

The following is an English translation of the Notice of the 158th Ordinary General Meeting of Shareholders of Yamato Holdings Co., Ltd. The Company provides this translation for your reference and convenience only and without any warranty as to its accuracy.

Stock code: 9064

June 1, 2023

Start date of measures for electronic provision: May 31, 2023

Yamato Holdings Co., Ltd.

16-10, Ginza 2-chome, Chuo-ku, Tokyo

President: Yutaka Nagao

To Our Shareholders

Notice of the 158th Ordinary General Meeting of Shareholders

We are pleased to announce that the 158th Ordinary General Meeting of Shareholders of Yamato Holdings Co., Ltd. (hereinafter “the Company”) will be held as described below.

When convening this general meeting of shareholders, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information on each of the websites below. Please access any of the websites by using the internet address shown below to review the information.

[The Company’s website]

<http://www.yamato-hd.co.jp/>

(From the above website, select “Investor Relations,” “Stock and Other Information,” and “General Meeting of Shareholders.”)

[Website for posting materials for the General Meeting of Shareholders]

<https://d.sokai.jp/9064/teiji/>

[Tokyo Stock Exchange website (TSE Listed Company Search)]

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

(Access the TSE website by using the internet address shown above, enter “Yamato Holdings” in “Issue name (company name)” or the Company’s securities code “9064” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

You can exercise your voting rights in advance in writing or via electromagnetic means (the Internet, etc.). If you do not attend the meeting in person, please review the below “Reference Documents for the General Meeting of Shareholders” and exercise your voting rights by 5:00 p.m., Thursday, June 22, 2023 (JST).

When exercising
voting rights by mail

Please indicate your vote “for” or “against” each of the items on the enclosed Voting Rights Exercise Form, and return the form to the Company **by 5:00 p.m., Thursday, June 22, 2023 (JST)**.

When exercising
voting rights via the
Internet

Please review the “Exercise of Voting Rights via the Internet” on page 5 and enter your vote for each of the items **by 5:00 p.m., Thursday, June 22, 2023 (JST)**.

When exercising
voting rights by
attending the meeting

Please bring the enclosed Voting Rights Exercise Form and **present the form to the person at reception**.

The 158th Ordinary General Meeting of Shareholders

1. Date and Time: Friday, June 23, 2023, 10:00 a.m. (The reception desk will open at 9:00 a.m.)

2. Venue: B1 Hall Bellesalle Shiodome
Sumitomo Realty & Development Shiodome Hamarikyu Building
21-1, Ginza 8-chome, Chuo-ku, Tokyo

3. Objectives of Meeting

Matters to be reported:

1. Report of the Business Report, the Consolidated Financial Statements, and Audit Reports of the Accounting Auditor and the Audit & Supervisory Board for the Consolidated Financial Statements for the 158th Fiscal Year (from April 1, 2022 to March 31, 2023)
2. Report of the Non-consolidated Financial Statements for the 158th Fiscal Year (from April 1, 2022 to March 31, 2023)

Matters to be resolved:

- Agenda Item 1. Election of Eight (8) Directors
Agenda Item 2. Election of One (1) Audit & Supervisory Board Member

4. Items Decided for the Convocation of Meeting

(1) Treatment of cases when there is no indication of a vote for or against

In the event that there is no indication of a vote for or against a proposal when voting rights are exercised in writing (by mail), it shall be treated as an indication of a vote for the proposal.

(2) Treatment of duplicate voting

In the event that you exercise your voting rights, both by mail and via the Internet etc., the vote via the Internet etc. shall be upheld as the valid exercise of your voting rights. In the event of multiple voting via the Internet etc., your last vote shall be upheld as the valid exercise of your voting rights.

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- ◎ If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on each of the aforementioned websites.
- ◎ The Company shall send paper-based documents that include the matters subject to measures for electronic provision to shareholders who have requested the delivery of paper-based documents. In accordance with the provisions of laws and regulations and Article 15 of the Articles of Incorporation of the Company, however, the following matters shall be excluded from these documents.
- (i) "Notes to Consolidated Financial Statements" in Consolidated Financial Statements
 - (ii) "Notes to Non-consolidated Financial Statements" in Non-consolidated Financial Statements
- Accordingly, the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements included in these documents constitute part of the documents audited by the Accounting Auditor and the Audit & Supervisory Board Members when preparing the accounting audit report and audit report, respectively.

- © If future developments necessitate a major change in whether to hold or in the way the general meeting of shareholders will be run, shareholders will be informed via on our website.

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

Exercise of Voting Rights via the Internet

Method of exercise of voting rights by scanning QR code: “Smart Vote”

You can log in the Website for Exercising Voting Rights by scanning the QR code without entering your exercise of voting rights code and password.

1. Please scan QR code provided at the bottom right of the Voting Rights Exercise Form.

* QR Code is registered trademarks of DENSO WAVE INCORPORATED.

2. Please follow the directions that appear on the screen to vote “for” or “against” each of the items.

Note that exercising voting rights by using “Smart Vote” method is available only once.

If you need to change your votes after exercising your voting rights, please log in the voting website for a personal computer by using your voting rights exercise code and password provided on the Voting Rights Exercise Form and exercise your voting rights again.

* If you rescan the QR code, you can access the Website for Exercising Voting Rights for a personal computer.

Method of exercise of voting rights by entering exercise of voting rights code and password

1. Please access the Website for Exercising Voting Rights.

<https://soukai.mizuho-tb.co.jp/>

2. Please enter your “exercise of voting rights code” provided on the back of the Voting Rights Exercise Form.

3. Please enter your “password” provided on the back of the Voting Rights Exercise Form.

4. Please follow the directions that appear on the screen to vote “for” or “against” each of the items.

If you have any inquiries about the operation of a personal computer or a smartphone regarding the exercise of voting rights via the Internet, contact the following:

Internet Help Dial: Securities Agent Dept. of
Mizuho Trust & Banking Co., Ltd.
0120-768-524
(Business hours: 9 a.m. to 9 p.m. (JST) except for
the year-end and new year holidays)

© Institutional investors may use the electronic voting platform operated by ICJ, Inc.

Directions regarding livestreaming over the Internet

The General Meeting of Shareholders will be streamed online via the Internet (video with sound - Japanese only). We encourage shareholders to use this, so that they may view the proceedings from home.

When viewing the meeting via livestreaming, you will not be able exercise your voting rights on the day like shareholders attending the meeting are able to, so please exercise your voting rights beforehand.

