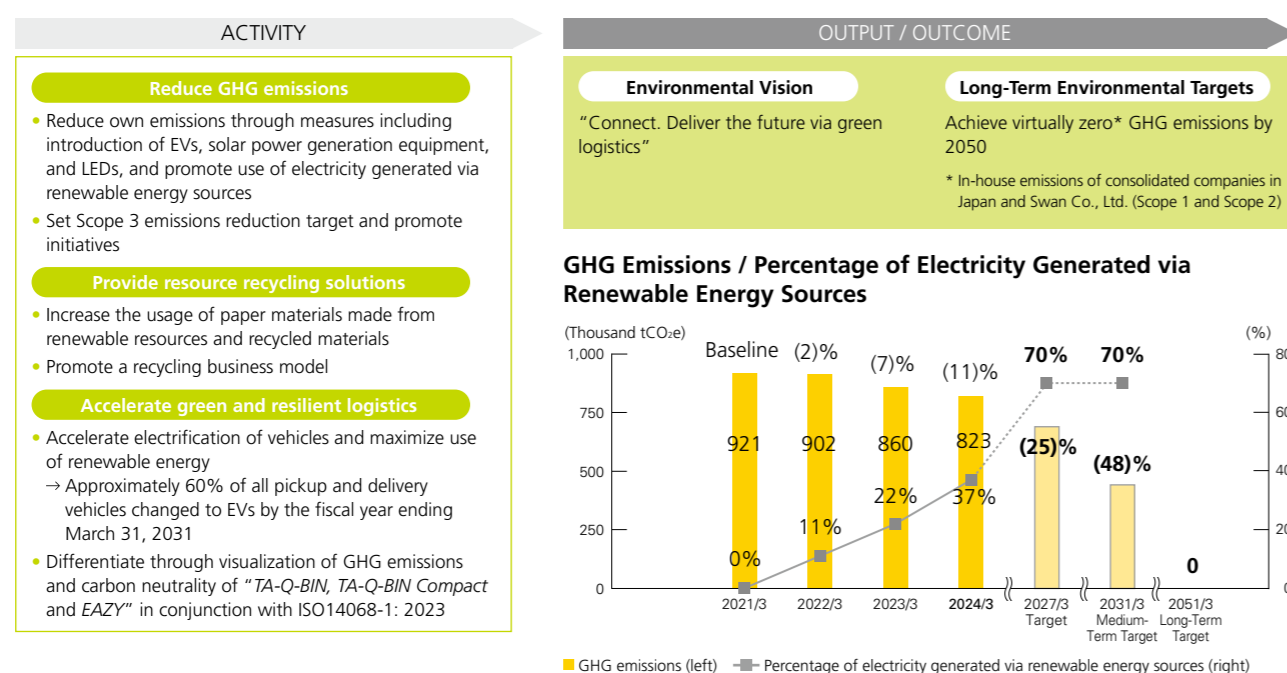


# Environmental Strategy

We are promoting environmentally-conscious management, based on our Environmental Vision, to achieve both sustainable business growth and the development of a sustainable society.

Under our Sustainable Medium-Term Plans 2023, which concluded in the fiscal year ended March 31, 2024, we achieved our target for reducing greenhouse gas (GHG) emissions by promoting measures such as introducing electric vehicles (EVs), solar power generation equipment, and LEDs and improving transport efficiency. We also found that initiatives to reduce GHG emissions led to improvements in energy efficiency that helped to right-size our costs and expanded the value provided to customers. Under the medium-term management plan, "Sustainability Transformation 2030 ~1st Stage~, " we are further promoting measures to reduce our GHG emissions (own emissions) as well as working to reduce GHG emissions throughout our supply chain. Moreover, by providing solutions to environmental issues facing society and our customers, we aim to increase the sustainability of companies and society.

## Overview of Environmental Strategy

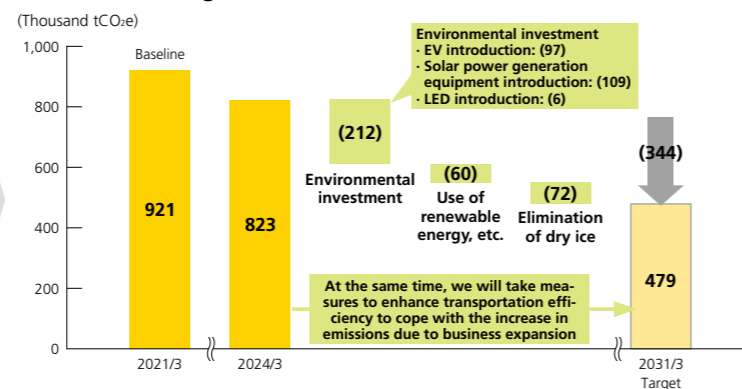


### Plan for Reducing GHG Emissions to Achieve Medium-Term Targets (FY2031/3)

- Key Measures**
- Introduction of 23,500 EVs\*
  - Introduction of 810 units of solar power generation equipment
  - Introduction of LEDs
  - 70% utilization rate for electricity generated via renewable energy sources
  - Elimination of dry ice
  - Increase in transportation efficiency

