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Creating New Logistics and New Value

INTEGRATED REPORT

Integrated Report 2025
Sustainability Transformation 2030 ~1st Stage~





CORPORATE PHILOSOPHY

Group Corporate Philosophy

The Yamato Group’s foundation lies in its Core Values, which serve as the spirit of the Group’s founding and have remained unchanged since their establishment in 1931. Supported by our Group Corporate Philosophy, created based on our unchanging Core Values, we aim to become a corporate group that can make sustainable contributions to the realization of an enriched society.



Management Philosophy

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.

Core Values

1. We all represent the Company.

This value represents the spirit of “inclusive management,” whereby employees make decisions based on their own judgments and engage with our customers and business partners with an awareness that they represent the Company.

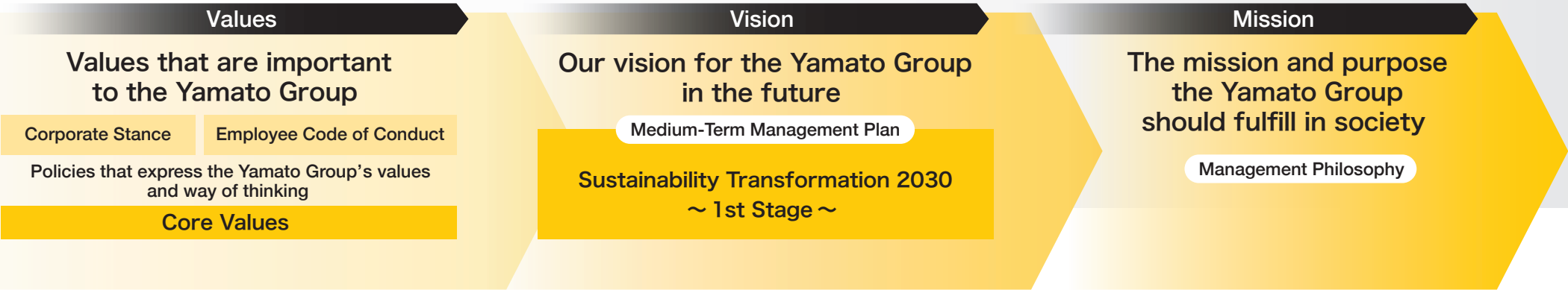
2. We connect our customers’ hearts with every delivery.

This value defines deliveries as not simply the transportation of goods, but rather a chance for us to connect with our customers’ hearts and offer them joy.

3. We conduct ourselves both professionally and ethically.

This value reflects the importance of ensuring that all our employees adhere to laws and regulations as members of society while conducting themselves in an ethical manner.

Realizing Our Vision

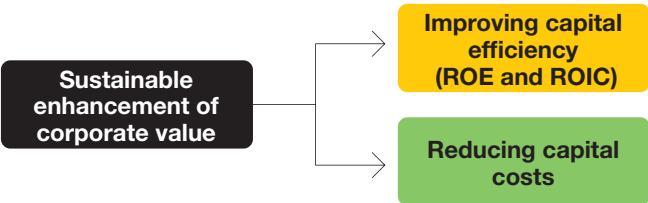


Communication Objectives of Integrated Report 2025

Yamato Holdings Integrated Report 2025 is published to give readers an in-depth understanding of the Yamato Group's medium- to long-term value creation story by conveying information, including non-financial information, on such aspects as management strategies, business overviews, and environmental, social, and governance (ESG) activities.

In particular, Integrated Report 2025 communicates how the Yamato Group is transforming its business portfolio for profit growth, centered on improving capital efficiency (ROE and ROIC) and reducing capital costs with an emphasis on sustainable enhancement of corporate value.

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Human Resource Strategy

Reporting Period

April 1, 2024 to March 31, 2025
(Some activities from outside the above period are also presented.)

Scope of Reporting

Unless otherwise noted, Yamato Holdings Co., Ltd. and its consolidated subsidiaries. Financial information shares the same scope as the consolidated financial statements. Non-financial information may include different aggregate data for some indicators, which are annotated to ensure the accuracy and comparability of the integrated report.

Forward-Looking Statements

This integrated report contains forward-looking statements concerning Yamato Holdings' future plans, strategies, and performance. These statements represent assumptions and beliefs based on information available at the time this report was created. Furthermore, forward-looking statements are subject to a number of risks and uncertainties that include, but are not limited to, economic conditions, customer demand, foreign currency exchange rates, tax laws, and other regulations. Yamato Holdings therefore cautions readers that actual results may differ materially from these predictions.

Guidelines Referenced

► Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation 2.0, Ministry of Economy, Trade and Industry

► International Financial Reporting Standards Foundation (IFRS Foundation)



Information Disclosure System

Financial information



Website: Shareholder and investor information
Financial results meeting materials, annual securities reports, and other information
<https://www.yamato-hd.co.jp/english/investors/>



Integrated Report

Non-financial information



Website: Sustainability
<https://www.yamato-hd.co.jp/english/csr/>

The Yamato Group Today and Tomorrow

The Yamato Group at a Glance (As of March 31, 2025)

Operating revenue
¥1,762.6 billion

Operating profit
¥14.2 billion

Domestic parcel delivery market share No. 1¹ (47.2%)	Annual parcel delivery volume Approx. 2.3 billion parcels² (TA-Q-BIN, TA-Q-BIN Compact, EAZY, Nekopos, and Kuroneko Yu-Packet)	The TA-Q-BIN Network in Japan Network coverage: 100%
Employees Approx. 170,000	Sales Drivers Approx. 54 thousand	Pickup and delivery vehicles Approx. 44 thousand (Including approx. 4,200 electric vehicles)
Last-mile pickup and delivery facilities Approx. 2,800 Terminals Approx. 80	Facilities for corporate clients Approx. 400	Number of registered users of members-only service Individual clients: Approx. 59 million Corporate clients: Approx. 1.8 million

1. Source: "Fiscal 2024 Survey and Calculation Method for Parcel Delivery Amount" (provisional translation) compiled by Japan's Ministry of Land, Infrastructure, Transport and Tourism
2. Fiscal year ended March 31, 2025

Our Vision (to 2030)

A value-creating company that contributes to the realization of a sustainable future



Strategy and History of Innovation

Since its founding, the Yamato Group has been helping to enrich our society through “Delivery.” As a member of society squarely taking on the challenges of the future, the Yamato Group will create “New Logistics” and “New Value” with innovation as our starting point, in collaboration with a diverse array of partners.

Business environment



Around 1919
Transformation of freight transportation (from ox and horse-drawn carriages and wagons to trucks)



Late 1920s to early 1930s
An era of change with urbanization intertwined with economic recession



Mid 1970s onward
Transition from rapid to stable economic growth
Transition to a more diverse and personalized consumer style



2020 onward
Changes in consumer behavior and distribution structure due to advances in electronic commerce and a focus on sustainability

Strategy and Innovation



1919
Founding of trucking company Yamato Transport Co., Ltd.
When Japan had a total of only 204 trucks nationwide, founder Yasuomi Ogura bought four vehicles with the conviction that trucks would come to dominate freight transport, and entered the delivery business with creativity and ingenuity.



1929
Launch of Yamato-bin, Japan's first regular route transport service
Yamato initiated regular route, combined-load transport service between Tokyo and Yokohama, the first such service in Japan. While full-truck-load (FTL) chartered transport service was the norm, regular delivery accommodated door-to-door, small-lot delivery and grew into an innovative logistics system that meets the needs of a diverse range of businesses.



1976
Launch of TA-Q-BIN service
TA-Q-BIN, Japan's first full-scale service that allowed individuals to easily send packages, created the market for small parcel delivery to individuals. This innovation went on to significantly change logistics and consumer behavior in Japan.



Since 2020
Reinforcement of the TA-Q-BIN network and business portfolio transformation
Given significant changes in consumer behavior and distribution structures, we consolidated resources and accelerated management with Group management structure reforms. The Group is reinforcing its TA-Q-BIN network and transforming its business portfolio with the vision of becoming a value-creating company that contributes to the realization of a sustainable future.

Products and services

Corporate business domain

TA-Q-BIN domain

1929 Launch of regular route, combined-load transport service between Tokyo and Yokohama

1951 Conclusion of agent contract with Taiwanese airline Civil Air Transport (C.A.T.), and launch of air freight handling

1952 Launch of marine freight handling shipping operations

1958 Launch of artwork packing and shipping

1960 Launch of international mixed air-freight handling

Creating diverse solutions based on TA-Q-BIN

1973 Establishment of Yamato System Development Co., Ltd. and commencement of business in information and communication domain

2000 Launch of third-party logistics (3PL) business

2003 Integration of Automobile Maintenance Division into Yamato Autoworks Co., Ltd.

2007 Launch of Kuroneko Yamato Recall Support Service

2012 Launch of Yamato Business Members, a members-only service for corporate clients

1976 Launch of TA-Q-BIN service

1983 Launch of Ski TA-Q-BIN and International TA-Q-BIN services

1984 Launch of Golf TA-Q-BIN service

1988 Launch of Cool TA-Q-BIN service

1989 Launch of Airport TA-Q-BIN service

1997 Completion of TA-Q-BIN network in Japan

1998 Launch of TA-Q-BIN Time Zone Delivery service

2007 Launch of Kuroneko Members, a members-only service for individual clients

2020 Launch of EAZY service delivery product for e-commerce operators

2021 Group management structure reform (nine Group companies integrated into a single company, Yamato Transport, to establish the One YAMATO structure)

2021 Started full-scale participation and support for customer logistics planning and SCM strategy building as a Lead Logistics Partner (LLP)

2024 Contract logistics company Nakano Shokai Co., Ltd. became a consolidated subsidiary

Unchanging values

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Message from the President



We will turn social issues into growth engines and accelerate business portfolio transformation.

Yutaka Nagao Representative Director, President and Executive Officer

The Yamato Group's Purpose and Commitment to the Sustainable Creation of Corporate Value

Since its founding, the Yamato Group has been attuned to social change and has helped to enrich society. Our contemporary business environment is fraught with uncertainties that include the 2024 Logistics Problem as well as a shrinking labor force in Japan, worsening climate change, and increasing geopolitical risks. However, at the same time we see these social issues as opportunities to fully put our purpose into action and create new value.

The Group has set out its vision for 2030 of becoming a value-creating company that contributes to the realization of a sustainable future, and is executing a medium-term management plan called “Sustainability Transformation 2030 ~1st Stage ~”. This demonstrates our unwavering determination to achieve sustainable increases in corporate value by helping to resolve environmental and social issues through our businesses.

During the fiscal year ended March 31, 2025 (FY2025/3), the first year of our medium-term management plan, we strengthened the sales capabilities of our corporate sales branches with emphasis on large corporate customers. With the resulting addition of transactions with new customers, *TA-Q-BIN*

parcel volume increased generally in line with our plan. At the same time, personal consumption remained lackluster, which delayed a recovery in parcel volume handled by *TA-Q-BIN* sales offices for individuals and small corporate customers until the second half of the fiscal year. We also revised our *TA-Q-BIN* delivery charges and negotiated with corporate customers to optimize pricing, but we were unable to fully pass on increased costs during FY2025/3.

While acknowledging this challenging external environment, the Yamato Group has strengthened its business foundation for future growth by investing in human resources internally and among partner companies, and through M&A in its corporate business. We were therefore able to rally and achieve increased revenue and earnings in the second half of FY2025/3. The ongoing recovery of the *TA-Q-BIN* business during the fiscal year ending March 31, 2026 (FY2026/3) has been a particularly positive sign. We will further strengthen this positive trend and promote structural reform initiatives to ensure that we increase corporate value over the medium to long term by creating value that is unique to the Yamato Group.

Business Strategy and Earnings Growth Drivers

The Yamato Group will drive earnings growth with three core approaches.

Pricing Optimization

We are emphasizing pricing optimization that reflects the value we add in negotiating intensively with the large-scale corporate clients we serve in the Corporate Domain. Improving profitability in this domain is both a major challenge and an opportunity. We are enhancing our ability to make proposals that cover entire customer supply chains rather than simply requesting price increases. This approach brings greater accuracy to negotiations for pricing optimization to steadily improve profitability.

Exemplifying our approach, B2B customers are more open to negotiating price increases than B2C businesses in general and e-commerce businesses in particular, for which price increases pass through directly to sales prices. However, our approach involves increasing the value we add for customers in ways such as proposing speedy delivery that only the Yamato Group can offer, with pricing optimization. This will lead to sustainable improvement in profitability. Furthermore, in FY2025/3 we launched new *TA-Q-BIN* offerings that incorporate the Contract Logistics Business and the Global Business domains to provide value throughout supply chains.

The competitive environment remains challenging, with some companies chasing business with cut-rate proposals. However, we are focused on improving profitability by further enhancing our ability to negotiate prices that fully reflect the value the Yamato Group provides.

The *TA-Q-BIN* Domain for small corporates and individuals accounts for over half of sales, so we absolutely need to

enhance our ability to sell to them in order to generate continuous top-line growth. That top-line growth was a challenge in FY2025/3, but we have been generating growth since the third quarter and into FY2026/3.

We are reinforcing top-line growth by creating an environment in which our Sales Drivers, who are the Yamato Group's foremost strength, can perform better than ever. We are also working to enhance our front-line sales capabilities by redeploying managers and personnel who support Sales Drivers to sales offices. While closely monitoring trends among our competitors, we intend to lead healthy competition by further strengthening our relationships of trust with our customers.

Growth of the Corporate Business

The Contract Logistics Business and Global Business are important growth drivers for our Corporate Business.

The Contract Logistics Business is enhancing its proposal capabilities throughout entire customer supply chains and increasing operating revenue. The December 2024 addition of Nakano Shokai Co., Ltd. to the Yamato Group through M&A was an important step that accelerated this strategy. We are leveraging Nakano Shokai's resources and expertise to create synergies in order to both expand our Contract Logistics Business and improve the efficiency of our warehouse operations.

In the Global Business, we are focusing on deepening business relationships with major players in cross-border e-commerce from China to Japan. Rather than simply handling deliveries within Japan, we are expanding our services to include comprehensive proposals that cover everything from upstream supply chain processes to corporate compliance and sustainability. Collaborating with customers from their logistics center operations in China allows the Yamato Group to quickly identify cargo volume and surges to reduce stress on the

Message from the President

TA-Q-BIN network and improve the efficiency of transportation and delivery by directing products to the optimal airport for each delivery area. This array of strategic initiatives will enable the Group to increase profitability and support earnings growth.

Additionally, we are focusing on North America, India, Southeast Asia, and China as key regions outside Japan, and are currently selecting and negotiating with potential M&A and alliance partners in the contract logistics industry. We will accelerate global business expansion by establishing a strong foundation in our focus regions.

Fundamental Cost Structure Reform and Efficiency Gains

The Yamato Group is targeting a strong foundation that empowers it to adapt to the dramatic change in the logistics environment over the past few years. In the last-mile domain, we will invest in improving the working conditions and motivation of Sales Drivers and streamlining operations as means to increase productivity without overworking employees. We will also enhance profitability by expanding the volume of transactions with individuals and small corporates.

Meanwhile, the transportation domain is evolving in Japan. Logistics warehouses are proliferating around major consumption areas such as the Tokyo metropolitan area and the Kansai region, and e-commerce is a key factor ramping up the flow of goods from those centers to the rest of Japan. Consequently, imbalances such as asymmetrical product distribution flows are materializing within traditional transportation networks. Furthermore, the 2024 Logistics Problem is resulting in reduced capacity in the transportation industry, particularly in long-distance transport. We are addressing these challenges by optimizing operating costs and establishing a foundation for sustainable, efficient growth by switching to a transportation method that connects transit points using a relay system and optimizing transportation processes through modal shifts, including the use of freighters. We are countering the cost increases caused by declines in transportation efficiency and sorting productivity during FY2025/3, and expect to reduce costs by nearly ¥10 billion during FY2026/3. We will implement specific actions and monitor progress as necessary.

Commercialization of “Green Mobility”

The Yamato Group has been working proactively to resolve the 2024 Logistics Problem, climate change, and other issues in

collaboration with its business partners. This has given us knowledge and expertise in areas such as reducing greenhouse gas emissions, building sustainable and efficient logistics systems, and managing employee health.

We are refining our knowledge and expertise to make them available to companies within a “Green Mobility” business model that provides solutions for increasing supply chain sustainability, which we expect to generate new growth for the Yamato Group.

We will use our insights into vehicles and energy to meet the environmental needs of corporate customers who use vehicles by bundling electric vehicle (EV) Lifecycle Services that range from vehicle maintenance services and expertise in the procurement and efficient use of EVs to the supply of electricity generated via renewable energy sources and energy management systems developed by the Yamato Group. We are also helping people by providing the MY MEDICA online medical service to support health management among employees of transportation companies, who tend to have increased health risk, and to prevent accidents caused by health issues. In addition, we will contribute to improving the efficiency of logistics across industry boundaries by providing joint transportation and delivery services via an open platform that matches all shippers and logistics companies on a system based on trunk-route transportation.

We will combine these services in an integrated fashion tailored to customer needs to help improve the sustainability of the supply chain while developing them into a new source of revenue.

Improving Capital Efficiency and the Role of the New CFO

Our management structure and the new CFO are committed to improving capital efficiency by strengthening balance sheet management while maximizing cash flow generation. Our former capital policy focused on door-to-door delivery services that required large-scale capital investment, so our balance sheet certainly had its conservative aspects. However, we are restructuring our businesses to expand in business domains other than TA-Q-BIN and diversify our revenue portfolio. We are also transforming our financial structure to make it more robust and efficient.

The CFO is also leading organizational reforms to strengthen collaboration among sales, operations, finance, and human resources. Naturally, each of our businesses will use data to improve efficiency and productivity, and we also expect the CFO to delve deeper into the financial outcomes of business initiatives and provide timely and specific suggestions to management. The CFO will champion the formulation and implementation of financial strategies based on this data to serve as a compass for management.

Human Capital Investment and Organizational Change

As we deploy various management resources to advance our business, we believe that our employees are the most important factor in creating a competitive advantage. Our top business priority is to ensure that employees feel safe, to make them proud to work for the Yamato Group, and to increase their job satisfaction and motivation. This will be the starting point for improving service quality, communication, and sales capabilities for customers, which will positively affect our business performance and ultimately lead to returns for shareholders, thus creating a virtuous cycle. This mindset is the basis for our investment in human capital and organizational transformation.

We will improve working conditions for Sales Drivers with wage increases and reassessment of various allowances, and we are also emphasizing the creation of an environment that reduces their workload. We believe this will directly support increased engagement among Sales Drivers, leading to improved service quality, increased customer satisfaction, and ultimately, increased productivity. We fully addressed labor union demands during labor-management negotiations in spring 2025, and we will further enhance the competitive advantage of the Yamato Group by creating an environment in which employees can work with peace of mind.

We will also introduce a job-based personnel system for positions other than Sales Driver, creating an environment in which each employee can demonstrate their strengths and feel motivated to work. This will transform our organization into one where diverse talent can thrive and accelerate innovation.

We will also promote organizational reforms to narrow the gap between the head office and the front line to build a flexible corporate structure that is resilient to change because it quickly reflects front-line feedback in management. We are not limiting



A roundtable discussion with employees in October 2024

these organizational changes to simplistic, systemic adjustments. Rather, we are strongly determined to transform the culture of the Yamato Group itself.

Outlook

The Yamato Group has set targets for the fiscal year ending March 31, 2027 (FY2027/3), the final year of its medium-term management plan, that include consolidated operating profit of ¥120 to ¥160 billion, a consolidated operating profit margin of 6% or higher, ROE of 12% or higher, and ROIC of 8% or higher. We are carefully reviewing the plan’s numerical targets in light of factors such as our business performance during FY2025/3, the first year of the plan, plan progress, and changes in the business environment. However, our commitment to achieving sustainable growth and enhancing corporate value remains unchanged.

To achieve our goals, we are vigorously transforming our business portfolio by expanding the range of value we provide beyond TA-Q-BIN. We will diversify our revenue sources and achieve sustainable growth by expanding our Corporate Business, commercializing “Green Mobility,” and accelerating global expansion.

Another important issue for us is building a strong corporate structure that can adapt to change. We will generate sustainable increases in corporate value by constantly identifying changes in society and customer needs and continuing to transform ourselves, without being bound by past successes.

The Yamato Group sincerely appreciates your continued understanding and support.

Yutaka Nagao

Message from the CFO

Deploy Strengths in Data and Finance to Maximize Earning Power

Masaru Nomura
Senior Managing Executive
Officer and CFO

Mr. Nomura has over a decade of experience in management of the Asia-Pacific region at global companies including Amazon.com, Inc., Apple Inc., and Coach, Inc. (currently Tapestry, Inc.). In Japan, he served as a director at Seiyu Co., Ltd. and Rakuten Seiyu Net Super, Inc. (currently Rakuten Mart, Inc.), where he successfully led improvements in performance, M&A, personnel system reform, and digital transformation. He utilizes his insight into investment funds to conduct in-depth dialogue with investors and to help improve the corporate value of the Yamato Group.



My Mission as CFO: Show Markets the True Value of the Yamato Group

I became the Yamato Group's Chief Financial Officer (CFO) in April 2025. I am committed to maximizing the corporate value of the Yamato Group by leveraging the analyst experience I gained as an institutional investor and my experience in finance, human resources, and digital transformation at multiple operating companies.

First and foremost, I strongly believe that the Yamato Group's intrinsic corporate value has the potential to be significantly higher than the Group's current valuation in capital markets. The Group has unparalleled resources that range from its last-mile network covering all Japan and rapid, temperature-controlled transport to customer-facing Sales Drivers who provide high-quality service. Our job is to demonstrate the value of these resources by improving profitability in the Express Business. In addition, the Contract Logistics Business and Global Business will grow by providing added value that transcends the boundaries of traditional logistics in managing customer supply chains. Furthermore, we will share our expertise in managing electric vehicles and energy with our corporate clients to grow profitable new businesses that contribute to the realization of a sustainable society. We will deepen our dialogue with capital markets and steadily implement our plans to ensure that markets fully recognize the Group's value.

Right now, reconciling the difference between the Group's intrinsic value and its current market valuation is job one. My mission as CFO is to elucidate the true corporate value of the Yamato Group. A key element of this mission is the extensive delivery and customer database we have built as the company

with the top share of Japan's parcel delivery market and our ability to evolve our finance organization to transform that data into value. This organization must evolve beyond its traditional administrative role to maximize the Yamato Group's earning power by deploying highly accurate data-based analyses and predictions in partnership with business departments. I am convinced that this transformation is the path to ensuring that our intrinsic corporate value is properly evaluated by the capital markets.

Three Drivers of Earnings Growth and Business Portfolio Transformation

We have identified three main earnings growth drivers to resolve the issues mentioned above and enhance the Group's sustainable earning power. These drivers are pricing optimization, growth of the Corporate Business, and optimization of operating costs. These drivers are essential to fundamentally improving our earnings structure in a changing business environment that is characterized by the expansion of online consumption, labor shortages, and geopolitical instability.

For pricing optimization, there is an urgent need to set prices commensurate with the value we add, especially in the Express Business, which is the core of the Yamato Group. The Yamato Group offers world-class added value that ranges from its high-quality last-mile network throughout Japan to outstanding speed and attentive customer service that includes temperature control. However, we are not yet pricing our services to accurately reflect the value they provide. In particular, we need to intensively negotiate optimized pricing that articulates the added value we provide to corporate customers. After all, fair pricing is essential for us to fulfill our responsibilities as social infrastructure.

We understand that price hikes are generally considered negatively in Japan, but fair pricing is an essential engine of healthy economic growth. Moreover, sustainable business operations require that we maximize the value we provide to customers while receiving appropriate compensation for it. A particular emphasis will be cost increases that are beyond our control, such as sudden hikes in fuel prices. We intend to rationally and appropriately pass on these costs, just as we do with fares, in order to secure the profits necessary for future capital investment.

Proper communication in the sales and marketing domain will be essential for optimized pricing. Rather than simply raising prices, we need to enable customers to fully understand our value propositions by providing logical, data-based explanations of why our quality and services are superior to those of other companies, and why our pricing is appropriate. We will continue to enhance our human resource development programs, which will enable us to accurately communicate the Group's value to customers and gain their understanding while also helping us to achieve earnings targets and increase corporate value.

Growth of the Corporate Business and optimization of operating costs are central to improving profitability. In the Corporate Business, we will emphasize the Contract Logistics Business and the Global Business as we leverage synergies with the *TA-Q-BIN* network and employ M&A with rigorous

investment discipline to accelerate growth in the corporate solutions domain. Concurrently, we will assiduously improve productivity by using digital technology for optimization of operating costs in the Express Business, and achieve sustainable earnings growth by fundamentally improving our cost structure.

We will embed these earnings growth drivers while also decisively transforming our business portfolio. Starting this fiscal year, we have revised the criterion for determining whether to continue a business or service. This decision is now based on an assumed 6-8% range of our weighted average cost of capital (WACC) during our current medium-term management plan. Our objective is to improve Group profitability by reassessing unprofitable businesses and concentrating resources in growth areas. We are using this new criterion to employ zero-based budgeting as we reassess businesses that are unable to generate returns that exceed their cost of capital, with possible outcomes including sale of or exit from the business. At the same time, we will prioritize the allocation of resources to growth domains such as the Contract Logistics Business and the Global Business, and to new solutions businesses such as the Mobility Business. Our objective is to improve profitability and capital efficiency Groupwide.

► Policies for FY2026/3

Earnings Growth Drivers	Policies
Pricing optimization	Increase operating profit by transforming the Group's revenue structure and aligning pricing with added value
Growth of the Corporate Business	Increase operating profit by leveraging the Group's corporate transportation and delivery network and operational expertise to propose and win deals for large-scale distribution centers and fulfillment centers, and by adding value in the global operations of our customers to increase Group revenue
Optimization of operating costs	Review the functions of new and existing facilities, delivery methods, and staff allocation to meet client needs, while controlling fixed costs and managing variable costs in line with volume

Note: Distribution centers are mainly for storage and inventory management, and also offer picking, packing, shipping, and other services in response to orders. Fulfillment centers provide a one-stop series of operations from inventory management, picking, packing, and shipping to handling returns, mainly for e-commerce operators.

Message from the CFO

Balance Sheet Management: Pivot to Aggressive Financial Strategies

The Yamato Group has built a strong financial foundation. We give due consideration to the principles of conservatism by maintaining a high shareholders' equity ratio and ample liquidity. However, we see value in deploying our strong financial foundation more aggressively than defensively with strategies that help to improve capital efficiency and generate funding for growth investments.

Specifically, we will promote the effective deployment of portfolio assets. We completed sale and leaseback transactions in March 2025 for four properties, including our head office, and will continue to evaluate options for every property in our portfolio. Our evaluation process involves considering whether ongoing ownership of assets contributes the most to the continued growth of our businesses and corporate value, or whether continuing to use a particular asset while relinquishing ownership will enable more efficient management. We will evaluate assets with insufficient use value or efficiency, with options including repurposing, disposition, or securitization to generate capital for new growth investments. In addition, we continue to reduce cross-shareholdings. Our ongoing program to optimize capital efficiency for all portfolio assets is part of our commitment to further increasing corporate value.

Furthermore, we will consolidate management of Group cash and deposits and deploy them more efficiently to maximize capital efficiency Groupwide and reduce capital costs. Specifically, we will review the cash and deposits at each Group company and further consolidate surplus funds at Yamato Holdings, which will reduce interest expenses Groupwide. In addition, we will maximize free cash flow by monitoring investments more rigorously, manage cash flow effectively Groupwide, and increase the deployment of capital for growth investments and shareholder returns. Optimizing the Group's capital structure is also an important theme. Maintaining

the debt-to-equity ratio within a conservative range, we will employ leverage to reduce the cost of capital and control shareholders' equity through share buybacks with the objective of reducing WACC and supporting increased corporate value. Moreover, we will consider risks such as fluctuations in exchange rates, interest rates, and fuel prices, and secure diverse funding methods to structure a stable financial base to prepare for growth investments for the future.

Strategic Capital Allocation to Maximize Corporate Value

Our commitment to increasing corporate value will guide effective deployment of the funding we procure. With a particular focus on the growth of our Corporate Business, we will adhere to a disciplined capital policy to ensure that we always maintain the capacity to execute M&A. By maintaining an optimal capital structure and providing appropriate shareholder returns, we will preserve our high level of trust from the market and ensure that we can act promptly when opportunities arise. We intend to identify strategic deals that measurably increase corporate value and execute them with appropriate timing.

Growth investments and strategic M&A are central to the Yamato Group's ability to generate sustainable growth. We will prioritize investments that support our growth strategy with reference to ROIC and payback period, and execute them in domains where we forecast strong returns. We will accelerate investments to strengthen our future revenue base. This will involve investments in our facility strategy to enhance the efficiency and sustainability of our *TA-Q-BIN* network, which is social infrastructure. Other investments will include digital transformation to address changes in the business environment over the medium to long term. We will execute our M&A strategy with a focus on achieving

clear synergies and carefully nurturing them so that they help to strengthen the Group's competitiveness. We plan to consider the acquisition of multiple companies with emphasis on their compatibility with our growth strategy. Specifically, we will counter the influence that demographics have on *TA-Q-BIN* by focusing on forwarding and contract logistics, which are our next growth domains. Geographically, we will target countries with growth potential that have sufficiently developed infrastructure and legal systems in place from the perspective of governance. A team that reports directly to me will be deeply involved in the post-merger integration (PMI) process to rigorously monitor progress toward planned synergies. This setup will maximize capital efficiency with an emphasis on payback period and ROIC. Our goal is not simply to sell companies we acquire at higher multiples. We will focus on accretive deals that will grow EBITDA after acquisition and contribute to increasing the Group's shareholder value. Our objective is to maximize capital efficiency in all investment decisions.

