication with the Audit & Supervisory Board Members and senior executives, etc.

The details of the criteria for the reappointment or non-reappointment of the Accounting Auditor are as follows.

(Details of criteria for reappointment or non-reappointment of an Accounting Auditor)

a. Quality control of audit firm

b. Independence and expertise of the audit team

c. Estimated audit fee amount, etc.

d. Communication with Audit & Supervisory Board Members, etc.

e. Relationships with corporate managers, etc.

f. Group audits

g. Handling of fraud risk

iv) Details of audit fees and other matters

A. Audit fees paid to auditing certified public accountants, etc.

Classification	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025	
	Fees for audit certification services (Millions of yen)	Fees for non-audit services (Millions of yen)	Fees for audit certification services (Millions of yen)	Fees for non-audit services (Millions of yen)
Reporting Company	84	9	96	3
Consolidated subsidiaries	197	–	207	1
Total	281	9	304	5

The details of the non-audit services at the Company included the provision of lectures at training sessions for employees, etc. for both the fiscal year ended March 31, 2024, and that ended March 31, 2025.

The details of the non-audit services at consolidated subsidiaries for the fiscal year ended March 31, 2025 included advice, guidance, etc. on the translation of their non-consolidated financial statements and audit reports.

B. Remuneration to the same network (Deloitte) as the auditing CPAs, etc.
(Excluding A.)

Classification	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025	
	Fees for audit certification services (Millions of yen)	Fees for non-audit services (Millions of yen)	Fees for audit certification services (Millions of yen)	Fees for non-audit services (Millions of yen)
Reporting Company	–	14	–	6
Consolidated subsidiaries	139	56	152	168
Total	139	70	152	174

The details of the non-audit services at the Company included support services for preparation for liquidation procedures, etc. for the fiscal year ended March 31, 2024, and advice on the introduction of the Group Tax Sharing System, etc. for the fiscal year ended March 31, 2025.

The details of the non-audit services at consolidated subsidiaries included the tax advisory service related to overseas subsidiaries for the fiscal year ended March 31, 2024, and the advisory service related to new product development for the fiscal year ended March 31, 2025.

C. Details of fees for other significant audit certification services

Among the Company's subsidiaries, Nakano Shokai Co., Ltd. is audited by an audit corporation other than the Company's Accounting Auditor.

D. Policy on determining audit fees

The Company determined audit fees to the auditing CPAs and others after considering the number of days needed for audits, the Company's business size and characteristics, and others.

E. Reason for the Audit & Supervisory Board's consent to fees for Accounting Auditor

The Audit & Supervisory Board agreed with the audit fees to the Accounting Auditor according to Article 399, paragraph (1) of the Companies Act after it made the necessary inspection of the details of the Accounting Auditor's audit plans, implementation status of their accounting audits, grounds for calculating estimated fee amounts, and other factors.

(4) Remuneration for Directors (and other officers)

i) Total amount of remuneration by category of Directors (and other officers) and by type of remuneration as well as the number of eligible Directors (and other officers)

Categories of Directors (and other officers)	Total amount of remuneration, etc. (Millions of yen)	Total amount by type of remuneration (Millions of yen)				Number of eligible Directors (and other officers) (Persons)
		Basic remuneration	Short-term performance-linked remuneration	Medium- to long-term performance-linked stock compensation*	Of the left, non-monetary remuneration, etc.	
Directors	196	130	36	29	29	3
Outside Directors	77	77	–	–	–	6
Audit & Supervisory Board Members	49	49	–	–	–	2
Outside Audit & Supervisory Board Members	33	33	–	–	–	4

Note: The amount of expenses recorded for share delivery points during the fiscal year under review.

ii) Total amount of remuneration, etc. to those whose total remuneration, etc. was 100 million yen or more

Name	Total amount of remuneration, etc. (Millions of yen)	Category of Directors (or other officers)	Category of companies	Total amount by type of remuneration (Millions of yen)			
				Basic remuneration	Short-term performance-linked remuneration	Medium- to long-term performance-linked stock compensation*	Of the left, non-monetary remuneration, etc.
Yutaka Nagao	111	Director	Reporting Company	71	21	19	19

Note: The amount of expenses recorded for share delivery points during the fiscal year under review.

iii) Policy for determining performance-linked remuneration (variable remuneration)

The short-term performance-linked remuneration (variable) is based on the basic remuneration (fixed) determined by position, with a proportion set for each position and a standard amount set. Then the amount of the payment for each individual is determined within the range of 0% to 150% of the standard amount, depending on the Company's achievement rate of performance indicators and the mission assessment of each individual. The performance indicators are consolidated operating revenue, consolidated operating profit, and profit attributable to owners of parent.

The medium- to long-term performance-linked stock compensation (variable) is based on the basic remuneration (fixed) determined by position, with a proportion set for each position and a standard amount set. Then the amount of the payment for each individual is determined within the range of 0% to 150% of the standard amount, depending on the Company's achievement rate of performance indicators and the mission assessment of each individual. The performance indicators are ROE, TSR, and ESG indicators. One point per share is granted each fiscal year as the number of points obtained by dividing the amount of medium- to long-term performance-linked Stock Compensation (variable) by the average closing price of the Company's shares on the Tokyo Stock Exchange during the month preceding the fiscal year in which the Medium-term Management Plan is initiated.

The above indicators for performance-linked remuneration are used to better link remuneration to corporate performance and also to achieve greater transparency and objectivity.

The Company has calculated the annual amount of performance-based remuneration based on these results and then converted that result to a monthly amount, which is applied to the period extending from July 2024 through June 2025.

<Formula for calculating performance-linked remuneration>

Variable remuner-ation	Performance indicator	Indicator rate for each Director	Actual (Unit: 100 million yen)	Target (Unit: 100 million yen)	Achievement rate
Short-term perfor-mance indicator	i. The Group's consolidated operating revenue	○ 30%	17,586	18,600	94.5%
	ii. The Group's consolidated operating profit	○ 30%	401	800	50.1%
	iii. The Group's consolidated profit	○ 30%	376	500	75.3%
	iv. Mission evaluation (individual)	○ 10%	–		

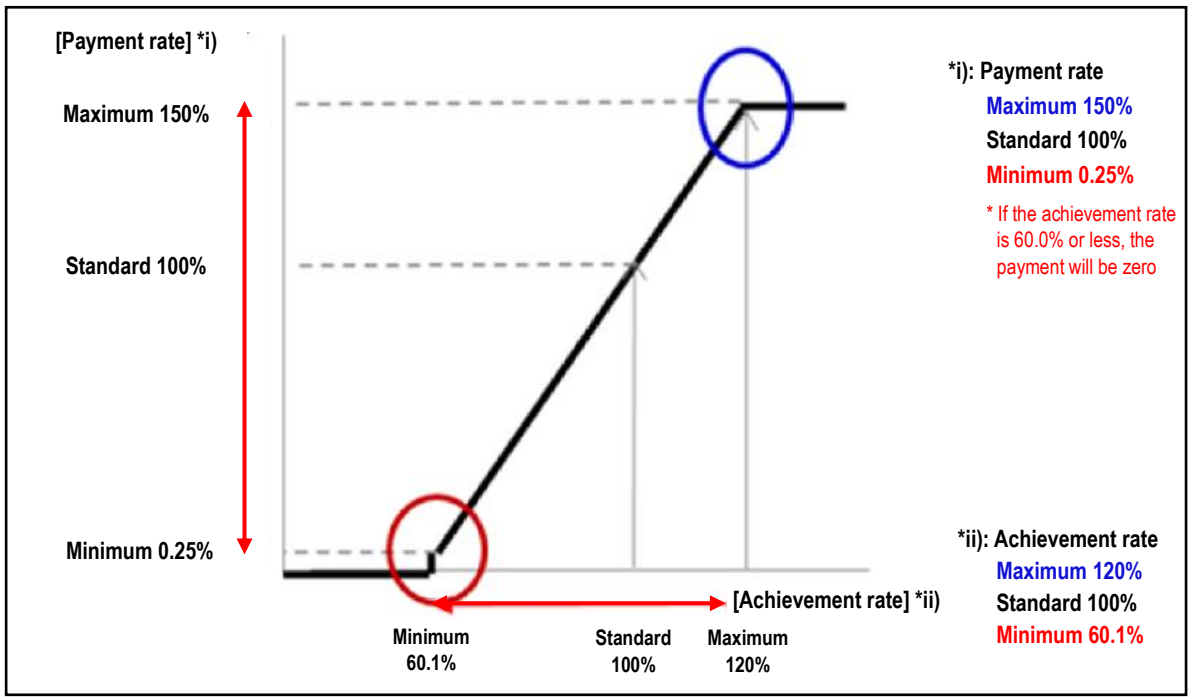
[(i. Achievement rate × 0.3 + ii. Achievement rate × 0.3 + iii. Achievement rate × 0.3) + Mission evaluation (individual) 10% maximum]

Variable remuner-ation	Performance indicator	Details	Indicator rate for each Director	Actual	Target	Achievement rate
Medium- to long-term perfor-mance indicator	i. ROE	–	○ 40%	6.3%	8.1%	77.8%
	ii. TSR	Relative TSR (Index compared to TSR: Dividend-included TOPIX)	○ 30%	97.1% (Dividend-included TOPIX: 141.3%)	100%	68.7%
	iii. ESG indicators	Greenhouse gas emissions single-year target *10% reduction from FY2020	○ 20%	(10.6)%	(10)%	106.0%
	iv. Medium- to long-term innovative action targets	Mission evaluation (individual)	○ 10%	–		

[(i. Achievement rate × 0.4 + ii. Achievement rate × 0.3 + iii. Achievement rate × 0.2) + Mission evaluation (individual) 10% maximum]

With the initiation of the Yamato Group Medium-Term Management Plan "Sustainability Transformation 2030 —1st Stage—," to aim to penetrate management more focusing on capital efficiency, based on a report from a discussion by the Nomination and Compensation Committee, we have added ROIC to the mid- to long-term performance indicators since April 1, 2024.
Additionally, in order to make it possible to further fuel motivation with respect to achieving performance targets, generating medium- to long-term corporate value, and attaining sustainable growth, we have revised the fixed/variable ratio of variable remuneration. This revision will be applied from July 2025 to June 2026.

<Reference: Relationship between target achievement rate and payment rate>



Achievement rate on short-term performance indicator in the fiscal year ended March 31, 2025: 66.0%
(i. 94.5%×0.3 + ii. 50.1%×0.3 + iii. 75.3%×0.3)
Achievement rate on medium- to long-term performance indicator in the fiscal year ended March 31, 2025: 72.9%
(i. 77.8%×0.4 + ii. 68.7%×0.3 + iii. 106.0%×0.2)

iv) Resolution of the General Meeting of Shareholders on remuneration and other compensation for Audit & Supervisory Board Members and Directors

A resolution of the General Meeting of Shareholders to determine remuneration for the Company's Directors was approved on June 23, 2020. Accordingly, it was resolved that remuneration for Directors shall amount to not more than 431 million yen per year (of which, up to 109 million yen is to be allocated to Outside Directors), and short-term and mid- to long-term performance-based remunerations paid to Directors (excluding Outside Directors) shall amount to not more than 245 million yen and 173 million yen per year, respectively. The Company has deemed that these are competitive remuneration levels for recruiting and retaining talented persons amid its rapidly changing business environment. The Company furthermore seeks to contend with developments that include an increase in Director's responsibilities along with the Company having increased its number of Directors and Audit & Supervisory Board Members with the aims of achieving transparency and vigor of Board of Director's operations and enhancing management oversight. There were nine (9) Directors on the Company's Board of Directors upon approval of the resolution. Meanwhile, remuneration for Audit & Supervisory Board Members was set at an amount of up to 8.00 million yen per month at the General Meeting of Shareholders held on June 29, 1994. The Company had four (4) Audit & Supervisory Board Members upon approval of the resolution.

v) Policy, etc. on making decisions on content of officer remuneration and other compensation

A. Basic policy

The Company determines matters regarding remuneration for the Company's Directors based on the following considerations.

○ Competitive remuneration levels

• The remuneration level shall reward Officers for their roles, responsibilities and business performance and shall be appropriate for securing talented persons.

○ Remuneration system that places emphasis on increasing corporate value and shareholder value

• The remuneration system shall be linked to business performance and furthermore serve as motivation for achieving performance targets.

• The remuneration structure shall be linked to medium- to long-term corporate value and furthermore encourage a sense of common interests with shareholders.

○ Fairness and impartiality of the remuneration system

• The process of determining remuneration shall be objective and highly transparent.

B. Remuneration structure

The Company's remuneration for Directors consists of basic remuneration (fixed), short-term performance-linked remuneration (variable) and medium- to long-term performance-linked stock compensation (variable), considering the remuneration level at other companies and other factors. In addition, remuneration for Audit & Supervisory Board Members and Outside Officers consists exclusively of basic remuneration due to the nature of their functional roles.

C. Policy for determining basic remuneration (fixed)

Basic remuneration (fixed) is determined in accordance with rank and title and based on responsibilities, upon having considered remuneration levels at other companies and other such factors.

D. Policy for determining mix of remuneration and other compensation types for individual Directors

The mix of remuneration types is such that the higher a Director's position, the more weight assigned to performance-linked remuneration. The Company has opted for this approach upon having taken into account remuneration levels at other companies, in part because this approach makes it possible to furthermore fuel motivation with respect to achieving performance targets, generating medium- to long-term corporate value, attaining sustainable growth, and also because the Company seeks to offer remuneration levels competitive for recruiting and retaining talented persons.

E. Timing of delivery and conditions

The Company pays its basic remuneration (fixed) and short-term performance-linked remuneration (variable) as monetary sums on a monthly basis encompassing twelve equal installments annually. The medium- to long-term performance-linked stock compensation (variable) will be granted once a year in the form of points around June, which will be distributed at the time of retirement in accordance with the Regulations on Share-based Remuneration for Officers with the accumulated points up to the time of retirement being converted into one share per point.

vi) Authority for decisions on remuneration and other compensation for individual Directors

On the basis of policy for decisions resolved by the Board of Directors, the Company decides the amounts of basic remuneration (fixed), short-term performance-linked remunerations (variable), and medium- to long-term performance-linked stock compensation (variable) for individual Directors by judging in advance the amounts to be set in accordance with said policy for decisions upon having taken into consideration the amount of remuneration for individual Directors and details of calculation of such amount discussed and reported by the Nomination and Compensation Committee, where Independent Outside Directors occupy the majority of its members and which is chaired by one of the Outside Directors, so that it will assess each of the Directors while taking factors such as Company-wide business results into consideration.

vii) Others

A certain percentage of the monetary remuneration shall be allocated to the purchase of shares of the Company through the Officers and Executives' Shareholding Association. In order to implement a process with high objectivity and transparency for activities of the Nomination and Compensation Committee to decide remuneration and other compensation for individual Directors in the fiscal year ended March 31, 2025, the Company held 12 meetings of the Nomination and Compensation Committee, and the decision was made by the Board of Directors upon having taken into consideration the amount of remuneration for individual Directors and details of calculation of such amount based on the Policy for determining remuneration and other compensation for individual Directors.

(5) Status of Shareholdings

i) Standards and approach to investment share classification

The Company classifies shares owned purely for investment purposes as those held solely for the purpose of receiving profit from a change in their value or from their dividends. Among investment shares owned for any purpose other than a pure investment purpose, the Company classifies shares it deems to be significant for holding, having taken into account comprehensively their relationship with the Group's business developments, profitability, possibility for creating business opportunities, and other factors from medium and long-term perspectives.

ii) Investment shares owned for any purpose other than a pure investment purpose

A. Shareholding policies, method of verification of reasonableness for shareholdings, and the Board of Directors' examination on appropriateness of shareholdings of individual issues

The Company has a policy that it holds shares it deems to be significant for holding, having taken into account comprehensively their relationship with the Group's business developments, profitability, possibility for creating business opportunities, and other factors from medium and long-term perspectives.

Each year, the Board of Directors examines the benefits and risks associated with holding them, quantitatively and qualitatively, and determines whether or not to continue holding them on the basis of trading performance, market prices, and other factors. The Company reduces the shareholdings if it has found poor holding significance as a result of the examination.

During the fiscal year ended March 31, 2025, at the Board of Directors meeting held on December 19, 2024, the Company examined the trading-related profit, dividend income, and evaluation difference amounts, verified their relationship with the Group's business developments and possibility to create future business opportunities from medium to long-term perspectives, and comprehensively determined whether or not to continue holding those shares. The Company plans to reduce the number of shares it deemed to be of poor holding significance while taking into account the possible impact on the market.

During the fiscal year ended March 31, 2025, the Company sold the shares of five issues (part of the shares of two issues).

