

Message from the Chairperson of the Board of Directors

The Board of Directors Will Strengthen its Supervision and Checking Functions Even Further

Shiro Sugata

Chairperson of the Board / Outside Director



Initiatives for Increasing the Effectiveness of the Board of Directors

Since my appointment as chairperson of the Board of Directors, I have focused my efforts on stimulating discussion and strengthening monitoring to increase its effectiveness. The agenda items to be discussed at the Board of Directors' meetings have traditionally been set by the executive side. However, as the chairperson, I have strengthened the monitoring function by participating from the planning stage and scheduling progress reports on major strategic initiatives into the meeting beforehand. I have also revised the criteria for submitting agenda items. We leave some decisions up to the executive side. For example, individual matters with few elements that require the judgement of the Board of Directors regarding their appropriateness, such as consolidating and closing facilities following structural reforms of network operations. Meanwhile, the Board of Directors focuses on discussing strategic direction and monitoring the effects of investments in large-scale facilities. This has increased the speed of decision making and execution. We have also enhanced the pre-meeting briefings on agenda items, which has sharpened the focus of our discussion and made it more substantive.

I feel that these initiatives have enabled our outside directors to engage more deeply in the discussion, which has made it possible to reflect their recommendations in our management. Our outside directors also participated from the conceptual stage in the formulation of our new Medium-Term Management Plan, "Sustainability Transformation (SX) 2030 ~1st Stage~" which started in the fiscal year ending March 31, 2025. We held numerous discussions with them up to the resolution and public announcement of the plan.

Evaluation of the Previous Medium-Term Management Plan, and Challenges and Outlook for the Medium-Term Management Plan "SX2030 ~1st Stage~"

Under the previous Medium-Term Management Plan "One YAMATO 2023," we promoted Group management structure reforms starting in the fiscal year ended March 31, 2021, in which we integrated Group companies, transferred the shares of Yamato Home Convenience Co., Ltd., and reviewed our business portfolio by withdrawing from *TA-Q-BIN* overseas. We started on business structure reforms, and I consider that we have done extremely well by promoting and starting on specific reforms. These include consolidating and enlarging pickup and delivery facilities and the start of business processing outsourcing in the mailing area in

collaboration with the Japan Post Group. On the other hand, we were unable to respond completely to the rapidly changing external environment and we were unable to fully deliver our anticipated results. We were unable to meet the earnings targets in the previous Medium-Term Management Plan, or those announced at the start of the fiscal year, which I consider to be a significant issue.

Considering these challenges, when we formulated the Medium-Term Management Plan "SX2030 ~1st Stage~," we asked the executive side to set quantitative KPIs that would enable us to clearly define our vision for the company and ascertain our progress toward it. The addition of ROIC as an indicator for realizing management that places more focus on capital efficiency also reflects the opinion of our outside directors.

Furthermore, we considered the limits that we face on the growth potential of the Express Business, centered on *TA-Q-BIN*. We identified the Contract Logistics Business and Global Business as growth domains that are upstream from the express business in order to realize sustainable profit growth and a medium- to long-term increase in corporate value, and requested the formulation of specific plans for their development and expansion. To accelerate the growth of these businesses, I consider M&As to be an important strategy in addition to organic growth, and I will actively encourage resolute decision-making that contributes to increasing corporate value. However, in implementing these M&As, the Board of Directors will monitor the selection process and status of preparations to ensure that the selected candidate is able to produce synergies based on the Yamato Group's medium- to long-term vision. It will also confirm aspects such as the economic rationality and medium-term capital efficiency under the specified conditions.

Efforts to Increase Effectiveness Going Forward

As chairperson of the Board of Directors, I will work on measures to promote even more frank and substantive discussion, including dialogue with shareholders, and strengthen the effectiveness of the Board of Directors. In promoting the Medium-Term Management Plan "SX2030~1st Stage~," we will continue intensive discussion of challenges and strategies that have not yet been fully developed.

In addition, considering the importance of separating execution and supervision, we will leave up to our executive team the matters that should be left up to them as our business experts, while we focus on further strengthening the supervision and control functions of the Board of Directors.

Message from the Chairperson of the Nomination and Compensation Committee

Steadily Developing the Ideal Nomination and Compensation Systems for Achieving Corporate Value Increase over the Medium to Long Term

Mariko Tokuno

Chairperson of the Nomination and Compensation Committee / Outside Director



Progress on the Succession Plan

I became chairperson of the Nomination and Compensation Committee two years ago. In my view, the committee is steadily fulfilling its designated role.

Meetings of the committee have a particular focus on the succession of the president. The committee prioritizes courage as a quality required in a president. The committee believes that the ability to settle down and make rational decisions, even under pressure in challenging circumstances, is of the utmost importance. It is therefore advancing the process to identify and develop candidates based on its definition of the ideal president. Outside directors are increasing opportunities for communication with candidates at meetings of the Board of Directors, where candidates report on the state of business execution and explain their proposals. Their explanations and responses to questions enable the committee to assess their qualities of the candidates.

When looking at the talent pool in advancing the succession plan, one difficulty is that the skills and experience of current candidates are too weighted toward traditional businesses. This would make it difficult for the Yamato Group to reform its business portfolio and realize continuous profit growth. Expanding the range of candidates for president by recruiting human resources from outside the Group with expertise in areas to be strengthened and enabling these human resources to engage in friendly competition with internal human resources is crucial. Promoting human resource strategies linked to management strategies and clarifying job specifications and personnel requirements has led to progress in identifying the type of human resources that the Group must increase. The committee will help drive the improvement of the talent pool.