Date and time of livestreaming	<p>Friday, June 23, 2023, from 10:00 a.m.</p> <ul style="list-style-type: none">* Access to the livestream is exclusive to shareholders with rights to attend this Ordinary General Meeting of Shareholders.* Out of consideration for the privacy of shareholders attending the meeting in person, footage to be broadcast will be limited to the area where the seats for chairperson and officers are located.
Method of viewing the livestream	<p>(1) With personal computer</p> <ol style="list-style-type: none">1) Please access the URL below. URL: https://vgm.smart-portal.ne.jp2) Please click the login button after entering the ID and password shown on the “Notice Regarding the Livestreaming of the 158th Ordinary General Meeting of Shareholders” enclosed with this notice. <p>(2) With smartphone</p> <p>Shareholders may access the livestream by using a smartphone to scan the QR Code shown on the “Notice Regarding the Livestreaming of the 158th Ordinary General Meeting of Shareholders” enclosed with this notice.</p>
Matters to take care of when viewing	<ul style="list-style-type: none">● Please be aware that livestream viewership of the General Meeting of Shareholders is not legally regarded as attendance at the meeting.● Those accessing livestream content may encounter video or audio irregularities due to factors such as the operating environment of their personal computer or smartphone, or their telecommunications environment.● Shareholders shall bear their own expenses for connection to the Internet.● Shareholders viewing the livestream broadcast will not be able to voice questions, etc. at the meeting. Also, <u>because shareholders viewing the livestream broadcast will not be able to exercise their voting rights on the day like shareholders who attend the meeting are able to, the Company asks those shareholders to exercise their voting rights beforehand.</u>● It is strictly forbidden to provide your ID and password to a third party by any means, including photo, video, sound recording, data file, etc.● If some kind of future development prevents the livestreaming from taking place, shareholders will be informed on our website (https://www.yamato-hd.co.jp/investors/stock/meeting/)
Inquiries	<p>If you have any concerns, please contact the Stock Transfer Agency Dept., Mizuho Trust & Banking Co., Ltd. 0120-288-324 (toll-free only from Japan) Business hours: 9 a.m. to 5 p.m. (JST) on weekdays</p>

Reference Documents for the General Meeting of Shareholders

Agenda Item 1. Election of Eight (8) Directors

The terms of all the nine (9) Directors will expire at the close of this General Meeting of Shareholders. Accordingly, we would like to propose the election of eight (8) Directors.

The following are the candidates for Directors.

Please note that Mariko Tokuno, Yoichi Kobayashi, Shiro Sugata, Noriyuki Kuga, and Charles Yin are candidates for Outside Directors.

No.	Name of Candidate	Attributes of Candidate		Current Position at the Company	Board Tenure (at the close of this General Meeting):	Attendance to the Board of Directors Meetings
1	Yutaka Nagao	Reelection	Male	Representative Director, Executive Officer and President	6 years	18/18 (100%)
2	Toshizo Kurisu	Reelection	Male	Representative Director, Executive Officer and Vice President	1 year	14/14 (100%)
3	Yasuharu Kosuge	Reelection	Male	Representative Director, Executive Officer and Vice President	1 year	14/14 (100%)
4	Mariko Tokuno	Reelection	Outside	Director	6 years	18/18 (100%)
		Independent	Female			
5	Yoichi Kobayashi	Reelection	Outside	Director	5 years	18/18 (100%)
		Independent	Male			
6	Shiro Sugata	Reelection	Outside	Director	4 years	18/18 (100%)
		Independent	Male			
7	Noriyuki Kuga	Reelection	Outside	Director	3 years	18/18 (100%)
		Independent	Male			
8	Charles Yin	Reelection	Outside	Director	1 year	14/14 (100%)
		Independent	Male			

Reelection

Candidates for Directors to be reelected

Outside

Candidates for Outside Directors


Independent


Independent officers

[Reference]

“Policies and procedures for the Board of Directors in appointing and dismissing senior management members and nominating candidates for positions as Directors and Audit & Supervisory Board Members”


Under the policy of appointing candidates with abundant experience and considerable insight relating to corporate management and business promotion, a sense of humanity from observing and evaluating from diverse perspectives, ability to grasp the essence of the issues facing the Company, and capabilities that will enhance our management structure, nominations are decided by the Board of Directors following deliberations on appointment and dismissal of Directors, Audit & Supervisory Board Members and Executive Officers by the Nomination and Compensation Committee, which comprises a majority of Outside Directors, and obtaining the consent of the Audit & Supervisory Board for appointment of Audit & Supervisory Board Members.

No.	Name of Candidate (Date of Birth)	Brief Background, Position and Responsibility at the Company	Number of Shares Owned	
1	 Yutaka Nagao (Aug. 31, 1965) Board tenure (at the close of this General Meeting): 6 years Attendance to the Board of Directors Meetings FY2023/3: 18/18 (100%)	Apr. 1988	Joined the Company	30,400
		Apr. 2004	Regional Branch Manager of Yamaguchi Regional Branch	
		Apr. 2006	Regional Branch Manager of Saitama Regional Branch of Yamato Transport Co., Ltd.	
		Apr. 2009	General Manager of TSS Sales Promotion Office	
		Apr. 2010	Executive Officer and President of Kanto Regional Office	
		Apr. 2013	Managing Executive Officer	
		Apr. 2015	Executive Officer of the Company	
		Apr. 2015	Representative Director, Executive Officer and President of Yamato Transport Co., Ltd.	
		Jun. 2017	Director and Executive Officer of the Company	
		Apr. 2019	Representative Director, Executive Officer and President (current)	
		Apr. 2021	Representative Director, Executive Officer and President of Yamato Transport Co., Ltd. (current)	
	(Important Concurrent Positions at Other Organizations)			
	Representative Director, Executive Officer and President of Yamato Transport Co., Ltd.			
	[Reasons for nomination as a candidate for Director] Yutaka Nagao possesses experience and achievements developed in the course of taking on leadership roles in Group management. In that regard, he has acted as Managing Executive Officer and Representative Director and President of the Company's subsidiary Yamato Transport Co., Ltd, and Director and Executive Officer of the Company. Since April 2019, he has been serving as Representative Director, Executive Officer and President of the Company. and has led the enhancement of the management of the Group to promote its growth. Accordingly, the Company proposes his reelection as Director.			


No.	Name of Candidate (Date of Birth)	Brief Background, Position and Responsibility at the Company	Number of Shares Owned
		<p>Apr. 1983 Joined the Company</p> <p>Jul. 1999 General Manager of Accounting Division</p> <p>Jun. 2002 General Manager of Finance Division</p> <p>Apr. 2006 Executive Officer of the Company</p> <p>Apr. 2012 Representative Director, Executive Officer and President of Yamato Financial Co., Ltd.</p> <p>Apr. 2017 Representative Director and Senior Managing Executive Officer of Yamato Transport Co., Ltd.</p>	
	Reelection	Apr. 2019 Representative Director, Executive Officer and President	
	Toshizo Kurisu (Sep. 29, 1960)	Mar. 2020 Managing Executive Officer of the Company	
		Apr. 2021 Senior Managing Executive Officer of Yamato Transport Co., Ltd.	
	Board tenure (at the close of this General Meeting): 1 year	Feb. 2022 Executive Officer and Vice President of the Company	
		Feb. 2022 Responsible for Finance, Public Relations and Digital	
2	Attendance to the Board of Directors Meetings FY2023/3: 14/14 (100%)	Feb. 2022 Representative Director, Executive Officer and Vice President of Yamato Transport Co., Ltd. (current)	35,410
		June 2022 Representative Director, Executive Officer and Vice President (current)	
		(Important Concurrent Positions at Other Organizations) Representative Director, Executive Officer and Vice President of Yamato Transport Co., Ltd.	
		[Reasons for nomination as a candidate for Director] Toshizo Kurisu possesses experience and achievements developed in the course of taking on leadership roles in Group management. In that regard, he had been acting as Representative Director, Executive Officer and President of the Company's subsidiary Yamato Financial Co., Ltd. (currently Yamato Transport Co., Ltd.), Representative Director, Executive Officer and President of Yamato Transport Co., Ltd., and Executive Officer, Managing Executive Officer, and Executive Officer and Vice President of the Company. Since June 2022, he has been serving as Representative Director, Executive Officer and Vice President of the Company. Accordingly, in order to enhance the management of the Group and promote its growth, the Company proposes his reelection as Director.	