For shareholder returns, our target dividend payout ratio is 40% or more based on profit attributable to owners of parent, with a baseline of continuous and stable dividends. We also intend to enhance shareholder returns by complementing dividends with flexible share buybacks as part of our dynamic capital policy. This is further evidence of our commitment to efficiently managing cash

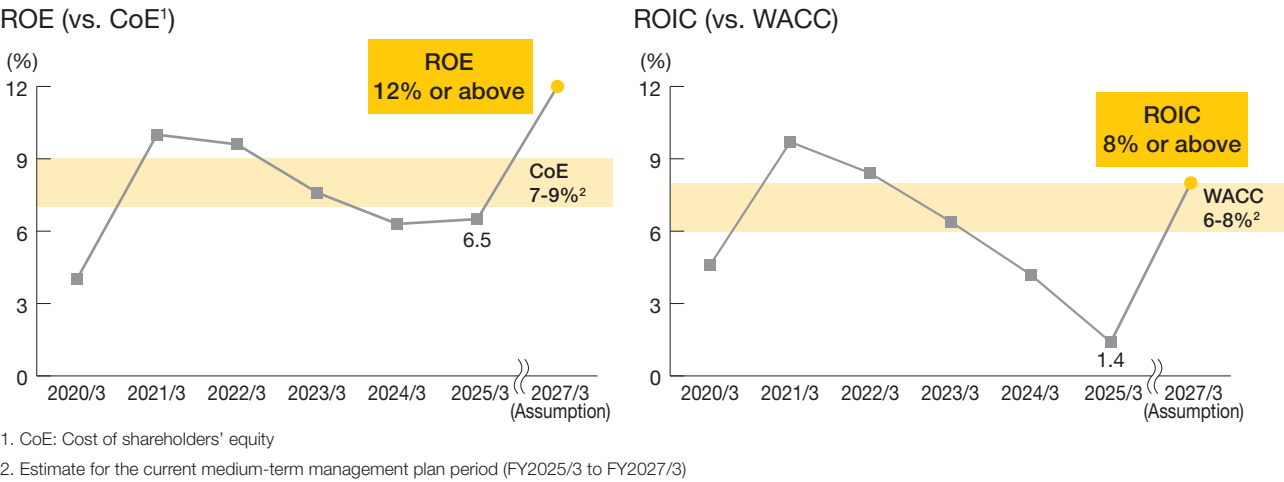
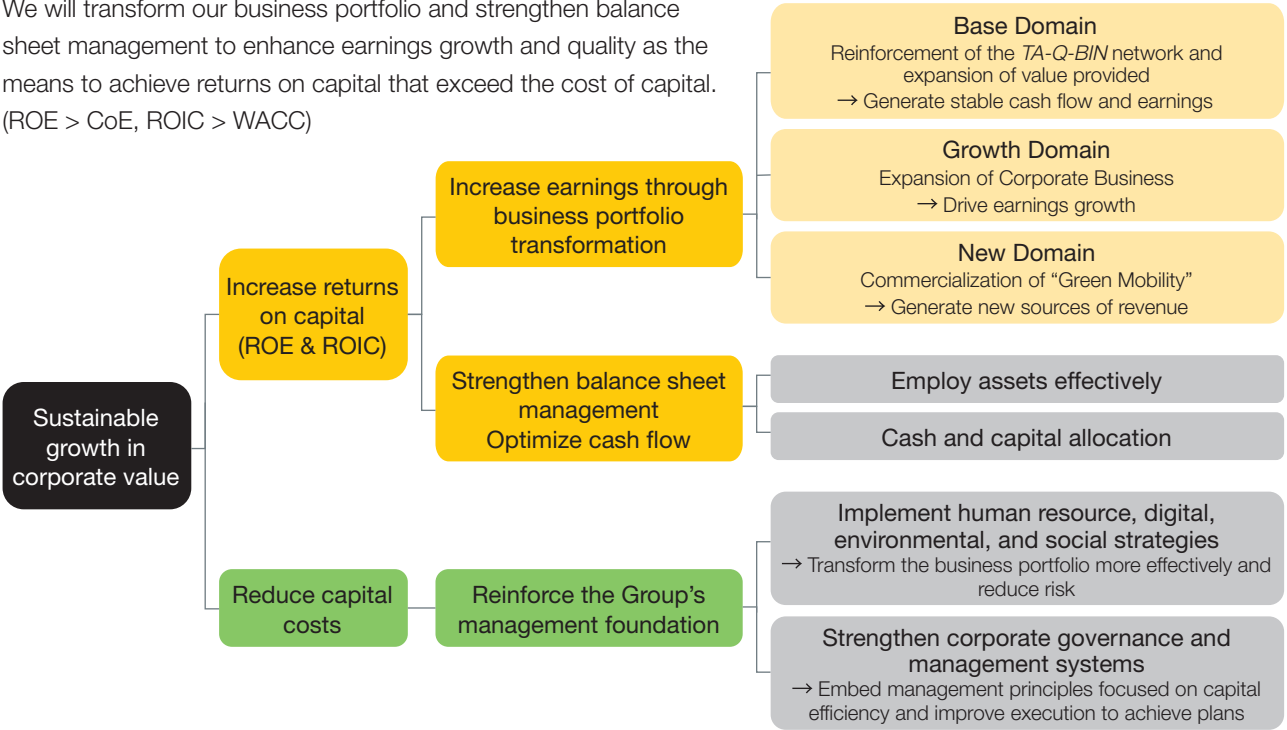
with a full understanding of its cost. A specific example is the ¥50 billion share buyback we announced in November 2024 and have already completed. We will consider a comprehensive array of factors that include stock price and the status of growth investments, and take action only when we determine that a share buyback will help increase corporate value, thereby improving capital efficiency and increasing shareholder returns. We intend to adopt methods for both shareholder returns and funding that contribute to increasing capital efficiency.

To Our Stakeholders

Rapid contemporary change notwithstanding, the Yamato Group aspires to be an entity that consistently contributes to society by providing value that exceeds customer expectations. As CFO, I will do everything in my power to contribute to sustainable earnings growth and increased corporate value for the Yamato Group as a means to maximize returns for all stakeholders. The Yamato Group is committed to earning the continued understanding and support of its stakeholders by delivering robust results that are aligned with their expectations for the future.

Management Policies for Enhancing Corporate Value over the Medium Term

We will transform our business portfolio and strengthen balance sheet management to enhance earnings growth and quality as the means to achieve returns on capital that exceed the cost of capital. (ROE > CoE, ROIC > WACC)



Value Creation Process

Since its founding, the Yamato Group has been helping to enrich our society through “Delivery.” We consider it our responsibility to create a sustainable society in the age of heightened uncertainty that lies ahead. Squarely taking on the challenges of the future in collaboration with a diverse array of partners, the Yamato Group will create “New Logistics” and “New Value” with innovation as our starting point.

Inputs: Sources that Create Value >> Page 19

Business Environment / Social Issues (Identification of Risks)

Outcomes: Helping to Enrich Society

Human capital
People with diverse backgrounds united by a shared philosophy

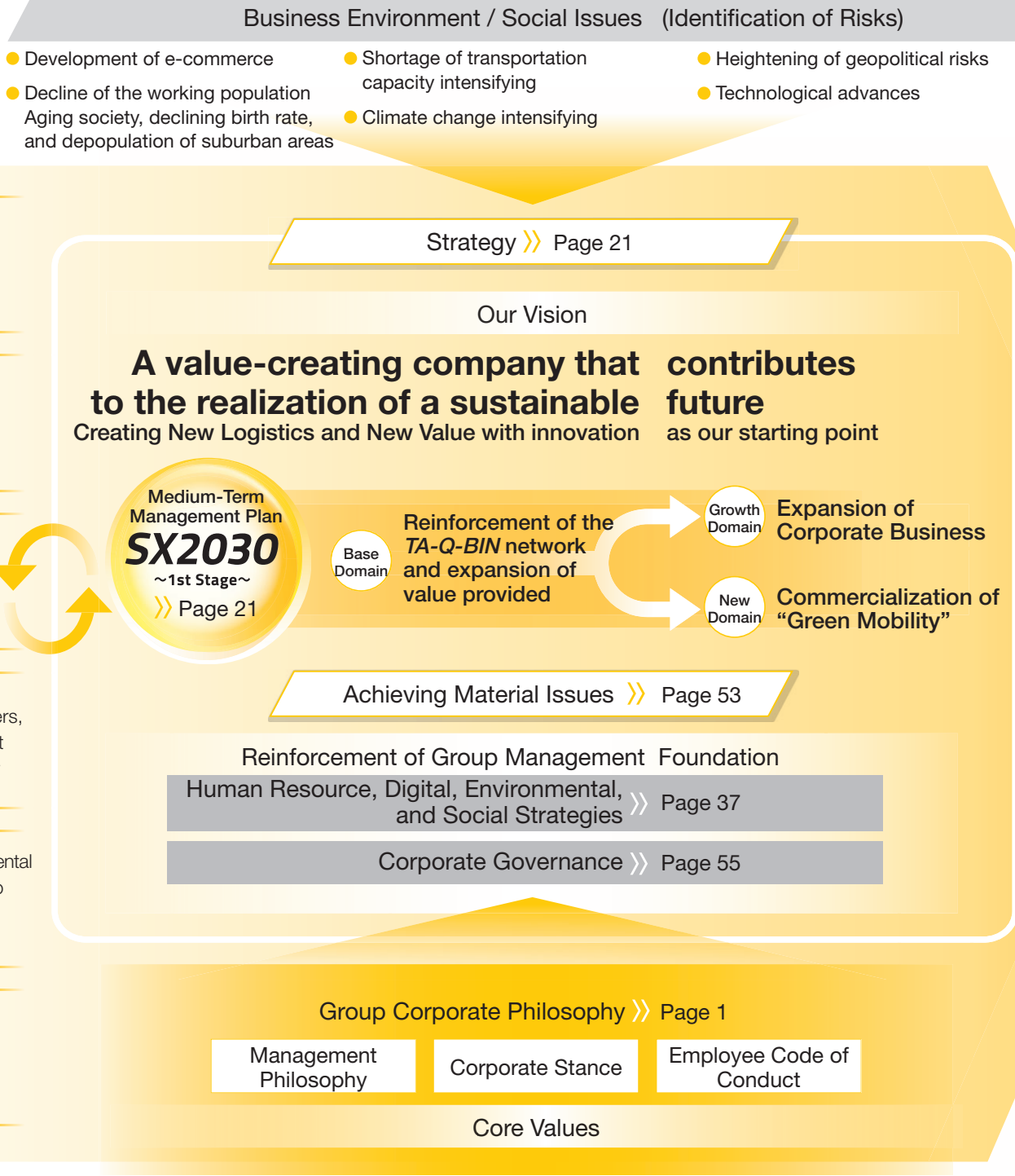
Logistics capital
A logistics network that continually evolves toward greater quality and efficiency as part of the social infrastructure

Intellectual capital
Big data gathered via TA-Q-BIN and the ability to innovate to create the future

Social capital
Relationships with customers, partners, and communities based on trust built over a history of more than a century

Environmental capital
A green platform created by environmental investment that enables the Group to reduce GHG emissions and provide value to customers

Financial capital
A solid financial foundation that enables investment for sustainable growth



Environmental Value
Realization of a low-carbon society

Economic Value
Achievement of sustainable profit growth

Social Value
Creation of a society that leaves no one behind

Sources of Value Creation

The six forms of capital presented here crystallize the unique value that we have created and refined together with society over our history of more than a century. Our collective capital is the source of our consistently powerful competitive advantage and the starting point for future value creation.



Human capital | People with diverse backgrounds united by a shared philosophy

Status of Capital

- **Employees** Approx. 170,000
- **Sales Drivers** Approx. 54 thousand
- Employee awareness survey results¹
 - Employee-friendly 70%
 - Rewarding 59%
- Percentage of employees with disabilities² 3.3%
- Percentage of women in management (executives)¹ 6.6%

1. Consolidated companies in Japan and Swan Co., Ltd.
2. Consolidated companies in Japan and Swan Co., Ltd. (excluding companies not subject to reporting on the employment status of people with disabilities)

Measures to Enhance Our Capital

Human resource strategy >> Page 37

- Appropriate human resource allocation in tandem with business structure reform
- Development and recruiting of human resources who create added value
- Establishment of a good working environment and fostering of a good corporate culture



Social capital | Relationships with customers, partners, and communities based on trust built over a history of more than a century

Status of Capital

- Number of registered users of members-only service for individual clients Approx. 59 million
- Number of registered companies for members-only service for corporate clients Approx. 1.8 million
- Business partners (ongoing) Approx. 5,500 companies

Measures to Enhance Our Capital

Increasing the value we provide >> Page 25

- Develop products and services that meet customer needs

Social strategy >> Page 49

- Promote supply chain management
- Conduct initiatives in local communities



Logistics capital | A logistics network that continually evolves toward greater quality and efficiency as part of the social infrastructure

Status of Capital

- Network coverage of *TA-Q-BIN* in Japan 100%
- Last-mile pickup and delivery facilities Approx. 2,800
- Pickup and delivery vehicles Approx. 44 thousand
- Terminals Approx. 80
- Facilities for corporate clients Approx. 400
- Overseas development 23 countries/regions

Measures to Enhance Our Capital

Reinforcement of the *TA-Q-BIN* network >> Page 25

- Optimize pricing and expand *TA-Q-BIN* revenue
- Optimize operating costs

Expansion of Corporate Business >> Page 29

- Propose and secure large-scale distribution center and fulfillment center projects
- Add value for customers in their global businesses
- M&A strategy



Environmental capital | A green platform created by environmental investment that enables the Group to reduce GHG emissions and provide value to customers

Status of Capital

- Reduction of GHG emissions volume 15% reduction (Compared with FY2021/3)
- Percentage of electricity generated via renewable energy sources 55%
- Electric vehicles Approx. 4,200
- Solar power generation facilities Approx. 130 units

Measures to Enhance Our Capital

Commercialization of "Green Mobility" >> Page 33

- Create economic value by resolving environmental and social issues

Environmental strategy >> Page 45

- Reduce GHG emissions
- Achieve green delivery



Intellectual capital | Big data gathered via *TA-Q-BIN* and the ability to innovate to create the future

Status of Capital

- Annual parcel delivery volume Approx. 2.3 billion parcels
(*TA-Q-BIN*, *TA-Q-BIN Compact*, *EAZY*, *Nekopos*, and *Kuroneko Yu-Packet*)
- Digital investment Approx. ¥14.0 billion
- Human resources with digital skills Approx. 820 employees

Measures to Enhance Our Capital

Digital strategy >> Page 43

- Integrate digital transformation with businesses



Financial capital | A solid financial foundation that enables investment for sustainable growth

Status of Capital

- Shareholders' equity ratio 46.5%
- D/E ratio 0.29 times
- External credit rating (R&I) AA-
(As of June 10, 2025)

Measures to Enhance Our Capital

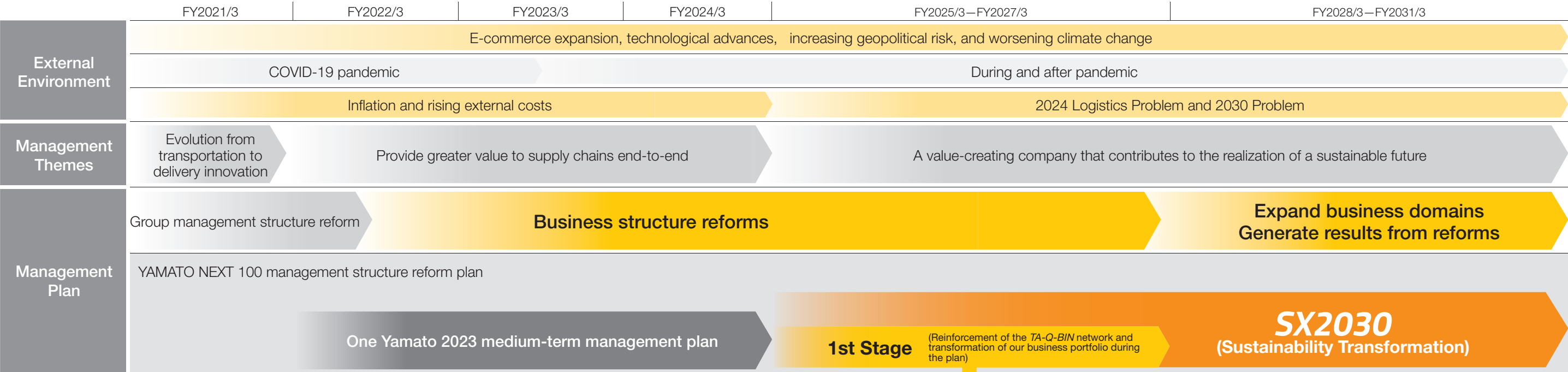
Embed management principles that place more focus on capital efficiency within the Group >> Page 13

Note: All figures are as of March 31, 2025.

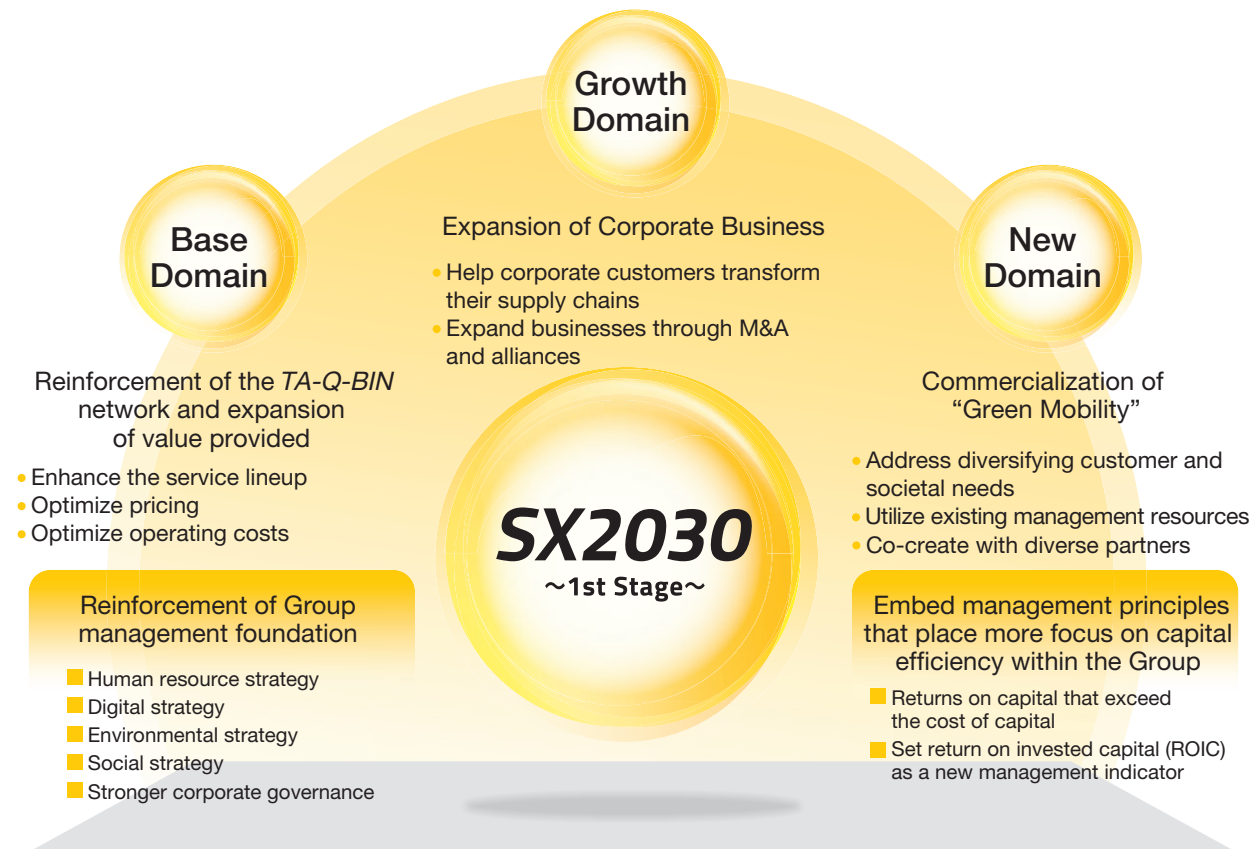
Note: All figures are as of March 31, 2025.

Roadmap to 2030 and Medium-term Management Plan

■ Positioning of the Medium-Term Management Plan
“Sustainability Transformation 2030 (SX2030) ~1st Stage~”



■ Main Measures



■ Selected Financial and Non-Financial Targets

The targets for FY2027/3, which is the final year of the medium-term management plan, are as follows. We are carefully reviewing the plan and its numerical targets in light of factors such as our business performance during FY2025/3, the first year of the plan, plan progress, and changes in the business environment. We are committed to constructive dialogue with shareholders and investors and will disclose updated numerical targets should we decide to revise them.

	Category	Item	FY2025/3 Results	FY2027/3 Targets	
Financial Targets	Operating Results	Operating Revenue	¥1,762.6 billion	¥2,000–2,400 billion	
		Operating Profit	¥14.2 billion	¥120–160 billion	
		Profit Attributable to Owners of Parent	¥37.9 billion	¥80–100 billion	
	Profitability	Operating Profit Margin	0.8%	6% or above	
	Efficiency	ROE	6.5%	12% or above	
		ROIC	1.4%	8% or above	
	Material Issues	Indicators	FY2025/3 Results	FY2027/3 Targets	
Non-Financial Targets	Environment	Energy & Climate	Reduction in GHG emissions ¹ (Compared with FY2021/3)	15% reduction	25% reduction
			Percentage of electricity generated via renewable energy sources	55%	70%
	Society	Labor	Human productivity ²	1.34	Increase labor productivity
			Employee awareness survey ³	Employee-friendly 70% Rewarding 59%	Increase engagement
		Human Rights & Diversity	Percentage of employees with disabilities ⁴	3.3%	3.1%
			Percentage of women in management (executives) ³	6.6%	10%
	Governance	Increasing the effectiveness of the Board of Directors / Dialogue with shareholders and investors / Enhancement of disclosure			

1. Scope 1 & Scope 2 emissions of consolidated companies in Japan and Swan Co., Ltd.
2. (Consolidated operating revenues – consolidated subcontracting expenses) ÷ consolidated personnel expenses
3. Consolidated companies in Japan and Swan Co., Ltd.
4. Consolidated companies in Japan and Swan Co., Ltd. (excluding companies not subject to reporting on the employment status of people with disabilities)

Business Portfolio Transformation

The Yamato Group is transforming its business portfolio to achieve sustainable growth in corporate value. Specifically, we have categorized our businesses based on role within the Base Domain, Growth Domain, and New Domain, and have clearly defined how we will allocate management resources based on business growth potential and return on invested capital (ROIC). We will reform and stabilize the earnings structure of the Base Domain while investing the cash generated in strategic initiatives that include expanding corporate business within the Growth Domain to accelerate sustainable profit growth for the Group.

Our Three Business Domains

Base Domain

Role

Generate stable cash flow and earnings

Business Policies

Reinforcement of the *TA-Q-BIN* network and expansion of value provided

- Optimize pricing
- Expand *TA-Q-BIN* revenue (strengthen sales capabilities and promote facilities strategy)
- Optimize operating costs
- Implement back office reforms

Core Businesses and Services

Express Business
Target customers:
TA-Q-BIN Business Unit – individuals and small corporates
Corporate Business Unit – large corporate clients
Target areas:
Last-mile domain and transportation domain
Core services:
TA-Q-BIN, *TA-Q-BIN Compact*, and *EAZY*
Mailed items (*Nekopos* and others)
JITBOX chartered delivery



Growth Domain

Role

Drive earnings growth

Business Policies

Expansion of Corporate Business

- Contract Logistics: Acquire large-scale distribution and fulfillment center projects
- Global Logistics: Concentrate resources in key regions
- Accelerate growth with M&A

Core Businesses and Services

Contract Logistics Business
Core services:
Design optimal logistics for each customer

Global Business
Core services:
Forwarding and overseas contract logistics



New Domain

Role

Generate new sources of revenue

Business Policies

Commercialization of “Green Mobility”

- Co-create with diverse partners
- Create economic value by resolving environmental and social issues

Core Businesses and Services

Mobility Business
Core services:
Vehicle maintenance
EV Lifecycle Service

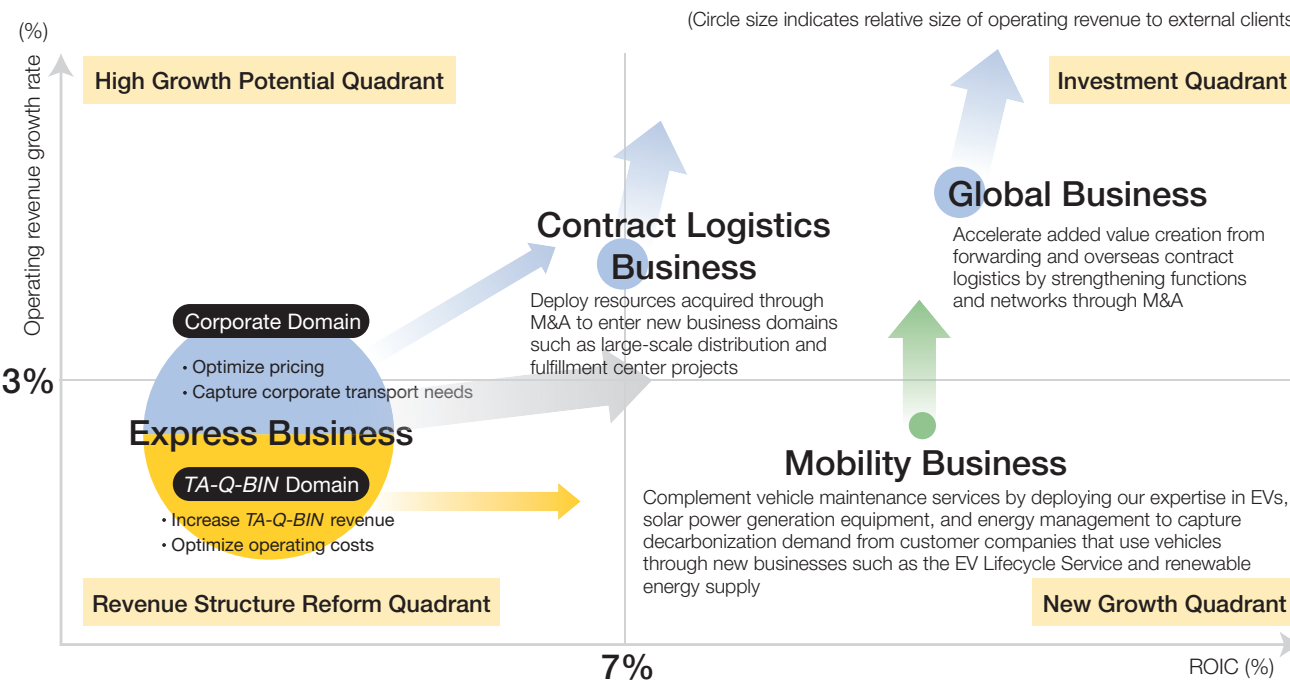
Express Business: New Initiatives
Open platform for joint transportation and delivery (Sustainable Shared Transport)

Other businesses
Online medical services for automobile transport operators (MY MEDICA)

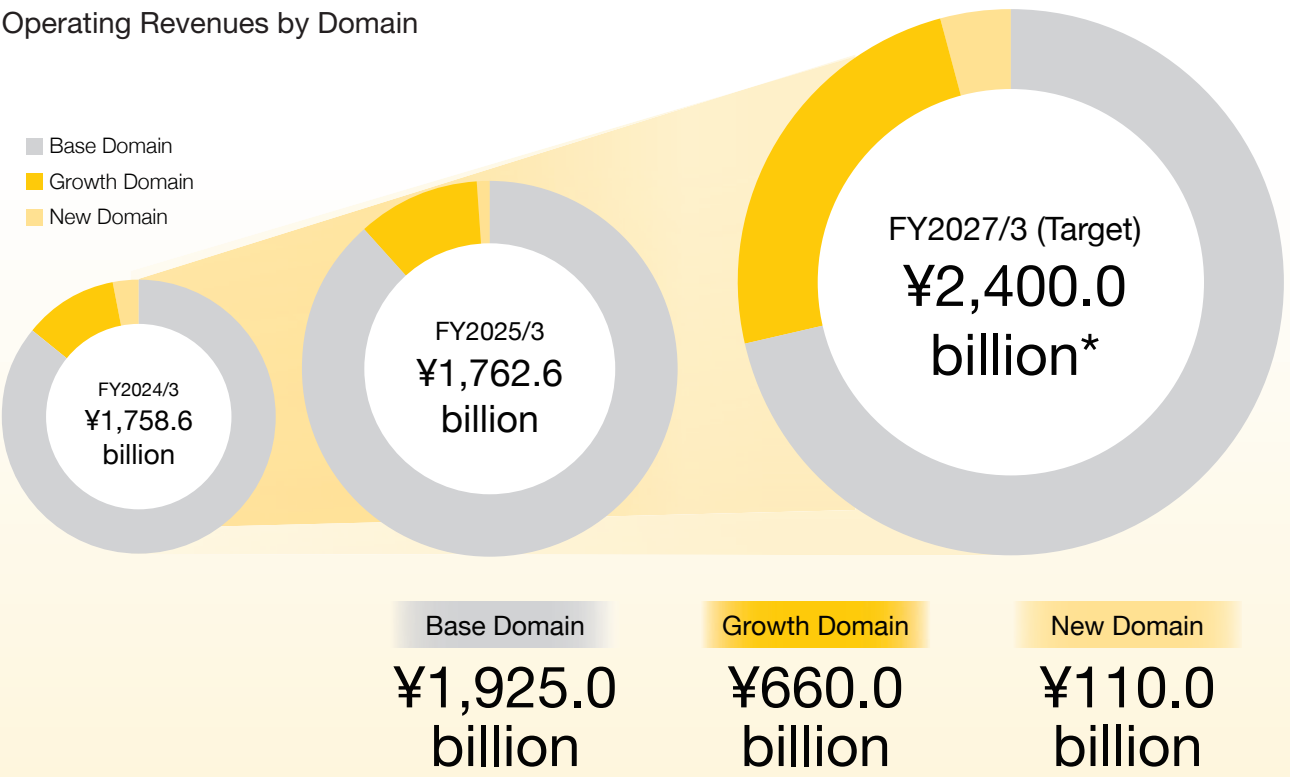


Orientation of Each Business

Targeting sustainable profit growth for the Group, we have defined the role and direction of each business based on business growth potential and returns on capital. We have clarified the current realities and goals of each business and will employ regular monitoring and review to optimally allocate resources.