\* 3,500 more vehicles than the initial target

### Plan for Reducing GHG emissions



## Reduction in GHG Emissions

### Promotion of EV Introduction

As one key measure for reducing GHG emissions, the Yamato Group is promoting the trial and introduction of EVs. We are introducing the small, commercial-battery electric vehicle (BEV) truck, "Hino Dutro Z EV," and the 2-ton truck type EV "eCanter" based on

coordination with our facility strategy and regional characteristics. We are also conducting a trial of the light EV "MEV-VAN Concept" with a view to practical application of battery swapping. With this trial, we are working to realize more efficient energy management, including reduction of waiting time for charging and helping to level electricity usage peaks.



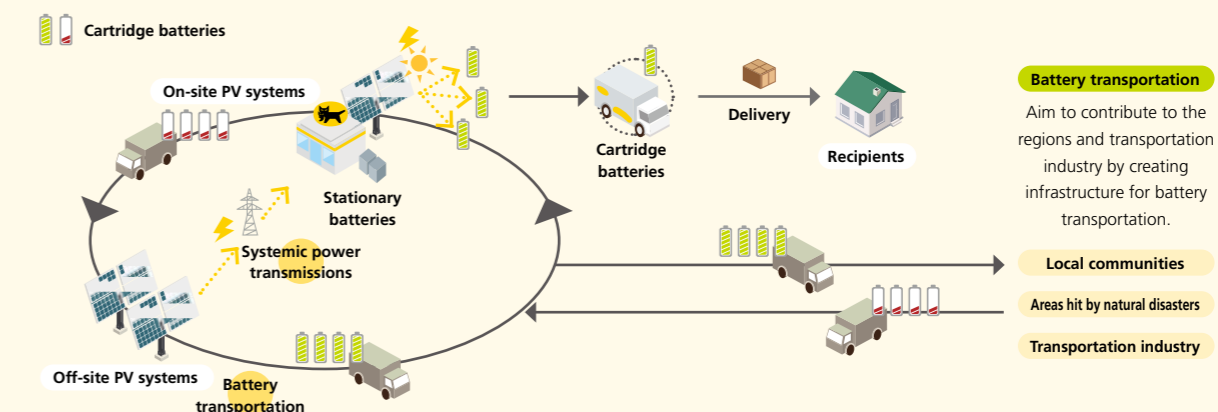
## TOPICS

We have been working to establish energy management for resolving issues associated with the introduction of EVs, such as an increase in electricity usage and power usage peaks due to simultaneous charging at night, by conducting fitting and removal, exchange, and transportation of batteries using cartridge batteries.

We are promoting demonstration projects in Gunma Prefecture, which have been subsidized by the New Energy and Industrial Technology Development Organization (NEDO), a national research and development agency in Japan. These demonstration projects include examining and developing a charging scheme to support mass introduction and operation of EVs and a management system to control electricity usage peaks.

Demonstration period / Area	Fiscal Year Ending March 31, 2023, to Fiscal Year Ending March 31, 2031 (Scheduled) / Gunma Prefecture	* Within the demonstration project area, compared to the fiscal year ended March 31, 2021
KPIs	<p>By FY2024/3 200 EVs / <b>Achieved (Result: 200 EVs)</b></p> <p>Conversion of all vehicles into EVs and reduction of 5,000 tons of CO<sub>2</sub> emissions* generated by vehicles by fiscal year ending March 31, 2027</p> <p>Conversion of all vehicles into EVs with cartridge batteries and reduction of 7,500 tons of CO<sub>2</sub> emissions* generated by vehicles by fiscal year ending March 31, 2031</p>	<p>Note: The prerequisite coefficient for CO<sub>2</sub> emissions is 0.000447tCO<sub>2</sub>/kWh (Ministry of Environment, the emission coefficients of individual power companies, etc.; TEPCO base CO<sub>2</sub> emission coefficient for the fiscal year ended March 31, 2021).</p> <p>Reference: <a href="https://ghg-santeikohyo.env.go.jp/files/calcr04_coefficient_rev4.pdf">https://ghg-santeikohyo.env.go.jp/files/calcr04_coefficient_rev4.pdf</a> (Japanese only)</p>