B. Number of issues and carrying amount on balance sheet

	Number of issues (Issues)	Total carrying amount on balance sheet (Millions of yen)
Unlisted shares	9	1,724
Shares other than those not listed	17	16,642

(Issues whose number of shares increased during the fiscal year under review)

Not applicable

(Issues whose number of shares decreased during the fiscal year under review)

	Number of issues (Issues)	Total sale amount associated with decrease in number of shares (Millions of yen)
Unlisted shares	–	–
Shares other than those not listed	5	14,600

C. Information on the number of shares and carrying amount on balance sheet by issue of specified investment shares

Specified investment shares

Issue name	Fiscal year ended March 31, 2025 Number of shares (Shares) Carrying amount on balance sheet (Millions of yen)	Fiscal year ended March 31, 2024 Number of shares (Shares) Carrying amount on balance sheet (Millions of yen)	Holding purpose, reason for increase in number of shares, and quantitative holding effect[*1]	Holding or non-holding of Company shares
ANA HOLDINGS INC.	1,305,500 3,602	1,305,500 4,190	For maintaining and developing the transportation network	Yes
Isetan Mitsukoshi Holdings Ltd.	906,000 1,938	906,000 2,260	For maintaining and developing medium and long-term business relationships in the Express business, etc.	No[*6]
Mizuho Financial Group, Inc.	465,628 1,886	465,628 1,418	For conducting stable and smooth financial transactions	No[*6]
SEINO HOLDINGS CO.,LTD.	802,000 1,849	802,000 1,696	For maintaining and developing the transportation network	Yes
Sumitomo Mitsui Financial Group, Inc.[*2]	400,179 1,518	133,393 1,188	For conducting stable and smooth financial transactions	No[*6]
Nippon Yusen Kabushiki Kaisha[*3]	251,040 1,235	618,600 2,519	For maintaining and developing the transportation network	Yes
NIPPON EXPRESS HOLDINGS, INC.[*2]	413,100 1,123	137,700 1,064	For maintaining and developing the transportation network	Yes
Dai Nippon Printing Co., Ltd.[*2]	452,000 958	226,000 1,055	For maintaining and developing medium and long-term business relationships in the Express business, etc.	Yes
Kewpie Corporation	245,000 715	245,000 693	For maintaining and developing medium and long-term business relationships in the Express business, etc.	Yes
ENEOS Holdings, Inc.	535,000 418	535,000 391	For facilitating business activities through stable supply	No
Oisix ra daichi Inc.	219,700 294	219,700 286	For maintaining and developing medium and long-term business relationships in the Express business, etc.	No
Rengo Co., Ltd.	360,000 285	360,000 421	For facilitating business activities through stable supply	Yes
Sompo Holdings, Inc.[*2]	59,850 270	19,950 190	For facilitating insurance transactions, etc. needed for business activities	No[*6]
KAJIMA CORPORATION[*3]	80,750 246	161,500 504	For facilitating business activities through stable supply	Yes
Mirairo Inc.[*2,4]	200,000 135	2,000 5	For promoting sustainability initiatives	No

Issue name	Fiscal year ended March 31, 2025 Number of shares (Shares) Carrying amount on balance sheet (Millions of yen)	Fiscal year ended March 31, 2024 Number of shares (Shares) Carrying amount on balance sheet (Millions of yen)	Holding purpose, reason for increase in number of shares, and quantitative holding effect*1	Holding or non-holding of Company shares
Suzuki Motor Corporation*2	67,200 121	16,800 116	For maintaining and developing medium and long-term business relationships in the Global business, etc.	Yes
MITSUMURA PRINTING Co., Ltd.	31,728 41	31,728 52	For facilitating business activities through stable supply	Yes
Palantir Technologies Inc.*5	– –	1,075,268 3,746	For accelerating digital data-driven management	No
Rakuten Group, Inc.*5	– –	208,000 176	For maintaining and developing medium and long-term business relationships in the Express business, etc.	No*6
RAKSUL INC.*5	– –	78,200 84	For maintaining and developing the transportation network	No

*1 The outline of the business alliance, etc. is in line with the holding purpose. In addition, the quantitative shareholding effect is not described because it falls under business confidentiality. At the Board of Directors meeting held on December 19, 2024, the Company examined the trading-related profit, dividend income, and evaluation difference amounts, verified their relationship with the Group's business developments and possibility to create future business opportunities from medium- to long-term perspectives, and comprehensively determined whether or not to continue holding those shares.

*2 The increase in the number of shares is due to a stock split.

*3 The Company sold part of the shares during the fiscal year ended March 31, 2025.

*4 Newly listed in March 2025.

*5 The Company sold the shares during the fiscal year ended March 31, 2025.

*6 The issuing company of the shares held by the Company does not hold any shares in the Company; however, one or more of its subsidiaries do.

iii) Investment shares owned for a pure investment purpose
Not applicable

iv) Investment shares whose purpose was changed from a pure investment purpose to any other purpose during the fiscal year ended March 31, 2025
Not applicable

v) Investment shares whose purpose was changed from any other purpose other than a pure investment purpose to a pure investment purpose during the four fiscal years prior to, and including, the fiscal year ended March 31, 2025
Not applicable

V. Financial Information

1. Preparation of the consolidated financial statements and non-consolidated financial statements

(1) The consolidated financial statements of the Company are prepared in accordance with the "Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements" (Ministry of Finance Order No. 28 of 1976).

(2) The non-consolidated financial statements of the Company are prepared in accordance with the "Regulation on Terminology, Forms, and Preparation Methods of Financial Statements" (Ministry of Finance Order No. 59 of 1963 ("Regulation on Financial Statements")).
The Company is a company filing non-consolidated financial statements prepared in accordance with special provisions and prepares non-consolidated financial statements pursuant to Article 127 of the Regulation on Financial Statements.

2. About audit certificate

Pursuant to the provisions of Article 193-2, paragraph (1) of the Financial Instruments and Exchange Act, the consolidated financial statements of the Company for the fiscal year (April 1, 2024 to March 31, 2025) and the non-consolidated financial statements for the 160th fiscal year of the Company (April 1, 2024 to March 31, 2025) were audited by Deloitte Touche Tohmatsu LLC.

3. About special initiatives to secure the adequacy of the consolidated financial statements, etc.

The Company implements special initiatives to secure the adequacy of the consolidated financial statements, etc. Specifically, the Company joins the Financial Accounting Standards Foundation to prepare a system that can adequately grasp the details of the financial accounting standards and other matters and properly respond to changes therein.

1. Consolidated Financial Statements, etc.

(1) Consolidated Financial Statements

i) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	195,061	208,654
Notes and accounts receivable - trade, and contract assets	*1 212,094	*1 219,762
Accounts receivable - installment	52,787	56,415
Merchandise and finished goods	97	645
Work in process	212	245
Raw materials and supplies	1,723	2,507
Other	35,977	34,433
Allowance for doubtful accounts	(1,599)	(1,505)
Total current assets	496,353	521,160
Non-current assets		
Property, plant and equipment		
Buildings and structures	402,346	417,200
Accumulated depreciation	(236,813)	(239,331)
Buildings and structures, net	165,533	*4 177,869
Machinery and equipment	77,705	78,092
Accumulated depreciation	(59,406)	(60,965)
Machinery and equipment, net	18,299	17,126
Vehicles	192,889	183,306
Accumulated depreciation	(163,716)	(153,909)
Vehicles, net	29,173	29,397
Land	175,187	*4 177,705
Leased assets	51,085	59,428
Accumulated depreciation	(15,528)	(15,045)
Leased assets, net	35,556	44,382
Construction in progress	17,147	12,293
Other	62,291	66,260
Accumulated depreciation	(48,436)	(50,680)
Other, net	13,855	15,580
Total property, plant and equipment	454,753	474,354
Intangible assets		
Software	36,653	33,133
Goodwill	–	15,827
Customer-related intangible assets	–	25,853
Other	4,562	7,760
Total intangible assets	41,215	82,574

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Investments and other assets		
Investment securities	*2 50,867	*2 48,689
Long-term loans receivable	5,107	3,136
Leasehold deposits	23,255	31,509
Retirement benefit asset	45,887	47,029
Deferred tax assets	63,277	57,202
Other	3,342	3,444
Allowance for doubtful accounts	(2,278)	(1,672)
Total investments and other assets	189,458	189,339
Total non-current assets	685,428	746,268
Total assets	1,181,782	1,267,428
Liabilities		
Current liabilities		
Notes and accounts payable - trade	164,073	173,474
Short-term borrowings	10,181	14,325
Lease liabilities	5,868	7,195
Income taxes payable	8,369	14,968
Deferred installment income	5,163	5,669
Provision for bonuses	32,280	31,369
Other	*3 119,968	*3 107,637
Total current liabilities	345,905	354,639
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	20,818	*4 86,258
Lease liabilities	35,659	46,016
Deferred tax liabilities	535	2,179
Retirement benefit liability	148,964	128,589
Provision for share awards for directors (and other officers)	328	427
Provision for special repairs	–	3,277
Other	17,589	25,688
Total non-current liabilities	243,896	312,437
Total liabilities	589,801	667,077

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Net assets		
Shareholders' equity		
Share capital	127,234	127,234
Capital surplus	36,839	36,849
Retained earnings	448,109	470,183
Treasury shares	(42,850)	(73,913)
Total shareholders' equity	569,333	560,354
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,354	8,249
Foreign currency translation adjustment	2,907	4,215
Remeasurements of defined benefit plans	(839)	16,440
Total accumulated other comprehensive income	16,422	28,905
Non-controlling interests	6,225	11,091
Total net assets	591,980	600,350
Total liabilities and net assets	1,181,782	1,267,428

ii) Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Operating revenue	*1 1,758,626	*1 1,762,696
Operating costs	1,664,317	1,692,669
Operating gross profit	94,308	70,026
Selling, general and administrative expenses		
Personnel expenses	25,622	26,458
Provision for bonuses	1,079	1,385
Retirement benefit expenses	953	1,153
Provision for share awards for directors (and other officers)	187	148
Commission expenses	10,407	8,726
Taxes and dues	10,113	10,798
Provision of allowance for doubtful accounts	891	707
Depreciation	2,150	2,977
Other	5,063	6,153
Total selling, general and administrative expenses	*2 54,249	*2 55,820
Operating profit	40,059	14,206
Non-operating income		
Interest income	408	394
Dividend income	1,362	1,367
Gain on investments in investment partnerships	–	2,513
Green Innovation Fund Project subsidies	479	643
Gain on sale of vehicles	239	455
Other	2,150	2,821
Total non-operating income	4,640	8,196
Non-operating expenses		
Interest expenses	1,404	1,604
Share of loss of entities accounted for using equity method	837	371
Loss on investments in investment partnerships	636	–
Other	1,362	838
Total non-operating expenses	4,241	2,814
Ordinary profit	40,458	19,587
Extraordinary income		
Gain on sale of non-current assets	*3 12,239	*3 23,858
Gain on sale of investment securities	3,861	14,728
Other	10	10
Total extraordinary income	16,110	38,596

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Extraordinary losses		
Loss on retirement of non-current assets	*4 401	*4 587
Impairment losses	*5 1,423	*5 631
Loss on sale of investment securities	–	71
Loss on valuation of investment securities	95	849
Payments for retirement and other	*6 2,727	–
Provision of allowance for doubtful accounts	188	93
Headquarters relocation expenses	–	743
Other	29	415
Total extraordinary losses	4,865	3,392
Profit before income taxes	51,704	54,791
Income taxes-current	13,926	17,254
Income taxes-deferred	(61)	(819)
Total income taxes	13,864	16,435
Profit	37,840	38,355
Profit attributable to non-controlling interests	213	417
Profit attributable to owners of parent	37,626	37,937

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	37,840	38,355
Other comprehensive income		
Valuation difference on available-for-sale securities	5,063	(6,351)
Foreign currency translation adjustment	1,118	1,324
Remeasurements of defined benefit plans, net of tax	(1,971)	17,376
Share of other comprehensive income of entities accounted for using equity method	(48)	(96)
Total other comprehensive income	* 4,163	* 12,252
Comprehensive income	42,003	50,607
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	41,798	50,420
Comprehensive income attributable to non-controlling interests	205	187

iii) Consolidated statement of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	127,234	36,839	473,891	(39,835)	598,130
Changes during period					
Dividends of surplus			(16,432)		(16,432)
Profit attributable to owners of parent			37,626		37,626
Purchase of treasury shares				(50,001)	(50,001)
Disposal of treasury shares		0		10	10
Cancellation of treasury shares		(0)	(46,975)	46,975	–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	(25,781)	(3,015)	(28,796)
Balance at end of period	127,234	36,839	448,109	(42,850)	569,333

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	9,280	1,781	1,188	12,250	6,049	616,430
Changes during period						
Dividends of surplus						(16,432)
Profit attributable to owners of parent						37,626
Purchase of treasury shares						(50,001)
Disposal of treasury shares						10
Cancellation of treasury shares						–
Net changes in items other than shareholders' equity	5,074	1,126	(2,028)	4,171	175	4,347
Total changes during period	5,074	1,126	(2,028)	4,171	175	(24,449)
Balance at end of period	14,354	2,907	(839)	16,422	6,225	591,980

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	127,234	36,839	448,109	(42,850)	569,333
Changes during period					
Dividends of surplus			(15,797)		(15,797)
Profit attributable to owners of parent			37,937		37,937
Purchase of treasury shares				(31,086)	(31,086)
Disposal of treasury shares			(0)	24	23
Change in scope of consolidation		(6)			(6)
Change in ownership interest of parent due to transactions with non-controlling interests		17			17
Increase (decrease) in surplus of consolidated subsidiaries due to change in fiscal period			(66)		(66)
Net changes in items other than shareholders' equity					
Total changes during period	–	10	22,073	(31,062)	(8,979)
Balance at end of period	127,234	36,849	470,183	(73,913)	560,354

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	14,354	2,907	(839)	16,422	6,225	591,980
Changes during period						
Dividends of surplus						(15,797)
Profit attributable to owners of parent						37,937
Purchase of treasury shares						(31,086)
Disposal of treasury shares						23
Change in scope of consolidation						(6)
Change in ownership interest of parent due to transactions with non-controlling interests						17
Increase (decrease) in surplus of consolidated subsidiaries due to change in fiscal period						(66)
Net changes in items other than shareholders' equity	(6,104)	1,307	17,279	12,482	4,866	17,348
Total changes during period	(6,104)	1,307	17,279	12,482	4,866	8,369
Balance at end of period	8,249	4,215	16,440	28,905	11,091	600,350

iv) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	51,704	54,791
Depreciation	44,430	48,679
Impairment losses	1,423	631
Amortization of goodwill	–	368
Increase (decrease) in retirement benefit liability	3,309	3,835
Increase (decrease) in provision for bonuses	(4,541)	(966)
Interest and dividend income	(1,771)	(1,761)
Interest expenses	1,404	1,604
Share of loss (profit) of entities accounted for using equity method	837	371
Loss (gain) on sale of non-current assets	(12,239)	(23,858)
Loss on retirement of non-current assets	401	587
Loss (gain) on sale of investment securities	(3,861)	(14,656)
Loss (gain) on valuation of investment securities	95	849
Decrease (increase) in trade receivables	1,288	(6,033)
Decrease (increase) in inventories	542	(1,397)
Increase (decrease) in trade payables	1,001	3,763
Other, net	1,151	(15,552)
Subtotal	85,175	51,257
Interest and dividends received	1,852	1,988
Interest paid	(1,370)	(1,627)
Income taxes paid	(21,324)	(3,885)
Net cash provided by (used in) operating activities	64,333	47,732
Cash flows from investing activities		
Payments into time deposits	(4,572)	(864)
Proceeds from withdrawal of time deposits	6,466	473
Purchase of property, plant and equipment	(31,956)	(54,992)
Proceeds from sale of property, plant and equipment	17,554	51,352
Purchase of investment securities	(2,428)	(8,261)
Proceeds from sale of investment securities	3,238	15,764
Purchase of shares of subsidiaries resulting in changes in scope of consolidation	–	*2 (35,307)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	*3 1,265	*3 216
Loan advances	(3,644)	(1,724)
Proceeds from collection of loans receivable	3,993	2,356
Other payments	(14,491)	(18,553)
Other proceeds	2,139	5,183
Net cash provided by (used in) investing activities	(22,435)	(44,356)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	600	1,800
Repayments of lease liabilities	(5,766)	(6,577)
Proceeds from long-term borrowings	20,953	61,616
Repayments of long-term borrowings	–	(921)
Proceeds from issuance of bonds	19,928	–
Purchase of treasury shares	(50,032)	(31,103)
Dividends paid	(16,431)	(15,793)
Dividends paid to non-controlling interests	(34)	(85)
Proceeds from share issuance to non-controlling interests	5	485
Other, net	0	0
Net cash provided by (used in) financing activities	(30,777)	9,421
Effect of exchange rate change on cash and cash equivalents	356	100
Net increase (decrease) in cash and cash equivalents	11,476	12,896
Cash and cash equivalents at beginning of period	183,225	194,702
Increase (decrease) in cash and cash equivalents due to change in fiscal period of consolidated subsidiaries	–	458
Cash and cash equivalents at end of period	*1 194,702	*1 208,057

Notes to Consolidated Financial Statements

(Significant matters forming the basis of preparing the consolidated financial statements)

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 32

Major consolidated subsidiaries are described in “I. Overview of the Company, 4. Status of Subsidiaries and Associates.”

The Company established Sustainable Shared Transport Inc., YMT-GB2 Limited Liability Investment Partnership, MY MEDICA Inc., and Yamato Energy Management Co., Ltd. during the fiscal year under review and has since included all these entities in the scope of consolidation.

The Company also acquired the shares of Nakano Shokai Co., Ltd. and has since included this company and its subsidiary IS Tosu II Development Special Purpose Company in the scope of consolidation.

The Company transferred its ownership of all the shares of Yamato Dialog & Media Co., Ltd. (current: YDM Co.,Ltd.) and has since excluded this company from the scope of consolidation.

(2) Unconsolidated subsidiaries, etc.

OTL ASIA SDN. BHD. and certain other subsidiaries are not included within the scope of consolidation. The total assets, operating revenue, profit, and retained earnings of these unconsolidated subsidiaries are immaterial and, even taken together as a group, they do not exert a significant influence on the consolidated financial statements.

2. Application of equity method

(1) Number of affiliates accounted for using equity method: 41

Major entities accounted for using equity method are described in “I. Overview of the Company, 4. Status of Subsidiaries and Associates.”

The Company acquired the shares of RH Co., Ltd. during the fiscal year under review and has since included this company and one of its subsidiaries in the scope of the equity method. Frontier Scion Sdn. Bhd. and ten other companies are included in the scope of the equity method due to the acquisition of new shares by GDEX BHD., an entity accounted for using the equity method. Yamato Home Convenience Co., Ltd. (current: Art Setting Delivery Co., Ltd.) and another company are excluded from the scope of the equity method, because the Company transferred its ownership of all the shares of those companies.

(2) Unconsolidated subsidiaries and affiliates not accounted for using equity method

Entities not subject to the equity method such as OTL ASIA SDN. BHD. and certain other unconsolidated subsidiaries and YAMATO UNYU (THAILAND) CO., LTD. and certain other affiliated companies are excluded from the scope of entities accounted for using the equity method because they do not exert a significant influence on the consolidated financial statements even when taken together as a group, given immateriality of their profit, retained earnings and other financial results corresponding to the ownership held by the Company.

(3) Special note on the application of equity method

The fiscal year end dates of certain entities accounted for using the equity method differ from the consolidated balance sheet date, and, accordingly, the financial statements have been prepared on the basis of the financial statements and provisional financial results for the respective fiscal years of each of those entities.

3. Closing date of consolidated subsidiaries

Of the Company’s consolidated subsidiaries, Nakano Shokai Co., Ltd. and IS Tosu II Development Special Purpose Company close their fiscal year on September 30 and June 30 respectively. The financial statements herein were prepared on the basis of their financial statements that were provisionally closed as of the consolidated balance sheet date.

Meanwhile, YAMATO TRANSPORT U.S.A., INC. and nine other overseas subsidiaries close their fiscal year on December 31. In the Company’s previous consolidation process, the Company used their financial statements closed on December 31 after making due adjustments to reflect significant transactions that occurred between the fiscal period-end of these subsidiaries and the consolidated balance sheet date. In order to disclose its consolidated financial results more appropriately, the Company changed to, at the start of the fiscal year under review, a method in which it uses provisional financial statements closed by those companies as of the consolidated balance sheet date. As a result of this change, profit and loss for the period from January 1, 2024 to March 31, 2024 is adjusted as an increase (decrease) in retained earnings and the increase (decrease) in cash and cash equivalents is presented as “Increase (decrease) in cash and cash equivalents due to change in fiscal period of consolidated subsidiaries” in the consolidated statements of cash flows.