Appointment of Outside Directors and Audit & Supervisory Board Members

To improve corporate value over the medium to long term, independent outside directors have an important role to play in enabling the Board of Directors to fulfill its supervisory function. I believe that experience of corporate management is essential to exercise this function. While the Board of Directors of the Yamato Group has a well-balanced composition, with independent outside directors experienced in corporate management in different industries accounting for the majority of members, the Nomination and Compensation Committee discussed further strengthening the Board through the addition of expertise in the logistics industry or

related domains. In the fiscal year ending March 31, 2025, with the approval of the General Meeting of Shareholders, the Board has welcomed Junichiro Ikeda, who has extensive experience and expertise in the maritime shipping industry, as an outside director. I am certain that the addition of Mr. Ikeda will strengthen discussions at meetings of the Board of Directors and further enhance its effectiveness. In addition, Setsuko Ino has become a new Audit & Supervisory Board member. With her extensive finance expertise, experience of working at several global companies, and broad-minded character, I look forward to Ms. Ino further enlivening Board meeting discussions.

Expansion of the Ratio of Variable Compensation

Based on the idea of linking performance to compensation, the Nomination and Compensation Committee continuously examines the compensation system, revising it as appropriate to ensure that it provides better motivation to improve corporate value over the medium to long term and encourages the sharing of interests with shareholders. The revision to the officer compensation system in the fiscal year ended March 31, 2022, introduced medium- to long-term performance-linked, share-based compensation. However, given that fixed compensation continued to account for the majority of compensation, the Group has increased the variable component to an appropriate level in relation to benchmark companies in the fiscal year ending March 31, 2025. At the same time, it included return on invested capital, designated as a management metric in "Sustainability Transformation 2030 ~1st Stage~," as a performance indicator for medium- to long-term performance-linked, share-based compensation.

Toward Business Growth Over the Medium to Long Term

Today, the Yamato Group is in the middle of business structure reforms. Creating growth as a company in new domains, in addition to strengthening the Group's traditional core businesses, is essential to increasing corporate value. For a Company of approximately 180,000 employees to achieve change, it must be committed to the pursuit of reform. As chairperson of the Nomination and Compensation Committee, I intend to help create an environment that allows a diverse range of human resources to play an active role and to transform employee mindsets.

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 July 1, 2024)

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
Independent auditor	Deloitte Touche Tohmatsu LLC

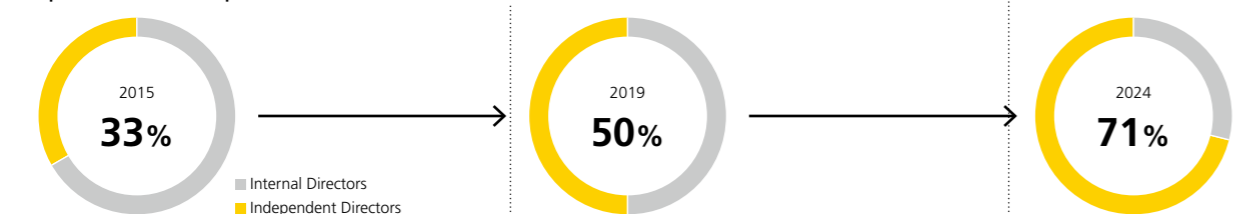
History of the Corporate Governance System

2015–	2018–	2021–
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Board of Directors and Audit & Supervisory Board

- 2015**
 - Transition to a structure in which outside directors comprised at least one-third of all directors
- 2017**
 - Appointed a female independent outside director
- 2019**
 - Transitioned to a structure in which independent outside directors comprised one-half of all directors
- 2020**
 - Appointed independent outside members as the majority of members on the Board of Directors
 - Appointed outside members as the majority of members on the Audit & Supervisory Board
- 2022**
 - Appointed an independent outside director as the Chairperson of the Board of Directors

Composition Ratio of Independent Outside Directors in the Board of Directors



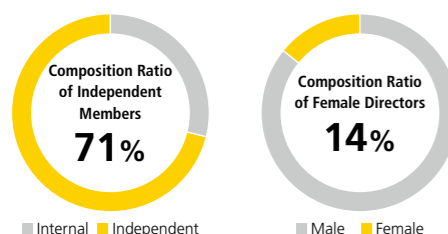
Systems for Nomination and Compensation

- 2020**
 - Decided to revise officer compensation system and introduce a performance-linked, share-based compensation system

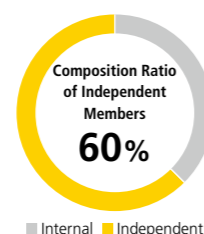
Other Systems

- 2015**
 - Established Corporate Governance Guidelines
 - Implemented director training
- 2016**
 - Implemented evaluation of effectiveness of the Board of Directors
- 2018**
 - Abolished the advisor position
- 2023**
 - Abolished special advisors

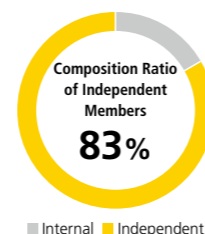
Composition Ratio of the Board of Directors (As of July 1, 2024)



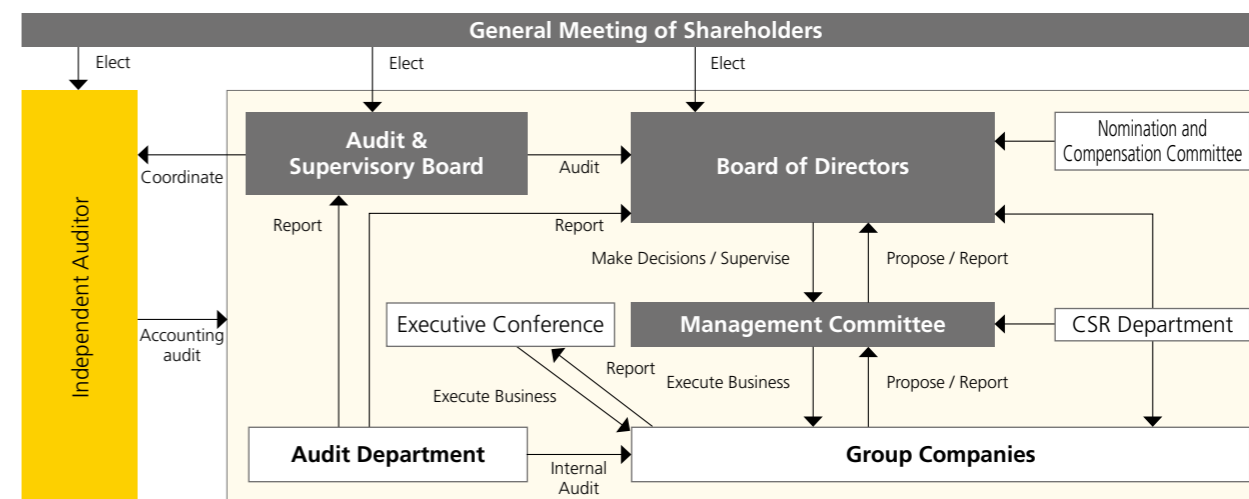
Composition Ratio of the Audit & Supervisory Board (As of July 1, 2024)