No.	Name of Candidate (Date of Birth)	Brief Background, Position and Responsibility at the Company	Number of Shares Owned	
3	 Reelection Yasuharu Kosuge (Jun. 21, 1961) Board tenure (at the close of this General Meeting): 1 year Attendance to the Board of Directors Meetings FY2023/3: 14/14 (100%)	Apr. 1985	Joined the Company	6,800
		Jun. 1997	Project Manager of Work System Project	
		Feb. 2002	Regional Branch Manager of Okayama Regional Branch	
		Apr. 2004	Regional Branch Manager of Yokohama Regional Branch	
		May 2006	Regional Branch Manager of Kita Tokyo Regional Branch of Yamato Transport Co., Ltd.	
		Apr. 2011	General Manager of Corporate Sales Division	
		Apr. 2014	Executive Officer	
		Apr. 2016	Managing Executive Officer	
		Apr. 2019	Managing Executive Officer of the Company	
		Apr. 2019	Representative Director, Executive Officer and President of Yamato Logistics Co., Ltd.	
		Apr. 2021	Senior Managing Executive Officer of Yamato Transport Co., Ltd.	
		Feb. 2022	Senior Managing Executive Officer of the Company	
		Feb. 2022	Responsible for Management Strategy and Human Resources	
		Feb. 2022	Representative Director and Senior Managing Executive Officer of Yamato Transport Co., Ltd.	
June 2022	Representative Director, Executive Officer and Vice President of the Company (current)			
June 2022	Representative Director, Executive Officer and Vice President of Yamato Transport Co., Ltd. (current)			
	(Important Concurrent Positions at Other Organizations)			
	Representative Director, Executive Officer and Vice President of Yamato Transport Co., Ltd.			
	[Reasons for nomination as a candidate for Director]			
	Yasuharu Kosuge possesses experience and achievements developed in the course of taking on leadership roles in Group management. In that regard, he had been acting as Representative Director, Executive Officer and President of the Company's subsidiary Yamato Logistics Co., Ltd. (currently Yamato Transport Co., Ltd.), Representative Director and Senior Managing Executive Officer of Yamato Transport Co., Ltd., and Managing Executive Officer and Senior Managing Executive Officer of the Company.			
	Since June 2022, he has been serving as Representative Director, Executive Officer and Vice President of the Company. Accordingly, in order to enhance the management of the Group and promote its growth, the Company proposes his reelection as Director.			

No.	Name of Candidate (Date of Birth)	Brief Background, Position and Responsibility at the Company	Number of Shares Owned
		<p>Jan. 1994 Joined Louis Vuitton Japan KK</p> <p>Apr. 2002 Senior Director for Sales Administration</p> <p>Mar. 2004 Vice President of Tiffany & Co. Japan Inc.</p> <p>Aug. 2010 Representative Director and President of Christian Dior Japan KK</p> <p>Sep. 2013 Representative Director, President and CEO of Ferragamo Japan KK</p> <p>Jun. 2017 Director of the Company (current)</p>	
		<p>(Important Concurrent Positions at Other Organizations)</p> <p>Reelection Outside Director of HAPPINET CORPORATION (scheduled to retire in Jun. 2023)</p> <p>Outside Outside Director of Mitsubishi Materials Corporation</p> <p>Independent Outside Director of Shiseido Company, Limited</p>	
4	<p>Mariko Tokuno (Oct. 6, 1954)</p> <p>Board tenure (at the close of this General Meeting): 6 years</p> <p>Attendance to the Board of Directors Meetings FY2023/3: 18/18 (100%)</p>	<p>[Reasons for nomination as a candidate for Outside Director and expected roles]</p> <p>Mariko Tokuno possesses abundant experience and considerable insight, particularly in the fields of marketing/sales and global business, as a corporate manager. She has been utilizing this insight to furnish advice on the Company's general management from a managerial standpoint in addition to the standpoint of customers and employees, particularly regarding business execution, business strategy, and human resources strategy. Accordingly, in order to further enhance our management structure, the Company proposes her reelection as Outside Director. Furthermore, if she is elected, the Company plans for her to contribute to selecting Company officer candidates and deciding officer remuneration and other compensation as a member of the Nomination and Compensation Committee, enlisting her position of objectivity and neutrality.</p>	5,800

No.	Name of Candidate (Date of Birth)	Brief Background, Position and Responsibility at the Company	Number of Shares Owned
		<p>Apr. 1973 Joined ITOCHU Corporation</p> <p>Jun. 2004 Executive Officer</p> <p>Apr. 2006 Managing Executive Officer</p> <p>Jun. 2006 Representative Executive Managing Director</p> <p>Apr. 2008 Representative Senior Managing Director</p> <p>Apr. 2011 Representative Director and Executive Vice President</p> <p>Apr. 2015 Senior Advisor</p> <p>Apr. 2016 Vice Chairman</p> <p>Jun. 2018 Director of the Company (current)</p>	
	<p>Reelection</p> <p>Outside</p> <p>Independent</p>	<p>(Important Concurrent Positions at Other Organizations)</p> <p>None</p>	
5	<p>Yoichi Kobayashi (Jul. 21, 1949)</p> <p>Board tenure (at the close of this General Meeting): 5 years</p> <p>Attendance to the Board of Directors Meetings FY2023/3: 18/18 (100%)</p>	<p>[Reasons for nomination as a candidate for Outside Director and expected roles]</p> <p>Yoichi Kobayashi possesses abundant experience and considerable insight, particularly in the fields of marketing/sales and global business, as a corporate manager. He has been utilizing this insight to furnish advice on the Company's general management from a managerial standpoint, particularly regarding business execution, business strategy, and investment resources strategy. Accordingly, in order to further enhance our management structure, the Company proposes his reelection as Outside Director. Furthermore, if he is elected, the Company plans for him to contribute to selecting Company officer candidates and deciding officer remuneration and other compensation as a member of the Nomination and Compensation Committee, enlisting his position of objectivity and neutrality.</p>	6,800