4. Accounting policies

(1) Valuation basis and methods for significant assets

i) Securities

Available-for-sale securities

Other than stocks and other securities with no market price

Stated at the fair market value based on the quoted market price (valuation differences are recognized in net assets; the cost of securities sold is calculated by the moving-average method).

Stocks and other securities with no market price

Stated at cost using the moving-average method.

Investments in investment limited partnerships and similar partnerships

(Investments deemed to be securities pursuant to Article 2, paragraph (2) of the Financial Instruments and Exchange Act)

Stated at the net amount of the Company's interest in the partnership based on the most recent financial statements available according to the reporting date stipulated in the partnership agreement.

ii) Inventories

Stated at the cost by first-in first-out method (for the value stated in the balance sheet, book value is written down based on the decreased profitability)

(2) Depreciation and amortization methods for significant depreciable and amortizable assets

i) Property, plant and equipment (excluding leased assets)

Depreciated using the straight-line method.

ii) Intangible assets (excluding leased assets)

Amortized using the straight-line method.

However, software is amortized by the straight-line method over the estimated useful life (five years or less), and customer-related intangible assets are amortized by the straight-line method over a period of benefit.

iii) Leased assets

Leased assets related to finance lease transactions that transfer ownership

Adopted the same method as that applied for the depreciation of non-current assets owned by the Company.

Leased assets related to finance lease transactions that do not transfer ownership

Adopted the straight-line method where the useful life of leased assets shall be equal to the lease period and their residual value shall be zero.

(3) Accounting method for significant provisions

i) Allowance for doubtful accounts

The allowance for doubtful accounts is provided to prepare for losses from uncollectible credits. For ordinary receivables, the amount is estimated using the rate based on the historical bad debt experience. For special receivables with higher uncertainty, collectivity is considered on individual cases and the prospective uncollectible amount is provided.

ii) Provision for bonuses

The provision for bonuses is provided for the payment of bonuses to employees based on the amount expected to be paid.

iii) Provision for share awards for directors (and other officers)

In preparation for the payment of shares based on the Regulations on Share-based Remuneration for Officers, the expected amount of compensation is recorded according to the points allocated to Directors (and other officers).

iv) Provision for special repairs

In preparation for the expenditure of costs that would be incurred to conduct special repairs for freighters, an amount based on the estimated costs is reported herein for the future.

(4) Method of accounting for retirement benefits

i) Method of attributing expected retirement benefits to periods

In calculating the retirement benefit obligations, the straight-line basis is used in determining the amount of the expected retirement benefit obligation attributed to service performed up to the end of the fiscal year under review.

ii) Method of recognizing actuarial differences and prior service costs

The entire amount of prior service cost is recognized in profit or loss in the fiscal year during which it arises.

Actuarial differences are recognized in profit or loss in the year following the year in which a respective gain or loss arises and are amortized proportionally on a straight-line basis over a period (mainly five years), which is within the average remaining years of service of the eligible employees.

iii) Method of accounting for unrecognized actuarial difference

Unrecognized actuarial difference is accounted for in remeasurements of defined benefit plans, after adjusting for tax effects, under accumulated other comprehensive income of net assets.

(5) Accounting method for significant revenues and costs

Revenue from contracts with customers

The following is a summary of the principal performance obligations in the Company's and its consolidated subsidiaries' principal businesses relating to revenues from contracts with customers and the normal time at which such performance obligations are satisfied (the normal time for recognizing revenues).

i) Express Business

The Express business mainly provides small parcel delivery service, including TA-Q-BIN. In this transportation service, based on contracts with customers, the Company provides pickup and delivery services at the request of customers, and revenues from these services are recognized in proportion to the satisfaction of performance obligations measured by the progress of deliveries since other companies are not required to re-perform the transportation process that has already been executed even if the delivery to the designated destination cannot be completed.

ii) Contract Logistics Business and the Global Business

In addition to the logistics support services, such as cargo storage and logistics services for inbound and outbound shipments and customs clearance, in order to provide value to the entire supply chain of its customers, the Contract Logistics business and the Global business provide the same transportation services that the Express business does. In these logistics support services, we provide value-added services tailored to customer needs, including storage, shipping and receiving, inventory management, arrangement of customs clearance, and delivery of cargo based on contracts with customers, and the Company recognizes each contractually agreed-upon process as a performance obligation. The Company recognizes revenue for each process under the contract as the satisfaction of the performance obligation, which is measured by the progress of the work, as the customer receives the economic benefit of the work as it progresses.

iii) Mobility Business

The Mobility business provides vehicle maintenance services, including inspection and maintenance of customers' vehicles. The vehicle maintenance services include maintenance and management of vehicles owned or used by customers, including legal inspection, as well as those accompanying such services. Revenues from these services are recognized upon the fulfillment of the performance obligation, which is to say, when inspected or maintained vehicles are delivered back to and received by the customers.

(6) Goodwill amortization method and periods

Goodwill is amortized evenly over a period of benefit that is reasonably estimated. However, if the monetary value of goodwill is very low, the whole amount of the goodwill is amortized in the fiscal year it arose.

(7) Scope of cash and cash equivalents in consolidated statement of cash flows

The funds (cash and cash equivalents) in the consolidated cash flow statement consist of cash on hand and short-term investments that are readily convertible into cash and exposed to insignificant risk of changes in value and which mature or become due within three months from the date of acquisition. Bank overdrafts are included in cash equivalents, excluding the case when they are clearly recognized as fundraising activities similar to short-term borrowings.

(Significant accounting estimates)

(Impairment of non-current assets)

(1) Amount recorded in the consolidated financial statements for the fiscal year under review

The following is a list of items that have been recognized in the consolidated financial statements for the fiscal year under review based on accounting estimates and that may have a material effect on the consolidated financial statements for the following fiscal year.

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Property, plant and equipment	454,753	474,354
Intangible assets (Including goodwill and customer-related intangible assets)	41,215	82,574

(2) Information on significant accounting estimates for identified items

When there is an indication that an asset may be impaired, the Company assesses whether impairment is necessary based on the future cash flows of the asset. The cash flow generating unit, which is the unit used to determine whether impairment is required, is the smallest unit of the asset group identified as generating cash inflows that are generally independent of the cash inflows of other assets or asset groups.

Asset groups are created in consideration of the management accounting classification and the unit used for investment decision making. For Yamato Transport Co., Ltd., the grouping is based on business segments, and assets associated with Head Office division are classified as common assets.

Regarding the above property, plant, and equipment and intangible assets, the Company identified signs of impairment and judged the necessity to recognize impairment losses of the assets by each group. However, there is a possibility that those numbers used for the evaluation may be impacted by uncertain future economic and business conditions. Those include the state of income such as the trends of prices and delivery volumes of TA-Q-BIN and major customers' demand, as well as cost situation caused by changes in the external environment such as the trends of resource and energy prices and hourly wage rates. If it becomes necessary to revise the premise and assumptions of estimates, it may have a material impact on the consolidated financial statements for the next and subsequent periods.

(New accounting standards, etc. not yet applied)

- "Accounting Standard for Leases" (ASBJ Statement No. 34, September 13, 2024, Accounting Standards Board of Japan)
- "Implementation Guidance on Accounting Standard for Leases" (ASBJ Guidance No. 33, September 13, 2024, Accounting Standards Board of Japan) and other guidance

(1) Overview

As part of its efforts to enhance the international consistency of Japanese GAAP, the Accounting Standards Board of Japan (ASBJ) conducted a review aimed at developing a new accounting standard for leases that requires lessees to recognize assets and liabilities for all leases, in alignment with international accounting standards. Accordingly, the ASBJ issued the new accounting standard for leases and other guidance based on a basic policy that uses the single lessee accounting model introduced under IFRS 16 as its foundation, incorporating only its core provisions without fully aligning with all IFRS 16 provisions. The standard and other guidance aim to adopt a simplified and practical approach and to enable entities preparing non-consolidated financial statements to apply the provisions of IFRS 16 essentially without modification.

For the accounting treatment by lessees, the single lessee accounting model will be applied for the allocation of lease expenses. Under this model, depreciation on right-of-use assets and interest equivalent on lease liabilities are recognized for all leases, regardless of whether they are classified as finance leases or operating leases, consistent with IFRS 16.

(2) Scheduled date of application

The Company expects to apply these standard and guidance from the beginning of the fiscal year ending March 31, 2028.

(3) Effects of application of the accounting standard and other guidance

The Company is currently evaluating the effects of applying the "Accounting Standard for Leases" and other guidance on its consolidated financial statements.

(Changes in presentation)

(Consolidated statement of cash flows)

"Proceeds from share issuance to non-controlling interests" included in "Other, net" under "Cash flows from financing activities" in the previous fiscal year has been presented separately from the fiscal year under review because the amount became material. The consolidated financial statements of the previous fiscal year have been reclassified to reflect this change in presentation.

As a result, 5 million yen presented in "Other, net" under "Cash flows from financing activities" in the consolidated statement of cash flows for the previous fiscal year has been reclassified as 5 million yen in "Proceeds from share issuance to non-controlling interests" and 0 million yen in "Other, net."

(Additional information)

(Board Benefit Trust (BBT) performance-linked and share-based remuneration system)

The Company has adopted the Board Benefit Trust (BBT) performance-linked and share-based remuneration system (the "System"). The purpose of the System is to further clarify the linkage of remuneration for Directors (excluding Outside Directors) and executive officers, etc. who do not concurrently serve as Directors (collectively, "Officers") and the Company's business performance and share value ensuring that not only the benefit of the increase in share prices but also the risk of the decrease in share prices are shared between the Officers and the shareholders, thereby further motivating the Officers to contribute to the improvement in the business performance and corporate value over the medium to long term.

(1) Overview of transactions

The System is a performance-linked and share-based remuneration system under which the Company's shares are acquired through a trust using money contributed by the Company as the source of funds (hereinafter the "Trust"), and the Officers are provided with the Company's shares and an amount of money equivalent to the market value of the Company's shares (hereinafter the "Company's Shares, Etc.") through the Trust in accordance with the Regulations on Share-based Remuneration for Officers established by the Company. The Officers shall receive the Company's Shares, Etc. upon their retirement, in principle.

(2) Accounting procedures

Accounting for the trust shall be carried out in accordance with the "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (ASBJ Practical Issues Task Force (PITF) No. 30, March 26, 2015).

(3) Shares of the Company remaining in trust

Shares of the Company remaining in trust are to be recorded as treasury shares under net assets at book value in trust (excluding incidental expense amounts). There were 480 thousand shares of such treasury shares at a book value of 1,366 million yen as of March 31, 2024, and 471 thousand shares at a book value of 1,342 million yen as of March 31, 2025.

(Dissolution and liquidation of subsidiaries)

At the Company's Board of Directors meeting held on February 17, 2023, the Company resolved to liquidate its consolidated subsidiaries, YAMATO INVESTMENT (HONG KONG) LIMITED and YAMATO ASIA PTE. LTD. The liquidation processes are currently underway.

(1) Reasons for dissolution and liquidation

As the Company progresses with the reconstruction of an appropriate governance structure that aligns with business scale, characteristics, country/region-specific factors, and the growth stage of overseas operations, the Company has determined the need to reorganize the current management structure with an intermediate holding company based on the previous overseas governance framework. Consequently, the Company decided to initiate the liquidation of YAMATO INVESTMENT (HONG KONG) LIMITED and YAMATO ASIA PTE. LTD.

(2) Name, business content and ownership of the subsidiaries

i) Name	YAMATO INVESTMENT (HONG KONG) LIMITED
ii) Description of business	Management of regional operations in East Asia, business development and market research
iii) Ownership	100% owned by the Company

i) Name	YAMATO ASIA PTE. LTD.
ii) Description of business	Management of regional operations in Southeast Asia, business development and market research
iii) Ownership	100% owned by the Company

(3) Timing of dissolution and liquidation

(YAMATO INVESTMENT (HONG KONG) LIMITED)

Extraordinary General Meeting of Shareholders (companies concerned)	November 2024
Completion of liquidation	May 2025

(YAMATO ASIA PTE. LTD.)

Extraordinary General Meeting of Shareholders (companies concerned)	June 2025 (planned)
Completion of liquidation	March 2026 (planned)

(4) Status and total liabilities of the subsidiaries

(YAMATO INVESTMENT (HONG KONG) LIMITED)

Net assets	10,543 million yen
Total assets	10,543 million yen

(YAMATO ASIA PTE. LTD.)

Net assets	9,743 million yen
Total assets	9,746 million yen
Total liabilities	2 million yen

(5) Impact on profit/loss due to the dissolution and liquidation

The impact caused by expenses incurred due to the dissolution and liquidation of the subsidiaries on profit and loss is minor.

(6) Significant impact of the dissolution and liquidation on business activities

The impact of the dissolution and liquidation of the subsidiaries on business activities is minor.

(Consolidated balance sheet)

*1 The amounts of notes and accounts receivable - trade and contract assets arising from contracts with customers are as follows:

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Notes receivable - trade	1,083	793
Accounts receivable - trade	182,771	189,436
Contract assets	4,551	4,381

*2 The amounts of “Investment securities” invested in unconsolidated subsidiaries and affiliates are as follows:

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Investment securities	10,586	13,793

*3 The amounts of contract liabilities in “Other” of “Current liabilities” are as follows:

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Contract liabilities	13,431	12,624

*4 Collateral assets and liabilities with collateral

Assets pledged as collateral are as follows.

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Buildings and structures	–	339
Land	–	939

Liabilities with collateral are as follows.

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Long-term borrowings	–	2,199

(Consolidated statement of income)

*1 Revenue from contracts with customers

Regarding operating revenue, the Company does not separately present revenues from contracts with customers and other revenues. The amount of revenue from contracts with customers is presented in “V. Financial Information, 1. Consolidated Financial Statements, etc., (1) Consolidated Financial Statements, Notes to Consolidated Financial Statements (Revenue recognition), 1. Information that breaks down revenue from contracts with customers.”

*2 Research and development expenses included in general and administrative expenses are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Research and development expenses	3,345	2,832

*3 Gain on sale of non-current assets is as follows:

(Millions of yen)

Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025	
Land	12,230	Land	23,850

*4 Loss on retirement of non-current assets is as follows:

(Millions of yen)

Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025	
Buildings and structures	177	Buildings and structures	79
		Dismantlement expenses	257

*5 Impairment losses

Fiscal year ended March 31, 2024

(Millions of yen)

Use of asset	Type of asset	Region	Impairment losses
Idle assets, etc.	Machinery and equipment, software, other	Yamato Transport Co., Ltd. Kansai Gateway (Ibaraki City, Osaka) and six other lots	1,423

At the Yamato Group, asset groups are created in consideration of the management accounting classification and the unit used for investment decision making. For Yamato Transport Co., Ltd., the Company reviewed its grouping in accordance with the changes of the management accounting classification. The grouping is based on customer segments and business segments, and assets associated with Head Office division are classified as common assets. For the Company and its consolidated subsidiaries, the grouping is based on the unit of department. For idle assets, the grouping is based on individual assets.

During the fiscal year ended March 31, 2024, the Group recognized no future usage and a continuous decrease in profit and loss arising from operating activities or significant declines in market prices for the asset group consisting of Kansai Gateway of Yamato Transport Co., Ltd. and six other premises, and it decreased the book value of the relevant asset group to the recoverable value and posted the relevant decrease of 1,423 million yen to extraordinary losses as an impairment loss.

A main breakdown of this decrease shows that 863 million yen was attributable to machinery and equipment and 522 million yen was attributable to software.

If the recoverable value of such asset group is calculated based on value in use, the amount is valued by discounting future cash flows with a discount ratio (mainly 6.00%). Where the recoverable value is calculated based on net realizable value, idle assets are assumed to be zero, and assets other than idle assets are valued based mainly on real estate appraisal standards, the assessed value of property tax or the posted land price.

Fiscal year ended March 31, 2025

(Millions of yen)

Use of asset	Type of asset	Region	Impairment losses
Assets disposed of due to business closure, etc.	Intangible assets (Other), property, plant, and equipment (Other), software, other	Yamato Transport Co., Ltd. Head Office (Chuo-ku, Tokyo) and four other lots	631

At the Yamato Group, asset groups are created in consideration of the management accounting classification and the unit used for investment decision making. For Yamato Transport Co., Ltd., the grouping is based on business segments, and assets associated with Head Office division are classified as common assets. For the Company and its consolidated subsidiaries, the grouping is based on the unit of department. For idle assets, the grouping is based on individual assets.

During the fiscal year under review, the Group recognized no future usage and a continuous decrease in profit and loss arising from operating activities or significant declines in market prices for the asset group consisting of the Head Office of Yamato Transport Co., Ltd. and four

other premises, and it decreased the book value of the relevant asset group to the recoverable value and posted the relevant decrease of 631 million yen to extraordinary losses as an impairment loss.
A main breakdown of this decrease shows that 313 million yen was attributable to intangible assets (other), 159 million yen was attributable to property, plant, and equipment (other), and 110 million yen was attributable to software.
If the recoverable value of such asset group is calculated based on value in use, the amount is valued by discounting future cash flows with a discount ratio (mainly 6.82%). Where the recoverable value is calculated based on net realizable value, idle assets are assumed to be zero, and assets other than idle assets are valued based mainly on real estate appraisal standards, the assessed value of property tax or the posted land price.

*6 Payments for retirement and other
Fiscal year ended March 31, 2024
In June 2023, the Company's consolidated subsidiary Yamato Transport Co., Ltd. and Japan Post Co., Ltd. signed a basic agreement on collaboration to contribute to solving various social issues related to logistics and to promote sustainable logistics services. Payments for retirement and other include severance payment and honoraria to part-time employees engaged in the previous post services, Nekopos and Kuroneko DM-Bin, and sole proprietors to whom delivery services were outsourced as we terminated contracts with them, following the start of handling new post services, Kuroneko Yu-Packet and Kuroneko Yu-Mail, in accordance with this basic agreement.