Composition Ratio of Nomination and Compensation Committees (As of July 1, 2024)



Corporate Governance Framework



Management Structure

Name	Position	Outside	Nomination and Compensation Committee member	Expertise and Experience						
				Corporate management	Marketing / Sales	Personnel / Labor management	Finance / Accounting	Legal affairs / Risk management	IT / Digital / Technology	Global
Yutaka Nagao	Representative Director, Executive Officer and President		○	●	●	●			●	●
Toshizo Kurisu	Representative Director, Executive Officer and Vice President			●			●	●	●	
Mariko Tokuno	Director	○	○ (Chairperson)	●	●					●
Shiro Sugata	Director	○	○	●	●				●	●
Noriyuki Kuga	Director	○	○	●		●	●			●
Charles Yin	Director	○	○	●	●				●	●
Junichiro Ikeda	Director	○	○	●		●				●
Tsutomu Sasaki	Full-time Audit & Supervisory Board Member			●	●			●		
Yoshito Shoji	Full-time Audit & Supervisory Board Member			●			●			
Takashi Yamashita	Audit & Supervisory Board Member	○					●	●		
Ryuji Matsuda	Audit & Supervisory Board Member	○					●	●		
Setsuko Ino	Audit & Supervisory Board Member	○					●			●

Note: Shiro Sugata took on the role of the Chairperson of the Board on June 23, 2022.

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 Yamato'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.
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, 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.

Corporate Governance

Board of Directors

► Roles and duties

The Board of Directors discusses basic policies, makes decisions, and monitors business execution to encourage the improvement of Yamato's medium- to long-term corporate value.

1. The Board of Directors shall make important decisions concerning the Company's business and supervise the execution of duties by executive directors and executive officers.
2. The Board of Directors shall recognize the medium-term management plan as one of the commitments made to shareholders and supervise the effectiveness of strategies, such as the Company's business portfolio and the optimal allocation of management resources, to achieve the goals of this plan. Moreover, the Board of Directors shall sufficiently analyze the initiatives aimed at realizing the goals of the medium-term management plan as well as the extent to which the plan's objectives are being achieved. In addition to providing explanations to shareholders, such analyses shall be reflected in future management plans.
3. The Board of Directors shall encourage executive officers to demonstrate a healthy entrepreneurial spirit and to not excessively avoid or curb risk, while at the same time establishing a framework that enables it to ensure accountability.
4. The scope of responsibility of each executive officer shall be decided on by the Board of Directors. Executive officers shall execute business in accordance with internal regulations.

► Management

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.

1. To allow Board of Directors meeting attendees the opportunity to prepare for meetings in advance, the Board of Directors secretariat shall send agenda items and related materials to directors well in advance of the meeting date and provide explanations in advance as needed.
2. 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.
3. The number of issues to be deliberated as well as the frequency of meetings shall be appropriately set, and the time of meetings shall be decided so as to allow sufficient time for deliberations.
4. As needed, meetings comprising Board of Directors meeting attendees shall be held for the purpose of exchanging ideas, thereby encouraging lively debate.

► Evaluation of Effectiveness

To verify the effectiveness of the Board of Directors, the Company surveys all directors and Audit & Supervisory Board members on an annual basis regarding the composition and operational status of the Board of Directors. The Company carries out an evaluation on the Board's effectiveness in terms of such matters as the condition of the Board's operation and the state of deliberation held at Board meetings. In addition to the survey, the chair conducts individual interviews to further enhance the usefulness of the evaluation.

Results of Analysis and 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 the Board of Directors meetings had taken hold.
- The governance structure is more effective since independent outside directors make up more than half of the directors and independent outside Audit & Supervisory Board members more than half of the Audit & Supervisory Board members. In addition, an independent outside director appointed as chair of the Board is involved in selection of agenda items.
- Measures such as revising agenda items, viewing meeting materials in advance, and pre-meeting briefings for the Board of Directors meetings are functioning effectively. In particular, confirming, examining, and improving points raised in these pre-meeting-briefings enable directors to make risk-based management decisions through more in-depth discussions in the Board of Directors meetings.
- In addition to monthly reports from the president on the status of business execution at Board of Directors meetings, the executive officers of operating companies regularly report on the status of progress toward achieving the Medium-Term Management Plan and engage in discussion with the Board of Directors to ensure the directors understand the progress made and provide advice at an appropriate time.
- During the formulation stage of the medium-term management plan "Sustainability Transformation 2030 (SX2030) ~1st Stage~, " which was announced in February 2024, we actively exchanged opinions within the Board of Directors in order to increase the effectiveness of the plan. Looking ahead, the Company will deepen its discussions on using M&As as a growth strategy for contributing to business growth, while conducting regular monitoring of the progress of the plan.
- The Board of Directors has continued to display an effectiveness that contributes to securing sound management and achieving prompt, accurate decision-making and business execution, which are the Company's basic policies for corporate governance.
- Going forward, the Company will further strengthen corporate governance to improve the soundness of the entire Yamato Group's management while continuously working to maintain and improve the effectiveness of the Board of Directors for the implementation of sustainable business growth.