No.	Name of Candidate (Date of Birth)	Brief Background, Position and Responsibility at the Company	Number of Shares Owned
		<p>Apr. 1972 Joined USHIO INC.</p> <p>Jan. 1993 President of BLV LICHT- UND VAKUUMTECHNIK GmbH</p> <p>Jun. 2000 Director and Corporate Senior Vice President of USHIO INC.</p> <p>Apr. 2004 Director and Corporate Executive Vice President</p> <p>Jun. 2004 Representative Director and Corporate Executive Vice President</p> <p>Mar. 2005 President and CEO</p> <p>Oct. 2014 Director and Corporate Advisor</p> <p>Jun. 2016 Corporate Advisor</p> <p>Jul. 2017 Special Corporate Advisor</p> <p>Jun. 2019 Director of the Company (current)</p>	
	<p>Reelection</p> <p>Outside</p> <p>Independent</p>	<p>(Important Concurrent Positions at Other Organizations)</p> <p>Outside Director of Yokogawa Electric Corporation</p>	
6	<p>Shiro Sugata (Nov. 17, 1949)</p> <p>Board tenure (at the close of this General Meeting): 4 years</p> <p>Attendance to the Board of Directors Meetings FY2023/3: 18/18 (100%)</p>	<p>[Reasons for nomination as a candidate for Outside Director and expected roles]</p> <p>Shiro Sugata possesses abundant experience and considerable insight, particularly in the fields of marketing/sales, IT/digital/technology and global business, as a corporate manager. He has been utilizing this insight to furnish advice on the Company's general management from a managerial standpoint, particularly regarding business execution, business strategy, increasing productivity, and cost structure reform. Accordingly, in order to further enhance our management structure, the Company proposes his reelection as Outside Director.</p> <p>Furthermore, if he is elected, the Company plans for him to contribute to selecting Company officer candidates and deciding officer remuneration and other compensation as a member of the Nomination and Compensation Committee, enlisting his position of objectivity and neutrality.</p>	0

No.	Name of Candidate (Date of Birth)	Brief Background, Position and Responsibility at the Company	Number of Shares Owned
		<p>Apr. 1979 Joined Tokyo Electron Ltd.</p> <p>Apr. 2002 Vice President & General Manager</p> <p>Oct. 2004 President & Representative Director, Tokyo Electron BP Ltd.</p> <p>Oct. 2006 Executive Vice President of TOKYO ELECTRON DEVICE LIMITED</p> <p>Jun. 2007 Corporate Director and Executive Vice President</p> <p>Jun. 2011 Senior Executive Vice President & Representative Director</p>	
	<div style="background-color: yellow; padding: 2px; text-align: center;">Reelection</div>	<p>Jun. 2016 Chairman of the Board</p>	
	<div style="background-color: #00AEEF; color: white; padding: 2px; text-align: center;">Outside</div>	<p>Jun. 2020 Director of the Company (current)</p>	
	<div style="background-color: #808080; color: white; padding: 2px; text-align: center;">Independent</div>	<p>(Important Concurrent Positions at Other Organizations) None</p>	
7	<p>Noriyuki Kuga (Aug. 25, 1955) Board tenure (at the close of this General Meeting): 3 years</p> <p>Attendance to the Board of Directors Meetings FY2023/3: 18/18 (100%)</p>	<p>[Reasons for nomination as a candidate for Outside Director and expected roles] Noriyuki Kuga possesses abundant experience and considerable insight, particularly in the fields of personnel/labor management, finance/accounting and global business as a corporate manager. He has been utilizing this insight to furnish advice on the Company's general management from a managerial standpoint, particularly regarding business execution, financial strategy, and corporate governance. Accordingly, in order to further enhance our management structure, the Company proposes his reelection as Outside Director. Furthermore, if he is elected, the Company plans for him to contribute to selecting Company officer candidates and deciding officer remuneration and other compensation as a member of the Nomination and Compensation Committee, enlisting his position of objectivity and neutrality.</p>	1,200

No.	Name of Candidate (Date of Birth)	Brief Background, Position and Responsibility at the Company	Number of Shares Owned
		Feb. 1990 Joined L3, Inc. (New York) Mar. 1992 Vice President Sep. 1996 Joined Fuji Xerox Asia Pacific Pte. Ltd. (Singapore) Aug. 2007 CEO of Worldwide City Group (Hong Kong) Jul. 2018 Executive Chairman (current) Jun. 2022 Director of the Company (current)	
		(Important Concurrent Positions at Other Organizations) Executive Chairman of Worldwide City Group (Hong Kong) Chairman of China-Japan CEO Forum Chairman of China-Japan Asia CEO Forum	
		<div style="background-color: yellow; padding: 2px; display: inline-block;">Reelection</div> <div style="background-color: lightblue; padding: 2px; display: inline-block;">Outside</div> <div style="background-color: gray; padding: 2px; display: inline-block;">Independent</div>	
8	Charles Yin (May 29, 1964)	<div style="background-color: yellow; padding: 5px;"> <p>[Reasons for nomination as a candidate for Outside Director and expected roles]</p> <p>Charles Yin possesses abundant experience and considerable insight, particularly in the fields of marketing/sales, IT/digital/technology and global business as a corporate manager. He has been utilizing this insight to furnish advice on the Company's general management from a managerial standpoint, particularly regarding business execution and global business strategy. Accordingly, in order to further enhance our management structure, the Company proposes his reelection as Outside Director. Furthermore, if he is elected, the Company plans for him to contribute to selecting Company officer candidates and deciding officer remuneration and other compensation as a member of the Nomination and Compensation Committee, enlisting his position of objectivity and neutrality.</p> </div>	0
	Board tenure (at the close of this General Meeting): 1 year		
	Attendance to the Board of Directors Meetings FY2023/3: 14/14 (100%)		

Notes:


1. There are no particular vested interests between the Company and the candidates.
2. Additional information regarding the candidates of Outside Directors is as follows.
 - (1) Independent officers
The Company appointed Mariko Tokuno, Yoichi Kobayashi, Shiro Sugata, Noriyuki Kuga and Charles Yin as independent officers provided for under the provisions of Tokyo Stock Exchange, Inc. and registered the individuals as such with that exchange. The Company plans on having the officers keep their position if their reelection is approved.
Mariko Tokuno, Yoichi Kobayashi, Shiro Sugata, Noriyuki Kuga, and Charles Yin satisfy the requirements for Criteria for Determining Independence of the Company on pages 21 to 22.
 - (2) The number of years as Outside Director of the Company
Mariko Tokuno, Yoichi Kobayashi, Shiro Sugata, Noriyuki Kuga and Charles Yin have been serving as the Company's Outside Directors for six years, five years, four years, three years and one year, respectively, as of the closing of this General Meeting of Shareholders.
3. Agreement on liability limitation
The Company has concluded an agreement with Mariko Tokuno, Yoichi Kobayashi, Shiro Sugata, Noriyuki Kuga and Charles Yin regarding liability limitation according to Article 423, paragraph (1) of the Companies Act. According to the agreement, the maximum liability amount is the minimum amount stipulated by Article 425, paragraph (1) of the Companies Act. If the reelection proposal is approved, the Company will continue its agreement with them.
4. Directors and officers liability insurance policy
The Company has entered into a directors and officers liability insurance policy, as provided for in Article 430-3, paragraph (1) of the Companies Act, with an insurance company. The policy covers Directors, Audit & Supervisory Board Members and Executive Officers of the Company and its subsidiaries. If the election of each candidate is approved, they will be included as the insured.
The summary of the policy contents is as stated under "3. Officers and Executives" in the Business Report. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.