(Consolidated statement of comprehensive income)
* Reclassification adjustments and their income taxes and tax effects relating to other comprehensive income

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Valuation difference on available-for-sale securities		
Amount arising during the year	9,290 Million yen	7,572 Million yen
Reclassification adjustments	(2,343)	(15,415)
Before income taxes and tax effects adjustments	6,947	(7,843)
Income taxes and tax effects	(1,883)	1,491
Valuation difference on available-for-sale securities	5,063	(6,351)
Foreign currency translation adjustment		
Amount arising during the year	1,186	1,378
Before income taxes and tax effects adjustments	1,186	1,378
Income taxes and tax effects	(67)	(54)
Foreign currency translation adjustment	1,118	1,324
Remeasurements of defined benefit plans, net of tax		
Amount arising during the year	(2,031)	25,518
Reclassification adjustments	(813)	(174)
Before income taxes and tax effects adjustments	(2,845)	25,344
Income taxes and tax effects	874	(7,968)
Remeasurements of defined benefit plans, net of tax	(1,971)	17,376
Share of other comprehensive income of entities accounted for using equity method		
Amount arising during the year	14	27
Reclassification adjustments	(63)	(124)
Share of other comprehensive income of entities accounted for using equity method	(48)	(96)
Total other comprehensive income	4,163	12,252

(Consolidated statement of changes in equity)

Fiscal year ended March 31, 2024

1. Class and total number of issued shares and treasury shares

	Number of shares at beginning of the fiscal year (Thousand shares)	Increase (Thousand shares)	Decrease (Thousand shares)	Number of shares at end of the fiscal year (Thousand shares)
Issued shares				
Common shares*1	379,824	–	19,328	360,496
Total	379,824	–	19,328	360,496
Treasury shares				
Common shares*2	17,552	19,328	19,332	17,548
Total	17,552	19,328	19,332	17,548

Notes: 1. The decrease of 19,328 thousand shares of common shares is due to the cancellation of treasury shares held.

2. The number of treasury shares of common shares includes the Company's shares held by the Board Benefit Trust (BBT) (483 thousand shares at the beginning of the fiscal year ended March 31, 2024 and 480 thousand shares at the end of the fiscal year ended March 31, 2024).

The increase of 19,328 thousand shares of treasury shares of common shares is mainly due to the purchase of 19,328 thousand treasury shares.

The decrease of 19,332 thousand shares of treasury shares of common shares is mainly due to the cancellation of 19,328 thousand treasury shares and the provision of three thousand treasury shares to retired officers through the Board Benefit Trust (BBT).

2. Share acquisition rights and treasury share acquisition rights

Not applicable

3. Dividends

(1) Payments of dividends

(Resolution)	Type of shares	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Board of Directors meeting on May 17, 2023	Common shares	8,343	23	March 31, 2023	June 2, 2023
Board of Directors meeting on November 1, 2023	Common shares	8,089	23	September 30, 2023	December 8, 2023

Notes: 1. The total amount of dividends resolved by the Board of Directors on May 17, 2023, includes dividends of 11 million yen for the Company's shares held by the Board Benefit Trust (BBT).

2. The total amount of dividends resolved by the Board of Directors on November 1, 2023, includes dividends of 11 million yen for the Company's shares held by the Board Benefit Trust (BBT).

(2) Dividends whose effective date falls in the fiscal year following the fiscal year of the record date

(Resolution)	Type of shares	Total amount of dividends (Millions of yen)	Source of dividends	Dividend per share (Yen)	Record date	Effective date
Board of Directors meeting on May 15, 2024	Common shares	7,898	Retained earnings	23	March 31, 2024	May 31, 2024

Note: The total amount of dividends resolved by the Board of Directors on May 15, 2024, includes dividends of 11 million yen for the Company's shares held by the Board Benefit Trust (BBT).

Fiscal year ended March 31, 2025

1. Class and total number of issued shares and treasury shares

	Number of shares at beginning of the fiscal year (Thousand shares)	Increase (Thousand shares)	Decrease (Thousand shares)	Number of shares at end of the fiscal year (Thousand shares)
Issued shares				
Common shares	360,496	–	–	360,496
Total	360,496	–	–	360,496
Treasury shares				
Common shares*	17,548	16,770	8	34,311
Total	17,548	16,770	8	34,311

* The number of treasury shares of common shares includes the Company's shares held by the Board Benefit Trust (BBT) (480 thousand shares at the beginning of the fiscal year under review and 471 thousand shares at the end of the fiscal year under review).
The increase of 16,770 thousand treasury shares of common shares is due to the purchase of 16,770 thousand treasury shares.
The decrease of eight thousand treasury shares of common shares is due to the provision of eight thousand treasury shares to retired officers through the Board Benefit Trust (BBT).

2. Share acquisition rights and treasury share acquisition rights

Not applicable

3. Dividends

(1) Payments of dividends

(Resolution)	Type of shares	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Board of Directors meeting on May 15, 2024	Common shares	7,898	23	March 31, 2024	May 31, 2024
Board of Directors meeting on November 5, 2024	Common shares	7,898	23	September 30, 2024	December 10, 2024

Notes: 1. The total amount of dividends resolved by the Board of Directors on May 15, 2024, includes dividends of 11 million yen for the Company's shares held by the Board Benefit Trust (BBT).
2. The total amount of dividends resolved by the Board of Directors on November 5, 2024, includes dividends of 10 million yen for the Company's shares held by the Board Benefit Trust (BBT).

(2) Dividends whose effective date falls in the fiscal year following the fiscal year of the record date

(Resolution)	Type of shares	Total amount of dividends (Millions of yen)	Source of dividends	Dividend per share (Yen)	Record date	Effective date
Board of Directors meeting on May 14, 2025	Common shares	7,513	Retained earnings	23	March 31, 2025	May 30, 2025

Note: The total amount of dividends resolved by the Board of Directors on May 14, 2025, includes dividends of 10 million yen for the Company's shares held by the Board Benefit Trust (BBT).

(Consolidated statement of cash flows)

*1 Reconciliation of closing balance of cash and cash equivalents and the related account on the consolidated balance sheet

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash and deposits	195,061 Million yen	208,654 Million yen
Time deposits with maturity over 3 months	(358)	(597)
Cash and cash equivalents	194,702	208,057

*2 Major components of assets and liabilities of companies that newly became consolidated subsidiaries by acquisition of shares in the fiscal year ended March 31, 2025

The following is the breakdown of assets and liabilities upon consolidation of Nakano Shokai Co., Ltd., resulting from the acquisition of its shares, and a reconciliation between the acquisition price of the shares and the net payments for the acquisition.

Current assets	23,055 Million yen
Non-current assets	53,493
Goodwill	16,195
Current liabilities	(16,058)
Non-current liabilities	(25,446)
Non-controlling interests	(4,296)
Acquisition amount of the shares	46,943
Cash and cash equivalents	(11,635)
Net: Payments for the acquisition	35,307

*3 Major components of assets and liabilities of companies that ceased to be consolidated subsidiaries by sales of shares in the fiscal year ended March 31, 2024

The following is the breakdown of assets and liabilities on the sale of the shares of YAMATO.STAFF.SUPPLY.CO.,LTD., when it ceased to be a consolidated subsidiary by the sale of its shares, and the selling price and amount of proceeds from the sale of the shares.

Current assets	4,730 Million yen
Non-current assets	298
Current liabilities	(3,309)
Non-current liabilities	(62)
Investment account after the sale of the shares	(812)
Gain on the sale of the shares	1,377
Selling amount of the shares	2,222
Cash and cash equivalents	(956)
Net: Proceeds from the sale	1,265

Major components of assets and liabilities of companies that ceased to be consolidated subsidiaries by sales of shares in the fiscal year ended March 31, 2025

The following is the breakdown of assets and liabilities on the sale of the shares of Yamato Dialog & Media Co.,Ltd. (current: YDM Co.,Ltd.), when it ceased to be a consolidated subsidiary by the sale of its shares, and the selling price and amount of proceeds from the sale of the shares.

Current assets	1,915 Million yen
Non-current assets	74
Current liabilities	(473)
Non-current liabilities	(7)
Gain on the sale of the shares	25
Selling amount of the shares	1,534
Cash and cash equivalents	(1,317)
Net: Proceeds from the sale	216

4 Details of significant non-cash transactions

Amount of assets and liabilities related to newly recorded lease transactions

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Amount of assets related to lease transactions	8,701 Million yen	10,870 Million yen
Amount of liabilities related to lease transactions	9,589	12,656

(Leases)

(Lessee)

1. Finance lease transactions

Finance lease transactions that do not transfer ownership

(1) Components of leased assets

Property, plant and equipment

Mainly buildings and dedicated cargo aircraft (freighters) in the Express business and vehicles and buildings in the Contract Logistics business.

(2) Accounting method for depreciation of leased assets

The accounting method for depreciation of leased assets is as described in "V. Financial Information, 1. Consolidated Financial Statements, etc., (1) Consolidated Financial Statements, Notes to Consolidated Financial Statements (Significant matters forming the basis of preparing the consolidated financial statements), 4. Accounting policies, (2) Depreciation and amortization methods for significant depreciable and amortizable assets."

2. Operating lease transactions

Future lease payments to be made under non-cancellable leases of operating lease transactions

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Due within one year	14,877	35,251
Due after one year	96,484	204,241
Total	111,362	239,492

(Lessor)

1. Finance lease transactions

Fiscal year ended March 31, 2025

This information has been omitted due to its lack of significance.

2. Operating lease transactions

Future lease payments to be made under non-cancellable leases of operating lease transactions

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Due within one year	–	11,461
Due after one year	–	34,761
Total	–	46,222

(Financial instruments)

1. Matters concerning the status of financial instruments

(1) Policy on financial instruments

To finance further business growth, the Yamato Group raises capital through bank loans and bond issuances based on a facilities investment scheme that includes the network development plan. One-time surplus funds are invested in safe financial assets. Derivative products are mainly used for hedging against variable interest rate risk, and no speculative transactions are undertaken. Some of the Group's consolidated subsidiaries are engaged in businesses such as third-party credit sales.

(2) Features and risks of financial instruments and risk management structure

Operating receivables, such as notes and accounts receivable - trade and accounts receivable - installment, carry the credit risk of trading partners, and thus the Company manages and controls cash received, as well as outstanding receivables, for each period to identify the credit risk of each trading partner.

Regarding investment securities, the Yamato Group mainly holds shares of companies with which the Group has business relationships or forms a capital alliance, and such shares involve the risk of stock price fluctuations.

The majority of operating payables, such as notes and accounts payable - trade, are due within one year.

Short-term borrowings are mainly used to raise capital for working capital, and long-term borrowings are mainly used to raise capital for capital investment. Borrowings are mainly procured at fixed rates of interest.

Within the Yamato Group, each Group company controls liquidity risk associated with operating payables and borrowings by monitoring payments and settlements, bookkeeping, and balances, as well as managing cash positions.

(3) Supplemental remarks on the fair value of the financial instruments

Since variable factors are incorporated in the calculation of the market value of financial instruments, the value may change due to the adoption of different assumptions, etc.

2. Matters concerning fair value of financial instruments

Carrying amounts on the consolidated balance sheet, fair values and the differences between them were as follows.

As of March 31, 2024

(Millions of yen)

	Carrying amount on the consolidated balance sheet	Fair value	Difference
(1) Notes and accounts receivable - trade, and contract assets	212,094		
Allowance for doubtful accounts	(302)		
	211,792	211,812	20
(2) Accounts receivable - installment	52,787		
Allowance for doubtful accounts	(1,003)		
Deferred installment income	[5,163]		
	46,620	50,952	4,332
(3) Investment securities			
Available-for-sale securities	25,822	25,822	–
Shares of affiliates	3,764	7,205	3,440
(4) Short-term borrowings	[10,181]	[10,181]	–
(5) Long-term borrowings	[20,818]	[20,802]	(15)

Notes: 1. Items recognized as liabilities are shown in square parentheses [ ] both under Carrying amount on the consolidated balance sheet and Fair value.

2. Cash and deposits are omitted because they are settled in a short period of time and their carrying amounts approximate fair value.

3. Notes and accounts receivable - trade, and contract assets are presented after deducting allowances for doubtful accounts set up for notes and accounts receivable - trade and contract assets not payable in the short term.
4. Accounts receivable - installment is presented after deducting the relevant allowance for doubtful accounts and deferred installment income.
5. Stocks and other securities that have no market price are not included in Investment securities. Such financial instruments are unlisted equity and investments in capital, which amounted to 11,979 million yen on the consolidated balance sheet.
6. Investments in partnerships and other similar entities that are recorded on the consolidated balance sheet at a net amount equivalent to the Company's ownership interest are not included in Investment securities. The amount of this investment in the consolidated balance sheet is 9,300 million yen.
7. Notes and accounts payable - trade are omitted because most of them are due within one year and their carrying amounts approximate fair value.
8. Expected redemption amounts of monetary claims and securities with maturity after the consolidated balance sheet date

(Millions of yen)

	Within 1 year	After 1 year through 5 years	After 5 years
Cash and deposits	195,061	–	–
Notes and accounts receivable - trade, and contract assets	212,061	33	–
Accounts receivable - installment	21,411	23,903	7,472
Total	428,533	23,937	7,472

9. Repayment schedule of long-term borrowings after the consolidated balance sheet date

(Millions of yen)

	Within 1 year	After 1 year up to 2 years	After 2 years up to 3 years	After 3 years up to 4 years	After 4 years up to 5 years	After 5 years
Long-term borrowings	181	181	181	181	20,272	–

As of March 31, 2025

(Millions of yen)

	Carrying amount on the consolidated balance sheet	Fair value	Difference
(1) Notes and accounts receivable - trade, and contract assets	219,762		
Allowance for doubtful accounts	(212)		
	219,550	219,565	15
(2) Accounts receivable - installment	56,415		
Allowance for doubtful accounts	(1,101)		
Deferred installment income	[5,669]		
	49,644	53,810	4,165
(3) Investment securities			
Available-for-sale securities	18,652	18,652	–
Shares of affiliates	3,847	8,048	4,201
(4) Short-term borrowings	[14,325]	[14,314]	(10)
(5) Long-term borrowings	[86,258]	[85,001]	(1,257)

Notes: 1. Items recognized as liabilities are shown in square parentheses [ ] both under Carrying amount on the consolidated balance sheet and Fair value.

2. Cash and deposits are omitted because they are settled in a short period of time and their carrying amounts approximate fair value.

3. Notes and accounts receivable - trade, and contract assets are presented after deducting allowances for doubtful accounts set up for notes and accounts receivable - trade and contract assets not payable in the short term.

4. Accounts receivable - installment is presented after deducting the relevant allowance for doubtful accounts and deferred installment income.

5. Stocks and other securities that have no market price are not included in Investment securities. Such financial instruments are unlisted equity and investments in capital, which amounted to 16,000 million yen on the consolidated balance sheet.

6. Investments in partnerships and other similar entities that are recorded on the consolidated balance sheet at a net amount equivalent to the Company's ownership interest are not included in Investment securities. The amount of this investment in the consolidated balance sheet is 10,189 million yen.

7. Notes and accounts payable - trade are omitted because most of them are due within one year and their carrying amounts approximate fair value.

8. Expected redemption amounts of monetary claims and securities with maturity after the consolidated balance sheet date

(Millions of yen)

	Within 1 year	After 1 year through 5 years	After 5 years
Cash and deposits	208,654	–	–
Notes and accounts receivable - trade, and contract assets	219,712	50	–
Accounts receivable - installment	21,782	26,135	8,497
Total	450,148	26,186	8,497

9. Repayment schedule of long-term borrowings after the consolidated balance sheet date

(Millions of yen)

	Within 1 year	After 1 year up to 2 years	After 2 years up to 3 years	After 3 years up to 4 years	After 4 years up to 5 years	After 5 years
Long-term borrowings	2,525	2,418	2,127	30,865	50,846	–

3. Matters concerning the breakdown of the fair value of financial instruments by level and other items

The fair value of financial instruments is classified into the following three levels based on the observability and materiality of the inputs used to calculate fair value.

Level 1 fair value: Of the inputs related to the observable fair value calculation, the fair value is calculated based on the market price of the asset or liability formed in the active market.

Level 2 fair value: Of the inputs related to the observable fair value calculation, the fair value is calculated based on inputs other than the inputs used in level 1.

Level 3 fair value: Fair value is calculated using inputs for calculating unobservable fair value.

When multiple inputs that have a significant influence on the market value calculation are used, the market value is classified into the lowest priority level in the market value calculation among the levels to which those inputs belong.

(1) Financial instruments carried on the consolidated balance sheet at fair value

As of March 31, 2024

Item	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Stocks	25,655	–	–	25,655
Others	167	–	–	167
Total assets	25,822	–	–	25,822

As of March 31, 2025

Item	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Stocks	18,475	–	–	18,475
Others	176	–	–	176
Total assets	18,652	–	–	18,652

(2) Financial instruments other than those carried on the consolidated balance sheet at fair value

As of March 31, 2024

Item	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Notes and accounts receivable - trade, and contract assets	–	211,812	–	211,812
Accounts receivable - installment	–	50,952	–	50,952
Investment securities				
Shares of affiliates				
Stocks	7,205	–	–	7,205
Total assets	7,205	262,765	–	269,970
Short-term borrowings	–	10,181	–	10,181
Long-term borrowings	–	20,802	–	20,802
Total liabilities	–	30,984	–	30,984

As of March 31, 2025

Item	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Notes and accounts receivable - trade, and contract assets	–	219,565	–	219,565
Accounts receivable - installment	–	53,810	–	53,810
Investment securities				
Shares of affiliates				
Stocks	8,048	–	–	8,048
Total assets	8,048	273,376	–	281,424
Short-term borrowings	–	14,314	–	14,314
Long-term borrowings	–	85,001	–	85,001
Total liabilities	–	99,316	–	99,316

Note: Explanation of valuation techniques used and inputs related to the calculation of fair value

Investment securities

Stocks are listed stocks and are valued using quoted market prices. Since listed stocks are traded in active markets, their fair value is classified as Level 1 fair value.

Others are stock acquisition rights and are valued using quoted market prices. Since stock acquisition rights are traded in active markets, their fair value is classified as Level 1 fair value.

Notes and accounts receivable - trade, and contract assets

The fair value of those assets is determined using the discounted present value method based on the amount of the receivable, the period to maturity and the interest rate that takes into account credit risk for each receivable classified by certain time periods and is classified as Level 2 fair value.

Accounts receivable - installment

The fair value of accounts receivable - installment is determined using the discounted present value method based on the amount of the receivable, the period to maturity, and the interest rate that takes into account credit risk for each receivable classified by certain time periods, and is classified as Level 2 fair value.

Short-term borrowings and long-term borrowings

The fair value of short-term borrowings and long-term borrowings is determined using the discounted present value method based on the total amount of principal and interest and an interest rate that takes into account the remaining term of the debt, and credit risk and is classified as Level 2 fair value.

(Securities)

As of March 31, 2024

1. Available-for-sale securities

(Millions of yen)

	Type of asset	Carrying amount on the consolidated balance sheet	Acquisition cost	Difference
Items whose carrying amount exceeds acquisition cost	(1) Stocks	24,339	8,613	15,726
	(2) Debentures	–	–	–
	(3) Other	–	–	–
	Subtotal	24,339	8,613	15,726
Items whose carrying amount does not exceed acquisition cost	(1) Stocks	1,315	1,451	(136)
	(2) Debentures	–	–	–
	(3) Other	167	216	(49)
	Subtotal	1,482	1,668	(185)
Total		25,822	10,282	15,540

2. Available-for-sale securities sold during the fiscal year ended March 31, 2024

(Millions of yen)

Type of asset	Sale proceeds	Total gain on sale	Total loss on sale
(1) Stocks	3,238	2,483	–
(2) Debentures	–	–	–
(3) Other	–	–	–
Total	3,238	2,483	–

3. Securities for which impairment losses are recognized

During the fiscal year ended March 31, 2024, the Company recorded impairment losses on securities of 95 million yen.