Operating Revenues by Domain

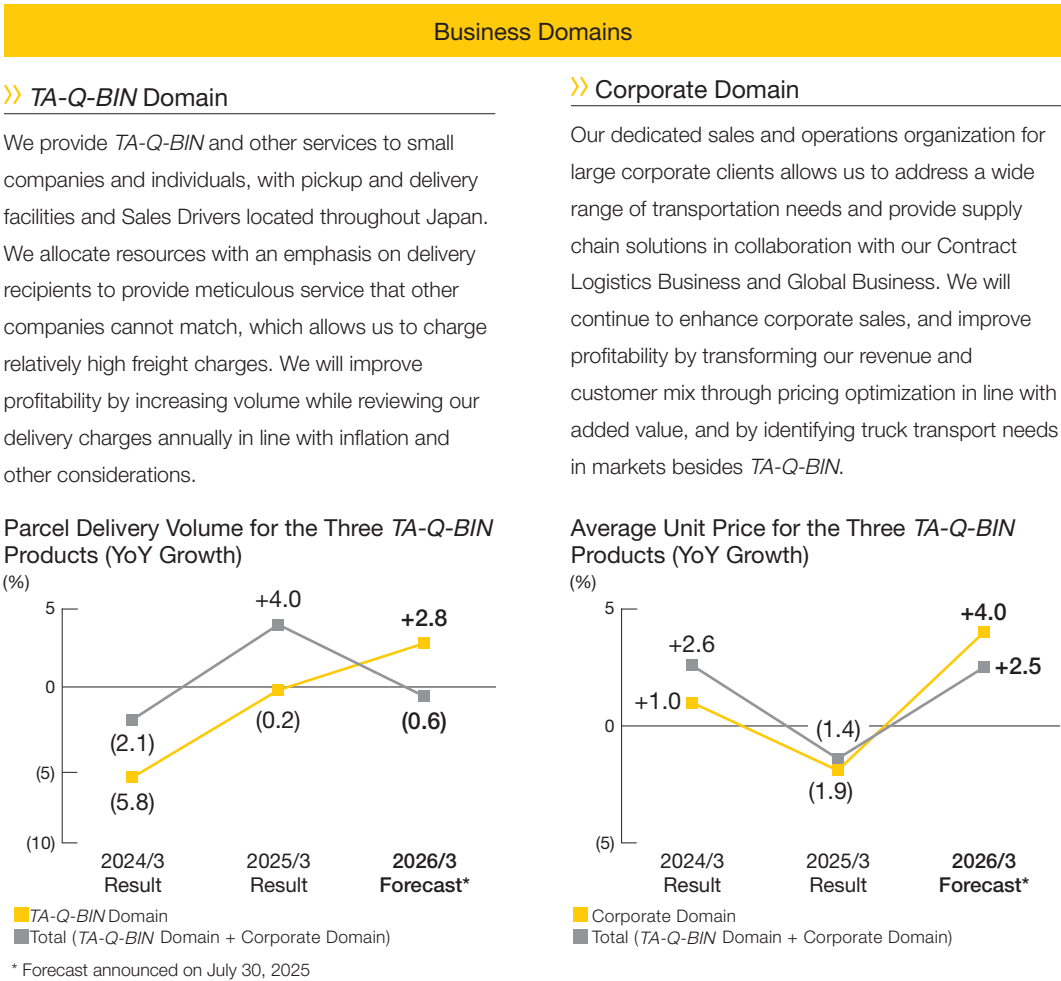
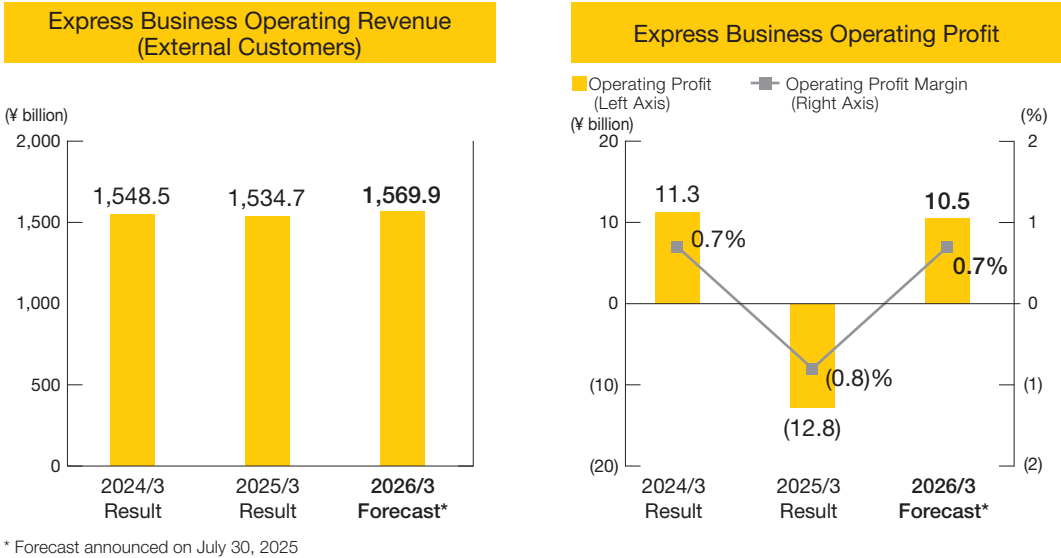


* The target presented in the graph is from the announcement of the medium-term management plan (February 2024). Currently (October 2025), the plan is under review.

Base Domain

Reinforcement of the *TA-Q-BIN* Network and Enhancement of Value Provided

We will structurally transform the *TA-Q-BIN* business for stable earnings and cash flow. We will improve profitability through pricing optimization based on adding value for large corporate clients, and by expanding volume with small companies and individuals. In addition, we will optimize operating costs by increasing the efficiency of transportation and sorting operations to further reinforce our solid business foundation.



MESSAGE

TA-Q-BIN Business Structural Reform to Balance Earning Power and Social Value

Seiichi Awa

Representative Director,
Executive Officer and President
Yamato Transport Co., Ltd.

Mr. Awa joined Yamato Transport in 1993. In 2007, he became the Kochi Regional Branch Manager, and in 2015 he became Executive Officer and Corporate Strategy Department Manager. In March 2020, he became Representative Director and President of Yamato System Development Co., Ltd. In February 2022, he became Managing Executive Officer (South Kanto Region) of Yamato Transport Co., Ltd., and in October 2024, he became Senior Managing Executive Officer (Responsible for Network Restructuring), before assuming his current position in April 2025.



The Yamato Group is celebrating its 106th anniversary this year, and next year will celebrate the milestone 50th anniversary of *TA-Q-BIN* services, a core Group business. I became president of Yamato Transport Co., Ltd. in April 2025, and I approach my responsibilities with excitement and intensity.

I began my career in a sales office on the front line of the *TA-Q-BIN* business. There I learned that Yamato's origins and source of growth lie in its dedication to providing excellent service to the customers I met each day. At one time, the general consensus was that the business of delivering parcels to individuals could not be profitable. However, Yamato commercialized parcel delivery with the goal of adding convenience to the lives of customers in the communities it serves, growing it into the social infrastructure it is today.

Yet the current business environment is changing significantly. While the proliferation of e-commerce has driven expansion of the parcel delivery market, it has also diversified customer needs. In addition, rising prices, labor shortages, and new regulations governing driver working conditions in Japan known as the "2024 Logistics Problem" have created structural pressures that increase costs and reduce transport capacity. I do not think of these changes as simply headwinds. Rather, I see an exciting opportunity to further increase the value of *TA-Q-BIN* as social infrastructure by resolving these issues. We will implement structural reforms and evolve *TA-Q-BIN* so that it remains the service of choice among customers.

The capabilities of the people on the front lines of our businesses will drive our transformation. Since becoming president, I have visited sales offices across the country and had many discussions with employees on the front lines. I keenly felt their sense of crisis about the decline over the past several years in the marketing capabilities of our Sales Drivers, who are the source of our competitiveness.

To achieve sustainable growth, we are implementing a strategy of concentrating management resources on customer contact points. In more concrete terms, this has meant fundamental reforms and streamlining of business processes in our head office departments. By redeploying the resources generated from these reforms to our sales offices and other front-line locations, we are building a framework that enables Sales Drivers to gain a more in-depth understanding of our customers'

latent needs and offer new added value. Moreover, launching new products that address these customer needs will invigorate contact and dialogue between Sales Drivers and customers. We will then use the information we obtain face-to-face to uncover further needs and provide new value, which in turn will improve customer satisfaction and broaden our business opportunities.

Earnings growth driven by both the Corporate Domain and the *TA-Q-BIN* Domain is the foundation for sustainable Group growth. We will not emphasize volume in the Corporate Domain. Rather, we will increase profitability by addressing the diverse transportation needs and supply chain challenges of our customers, and by assiduously aligning pricing with the added value we provide. Our focus will be on effective, customer-centric account management that increases both the value we provide and earnings.

In addition, we will address structural inefficiencies such as deadheading that have emerged with the proliferation of e-commerce by increasing the efficiency of transport and sorting operations and by rigorously optimizing operating costs. We are fundamentally overhauling our transport methods, which involves transitioning from long-distance transport to relay transport and optimizing intermodal transport that encompasses rail, ship, and cargo plane. This is a critical initiative that will reduce costs and also address labor shortages.

We therefore transitioned to a business-centric management structure in April 2025 to address these priority issues quickly and generate sustainable results. The new management structure clarifies the responsibilities and authority of each business and enables quick decision-making. Furthermore, streamlining through a reorganization of our organizational hierarchy to integrate the front lines with the head office has made us an organization that can implement a rapid plan-do-check-act (PDCA) cycle. As a result of this transformation, the Group's priority initiatives for earnings growth have started to produce steady results.

Our current goal is to build a strong business foundation that balances earning power and social value. Committed to the Yamato Group's social mission, we are confident that the spirit of inclusive management guided by our Core Values will be the foundation that supports sustainable growth. Times may change, but our pledge to remain a company that customers appreciate and society needs will not.

Base Domain

Pricing Optimization (Corporate Domain) and Expansion of TA-Q-BIN Revenue (TA-Q-BIN Domain)

Business Environment

The TA-Q-BIN market continues to expand due to the proliferation of e-commerce. Diversifying customer needs include the ways they want to receive parcels. At the same time, factors that are pushing up costs are emerging. These include rising prices and the 2024 Logistics Problem. Furthermore, social changes such as increased inbound tourism demand along with Japan's declining birthrates, aging population, and rural depopulation are creating new business opportunities to leverage the strengths of the Yamato Group's customer relationships.

Issues to be Addressed

Transforming the TA-Q-BIN business into a stable source of earnings and cash flow is a key issue in achieving sustainable growth. We will improve profitability through pricing optimization based on adding value for large corporate clients, and by expanding transaction volume with small companies and individuals. Furthermore, we consider creating value that goes beyond TA-Q-BIN to be an essential task for maintaining the TA-Q-BIN network as a part of social infrastructure.

Initiatives to Resolve Issues

Pricing Optimization (Corporate Domain)

The Yamato Group will rigorously implement pricing based on added value to transform its revenue structure. We will step up pricing negotiations with low-profit customers and promote annual pricing reviews with existing customers. Account management will drive sustainable improvements in profitability. We will carefully explain the value the Group provides, obtain appropriate compensation for the value our customers want, and discuss measures to streamline workflows.

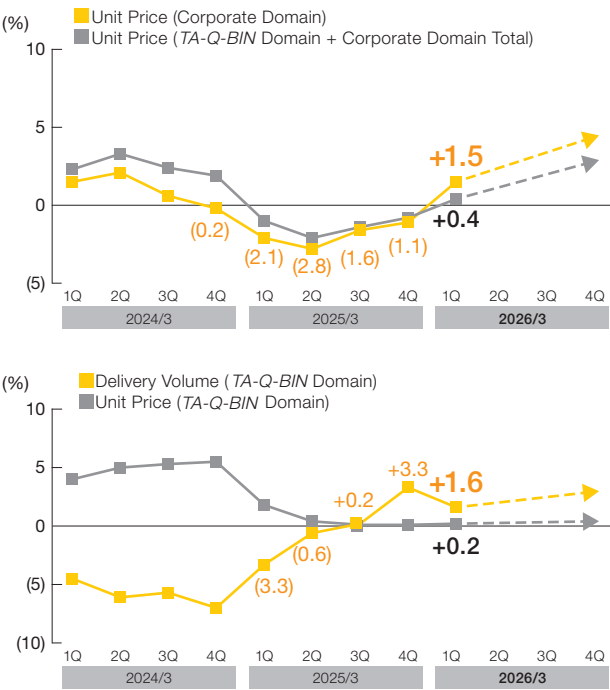
Expansion of TA-Q-BIN Revenue 1:
Strengthen Sales Capability (TA-Q-BIN Domain)

Our 54,000 Sales Drivers are a strength that we will leverage to increase sales at comparatively higher unit prices to small companies and individuals, with the objective of increasing volume and profitability. To create the resources for implementing this policy, we will streamline our organization, rationalize back-office operations, and free up management resources by promoting unattended deliveries, among other measures. We will also expand TA-Q-BIN sales by reallocating personnel to strengthen our sales capability, and by ramping up our new value-added offerings of carbon-neutral delivery and Koneko-Bin 420.

Expansion of TA-Q-BIN Revenue 2:
Implement Facility Strategy (TA-Q-BIN Domain)

Our facility strategy is a means to achieve efficiencies while creating new value, which will increase the sustainability of the TA-Q-BIN network as social infrastructure. We will facilitate work and raise efficiency by consolidating and relocating pick-up and delivery facilities, while expanding the number of pick-up and drop-off points to ensure customer convenience. We are also addressing new needs arising from increased inbound tourism and social changes by opening community-based Nekosapo stations that offer a wide range of services in addition to TA-Q-BIN. These stations create new revenue opportunities by providing luggage storage services for tourists and renting storage and packaging space to small businesses selling online.

TA-Q-BIN: Unit Price and Volume by Domain (vs. Previous Year)



Pick Up and Delivery Facilities

- Improved operating efficiency
- Enhanced work environment
- Concentration of facilities (Approximately 2,800 as of March 31, 2025)

Shipment-only Sales Offices

- More convenient TA-Q-BIN drop off and pick up
- Increase in number of locations (110 as of March 31, 2025)

Nekosapo

- Add value beyond TA-Q-BIN

Optimizing Operating Costs

Business Environment

TA-Q-BIN business operations are pressured by increasing costs due to external factors such as rising prices, labor shortages, and the 2024 Logistics Problem. Moreover, the imbalance in freight volume caused by the spread of e-commerce (with its disproportionate emphasis on outbound freight) is increasing the number of "one-way" freight operations where the return journey is empty, reducing efficiency throughout the transport network.

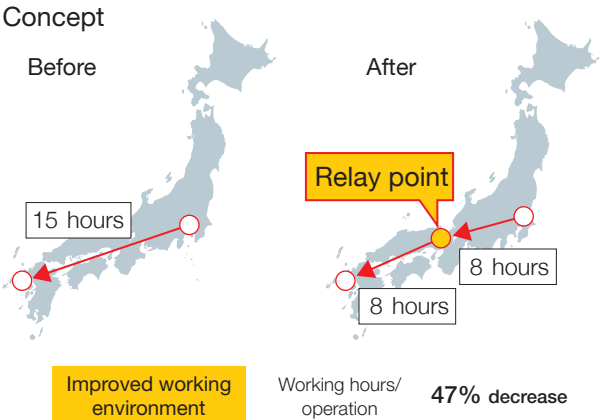
Issues to be Addressed

Given these structural changes, our top priority is to transform the TA-Q-BIN network into an efficient and sustainable platform. We are optimizing operating costs by improving transport and loading efficiency. This involves a complete overhaul of our transport methods that includes switching from long-distance transport to relay transport and restructuring our transport portfolio. In addition, we are simultaneously improving productivity and structuring a solid business foundation by optimizing the allocation of personnel for sorting work.

Initiatives to Resolve Issues

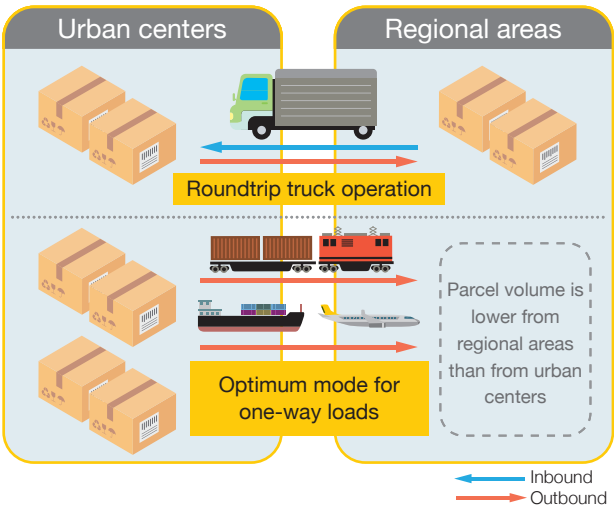
Transport Overhaul 1:
Transition to Relay Transport

We are addressing the 2024 Logistics Problem and transforming our approach to long-distance transport. The Group has strategically consolidated relay points throughout Japan into several large facilities that revolve around eight-hour shifts. We will improve the working environment for long-distance truck drivers while also fundamentally overhauling inefficient transportation practices. By switching from direct transport to relay transport for long-distance routes, where the unit price of outsourcing has skyrocketed due to a shortage of operators, we expect to increase transportation network sustainability and, depending on the route, optimize costs.



Transport Overhaul 2:
Restructure Our Transport Portfolio

We are completely overhauling our approach to transporting cargo to eliminate transport network inefficiencies such as deadheading. Fundamentally, we operate long-distance trucks round-trip according to the volume of cargo inbound to urban centers. Otherwise, we optimize outbound cargo transport away from urban centers by using intermodal transport encompassing rail, sea, and Group cargo aircraft. This will optimize transportation costs and build a sustainable, resilient transportation network that is unaffected by volume balance.



Close-Up

Improving Last-Mile Productivity

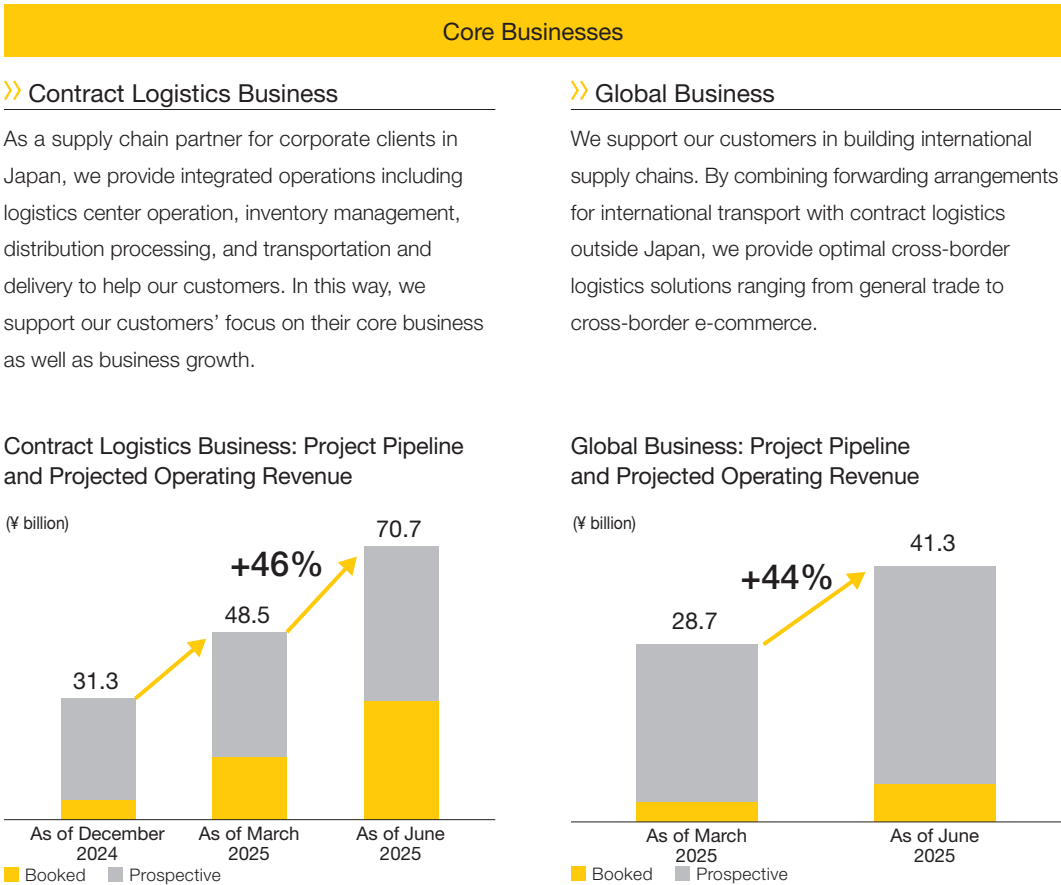
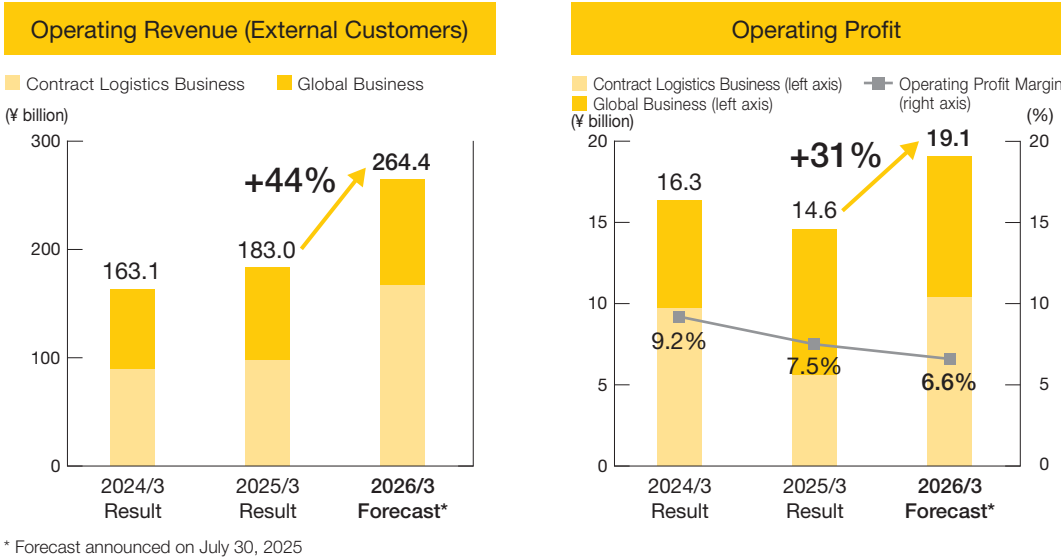
In the last-mile domain, we have addressed volume fluctuations and improved working environments over the past few years by consolidating and enlarging pickup and delivery facilities, which previously were multiple small locations primarily in urban areas. Our measures to continue enhancing productivity include optimizing allocation of personnel for pickup and delivery facilities, Sales Drivers, and other jobs, and

addressing customer needs for unattended delivery. We also intend to expand delivery volume for small companies and individuals. This will involve reorganizing pickup and delivery facilities based on regional market characteristics. We will also increase Sales Driver interaction with customers with little impact on productivity by adding pickup and sales to their delivery responsibilities.

Growth Domain

Expansion of Corporate Business

Our *TA-Q-BIN* network is central to our business portfolio transformation. It is our robust foundation as we strengthen the expertise of the Contract Logistics Business and strategically expand the Global Business. This approach will increase the value we provide to our corporate clients across their entire supply chains to drive earnings growth for the Group.



MESSAGE

Corporate Business Expansion Will Drive Our Growth Strategy

Hiroshi Etani

Member of the Board, Executive Officer and Vice President, Yamato Transport Co., Ltd. (Head of Corporate Business, Contract Logistics and Global Business)

Mr. Etani has served in management roles including President of ITOCHU Logistics Singapore Pte Ltd; Global Customer Director at DHL Global Customer Solutions; Sales, Marketing, and Customer Service Director at TNT Express; CEO and President Director of JP Rakuten Logistics, Inc.; Executive Officer and Assistant CEO at MITSUI-SOKO LOGISTICS Co., Ltd.; and President and Representative Director of CMA CGM Japan K.K. He has extensive experience in areas including management, sales, and M&A at logistics companies around the world. He is putting his unique leadership experience with multiple Japanese and international companies to work at the helm of Yamato's Corporate Business.



Corporate Business Positioning

The core of the Yamato Group's new growth strategy is to transform its business portfolio by expanding its Corporate Business. We will leverage the solid customer base we have developed through our *TA-Q-BIN* service and build the Corporate Business as a new growth driver to deepen and expand the Yamato Group as a provider of solutions and services that dynamically support economic activity in various countries, regions, and industries while meeting the diverse business needs of its customers.

Rapid political and economic change worldwide has intensified uncertainty in the supply chains of customer companies, and the logistics industry is also exposed to those risks. The Yamato Group, however, sees opportunities as well as risks. We see medium- to long-term growth from deeply understanding the management challenges of customer companies and providing optimal solutions as a true partner that contributes to the success and growth of their businesses.

Successes and Issues in FY2025/3

The operating environment remained challenging for the Corporate Business in the year ended March 31, 2025, but we implemented proactive initiatives targeting a new stage of solid growth.

Revenue increased in the Contract Logistics Business because it booked new projects in industries including food and healthcare during the second half of the year. In addition, we continue to win significant projects, such as the operation of a large-scale e-commerce logistics center that will come online in the future. The addition of consolidated subsidiary Nakano Shokai in December 2024 was also an important step toward business growth. The company is leveraging its expertise in developing and operating e-commerce logistics facilities and wide-area transportation networks to strengthen its ability to make proposals for entire customer supply chains.

In the Global Business, we responded appropriately to changes in the global milieu while implementing a trade lane strategy for BtoB freight, which is the foundation of our forwarding business.

Close-Up

Launch of Full-Scale Air Cargo Transport in Japan

Long-distance truck transport capacity is contracting in Japan, so we are promoting air cargo transport that includes the use of dedicated cargo aircraft, known as freighters, with the goal of maintaining and improving the transport quality of our *TA-Q-BIN* network and creating new transport value that will support the growth of our corporate customers.

Advantages of Air Freight for Long-Distance Transport

Truck transport constraints require a modal shift to air transport. Air transport offers superior speed and punctuality that truck transport has difficulty matching. This will broaden transport options while keeping costs down, helping to create business opportunities for our customers and to improve the accuracy of their production plans.

Comprehensive Contracting Encompassing Airport Operations for Belly Transport

In Japan, air forwarding that uses the lower cargo hold, or belly, of aircraft has been hindered by the need for pre- and post-flight collection and delivery, and by loading and X-ray inspections at airports. The Yamato Group has gained operational capabilities from its *TA-Q-BIN* service that enable it to handle these aspects of air freight, which we will deploy to make air transport a convenient option for corporate customers.

Maximizing Value Provided by Using Freighters

Furthermore, the use of our own freighters enables us to transport hazardous materials and oversized cargo that are difficult to transport on passenger aircraft; operate flights during late night and early morning hours; and structure flexible schedules. We are enhancing our capabilities to ramp up the Corporate Business going forward with support for semiconductors and other key drivers of national growth.

Growth Domain

MESSAGE

We also increased the volume of cross-border e-commerce freight we handled. Revenue and profit increased as a result. This underscored our strengths since revenue increased but profit decreased for many of our competitors as a result of rising procurement costs. However, we must further accelerate growth in the Contract Logistics Business and Global Business to achieve sustainable growth for the Yamato Group and evolve quickly as a globally competitive logistics company.

Strategy for Accelerating Growth

Contract Logistics Business

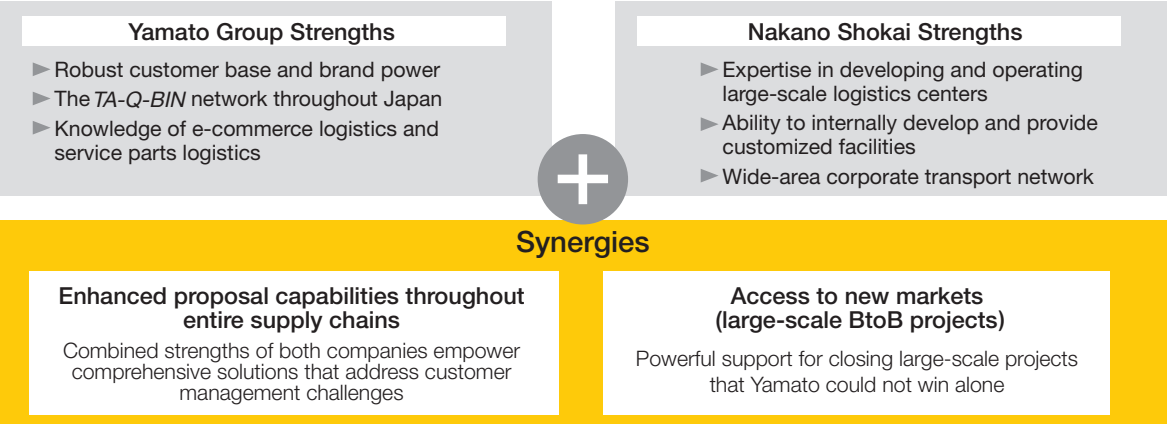
The Yamato Group's Contract Logistics Business has consistently been highly profitable because it has leveraged the *TA-Q-BIN* network throughout Japan and exercised Group strengths in e-commerce and service parts logistics. Our goal is to be deeply involved in the management strategies of customers and a partner that provides core support for their businesses. The Yamato Group has acquired invaluable knowledge in highly specialized fields and will deploy it in the Contract Logistics Business. This knowledge encompasses reverse logistics and recall response in a variety of industries; medical equipment logistics ranging from delivery and collection to cleaning that supports hospital operations; procurement and pre-manufacturing logistics for products such as automobiles and construction machinery; experience as a Lead Logistics Partner (LLP) for a leading global tire manufacturer and other companies; and logistics that support the exhibition, sale, and storage of art.