Agenda Item 2. Election of One (1) Audit & Supervisory Board Member

The term of one (1) Audit & Supervisory Board Member, namely Yoshihiro Kawasaki, will expire at the close of this General Meeting of Shareholders. Accordingly, we would like to propose the election of one (1) Audit & Supervisory Board Member.

The following is the candidate for Audit & Supervisory Board Member.

In addition, the Audit & Supervisory Board has already approved this proposal.

Name of Candidate (Date of Birth)	Brief Background and Position at the Company	Number of Shares Owned
 <div style="background-color: #00a651; color: white; padding: 2px; display: inline-block; border-radius: 4px;">New election</div> Yoshito Shoji (Apr. 22, 1961)	Apr. 1980	Joined the Company
	Nov. 2007	General Manager of Finance Division, Yamato Transport Co., Ltd.
	Apr. 2019	Managing Executive Officer
	Mar. 2020	Director and Managing Executive Officer, Yamato Management Services Co.
	Apr. 2021	General Manager, Professional Service Function Division, Yamato Transport Co., Ltd.
	Apr. 2022	General Manager of Project Group, Finance Division
	Feb. 2023	Human Resources Department of the Company (current)
	(Important Concurrent Positions at Other Organizations) None	6,600
	[Reasons for nomination as a candidate for Audit & Supervisory Board Member] The Company has determined that Yoshito Shoji will provide appropriate oversight of Group-wide management from an objective perspective based on his experience in engaging in finance, accounting and other operations of the Group. In that regard, he had been acting as General Manager of the Finance Division and Managing Executive Officer of Company subsidiary Yamato Transport Co., Ltd., Director and Managing Executive Officer of Yamato Management Services Co. (currently Yamato Transport Co., Ltd.), and other positions. Accordingly, the Company proposes his election as Audit & Supervisory Board Member.	

Notes:

1. There are no particular vested interests between the Company and the candidate.
2. Agreement on liability limitation
If the election of Yoshito Shoji is approved, the Company will conclude an agreement with him regarding liability limitation according to the Companies Act, Article 423, Paragraph 1. According to the agreement, the maximum liability amount is the minimum amount stipulated by the Companies Act, Article 425, Paragraph 1.
3. Directors and officers liability insurance policy
The Company has entered into a directors and officers liability insurance policy, as provided for in Article 430-3, paragraph (1) of the Companies Act, with an insurance company. The policy covers Directors, Audit & Supervisory Board Members and Executive Officers, etc. of the Company and its subsidiaries. If the election of Yoshito Shoji is approved, he will be included as the insured.
The summary of the policy contents is as stated under "3. Officers and Executives" in the Business Report. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.

[Reference] Management Structure After Agenda Items 1 and 2 Are Approved (Planned)

Name	Position	Outside	Nomination and Compensation Committee	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			●			●	●	●	
Yasuharu Kosuge	Representative Director, Executive Officer and Vice President			●	●	●				
Mariko Tokuno	Director	○	○	●	●					●
Yoichi Kobayashi	Director	○	○	●	●					●
Shiro Sugata	Director	○	○	●	●				●	●
Noriyuki Kuga	Director	○	○	●		●	●			●
Charles Yin	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	○					●	●		
Yoshihide Shimoyama	Audit & Supervisory Board Member	○		●			●	●		

Notes:

1. Full-time Audit & Supervisory Board Members will be determined at the Audit & Supervisory Board meeting after the close of this General Meeting of Shareholders, and Directors with titles and members of the Nomination and Compensation Committee will be determined at a subsequent meeting of the Board of Directors.
2. The Board of Directors will be chaired by Shiro Sugata and the Nomination and Compensation Committee will be chaired by Mariko Tokuno.
3. The above list shows fields in which each of them has more expert knowledge in light of their experience and other factors, and does not cover all their knowledge.

The reasons for the selection of the skill items expected of Directors and Audit & Supervisory Board Members by the Company are as follows.

Expertise and experience (Skill items)	Reason for Selection
Corporate management	The Company has selected abundant experience and knowledge regarding corporate management as necessary items in order for it to demonstrate adequate decision-making and supervisory functions in the formulation and execution of medium- to long-term management plans that continuously enhance its corporate value.
Marketing/ sales	The Company has selected abundant experience and knowledge regarding the marketing/sales fields as necessary items in order for it to provide value with the use of Group resources to meet the changing needs of its customers and greater society.
Personnel/ labor management	The Company has selected abundant experience and knowledge regarding the personnel/labor management fields as necessary items in order to become a company that causes its employees, the Group's greatest asset, to take a vibrant approach to work that they find rewarding, reflects respect for human rights and diversity, and enables those employees to work with peace of mind.
Finance/ accounting	The Company has selected abundant experience and knowledge regarding the finance/accounting fields as necessary items in order for it to establish a strong financial foundation and promote investment that links to business growth and the improvement of capital efficiency.
Legal affairs/ risk management	The Company has selected abundant experience and knowledge regarding the legal affairs field and risk management ability as necessary items in order to become a company that is fair and trusted through safe and secure business activities conducted in line with the law and social norms in accordance with the Yamato Group Corporate Philosophy.
IT/digital/ technology	The Company has selected abundant experience and knowledge regarding the IT/digital/technology fields as necessary items in order for it to realize the optimal assignment of management resources based on data analysis and efficient business operation that makes full use of digital technology.
Global	The Company has selected abundant experience and knowledge regarding the global business field as necessary items in order for it to contribute to the transformation of customer-side supply chains and business processes through the global development of its businesses.

Criteria for Determining Independence in Electing Outside Officers of the Yamato Group

1. Criteria for determining independence

Yamato Holdings Co., Ltd. has established the following criteria for determining the independence of the Outside Directors and Outside Audit & Supervisory Board Members of the Company (hereinafter collectively referred to as “Outside Officers”).