### Our Vision for an Energy Ecosystem That Coordinates Electric Vehicles (EVs), Photovoltaic (PV) Systems, and Batteries



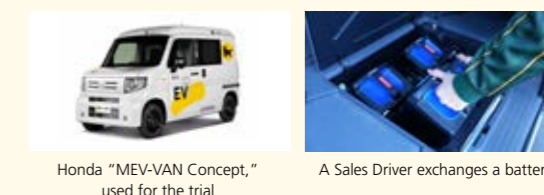
#### Establishment of an Energy Management System

We are working to enable operation of large numbers of EVs at large-scale facilities by examining efficient charging schemes using energy generated by solar power generation equipment and developing an energy management system to visualize and level out electricity supply and demand.



#### Trial of EVs with Cartridge Batteries

To enable introduction of EVs with cartridge batteries to achieve both vehicle operation and charging, we are testing factors such as environmental impact reduction effect, practicality, and vehicle performance, and taking steps towards practical implementation.



### Toward Reduction of GHG Emissions throughout the Entire Supply Chain

From the fiscal year ended March 31, 2024, we have started measuring GHG emissions of outsourcing partners providing trunk-route transportation based on their traveling distance data. Going forward, we will expand the scope of measurement, formulate reduction plans based on the collected data, and build support systems with transportation partners to promote more effective GHG emissions reduction measures throughout the supply chain.

## Environmental Strategy

### Acceleration of Green and Resilient Logistics

The Yamato Group is working to realize robust logistics that will withstand environmental changes as an infrastructure supporting a sustainable society. We are also working to provide value through the provision of solutions to environmental issues.

#### ► Realization of Carbon Neutrality in Our Three Parcel Delivery Products

Yamato Transport has implemented a Carbon Neutrality Declaration for its three parcel delivery products: *TA-Q-BIN*, *TA-Q-BIN Compact*, and *EAZY*. The declaration indicates that the Company achieved Carbon Neutrality\*<sup>1</sup> compliant with the international standard ISO 14068-1:2023\*<sup>2</sup> in the fiscal year ended March 31, 2023, and states the company's commitment to realizing carbon neutrality for the three parcel delivery products by 2050 through continued ongoing initiatives to reduce its own GHG emissions associated with business activities. The declaration has been verified by the third-party institution BSI Group Japan K.K..

Through the provision of transport services with consideration for climate change, we will promote further use of our services by both individual and corporate customers.

→ For further information about the expansion of value provided through carbon-neutral delivery, see P.22.