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 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 as well as 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.

TOPICS

Provision of Information for Directors and Audit & Supervisory Board Members

The Company shall ensure opportunities for directors and Audit & Supervisory Board members to deepen their understanding of the Group's management strategies, business operations, and status so that they can effectively fulfill their roles and duties. These opportunities will include strategy meetings with participation by the persons in charge of businesses, discussion in meetings with outside experts, and observation tours of major locations.

In the fiscal year ended March 31, 2024, the Hokkaido region encountered difficulty in maintaining its logistics network due to population decline, a falling birthrate, and aging of the population. Directors and Audit & Supervisory Board members observed the Group's initiatives to maintain and increase profitability while realizing a sustainable local society through collaboration with customers and local governments, and also conducted dialogue with local employees.



In October 2023, outside directors visited HOKKAIDO BALLPARK F VILLAGE, where Yamato Transport is building a logistics scheme and overseeing logistics.

Nomination and Compensation Committee

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 shall deliberate particularly on the details of important matters pertaining to nomination and compensation, and present 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 the 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.

► Key Discussion Items for the Nomination and Compensation Committee in the Fiscal Year Ended March 31, 2024

Related to Nomination

- Discussion of definition of requirements for director candidates, including skill matrix
- Discussion of definition of human resource requirements for president candidates, as well as methods of selection and monitoring
- Discussion of appointment and reappointment of director candidates

Related to Compensation

- Discussion of revision of policy for decision on compensation and other remuneration for individual directors
- Discussion on revision of compensation table for short-, medium-, and long-term performance-linked compensation
- Establishment of missions for inside director compensation
- Decision on compensation and other remuneration for individual directors

Corporate Governance

Concurrent Posts and Main Activities of Outside Directors and Outside Audit & Supervisory Board Members (Fiscal Year Ended March 31, 2024)

Name	Important Concurrent posts	Expected roles and status of main activities, etc.	Attendance at meetings during the fiscal year ended March 31, 2024
Outside Directors	Mariko Tokuno	<ul style="list-style-type: none"> • Outside Director of Mitsubishi Materials Corporation • Outside Director of Shiseido Company, Limited 	<p>Mariko Tokuno comments and advises as needed on all aspects of business management, based on ample experience and extensive knowledge as a manager. Accordingly, she plays an important role, providing oversight and advice from a managerial standpoint and customer and employee standpoints, particularly regarding matters of business execution, business strategy, and HR strategy, to contribute to ensuring the suitability and adequacy of decision-making. Furthermore, as chairperson of the Nomination and Compensation Committee, she guides its management and has fully demonstrated supervisory functions in the decision process for the selection of candidates for officers and the evaluation of their compensation from an objective and neutral standpoint.</p> <p>Board of Directors: 19 of 20 meetings Nomination and Compensation Committee: 10 of 10 meetings</p>
	Yoichi Kobayashi	—	<p>Yoichi Kobayashi comments and advises as needed on all aspects of business management, based on ample experience and extensive knowledge as a manager. Accordingly, he plays an important role, providing oversight and advice from a managerial standpoint, particularly regarding matters of business execution, business strategy, and investment strategy, to contribute to ensuring the suitability and adequacy of decision-making. Furthermore, as a member of the Nomination and Compensation Committee, he has fully demonstrated supervisory functions in the decision process for the selection of candidates for officers and the evaluation of their compensation from an objective and neutral standpoint.</p> <p>Board of Directors: 19 of 20 meetings Nomination and Compensation Committee: 9 of 10 meetings</p>
	Shiro Sugata	<ul style="list-style-type: none"> • Outside Director of Yokogawa Electric Corporation 	<p>Shiro Sugata comments and advises as needed on all aspects of business management, based on ample experience and extensive knowledge as a manager. Additionally, he was appointed the chairperson of the Board of Directors in June 2022 and is contributing to enhancing the effectiveness of the Board of Directors by appropriately fulfilling his duties and responsibilities. Accordingly, he plays an important role, providing oversight and advice from a managerial standpoint, particularly regarding matters of business execution, business strategy, productivity enhancement, and cost structure reform, to contribute to ensuring the transparency and appropriateness of decision-making. Furthermore, as a member of the Nomination and Compensation Committee, he has fully demonstrated supervisory functions in the decision process for the selection of candidates for officers and the evaluation of their compensation from an objective and neutral standpoint.</p> <p>Board of Directors: 20 of 20 meetings Nomination and Compensation Committee: 10 of 10 meetings</p>
	Noriyuki Kuga	—	<p>Noriyuki Kuga comments and advises as needed on all aspects of business management, based on ample experience and extensive knowledge as a manager. Accordingly, he plays an important role, providing oversight and advice from a managerial standpoint, particularly regarding matters of business execution, financial strategy, and corporate governance, to contribute to ensuring the suitability and adequacy of decision-making. Furthermore, he has fully demonstrated supervisory functions in the decision process for the selection of candidates for officers and the evaluation of their compensation from an objective and neutral standpoint.</p> <p>Board of Directors: 20 of 20 meetings Nomination and Compensation Committee: 10 of 10 meetings</p>
	Charles Yin	<ul style="list-style-type: none"> • Executive Chairman of Worldwide City Group (Hong Kong) • Chairman of China-Japan CEO Forum • Chairman of China-Japan Asia CEO Forum 	<p>Charles Yin comments and advises as needed on all aspects of business management, based on ample experience and extensive knowledge as a manager. Accordingly, he plays an important role, providing oversight and advice from a managerial standpoint, particularly regarding matters of business execution and global business strategy, to contribute to ensuring the transparency and appropriateness of decision-making. Furthermore, as a member of the Nomination and Compensation Committee, he has fully demonstrated supervisory functions in the decision process for the selection of candidates for officers and the evaluation of their compensation from an objective and neutral standpoint.</p> <p>Board of Directors: 19 of 20 meetings Nomination and Compensation Committee: 10 of 10 meetings</p>
Outside Audit & Supervisory Board Members	Takashi Yamashita	<ul style="list-style-type: none"> • Representative of Takashi Yamashita CPA Office • Outside Director of Shin Nippon Biomedical Laboratories, Ltd. 	<p>Takashi Yamashita comments as needed in Board meetings, based on ample experience and professional knowledge of finance and accounting. He also attends Audit & Supervisory Board meetings and exchanges opinions at regular meetings with the representative director and president, confirming the status of the execution of duties carried out by directors, based mainly on ample experience and extensive knowledge as a certified public accountant.</p> <p>Board of Directors: 19 of 20 meetings Audit & Supervisory Board: 22 of 22 meetings</p>
	Ryuji Matsuda	<ul style="list-style-type: none"> • Attorney-at-Law of Matsuda Law Office 	<p>Ryuji Matsuda comments as needed in Board meetings, based on ample experience and professional knowledge of finance and accounting and as a lawyer. He also attends Audit & Supervisory Board meetings and exchanges opinions at regular meetings with the representative director and president, confirming the status of the execution of duties by directors, based mainly on ample experience and extensive knowledge as a lawyer.</p> <p>Board of Directors: 20 of 20 meetings Audit & Supervisory Board: 22 of 22 meetings</p>
	Yoshihide Shimoyama	<ul style="list-style-type: none"> • Outside Audit & Supervisory Board Member of NIPPON HUME CORPORATION 	<p>Yoshihide Shimoyama comments as needed in Board of Directors' meetings, based on ample experience in management and auditing. He also attends Audit & Supervisory Board meetings and exchanges opinions at regular meetings with the representative director and president, confirming the status of the execution of duties by directors, based mainly on ample experience and extensive knowledge as a manager and an outside Audit & Supervisory Board member.</p> <p>Board of Directors: 20 of 20 meetings Audit & Supervisory Board: 22 of 22 meetings</p>