At the same time, we must also broaden the markets in which we provide value in order to significantly increase revenue in the future. This will involve the operation of large-scale facilities in the comparatively larger BtoB domain. We are therefore aggregating contract logistics specialists and information as we transition to a centralized sales organization that maximizes resource use. Competing for, closing, and managing highly sophisticated large-scale projects within this new organization will provide valuable experience for employees and significant opportunities to enhance their expertise. Our employees will grow and gain a deeper understanding of the business challenges of our customers, which will empower them to propose solutions that provide even greater added value. This virtuous cycle is the key to earning the staunch trust of customers and driving sustainable business growth.

We will also steadily manage the progress of individual engagements and strengthen our ability to handle large-scale projects. Plans include bringing new large-scale logistics centers online by steadily adding logistics centers and increasing the floor space of our commercial warehouses. Creating synergy with Nakano Shokai will be a key engine for further accelerating our growth strategy. These synergies will help us to be aggressive in winning large-scale BtoB projects that had been out of our reach, and dramatically expand the scale of our business.

Generating Synergies with Nakano Shokai

We made Nakano Shokai a consolidated subsidiary in December 2024 to accelerate the growth of the Contract Logistics Business. The acquisition of Nakano Shokai expanded the scope of value provided by the Yamato Group into the larger market of large-scale BtoB, and we view it as an essential upfront investment in transforming our business portfolio. The post-acquisition integration process is progressing steadily, and joint proposals that combine the strengths of both companies are significantly expanding the pipeline of projects that will become future revenue sources. We will maximize synergies and use them to strengthen our revenue base over the medium to long term.



Global Business

The world today is a whirlwind of complex and profound change. Major supply chain risks include political, economic, and supply chain decoupling and impediments resulting from friction between the United States and China and changes in U.S. trade policy, along with global environmental issues caused by climate change. Cross-border e-commerce has grown rapidly in recent years, but the situation is changing at a rapid pace, with the United States and other countries around the world reviewing their de minimis tariff systems. In this changing environment, our Global Business is deepening collaboration between Forwarding and Contract Logistics to make the Yamato Group a partner that helps customers optimize and strengthen their supply chains.

The Forwarding Business is transitioning to a customer-centric sales strategy that deeply intuites the industrial structure and supply chain issues of customers. Within this customer-centric perspective, we are strengthening our involvement in the increasingly important target lanes connecting Japan and Southeast Asia with North America and India, and Japan and China with Southeast Asia. In the industrial domain, we are complementing our conventional focus on automotive and high-tech industries such as semiconductors with an emphasis on high-value-added markets such as food and healthcare. The Group is enhancing transport efficiency and profitability by effectively consolidating different types of freight ranging from BtoB trade freight and international relocation freight to cross-border e-commerce freight. Cross-border e-commerce freight to Japan has been increasing in recent years, so we are increasing customer value and profitability through last-mile delivery using *TA-Q-BIN*, sharing strategies and information with customers upstream in the supply chain, and providing efficient customs clearance services while ensuring outstanding compliance and security. We will any address future revisions to de minimis tariff systems that may alter supply chains for cross-border

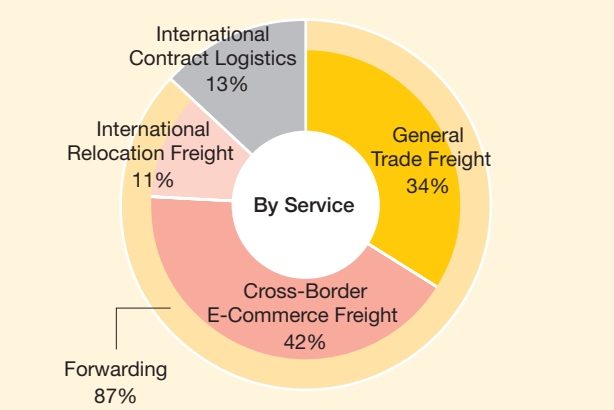
e-commerce businesses by linking Forwarding and Contract Logistics to offer new solutions.

The Global Business is strengthening and expanding Contract Logistics internationally in seamless collaboration with Forwarding to optimize entire supply chains for customers.

Furthermore, we are accelerating growth under our new organizational structure led by the Global Headquarters (Global HQ) in Tokyo by positioning M&A as an important strategic option to enhance our capabilities in the key regions of North America, India, Southeast Asia, and China.

We proactively promote tie-ups with companies that can help us strengthen Contract Logistics in these regions and Forwarding that connects them. This will ramp up the reinforcement of our business foundation and the acquisition of specialized know-how, which would take time to do on our own, and will provide more robust support for our customers' global business expansion.

Composition of Global Business Operating Revenue (FY2025/3, before consolidated eliminations)



Commitment to the Future

We are implementing the growth strategies outlined here to evolve into an indispensable logistics partner that supports customer businesses and society. Our highly specialized Contract Logistics Business and Global Business, which bring together all the strengths of the Group, are the foundation for us to succeed together with our customers in these uncertain times. The knowledge and execution skills of all employees will drive this transformation. We will deepen the trust of our customers and create new value to generate

increased corporate value that meets the expectations of our shareholders and investors.

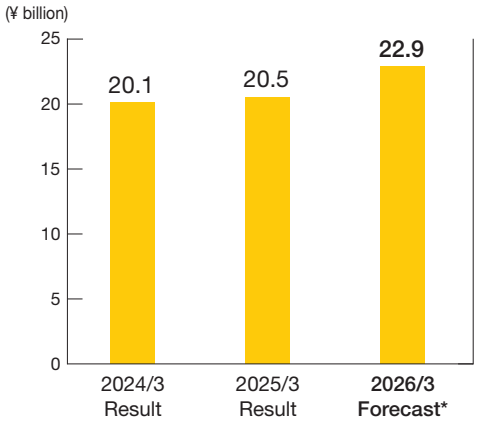
I would like to express my deepest gratitude to the employees working together to advance our growth strategy. Their efforts will be the force that drives the future of the Yamato Group. We are counting on the understanding and continued support of shareholders and investors as the Yamato Group takes on new challenges and moves into the future.

New Domain

Commercialization of “Green Mobility”

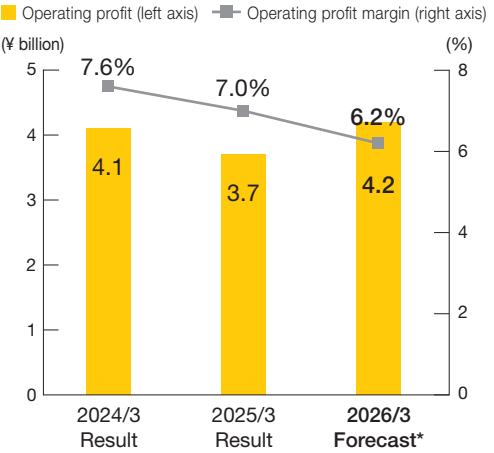
We will co-create with diverse business partners to generate new revenue sources by developing business models that resolve environmental and social issues.

Mobility Business Operating Revenue (External Customers)



* Forecast announced on July 30, 2025

Mobility Business Operating Profit



Core Services

Vehicle Maintenance

We employ the expertise we have acquired from managing and maintaining Yamato Group vehicles to provide comprehensive support to truck transport companies and other firms. Our services encompass multi-brand vehicle maintenance, management of logistics facilities and equipment, and insurance sales. With maintenance facilities throughout Japan and a 24-hour, 365-day operating system that includes weekends and nights, we help maximize the uptime of our customers' vehicles.

EV Lifecycle Service

We deploy EV and energy management expertise we have acquired through environmental investments and demonstration experiments within the Yamato Group to provide one-stop service for businesses that use vehicles that ranges from facilitating EV introduction and operation to maintenance and energy management. We support the decarbonization initiatives of corporate customers by limiting initial stress and investment.

The Yamato Group's Resources and Expertise



Note: As of March 31, 2025

Promoting “Green Mobility”

The Yamato Group has been addressing environmental and social issues that include climate change and the new regulations governing driver working conditions implemented in 2024 (the “2024 Logistics Problem”). Our collaboration with business partners to proactively resolve these issues has given us knowledge and expertise in areas such as reducing greenhouse

gas (GHG) emissions, building sustainable and efficient logistics systems, and managing the health of employees. We will refine our knowledge and expertise and make them available to customers within a “Green Mobility” business model that provides solutions for increasing the sustainability of customer supply chains, which we expect to generate new growth for the Yamato Group.

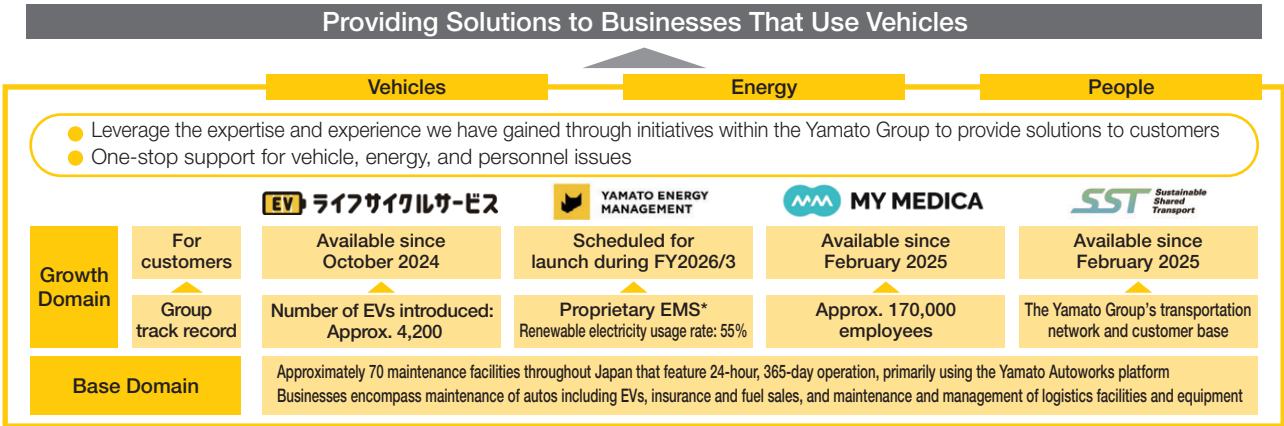
	Challenges Faced by Businesses That Use Vehicles	Yamato Group Initiatives to Date*
Environmental Issues	Initiatives to reduce GHG emissions Japan aims to achieve a 46% reduction in GHG emissions by fiscal 2030 (compared with fiscal 2013) and carbon neutrality by 2050. Businesses are required by the government to reduce their GHG emissions, and businesses that emit more than a certain amount of GHG are required to calculate, report, and disclose their emissions. In addition, some local governments in Japan have introduced their own systems that require large offices and facilities to reduce their total GHG emissions.	- Yamato Group GHG emissions reductions (15% decrease compared with FY2021/3) - Consideration of a system to measure GHG emissions in the supply chain (Scope 3) → Please refer to Environmental Strategy on page 45 for details.
	Use of EVs and electricity generated via renewable energy sources (renewable electricity) Although expectations are rising for EVs, which do not emit CO ₂ during operation, they are not yet in wide use due to many issues to be overcome before they can be used commercially. Examples of Issues · More costly than internal combustion engine (ICE) vehicles and initial investment required to build charging infrastructure · Concerns about reduced operational efficiency due to issues such as charging time and driving range · Effective use of renewable electricity	- Demonstration and introduction of EVs that are easy to use for collection and delivery (Approx. 4,200 vehicles) - Use of electricity generated via renewable energy sources (Renewable energy usage rate: 55%) - Development of a proprietary energy management system → Please refer to Environmental Strategy on page 45 for details.
Social Issues	Intensifying shortage of transportation capacity Regulations governing truck driver working conditions that took effect in 2024 raised concerns about the resulting logistics bottlenecks, known as the “2024 Logistics Problem.” Absent remedial action, transport capacity will be 34% below demand by 2030, which will delay deliveries and increase logistics costs. In order to improve the sustainability of logistics, the Japanese government amended the Act on Advancement of Integration and Streamlining of Distribution Business and the Motor Truck Transportation Business Act to impose an obligation on all shippers and logistics companies to take action to improve logistics efficiency.	- Transport overhaul, including relay transport - Support for appropriate work practices among transportation partners - Use of box charters and double-articulated trucks - Modal shift, including the use of cargo aircraft
	Importance of employee health management Approximately half of Japan's trucking industry workforce is over 50 years old, and working hours are approximately 20% longer than the average for all occupations. The result is health risks that are higher than in other industries. In addition, health-related accidents have been trending upward in recent years. Consequently, health-related accidents caused by drivers who have not undergone health examinations have been subject to administrative sanctions since 2021. For transportation companies, employee health management has become a pressing issue that is directly linked to business continuity.	Promotion of health and productivity management Health checkup follow-up rate within the Yamato Group: 98%

* As of March 31, 2025

Employing Our Knowledge and Expertise to Commercialize New Business Models

We are addressing the issues described above by mobilizing the Group's expertise to provide customers with one-stop solutions in the domains of vehicles, energy, and people. Our approach will

help customers build sustainable supply chains while providing the opportunity to build this business into a core revenue source for the Yamato Group.



* Energy management system

New Domain

EV ライフサイクルサービス

EV Lifecycle Service



Business Strategy

We began offering our EV Lifecycle Service in October 2024. It provides one-stop support for the introduction and operation of EVs, with the aim of supporting decarbonization among businesses that use vehicles.

Our service portfolio builds on the knowledge and expertise the Yamato Group has acquired in introducing EVs throughout Japan. We facilitate the introduction and use of EVs for businesses that use vehicles by providing packages of services that include expertise in the procurement and efficient use of EVs, the supply of electricity generated via renewable energy sources (“renewable

electricity”), and an energy management system developed in-house. Furthermore, we will achieve both decarbonization and economic efficiency by setting residual values that take into account the value of batteries and by taking advantage of subsidies.

Our services will continue to reflect the knowledge base we have built through our own decarbonization initiatives. Encompassing the addition of vehicle models and classes, battery recycling, and EVs that can accommodate replaceable batteries, our knowledge base increases the value we provide to corporate customers.



We have been providing services to the Alfresa Group since December 2024.

Strengths

- Approximately 70 maintenance facilities throughout Japan with 24-hour, 365-day operations
 - Track record of large-scale EV introduction
 - Proprietary EMS¹
 - Supply of renewable electricity¹
1. Scheduled for launch during FY2026/3

YAMATO ENERGY MANAGEMENT

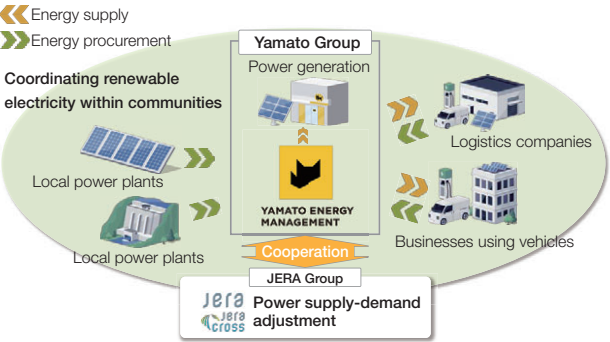
Yamato Energy Management



Business Strategy

The amount of renewable electricity generated from weather-dependent renewable energy sources such as solar power is variable, which makes energy management essential for efficient use of that power source. The Yamato Group established Yamato Energy Management Co., Ltd. in January 2025 to procure and sell electricity. By procuring electricity directly from the market and local power plants as an electricity retailer, we are building a system for stable renewable electricity procurement with control over the amount of electricity, the renewable energy ratio, and costs.

In collaboration with JERA Cross, we are initially providing renewable electricity generated by Yamato Group facilities and regional power generation companies to Yamato Transport’s approximately 2,800 last-mile pickup and delivery facilities and shipment-only sales offices throughout Japan. In the future, we will also supply electricity to businesses that use vehicles, thereby contributing to the decarbonization of logistics and the revitalization of local economies.



Strengths

- Ability to employ our network of facilities throughout Japan to promote local consumption of locally generated renewable electricity
- Proprietary EMS
- Installed base of solar power generation equipment

SST Sustainable Shared Transport

Sustainable Shared Transport



Business Strategy

Aiming to standardize and streamline logistics through joint transportation and delivery that transcends corporate boundaries, we are structuring an open platform that enables various stakeholders including shipping and logistics companies to participate in joint transportation and delivery. We will be able to improve truck capacity utilization rates and maintain stable fleet operation by linking information such as shipping company plans and cargo volumes with information such as logistics company operating plans to reconcile logistics supply and demand.

The Yamato Group will provide services via this platform by leveraging the customer base it has developed through TA-Q-BIN

and its partnerships with logistics companies. We will deploy our expertise in building transportation and delivery networks to ensure stable transportation capacity and structure environmentally friendly, sustainable supply chains.

In February 2025, we began offering trunk-route transportation between Miyagi Prefecture and Fukuoka Prefecture with 16 departures per day. In the future, we will expand geographic availability and timetables, promote multimodal transport, and accelerate joint transportation and delivery.

Strengths

- Approximately 1.8 million corporate clients and partnerships with over 3,500 transport and delivery companies cultivated through TA-Q-BIN services
- Expertise in structuring transportation and delivery network operations
- A secure data-sharing platform that employs co-investor Fujitsu Limited’s blockchain and other technologies and cybersecurity expertise

Expected Impact (As of March 31, 2026)

- Ensuring sustainable and stable transportation: Increase in cooperating partners
 - Reducing GHG emissions: 42.2%² reduction
 - Improving working environment and compensation for drivers and others: 65.1%³ labor savings
2. Calculated using the improved ton-kilometer method based on emissions as of March 31, 2026
3. Estimate of annual operating hours based on transportation volume as of March 31, 2026

MY MEDICA

MY MEDICA

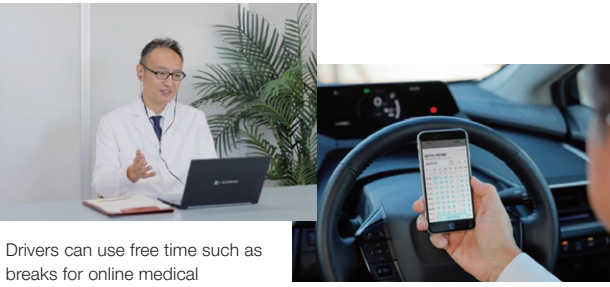


Business Strategy

The Yamato Group now offers MY MEDICA in collaboration with Alfresa Corporation, which has extensive experience structuring new pharmaceutical distribution networks. Launched in February 2025, MY MEDICA is an online medical service for managing health and preventing serious illnesses among the employees of motorized transport companies. The service will initially be provided within the Yamato Group.

We established an operation system that facilitates consistent hospital visits for health checkups among drivers with irregular work schedules that hinder visits, and enables quick checkups during breaks or other convenient times. We have confirmed that

the system has effectively improved the rate of recurring health checkups. Motorized transport businesses such as truck, taxi, and bus companies can use this service to encourage their employees to get recurring health checkups to support early treatment and prevent serious illness among people who have not received or have discontinued treatment. These companies can also reduce the workload of managers and the risk of administrative sanctions by providing consultative guidance and visualizing consultation status, thereby supporting sustainable logistics and transportation infrastructure and creating economic value.



Drivers can use free time such as breaks for online medical consultations.

Human Resource Strategy

The Yamato Group's human resource strategy is the foundation for realizing sustainable increases in corporate value through "contributing to the realization of enriching our society," a goal laid out in our Management Philosophy. Our Human Resources Management Policy is to ensure that the growth of individual employees leads to the growth of the Group. Based on this policy, we are promoting a human resource strategy that is linked to management strategies, such as building an optimal human resource portfolio for the creation of new added value and further enhancing work comfort and motivation of diverse employees.

MESSAGE

We are promoting a human resource strategy linked to management strategies in order to strengthen human capital and accelerate management strategy execution.

Masayuki Ishii
Managing Executive Officer
(Responsible for Overseeing Human
Resource Management and Development)
Yamato Transport Co., Ltd.

Mr. Ishii joined Bridgestone Corporation in 1988. After working at its head office, plants, and technology centers, he was responsible for human resources and labor management at various offices in the United States, Spain, and Belgium. Upon returning to Japan, he was responsible for areas at the head office including global human resources and human resource development, corporate planning, corporate communication, risk management, and overseas business management. In October 2022, he joined Yamato Transport Co., Ltd.



Q1: How do you think the Yamato Group's human resource strategy increases corporate value?

As the head of human resource management and development, my key themes are creating an organization that empowers us to proactively transform our skill set and human resource portfolio in line with the Yamato Group's management strategies, and developing human resources who can take ownership of this transformation and carry it out in their respective domains and roles. We are implementing a human resource strategy based on our Human Resources Management Policy for achieving sustainable mutual growth by linking our employees' growth and sense of rewarding work with the growth of the Group.

During the current medium-term management plan, we are reinforcing the *TA-Q-BIN* network and transforming our business portfolio. Key components of the human resource strategy for accomplishing these objectives are optimal human resource allocation following business structure reform, development and recruiting of human resources who create added value, establishing a good working environment, and fostering organizational culture. The Human Resources Department collaborates with business departments to improve operational efficiency and increase the value the Group provides to enhance its ability to generate earnings. This involves deploying personnel to areas directly linked to earning power, such as *TA-Q-BIN* sales offices and corporate sales, and systematically developing and hiring skilled personnel. Concurrently, we are supporting sustained growth in corporate value by consistently and sustainably enhancing the Group's human capital through the creation of a work environment in which diverse employees can thrive.

The target outputs of our human resource strategy are enhanced human productivity and improvement of engagement. Human productivity continues to improve because we have reduced personnel expenses, but our essential issue is increasing added value. We support pricing optimization and growth of the business for corporates in business departments by securing and

developing human resources with the knowledge and skills necessary to provide value, and by establishing a personnel system that leads to improved performance and a sense of rewarding work. We have made engagement a key indicator for the sustainable creation of corporate value, and structured a plan-do-check-act (PDCA) cycle that employs the results of employee awareness surveys. These indicators are influenced by a complex mix of factors other than our human resource strategy, so business departments and the Human Resources Department will enhance cooperation to evaluate and verify the effectiveness of measures from multiple angles.

Q2: How does the Group intend to transform its human resource portfolio in order to transform its business portfolio?

In the Express Business, which is our Base Domain, we are streamlining our hierarchy and indirect employees by consolidating and standardizing operations and using technologies such as AI to improve efficiency. At the same time, we are reassigning suitable personnel to *TA-Q-BIN* sales offices, corporate business branches, and other customer-facing front-line organizations. Our goals for these measures are to create an environment in which Sales Drivers can concentrate on sales activities, and to strengthen our corporate sales system. When reallocating personnel, we engage in detailed communication regarding the expected post-reassignment results and career path as part of a pre-reassignment training program, and we also have contact points in place to follow up with necessary information regarding the work. This supports increased motivation among reallocated employees and enables them to play active roles as soon as possible.

In addition, we will continue to focus on strengthening the capabilities of middle management, who are the bridge between rank-and-file employees and upper management. We will improve the capabilities and maximize the performance of these front-line employees with practical training that inculcates leadership and

problem-solving skills, and with a system that links compensation to management's responsibility for results.

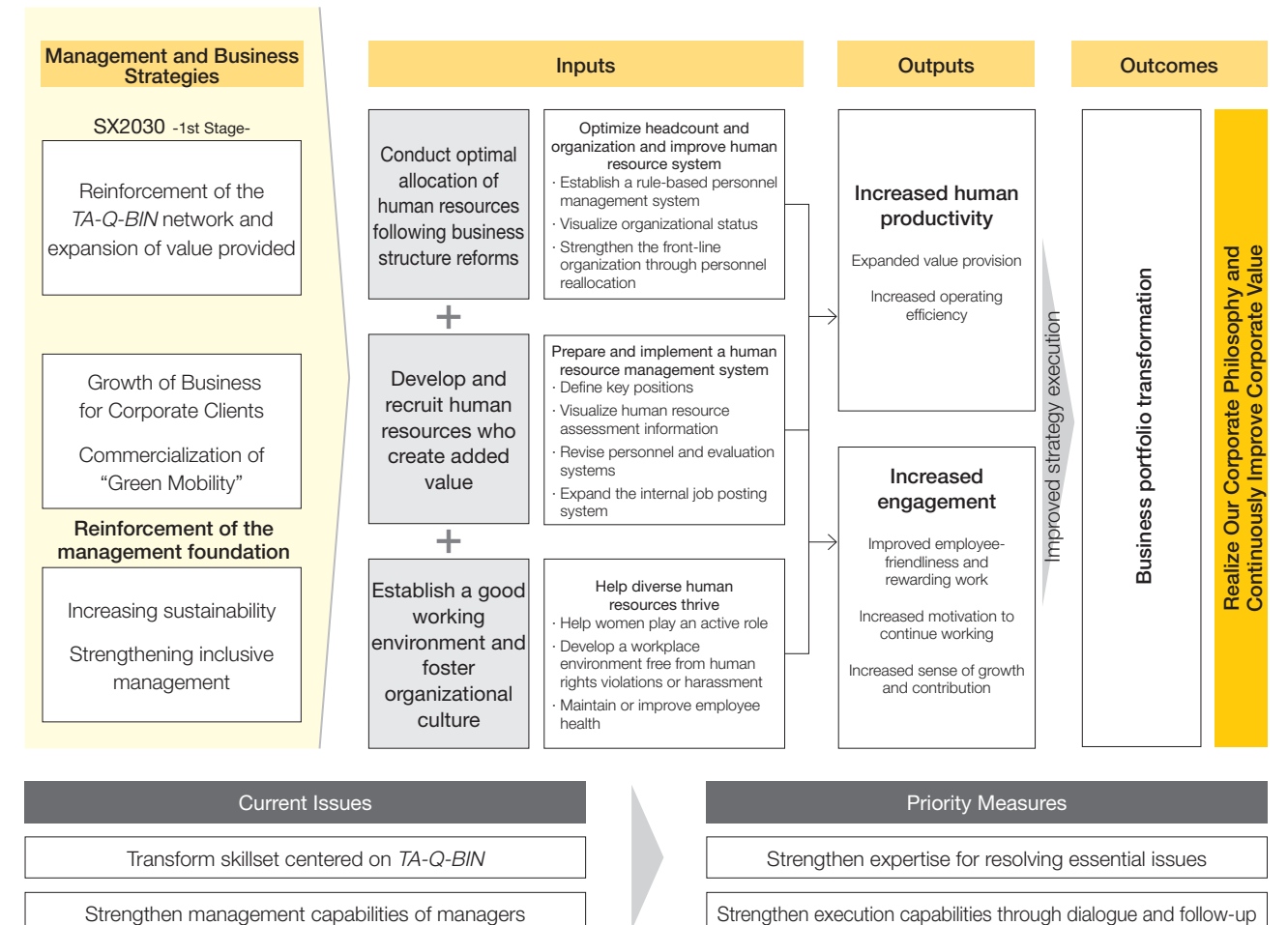
Our challenge in the Global Business and the Contract Logistics Business, which we consider our Growth Domain, is to develop and bring on sales and operations personnel. We are clarifying the duties and number of positions required to move our business strategies forward in order to conduct training and recruiting to eliminate gaps in our current personnel mix. At the same time, we are reviewing our personnel system to attract talent from outside the Group and to retain capable staff internally. A specific initiative in our Global Business involves the use of a talent map for development and recruiting to visualize the capabilities of each employee, and the results are beginning to show in performance. The Contract Logistics Business is working closely with the Human Resources Department to ramp up training and recruiting measures to fill positions required by business strategies and strengthen proposal and operating capabilities.

policies, and to implement a PDCA cycle for making improvements. The Board of Directors receives progress reports to heighten coordination with management strategies. Drawing on analysis of the survey results, we hypothesized that the skill of managers has the strongest causal relationship with employee-friendliness and rewarding work. We have therefore been enhancing the abilities of middle management, particularly sales office managers. Our approach involves dialogue between upper management and sales office managers, training opportunities, workplace meetings, and other measures that empower middle managers to help their employee teams understand business strategies and improve teamwork within the workplace. As a result, indicator data have been improving since FY2025/3. In the most recent survey conducted during FY2026/3, numerical values increased for survey items such as rewarding work. One reason was more consistent work styles and hours resulting from the optimal allocation of human resources and the relocation of pickup and delivery facilities brought about by business structure reforms. We will continue to accelerate the implementation of personnel measures that support business portfolio transformation while linking employee growth to the sustainable growth of the Group.

Q3: Please discuss the results of the employee awareness survey and future initiatives.

The Yamato Group conducts regular employee awareness surveys to understand the effectiveness of and issues with its personnel

A Human Resource Strategy Linked to Management and Business Strategies



Human Resource Strategy

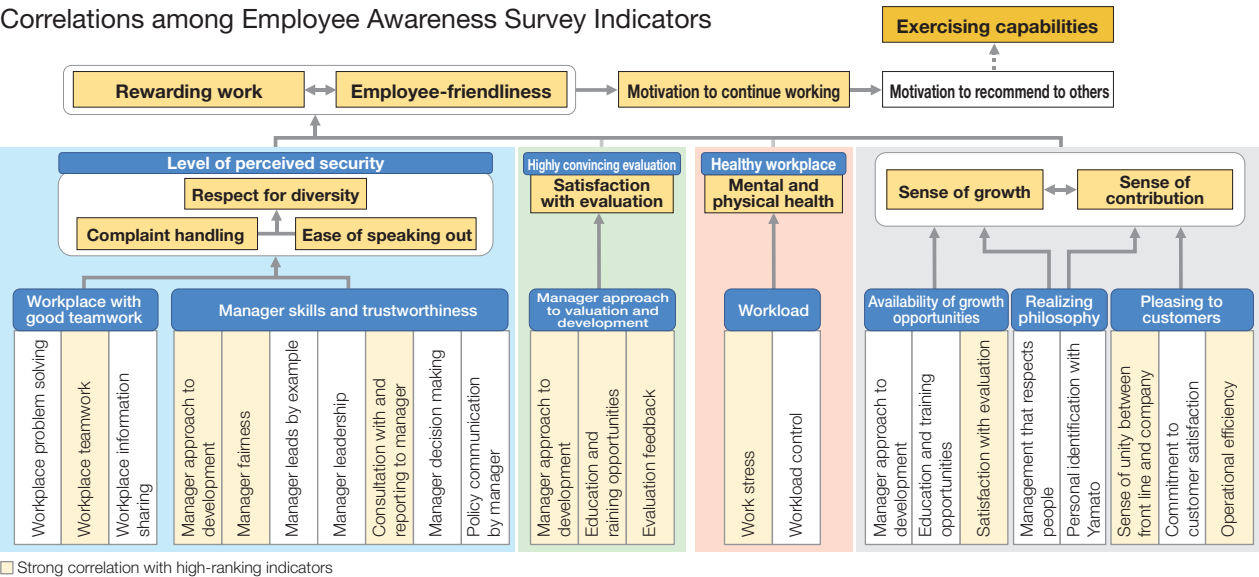
Establishing a Good Working Environment and Fostering Organizational Culture

The Yamato Group believes that improving employee-friendliness and a sense of rewarding work maximizes employee capabilities, thereby making the employee experience better. This encourages better customer service, which in turn supports increased corporate value. Therefore, we regularly conduct employee awareness surveys to objectively understand the opinions of Group employees. These surveys are positioned at the core of the PDCA cycle for identifying organizational issues and making continuous improvements. The Human Resources Department and business departments work together to perpetuate the PDCA cycle, which creates an environment in which employees and the Group can grow together and achieve sustainable increases in corporate value.