For impairment of listed stocks, if the market prices at the end of the year dropped 30% or more from the book value, the full amount is impaired. With respect to other securities, if the net realizable value at the end of the year dropped by 30% or more from the book value, impairment is made for the amount deemed necessary by the Company, taking into consideration the possibility of recovery.

As of March 31, 2025

1. Available-for-sale securities

(Millions of yen)

	Type of asset	Carrying amount on the consolidated balance sheet	Acquisition cost	Difference
Items whose carrying amount exceeds acquisition cost	(1) Stocks	14,024	3,652	10,371
	(2) Debentures	–	–	–
	(3) Other	176	157	19
	Subtotal	14,201	3,810	10,390
Items whose carrying amount does not exceed acquisition cost	(1) Stocks	4,450	4,862	(412)
	(2) Debentures	–	–	–
	(3) Other	–	–	–
	Subtotal	4,450	4,862	(412)
Total		18,652	8,673	9,978

2. Available-for-sale securities sold during the fiscal year ended March 31, 2025

(Millions of yen)

Type of asset	Sale proceeds	Total gain on sale	Total loss on sale
(1) Stocks	15,767	14,703	–
(2) Debentures	–	–	–
(3) Other	–	–	–
Total	15,767	14,703	–

3. Securities for which impairment losses are recognized

During the fiscal year ended March 31, 2025, the Company recorded impairment losses on securities of 849 million yen.

For impairment of listed stocks, if the market prices at the end of the year dropped 30% or more from the book value, the full amount is impaired. With respect to other securities, if the net realizable value at the end of the year dropped by 30% or more from the book value, impairment is made for the amount deemed necessary by the Company, taking into consideration the possibility of recovery.

(Retirement benefits)

1. Overview of retirement benefit plans adopted

As a defined benefit plan, the Yamato Group has adopted a lump-sum retirement allowance system and a corporate pension fund system. The Group has also established a defined contribution system.

2. Defined benefit plan

(1) Reconciliation between the balance at beginning of period and the balance at end of period of retirement benefit obligations

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Balance of retirement benefit obligations at beginning of period	155,309 Million yen	159,351 Million yen
Service cost	15,272	15,754
Interest cost	154	158
Actuarial gains and losses accrued	2,635	(25,722)
Retirement benefits paid	(13,891)	(14,046)
Past service cost incurred	–	262
Increase resulting from consolidation of newly acquired subsidiaries	–	717
Decrease resulting from exclusion of subsidiaries from consolidation	(129)	–
Balance of retirement benefit obligations at end of period	159,351	136,474

Note: Some consolidated subsidiaries have adopted the simplified method in calculating the amount of retirement benefit obligations.

(2) Reconciliation between the balance at beginning of period and the balance at end of period of pension plan assets

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Balance of plan assets at beginning of period	57,034 Million yen	56,273 Million yen
Expected return on plan assets	569	562
Actuarial gains and losses accrued	603	(203)
Retirement benefits paid	(1,788)	(1,717)
Decrease resulting from exclusion of subsidiaries from consolidation	(144)	–
Balance of plan assets at end of period	56,273	54,915

(3) Reconciliation between ending balance of retirement benefit obligations and plan assets and retirement benefit liability/asset recorded on the consolidated balance sheet

	As of March 31, 2024	As of March 31, 2025
Retirement benefit obligations of funded plans	10,386 Million yen	7,885 Million yen
Plan assets	(56,273)	(54,915)
	(45,887)	(47,029)
Retirement benefit obligations of unfunded plans	148,964	128,589
Net amount of liabilities and assets recorded on the consolidated balance sheet	103,077	81,559
Retirement benefit liability	148,964	128,589
Retirement benefit asset	(45,887)	(47,029)
Net amount of liabilities and assets recorded on the consolidated balance sheet	103,077	81,559

(4) Amounts of retirement benefit expenses and their components

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Service cost	15,272 Million yen	15,754 Million yen
Interest cost	154	158
Expected return on plan assets	(569)	(562)
Recognition of actuarial gains and losses	(783)	(174)
Recognition of past service cost	–	262
Other	(38)	(10)
Retirement benefit expenses associated with defined benefit plan	14,034	15,428

(5) Remeasurements of defined benefit plans, net of tax

The components of remeasurements of defined benefit plans (before deduction of income taxes and tax effects) are as follows:

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Actuarial gains and losses	(2,845) Million yen	25,344 Million yen
Total	(2,845)	25,344

(6) Remeasurements of defined benefit plans

The components of remeasurements of defined benefit plans (before deduction of income taxes and tax effects) are as follows:

	As of March 31, 2024	As of March 31, 2025
Unrecognized actuarial gains and losses	(1,487) Million yen	23,857 Million yen
Total	(1,487)	23,857

(7) Plan assets

i) Major components of plan assets

The ratio of each major category to total plan assets is as follows:

	As of March 31, 2024	As of March 31, 2025
General account	58 %	56 %
Debentures	22	16
Other	20	28
Total	100	100

ii) Method for setting the long-term expected rate of return on plan assets

The Company set the expected long-term rate of return on plan assets taking into account the allocation of plan assets, the historical result of each component asset of the plan assets and market trends.

(8) Actuarial assumptions

Major actuarial assumptions

	As of March 31, 2024	As of March 31, 2025
Discount rate	0.1 %	primarily 1.4 %
Long-term expected rate of return	1.0	1.0

Note: A discount rate of 0.1% was applied in the calculation at the beginning of the fiscal year under review. However, after conducting a reassessment of the discount rate at the end of the fiscal year under review, the Company concluded that a change in the discount rate would significantly affect the amount of retirement benefit obligations. Accordingly, the discount rate was revised to 1.4%.

3. Defined contribution plans

The amounts of required contributions to defined contribution plans of the Company and certain consolidated subsidiaries were 11,221 million yen as of March 31, 2024, and 11,753 million yen as of March 31, 2025.

(Tax effect accounting)

1. Detailed deferred tax assets and deferred tax liabilities

	As of March 31, 2024	As of March 31, 2025
Deferred tax assets		
Provision for bonuses	9,836 Million yen	9,608 Million yen
Unpaid legal welfare expenses	1,659	1,599
Accrued enterprise tax	1,411	1,691
Excess allowance for doubtful accounts	570	518
Tax loss carryforwards*	4,444	10,751
Retirement benefit liability	45,649	40,457
Loss on valuation of land	16,352	15,472
Impairment losses	4,556	4,761
Loss on valuation of investment securities	867	1,113
Loss on valuation of shares of subsidiaries and associates	11,534	11,423
Unrealized gain on non-current assets	3,928	3,694
Loss on valuation of telephone subscription rights	215	215
Other	10,396	15,060
Subtotal	111,423	116,368
Allowance for valuation for tax loss carryforwards*	(4,444)	(4,853)
Allowance for valuation for the total deductible temporary difference, etc.	(20,425)	(21,347)
Subtotal	(24,870)	(26,201)
Total	86,553	90,167
Deferred tax liabilities		
Customer-related intangible assets	–	(9,140)
Retirement benefit asset	(14,042)	(14,840)
Valuation difference on available-for-sale securities	(4,587)	(3,103)
Reserve for reduction entry	(163)	(299)
Other	(5,017)	(7,760)
Total	(23,811)	(35,145)
Net deferred tax assets	62,741	55,022

* Tax loss carryforwards and amounts of their deferred tax assets by carryforward period

As of March 31, 2024

(Millions of yen)

	Within 1 year	After 1 year up to 2 years	After 2 years up to 3 years	After 3 years up to 4 years	After 4 years up to 5 years	After 5 years	Total
Tax loss carryforwards	52	37	2	–	–	4,351	4,444
Allowance for valuation	(52)	(37)	(2)	–	–	(4,351)	(4,444)
Deferred tax assets	–	–	–	–	–	–	–

Note: Tax loss carryforwards were calculated by multiplying the statutory effective tax rate.

As of March 31, 2025

(Millions of yen)

	Within 1 year	After 1 year up to 2 years	After 2 years up to 3 years	After 3 years up to 4 years	After 4 years up to 5 years	After 5 years	Total
Tax loss carryforwards	38	2	–	–	557	10,152	10,751
Allowance for valuation	(38)	(2)	–	–	(557)	(4,254)	(4,853)
Deferred tax assets	–	–	–	–	–	5,898	5,898

Note: Tax loss carryforwards were calculated by multiplying the statutory effective tax rate.

2. Breakdown of the main items that caused differences between the effective statutory tax rate and the actual effective tax rate by applying tax effect accounting

	As of March 31, 2024	As of March 31, 2025
Statutory effective tax rate of the reporting company's consolidated financial statements	30.6%	–
(Adjustments)		
Inhabitant per capita taxes	4.9	–
Difference of tax rates applied to overseas subsidiaries	(0.3)	–
Allowance for valuation	(9.4)	–
Equity in net income of affiliates	0.5	–
Other	0.5	–
Effective rate of income taxes after application of deferred tax accounting	26.8	–

Note: The figures as of the end of the fiscal year under review are omitted because the difference between the statutory tax rate and the effective tax rate after applying tax effect accounting was equal to or less than 5% of the statutory tax rate.

3. Accounting for corporate income tax and local corporate tax or tax effect accounting related to these taxes

Regarding the accounting treatment and disclosure related to tax effect accounting for corporate income tax and local corporate tax, the Company and some domestic consolidated subsidiaries are applying the Group Tax Sharing System in compliance with the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ Practical Solutions No. 42, August 12, 2021).

4. Adjustment of deferred tax assets and deferred tax liabilities due to change in income tax rates

Following the Diet's enactment of the Act for Partial Revision of the Income Tax Act and Other Acts (Act. No. 13 of 2025) on March 31, 2025, the "special defense surtax" will be imposed on corporate income tax from the fiscal year starting on April 1, 2026.

In response to that, the Company changed the effective statutory tax rate from 30.6% to 31.5% in the calculation of deferred tax assets and liabilities pertaining to temporary differences and other items that are expected to reverse in or after the fiscal year starting on April 1, 2026.
As a result of this change, the amount of deferred tax assets (which is calculated by deducting the amount of deferred tax liabilities) as of March 31, 2025 increased by 657 million yen, while the amount of income tax-deferred decreased by 941 million yen.

(Business Combinations, etc.)

(Business combination through acquisition)

In accordance with a resolution of the Board of Directors at a Board meeting held on November 5, 2024, the Company acquired 87.74% of the outstanding shares of Nakano Shokai Co., Ltd. on December 1, 2024. As a result, Nakano Shokai Co., Ltd. became a consolidated subsidiary of the Company.

1. Outline of the business combination

(1) Name and business content of the acquired company

Name:	Nakano Shokai Co., Ltd. ("Nakano Shokai")
Description of business	Contract Logistics Business

(2) Main reasons for the business combination

Under the Medium-term Management Plan "Sustainability Transformation 2030 —1st Stage—," which ends in the fiscal year ending March 31, 2027, the Yamato Group is working to transform its business portfolio, by expanding earnings to achieve profit growth in the base domain business (Express business), strengthening the TA-Q-BIN network, and expanding in the growth domain (Contract Logistics business and the Global business).

Meanwhile, Nakano Shokai comprehensively provides multiple functions tailored to the needs of its customers, which mainly consist of the upstream logistics domain of retailers, manufacturers and suppliers of food products, and EC operators, including the subleasing of logistics facilities reconfigured to match customer specifications, in addition to storage, warehouse operations, and transportation services.

The Company decided to acquire the shares because the addition of Nakano Shokai to the Yamato Group will expand the corporate business domain through (1) expansion of the Contract Logistics business, (2) generation of synergies with the Express business, and (3) achieving cost synergies (Contract Logistics business and Express business) through joint use of resources of both companies.

(3) Date of business combination

December 1, 2024 (Deemed date of acquisition: December 31, 2024)

(4) Legal form of business combination

Acquisition of shares for cash consideration based on the underwriting of a third-party allotment of shares and a share transfer agreement

(5) Company name after business combination

There is no change to the company name.

(6) Ratio of voting rights acquired

87.74%

(7) Main basis for determining the acquirer

The Company acquired the shares for cash consideration.

2. The period of the acquired company's earnings included in the consolidated financial statements

From January 1, 2025 to March 31, 2025

3. Acquisition costs of the acquired company and breakdown thereof

Consideration for acquisition: cash and deposits	46,943 million yen
Acquisition cost:	46,943 million yen

4. Description and amount of major expenses associated with the acquisition

Advisory fees, etc.	223 million yen

5. Amount of goodwill recognized, the reason for the goodwill, amortization method, and amortization period

(1) Amount of goodwill recognized

16,195 million yen

(2) Reason for the goodwill

The goodwill arose from the capacity for future excess earnings expected from upcoming business developments.

(3) Amortization method and amortization period

Amortized evenly over 11 years

6. Amounts and main breakdown of assets received and liabilities undertaken on the date of business combination

Current assets	23,055 Million yen
Non-current assets	53,493
Total assets	76,549
Current liabilities	(16,058)
Non-current liabilities	(25,446)
Total liabilities	(41,504)

7. Amount allocated to intangible assets other than goodwill, breakdown by major type, and amortization period for all and by major type

(1) Amount by major type

Customer-related intangible assets 26,124 million yen

(2) Amortization period by major type

Customer-related intangible assets Amortized evenly over 22 years

8. Estimated amounts of impact of the business combination on the consolidated statement of income for the fiscal year ended March 31, 2025, assuming that the business combination had been completed at the beginning of the fiscal year, and the calculation method thereof

Operating revenue 49,978 million yen

Operating profit 333 million yen

(Method for calculating the estimated amounts)

The estimated amounts represent the impact of the business combination on operating revenue and profit and loss information. These figures were calculated after eliminating internal transactions, using the acquiree's statement of income for the period from April 1, 2024 to December 31, 2024, on the assumption that the business combinations had been completed at the beginning of the fiscal year under review. The amount of amortization was also calculated on the assumption that the customer-related intangible assets and goodwill recognized in connection with the business combination had been acquired at the beginning of the fiscal year ended March 31, 2025.

This note is not subject to audit.

(Asset retirement obligations)

Asset retirement obligations reported on the consolidated balance sheet

1. Overview of the relevant asset retirement obligations

There are obligations to restore sites to their original conditions based on facility lease contracts and fixed-term land leasehold contracts.

2. Method for calculating the relevant asset retirement obligations

The Company calculated the amount of the relevant asset retirement obligations by estimating the expected period of use at 15 to 38 years and applying the yields on Japanese government bonds due in the expected period of use as the discount rates.

3. Change in the total amount of the relevant asset retirement obligations

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Beginning balance	9,608 Million yen	10,547 Million yen
Increase by purchase of property, plant and equipment	994	1,517
Adjustment amount over time	107	136
Increase (decrease) by change in estimate	33	174
(Decrease by implementing the asset retirement obligations)	(202)	(510)
Increase by acquisition of consolidated subsidiaries	–	1,005
Decrease by sale of consolidated subsidiaries	–	(7)
Other increase (decrease)	6	1
Balance at end of period	10,547	12,864

4. Change in the estimate for the relevant asset retirement obligations

As the Company found that the amount of the retirement cost for the relevant assets will change from the estimated amount at the beginning of each period by obtaining new information on the cost, it changed the estimate for the relevant asset retirement obligations, increasing the amount by 33 million yen in the fiscal year ended March 31, 2024, and increasing the amount by 174 million yen in the fiscal year ended March 31, 2025.

(Revenue recognition)

1. Information that breaks down revenue from contracts with customers

Since the fiscal year under review, we have changed the classification of reportable segments. Details are shown on "V. Financial Information, 1. Consolidated Financial Statements, etc., (1) Consolidated Financial Statements, Notes to Consolidated Financial Statements (Segment information, etc.)."

The information that breaks down revenue from contracts with customers for the previous fiscal year is disclosed based on the reportable segment classification after the change.

Fiscal year ended March 31, 2024

(Millions of yen)

	Express Business	Contract Logistics Business	Global Business	Mobility Business	Other (Note 1)	Total
Transportation income	1,527,583	10,123	6,157	–	–	1,543,864
Logistical support income	49,191	88,113	96,084	–	–	233,388
Other	42,164	1,955	3,484	56,941	93,382	197,928
Revenue from contracts with customers	1,618,938	100,192	105,726	56,941	93,382	1,975,180
Other revenue (Note 2)	357	–	48	174	3,403	3,983
Total	1,619,296	100,192	105,774	57,115	96,785	1,979,164
Operating revenue or transfers within the segment	(30,793)	–	(27,938)	(3,078)	(1,186)	(62,996)
Operating revenue by reportable segment	1,588,502	100,192	77,836	54,037	95,599	1,916,168
Inter-segment operating revenue or transfers	(39,903)	(11,118)	(3,781)	(33,873)	(68,864)	(157,541)
Operating revenue from customers	1,548,598	89,073	74,055	20,163	26,734	1,758,626

Notes: 1. Other includes Yamato System Development Co., Ltd. (information systems development).

2. Other revenue consists of real-estate rental income included in the scope of ASBJ Statement No. 13 "Accounting Standard for Lease Transactions" as well as transactions related to financial instruments included in the scope of ASBJ Statement No. 10 "Accounting Standard for Financial Instruments."

Fiscal year ended March 31, 2025

(Millions of yen)

	Express Business	Contract Logistics Business	Global Business	Mobility Business	Other (Note 1)	Total
Transportation income	1,514,931	18,825	6,510	–	–	1,540,267
Logistical support income	47,606	81,916	116,480	–	–	246,004
Other	40,677	1,804	3,699	57,435	68,536	172,153
Revenue from contracts with customers	1,603,215	102,547	126,691	57,435	68,536	1,958,425
Other revenue (Note 2)	332	3,316	45	195	3,336	7,226
Total	1,603,547	105,863	126,737	57,630	71,872	1,965,651
Operating revenue or transfers within the segment	(30,604)	(115)	(36,931)	(3,996)	(923)	(72,571)
Operating revenue by reportable segment	1,572,943	105,747	89,805	53,634	70,949	1,893,080
Inter-segment operating revenue or transfers	(38,232)	(8,673)	(3,855)	(33,128)	(46,494)	(130,383)
Operating revenue from customers	1,534,710	97,074	85,950	20,505	24,455	1,762,696

Notes: 1. Other includes Yamato System Development Co., Ltd. (information systems development).
2. Other revenue consists of real-estate rental income included in the scope of ASBJ Statement No. 13 “Accounting Standard for Lease Transactions” as well as transactions related to financial instruments included in the scope of ASBJ Statement No. 10 “Accounting Standard for Financial Instruments.”