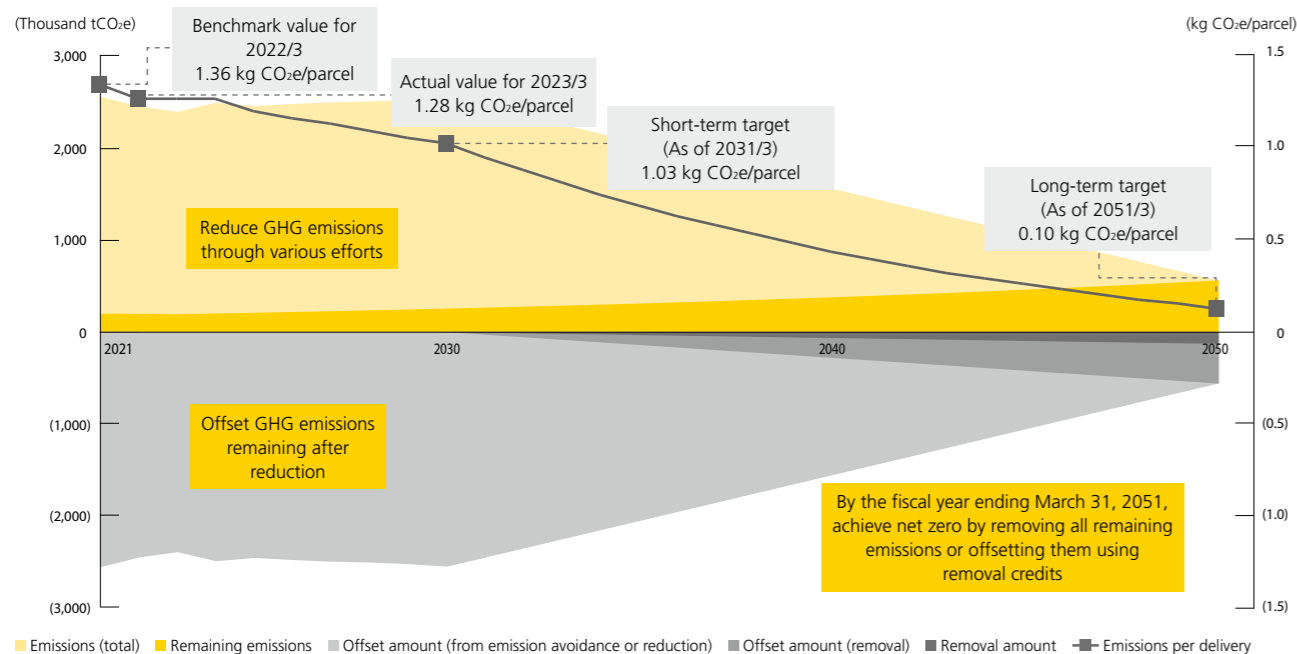
Carbon Neutral Delivery

\*1 A status where GHG emissions are decreased and any remaining GHG emissions above zero are offset during a specified period

\*2 An international standard specifying principles and requirements for achieving and verifying carbon neutrality

#### ► The Road to Carbon Neutrality by 2050 for Our Three Parcel Delivery Products

We have set target values for GHG emissions per parcel of *TA-Q-BIN* (emissions intensity) in line with our target to achieve the common global target of Net-Zero in 2050 and Japan's nationwide target. We aim to achieve net zero in 2050 by promoting measures to reduce GHG emissions, while also using removal activities and removal-based carbon credits to offset any remaining emissions that cannot be eliminated from our supply chain.



Please see the Company's website for further details.

🌐 [https://www.kuronekoyamato.co.jp/yt/en/csr/takkyubin\\_carbonneutrality/](https://www.kuronekoyamato.co.jp/yt/en/csr/takkyubin_carbonneutrality/)

### Disclosures Based on the Recommendations of the TCFD

The Yamato Group expressed its agreement with the Taskforce on Climate-related Financial Disclosures (TCFD) in the fiscal year ended March 31, 2023, and has been disclosing information based on that framework. In the fiscal year ended March 31, 2024, we revised our scenario analysis based on a renewal of the indicators used for analysis, and the result of continuous examination of the impacts of risk and opportunities, and confirmed that there is no significant change in the direction of our strategy. We will continue to conduct regular reviews and reflect these in our management strategy.

#### ► 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 representative directors of Group companies are responsible for the reliable implementation, maintenance, and supervision of environmental management as "environmental officers," while all managers and heads of frontline 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 representative director and comprises the executive officers and others as well as representative directors of the main Group companies. The committee deliberates and makes decisions regarding issues and risks related to the environment, including climate change.

#### ► Strategy \* Updated areas: ●

##### 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.

Financial impact assessment	2030	2050
Carbon tax introduction	¥15.7 billion	¥28.1 billion
Abnormal weather events / disasters	¥1.9 billion	¥3.8 billion
Floods	¥0.4 billion	¥0.43 billion

\* Estimated using carbon tax prices of \$140 per ton (2030) and \$250 per ton (2050)

##### Direction of Countermeasures

- Response to carbon tax introduction
  - Introduction of low-carbon vehicles (mainly EVs), installation of solar power generation equipment, etc.
  - Examine introduction of internal carbon pricing aimed at proactive capital investment for transition to low-carbon
- Response to abnormal weather and disasters
  - Opening of offices by utilizing hazard maps and periodic reviews of our business continuity planning manual
  - Examination of disclosing information on efforts to adapt to climate change internally and to our business partners
  - Testing for use of renewable energy and EVs with cartridge batteries that enhance resilience
- 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

Please see the Company's website for further details.

🌐 <https://www.yamato-hd.co.jp/english/csr/environment/tcfd.html>

#### ► Metrics and Targets

##### GHG Emissions Reduction Target\*<sup>1</sup>\*<sup>2</sup>

Short term (FY2024/3): 10% reduction  
→ Result: 11% reduction (achieved)  
(FY2027/3): 25% reduction  
Medium term (FY2031/3): 48% reduction  
Long term (by 2050): Virtually zero emissions

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

\*2 Compared to the fiscal year ended March 31, 2021.

##### Target Percentage of Electricity Generated via Renewable Energy Sources

Short term (FY2024/3): 40%  
→ Result: 37%  
(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.

\* Targets for reducing GHG emissions set by companies for the next five to ten years, in line with the levels required by the Paris Accords