Remuneration of Directors and Audit & Supervisory Board Members (Fiscal Year Ended March 31, 2024)

Directors and Audit & Supervisory Board members	Total amount of remuneration (Millions of yen)	Total amount of remuneration by type (Millions of yen)				Number of recipient Directors and Audit & Supervisory Board Members
		Basic remuneration	Short-term performance-based remuneration	Medium- to long-term performance-based stock compensation*	Of the left, non-monetary remuneration, etc.	
Director	367	261	64	42	42	9
(Of which, Outside Directors)	(77)	(77)	(—)	(—)	(—)	(5)
Audit & Supervisory Board Members	82	82	—	—	—	6
(Of which, Outside Audit & Supervisory Board Members)	(33)	(33)	(—)	(—)	(—)	(3)
Total	450	344	64	42	42	15
(Of which, Outside Officers)	(110)	(110)	(—)	(—)	(—)	(8)

* The amount of expenses recorded for share delivery points during the period.

► Policy for determining compensation of directors and Audit & Supervisory Board members

1. Basic policy

The Company's 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 talented human resources

A compensation system emphasizing the improvement of corporate and shareholder value

- Link compensation to business performance so as to motivate directors to achieve performance goals
- Establish a compensation composition that promotes the sharing of common interests 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

2. 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, share-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.

3. Policy for determining basic compensation (fixed compensation)

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

4. Policy for determining short-term, performance-linked compensation (variable compensation)

The standard amount is set by determining a ratio within a range of 45% to 55% (from April 1, 2024, 40% to 70%) of basic compensation (fixed compensation) in accordance with rank and title. Following this, the amount paid out to individuals is determined within a range of 0% to 150% of the standard amount, in line with the

achievement rate for Yamato's performance benchmarks and the evaluation of individual missions. Furthermore, the performance benchmarks comprise Group consolidated operating revenues, Group consolidated operating profit, and Group consolidated profit attributable to owners of parent. In accordance with the basic policy, from July 1, 2024, as the standard amount, the Company has set the ratio to basic compensation (fixed compensation) decided in accordance with rank and title to within a range of 65% to 80% in order to further increase the link to performance, thereby fueling motivation with respect to achieving performance targets.

5. Policy for determining medium- to long-term performance share-based compensation (variable compensation)

For the amount of medium- to long-term performance-linked, share-based compensation (variable compensation) allocated to directors, the standard amount is set by determining a ratio within a range of 30% to 40% of basic compensation (fixed compensation) in accordance with rank and title, and then the amount allocated is determined within a range of 0% to 150% of the standard amount, in line with the achievement rate for Yamato's performance benchmarks and the evaluation of individual missions. Furthermore, the performance benchmarks comprise ROE, 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. Furthermore, in accordance with the determination policy in 6. below, from April 1, 2024, as the standard amount, the Company has set the ratio to basic compensation (fixed compensation) decided in accordance with rank and title to within a range of 40% to 100%. Following the start of the Yamato Group's medium-term management plan "Sustainability Transformation 2030 ~1st Stage~, " the Company has added return on invested capital (ROIC) as a performance indicator from April 1, 2024, in order to promote management with a greater focus on capital efficiency.

Corporate Governance

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

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

7. Timing of delivery and conditions

The Company pays its basic compensation (fixed compensation) and short-term performance-linked compensation (variable compensation) as monetary sums on a monthly basis, encompassing twelve equal installments annually. Medium- to long-term performance-linked, share-based compensation (variable compensation) is granted once a year around June in the form of points. Points accumulated up to retirement are paid out, with one point equaling one share, at the time of retirement in accordance with regulations for director share benefits.