2. Information that provides a basis for understanding revenue from contracts with customers

Information that forms the basis for understanding revenue from contracts with customers is presented in “V. Financial Information, 1. Consolidated Financial Statements, etc., (1) Consolidated Financial Statements, Notes to Consolidated Financial Statements (Significant matters forming the basis of preparing the consolidated financial statements), 4. Accounting policies, (5) Accounting method for significant revenues and costs” and thus omitted.

None of the contracts include significant financial elements or variable consideration, and the contractual consideration for services is generally received within 30–70 days from the time of revenue recognition. The contractual consideration for transportation services provided to individual customers in the Express business is received at the time the shipment is accepted.

3. Information about the relationship between the satisfaction of performance obligations under contracts with customers and cash flows from such contracts, and the amount and timing of revenue expected to be recognized in subsequent periods from contracts with customers that existed at the end of the fiscal year under review

(1) Balance of contract assets and liabilities, etc.

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Receivables from contracts with customers (beginning balance)	185,549	183,854
Receivables from contracts with customers (balance at end of period)	183,854	190,229
Contract assets (beginning balance)	4,793	4,551
Contract assets (balance at end of period)	4,551	4,381
Contract liabilities (beginning balance)	14,263	13,431
Contract liabilities (balance at end of period)	13,431	12,624

Contract assets are mainly recognized in TA-Q-BIN transactions and are recognized based on the estimated revenue from the progress of deliveries up to the end of the fiscal year. Contract assets are reclassified to receivables from contracts with customers when the consolidated subsidiary’s rights to the consideration become unconditional.

Contract liabilities mainly relate to advances received from customers who have subscribed to the Kuroneko Member Discount program for TA-Q-BIN transactions. Contract liabilities are reversed upon the recognition of revenue.

Among the revenues recognized during the previous fiscal year, the amount included in the contract liability balance at the beginning of the period was 11,282 million yen.

The amount of revenue recognized in the previous fiscal year from performance obligations satisfied in prior periods was not material.

Among the revenues recognized during the fiscal year under review, the amount included in the contract liability balance at the beginning of the period was 10,850 million yen.

The amount of revenue recognized in the fiscal year under review from performance obligations satisfied in prior periods was not material.

(2) Transaction prices allocated to remaining performance obligations

The Company and its consolidated subsidiaries apply the practical expedient in noting transaction prices allocated to the remaining performance obligations and do not include performance obligations with original expected contractual terms of one year or less and performance obligations for which the entity is entitled to receive consideration directly corresponding to the value to the customer of the portion of the obligation that has been performed by the entity to date. As a result, there are no significant performance obligations that should be noted as the transaction price allocated to the remaining performance obligations.

The performance obligations with an initial expected term of one year or less mainly related to courier services such as TA-Q-BIN in the Express business.

In addition, there were no material amounts of consideration arising from contracts with customers that are not included in the transaction price.

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

The reportable segments of the Yamato Group are components of the Group for which discrete financial information is available and which are regularly reviewed by the Company's Board of Directors to make decisions about allocation of managerial resources and to assess their performance.

The Yamato Group changed the management structure under the Company, to a pure holding company, in order to realize sustainable enhancement of corporate value based on the Medium-term Management Plan "Sustainability Transformation 2030 —1st Stage—," which is formulated with the fiscal year ending March 31, 2027, as the final year.

Accordingly, we have changed the reportable segments to four segments, effective from the fiscal year under review: "Express Business," "Contract Logistics Business," "Global Business," and "Mobility Business."

The segment information for the previous fiscal year is disclosed based on the reportable segment classification after the change.

Type of services by reportable segment

Reportable segment	Type of services
Express Business	Small parcel delivery services for individual and corporate customers, cargo vehicle transportation service, roll box pallets transportation service
Contract Logistics Business	3PL (third-party logistics) business, real estate business
Global Business	Transportation services for corporate customers, planning and operation of logistics centers, customs services, air cargo agency services
Mobility Business	Vehicle maintenance business, fuel sales business, non-life insurance agent business
Other	IT system development, operation and management business, call center business, financial services business

2. Method for calculating amounts of operating revenue, profit/loss, assets and other items by reportable segment

The accounting method used for reported business segments complies with the accounting policy that has been adopted in preparing the consolidated financial statements.

3. Information regarding the amounts of operating revenue, profit/loss, assets and other items by reportable segment

Fiscal year ended March 31, 2024

(Millions of yen)

	Express Business	Contract Logistics Business	Global Business	Mobility Business	Other (Note 1)	Total	Adjustments (Note 2)	Amount recorded in consolidated financial statements (Note 3)
Operating revenue								
Operating revenue from customers	1,548,598	89,073	74,055	20,163	26,734	1,758,626	–	1,758,626
Inter-segment operating revenue or transfers	39,903	11,118	3,781	33,873	68,864	157,541	(157,541)	–
Total	1,588,502	100,192	77,836	54,037	95,599	1,916,168	(157,541)	1,758,626
Segment profit (loss)	11,353	9,702	6,663	4,132	8,123	39,975	84	40,059
Segment assets (Note 4)	968,266	23,908	65,504	31,266	106,132	1,195,078	(13,295)	1,181,782
Others								
Depreciation	34,908	3,060	2,275	936	2,323	43,503	790	44,294
Investments in entities accounted for using equity method	859	–	–	–	–	859	8,495	9,354
Increase of property, plant, equipment and intangible assets (Note 4)	51,569	1,132	3,018	754	736	57,210	5,149	62,359

Notes: 1. Other includes Yamato System Development Co., Ltd. (information systems development).

2. Adjustments made are as follows.

(1) The adjustment of 84 million yen of segment profit includes group-wide expenses which have not been allocated to each reportable segment (general and administrative expenses of the Company, which is a pure holding company) of negative 7,841 million yen, as well as eliminations of transactions among segments of 7,925 million yen.

(2) The adjustment of negative 13,295 million yen of segment assets includes eliminations of inter-segment receivables and payables, etc. of negative 111,864 million yen and group-wide assets of 98,568 million yen not allocated to each reportable segment.

(3) The adjustment of 8,495 million yen of investment in entities accounted for using the equity method pertains to the amount of investment in those entities accounted for using the equity method which are not allocated to respective reportable segments.

(4) The adjustment of 5,149 million yen of increases of property, plant, equipment and intangible assets is the Company's capital investment amount.

3. An adjustment was made between segment profit and operating profit in the consolidated statement of income.

4. The segment assets and the increase in property, plant, equipment and intangible assets of the Express business include the 385,632 million yen of segment assets of the Head Office division of Yamato Transport Co., Ltd. as well as the 10,575 million yen increase in their property, plant, equipment and intangible assets, respectively.

Fiscal year ended March 31, 2025

(Millions of yen)

	Express Business	Contract Logistics Business	Global Business	Mobility Business	Other (Note 1)	Total	Adjustments (Note 2)	Amount recorded in consolidated financial statements (Note 3)
Operating revenue								
Operating revenue from customers	1,534,710	97,074	85,950	20,505	24,455	1,762,696	–	1,762,696
Inter-segment operating revenue or transfers	38,232	8,673	3,855	33,128	46,494	130,383	(130,383)	–
Total	1,572,943	105,747	89,805	53,634	70,949	1,893,080	(130,383)	1,762,696
Segment profit (loss)	(12,899)	5,582	9,027	3,781	8,200	13,693	512	14,206
Segment assets (Note 4)	963,280	104,503	64,231	29,394	106,105	1,267,515	(87)	1,267,428
Others								
Depreciation	38,595	3,649	2,439	926	2,021	47,632	953	48,586
Amortization of goodwill	–	368	–	–	–	368	–	368
Investments in entities accounted for using equity method	901	–	–	–	–	901	10,997	11,898
Increase of property, plant, equipment and intangible assets (Note 4)	68,574	44,701	3,185	575	1,216	118,253	8,065	126,319

Notes: 1. Other includes Yamato System Development Co., Ltd. (information systems development).

2. Adjustments made are as follows.

(1) The adjustment of 512 million yen of segment profit includes group-wide expenses which have not been allocated to each reportable segment (general and administrative expenses of the Company, which is a pure holding company) of negative 6,935 million yen, as well as eliminations of transactions among segments of 7,448 million yen.

(2) The adjustment of negative 87 million yen of segment assets includes eliminations of inter-segment receivables and payables, etc. of negative 106,420 million yen and group-wide assets of 106,333 million yen not allocated to each reportable segment.

(3) The adjustment of 10,997 million yen of investment in entities accounted for using the equity method pertains to the amount of investment in those entities accounted for using the equity method which are not allocated to respective reportable segments.

(4) The adjustment of 8,065 million yen of increases of property, plant, equipment and intangible assets is the Company's capital investment amount.

3. An adjustment was made between segment profit and operating profit in the consolidated statement of income.

4. The segment assets and the increase in property, plant, equipment and intangible assets of the Express business include the 364,511 million yen of segment assets of the Head Office division of Yamato Transport Co., Ltd. as well as the 12,688 million yen increase in their property, plant, equipment and intangible assets, respectively.

[Related information]

Fiscal year ended March 31, 2024

1. Information about products and services

(Millions of yen)

	Parcel delivery	Others	Total
Operating revenue from customers	1,363,771	394,854	1,758,626

2. Information about geographical areas

(1) Operating revenue

The information is omitted because external operating revenue from customers in Japan accounted for more than 90% of total operating revenue in the consolidated statement of income.

(2) Property, plant and equipment

The information is omitted because the amount of property, plant and equipment located in Japan accounted for more than 90% of total property, plant and equipment in the consolidated balance sheet.

3. Information about main customers

The information is omitted because there is no external operating revenue from a specific customer that accounted for 10% or more of total operating revenue in the consolidated statement of income.

Fiscal year ended March 31, 2025

1. Information about products and services

(Millions of yen)

	Parcel delivery	Others	Total
Operating revenue from customers	1,390,437	372,258	1,762,696

Note: The result of “Kuroneko Yu-Mail” is included in “Others” in the fiscal year under review because the amount became immaterial. The results of the previous fiscal year have been reclassified to reflect this change in presentation.

2. Information about geographical areas

(1) Operating revenue

The information is omitted because external operating revenue from customers in Japan accounted for more than 90% of total operating revenue in the consolidated statement of income.

(2) Property, plant and equipment

The information is omitted because the amount of property, plant and equipment located in Japan accounted for more than 90% of total property, plant and equipment in the consolidated balance sheet.

3. Information about main customers

The information is omitted because there is no external operating revenue from a specific customer that accounted for 10% or more of total operating revenue in the consolidated statement of income.

[Information regarding impairment losses of non-current assets by reportable segment]

Fiscal year ended March 31, 2024

(Millions of yen)

	Express Business	Contract Logistics Business	Global Business	Mobility Business	Other	Total	Corporate or eliminations	Consolidated
Impairment losses	898	–	–	–	524	1,423	–	1,423

Fiscal year ended March 31, 2025

(Millions of yen)

	Express Business	Contract Logistics Business	Global Business	Mobility Business	Other	Total	Corporate or eliminations	Consolidated
Impairment losses	455	9	166	–	–	631	–	631

[Information about amortization and unamortized balance of goodwill by reportable segment]

Fiscal year ended March 31, 2024

Not applicable

Fiscal year ended March 31, 2025

(Millions of yen)

	Express Business	Contract Logistics Business	Global Business	Mobility Business	Other	Total	Corporate or eliminations	Consolidated
Amortization in the fiscal year	–	368	–	–	–	368	–	368
Balance at end of period	–	15,827	–	–	–	15,827	–	15,827

[Information about gain on bargain purchase by reportable segment]

Fiscal year ended March 31, 2024

Not applicable

Fiscal year ended March 31, 2025

Not applicable

[Related party information]

Fiscal year ended March 31, 2024

Not applicable

Fiscal year ended March 31, 2025

Not applicable

(Per share information)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets per share	1,708.00 Yen	1,806.52 Yen
Basic earnings per share	107.23 Yen	111.87 Yen

Notes: 1. The Company's shares held by the Board Benefit Trust (BBT), which are booked as treasury shares in the shareholders' equity section, are included in the treasury shares that are deducted from the number of shares outstanding as of the end of the fiscal period when calculating net assets per share. In addition, they are included in the treasury shares that are deducted from the average number of shares during the period when calculating basic earnings per share. The number of treasury shares as of the end of the fiscal periods that were deducted when calculating net assets per share was 480,000 shares as of the end of the previous fiscal year and 471,000 shares as of the end of the fiscal year under review. The average number of treasury shares during the fiscal periods that were deducted when calculating basic earnings per share was 481,000 shares for the previous fiscal year and 473,000 shares for the fiscal year under review.

2. Diluted earnings per share are not presented since no potential shares exist.

3. The basis for calculating basic earnings per share is as follows.

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit attributable to owners of parent (Millions of yen)	37,626	37,937
Amounts not belonging to ordinary shareholders (Millions of yen)	–	–
Profit attributable to owners of parent concerning common shares (Millions of yen)	37,626	37,937
Average number of common shares during the period (Thousand shares)	350,881	339,121

(Significant subsequent events)

Not applicable

v) Annexed consolidated detailed schedules

[Detailed schedule of corporate bonds]

Company name	Issue name	Date of issue	Balance at beginning of period (Millions of yen)	Balance at end of period (Millions of yen)	Interest rate (%)	Security	Redemption period
Yamato Holdings Co., Ltd.	1st Unsecured Corporate Bonds (With inter-bond pari passu clause) (Green Bonds)	2023.7.6	20,000	20,000	0.310	None	2028.7.6
Total	–	–	20,000	20,000	–	–	–

Note: The scheduled redemption amount within five years after the consolidated balance sheet date is as follows.

(Millions of yen)

Within 1 year	After 1 year up to 2 years	After 2 years up to 3 years	After 3 years up to 4 years	After 4 years up to 5 years
–	–	–	20,000	–

[Detailed schedule of borrowings]

Classification	Balance at beginning of period (Millions of yen)	Balance at end of period (Millions of yen)	Average interest rate (%)	Payment due
Short-term borrowings	10,000	11,800	0.571	–
Current portion of long-term borrowings	181	2,525	0.720	–
Current portion of lease liabilities	5,868	7,195	2.644	–
Long-term borrowings (excluding current portion)	20,818	86,258	0.757	2026–2029
Lease liabilities (excluding current portion)	35,659	46,016	2.560	2026–2055
Other interest-bearing debt	–	–	–	–
Total	72,528	153,796	–	–

Note: The repayment schedule for long-term borrowings and lease liabilities (excluding the current portion) for five years after the consolidated balance sheet date is as follows.

(Millions of yen)

	After 1 year up to 2 years	After 2 years up to 3 years	After 3 years up to 4 years	After 4 years up to 5 years
Long-term borrowings	2,418	2,127	30,865	50,846
Lease liabilities	5,357	3,696	3,201	2,852

[Detailed schedule of asset retirement obligations]

(Millions of yen)

Classification	Balance at beginning of period	Increase	Decrease	Balance at end of period
Dismantling and waste sorting costs in accordance with the Construction Material Recycling Act	2,035	55	42	2,048
Asbestos removal costs	–	10	–	10
Obligations to restore sites to their original conditions based on fixed-term land leasehold contracts	3,088	514	27	3,575
Obligations to restore sites to their original conditions based on facility lease contracts	5,422	2,259	453	7,228
Total	10,547	2,840	523	12,864

(2) Other

i) Status after the closing date

Not applicable

ii) Semi-annual information for the fiscal year ended March 31, 2025

	Six months ended September 30, 2024	Fiscal year ended March 31, 2025
Operating revenue (Millions of yen)	840,413	1,762,696
Profit (loss) before income taxes (Millions of yen)	(14,026)	54,791
Profit (loss) attributable to owners of parent (Millions of yen)	(11,174)	37,937
Basic earnings (loss) per share (Yen)	(32.58)	111.87

iii) Significant lawsuits, etc.

In December 2024, a lawsuit was filed against Yamato Transport Co., Ltd. (hereinafter "Yamato Transport"), a consolidated subsidiary of the Company, by Japan Post Co., Ltd. (hereinafter "Japan Post") in the Tokyo District Court.

The lawsuit, which arises from the basic agreement dated June 19, 2023 and the Kuroneko Yu-Packet transportation services agreement dated September 16, 2023—both executed between the two companies—seeks confirmation of Yamato Transport's contractual obligation to engage Japan Post to perform transportation services for delivering small, thin parcels accepted by Yamato Transport to consignees during the period from February 1, 2025, to January 31, 2026. The claim also includes a demand for 12 billion yen in damages should Yamato Transport fail to fulfill this obligation.

Yamato Transport has established a system for responding to the lawsuit in cooperation with external attorneys to ensure it is handled appropriately.

