

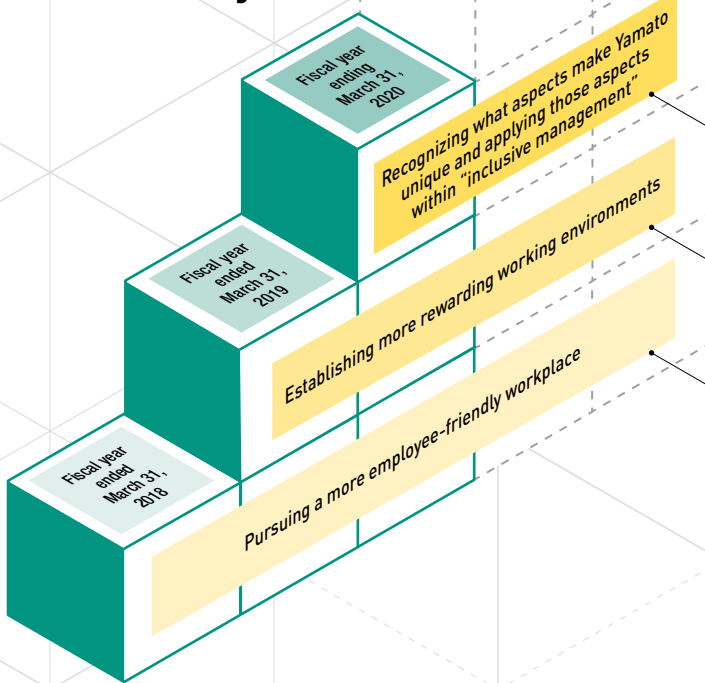
KAIKAKU 2019 for NEXT100

Work Style Reform to Implement “Inclusive Management”

The Yamato Group has made “Work Style Reform” a top priority in order to continue to provide high-quality services. To that end, we are creating even more employee-friendly and rewarding working environments across the entire Group as part of our approach toward implementing “inclusive management” – a Yamato Group founding principle. At the same time, we have joined the White Logistics Movement and are promoting efforts to improve the logistics industry as a whole together with our business partners and other relevant parties. In these ways, we aim to realize the sustainable growth of the Group and society.



Progress and Results of “Work Style Reform”



Targets and Major Initiatives in Each Fiscal Year

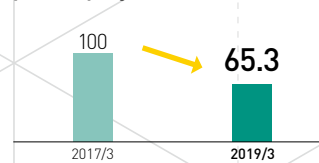
- Fiscal year ending March 31, 2020**
Concentrated on improving certain areas where working environments were not up to sufficient standards while at the same time promoting efforts to maximize “individual capabilities” and invigorate communication between employees
- Fiscal year ended March 31, 2019**
Accelerated reforms to our organization and personnel systems, including the introduction of “Anchor Cast” and a system for transitioning to permanent employee contracts, with a view to establishing new working styles
- Fiscal year ended March 31, 2018**
Focused efforts on establishing employee-friendly and rewarding working environments where employees can work with high levels of enthusiasm through such efforts as thorough labor management and the introduction of work systems catered to the life stages of our employees

Status of Each Management Indicator

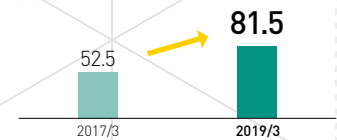
In the two years since the fiscal year ended March 31, 2018, we steadily improved the rate of reducing overtime hours and the rate of annual paid-vacation acquisition. Furthermore, in our employee surveys, we increased the percentage of employees who answered that they believe the workplace environment is employee-friendly and that they find their work rewarding.

Meanwhile, locally, there are still service areas and offices with indicators such as the number of working hours that fall below Groupwide averages. Accordingly, in the fiscal year ending March 31, 2020, we will further accelerate efforts to establish working environments that are employee-friendly and offer all Group employees a sense of reward.