2. Independence requirements for Outside Officers

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

- 1) A party whose major business partner^(Note 1) is the Company or a Group company (hereinafter collectively referred to as the “Company”), or otherwise if such party is a corporation or other such entity, a person who executes business thereof;
- 2) A major business partner^(Note 2) of the Company, or otherwise if such party is a corporation or other such entity, a person who executes business thereof;
- 3) A consultant, accounting professional or legal professional who receives substantial monetary consideration and/or other economic benefits^(Note 3) from the Company besides officer remuneration;
- 4) A consultant, accounting professional, legal professional or other such professional who is a member of a corporation or other such entity in the professional service industry whose major business partner^(Note 4) is the Company;
- 5) A major shareholder^(Note 5) of the Company, or otherwise if such major shareholder is a corporation or other such entity, a person who executes business thereof;
- 6) A recipient of donations^(Note 6) from the Company or a person who executes business thereof;
- 7) A person who falls under any of the aforementioned items in the past 3 years;
- 8) A person who has served in the past 3 years as a certified public accountant or a member of an audit corporation that acts as the Company’s accounting auditor;
- 9) A person who has served in the past 10 years as a Director (excluding Outside Director), Audit & Supervisory Board Member (excluding Outside Audit & Supervisory Board Member), Executive Officer, or employee of either the Company;
- 10) A close relative^(Note 8) of a person who falls under any of the aforementioned items (limited to significant persons^(Note 7)).

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

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

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

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

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

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

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

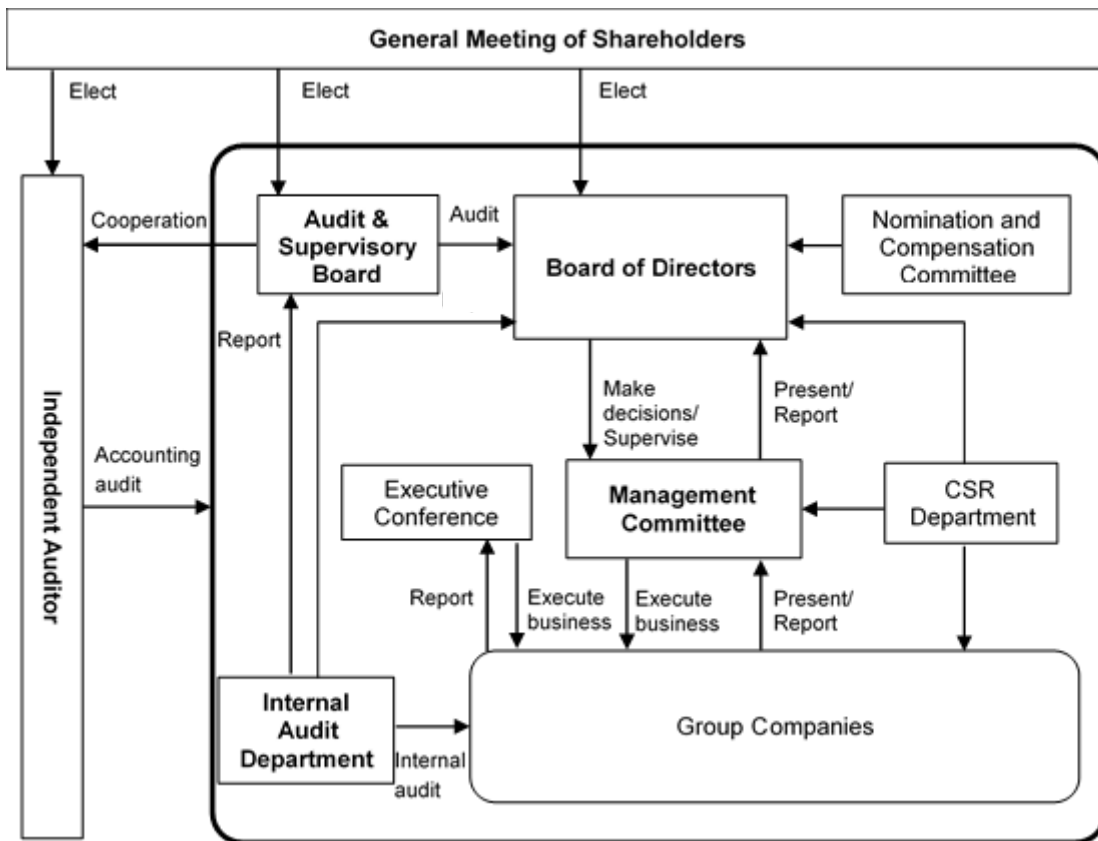
Note 8: A spouse or a relative within the second-degree of kinship.

Basic Views on Corporate Governance

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

Corporate Governance System

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 execution of duties by Directors. Also, to complement the functions of the Board of Directors, the Company established a Nomination and Compensation Committee comprising a majority of Outside Directors. At the same time, the Company has adopted an executive officer system to ensure prompt decision-making related to business execution.



Business Report

(From April 1, 2022, to March 31, 2023)

1. Status of the Corporate Group

(1) Operating Performance

In the economic environment during the period under review, the impact of COVID-19 weakened and there has been progress toward the normalization of economic activities. However, the global economy is slowing down due to the ongoing monetary tightening by major central banks in the U.S. and Europe against global inflation, including high energy prices and surging raw material prices accompanying the unstable international situation. Furthermore, in Japan, personal consumption has stagnated due to rising prices, making it difficult to foresee a full-fledged economic recovery.

In addition, COVID-19 has triggered the teleworking trend, and promoted a shift to online services in the fields of medicine and education, changing consumer behaviors and lifestyles, and the industry is becoming more e-commerce oriented.

Under these circumstances, at the Group we aim to realize sustainable enhancement of corporate value through “Contribution to the realization of an affluent society” as stated in our Management Philosophy, the Yamato Group. To this end, under a group management framework that mobilizes the management resources of each Group company, we worked to provide comprehensive value to meet the needs of customers and society by transforming our supply chain in response to changing lifestyles and distribution structures, based on the Medium-term Management Plan “One Yamato 2023,” which ends in the fiscal year ending March 31, 2024.

Our consolidated financial results for the fiscal year ended March 31, 2023, were as follows.

Item	Fiscal year	Fiscal year	Change	Growth (%)
	ended March 31, 2022	ended March 31, 2023		
Operating revenue	1,793,618	1,800,668	7,050	0.4
Operating profit	77,199	60,085	(17,114)	(22.2)
Ordinary profit	84,330	58,066	(26,264)	(31.1)
Profit attributable to owners of parent	55,956	45,898	(10,057)	(18.0)

Operating revenue amounted to 1,800,668 million yen, up 7,050 million yen from the previous fiscal year. This was mainly due to an increase in the volume of packages handled in response to the e-commerce domain, which continues to grow, and a focus on optimizing logistics for our customers.

Operating expenses amounted to 1,740,583 million yen, up 24,164 million yen from the previous fiscal year. This was due to an increase in costs associated with the promotion of the Medium-term Management Plan “One Yamato 2023,” including the EC logistics network in the process of development to meet growing EC demand and the ongoing optimization of transportation and delivery operations in the existing network, in addition to increases in hourly wage rates, fuel and electricity costs.

As a result, operating profit amounted to 60,085 million yen, down 17,114 million yen from the previous fiscal year.