8. Decisions on compensation and other remuneration for individual directors

For determination of the amounts of basic compensation (fixed compensation), short-term performance-linked

compensation (variable compensation), and medium- to long-term performance linked, share-based compensation (variable compensation) for individual directors, to ensure objectivity and transparency, the Nomination and Compensation Committee, which is chaired by one of the independent outside directors, who constitute a majority of its membership, conducts further deliberations regarding amounts and calculation method of compensation and other remuneration for individual directors. Based on the findings, the Board of Directors decides on the amount of compensation for each individual.

9. Other

A certain percentage of the monetary compensation shall be allocated to the purchase of shares of the Company through the Officers and Executives' Shareholding Association. Furthermore, to realize a highly objective and transparent process, the Nomination and Compensation Committee held 10 meetings in the fiscal year ended March 31, 2024, and conducted further discussions on the details of compensation and other remuneration for individual directors, based on the decision-making policies for such compensation as activities for the committee in the decision process for individual compensation for directors. The Board of Directors determines the amount of compensation based on the results of these discussions.

Improvement of Corporate Value through Dialogues with Shareholders and Investors

► Basic policy

To continuously improve medium- to long-term corporate value through dialogues with shareholders and investors, we are striving to enhance IR and SR activities by creating a structure focused on the Executive Officer Responsible for IR. When promoting IR and SR activities, we ensure sufficient opportunities for dialogue with executive officers, including the president, and independent outside directors to fully understand the management strategies and businesses of our shareholders and investors. Additionally, the opinions and requests received from shareholders and investors through dialogues and other means are fed back to the Board of Directors as necessary to share awareness of issues within the Company from an objective perspective.

► Implementation of Engagement Activities (Fiscal Year Ended March 31, 2024)

Details of Activities	Speakers	Number of Times
Settlement of accounts meetings	President and responsible Executive Officer	4
Small meetings	President and responsible Executive Officer	2
	Independent outside directors	1
Briefing for the medium-term management plan "SX2030 ~1st Stage~"	President and responsible Executive Officer	1
Briefings related to sustainability (Environment and Society)	Responsible Executive Officer	1
Visits to overseas investors (Europe, Americas, and Asia)	President and Executive Officer Responsible for IR	5
Individual dialogues (One on one)	President, Executive Officer Responsible for IR, and representative of IR department*	299

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

Key Themes and Points of Interest in Dialogues

- Current status and future outlook for business environment and competitive environment
- Pricing policy based on response to cost increases and fluctuation in workload vs expected volume
- Specific details and creation effects of structural reform of network operations
- Strategies for expanding corporate business domain
- Status of human resource strategies in conjunction with business structural reforms
- Connection between environmental strategy and corporate value increase
- Effectiveness of the Board of Directors
- Response policy for management conscious of cost of capital and share price

Enhancement of Details Disclosed Based on Dialogues (Examples)

- Reflection in and disclosure of the medium-term management plan "SX2030 ~1st Stage~"
 - Showing operating revenue- and operating profit-generating effect of external environmental impacts and various measures (P10-11)
 - Segment changes aimed at enhancing disclosure, such as business portfolio transformation (P4)
 - Establishment of ROIC target aimed at promoting management with a greater focus on capital efficiency (P12)
 - Lifting the dividend payout ratio target and disclosing the capital allocation policy (P13)

https://www.yamato-hd.co.jp/english/investors/library/briefing/pdf/E_3q_sx20301st_2024_03.pdf
- Holding presentations
 - Briefing on "Sustainability (Environment and Society)"

https://www.yamato-hd.co.jp/english/investors/library/business_briefing/

Policy on Cross-Shareholdings

The Company has a policy of owning stocks that are deemed meaningful based on comprehensive consideration from a medium- to long-term perspective of the relationship with the Group's businesses, the profitability, and the potential for creating new business opportunities, among other factors. A decision shall be made every year at the Board of Directors meeting concerning whether to continue holding the stocks based on careful consideration of various factors, including previous business transactions with the Company and the market price of the shares, after verifying the benefits and risks associated with holding the stocks from a quantitative

and qualitative perspective. The Company works to reduce the number of stocks it owns that are deemed to be of little significance.

In exercising the voting rights of shares held, the decision to support or oppose agenda items at the shareholders' meeting shall be made on a case-by-case basis, with consideration given to the issuing company's enhancement of corporate value, the issuing company's compliance framework, and the possibility of a negative impact on the Group's business, among other factors.

Compliance

► Strengthening internal control for the Group overall

The Yamato Group has established an internal control system in order to promote a sound corporate culture in the Group as a whole and to enable employees to perform their duties effectively and efficiently without any misbehavior or mistakes. Having stipulated its basic policy on the internal control system in accordance with the Companies Act, each Group company is working on strengthening internal control.

We have also established a system to carry out evaluations in line with our internal control report system pursuant to the Financial Instruments and Exchange Act and immediately put improvements in place should there be any shortcomings.

Furthermore, we prepare internal control reports on financial reporting and receive an audit of the internal system by independent auditors. Internal control over the financial reporting of the Yamato Group as of March 31, 2024, was considered valid, and an internal control report was submitted to the Kanto Local Finance Bureau.

► Enhancing the whistle-blower system

The Yamato Group has established a whistle-blower system to promptly discover and appropriately respond to law and / or internal regulation violations. In addition to compliance-related issues, such as overall corruption (including bribery) and human rights violations (including bullying and harassment), the whistle-blower system accepts reports on any action that violates internal regulations and the Group's Management Philosophy. We have established a suggestions box as a contact point with the president, a compliance hotline as the secretariat for the Compliance and Risk Committee, and a corporate fraud point of contact manned by external lawyers, which all take correspondence via email, telephone, and letter. Additionally, the Group's whistle-blowing regulations protect the privacy of whistle-blowers and ensure that they do not suffer any unfair treatment as a result of making a report. Accordingly, we are developing an environment that ensures employees who wish to remain anonymous can also utilize this service. In addition,

we established individual points of contact at each Group company as a familiar place for consultation. To spread awareness of these contact points among employees, we display posters with the president's photograph introducing them at each office. At the same time, we conduct employee questionnaires to ascertain the level of recognition for the contact points, and use the results to publicize the information internally and review the system design.