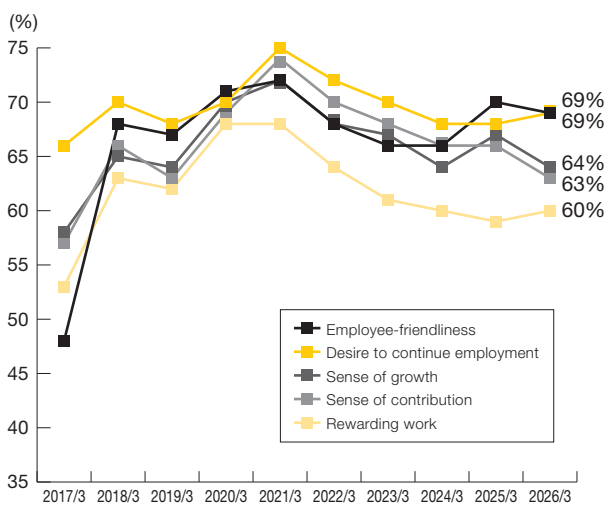
Analysis of Engagement Issues Based on Employee Awareness Surveys

We identify the essential issues involved in engagement by analyzing the relevance of each indicator using statistical methods such as multiple regression analysis. Analysis confirmed that employee-friendliness and a sense of rewarding work are most significantly influenced by the level of perceived security. Drawing on the results of analysis, we have identified improving manager skills and enhancing workplace teamwork as priority issues, and are formulating and implementing specific measures.

Correlations among Employee Awareness Survey Indicators



Employee Awareness Survey: Trends in Five Main Items^{1, 2}



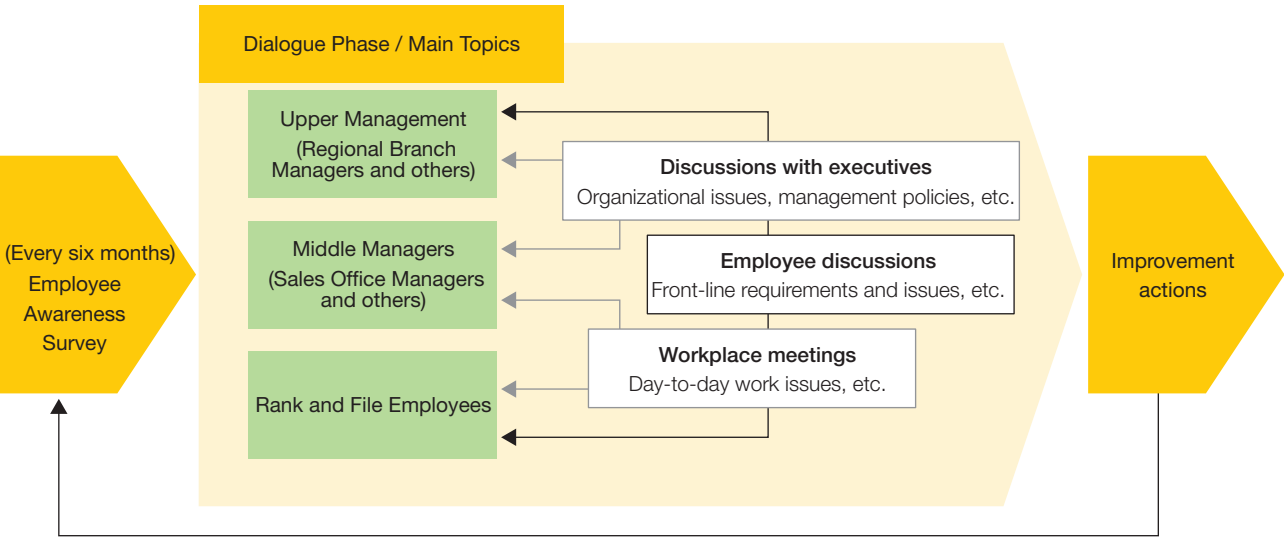
1. Scope: Consolidated companies in Japan and Swan Co., Ltd.
2. Percentage of positive responses

FY2026/3 Survey Results (Including Key Issues)

- Higher Results for Rewarding Work and Desire to Continue Employment (Slightly Lower Employee-Friendliness Than in FY2025/3)
 - Positive responses for teamwork in the workplace and manager skills have increased, confirming the effectiveness of measures such as workplace discussions.
 - Positive responses for workload have increased, and the effects of the facility strategy and optimal allocation are becoming apparent.
- Lower Results for Sense of Growth and Sense of Contribution
 - Many employees have expressed concern about difficulty seeing the connection between their individual work and the Company's results. We will encourage employees to grow and contribute to the business through measures that include revising our evaluation and compensation system to reflect employee contributions more specifically and directly, and clarifying career paths that encourage personal growth.

Improving the Workplace through Dialogue

We use the feedback collected from employee awareness surveys to plan Groupwide human resource policies and verify their effectiveness, and to support specific actions for improvement led by the front line. Dialogue between senior and middle managers and between upper management and employees deepens mutual understanding of management strategies and actual issues in the workplace. In addition, the opportunities we provide for managers and their teams to identify issues in their own workplaces and take action to improve them encourage a sense of ownership and an autonomous approach to solving problems at the individual level. We conduct the employee awareness survey and a multi-layered dialogue process based on its results twice a year. This verifies the effectiveness of initiatives and provides impetus for rapid improvements in the work environment and teamwork.



Enhancing the Skills of Middle Managers

An indispensable element in improving employee-friendliness and a sense of rewarding work among the approximately 170,000 Yamato Group employees is enhancing the capabilities of middle management, who are central to their organizational units. Our approach to improving the capabilities of middle managers so they can effectively support the growth of their team members and provide high-quality feedback involves measures such as providing training to evaluators and standardizing evaluation processes.

Promoting the Active Participation of Female Employees

We are energetically encouraging respect for diversity and the active participation of women with the objective of empowering diverse human resources to fully exercise their capabilities in a workplace environment that enables the creation of new value. The head office began convening Human Resource Development Conferences in collaboration with regional branches in FY2025/3. These conferences formulate training and placement plans for each female managerial candidate based on her career aspirations and aptitude, and help them maximize their potential and motivation to grow by regularly confirming progress and providing requisite experience and training. At the same time, we continue to make the work environment comfortable for all through initiatives such as reviewing the scope of managerial responsibilities in conjunction with the consolidation and expansion of pickup and delivery facilities, and promoting digital transformation. Measures that combine individual development and environmental improvement accelerate the development and promotion of female employees and help us generate sustainable growth in corporate value.

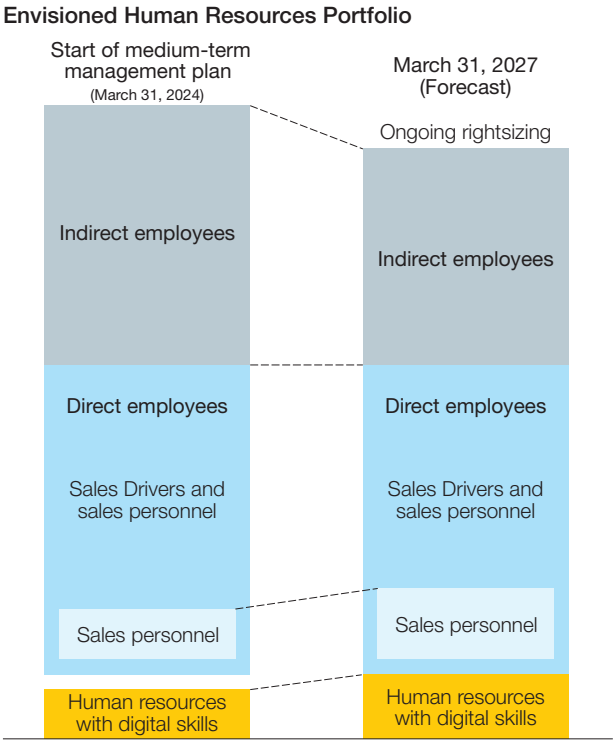
Human Resource Strategy

Optimal Allocation of Human Resources Following Business Structure Reforms

In order to maximize the competitiveness of our businesses, we are working toward a more appropriate organizational structure and personnel allocation to focus resources on the domains we need to strengthen.

In conjunction with the transformation of our business portfolio, we are ramping up direct personnel development and recruiting while rightsizing the indirect personnel headcount. We are rigorously streamlining operations and reducing headcount by using AI and consolidating tasks. We are also streamlining the organizational hierarchy and number of positions at the head office, regional headquarters, and regional branches, and strategically reallocating qualified personnel to customer-facing departments such as *TA-Q-BIN* sales offices and corporate business branches to strengthen our sales capabilities.

We have established a consistent reallocation process from reorganization of duties to personnel selection, interviewing, skillset, and follow up. We engage in detailed dialogue to share the purpose of the transfer and expectations for the role to motivate employees to take on new challenges. We also support smooth reskilling and rapid development of capabilities through skills training, on-the-job training, and specialized consulting services.

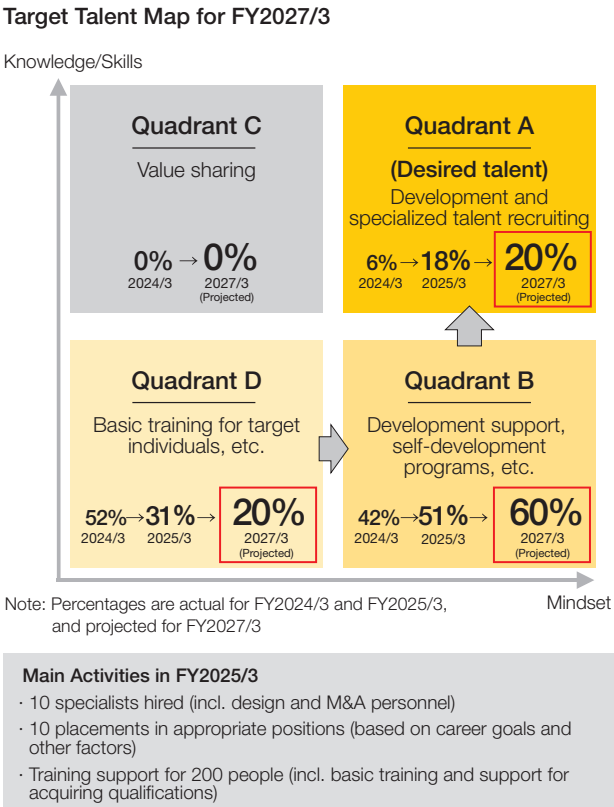


Developing and Recruiting Human Resources Who Create Added Value

The Human Resources Department and business departments are strengthening their cooperation to structure a human resource portfolio that is linked to management strategies. We have defined the skills and positions necessary for business growth as job requirements, and visualized the skills of our employees in structuring a human resource management system that systematically secures and develops the requisite skills.

For the Global Business, which we consider a growth domain for the Yamato Group, we have created a talent map with two axes: knowledge/skills and mindset. We are enhancing the overall capabilities of business departments by stepping up recruiting of specialized personnel to increase the proportion of employees in Quadrant A while promoting development programs such as specialized training to compensate for skill deficiencies in each quadrant and encouraging employees to obtain qualifications.

During FY2026/3, we are reviewing working conditions such as compensation and working hours to enhance our competitiveness in the labor market, and adjusting them to the appropriate levels for each business department. We will strengthen the organizational foundation of business departments by retaining capable personnel and promoting their active participation.



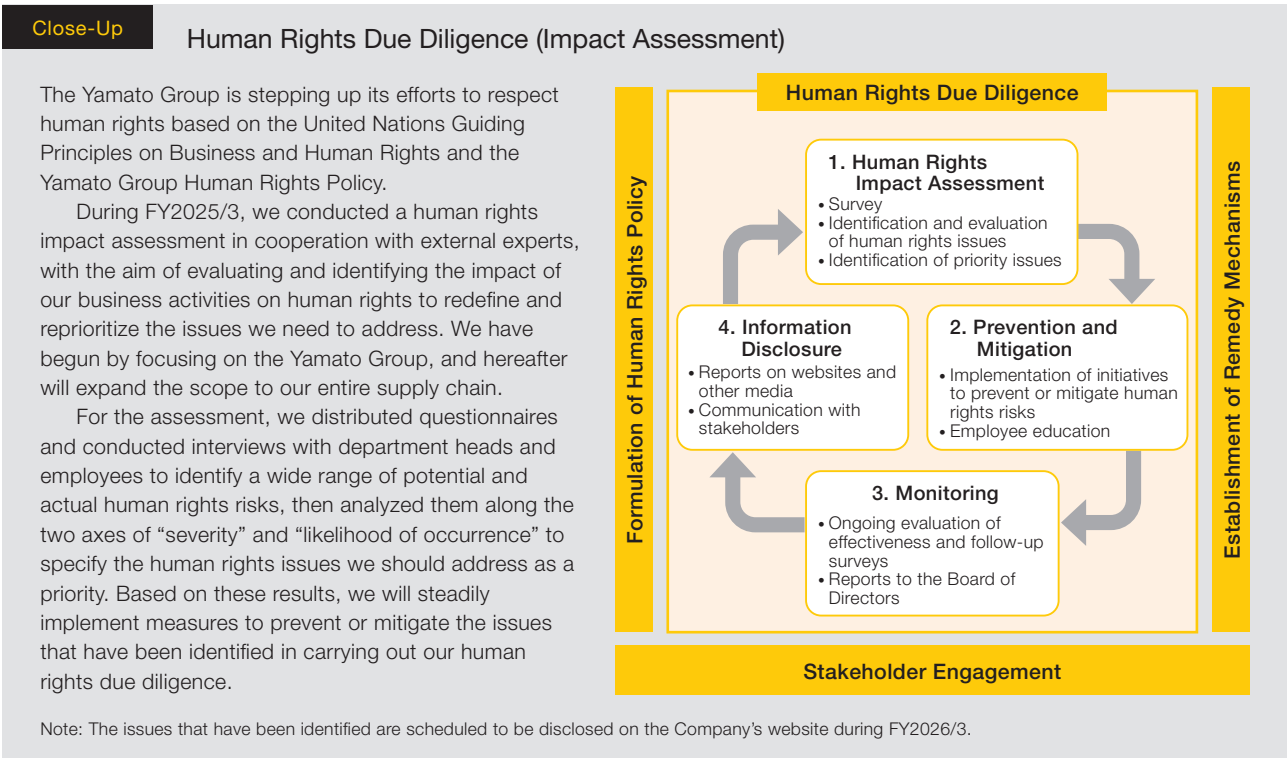
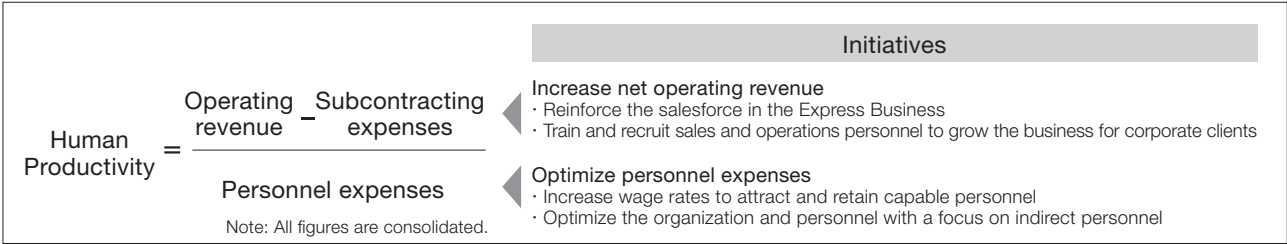
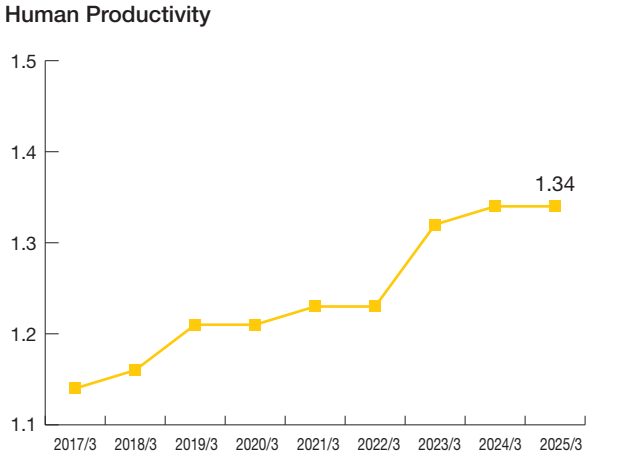
Increasing Human Productivity

We implemented salary increases during FY2025/3 to secure capable personnel. At the same time, we continued to rationalize personnel expenses by streamlining our organizational structure and reallocating human resources to the appropriate positions.

However, net operating revenue decreased due to factors including the impact of a sharp decline in *DM-Bin* revenue, improved labor conditions among transportation partners following new regulations governing working conditions in the logistics industry (the 2024 Logistics Problem), and an increase in subcontracting expenses for outsourced work due to the introduction of freighters. As a result, human productivity remained at the same level as in FY2024/3.

Our initiatives to increase earnings have been generating positive outcomes since the second half of FY2025/3, and the Human Resources Department will continue to strengthen collaboration with business departments and accelerate

investment in human capital. This will include hiring necessary personnel and expanding education and training. These initiatives will help strengthen the foundations of each business department and increase net operating revenue.



Digital Strategy

The Yamato Group has positioned its digital strategy as the foundation for sustainable increases in corporate value and is promoting data-driven management. We are implementing a digital transformation that is integrated with our businesses. This involves employing the big data accumulated in the *TA-Q-BIN* business to generate added value, improve operational efficiency, and create new businesses.

Laying the Groundwork for a Digital Transformation

We are promoting a digital transformation that is integrated with our businesses by reforming our existing organizational structure, IT framework, and personnel system. We are increasing the flexibility and speed of system development to help business

departments add value and enhance competitiveness. We are also deploying data to improve the accuracy and speed of management strategies and enhance the sophistication of our businesses.

	Past Initiatives (to 2020)	Current Initiatives	Vision (to 2027)
Organizational Structure	- System development and operation entrusted to a subsidiary - Insufficient understanding of front-line operation resulted in issues with development quality and speed	- Reorganized the Group and consolidated management resources within Yamato Transport - Stationing human resources with digital skills in business departments to support system infrastructure and data use	- Collaboration between business departments and the Digital Department to promote management strategies - Structure a system for employees to deeply understand business objectives and take the initiative in making proposals that contribute to its growth
IT Framework	- System centered on <i>TA-Q-BIN</i> accounting processing - Data integration through batch processing - Problems with adding new features and connecting with external services	- Building a real-time data integration platform to accommodate e-commerce expansion - Improving responsiveness for tasks such as adding new features	Create an agile and flexible IT framework that enables freedom in defining and coordinating operations in conjunction with business portfolio transformation
Human Resources	- High dependency on partners - Insufficient capacity for independent development and operation with a medium- to long-term perspective	- Promoting in-house development and operation, and fostering the growth of internal human resources - Introducing the Digital Specialist System to accelerate the growth of human resources with digital skills	Employees familiar with the Group's IT structure with an in-depth understanding of business objectives proactively handle planning, development, and operation

Use big data from *TA-Q-BIN* to add value and enhance business sophistication

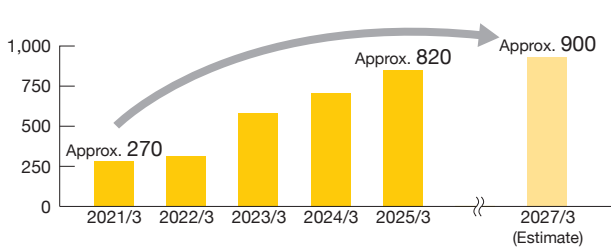
Developing and Recruiting Human Resources with Digital Skills

The Digital Specialist System is promoting a market-competitive evaluation and compensation system, flexible working styles, and the development, recruitment, and subsequent retention of capable human resources with digital skills. We recruit new graduates and use other channels to consistently add to the team of programmers that handles development. We also visualize individual skills, systematically provide training according to individual strengths and areas for improvement, and offer support for obtaining qualifications to systematically develop employees into IT

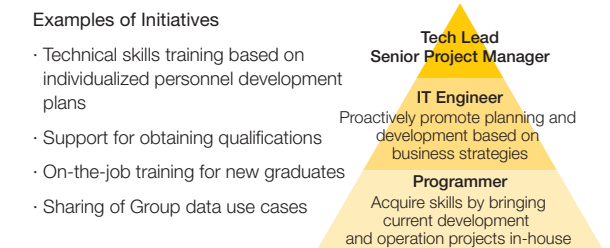
engineers and more advanced positions such as tech leads and project managers, thereby raising the technical capabilities of the entire organization.

At the same time, we are promoting the in-house development and operation of systems, an area where we previously had a high dependency on external partners. This encourages the growth of our employees while supporting improved development speed and medium- to long-term cost optimization.

Human Resources with Digital Skills



Digital Talent Career Track



Strengthening Cybersecurity

We take an incident that occurred at a subsidiary outside Japan very seriously, and are working throughout the Yamato Group to strengthen cybersecurity Groupwide and protect information assets from the threat of increasingly sophisticated and advanced cyberattacks.

Governance system enhancements

We are elevating security Groupwide by reviewing our information security guidelines, conducting regular on-site inspections of facilities in and outside Japan to confirm compliance with those protocols, and rigorously identifying risks. Additionally, we assiduously assess risk from the planning stage when conducting M&A or establishing a new company, and have established a process for promptly applying Yamato Group information security guidelines post integration.

Technical measures

We are countering increasingly sophisticated cyberattacks with cutting-edge defense-in-depth technology, and have structured a system that enables us to quickly detect and respond to threats.

Enhanced employee awareness and organizational capabilities

We regularly educate employees about information security and provide information in multiple languages. We also enhance employee literacy by conducting targeted email drills simulating actual attacks four times a year at Yamato Transport Co., Ltd. and twice a year at all other Group companies in and outside Japan.

Close-Up

Last-Mile Digital Transformation Opens a Path to Sustainable Growth

The Yamato Group views its digital strategy not simply as a means to improve operational efficiency, but as an important foundation for improving the experience value of each customer and the work environment of its front-line employees. Superior customer experience encourages customers to trust and choose us, and a comfortable working environment for employees improves service quality and productivity. Digital transformation is the starting point for creating this virtuous cycle and will support sustainable growth in corporate value.

drivers, and has enabled anyone, regardless of experience, to handle delivery work efficiently. This allows drivers to spend more time concentrating on safe driving and communicating with customers. Sales Driver productivity has increased as a result of our commitment to a better work environment for our employees.

Accelerate data-driven management to enhance business sophistication

The Yamato Group is employing the Yamato Digital Platform (YDP) it has structured to accelerate data-driven management and enhance business sophistication. Digitalized parcel data is the starting point for YDP and the source of big data. We have been promoting the digitalization of shipping labels, including handwritten ones, with the result that the digitalization rate for shipping labels increased to approximately 94% for FY2025/3.

Support a better work environment for employees with data and AI

Digitalized data enable more accurate predictions and provide powerful support to front-line employees. Machine learning models predict daily workloads with high accuracy, and advanced operational design optimally allocates personnel and vehicles based on that prediction, preventing workload concentration on specific employees and supporting stress-free work styles. Furthermore, our AI system that suggests optimal delivery routes has changed the way we approach delivery work, which formerly depended on the experience and intuition of experienced

Pursue superior customer experience and invest in the future

Another important goal of digital transformation is to accurately identify diversifying customer needs and provide more convenient services. As an example, we have expanded *Okihai* (unattended delivery), a service we first introduced for the *EAZY* delivery service for e-commerce businesses, to *TA-Q-BIN* so that Kuroneko Members* can also use it. We connect with customers digitally through Kuroneko Members, provide unattended delivery according to their wishes, and take photos to notify them when delivery is complete, thus creating a safe and secure receiving environment. These initiatives have enabled us to provide customers with delivery methods that suit their lifestyles. As a result, in tandem with an increase in the number of deliveries designated for unattended delivery, the not-at-home ratio fell to 8.8% in FY2025/3. This was lower than the level during FY2021/3 (the COVID-19 pandemic), when the ratio of customers staying at home rose sharply. Reducing redelivery also helps reduce environmental impact. Looking even further into the future, we are also taking on the challenge of creating a next-generation customer experience. This includes the launch of a demonstration experiment of an automated delivery robot in a large-scale apartment building in August 2025.

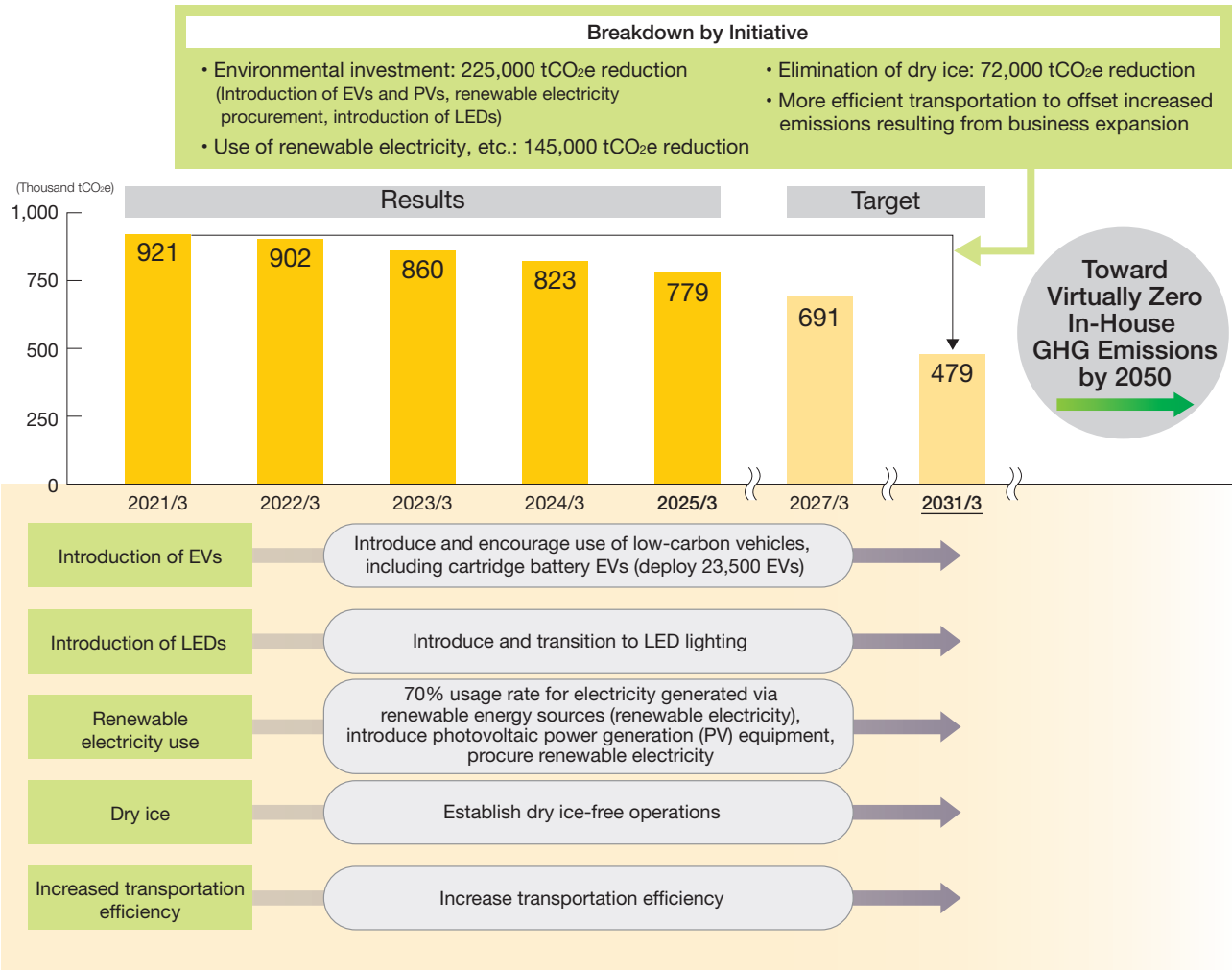
* Membership service for individuals provided by Yamato Transport

Environmental Strategy

Based on its environmental vision of “Connect. Deliver the future via green logistics,” the Yamato Group is implementing initiatives to address the environment-related material issues it has identified with the objective of increasing its corporate value over the medium to long term and realizing a sustainable society. We are particularly emphasizing the impact of the risks and opportunities brought about by climate change, and have set the goals of virtually zero in-house greenhouse gas (GHG) emissions by 2050 and a 48% reduction in GHG emissions by 2030 (compared with FY2021/3) to address these risks. Furthermore, we are implementing good-faith initiatives to mitigate and adapt to climate change, not simply by reducing the environmental impact of our business, but also by seeking out services that help reduce GHG emissions.

We are creating a business model that resolves environmental challenges for our customers with the goal of enhancing the sustainability of society and the logistics industry as a whole while simultaneously increasing the Group’s corporate value.

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



Reducing GHG Emissions throughout the Supply Chain (Scope 3)

We have begun collaborating with the major business partners in our supply chain to reduce Scope 3 emissions. First, we are building a platform for accurately understanding emissions, which we will then use to formulate and implement effective reduction plans based on reliable data.

During FY2025/3, we established a system for measuring emissions from our transportation and delivery partners, and began collecting and storing data. We are promoting the establishment of a management system that covers our entire supply chain, including other suppliers.