Initiatives for the entire Yamato Group

The Yamato Group continued its efforts to stably provide TA-Q-BIN and other logistics services while paying attention to employee hygiene management. Based on our Medium-term Management Plan “One Yamato 2023,” we are working on the following initiatives to expand comprehensive value offering that addresses the diversifying needs of customers and society.

- i) **Expansion of value offering to corporate customers**
In response to the growing demand for e-commerce and changes in the supply chains of corporate customers, we have continued to provide value to the entire supply chain of our customers, such as by having sales drivers and corporate sales representatives work together to solve customers' issues, and maximizing the use of our bases and transportation and delivery network to help optimize logistics costs through balancing adjustment of inventories and reduction of lead time for delivery and transportation.
- ii) **Structural reform of network operations**
In response to growing EC demand, we are building an EC logistics network that simplifies the operational process from sorting and transportation to the last mile, mainly in urban areas. On top of this, in order to respond more flexibly to fluctuating business volume, we continued to improve productivity of the entire logistics network as well as the optimization of operating costs. We did so by consolidating and increasing the size of TA-Q-BIN offices, which had been small and multi-store operations, redefining terminal functions, improving work operation efficiency using IT systems, and promoting initiatives to improve safety, quality, and work comfort, among others.
- iii) **Promoting strategies for achieving sustainable enhancement of corporate value**
With the aim of sustainably enhancing our corporate value, we have engaged in initiatives under our Medium-term Management Plan "One Yamato 2023" that involve promoting data and innovation strategies, reforming management structure and reinforcing governance, engaging in HR strategy, improving capital efficiency, and strengthening sustainable management.

With regard to our digital strategy, we continue to develop digital data and strengthen our digital infrastructure in order to further advance the use of data, as well as to improve our services and operations by utilizing digital data.

With regard to innovation strategy, we are promoting initiatives for open innovation, including the discovery and collaboration with startups and the co-creation of new businesses through investment.

In terms of HR strategy, we are working to create an environment that maximizes the value created by employees by, for example, establishing a multilayered human resource management system in which employees can work autonomously for their own growth and a diverse range of human resources can play an active role.

We are also working on strengthening our corporate governance by separating management supervision and execution, maintaining and enhancing management transparency, and focusing on decision-making speed.

As for strengthening sustainable management, in order to strike a balance between sustainable growth and the development of a sustainable society, we have been engaging in business in a manner that involves considering the environment and society, in part by streamlining transportation in a manner that involves attentively connecting people with resources and data. These efforts have been underpinned by our dual visions, one of which is "Connect. Deliver the Future via Green Logistics." and the other of which is, "Through Co-Creation and Fair Business Activities, Help Create a Society That 'Leaves No One Behind.'" With regard to the environment in particular, in order to realize "net-zero (in-house) GHG emissions in 2050" and "48% reduction in GHG emissions in 2030 (compared with FY2020)," we are promoting measures such as "introduction of 20,000 EVs," "introduction of 810 solar power generation units," and "increase in the use of electricity derived from renewable energy sources." In addition, in September 2022, we expressed our support for the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) and disclosed information on risks and opportunities of climate change affecting our business activities on our corporate website in accordance with the TCFD recommendations. We will continue to accelerate our sustainability efforts, including addressing climate change and social issues, to promote sustainable corporate growth.

Business strategies of each segment

Retail Business Unit

- i) The Retail Business Unit provides TA-Q-BIN and other high-quality, small-lot transportation services. As the starting point for the entire Group's business, our front-line employees identify changes in customers' lifestyles and business environments accompanying such changes, and work with corporate sales representatives to propose solutions that leverage the Group's management resources, thereby taking advantage of the points of contact with customers created through the TA-Q-BIN services, and providing value in response to customer needs. Moreover, we have also been working in part through efforts to provide services that make delivery and pick-up more convenient, particularly the "Kuroneko Members" service, which has more than 50 million registered members, and the "Yamato Business Members" service, which is used by more than 1.5 million corporate clients, and also through efforts to upgrade various services other than those involving transportation that are beneficial in terms of people's lives and business.
- ii) During the period under review, we launched a service that streamlines TA-Q-BIN shipping procedures for corporate customers using smartphones to further improve the customer experience, and also launched a new payment service compatible with smartphones called "Nyan Pay" to promote cashless transactions. We also worked to improve customer convenience by expanding the functions of the TA-Q-BIN online pickup request service, and by collaborating with flea market operators and condominium delivery locker service providers to expand the function that allows non-face-to-face delivery of goods from condominium delivery lockers.
- iii) Operating revenues from external customers increased 0.1% year on year to 894,574 million yen as a result of efforts to ship and deliver packages optimized to meet diversifying needs. Operating expenses increased by 5.1% year on year due to an increase in costs associated with our promotion of the medium-term management plan, "One Yamato 2023," and operating profit decreased by 12,165 million yen from the previous fiscal year.

Corporate Business Unit

- i) The Corporate Business Unit has been seeking to provide value across entire corporate logistics supply chains, including midstream and upstream domains of business. To such ends, the business unit has been taking on initiatives that include planning supply chain management (SCM) strategies that contribute to customers' business decisions, above and beyond improving and streamlining logistics operations, and furthermore engaging in strengthening of account sales, which involves developing effective projects and assuming responsibility through to management and operations.
- ii) In urban areas where EC demand continues to grow and is concentrated, we are building an EC logistics network that simplifies the operational process from sorting and transportation to the last mile, mainly in urban areas. In addition, to optimize logistics for e-commerce vendors with stores in online shopping malls, we used our partnerships with major e-commerce companies to implement initiatives to further improve convenience and expand sales for services that completely or partially replace operations from order receiving to shipping and delivery. Furthermore, the business unit has also been engaging in efforts involving cross-border e-commerce amid growing demand, such that involve achieving shorter lead times up through delivery by seamlessly linking import customs clearance systems with the domestic delivery network.
- iii) Moreover, for retailers who are developing physical stores and e-commerce omni-channel sales frameworks, the business unit has been promoting efforts to optimize inventory and distribution through centralized management, thereby liquidating sales inventories with customers' omni-channel operations by combining centralized and larger bases and transportation and delivery networks. We also focus our efforts on proposal-based sales that contribute to providing comprehensive value by engaging in integrated management

encompassing all of the Yamato Group's logistics services for companies, extending from procurement of merchandise for stores and merchandise for official online shopping websites, to storage, packaging and delivery.

- iv) During the period under review, we executed a "Co-Creation Logistics Partnership Agreement" with a general food manufacturer to optimize the entire supply chain from raw material procurement to sales. The "Lead Logistics Partner Agreement" was executed to reduce logistics costs, increase the value of tire manufacturers to their customers, and realize logistics with less environmental impact through visualization and reduction of GHG emissions. We are also continuing our efforts to expand the value we provide to the "end to end" supply chain by fully utilizing the management resources of the Yamato Group. For example, we have established a direct-to-consumer (D2C) distribution scheme for a food retailer, utilizing a base that combines a sorting terminal and cold storage function of Yamato Transport Co. Ltd. We have also executed a "Logistics Partnership Agreement" with a fashion company for the realization of a sustainable supply chain, and a "Lead Logistics Partner Agreement" for the establishment of a sustainable supply chain in response to changes in the business environment of the food service industry.
- v) Operating revenues from external customers increased 4.2% year on year to 846,053 million yen, mainly due to efforts to respond to growing demand for e-commerce and optimize logistics for corporate customers. Operating expenses increased by 3.4% year on year due to an increase in costs associated with our promotion of the medium-term management plan, "One Yamato 2023," and operating profit decreased by 4,040 million yen from the previous fiscal year.