When a report is made on an issue, the whistle-blower system works to promptly confirm the facts, enact the necessary response and corrections, and promote measures to prevent a reoccurrence. Specifically, we promote concrete, response procedures, processing methods, and risk-assessment criteria that are shared on a Groupwide basis. This enables us to prevent the overlooking of major risks by adopting a consistent management flow and response to all reports received. Furthermore, by clarifying the persons responsible for decision-making at the time reports are received and unifying relevant standards, we are improving our level of risk awareness.

We prevent the reoccurrence of issues by formulating rules for holding verification meetings internally to ensure that we carry out an appropriate investigation and response. Additionally, we implement the standardized management of whistle-blowing information and the details of responses on a Groupwide basis, thereby allowing us to ascertain Groupwide trends and share examples of actual cases in a cross-organizational manner. Such information and details are reported regularly to the Board of Directors, helping to facilitate improvements across the Group.

► Status of Usage of the Whistle-Blower System

	Number of Whistle-Blower Cases	Level of Recognition of the Whistle-Blower System
2022/3 Results	634	82.8%
2023/3 Results	751	84.0%
2024/3 Results	740	86.3%

Management Team

As of June 21, 2024

Directors



Yutaka Nagao

Representative Director,
President and Executive Officer

Apr. 1988 Joined the Company
Apr. 2004 Regional Branch Manager of Yamaguchi Regional Branch of the Company
Apr. 2006 Regional Branch Manager of Saitama Regional Branch of Yamato Transport Co., Ltd.
Apr. 2009 General Manager of TSS Sales Promotion Office
Apr. 2010 Executive Officer and President of Kanto Regional Office
Apr. 2013 Managing Executive Officer
Apr. 2015 Executive Officer of the Company
Apr. 2015 Representative Director, President and Executive Officer of Yamato Transport Co., Ltd.
Jun. 2017 Director and Executive Officer of the Company
Apr. 2019 Representative Director, President and Executive Officer of the Company (current)
Apr. 2021 Representative Director, President and Executive Officer of Yamato Transport Co., Ltd. (current)



Toshizo Kurisu

Representative Director,
Executive Officer and Vice President

Apr. 1983 Joined the Company
Jul. 1999 General Manager of Accounting Division of the Company
Jun. 2002 General Manager of Finance Division of the Company
Apr. 2006 Executive Officer of the Company
Apr. 2012 Representative Director, Executive Officer and President of Yamato Financial Co., Ltd.
Apr. 2017 Representative Director and Senior Managing Executive Officer of Yamato Transport Co., Ltd.
Apr. 2019 Representative Director, Executive Officer and President of Yamato Transport Co., Ltd.
Mar. 2020 Managing Executive Officer of the Company
Apr. 2021 Senior Managing Executive Officer of Yamato Transport Co., Ltd.
Feb. 2022 Executive Officer and Vice President of the Company
Feb. 2022 Responsible for Finance, Public Relations and Digital of the Company
Feb. 2022 Representative Director, Executive Officer and Vice President of Yamato Transport Co., Ltd. (current)
Jun. 2022 Representative Director, Executive Officer and Vice President of the Company (current)

Outside Directors



Mariko Tokuno

Outside Director

Jan. 1994 Joined Louis Vuitton Japan KK
Apr. 2002 Senior Director for Sales Administration
Mar. 2004 Vice President of Tiffany & Co. Japan Inc.
Aug. 2010 Representative Director and President of Christian Dior Japan KK
Sep. 2013 Representative Director, President and CEO of Ferragamo Japan KK
Jun. 2017 Director of the Company (current)



Shiro Sugata

Outside Director

Apr. 1972 Joined USHIO INC.
Jan. 1993 President of BLV LICHT- UND VAKUUMTECHNIK GmbH
Jun. 2000 Director and Corporate Senior Vice President of USHIO INC.
Apr. 2004 Director and Corporate Executive Vice President
Jun. 2004 Representative Director and Corporate Executive Vice President
Mar. 2005 President and CEO
Oct. 2014 Director and Corporate Advisor
Jun. 2016 Corporate Advisor
Jul. 2017 Special Corporate Advisor
Jun. 2019 Director of the Company (current)



Noriyuki Kuga

Outside Director

Apr. 1979 Joined Tokyo Electron Ltd.
Apr. 2002 Vice President and General Manager
Oct. 2004 President and Representative Director, Tokyo Electron BP Ltd.
Oct. 2006 Executive Vice President of TOKYO ELECTRON DEVICE LIMITED
Jun. 2007 Corporate Director and Executive Vice President
Jun. 2011 Senior Executive Vice President and Representative Director
Jun. 2016 Chairman of the Board
Jun. 2020 Director of the Company (current)



Charles Yin

Outside Director

Feb. 1990 Joined L3, Inc. (New York)
Mar. 1992 Vice President
Sep. 1996 Joined Fuji Xerox Asia Pacific Pte. Ltd. (Singapore)
Aug. 2007 CEO of Worldwide City Group (Hong Kong)
Jul. 2018 Executive Chairman (current)
Jun. 2022 Director of the Company (current)



Junichiro Ikeda

Outside Director

Apr. 1979 Joined Mitsui O.S.K. Lines, Ltd. (currently Mitsui O.S.K. Lines, Ltd.)
Jun. 2004 General Manager of Human Resources Division
Jun. 2007 General Manager of Liner Division
Jun. 2008 Executive Officer
Jun. 2010 Managing Executive Officer
Jun. 2013 Director and Senior Managing Executive Officer
Jun. 2015 Representative Director and President
Apr. 2021 Representative Director and Chairman Executive Officer
Apr. 2023 Director and Chairman of the Board (current)
Jun. 2024 Director of the Company (current)