2. Non-consolidated Financial Statements, etc.

(1) Non-consolidated Financial Statements

i) Non-consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	18,386	39,186
Trade accounts receivable	* 88	* 14
Short-term loans receivable	*15,539	* 5,606
Income taxes refund receivable	5,082	–
Other	* 1,188	* 10,315
Total current assets	40,285	55,123
Non-current assets		
Property, plant and equipment		
Buildings	2,781	3,201
Tools, furniture and fixtures	257	656
Land	6,632	–
Construction in progress	8,199	–
Other	24	62
Total property, plant and equipment	17,895	3,920
Intangible assets		
Software	331	48
Other	1	0
Total intangible assets	332	49
Investments and other assets		
Investment securities	33,791	28,747
Shares of subsidiaries and associates	305,189	357,736
Investments in capital of subsidiaries and associates	494	922
Investments in other securities of subsidiaries and associates	3,645	6,739
Long-term loans receivable	* 38,585	* 33,022
Deferred tax assets	7,735	8,467
Prepaid pension costs	47	46
Other	1,740	2,110
Allowance for doubtful accounts	(590)	–
Allowance for investment loss	(54)	(54)
Total investments and other assets	390,587	437,739
Total non-current assets	408,815	441,708
Total assets	449,101	496,831

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Trade accounts payable	* 654	* 749
Short-term borrowings	10,181	5,954
Income taxes payable	326	1,237
Deposits received	* 83,979	* 83,193
Provision for bonuses	4	3
Accounts payable - purchase of shares of subsidiaries and associates	7,236	7,194
Other	161	201
Total current liabilities	102,543	98,535
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	20,818	71,727
Provision for retirement benefits	172	152
Provision for share awards for directors (and other officers)	328	427
Other	321	626
Total non-current liabilities	41,639	92,934
Total liabilities	144,183	191,469
Net assets		
Shareholders' equity		
Share capital	127,234	127,234
Capital surplus		
Legal capital surplus	36,822	36,822
Total capital surplus	36,822	36,822
Retained earnings		
Other retained earnings		
General reserve	138,965	138,965
Retained earnings brought forward	31,505	68,516
Total retained earnings	170,471	207,482
Treasury shares	(42,850)	(73,913)
Total shareholders' equity	291,678	297,626
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	13,239	7,736
Total valuation and translation adjustments	13,239	7,736
Total net assets	304,918	305,362
Total liabilities and net assets	449,101	496,831

ii) Non-consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Operating revenue	*1 36,454	*1 42,698
Selling, general and administrative expenses	*1,*2 6,532	*1,*2 5,458
Operating profit	29,922	37,240
Non-operating income		
Interest and dividend income	*1 1,394	*1 1,635
Leasing income	*1 2,117	*1 2,401
Gain on investments in investment partnerships	–	2,010
Other	*1 287	*1 244
Total non-operating income	3,800	6,291
Non-operating expenses		
Interest expenses	*1 80	*1 380
Facility charges	2,117	2,401
Other	944	104
Total non-operating expenses	3,142	2,886
Ordinary profit	30,580	40,645
Extraordinary income		
Gain on sale of non-current assets	0	1,038
Gain on sale of investment securities	1,347	13,784
Gain on sale of shares of subsidiaries and associates	2,142	917
Other	190	10
Total extraordinary income	3,680	15,750
Extraordinary losses		
Loss on valuation of investment securities	95	663
Loss on sale of shares of subsidiaries and associates	–	18
Loss on valuation of shares of subsidiaries and associates	835	–
Provision of allowance for doubtful accounts	188	123
Headquarters relocation expenses	–	*1 785
Other	0	2
Total extraordinary losses	1,118	1,594
Profit before income taxes	33,141	54,801
Income taxes-current	1,490	1,487
Income taxes-deferred	(689)	505
Total income taxes	801	1,993
Profit	32,340	52,808

iii) Non-consolidated statement of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward	
Balance at beginning of period	127,234	36,822	–	36,822	138,965	62,573	201,539
Changes during period							
Dividends of surplus						(16,432)	(16,432)
Profit						32,340	32,340
Purchase of treasury shares							
Disposal of treasury shares			0	0			
Cancellation of treasury shares			(0)	(0)		(46,975)	(46,975)
Net changes in items other than shareholders' equity							
Total changes during period	–	–	–	–	–	(31,067)	(31,067)
Balance at end of period	127,234	36,822	–	36,822	138,965	31,505	170,471

	Shareholders' equity		Valuation and translation adjustments	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	
Balance at beginning of period	(39,835)	325,761	8,106	333,868
Changes during period				
Dividends of surplus		(16,432)		(16,432)
Profit		32,340		32,340
Purchase of treasury shares	(50,001)	(50,001)		(50,001)
Disposal of treasury shares	10	10		10
Cancellation of treasury shares	46,975	–		–
Net changes in items other than shareholders' equity			5,133	5,133
Total changes during period	(3,015)	(34,082)	5,133	(28,949)
Balance at end of period	(42,850)	291,678	13,239	304,918

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity					
	Share capital	Capital surplus		Retained earnings		
		Legal capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
				General reserve	Retained earnings brought forward	
Balance at beginning of period	127,234	36,822	36,822	138,965	31,505	170,471
Changes during period						
Dividends of surplus					(15,797)	(15,797)
Profit					52,808	52,808
Purchase of treasury shares						
Disposal of treasury shares					(0)	(0)
Net changes in items other than shareholders' equity						
Total changes during period	–	–	–	–	37,010	37,010
Balance at end of period	127,234	36,822	36,822	138,965	68,516	207,482

	Shareholders' equity		Valuation and translation adjustments	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	
Balance at beginning of period	(42,850)	291,678	13,239	304,918
Changes during period				
Dividends of surplus		(15,797)		(15,797)
Profit		52,808		52,808
Purchase of treasury shares	(31,086)	(31,086)		(31,086)
Disposal of treasury shares	24	23		23
Net changes in items other than shareholders' equity			(5,503)	(5,503)
Total changes during period	(31,062)	5,947	(5,503)	444
Balance at end of period	(73,913)	297,626	7,736	305,362

Notes to Non-consolidated Financial Statements

(Significant accounting policies)

1. Valuation bases and methods for assets

Valuation bases and methods for securities

Available-for-sale securities

Other than stocks and other securities with no market price

Stated at the fair market value based on the quoted market price (valuation differences are recognized in net assets; the cost of securities sold is calculated by the moving-average method).

Stocks and other securities with no market price

Stated at cost using the moving-average method.

Investments in investment limited partnerships and similar partnerships

(Investments deemed to be securities pursuant to Article 2, paragraph (2) of the Financial Instruments and Exchange Act)

Stated at the net amount of the Company's interest in the partnership based on the most recent financial statements available according to the reporting date stipulated in the partnership agreement.

Shares of subsidiaries and associates and investments in capital of subsidiaries and associates

Stated at cost using the moving-average method.

Investments in other securities of subsidiaries and associates (Investments in the limited partnership for investment)

Stated at the net amount of the Company's interest in the partnership based on the most recent financial statements available according to the reporting date stipulated in the partnership agreement.

2. Depreciation and amortization methods of non-current assets

(1) Property, plant and equipment

Depreciated using the straight-line method.

(2) Intangible assets

Amortized using the straight-line method.

However, software is amortized by the straight-line method over the estimated useful life (five years or less).

3. Accounting method for provisions

(1) Allowance for doubtful accounts

The allowance for doubtful accounts is provided to prepare for losses from uncollectible credits. For special receivables with higher uncertainty, collectivity is considered on individual cases and the prospective uncollectible amount is provided.

(2) Allowance for investment loss

To prepare for a valuation loss on investments in subsidiaries and associates, allowances are provided considering the financial position and recoverability of the relevant subsidiary or associate.

(3) Provision for bonuses

The provision for bonuses is provided for the payment of bonuses to employees based on the amount expected to be paid.

(4) Provision for retirement benefits

To provide for employees' retirement benefits, a provision for retirement benefits is recorded based on the projected retirement benefit obligations and related pension assets as of the end of the fiscal year ended March 31, 2025.

i) Method of attributing expected retirement benefits to periods

In calculating the retirement benefit obligations, the straight-line basis is used in determining the amount of the expected retirement benefit obligation attributed to service performed up to the end of the fiscal year under review.

ii) Method of recognizing actuarial differences

Actuarial differences are recognized in profit or loss in the year following the year in which a respective gain or loss arises and are amortized proportionally on a straight-line basis over a period of time (mainly five years), which is within the average remaining years of service of the eligible employees.

(5) Provision for share awards for directors (and other officers)

In preparation for the payment of shares based on the Regulations on Share-based Remuneration for Officers, the expected amount of compensation is recorded according to the points allocated to Directors (and other officers).

4. Accounting method for revenues and costs

The Company mainly engages in executive management of its subsidiaries. Under the executive management contracts, the Company provides management and planning guidance to its subsidiaries. Since the economic benefits of these services are

provided equally over the contract period, the Company recognizes revenue when the performance obligations are satisfied, which is measured by the passage of time.

5. Other significant matters for preparing non-consolidated financial statements

(Method of accounting for retirement benefits)

The method of accounting for unrecognized actuarial differences on retirement benefits is different to the method in the consolidated financial statements.

(Significant accounting estimates)

(Valuation of shares of subsidiaries and associates and investments in capital of subsidiaries and associates)

(1) Amount recorded in the non-consolidated financial statements for the fiscal year under review

The following is a list of items that have been recognized in the non-consolidated financial statements for the fiscal year under review based on accounting estimates and that may have a material effect on the non-consolidated financial statements for the following fiscal year.

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Shares of subsidiaries and associates	305,189	357,736
Investments in capital of subsidiaries and associates	494	922
Allowance for investment loss	(54)	(54)

(2) Information on significant accounting estimates for identified items

In principle, shares of subsidiaries and associates and investments in capital of subsidiaries and associates are stated at the cost by the moving-average method. In the event of a decline in the net realizable value, the Company determines whether or not to recognize a write-down based on estimates of the business plans and other factors of the relevant company. In determining whether or not to recognize a write-down of shares and investments, certain assumptions are made with respect to business plans and other estimates. These assumptions are subject to uncertain future economic and business conditions, which may have a material impact on the non-consolidated financial statements for the next and subsequent periods.

(Changes in presentation)

(Non-consolidated statement of income)

"Gain on sale of non-current assets," which was included in "Other" under "Extraordinary income" in the previous fiscal year, is separately presented in the fiscal year under review because the amount became material. The non-consolidated financial statements of the previous fiscal year have been reclassified to reflect this change in presentation.

As a result, 191 million yen presented in "Other" under "Extraordinary income" in the non-consolidated statement of income for the previous fiscal year has been reclassified as 0 million yen in "Gain on sale of non-current assets" and 190 million yen in "Other."

(Additional information)

(Board Benefit Trust (BBT) performance-linked and share-based remuneration system)

The Company has adopted the Board Benefit Trust (BBT) performance-linked and share-based remuneration system. The purpose of the system is to further clarify the linkage of remuneration for Directors (excluding Outside Directors) and executive officers, etc. who do not concurrently serve as Directors (collectively, "Officers") and the Company's business performance and share value ensuring that not only the benefit of the increase in share prices but also the risk of the decrease in share prices are shared between the Officers and the shareholders, thereby further motivating the Officers to contribute to the improvement in the business performance and corporate value over the medium to long term.

The outline of this system is presented in "V. Financial Information, 1. Consolidated Financial Statements, etc., (1) Consolidated Financial Statements, Notes to Consolidated Financial Statements (Additional information)" and thus omitted.

(Dissolution and liquidation of subsidiaries)

At the Company's Board of Directors meeting held on February 17, 2023, the Company resolved to liquidate its subsidiaries, YAMATO

INVESTMENT (HONG KONG) LIMITED and YAMATO ASIA PTE. LTD. The liquidation processes are currently underway.
Details are shown on "V. Financial Information, 1. Consolidated Financial Statements, etc., (1) Consolidated Financial Statements, Notes to Consolidated Financial Statements (Additional information)."

(Non-consolidated balance sheet)

* Monetary receivables and payables to subsidiaries and associates are as follows.

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Short-term monetary receivables	15,998	6,090
Long-term monetary receivables	37,058	31,574
Short-term monetary payables	91,457	90,617

Contingent liabilities are as follows.

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Joint and several guarantee based on clearing agreements with other transportation companies	300	300
Guarantee of obligation for debt financing	345	16,767

(Non-consolidated statement of income)

*1 Volume of transactions with subsidiaries and associates is as follows:

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Operating revenue	36,453	42,698
Operating expenses	2,562	2,529
Non-operating transactions	3,145	3,685

*2 Major expense items and amounts included in selling, general and administrative expenses are as follows:

Since the Company is a pure holding company, all expenses are included in general and administrative expenses.

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Personnel expenses	996	780
[Provision for bonuses (included above)]	4	3
[Retirement benefit expenses (included above)]	(5)	27
[Provision for share awards for directors (and other officers) (included above)]	187	148
Commission expenses	2,405	2,429
Depreciation	480	468

(Changes in presentation)

"Computer expenses" is not separately presented as a major expense in the fiscal year under review, since it became immaterial in terms of amount. In line with this, it is not presented for the previous fiscal year, either.

(Securities)

Shares of subsidiaries and affiliates

As of March 31, 2024

(Millions of yen)

Classification	Carrying amount on balance sheet	Fair value	Difference
Shares of affiliates	7,752	7,205	(547)
Total	7,752	7,205	(547)

Note: Carrying amount on balance sheet of shares, etc. which do not have a quoted market price that are not included in the above table.

(Millions of yen)

Item	As of March 31, 2024
Shares of subsidiaries	296,938
Shares of affiliates	497

As of March 31, 2025

(Millions of yen)

Classification	Carrying amount on balance sheet	Fair value	Difference
Shares of affiliates	7,752	8,048	295
Total	7,752	8,048	295

Note: Carrying amount on balance sheet of shares, etc. which do not have a quoted market price that are not included in the above table.

(Millions of yen)

Item	As of March 31, 2025
Shares of subsidiaries	346,108
Shares of affiliates	3,875

(Tax effect accounting)

1. Detailed deferred tax assets and deferred tax liabilities

	As of March 31, 2024	As of March 31, 2025
Deferred tax assets		
Provision for bonuses	1Million yen	1Million yen
Accrued enterprise tax	30	34
Provision for retirement benefits	38	48
Loss on valuation of investment securities	663	771
Shares of subsidiaries and associates	62,505	60,322
Other	704	576
Subtotal	63,942	61,754
Allowance for valuation	(52,050)	(50,199)
Total	11,891	11,555
Deferred tax liabilities		
Valuation difference on available-for-sale securities	(4,109)	(2,872)
Other	(46)	(215)
Total	(4,156)	(3,087)
Net deferred tax assets (liabilities)	7,735	8,467

2. Breakdown of the main items that caused differences between the effective statutory tax rate and the actual effective tax rate by applying tax effect accounting

	As of March 31, 2024	As of March 31, 2025
Statutory effective tax rate	30.6%	30.6%
(Adjustments)		
Allowance for valuation	0.2	(5.9)
Non-taxable dividend income	(28.4)	(21.1)
Adjustments to the book value of investment in subsidiaries	(1.5)	(0.5)
Non-deductible amount of donations	1.4	0.4
Increase in deferred tax assets at period-end due to change in tax rate	–	0.0
Other	0.1	0.1
Effective rate of income taxes after application of deferred tax accounting	2.4	3.6

3. Accounting for corporate income tax and local corporate tax or tax effect accounting related to these taxes

Regarding the accounting treatment and disclosure related to tax effect accounting for corporate income tax and local corporate tax, the Company is applying the Group Tax Sharing System in compliance with the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ Practical Solutions No. 42, August 12, 2021).

4. Adjustment of deferred tax assets and deferred tax liabilities due to change in income tax rates

Following the Diet's enactment of the Act for Partial Revision of the Income Tax Act and Other Acts (Act. No. 13 of 2025) on March 31, 2025, the "special defense surtax" will be imposed on corporate income tax from the fiscal year starting on April 1, 2026.

In response to that, the Company changed the effective statutory tax rate from 30.6% to 31.5% in the calculation of deferred tax assets and liabilities pertaining to temporary differences that are expected to reverse in or after the fiscal year starting on April 1, 2026.

As a result of this change, the amount of deferred tax assets (which is calculated by deducting the amount of deferred tax liabilities) for the fiscal year under review decreased by 85 million yen and valuation difference on available-for-sale securities decreased by 82 million yen, while the amount of income tax-deferred increased by 3 million yen.

(Revenue recognition)

Information that forms the basis for understanding revenues from contracts with customers is presented in "V. Financial Information, 2. Non-consolidated Financial Statements, etc., (1) Non-consolidated Financial Statements, Notes to Non-consolidated Financial Statements (Significant accounting policies), 4. Accounting method for revenues and costs" and thus omitted.

For all services, the consideration for transactions does not include significant financial elements or variable consideration, and the consideration for transactions with subsidiaries is received primarily at the end of each quarter.

(Significant subsequent events)

Not applicable

iv) Annexed detailed schedules

[Detailed schedule of property, plant and equipment, etc.]

(Millions of yen)

Classification	Asset type	Balance at beginning of period	Increase	Decrease	Depreciation/ amortization in the fiscal year	Balance at end of period	Accumulated depreciation
Property, plant and equipment	Buildings	2,781	15,038	14,067	552	3,201	277
	Tools, furniture and fixtures	257	598	7	192	656	779
	Land	6,632	–	6,632	–	–	–
	Construction in progress	8,199	–	8,199	–	–	–
	Other	24	577	520	18	62	10
	Total	17,895	16,215	29,427	763	3,920	1,067
Intangible assets	Software	331	–	59	223	48	158
	Other	1	0	0	0	0	0
	Total	332	0	59	223	49	158

Notes: 1. An increase in “Buildings” and a decrease in “Construction in progress” are due to the construction of Yamato Headquarters Building.
2. Decreases in “Buildings” and “Land” are due to the sale and leaseback transactions for Yamato Headquarters Building.

[Detailed schedule of allowance and provisions]

(Millions of yen)

Account item	Balance at beginning of period	Increase	Decrease	Balance at end of period
Allowance for doubtful accounts	590	123	713	–
Allowance for investment loss	54	–	–	54
Provision for bonuses	4	3	4	3
Provision for share awards for directors (and other officers)	328	148	49	427

(2) Details of Major Assets and Liabilities

This information has been omitted as the consolidated financial statements have been prepared.

(3) Other

i) Status after the closing date

Not applicable

ii) Significant lawsuits, etc.

Not applicable

VI. Outline of Share-Related Administration of the Reporting Company

Fiscal year	From April 1 to March 31
Ordinary General Meeting of Shareholders	June
Record date	March 31
Record dates for dividends of surplus	September 30 March 31
Share unit	100 shares
Sale of shares of less than one unit and incremental purchase of shares	
Office for handling business	(Special account) 1-3-3, Marunouchi, Chiyoda-ku, Tokyo Head Office Transfer Agent Department, Mizuho Trust & Banking Co., Ltd.
Administrator of shareholders' register	(Special account) 1-3-3, Marunouchi, Chiyoda-ku, Tokyo Mizuho Trust & Banking Co., Ltd.
Forwarding office	–
Sale and incremental purchase fees	The amount equivalent to the commission for the consignment of the sale and purchase of 100 shares, divided proportionally by the number of shares sold or added to one unit
Method of public notice	Electronic public notice If an announcement by an electronic public notice is not possible due to accidents or other unavoidable reasons, it shall be done by publication in the Nihon Keizai Shimbun. URL for public notice https://www.yamato-hd.co.jp
Special benefits for shareholders	None

Note: Pursuant to the Company's Articles of Incorporation, shareholders of the Company may not exercise any rights other than the rights listed below with respect to shares of less than one unit held by them.

(1) Rights listed in each item of Article 189, paragraph (2) of the Companies Act

(2) The right to make a request pursuant to the provisions of Article 166, paragraph (1) of the Companies Act

(3) The right to receive an allotment of offered shares and offered stock acquisition rights in proportion to the number of shares held by the shareholder

(4) The right to request the sale of shares of less than one unit

VII. Reference Information on the Reporting Company

1. Information about Parent of the Reporting Company

Not applicable

2. Other Reference Information

From the beginning of the fiscal year under review until the filing date of this Annual Securities Report, the Company has filed the following documents.