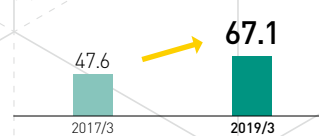
Decrease in overtime hours per employee*1



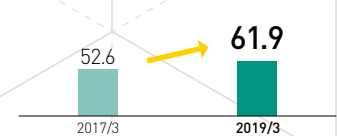
Percentage of annual paid vacation days taken per employee*2 (%)



Percentage of employees who find their working environment “employee-friendly”**3 (%)



Percentage of employees who find their working environment “rewarding”**3 (%)



*1 Figure based on actual results for 2017/3 as 100 (Scope: Full-time employees of Yamato Group companies in Japan)

*2 $\frac{\text{Number of annual paid vacation days taken per employee in respective fiscal year}}{\text{Number of annual paid vacation days granted per employee in respective fiscal year}} \times 100$ (Scope: Full-time employees of Yamato Group companies in Japan)

*3 We administer awareness surveys regarding working styles on an annual basis in order to come up with more effective “Work Style Reform” initiatives centered on management. (Scope: Full-time and part-time employees of Yamato Group companies in Japan)

Evolving Our Working Styles Starting from the Front Lines

To realize new working styles, each employees on the front lines engage in a broad range of creative efforts on a daily basis in accordance with local characteristics and working environments. By horizontally expanding ideas created on the front lines within the Group, our employees will be able to mutually improve one another, which in turn will enable them to provide even better services to our customers. We will continue to put this kind of virtuous cycle into motion in order to remain a corporate group that is chosen by our customers for the next 100 years.



Example (Yokohama Main Branch Office and Kamakura Ofuna TA-Q-BIN Center)

Improving the sales capabilities of the entire center through collaboration between young and veteran sales drivers



- Issues**
 - Lack of progress with adequate pricing initiatives
 - Lack of time to engage in sales due to increasing number of TA-Q-BIN deliveries
- Mission**
 - Establish an environment in which sales can be better conducted
- Initiatives**
 - Create time for sales through the establishment of a neat and orderly workplace, and the introduction of “Anchor Cast,” and the review of operational design
 - Strengthen collaboration between young and veteran sales drivers to boost sales capabilities of young sales drivers
- Results**
 - Realized profitability at the center in terms of income and expenditures
 - Increased number of new customers
 - Significantly reduced operating rate during nighttime hours

“Work Style Reform” across the Entire Logistics Industry— Participating in the “White Logistics Movement”

Yamato Transport Co., Ltd. has endorsed the “White Logistics Movement,” which is promoted by the Ministry of Land, Infrastructure, Transport and Tourism; the Ministry of Economy, Trade and Industry; and the Ministry of Agriculture, Forestry and Fisheries. Supported by the mutual understanding and cooperation of its business partners and other relevant parties within this movement, Yamato Transport is working to improve the entire logistics industry in order to realize highly productive logistics operations and work style reforms.

Main Items from Yamato Transport’s Declaration of Independent Actions (Excerpts)

- We will clarify the details of our business operations, including the separation between transport and cargo handling work, and promote the exchange of written contracts.
- We will actively adopt a modal shift for long-distance sections of routes, thereby contributing to the reform of working styles of our drivers.
- In addition to promoting written transport contracts, we will build digital frameworks that allow for the comprehensive management of contract conditions.
- When handling cargo, we will ensure that safe handling methods are made well-known in order to prevent workplace injury. At the same time, we will clarify handling flow and the extent to which handling work should be carried out.
- In the event that abnormal weather occurs or is forecast, such as typhoons or heavy rains, we will decide on suspending or stopping transport requests, giving the utmost priority to driver safety. In addition, we will respect the decisions made by logistics operators in such situations.



Promoting Health Management

Based on the Yamato Group Health Declaration, which was established in 2010, the Yamato Group encourages participation in walking events and campaigns to quit smoking at each operating company. Through efforts such as these, the Group is working to improve the health of its employees. As a result, in February 2019 four Group companies* were recognized under the 2019 Certified Health & Productivity Management Outstanding Organization Recognition Program. Going forward, we will continue to promote “Work Style Reform” as we take steps to maintain and improve the health of our employees and their families.

* Yamato Logistics Co., Ltd. and Yamato System Development Co., Ltd. were recognized in the 2019 Certified Health & Productivity Management Outstanding Organization Recognition Program’s Large Enterprise Category (the “White 500”) while Express Network Co., Ltd. and Yamato Credit & Finance Co., Ltd. were recognized in the Small to Mid-Sized Enterprise Category.