Management Team

Audit & Supervisory Board Members



Tsutomu Sasaki

Full-time Audit & Supervisory Board Member

Apr. 1987 Joined the Company
 Apr. 2005 General Manager of TA-Q-B/W Sales Division III
 Jul. 2006 General Manager of Product Development Division of Yamato Transport Co., Ltd.
 Apr. 2007 General Manager of Manufacturer Solution Sales Division
 Apr. 2009 General Manager of Global Sales Division
 Apr. 2011 General Manager of Sales Strategy Division
 Apr. 2017 Executive Officer of the Company
 Sep. 2018 Representative Director, Executive Officer and President of Yamato Logistics Co., Ltd.
 Apr. 2019 Managing Executive Officer of the Company
 Mar. 2020 Representative Director and Senior Managing Executive Officer of Yamato Transport Co., Ltd.
 Apr. 2021 Senior Managing Executive Officer of the Company
 Apr. 2021 Senior Managing Executive Officer of Yamato Transport Co., Ltd.
 Feb. 2022 Attached to the President of the Company
 Jun. 2022 Full-time Audit & Supervisory Board Member of the Company (current)



Yoshito Shoji

Full-time Audit & Supervisory Board Member

Apr. 1980 Joined the Company
 Nov. 2007 General Manager of Finance Division, Yamato Transport Co., Ltd.
 Apr. 2019 Managing Executive Officer
 Mar. 2020 Director and Managing Executive Officer, Yamato Management Services Co.
 Apr. 2021 General Manager, Professional Service Function Division, Yamato Transport Co., Ltd.
 Apr. 2022 General Manager of Project Group, Finance Division
 Feb. 2023 Human Resources Department of the Company
 Jun. 2023 Full-time Audit & Supervisory Board Member of the Company (current)

Outside Audit & Supervisory Board Members



Takashi Yamashita

Outside Audit & Supervisory Board Member

Oct. 1983 Joined Asahi Accounting Company
 Mar. 1987 Registered as a Certified Public Accountant
 May 2003 Representative Partner of Asahi & Co. (currently: KPMG AZSA LLC)
 Aug. 2014 Established Takashi Yamashita CPA Office, Representative (current)
 Jan. 2015 Registered as a Certified Tax Accountant
 Jun. 2017 Outside Audit & Supervisory Board Member of the Company (current)



Ryuji Matsuda

Outside Audit & Supervisory Board Member

Apr. 1986 Registered as Attorney-at-Law and Certified Public Accountant
 Jul. 1992 Established Matsuda Law Office (current)
 Jun. 2007 Audit & Supervisory Board Member, SQUARE ENIX CO., LTD.
 Jun. 2008 Audit & Supervisory Board Member, Seika Corporation
 May 2012 Auditor of the Japan Federation of Bar Associations
 Apr. 2014 Auditor of ASAH GROUP ARTS FOUNDATION (currently ASAH GROUP FOUNDATION) (current)
 Jun. 2020 Outside Audit & Supervisory Board Member of the Company (current)



Setsuko Ino

Outside Audit & Supervisory Board Member

Apr. 1988 Joined Suntory Ltd.
 Sep. 1994 Joined PepsiCo, Inc.
 Jul. 2003 CFO and Finance Director of Sun Microsystems Japan KK
 Nov. 2006 CFO and Representative Director of SAP Japan
 Mar. 2012 CFO of Retail Division of Amazon Japan
 Jun. 2017 CFO of Asurion Japan
 Jan. 2024 Venture Partner of Eight Roads Ventures Japan (current)
 Jun. 2024 Outside Audit & Supervisory Board Member of the Company (current)

Management System As of October 1, 2024

Executive Officer and President

Yutaka Nagao

Managing Executive Officers

Atsushi Kashimoto

(Responsible for Investor Relations and overseeing Innovation Promotion and Planning and Management of Strategic Alliance)

Kong Jen Siang

(Responsible for Asia Region Cross Border)

Kazuki Watanabe

(Responsible for Hokkaido region)

Executive Officer and Vice President

Toshizo Kurisu

Tamaki Abe

(Responsible for Transport)

Yasutoshi Shibasaki

(Responsible for Transport Operation)

Shuji Yamauchi

(Responsible for Tohoku region)

Senior Managing Executive Officer

Hiroshi Etani

(Head of Sales and Global Strategy)

Setsuko Nishida

(Responsible for overseeing Digital)

Michiaki Okamoto

(Responsible for Transport and Delivery Process Engineering)

Tsukasa Itoga

(Responsible for Tokyo region)

Akihiro Kazuma

(Head of B2B and B2C Business Unit, Operational Excellence)

Hiroshi Matsuda

(Responsible for Kansai region)

Yoshihiro Hatano

(Responsible for Transport and Delivery Operation System)

Masahiro Matsui

(Responsible for South Kanto region)

Seichi Awa

(Head of Network Redesign)

Masayuki Ishii

(Responsible for overseeing Human Resource Management and Development)

Kouei Fujisaki

(Responsible for B2B and B2C Sales and Marketing)

Takashi Osako

(Responsible for Northern Kanto region)

Executive Officers

Suguru Nakanishi

(Responsible for Domestic Sales)

Yasushi Fukuda

(Responsible for Green Innovation Development and Sustainability Promotion)

Atsushi Terasawa

(Responsible for Chubu region)

— Serves at both Yamato Holdings Co., Ltd. and Yamato Transport Co., Ltd.
 — Yamato Transport Co., Ltd.

Yasuyuki Miyake

(Responsible for Global Logistics and Global Business Strategy)

Toshiyuki Sakurai

(Responsible for Regional Co-creation Business Development and Area Management Project)

Masato Kosaka

(Responsible for Chugoku and Shikoku region)

Hiroyuki Mizushima

(Responsible for North and South America regions)

Tomoki Umeya

(Responsible for Legal and Risk Management Department and Safety Department and Internal Audit Department)

Koji Inamori

(Responsible for Kyushu region)