(1) Annual Securities Report and Attachments and Confirmation Letter

Fiscal year (the 159th term) (from April 1, 2023 to March 31, 2024)

Filed with the Director-General of the Kanto Local Finance Bureau on June 14, 2024

(2) Internal Control Report and Attachments

Filed with the Director-General of the Kanto Local Finance Bureau on June 14, 2024

(3) Semi-annual Securities Report and Confirmation Letter

(During the 160th term) (from April 1, 2024 to September 30, 2024)

Filed with the Director-General of the Kanto Local Finance Bureau on November 8, 2024

(4) Extraordinary Reports

Filed with the Director-General of the Kanto Local Finance Bureau on June 25, 2024

This is an Extraordinary Report based on Article 19, paragraph (2), item (ix)-2 of the Cabinet Office Order on Disclosure of Corporate Affairs

Filed with the Director-General of the Kanto Local Finance Bureau on November 6, 2024

This is an Extraordinary Report based on Article 19, paragraph (2), item (viii)-2 of the Cabinet Office Order on Disclosure of Corporate Affairs

(5) Amended Shelf Registration Statements

Filed with the Director-General of the Kanto Local Finance Bureau on June 25, 2024

Filed with the Director-General of the Kanto Local Finance Bureau on November 6, 2024

(6) Share Repurchase Reports

Reporting period (from November 1, 2024 to November 30, 2024)

Filed with the Director-General of the Kanto Local Finance Bureau on December 12, 2024

Reporting period (from December 1, 2024 to December 31, 2024)

Filed with the Director-General of the Kanto Local Finance Bureau on January 14, 2025

Reporting period (from January 1, 2025 to January 31, 2025)

Filed with the Director-General of the Kanto Local Finance Bureau on February 12, 2025

Reporting period (from February 1, 2025 to February 28, 2025)

Filed with the Director-General of the Kanto Local Finance Bureau on March 13, 2025

Reporting period (from March 1, 2025 to March 31, 2025)

Filed with the Director-General of the Kanto Local Finance Bureau on April 11, 2025

Reporting period (from April 1, 2025 to April 30, 2025)

Filed with the Director-General of the Kanto Local Finance Bureau on May 13, 2025

Reporting period (from May 1, 2025 to May 31, 2025)

Filed with the Director-General of the Kanto Local Finance Bureau on June 12, 2025

PART 2 INFORMATION ON GUARANTORS, ETC., FOR THE REPORTING COMPANY

Not applicable

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

June 13, 2025

To the Board of Directors of
Yamato Holdings Co., Ltd.:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant:

Michiyuki Yamamoto

Designated Engagement Partner,
Certified Public Accountant:

Shinji Seki

Designated Engagement Partner,
Certified Public Accountant:

Yusuke Kumei

<Audit of Consolidated Financial Statements>

Opinion

Pursuant to the first paragraph of Article 193-2 of the Financial Instruments and Exchange Act, we have audited the consolidated financial statements of Yamato Holdings Co., Ltd. and its consolidated subsidiaries (the "Group") included in the Financial Section, namely, the consolidated balance sheet as of March 31, 2025, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the fiscal year from April 1, 2024 to March 31, 2025, and a summary of significant accounting policies and other explanatory information, and the consolidated supplementary schedules.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Examination of indications of impairment loss occurring on non-current assets of Yamato Transport Co., Ltd.	
Key Audit Matter Description	How the Key Audit Matter Was Addressed in the Audit
The Group provides delivery and other logistics services. As described in "Significant accounting estimates" of the notes to the consolidated financial statements, as of March 31, 2025, the Group's main assets subject to accounting standards related to impairment of non-current assets are property, plant and equipment of ¥474,354 million and intangible assets of ¥82,574 million (approximately 44% of the consolidated total assets). Among these balances, property, plant and equipment of ¥416,677 million, and intangible assets of ¥37,995 million are attributed to Yamato Transport Co., Ltd. ("Yamato Transport"), a consolidated subsidiary. As of March 31, 2025, there were indications that certain assets or asset groups of Yamato Transport and other subsidiaries may be impaired, and the Group recognized an impairment loss of ¥631 million. Yamato Transport determined the asset groups mainly considering the management accounting classification and the units for making investment decisions, and classified non-current assets associated with the Head Office division as common assets. Yamato Transport examined whether there are indications of impairment loss including the continual operating losses, the abolition or restructuring of businesses, changes in non-current asset usage, idle assets, and the significant deteriorations of the management environment. The operating profits and losses of each asset group are calculated based on the income and expenditure statement output from the system, and the allocation of headquarters expenses is automatically calculated and allocated based on the allocation rate. If the documentations for examining indications of impairment loss were not created appropriately, there may be errors in the determination and impairment loss that should be recorded may not be recorded. As mentioned above, property, plant and equipment and intangible assets held by Yamato Transport are highly significant amounts in the consolidated financial statements. Furthermore, there is a high degree of subjective judgments made by the management in the examination of indications of impairment loss related to non-current assets. Therefore, we have identified the examination of indications of impairment loss related to non-current assets of Yamato Transport as a key audit matter.	Our audit procedures related to examining the indications of impairment loss for Yamato Transport included the following, among others: • We obtained an understanding of Yamato Transport's overall business environment through inquiry of the departments in charge and inspection of the minutes of the Board of Directors' meetings, the management meetings, and other important approval documents. Our understanding included information on delivery unit prices, delivery volume, external delivery resources, unit commission expenses, number of employees, the circumstances of labor management, and internal transfer of services between divisions. • We carefully tested whether the asset groups were determined by appropriately reflecting the Yamato Transport's management conditions based on the management accounting classification, the units for making investment decisions, and other similar factors. • After understanding the process for preparing the documentations used to examine the indications of impairment loss and Yamato Transport's internal controls related to the examination of indications of impairment loss, we evaluated the design and operating effectiveness of these internal controls, including the review and approval by management at the appropriate level of these documentations. • We tested the consistency of the income and expenditure statement and trial balance that were to be the basis for the documentations used to examine the indications of impairment loss with the documentations themselves. • We involved our IT specialists to assist us in testing the general IT control of the system that output the income and expenditure statement as well as the report logic of the income and expenditure statement. • After examining the validity of the headquarters expense allocation logic, the accuracy of the allocation calculation was tested through recalculation. • In order to examine whether there were any abolitions or restructurings of businesses, changes in long-lived asset usage, idle assets, significant deteriorations of the management environment, or other similar situation, we inquired with management and inspected various meeting minutes.

Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Annual Securities Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Audit & Supervisory Board members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Audit of Internal Control>

Opinion

Pursuant to the second paragraph of Article 193-2 of the Financial Instruments and Exchange Act, we have audited management's report on internal control over financial reporting of Yamato Holdings Co., Ltd. as of March 31, 2025.

In our opinion, management's report on internal control over financial reporting referred to above, which represents that the internal control over financial reporting of Yamato Holdings Co., Ltd. as of March 31, 2025, is effectively maintained, presents fairly, in all material respects, the results of the assessment of internal control over financial reporting in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

Basis for Opinion

We conducted our internal control audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Internal Control Audit section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for Report on Internal Control

Management is responsible for designing and operating effective internal control over financial reporting and for the preparation and fair presentation of its report on internal control in accordance with assessment standards for internal control over financial reporting generally accepted in Japan. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing and verifying the design and operating effectiveness of internal control over financial reporting. There is a possibility that misstatements may not be completely prevented or detected by internal control over financial reporting.

Auditor's Responsibilities for the Internal Control Audit

Our objectives are to obtain reasonable assurance about whether management's report on internal control over financial reporting is free from material misstatement and to issue an auditor's report that includes our opinion.

As part of an audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Perform audit procedures to obtain audit evidence regarding the results of the assessment of internal control over financial reporting in management's report on internal control. The procedures selected depend on the auditor's judgment, including the significance of effects on reliability of financial reporting.

- Examine representations on the scope, procedures and results of the assessment of internal control over financial reporting made by management, as well as evaluating the overall presentation of management's report on internal control.

- Obtain sufficient appropriate audit evidence regarding the results of the assessment of internal control over financial reporting. We are responsible for the direction, supervision and performance of the internal control audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the internal control audit, result of the internal control audit, including any identified material weakness which should be disclosed and the result of remediation.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

<Fee-Related Information>

Fees for audit and other services for the year ended March 31, 2025, which were charged by us and our network firms to Yamato Holdings Co., Ltd. and its subsidiaries are disclosed in "4. Status of Corporate Governance, etc. (3) Information about audit" included in the "IV. Status of the Reporting Company" of the Annual Securities Report.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Financial Instruments and Exchange Act of Japan for the conveniences of the reader.

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

June 13, 2025

To the Board of Directors of
Yamato Holdings Co., Ltd.:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant:

Michiyuki Yamamoto

Designated Engagement Partner,
Certified Public Accountant:

Shinji Seki

Designated Engagement Partner,
Certified Public Accountant:

Yusuke Kumei

<Audit of Nonconsolidated Financial Statements>

Opinion

Pursuant to the first paragraph of Article 193-2 of the Financial Instruments and Exchange Act, we have audited the nonconsolidated financial statements of Yamato Holdings Co., Ltd. (the "Company") included in the Financial Section, namely, the nonconsolidated balance sheet as of March 31, 2025, and the nonconsolidated statement of income and nonconsolidated statement of changes in equity for the 160th fiscal year from April 1, 2024 to March 31, 2025, and a summary of significant accounting policies and other explanatory information, and the supplementary schedules.

In our opinion, the accompanying nonconsolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2025, and its financial performance and for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the nonconsolidated financial statements of the current period. The matter was addressed in the context of our audit of the nonconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Valuation of shares of subsidiaries and associates	
Key Audit Matter Description	How the Key Audit Matter Was Addressed in the Audit
The Company, as a holding company of the group that provides delivery and other logistics services, owns shares of subsidiaries and associates within the group. As described in "Significant accounting estimates" of the notes to the non-consolidated financial statements, the Company's total assets of 496,831 million yen as of March 31, 2025 included shares of subsidiaries and associates in the amount of 357,736 million yen, of which 349,983 million yen had no market value. The Company records its shares of subsidiaries and associates at the acquisition cost on its balance sheet. If the net realizable value has declined by 30% or more compared to the carrying value at the end of the fiscal year and there is not sufficient evidence to support the possibility that the net realizable value will recover, the carrying value is written down to the net realizable value and the difference is recorded as a loss for the current fiscal year. If the decline in the net realizable value is less than 30% of the carrying value, but the recovery in the net realizable value deems to take a long period of time, the Company records an allowance for investment loss to prepare for any investment loss taking into consideration the financial position of the subsidiaries and associates and the recoverability of the carrying value of investments. The net realizable value of the shares of subsidiaries and associates that have no market value and that are used in the evaluation of this accounting treatment is the amount obtained by multiplying the net asset amount per share of each issuing company by the number of shares held. However, in some cases, net realizable value is evaluated by reflecting the excess earning power or other amounts of the issuing companies being examined. The Company is a holding company, and the shares of subsidiaries and associates are highly significant amounts in the balance sheet. Furthermore, since there is a high degree of subjective judgments made by management in determining whether net realizable value has significantly declined depending on the condition of each issuing company, we have identified the valuation of shares of subsidiaries and associates as a key audit matter.	Our audit procedures related to examining the Company's valuation of shares of subsidiaries and associates included the following, among others: • We understood the Company's internal controls over the valuation of shares of subsidiaries and associates, including the reconciliation of the financial position of each of the subsidiaries and associates used in the valuation with the latest financial information available, and the review and approval by management at the appropriate level to ensure that the valuation of shares of subsidiaries and associates whose net realizable value has significantly declined due to deterioration in the financial position is conducted completely and timely. • In order to confirm whether there are any signs of deteriorations of the management environment or the financial position of each of the subsidiaries and associates, we inquired with management and read the meeting minutes of the Board of Directors and other relevant materials. • Regarding the excess earning power reflected in the net realizable value, we examined how large the gaps between the business plan and actual results were as well as the reasons for those gaps. We also examined whether net realizable value has significantly declined due to any declines in excess earning power. • After confirming that the values indicated in the materials on the Company's valuation of shares of subsidiaries and associates were calculated based on the financial information of each of the subsidiaries and associates or other relevant information, we examined if the determination of whether net realizable value has significantly declined is being conducted appropriately by comparing net realizable value and acquisition cost.

Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Annual Securities Report, but does not include the nonconsolidated financial statements and our auditor's report thereon.

Our opinion on the nonconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the nonconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the nonconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Nonconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the nonconsolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of nonconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the nonconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the nonconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these nonconsolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the nonconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the nonconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the nonconsolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the nonconsolidated financial statements, including the disclosures, and whether the nonconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Audit & Supervisory Board members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the nonconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Fee-Related Information>

Fee-related information is disclosed in independent auditor's report on the consolidated financial statements as of and for the year ended March 31, 2025.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Financial Instruments and Exchange Act of Japan for the conveniences of the reader.

[Cover]

[Document title]	Written Confirmations
[Clause of stipulation]	Article 24-4-2, paragraph (1) of the Financial Instruments and Exchange Act
[Place of filing]	Director-General of the Kanto Local Finance Bureau
[Filing date]	June 13, 2025
[Company name]	**ヤマトホールディングス株式会社** (*Yamato Holdings Kabushiki Kaisha*)
[Company name in English]	YAMATO HOLDINGS CO., LTD.
[Title and name of representative]	Yutaka Nagao, President
[Title and name of Chief Financial Officer (CFO)]	Masaru Nomura, Senior Managing Executive Officer and CFO
[Address of registered headquarters]	16-10, Ginza 2-chome, Chuo-ku, Tokyo
[Place for public inspection]	Tokyo Stock Exchange, Inc. (2-1 Nihonbashi Kabutocho, Chuo-ku, Tokyo)

1. Matters related to appropriateness of statements contained in the Annual Securities Report

Yutaka Nagao, President of the Company, and Masaru Nomura, Chief Financial Officer confirmed that statements contained in the Company's Annual Securities Report for the 160th term (from April 1, 2024 to March 31, 2025) were appropriate under the Financial Instruments and Exchange Act and related laws and regulations.

2. Special notes

There are no significant matters to report.

[Cover]

[Document title]	Internal Control Report
[Clause of stipulation]	Article 24-4-4, paragraph (1) of the Financial Instruments and Exchange Act
[Place of filing]	Director-General of the Kanto Local Finance Bureau
[Filing date]	June 13, 2025
[Company name]	**ヤマトホールディングス株式会社** (*Yamato Holdings Kabushiki Kaisha*)
[Company name in English]	YAMATO HOLDINGS CO., LTD.
[Title and name of representative]	Yutaka Nagao, President
[Title and name of Chief Financial Officer (CFO)]	Masaru Nomura, Senior Managing Executive Officer and CFO
[Address of registered headquarters]	16-10, Ginza 2-chome, Chuo-ku, Tokyo
[Place for public inspection]	Tokyo Stock Exchange, Inc. (2-1 Nihonbashi Kabutocho, Chuo-ku, Tokyo)

1. Matters related to the basic framework for internal control over financial reporting

Yutaka Nagao, President, and Masaru Nomura, Chief Financial Officer, are responsible for the design, implementation and maintenance of internal control over financial reporting of Yamato Holdings Co., Ltd. (the "Company") and have designed, implemented and maintained internal control over financial reporting in accordance with the basic framework for internal control set forth in the "On the Revision of the Standards and Practice Standards for Management Assessment and Audit Concerning Internal Control Over Financial Reporting (Council Opinions)" published by the Business Accounting Council.

Internal control is designed to achieve its objectives to a reasonable extent when each basic element of internal control is organically linked and functions in an integrated manner. Therefore, there is a possibility that misstatements in financial reporting may not be completely prevented or detected by internal control over financial reporting.

2. Matters related to scope of assessment, record date, and assessment procedures

The assessment of internal control over financial reporting was conducted with the record date of March 31, 2025, which is the end of the fiscal year under review, in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

In making this assessment, we assessed internal controls that may have a material impact on the entire financial reporting on a consolidated basis (company-wide internal controls), and then, based on the results, we selected business processes to be assessed. In assessing the business process, after analyzing the selected business process, we assessed the effectiveness of internal control by identifying key control points that have a significant impact on the reliability of financial reporting and by assessing the design and operation of such key control points.

The scope of the assessment of internal control over financial reporting was determined for the Company, its consolidated subsidiaries and equity-method affiliates based on the materiality of the effects on the reliability of financial reporting. The materiality of the effects on the reliability of financial reporting was determined by considering the monetary and qualitative effects on financial reporting, as well as the likelihood of their occurrence. The Company operates in the Express business, Contract Logistics business, and other related businesses. For the purpose of managing business operations, operating revenue at each business location is used as an indicator to assess the scale of business activities. Accordingly, after reviewing various indicators, including operating profit and assets, we have determined that consolidated operating revenue (before elimination of intercompany transactions) is the most appropriate monetary indicator that reflects the scale of business locations. Based on the results of the assessment of company-wide internal control conducted for the Company and its 15 consolidated subsidiaries, the scope of the assessment of internal control over business processes was reasonably determined. Although the Company has 32 consolidated subsidiaries, 17 were not included in the scope of the assessment of company-wide internal control, as they represent only an insignificant portion of consolidated operating revenue (before elimination of intercompany transactions) and were considered immaterial in terms of monetary or qualitative effects, or the likelihood of a material misstatement in the financial statements. In addition, 41 equity-method affiliates were not included in the scope of the assessment of company-wide internal control, as their share of loss or profit of entities accounted for using equity method was insignificant.

The scope of the assessment of internal control over business processes was primarily determined by the monetary effects. Based on the effectiveness of the assessment of company-wide internal control, the Express business and Contract Logistics business of Yamato Transport were designated as important business locations that exceeded approximately 2/3 of consolidated operating revenue (before elimination of intercompany transactions). For the selected important business locations, the risk of misstatement inherent to each account was identified, and business processes related to accounts deemed quantitatively and qualitatively significant in the context of their operations were subject to assessment. Specifically, the following accounting items were selected: operating revenue; trade accounts receivable among notes and accounts receivable - trade and contract assets; subcontracting expenses and personnel expenses among operating costs; trade accounts payable among notes and accounts payable - trade; and accounts payable - other among other current liabilities. Additionally, regardless of the selected important business locations, we reviewed qualitative materiality criteria and identified any additional processes requiring assessment. Taking into account their impact on financial reporting, we have added them, as material business processes to be assessed, to the scope of assessment. Specifically, we selected (1) business processes related to significant accounts that involve estimates and management forecasts—such as the valuation of shares of subsidiaries and affiliates; recognition of income taxes, deferred tax assets and deferred tax liabilities; impairment of non-current assets; and recognition of allowance for doubtful accounts; and recognition of provisions for bonuses and retirement benefits—and (2) business processes requiring special attention as high-risk areas for potential misstatements involving non-routine or infrequent transactions—such as the preparation of consolidated financial statements and related notes; real estate lease transactions (identification of transaction classification); and the elimination of internal transactions.

3. Matters related to the results of assessment

Based on the results of the above assessment, we concluded that the Company's internal control over financial reporting as of the end of the fiscal year under review, was effective.

4. Supplementary information

Not applicable

5. Special notes

Not applicable