Disclosures Based on the TCFD Recommendations

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

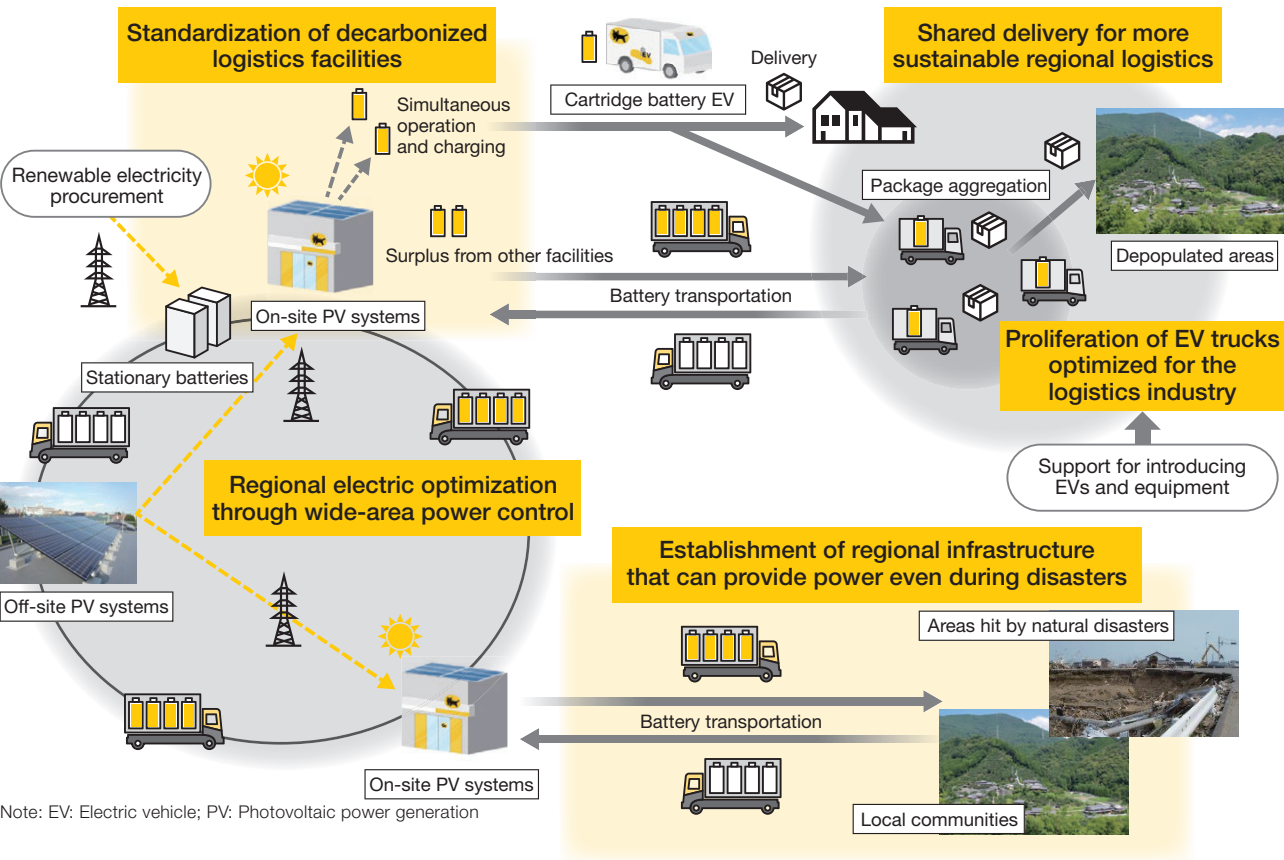
For our response to the TCFD recommendations, please refer to our corporate website.
<https://www.yamato-hd.co.jp/english/csr/environment/tcfd.html>

Governance	The Yamato Group Environmental Committee, chaired by the president, deliberates and makes decisions with regard to environmental issues, including climate change, with the Board of Directors supervising the status of execution. Executive officers assigned to the environment field, executive officers in charge of each region, and presidents of Group companies are responsible for the reliable implementation, maintenance, and supervision of environmental management as “environmental officers,” while all managers and heads of front-line organizational structures are responsible for managing environmental risks and opportunities, including climate change as “environmental managers.”														
Risk Management	We have created a dedicated department responsible for promoting the Groupwide response to climate change. We also hold annual meetings of the Yamato Group Environmental Committee, which is chaired by the president and comprises the executive officers and others as well as presidents of the main Group companies. The committee deliberates and makes decisions regarding issues and risks related to the environment, including climate change.														
Strategy	Scenario Analysis and Evaluation of Business Impact														
	Based on two scenarios (1.5°C and 4°C), we have identified the risks and opportunities for Yamato Transport and conducted an analysis and business impact assessment of the risks that have a significant impact on management.	<table><tr><th>Financial impact assessment</th><th>2030</th><th>2050</th></tr><tr><td>Carbon tax introduction</td><td>¥15.7 billion</td><td>¥28.1 billion</td></tr><tr><td>Abnormal weather and disasters</td><td>¥1.9 billion</td><td>¥3.8 billion</td></tr><tr><td>Floods</td><td>¥0.4 billion</td><td>¥0.43 billion</td></tr></table> Note: Estimated using carbon tax prices of \$140 per ton (2030) and \$250 per ton (2050)		Financial impact assessment	2030	2050	Carbon tax introduction	¥15.7 billion	¥28.1 billion	Abnormal weather and disasters	¥1.9 billion	¥3.8 billion	Floods	¥0.4 billion	¥0.43 billion
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Direction of Countermeasures															
	(1) Response to carbon tax introduction · Introduction of low-carbon vehicles (mainly EVs), installation of solar power generation equipment, utilization of renewable energy generated by local power generation companies, etc. · Examination of introduction of internal carbon pricing aimed at proactive capital investment for transition to low carbon operations (2) Response to abnormal weather and disasters · Opening of offices by utilizing hazard maps and periodic reviews of our business continuity plan manual · Examination of disclosing information on efforts to adapt to climate change internally and to our business partners · Testing for use of electricity generated from renewable energy and EVs with cartridge batteries that enhance resilience (3) Initiatives to capture opportunities presented by the increase in environmental awareness among consumers and customers. · Further promotion of service use by individual and corporate customers through the provision of transport services with consideration for climate change (development of tools to visualize GHG emissions and carbon neutral delivery, etc.) · Commercialization of new business models using expertise accumulated through environmental investment and verification testing (Expansion of sales of EV Lifecycle Services, establishment of Yamato Energy Management Co., Ltd., which provides renewable energy-derived electricity, etc.)														
Metrics and Targets	GHG Emissions Reduction Targets ^{1, 2}		Target for Percentage of Electricity Use from Renewable Energy Sources												
	Short-term (FY2025/3): 15% decrease → Result 15% decrease (achieved) (FY2027/3): 25% decrease Medium-term (FY2031/3): 48% decrease Long-term (to 2050): Virtually zero GHG emissions 1. In-house emissions of consolidated companies in Japan and Swan Co., Ltd. (Scope 1 & Scope 2) 2. Compared with FY2021/3		Short-term (FY2025/3): Increase percentage of electricity use from renewable energy sources → Result 55% (achieved) (FY2027/3): 70% We will create green logistics in collaboration with our business partners to reduce GHG emissions across the entire value chain (Scope 3), and promote specific preparations for acquiring the Science Based Targets* 1.5°C certification. * Science-based targets (SBTs) are greenhouse gas reduction targets set by companies for the next 5 to 10 years that are consistent with the levels required by the Paris Agreement.												

Environmental Strategy

GHG Emissions Reduction

Our Vision for an Energy Ecosystem That Coordinates EVs, PV Systems, and Batteries



Note: EV: Electric vehicle; PV: Photovoltaic power generation

Development and Demonstration Tests to Realize Green Delivery

Targeting carbon neutrality by 2050, we are building an energy ecosystem around cartridge battery EVs to resolve two issues with introducing EVs: overlap between operating time and charging time, and increases in capital investment and electricity consumption.

We are developing a charging scheme to support mass introduction and operation of EVs and a management system to control electricity usage peaks. The New Energy and Industrial Technology Development Organization (NEDO), a national research and development agency in Japan, is subsidizing this project. We have deployed 450 EVs and chargers to the demonstration area in Gunma Prefecture to establish an optimal site layout and develop an energy management system that controls power generation and usage within the site and reduces peak power consumption.

Aside from contributing to reduction of the Group's own GHG emissions, the technological assets and operational expertise gained from this demonstration project will help us provide solutions to businesses within a "Green Mobility" business model.

We will add value to our businesses by accelerating development of wide-area energy management that integrates the management of multiple locations, and cartridge EVs for implementation on a commercial scale. In addition, we will popularize this ecosystem as part of the social infrastructure by collaborating with manufacturers and government authorities to standardize battery specifications, thus contributing to the decarbonization of the logistics industry and the realization of a sustainable society.

Demonstration Period and Area	FY2023/3 to FY2031/3 (Scheduled), Gunma Prefecture
KPIs	Introduce 200 EVs through FY2024/3: Completed (Actual: 200 EVs) Transition all pickup and delivery vehicles to EVs by FY2027/3: Reduce CO₂ emissions from vehicles by 5,000 tons* Transition all pickup and delivery vehicles to EVs with cartridge batteries by FY2031/3: Reduce CO₂ emissions from vehicles by 7,500 tons*

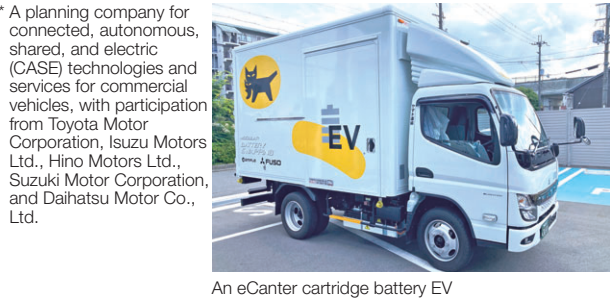
* Within the demonstration project area, compared with FY2021/3
Note: Hypothetical CO₂ emission coefficient: 0.000447 tCO₂/kWh (base emission coefficient of TEPCO Energy Partner, Inc. for fiscal 2020, from Ministry of the Environment, "Emission Coefficients by Electric Power Company")
Reference: https://policies.env.go.jp/earth/ghg-santeikohyo/files/calc/r04_coefficient_rev4.pdf (Japanese only)

Trial of EVs with Cartridge Batteries

We are working for the practical application of cartridge battery EVs because they completely decouple vehicle and charging, which resolves issues with commercial use of EVs including downtime during charging and the variable availability of renewable electricity.

We initiated our progressive approach to development and demonstration in collaboration with multiple vehicle manufacturers by launching a standardization study with Commercial Japan Partnership Technologies Corporation (CJPT)* in 2022. In FY2025/3, we conducted a demonstration test of a 2-ton cartridge battery EV truck to confirm its practicality and

identify operating issues. The results are the basis for our ongoing research and demonstration experiments aimed at commercializing cartridge-type battery EVs.



An eCanter cartridge battery EV

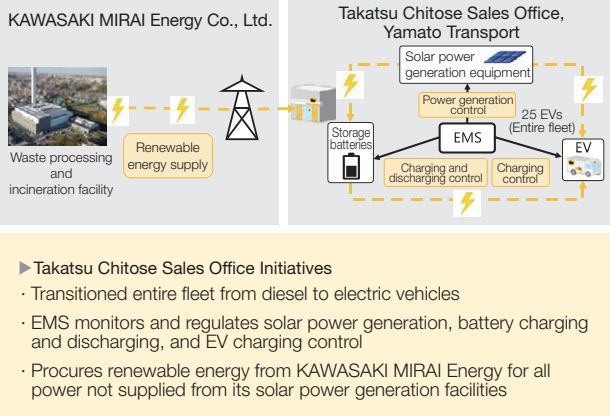
Promoting Energy Management

The Yamato Group uses an energy management system (EMS) developed in-house to promote efficient energy use and reduce electricity costs. Our EMS monitors and automatically controls in real time the amount of onsite electricity use, the amount of solar power generated, and the charging and discharging of storage batteries. In addition, the system reduces electricity costs by leveling out peak power demand associated with simultaneous EV charging at night, and by regulating maximum power consumption.

The Takatsu Chitose Sales Office in Kanagawa Prefecture obtains all of its electricity from solar power generation equipment installed on its roof, storage batteries, and locally produced renewable energy. It has transitioned to local production and consumption of electricity for the sales office and for its EVs by employing an EMS to comprehensively manage

and allocate renewable electricity generated within the regional energy loop.

A Pickup and Delivery Facility that Exclusively Uses EVs and Renewable Energy



Cost Reductions from Initiatives

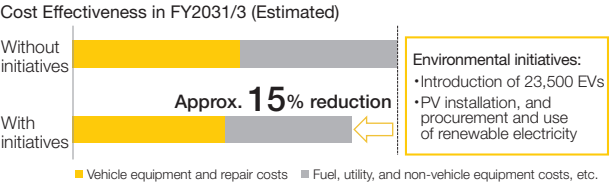
We have reduced total cost per vehicle by using subsidies and grants available for introducing EVs to maintain initial investment at a level comparable with internal combustion vehicles, while reducing operating costs such as fuel and maintenance.

Furthermore, we complement in-house consumption of solar power generated at Group sites with an EMS to centrally manage renewable energy procured from external sources. We are therefore able to optimize the energy mix and reduce electricity costs.

We estimate that our initiatives will reduce vehicle maintenance costs and fuel and utility costs, including operating costs for solar power generation equipment, by approximately 15% compared with a hypothetical scenario in which we had not implemented environmental initiatives. We will maintain disciplined investment by concentrating deployment of EV facilities at cost-effective locations, while continually analyzing the cost-effectiveness of

initiatives and reflecting the results in new measures and operational improvements.

Cost Reductions from Initiatives



► We also estimate that the above initiatives would mitigate the financial impact of a full-scale carbon tax by an additional ¥7.4 billion. (From TCFD scenario analysis and evaluation of business impact)

Scenario Assumptions

- In both scenarios (with and without initiatives), the hypothetical annual increase in TA-Q-BIN delivery volume is 1%, with factors including number of facilities, number of vehicles and mileage remaining constant.
- Vehicle repair costs, fuel costs, utility costs, and depreciation, lease fees, and operating costs for vehicles and solar power generation equipment are estimates. Fuel and utility costs are assumed to increase annually.
- The scenario with the initiatives assumes the Group will consume all of the electricity it generates from its solar power generation facilities because of the use of batteries and other technologies.

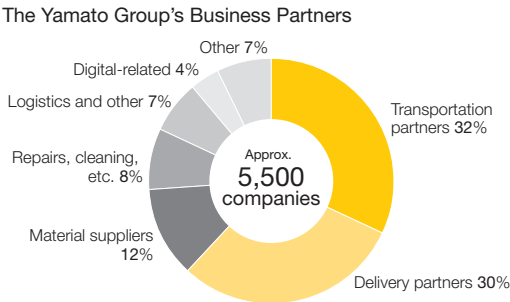
Social Strategy

Supply Chain Management (SCM)

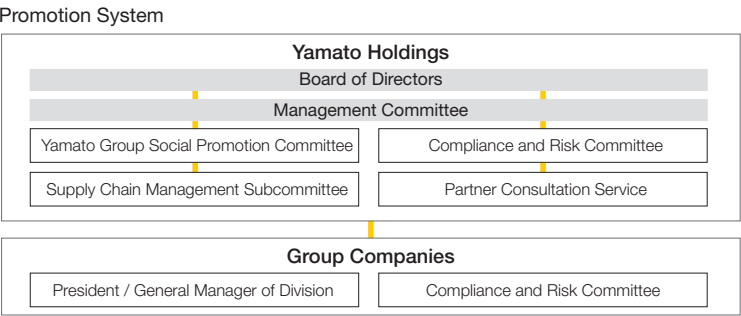
The Yamato Group operates its businesses with the support of numerous business partners, so building a sound and sustainable supply chain is an important issue for us. Based on fair, equitable, and sincere business transactions in accordance with our basic policy, we aim to achieve sustainable improvement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

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

The Yamato Group has approximately 5,500 business partners, about 60% of which are transportation and delivery partners in the Express Business. The Board of Directors and the Yamato Group Social Promotion Committee are among the venues through which we promote initiatives to reduce risk and enhance supply chain management. We are also implementing measures to ensure fair business practices with our partners, which include conducting partner surveys and establishing a partner consultation service.



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



Overview of Initiatives

Target	Key Measures	Progress of Measures and Future Initiatives
All business partners	1. Business partner surveys · Conducted annually to ensure fair business practices · Used for reporting to management and for improvement activities 2. Establishment of a consultation service · System established by Yamato Holdings to facilitate the early detection and resolution of problems, including issues that business partners might hesitate to discuss with their contact at Yamato Holdings	■ Strengthening business partner monitoring · Conducting questionnaire surveys and monitoring · Expanding the scope of surveys ■ Supporting small and medium-sized enterprises in addressing sustainability issues · Providing tools to help set goals, understand management systems and implementation issues, etc.
Key business partners*	3. Briefings for business partners · Held to build a common understanding of the SCM that the Yamato Group aims to achieve 4. Business partner surveys (monitoring) · Conducted to enhance sustainability by checking whether any partner issues exist, and agreeing on and discussing future initiatives	■ Strengthening communication skills · Conducting ongoing employee education ■ Preparing for human rights impact assessments · Designing questionnaire items to expand the scope of the survey to the entire supply chain
Employee education	5. Employee education regarding sustainable procurement	

* Selected with reference to the Business Partner Guidelines pursuant to the following three criteria in order to improve the level of sustainability efforts throughout the supply chain. 1. Irreplaceable 2. Provides goods and services essential for business continuity 3. Significant transaction value

Conducting Business Partner Surveys (Monitoring)

Since FY2024/3, we have been conducting sustainability surveys covering business partners that have a particularly significant impact on our business.

In particular, in light of the numerous issues associated with management systems among small and medium-sized enterprises, we have established relevant criteria for them and provide tools

for improvements and other forms of support to help partner companies better understand sustainability and strengthen their management systems. The questionnaire survey we conducted during FY2025/3 added the partners of some Group companies as we expanded our initiatives to improve the sustainability of our supply chain.

Building Sustainable Relationships with Transportation Partners

Background

■ Structural issues in the trucking industry and work style reform

▶ Long working hours and wage levels have led to a chronic shortage of drivers.

▶ The Act on the Arrangement of Related Acts to Promote Work Style Reform went into effect in April 2024, leading to concerns about a 34% shortage in transportation capacity by 2030.

■ More stringent government regulations

▶ Legislative amendments aimed at enhancing the sustainability of logistics in Japan^{1, 2}

■ Cooperation with transportation partners

▶ The Yamato Group outsources approximately 90% of its trunk-route transportation within its *TA-Q-BIN* network to transportation partners.

Risk Factors for the Yamato Group

1. Compliance risk

2. Risk of reduced long-distance transportation capacity

3. Risk of rising transportation costs

1. The Act on Advancement of Integration and Streamlining of Distribution Business and the Motor Truck Transportation Business Act went into effect on April 1, 2025. The acts require shipping and logistics companies to implement specific initiatives to improve logistics efficiency, with the government providing support for the formulation and implementation of relevant plans.
2. The Act on Prevention of Delays in Payment of Fees to Small and Medium-Sized Contractors for Manufacturing Outsourcing will come into effect on January 1, 2026. The act addresses the rapid rise in costs in recent years by promoting the establishment of an equal relationship between clients and contractors so that increases in labor, raw materials, energy, and other costs can be appropriately passed on to prices.

Key Initiatives

Strengthening Governance

1. Regular communication

· Monthly partner meetings

· Regular price negotiations once every three months*

* Reference: The Promotion Standards of the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises require such negotiations at least once a year.
2. Business partner surveys

· Once annually for all partners
3. Dedicated call center for transportation

· Established a dedicated contact point for transportation partners in June 2024 operating 24/7, 365 days a year

· Promoting problem resolution for each case, with respect for the privacy of consultees
4. Continuous employee education

· Various briefings on topics including reconfirming prohibited activities, addressing such activities if they happen, and the use of contract templates and management tools.

· Utilizing video learning tools
5. Collaboration with external experts

· Structured a system to monitor, advise, and report to management on the status of various initiatives with transportation partners

Close-Up Enhancing Communication with Partners

We are further improving communication effectiveness by conducting surveys covering all transportation partners regarding the results of our discussions. These surveys help us gain insights into awareness of and satisfaction with our initiatives, which support the early detection of issues and follow-up for improvements.

Specific Measures

Improving working conditions and ensuring appropriate delivery charges and fee structures

We are reducing the cost burden on our transportation partners with fuel surcharges that address rising fuel prices and with labor cost support payments to help improve driver working conditions. We also clearly document cargo wait time and incidental work such as forklift operation, bulk loading, and sorting, and ensure proper payment for such services.

Review of operation systems

We are reviewing conventional transport methods to enhance transportation and loading efficiency while curbing long working hours for our transportation partners. We are transitioning from direct

long-distance routes to transportation using relay connections at designated relay points while aggressively leveraging modal shifts, including the use of dedicated cargo aircraft.

Grasping actual operational conditions using systems

To build fair business relationships with transportation partners and strengthen governance, we are promoting the visualization of actual operational conditions through the use of systems. Drivers receive mobile devices that record waiting times and requests for additional work, with appropriate payment for such time and labor. Monitoring also enables early detection and correction of problems such as overloading and unreasonable transport requests.

Social Strategy

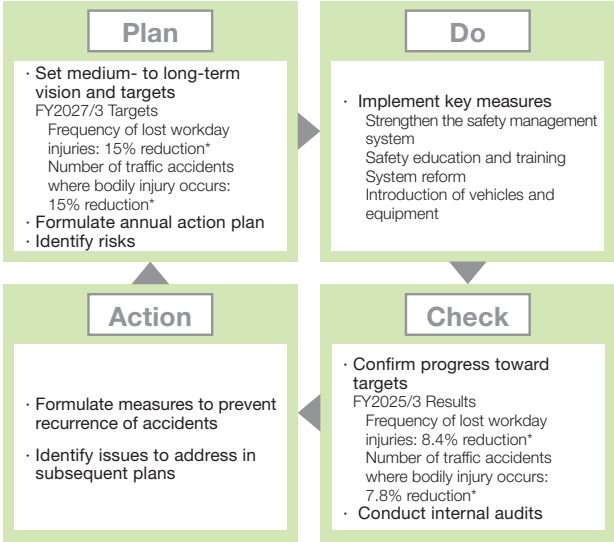
Safety and Security

Safety Promotion System

The Yamato Group thoroughly adheres to its philosophy of placing safety first and business second, with a corporate stance of respect for human life and ensuring safety as set forth in the Group Corporate Philosophy. We work with our transportation and delivery partners as well as our employees to prevent traffic and occupational accidents in order to achieve stable business operations and enhance corporate value.

The frequency of lost workday injuries and the number of traffic accidents where bodily injury occurs are two indicators we employ that improved more than planned in FY2025/3. However, challenges also became apparent, including serious traffic accidents. In light of these results, during FY2026/3 we have been strengthening safety education for new drivers and drivers who have been involved in accidents, and continue to take action such as employing safety equipment to reduce the risk of traffic accidents from both a human and physical perspective.

Safety Promotion System



* Scope: Yamato Transport Co., Ltd., comparison with FY2024/3

Safety Expert System That Fosters a Culture of Safety on the Front Lines

The Yamato Group's original internal safety expert system is central to inculcating the philosophy of prioritizing safety throughout the Group and putting it into action on the front line. Safety Experts are safety specialists selected from employees with extensive driving experience and knowledge. Only those who meet a wide range of strict standards, including instructional techniques and communication skills, are certified.

As of March 31, 2025, approximately 360 Safety Experts were working at regional branches nationwide. They visit the sales offices under their jurisdiction with the mission of assiduously preventing traffic accidents and occupational accidents by conducting roll calls before and after shifts, checking compliance with laws and regulations that include statutory inspections, and providing on-board guidance to drivers.

Driver Education and Training

We aim to improve drivers' safety awareness and skills by combining on-the-job training that employs footage from dashcams and driving data with systematic off-the-job training. We set safety levels for each driver and provide practical education according to their level, with emphasis on drivers that have higher accident risk.

The Safety Experts responsible for educating drivers receive training to help enhance their instructional capabilities. They also undergo skill tests twice a year to assess their knowledge of laws and driving techniques and their observation and coaching skills. This approach strengthens the capabilities of each Safety Expert.

Introduction of Vehicles and Equipment

The Group is also reducing the risk of traffic accidents and occupational accidents by continually deploying vehicles equipped with safety features and electric lifting equipment as an alternative to forklifts.

	FY2022/3		FY2023/3		FY2024/3		FY2025/3	
	No. of vehicles	Installation rate	No. of vehicles	Installation rate	No. of vehicles	Installation rate	No. of vehicles	Installation rate
Electronic parking brake	9,887	22.6%	11,375	25.6%	14,673	31.8%	18,589	42.4%
Collision mitigation braking system	8,924	20.4%	11,237	25.3%	14,393	31.2%	23,968	54.6%
Wide-angle rearview camera	-	-	2,323	5.2%	4,851	10.5%	8,200	18.7%
Automatic transmission (AT) vehicles	27,687	63.3%	29,370	66.1%	33,643	72.9%	34,123	77.7%
Electric pallet stacker	-	-	11	-	12	-	81	-

Sustainability Governance

Vision for the Environment and Society

Environmental Vision

Society Vision

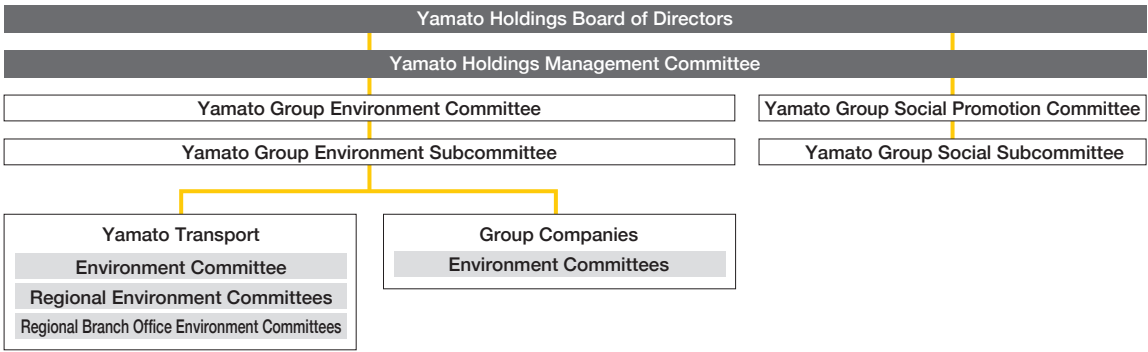
Connect. Deliver the future via green logistics

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

* To leave no one behind: A basic philosophy of the SDGs

Sustainability Promotion System

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



Material Issues

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

Step 1

Refine Choices for Material Issues

Step 2

Stakeholder Dialogues (November 2019)

Step 3

Identify Material Issues (January 2020)

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

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

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

The Yamato Group's Material Issues



Material Issues: Strategies, KPIs, and Targets (FY2027/3)							
Scope: Consolidated companies in Japan and Swan Co., Ltd.							
Domain	Material Issues and Initiative Themes	Risks/Opportunities	Strategy (Vision)	FY2027/3 Targets	FY2025/3 Results	Progress/Issues	
Environment	 Energy & Climate Mitigate climate change	Risk Opportunity	Reduce greenhouse gas (GHG) emissions by using electricity generated via renewable energy sources, enhancing transportation efficiency by using digital technology, and reducing the use of dry ice, etc.	· Reduce GHG emissions by 25% compared with FY2021/3¹ · 70% of electricity generated via renewable energy sources · Introduce 8,500 EVs (3-year total) · Finish setting Scope 3 GHG emissions reduction targets	· 15% reduction¹ · 55% · Introduced 2,025 EVs · Verified and confirmed methods for measuring the actual GHG emissions of transport partners	As planned As planned As planned As planned	▶ Page 45 Environmental Strategy
	 Atmosphere Clean up the skies (prevent air pollution)	Risk	Pursue transportation that reduces the effects of air pollutants emitted by vehicles to improve air quality in local communities	· Reduce NOx and PM emissions from vehicles by 40% compared with FY2021/3	· Reduced NOx emissions by 41% and PM emissions by 39%	As planned	
	 Resource Conservation & Waste Promote resource conservation and reduce waste	Risk Opportunity	Drastically reduce our environmental burden, promote the use of technology, and create opportunities to minimize environmental impact	· Promote a circular business model · 65% of paper materials made from renewable resources and recycled materials · Reduce landfill disposal rate to 5% or less	· Started providing resource recycling solutions (school uniform reuse model) · 64% · 4%	As planned As planned As planned	
	 Resilience of Companies & Society Support a society that combats environmental changes	Risk Opportunity	Collaborate with diverse partners to increase the resilience of stakeholders and local communities and create environmental value	· Provide services that draw on our environmental investments and demonstration test expertise · Increase accuracy of tools to visualize GHG · Use carbon neutral delivery	· Established Yamato Energy Management Co., Ltd., which provides electricity generated via renewable energy sources · Made tools for visualizing GHG emissions available in some regions · Using carbon-neutral delivery as a sales promotion tool	As planned As planned	
Society	 Labor Create a work environment where employees can thrive	Risk Opportunity	Implement a high-value-added model for labor and promote decent work	· Increase engagement · Increase labor productivity	· Employee awareness survey results Employee-friendliness: 70% Job satisfaction: 59% Desire to continue employment: 68% Sense of growth: 67% Sense of contribution: 66% · Labor productivity: 1.34	Partially achieved: Planning and promoting measures for further improvement	▶ Page 37 Human Resource Strategy
				· Ensure 100% attendance rate for specific health checkups²	· 99.0%²	Partially achieved: Review of standards for health checkup recommendations and notification methods	
				· Encourage the aspiration of operational managers to step up to the next level: 66%³	· 64.5%³	As planned	
	 Human Rights & Diversity Create a corporate culture that respects human rights and diversity	Risk Opportunity	Respect human rights, recognize diversity, and create a framework for human rights due diligence	· Ensure 100% attendance rate for human rights and harassment training · Ensure that 10% of all managers are women · Ensure that the percentage of employees with disabilities is at least 3.1%	· 90.0% · 6.6% · 3.4%	Partially achieved: Enhanced educational opportunities and content As planned As planned	▶ Page 51 Social Strategy Safety & Security
	 Safety & Security Create initiatives to carry out business in a safe, secure manner	Risk	Maintain traffic and labor safety and provide reliable service	· Reduce the number of traffic accidents involving bodily injury by 15% compared with FY2024/3 · Reduce frequency of lost workday injuries by 15% compared with FY2024/3	· 7.8% reduction³ · 8.4% reduction³	As planned As planned	
	 Data Utilization & Security Create an information security infrastructure	Risk Opportunity	Create an information security infrastructure and businesses that utilize data to resolve social issues	· Provide information security training to all employees · Zero serious information security incidents · Increase cybersecurity awareness among employees	· Percentage of employees who received information security training: 100% · 3 incidents · Provided email training to employees and shared information	As planned Partially achieved: Enhanced cybersecurity Groupwide As planned	
	 Supply Chain Management Develop a common understanding with stakeholders	Risk Opportunity	Build a stable business infrastructure through sound, resilient supply chains	· Ensure 100% support from major business partners for the Code of Conduct	· 100%	As planned	▶ Page 49 Social Strategy
	 Community Create corporate citizenship activities that are rooted in local communities and create a framework for business creation	Opportunity	Establish corporate citizenship activities that are unique to the Yamato Group.	· Promote employee participation in corporate citizenship activities, including at Group companies	· Sustainability Ambassadors broadened corporate citizenship activities in the workplace and encouraged changes in employee behavior³	As planned	

1. In-house emissions of consolidated companies in Japan and Swan Co., Ltd. (Scope 1 and Scope 2) 2. Companies/offices covered by Yamato Group health insurance

3. Scope: Yamato Transport Co., Ltd.

Corporate Governance

Basic Position on Corporate Governance

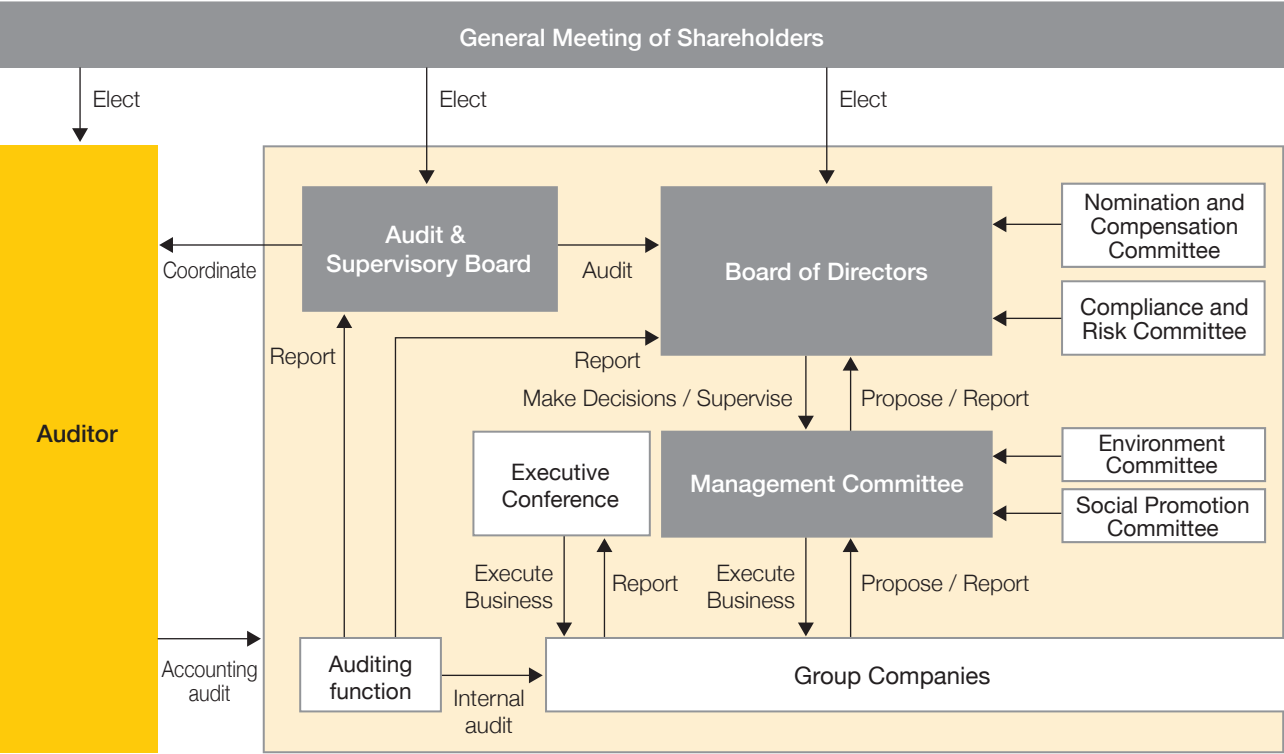
Based on its Corporate Philosophy, the Yamato Group carries out business activities in accordance with the law and social norms and actively promotes compliance management. Striving to maximize corporate value by effectively utilizing the management resources of the Group is one of the top priorities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

Corporate Governance System (As of June 26, 2025)

Yamato Holdings Co., Ltd. (“the Company”) is a company with an Audit & Supervisory Board. In addition to important management decision-making and the supervision of business execution by the Board of Directors, Audit & Supervisory Board members and the Audit & Supervisory Board, which are independent from the Board of Directors, shall audit the status of the execution of duties by directors. Also, to supplement the supervisory functions of the Board of Directors, the Company established the Nomination and Compensation Committee comprising a majority of independent outside directors. At the same time, the Company has separated the supervision and execution of management and adopted an executive officer system to ensure even more prompt decision-making related to business execution.

System	Company with an Audit & Supervisory Board
Number of directors	7
Outside directors	5
Number of Audit & Supervisory Board members	5
Outside auditors	3
Term of directors	1 year
Voluntary advisory committees	Yes (Nomination and Compensation Committee)
Executive officer system in place	Yes
Auditor	Deloitte Touche Tohmatsu LLC

Corporate Governance Framework



Board of Directors

Message from the Chairperson of the Board of Directors



Shiro Sugata
Outside Director
(Chairperson of the Board of Directors)

Toward Effective Governance That Will Shape Our Future

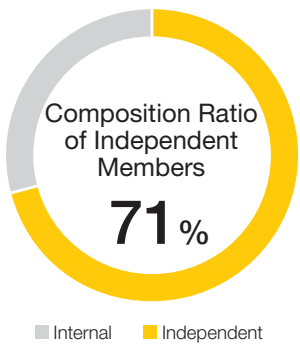
Dialogue with shareholders and investors serves as an essential compass for making advances in our governance. During our current medium-term management plan, Sustainability Transformation 2030 ~1st Stage~, the results have not met the expectations of our shareholders, and we take that very seriously. During my tenure as an independent outside director serving as chairperson of the Board of Directors, we have laid the groundwork to facilitate substantive discussions at Board of Directors meetings. Initiatives have included improving the way we set agendas and providing detailed explanations in advance of meetings. Our initiatives notwithstanding, our analysis indicates that one factor hindering the progress of our plan is that management had lofty aspirations but did not adequately consider or follow through its risk scenarios. Given this situation, the Board of Directors is determined to exercise its supervisory function even more effectively.

The Board is also proactively exercising its supervisory responsibilities in an ongoing review of the medium-term management plan. Specifically, the Board is leading discussions aimed at enhancing corporate value, in ways that include analyzing the root causes of deviations from the plan and strongly encouraging executives to formulate and implement highly effective measures. Improving the quality of monitoring is a particular emphasis. This involves confirming the progress of financial indicators and deepening discussions by exploring ways to increase non-financial value, which is the source of future corporate value, such as business portfolio transformation and the human resource strategies that support it. We identify variance between plans and reality early on and determine next steps through constructive discussion. I see this as an important role for the Board of Directors in contributing to increased corporate value.

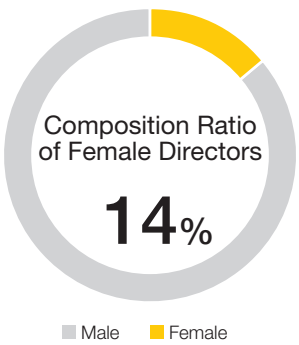
My role is to maintain constructive tension in the relationship between supervision and business execution through oversight with checks and balances, while at the same time I see my role as being a catalyst that helps the business professionals on the executive team to produce concrete measures for change and accelerate those measures through future-oriented dialogue. The objective of the Board of Directors is to transform the Group's business portfolio and the quality of management that empowers that transformation in order to put the Yamato Group on a strong growth trajectory. The Board will therefore continue to gauge its effectiveness while it contributes to sustainable improvement in corporate value.

Composition of the Board of Directors (As of June 26, 2025)

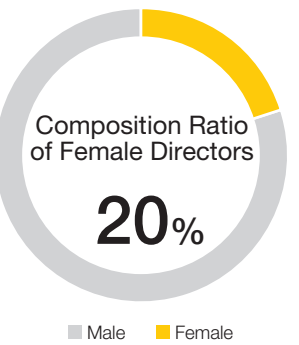
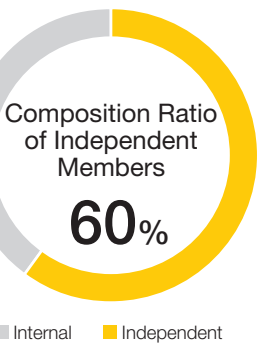
Composition Ratio of the Board of Directors



Composition Ratio of Female Directors



Composition Ratio of the Audit & Supervisory Board



Corporate Governance

Invigorating Discussions at Board of Directors Meetings

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

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

Main Agenda Items and Reports at Board of Directors Meetings (FY2025/3)

Increasing Returns on Capital

■ Increasing Earnings through Business Portfolio Transformation

Foundation Issues

Growth Issues

New Issues

Progress of sales in Japan

Revision of *TA-Q-BIN* delivery charges and fees

Initiatives to review contracts based on appropriate delivery charges

Progress of operational reforms for transportation and delivery

Progress of *Neko-Support* station expansion plans, etc.

Global business progress

Progress in creating value using freighters

Addition of Nakano Shokai Co., Ltd. as a consolidated subsidiary, etc.

Establishment of Sustainable Shared Transport Inc.

Acquisition of shares in RH Co., Ltd. and business alliance with Redhorse Corporation Co., Ltd.

Launch of EV Lifecycle Service

Establishment of MY MEDICA Inc.

Establishment of Yamato Energy Management Co., Ltd. and others

■ Strengthening Balance Sheet Management and Optimizing Cash Flow

Effective employment of assets

Cash and capital allocation

Disposition of real estate using sale and leaseback transactions

Assessment of rationale for cross-shareholdings, etc.

Strategic investments and environmental investments

Collaboration with corporate venture capital and venture capital

Repurchase of Company stock

Procuring funding

and others

Reducing Capital Costs

■ Reinforcing the Group Management Foundation

Implementing human resource, digital, environmental, and social strategies

Strengthening corporate governance and management systems

Progress of sustainability initiatives

Progress of initiatives to enhance employee engagement

Countermeasures against cyberattacks

and others

Evaluation and planning of internal controls

Evaluation of the effectiveness of the Board of Directors

Compliance risk status

and others

Analysis and Evaluation of the Effectiveness of the Board of Directors

Evaluation Process for FY2025/3

Description		
1. Questionnaire survey of Board meeting attendees (February 2025)	Composition of the Board of Directors Details of Board deliberations Balance between execution and supervision	Constructive communication with shareholders and investors Summary
2. Interviews by the chairperson of the Board of Directors (March 2025)	Individual interviews of Board attendees by the chairperson Questions common to all interviews: Management issues facing the Company; matters to be discussed at Board meetings; and operational improvement issues	
3. Report to the Board of Directors (April 2025)	Analysis and evaluation of overall Board effectiveness based on the questionnaire survey and interview results, and confirmation of policies to further improve effectiveness	

Evaluation Results and Future Initiatives

Evaluation Results	
Overall evaluation	The composition, management conditions, and deliberation conditions of the Board of Directors were largely appropriate as a system where the Board of Directors serves as the oversight function, and where a culture of attendees actively speaking up and engaging in unrestricted discussions at Board of Directors meetings had taken hold. Outside directors are a majority on the Board of Directors, and the appointment of outside directors with specialized knowledge of the logistics industry gives the Board balanced knowledge, experience, and capabilities and makes the governance structure more effective. The Board receives timely reports on dialogue with shareholders and investors, allowing it to understand the perspectives of investors and markets. The progress of the medium-term management plan is appropriately monitored, but further improvement of reporting is required.
Future Initiatives	
Further enhancement of corporate governance and the effectiveness of the Board of Directors	The Board of Directors will further enhance the content of regular reports from executives, including KPIs in the medium-term management plan and annual plan and progress on key measures, and will further expand discussion of risk scenarios for large-scale investments and M&A projects. Managers responsible for each business will periodically report on the progress of their business plans and provide opportunities for front-line observation to deepen understanding of the monitoring for M&A and new business projects.
Stronger, more practical operational support for the Board of Directors	Create opportunities for casual communication to understand the vision and character of the executive officers who are running the business. Share the content of discussions conducted during preliminary briefings for outside directors with all Board meeting attendees to enhance Board discussions.

Audit & Supervisory Board

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

Roles and Duties

1. The Audit & Supervisory Board and its members shall exercise their authority actively and assertively to sufficiently fulfill their role and responsibilities, including operational audits, accounting audits, and other functions, and they shall appropriately state their opinions at Board of Directors meetings and to members of senior management.

2. The full-time Audit & Supervisory Board members shall attend Board of Directors meetings and other important meetings related to the execution of business, express reasonable opinions, hold effective Audit & Supervisory Board meetings, and ensure that information is shared and that members work together in a coordinated manner.

3. The Audit & Supervisory Board shall regularly hold information exchange meetings for the purpose of sharing information with outside directors, thereby ensuring more robust gathering of information and encouraging teamwork.

Provision of Information for Directors and Audit & Supervisory Board Members

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

During the year ended March 31, 2025, directors and Audit & Supervisory Board members focused on reinforcement of the *TA-Q-BIN* network, a core measure of the medium-term management plan, and made observation visits to front-line sites including large-scale last mile pick-up and delivery facilities and new operation demonstration terminals. Going beyond simply observing equipment and operations, directors and Audit & Supervisory Board members discussed specific initiatives, current challenges, potential risks and other matters with front-line managers and employees, which deepened their understanding of the effects and challenges of investments to improve operational efficiency. These visits will be the basis for further enhancing supervisory functions by holding deeper discussions with the executive side of the Board of Directors to support increased corporate value.



An October 2024 visit to a multi-tenant logistics facility at Yamato Transport's Nagoya Branch Office (Logiport Nagoya) to observe a large-scale last mile pick-up and delivery facility in a multi-tenant logistics facility, as well as efforts to build an environmentally friendly cold chain.

Management Team

As of June 26, 2025

														
Position		Representative Director, Executive Officer and President	Representative Director, Chairman	Director (Chairman of the Board of Directors)	Director	Director		Director (Chairman, Nomination and Compensation Committee)	Director	Full-time Audit & Supervisory Board Member	Full-time Audit & Supervisory Board Member	Audit & Supervisory Board Member	Audit & Supervisory Board Member	Audit & Supervisory Board Member
Name		Yutaka Nagao	Toshizo Kurisu	Shiro Sugata	Noriyuki Kuga	Charles Yin		Junichiro Ikeda	Tami Kihara	Tsutomu Sasaki	Yoshito Shoji	Ryuji Matsuda	Setsuko Ino	Akihito Terada
Bio		Apr. 1988 Joined the Company Apr. 2019 Representative Director, Executive Officer and President of the Company (current) Apr. 2021 Representative Director, President and Executive Officer of Yamato Transport Co., Ltd. Apr. 2025 Member of the Board of Yamato Transport Co., Ltd. (current)	Apr. 1983 Joined the Company Apr. 2019 Representative Director, Executive Officer and President of Yamato Transport Co., Ltd. Apr. 2025 Representative Director, Chairman of the Company / Member of the Board of Yamato Transport Co., Ltd. (current)	Apr. 1972 Joined USHIO INC. Jan. 1993 President of BLV LICHT-UND VAKUUMTECHNIK GmbH Mar. 2005 Representative Director, Executive Officer and President of USHIO INC. Jun. 2019 Director of the Company (current)	Apr. 1979 Joined Tokyo Electron Ltd. Oct. 2004 Representative Director, Executive Officer and President of Tokyo Electron BP Ltd. Jun. 2016 Chairman of the Board of TOKYO ELECTRON DEVICE LIMITED Jun. 2020 Director of the Company (current)	Feb.1990 Joined L3, Inc. (New York) Aug. 2007 CEO of Worldwide City Group (Hong Kong) Jul.2018 Executive Chairman of Worldwide City Group (Hong Kong) (current) Jun. 2022 Director of the Company (current)		Apr. 1979 Joined Mitsui O.S.K. Lines, Ltd. (currently Mitsui O.S.K. Lines, Ltd.) Jun. 2015 Representative Director and President Apr. 2023 Director and Chairman of the Board (current) Jun. 2024 Director of the Company (current)	Apr. 1985 Joined Ricoh Company, Ltd. Apr. 2019 Administrative Officer and General Manager of Technology Management Division of Ricoh IT Solutions Co., Ltd. Jul. 2022 Director of Ricoh IT Solutions Co., Ltd. Jun. 2025 Director of the Company (current)	Apr. 1987 Joined the Company Sep. 2018 Representative Director, Executive Officer and President of Yamato Logistics Co., Ltd. Mar. 2020 Representative Director and Senior Managing Executive Officer of Yamato Transport Co., Ltd. Jun. 2022 Full-time Audit & Supervisory Board Member of the Company (current)	Apr. 1980 Joined the Company Apr. 2019 Managing Executive Officer of Yamato Transport Co., Ltd. Apr. 2022 General Manager of Project Group, Finance Division Jun. 2023 Full-time Audit & Supervisory Board Member of the Company (current)	Apr. 1986 Registered as Attorney at Law and Certified Public Accountant Jul. 1992 Established Matsuda Law Office (current) May 2012 Auditor of the Japan Federation of Bar Associations Jun. 2020 Audit & Supervisory Board Member of the Company (current)	Apr. 1988 Joined Suntory Ltd. Nov. 2006 CFO and Representative Director of SAP Japan Jan. 2024. Venture Partner of Eight Roads Ventures Japan (current) Jun. 2024 Audit & Supervisory Board Member of the Company (current)	Apr. 1985 Joined Asahi & Co. (currently KPMG AZSA LLC) May 2009 Senior Partner of KPMG AZSA LLC Jul. 2022 Representative of Terada CPA Office (current) Jun. 2025 Audit & Supervisory Board Member of the Company (current)
Independent Director				○	○	○		○	○			○	○	○
Nomination and Compensation Committee		○		○	○	○		○	○					
Shares Owned		41,600 shares	46,610 shares	0 shares	2,300 shares	0 shares		400 shares	0 shares	12,600 shares	8,200 shares	0 shares	0 shares	0 shares
Expertise and Experience	Corporate management	●	●	●	●	●		●		●	●			
	Marketing / Sales	●		●		●				●				
	Personnel / Labor management	●			●			●	●					
	Finance / Accounting		●		●						●	●	●	●
	Legal affairs / Risk management		●							●		●		●
	IT / Digital technology	●	●	●		●			●					
	Global	●		●	●	●		●					●	

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

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

Succession Plan

The Nomination and Compensation Committee continuously improves the effectiveness of the succession plan for the president, which is its most important responsibility, through strategic discussions in order to achieve sustainable improvement in the Company's corporate value.

1. Basic Approach and Issues

The Company is currently transforming its business portfolio to enter new growth domains and ensure sustainable growth. It therefore needs a leader who has diverse knowledge that goes beyond existing business domains and the courage to make rational decisions even under adverse circumstances. We select and develop candidates using objective criteria based on this clear leadership profile and strategic background.

2. Main Actions in FY2025/3 and Future Measures

During the year ended March 31, 2025, the Nomination and Compensation Committee discussed its evaluation of leadership

candidates to manage the Yamato Group in the future and the current status of the talent pool.

These discussions are the basis for further strengthening the candidate development process. Specifically, we intentionally create opportunities for explanations and questions at Board of Directors meetings, thereby encouraging candidates to grow through suggestions from the management supervision side.

This initiative provides an important monitoring opportunity for the outside directors who serve on the Nomination and Compensation Committee to directly and continuously assess candidate qualities and potential. This approach ensures the effectiveness and transparency of the succession planning process.

A highly effective succession plan linked to management strategy will help the Yamato Group generate sustainable increases in corporate value.

Corporate Governance

Nomination and Compensation Committee

Message from the Chairperson of the Nomination and Compensation Committee



Junichiro Ikeda
Outside Director
(Chairperson of the Nomination and Compensation Committee)

Selecting and Developing Leadership and Enhancing Incentives to Create Corporate Value

The Nomination and Compensation Committee supervises management and promotes and advances initiatives related to nominations and compensation to meet shareholder expectations and to sustainably enhance corporate value.

Nomination Strategic Development of Leaders to Drive Business Portfolio Transformation

The most important theme in the nomination process is strategically developing and identifying the next generation of management leaders who can vigorously drive the transformation of the Group's business portfolio. This is a management issue that is essential to enhancement of the Group's corporate value.

The Nomination and Compensation Committee is enhancing the selection process to promote a more effective succession plan. For example, we ask candidates to actively participate in discussions about key management issues, such as the review of the medium-term management plan, and provide them with the opportunity to directly receive

pointed critiques from us on the supervisory side in a high-pressure environment. This encourages candidates to grow while enabling the committee to objectively assess their qualifications.

In addition, we gain a deeper understanding of the candidate's vision and personality by utilizing opportunities to communicate not only in formal venues, but also in casual settings that enable more frank dialogue.

Our initiatives are the means to consistently implement a highly effective and transparent succession plan and promote the development and selection of leaders who can vigorously drive the Group's transformation.

Compensation Objective: A Compensation System More Closely Linked to Corporate Value

The key theme for compensation is strengthening the link between officer compensation and increased corporate value to promote the sharing of interests with shareholders. We have been transitioning the Group's compensation system away from a high proportion of fixed compensation to merit-based incentives for increasing corporate value over the medium to long term.

Revisions during FY2025/3 included increasing the proportion of variable compensation and adding return on invested capital (ROIC) to the metrics for determining medium- to long-term performance-linked compensation. We will further accelerate these reforms with ongoing systemic reviews that will include considering a share-based compensation system that supports increased corporate value over the medium to long term.

By promoting management reform in terms of nomination and compensation, we will contribute to sustainable growth in the Yamato Group's corporate value.

The Nomination and Compensation Committee comprises five independent outside directors and one inside director, with an independent outside director acting as chairperson. As an advisory body to the Board of Directors, the committee deliberates on the details of particularly important matters pertaining to nomination and compensation, and presents the results of these discussions to the Board of Directors in an effort to enhance management transparency.

Roles and Duties

1. The committee shall deliberate on matters related to the appointment or dismissal of directors, Audit & Supervisory Board members, and executive officers on the basis of business performance and multifaceted observations and evaluations, verify the validity of such decisions, and present the results to the Board of Directors.
2. The committee shall deliberate policies for determining compensation, etc., for directors and executive officers, and the details of individual compensation, verify the validity of such decisions, and present the results to the Board of Directors.
3. The committee shall deliberate on several candidates for representative director, including candidates recommended by the incumbent representative director, based on multifaceted observations and evaluations of candidates' track records, human nature, and other factors and present the results to the Board of Directors.

Main Nomination and Compensation Committee Agenda Items and Reports during FY2025/3

Related to Nomination

- Deliberation on appointment or reappointment of director candidates
- Evaluation of candidates for president and deliberation on the talent pool
- Deliberation on management structure and important personnel matters

Related to Compensation

- Deliberation on establishment of missions for inside director compensation
- Deliberation on verification of compensation levels for directors and executive officers
- Deliberation on the revision of compensation for individual directors
- Deliberation on performance-based compensation decisions
- Overall structure of deliberations on officer compensation benchmarks

Officer Compensation

Basic Policy

Compensation for directors is determined based on the following factors.

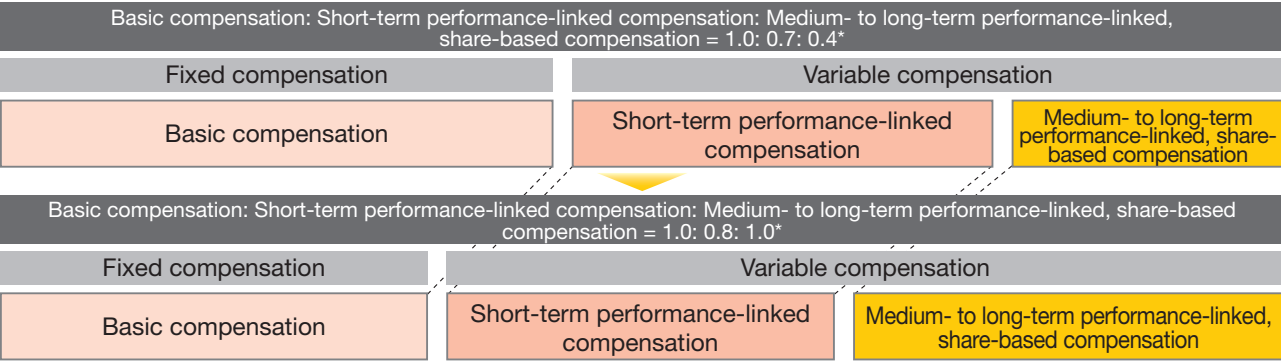
- A competitive level of compensation
 - Provide rewards according to roles and responsibilities, as well as performance, and set compensation at an adequate level to secure exceptional personnel
- A compensation system emphasizing the improvement of corporate and shareholder value
 - Link compensation to business performance to provide directors with incentives to achieve performance targets
 - Structure compensation to encourage a common interest with shareholders by linking it to corporate value over the medium to long term
- A fair and equitable compensation system
 - Ensure that the process for determining compensation is objective and highly transparent

Compensation Structure

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

Since FY2022/3

- The structure of compensation changed from basic compensation (fixed compensation) and performance-linked compensation (variable compensation) to basic compensation (fixed compensation), short-term performance-linked compensation (variable compensation) and medium- to long-term performance-linked, share-based compensation (variable compensation).



Since FY2025/3

- ROIC was added to the performance benchmarks for medium- to long-term performance-linked, share-based compensation, joining ROE, TSR, and ESG indicators (greenhouse gas emissions).
- The base ratio of short-term performance-linked compensation (variable compensation) to basic compensation (fixed compensation) increased from 40-70% to 65-80%.
- The base ratio of medium- to long-term performance-linked, share-based compensation (variable compensation) to basic compensation (fixed compensation) increased from 30-40% to 40-100%.

Basic compensation

Basic compensation is determined for each rank and title based on responsibilities, with reference to levels outside the Company.

Short-term performance-linked compensation (variable compensation)

- The standard amount is set by determining a ratio within a range of 65-80% of basic compensation (fixed compensation) in accordance with rank and title.
- Subsequently, the amount paid out to individuals is determined within a range of 0-150% of the standard amount, in line with the achievement rate for the Company's performance benchmarks and the evaluation of individual missions.
- The performance benchmarks comprise consolidated operating revenue, consolidated operating profit, and consolidated profit attributable to owners of parent.

Medium- to long-term performance-linked, share-based compensation

- The standard amount is set by determining a ratio within a range of 40-100% of basic compensation (fixed compensation) in accordance with rank and title.
- Subsequently, the amount is determined within a range of 0-150% of the standard amount, in line with the achievement rate for the Company's performance benchmarks and the evaluation of individual missions.
- The performance benchmarks comprise ROE, ROIC, total shareholder return, and ESG indicators (greenhouse gas emissions).
- The amount of medium- to long-term performance-linked, share-based compensation (variable compensation) is allocated as points each fiscal year, whereby one share equals one point, with the number of points obtained by dividing the amount of medium- to long-term performance-linked, share-based compensation (variable compensation) allocated by the average of the closing prices of the Company's shares at the Tokyo Stock Exchange in the month preceding the fiscal year in which the medium-term management plan starts.

Corporate Governance

Improvement of Corporate Value through Dialogue with Shareholders and Investors

Committed to continuously increasing medium- to long-term corporate value through dialogue with shareholders and investors, we are systematically enhancing IR and SR activities with emphasis on the executive officer responsible for IR. We promote IR and SR activities by providing an array of opportunities for dialogue with the president and other executive officers and with independent outside directors so that shareholders and investors can fully understand our management strategies and businesses. Additionally, the opinions and requests received from shareholders and investors through dialogue and other means are reported to the Board of Directors as necessary to share awareness of issues within the Company from an objective perspective.

Implementation of Engagement Activities (FY2025/3)

Details of Activities	Speakers	Number of Times
Results presentations	President and responsible executive officer	4
Small meetings	President and responsible executive officer	2
	Independent outside directors	1
Briefings on sustainability (environment and society)	Responsible executive officer	1
On-site tours (last-mile pickup and delivery facilities, Contract Logistics Business facilities, etc.)	IR Department representative	1
Visits with investors outside Japan (Europe, Americas, and Asia)	President and executive officer responsible for IR	5
Individual conversations (one on one)	President, executive officer responsible for IR, and IR department representative*	331

* Response based on shareholder and investor requests and purpose of interviews

Implementation of Engagement Activities (FY2025/3)

Key Dialogue Themes and Points of Interest
--

Medium-Term Management Plan Progress

Increasing Returns on Capital

(Profit growth from business portfolio transformation)

- Current status and direction of each business
- Measures to improve Express Business profitability
- Progress in optimizing pricing for corporate clients
- Reinforcement of the TA-Q-BIN network and cost-curtailing effects
- Policies, measures, and progress for expansion in the Corporate Business domain
- Initiatives to improve freighter profitability

(Enhancing balance sheet management and optimizing cash flow)

- Policies and disciplined approach to growth investment and M&A, with specific examples of progress
- Approach to balance sheet management

Reducing Capital Costs

(Reinforcement of Group management foundation)

- Tracking of management strategy progress and status of data-driven management
- Progress of initiatives to enhance employee engagement
- Relationship between human capital and increased corporate value
- Risk reduction and returns from environmental investments and measures
- Relationships with business partners
- Succession plan progress
- Effectiveness of the Board of Directors
- Revised ratio of fixed to variable officer compensation
- Disclosure enhancement resulting from dialogue

Disclosure Enhancement Resulting from Dialogue
--

Briefings on Sustainability (Environment and Society)

- Briefings that cover environmental and human resource strategies and our approach to sustainable relationships with business partners
- https://www.yamato-hd.co.jp/english/investors/library/business_briefing/

Enhanced Business Portfolio Transformation Disclosure

- Disclosure of the current status and direction of each business in the financial results briefing materials for FY2025/3
- https://www.yamato-hd.co.jp/english/investors/library/briefing/pdf/4q_presentation_2025_03.pdf

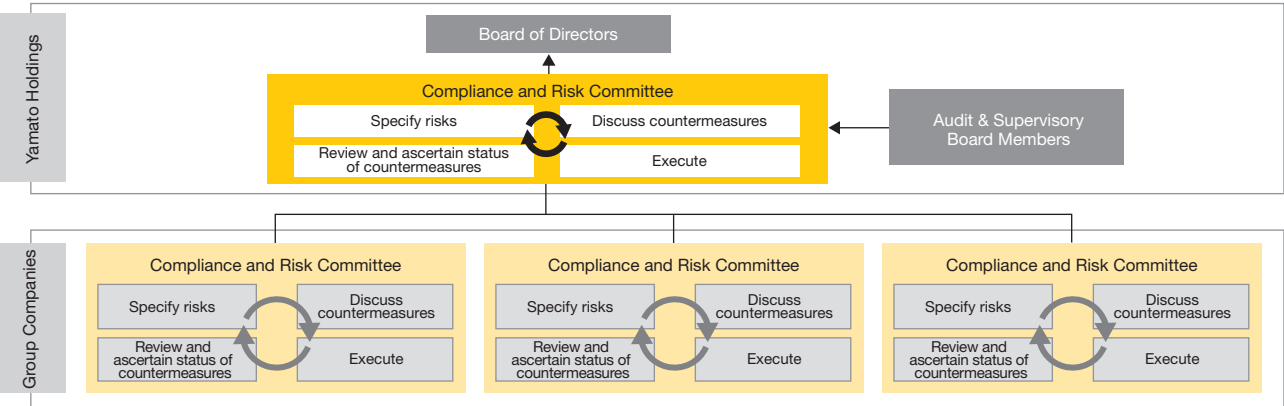
Disclosure through Presentation in Integrated Report 2025

- Focused explanation of enhanced returns on capital and reduced capital costs within the context of sustainable growth in corporate value

Risk Management

Risk Management System

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



Key Risks

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

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

Close-Up

Compliance Initiatives

Based on its Corporate Philosophy, the Yamato Group precludes improprieties by conducting business activities in accordance with the law and social norms and actively promoting compliance management.

The Yamato Group manages risk using the above risk management system. Additionally, the Group has established an internal whistle-blower system and contact points for partners to promptly discover and appropriately respond to improprieties. Furthermore, we hold regular discussions with our business partners to help them establish and operate appropriate systems, processes, and mechanisms.

The Group has developed a roll call system for managing vehicle operation in compliance with laws and regulations, in which the operation manager confirms driver health, sobriety, and other issues in making a decision to permit vehicle operation.

The Group also has approximately 360 Safety Experts stationed throughout Japan who are primary providers of statutory training and crew member training that includes ride-along guidance.

We are enhancing the effectiveness of these efforts with an independent internal audit organization that encompasses 171 internal auditors Groupwide. The work of these auditors helps to reduce risks throughout the Group based on an annual audit plan.

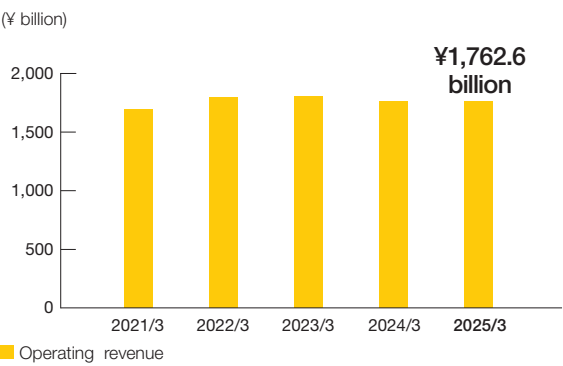
The results of audits are regularly reported to the president and Audit & Supervisory Board members, and also to the Board of Directors and the Audit & Supervisory Board.

During FY2025/3, Yamato Transport conducted a total of approximately 18,000 on-site audits of approximately 3,000 business sites to ensure that operational conduct is appropriate from perspectives that include compliance, safety, and quality.

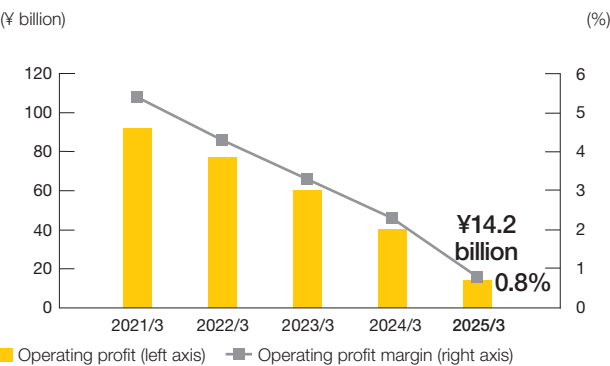
Performance Highlights

Fiscal Year Ended March 31, 2025

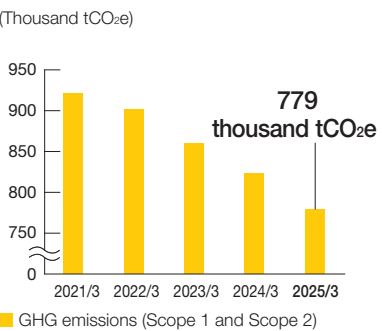
Operating Revenue



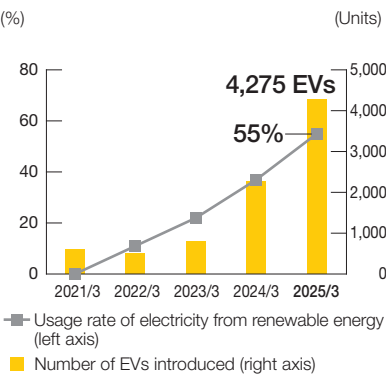
Operating Profit / Operating Profit Margin



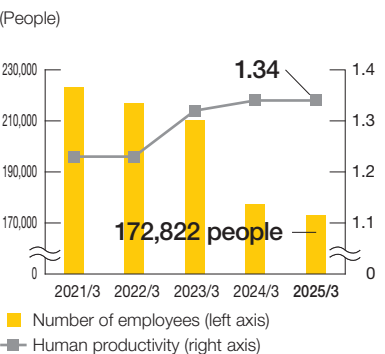
GHG Emissions⁴



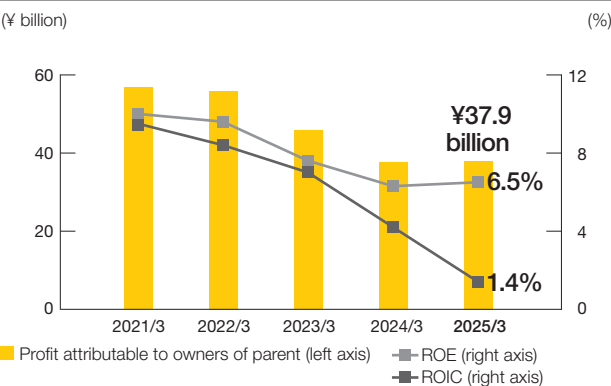
Usage Rate of Electricity from Renewable Energy^{4,5} / Number of EVs Introduced



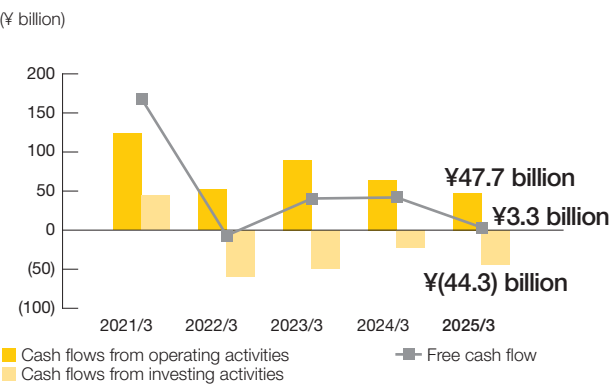
Number of Employees / Human Productivity⁶



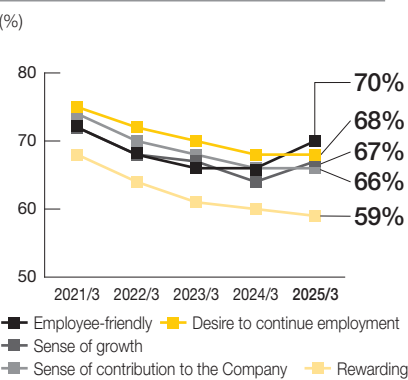
Profit Attributable to Owners of Parent / ROE¹ / ROIC²



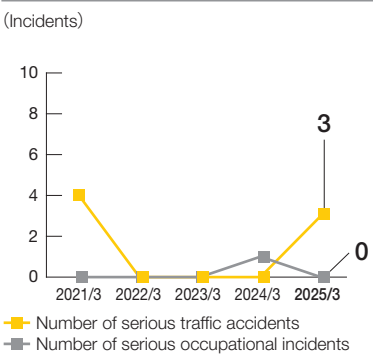
Operating and Investing Cash Flows / Free Cash Flow³



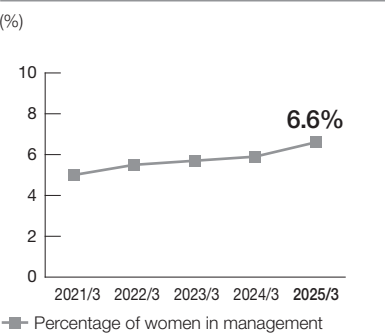
Employee Awareness Surveys⁷



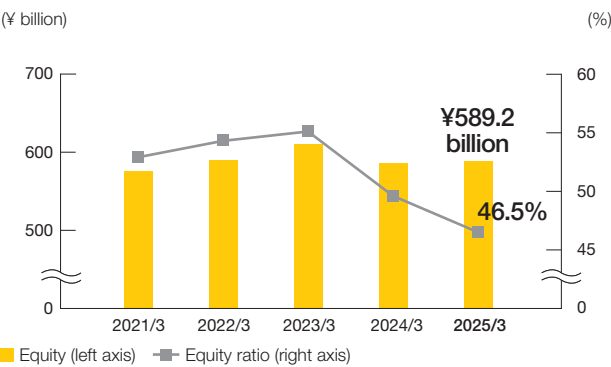
Number of Serious Traffic Accidents⁸ / Number of Serious Occupational Incidents⁹



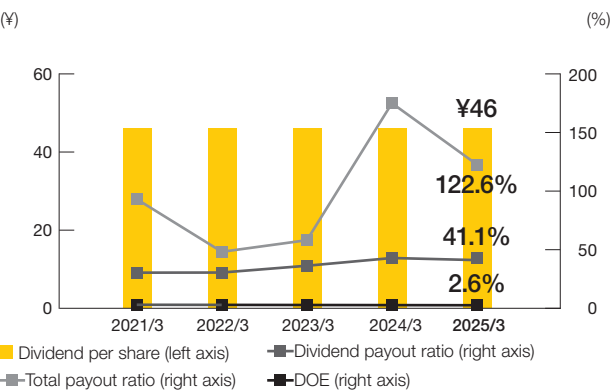
Percentage of Women in Management⁴



Equity / Equity Ratio



Shareholder Returns



- 1. Return on equity (ROE) = Profit attributable to owners of parent ÷ Average equity during the period
- 2. Return on invested capital (ROIC) = Net operating profit after tax ÷ (Average interest-bearing liabilities during the period + Average equity during the period)
- 3. Free cash flow = Cash flows from operating activities + Cash flows from investing activities
- 4. Scope: Consolidated companies in Japan and Swan Co., Ltd.
- 5. Electricity generated from renewable energy sources (MWh) ÷ Total power generated (MWh)
- 6. Human productivity = (Consolidated operating revenue – Consolidated subcontracting expenses) ÷ Consolidated personnel expenses
- 7. Awareness surveys regarding working styles administered on an annual basis (Scope: Consolidated companies in Japan and Swan Co., Ltd.)
- 8. Fatal traffic accidents (for which the employee is responsible)
- 9. Incidents involving a fatality

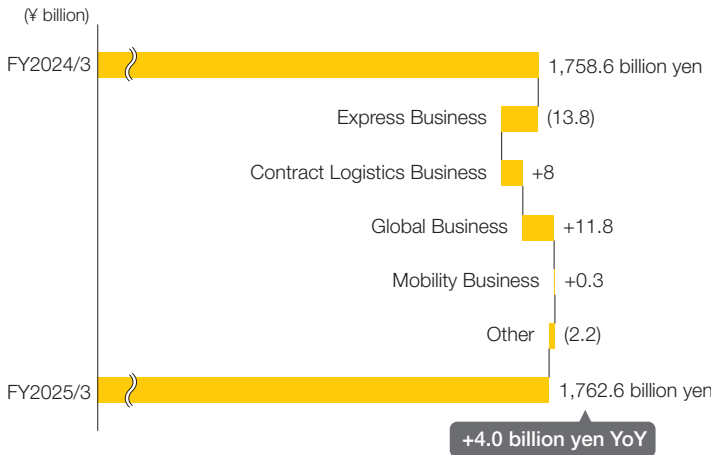
Ten-Year Summary and Business Highlights

Years ended March 31

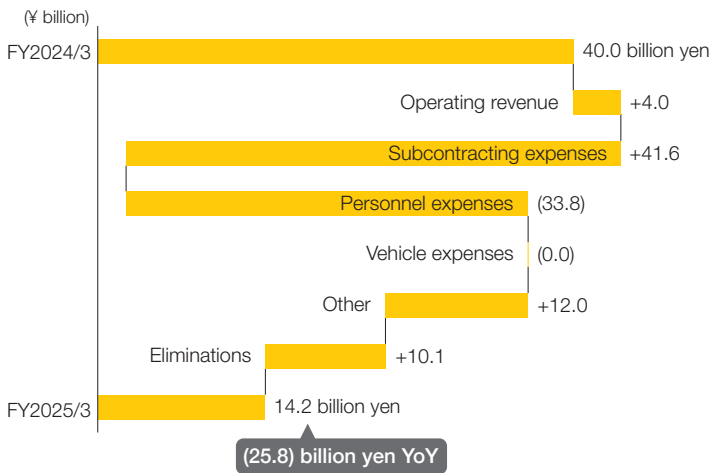
	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3	Millions of Yen 2025/3
RESULTS OF OPERATIONS:										
Operating revenue	1,416,413	1,466,852	1,538,813	1,625,315	1,630,146	1,695,867	1,793,618	1,800,668	1,758,626	1,762,696
Operating costs	1,306,200	1,385,492	1,452,485	1,513,988	1,526,102	1,538,524	1,654,085	1,687,241	1,664,317	1,692,669
Selling, general and administrative expenses	41,672	46,474	50,642	52,981	59,342	65,220	62,333	53,341	54,249	55,820
Operating profit	68,540	34,885	35,685	58,345	44,701	92,121	77,199	60,085	40,059	14,206
Profit before income taxes	68,078	33,037	33,123	52,258	44,581	91,759	81,040	56,815	51,704	54,791
Income taxes	28,414	14,672	14,435	26,308	21,678	34,825	23,968	11,393	13,864	16,435
Profit attributable to owners of parent	39,424	18,053	18,231	25,682	22,324	56,700	55,956	45,898	37,626	37,937
PER SHARE OF COMMON STOCK:										
Basic earnings	96.45	45.37	46.24	65.14	56.78	151.55	151.03	126.64	107.23	111.87
Diluted earnings	95.64	-	-	-	-	-	-	-	-	-
Cash dividends	28.00	27.00	27.00	28.00	41.00	46.00	46.00	46.00	46.00	46.00
Net assets per share	1,349.56	1,367.51	1,395.74	1,435.15	1,441.20	1,553.45	1,611.34	1,684.87	1,708.00	1,806.52
Stock price (closing), end of year	2,247	2,332.5	2,668.5	2,859	1,697	3,035	2,293	2,269	2,158	1961.5
FINANCIAL POSITION:										
Working capital	235,884	214,661	164,599	139,834	134,072	139,010	128,037	139,888	150,448	166,521
Equity	537,821	539,179	550,307	565,841	555,173	576,367	590,542	610,380	585,755	589,259
Total assets	1,089,436	1,114,672	1,114,870	1,123,659	1,100,739	1,089,991	1,086,854	1,107,587	1,135,895	1,267,428
Capital expenditures	53,945	48,993	54,482	79,838	55,033	55,431	78,572	55,691	62,359	126,319
Depreciation and amortization	46,739	46,114	46,423	51,346	55,083	48,861	35,524	41,557	44,294	48,586
Net cash provided by operating activities	49,715	73,324	51,728	118,093	74,433	123,921	52,016	89,953	64,333	47,732
KEY RATIOS:										
Operating profit margin (%)	4.8	2.4	2.3	3.6	2.7	5.4	4.3	3.3	2.3	0.8
Net margin (%)	2.8	1.2	1.2	1.6	1.4	3.3	3.1	2.5	2.1	2.1
Return on assets (ROA) (%)	3.6	1.6	1.6	2.3	2.0	5.2	5.1	4.2	3.4	3.1
Return on equity (ROE) (%)	7.1	3.4	3.3	4.6	4.0	10.0	9.6	7.6	6.3	6.5
Return on invested capital (ROIC) (%)	6.7	3.4	3.5	5.9	4.6	9.7	8.4	6.4	4.2	1.4
Current ratio (%)	167.8	157.7	141.7	134.1	132.8	135.7	136.3	140.6	143.5	147.0
Shareholders' equity ratio (%)	49.4	48.4	49.4	50.4	50.4	52.9	54.3	55.1	51.6	46.5
Asset turnover (Times)	1.3	1.3	1.4	1.5	1.5	1.5	1.6	1.6	1.5	1.4
D/E ratio (Times)	0.32	0.33	0.28	0.20	0.22	0.11	0.08	0.08	0.16	0.29
Price earnings ratio (PER) (Times)	23.3	51.4	57.7	43.9	29.9	20.0	15.2	17.9	20.1	17.5
Price book-value ratio (PBR) (Times)	1.7	1.7	1.9	2.0	1.2	2.0	1.4	1.3	1.3	1.1
NON-FINANCIAL DATA:										
Number of employees	196,582	201,784	213,096	225,125	224,945	223,191	216,873	210,197	177,430	172,822
Full-time	89,112	90,737	93,534	97,587	98,744	96,829	94,473	92,727	88,917	88,102
Part-time	107,470	111,047	119,562	127,538	126,201	126,362	122,400	117,470	88,513	84,720
Parcel delivery volume (Millions of parcels)	1,698	1,800	1,758	1,668	1,627	1,803	1,890	1,926	1,886	1,961
Parcel delivery unit price (Yen)	586	574	615	702	726	704	700	703	721	711
Nekopos and Kuroneko Yu-Packet volume (Millions of parcels)	32	67	78	135	172	293	384	413	409	391
Nekopos and Kuroneko Yu-Packet unit price (Yen)	171	171	181	191	201	195	190	189	190	189
Kuroneko DM-Bin and Kuroneko Yu-Mail volume (Millions of parcels)	1,536	1,542	1,464	1,211	987	826	824	800	626	110
Kuroneko DM-Bin and Kuroneko Yu-Mail unit price (Yen)	57	55	56	60	65	67	67	67	68	79

Note: Parcel delivery includes TA-Q-BIN, TA-Q-BIN Compact, and EAZY. Kuroneko Yu-Packet, which uses Japan Post's delivery network, was launched in October 2023. On January 31, 2024, Yamato Transport terminated its Kuroneko DM-Bin delivery service and relaunched it as the new service Kuroneko Yu-Mail, which uses Japan Post's delivery network.

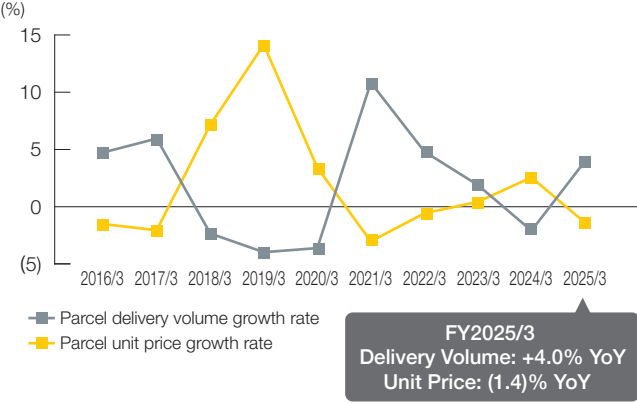
Analysis of Operating Revenue



Analysis of Operating Profit

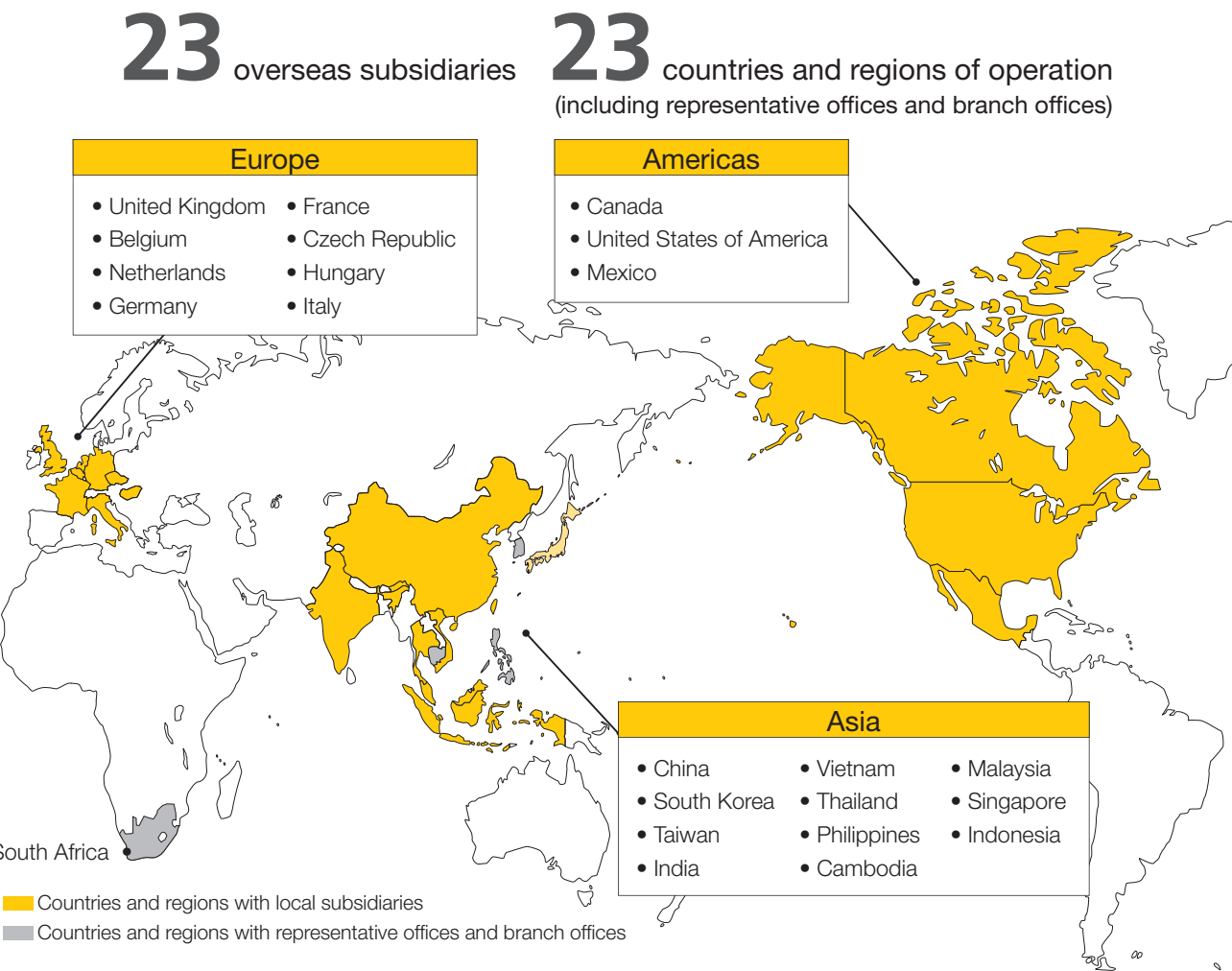


Growth Rates of Parcel Delivery Volume and Unit Price (YoY)



Global Network

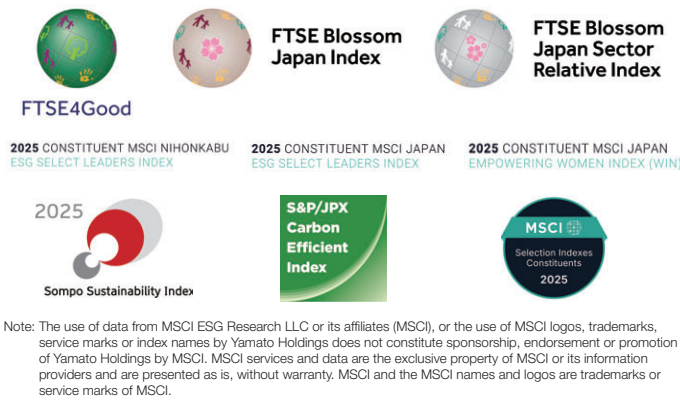
As of March 31, 2025



External Recognition

Inclusion in SRI Indexes

- FTSE4Good Index Series
- FTSE Blossom Japan Index
- FTSE Blossom Japan Sector Relative Index
- MSCI Selection Indexes
- MSCI Nihonkabu ESG Select Leaders Index
- MSCI Japan ESG Select Leaders Index
- MSCI Japan Empowering Women Index (WIN)
- SOMPO Sustainability Index
- S&P/JPX Carbon Efficient Index
- Morningstar Japan ex-REIT Gender Diversity Tilt Index



Environment

- Eco-First Company
- Minister of the Environment Award for Climate Action
- ESG Finance Award for progress in environmental disclosure



Society

- KENKO Investment for Health Outstanding Organization
- Seven Yamato Group companies were recognized as 2025 Outstanding Organizations of KENKO Investment for Health by Japan's Ministry of Economy, Trade and Industry (METI).
- Large Enterprise Category: Yamato System Development Co., Ltd., Yamato Box Charter Co., Ltd.
 - SME Category: Yamato Credit Finance Co., Ltd., Yamato Contact Service Co., Ltd., Kobe Yamato Transport Co., Ltd., Box Charter Co., Ltd., Yamato Group Health Insurance Society



Corporate Data / Stock Information

As of March 31, 2025

Company Name
Yamato Holdings Co., Ltd.

Head Office
16-10, Ginza 2-chome, Chuo-ku, Tokyo 104-8125 Japan
Telephone: 81-3-3541-4141

Established
November 29, 1919

Registered
April 9, 1929

Paid-In Capital
127,234 million yen

Website
<https://www.yamato-hd.co.jp/english/>

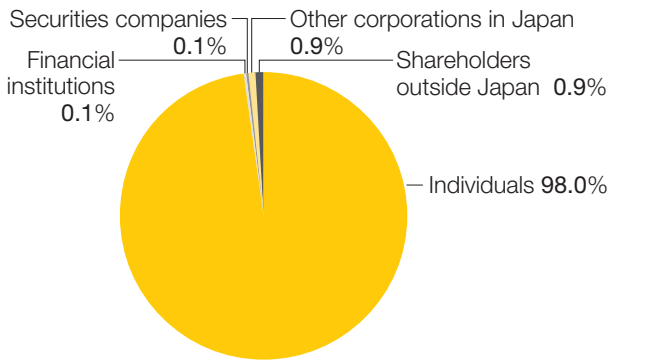
Fiscal Year
From April 1 to March 31

Common Stock
Authorized: 1,787,541,000 shares
Issued: 360,496,492 shares

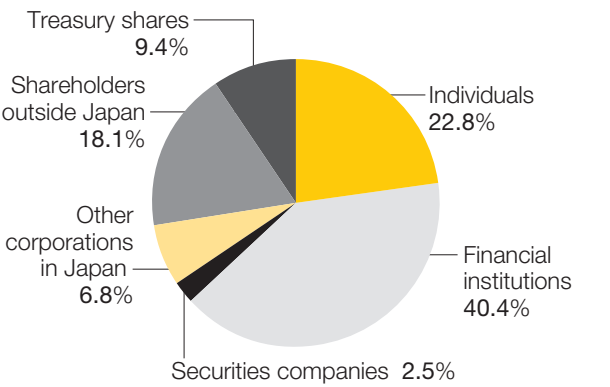
Stock Exchange Listing Tokyo Stock Exchange, Prime Market (Securities Code: 9064)	
Transfer Agent and Registrar Mizuho Trust & Banking Co., Ltd.	
General Meeting of Shareholders Held in June	
Auditor Deloitte Touche Tohmatsu LLC	
Principal Shareholders	
	Ownership Percentage
The Master Trust Bank of Japan, Ltd. (Trust Account)	16.57%
Yamato Employees' Shareholding Association	9.22%
Custody Bank of Japan, Ltd. (Trust Account)	7.34%
Meiji Yasuda Life Insurance Company	4.54%
Nippon Life Insurance Company	4.52%
Mizuho Bank, Ltd.	3.14%
Yamato Trading-Partner Shareholding Association	2.49%
STATE STREET BANK AND TRUST COMPANY 505001	1.86%
Toyota Motor Corporation	1.76%
Sompo Japan Insurance Inc.	1.57%
Total	53.00%

Note: Ownership percentage is calculated excluding treasury shares.

Shareholder Composition



Shareholding Ratio



Stock Price and Trading Volume