[Reference]

Category	(Million parcels/unit)			
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Change	Growth (%)
TA-Q-BIN/TA-Q-BIN Compact/EAZY	1,890	1,926	35	1.9
Nekopos	384	413	28	7.4
Kuroneko DM-Bin	824	800	(23)	(2.9)

Other

- i) During the period under review, the Company continued to expand sales of box transportation and vehicle maintenance services using a network of several corporate groups.
- ii) Operating revenue from customers was 60,040 million yen, down 31.8% from the previous fiscal year. In addition, the operating profit was 13,900 million yen, down 2,658 million yen from the previous fiscal year.

<ESG Initiatives>

- i) The Yamato Group places utmost priority on protecting human life and conducts a range of safety measures. Accordingly, its transport safety management practices in that regard involve drawing up its Safety Management Regulations, building up its transport safety management systems, and formulating fiscal year plans, all centered on respective Group companies whose main operations involve transport. During the period under review, we resumed “Children’s Traffic Safety Classes” at kindergartens and elementary schools, which had been postponed due to the impact of COVID-19. In addition, the “Zero Traffic Accident Campaign” and “Industrial Accident Prevention Campaign” were conducted throughout the Group to raise safety awareness.
- ii) Maximization of corporate value is one of the top priorities of management, and we have implemented measures and bolstered management systems in our corporate governance initiative. In addition, we have been carrying out business activities in accordance with the law and social norms and actively promoting compliance management, based on our Group Corporate Philosophy.
- iii) The Yamato Group has formulated the “Sustainable Medium-term Management Plan 2023 (Environment & Society)” and is working to strengthen its sustainable management under the two visions set forth in the mid- to long-term management grand design, the “YAMATO NEXT100” management structure reform plan: “Connect. Deliver the future via green logistics” and “Through co-creation and fair business activities, help create a society that ‘Leaves No One Behind’.”
- iv) In the area of “Environment,” in addition to total volume targets to reduce the environmental impact of our business activities, we also set targets in areas where we can contribute to the spread of innovative technologies in the logistics industry, such as materials and vehicles, as well as green logistics in collaboration with various partners and the provision of products and services with low environmental impact. In this way, we are working to create environmental value. In addition, as efforts toward realization of carbon neutrality, in July 2022, the New Energy and Industrial Technology Development Organization (NEDO) adopted the Company’s independent proposal “Introduction and Operation of EVs for the Realization of Green Delivery” and the joint proposal “Construction and Operation of Energy Management System and Large-Scale Demonstration for Commercial Electric Vehicles.”
- v) In addition, under the “Social” component of the plan, we have taken on initiatives that involve developing a work environment in which we respect diverse personnel and in which employees are able to play active roles, while also working to realize an enriched society in part by addressing various social challenges and promoting community development utilizing a co-creation approach. We will continue to contribute to the realization of a society that respects human rights and diversity through the “Universal Manners Certification Test” for Yamato Group employees to acquire knowledge to improve universal manners, such as appropriate support in receiving and sending packages at the homes of people with disabilities and at TA-Q-BIN offices, and through promotion activities led by customer service managers.
- vi) Aiming to create more sustainable social value, the Yamato Group promotes initiatives for sharing value with society based on the concept of “Creating Shared Value (CSV).” We continue to engage in various initiatives to such ends. For instance, we have been operating our community-based Neko Support Station locations utilizing close local ties and facilitating healthy and sustainable development of local communities, along with lifestyles of safety and comfort among local residents. We have also been setting up housekeeping support services, expanding the “Kuroneko monitoring service: Hello Light Visit Plan” that uses “HelloLight” IoT light bulbs, providing consultation services for everyday life, and holding events that enable interaction among community members. In March 2023, as a member of the local community, we executed a logistics partnership agreement with a business operator involved in the sports business that seeks to coexist in harmony with the local community. As an official logistics

partner, we will utilize the logistics network and management resources of the Yamato Group to establish optimal logistics considering the scenery and customer flow lines within the sports facilities, thereby contributing to the realization of a sustainable community where sports facilities and the town are integrated.

- vii) Aspiring to be a company that continually evolves in step with society, led by Yamato Welfare Foundation, the Yamato Group conducts various activities to help realize a society in which disabled people can freely enjoy a lifestyle as a member of each community. Specifically, we engage in ongoing programs that support economic independence of people with disabilities, such that include actively employing people with disabilities at the Swan Bakery which makes and sells bread, providing them with workplaces through the consigned delivery of Kuroneko DM-Bin, and operating job-finding support facilities where they take part in training to acquire the skills and knowledge necessary for employment.

[Reference]

Strengthening of Sustainable Management

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

Sustainability Promotion System

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

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

Yamato Group Environment Committee	<ul style="list-style-type: none">i) The decision-making body for initiatives with regard to environmental issues of the Yamato Group. It clarifies the direction of our initiatives, and examines, deliberates, and makes decisions with regard to environmental issues while confirming the status of operations of the environmental management system.ii) The Yamato Holdings Representative Director and President performs the top management role of Environment Executive Officer, which includes receiving reports from the committee’s members. The Environment Executive Officer evaluates the results of the committee’s activities, conducts a review (Top Management Review) and determines future policy and other matters.
Yamato Group Social Promotion Committee	<ul style="list-style-type: none">i) The decision-making body for initiatives with regard to social promotion of the Yamato Group. It clarifies the direction of our initiatives with respect to important issues concerning society and local regions, and examines, deliberates and makes decisions with regard to policies for social promotion.ii) The Yamato Holdings Representative Director and President performs the top management role of supervision, which includes receiving reports from the Yamato Group Social Promotion Committee and from each company in the Yamato Group. The President evaluates the results of the committee’s activities, conducts a review, and determines future policy and other matters.

Initiatives Based on Recommendations of the TCFD

The Yamato Group recognizes that identifying the risks and opportunities that climate change issues pose to society and enterprises, evaluating the impact, and developing countermeasures are essential for business sustainability. Based on the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), we conducted a scenario analysis for Yamato Transport during the year ended March 31, 2022, and announced our support for the recommendations of TCFD in September 2022. By clarifying the business impact of climate-related issues and focusing on items that will have a significant impact, we will work on measures to improve sustainability of our business and enhance our corporate value by engaging in dialogue with our stakeholders.

Governance

The Yamato Group deliberates and resolves on environmental issues, including climate change, based on an environmental management framework with the Environment Committee as the decision-making body, while the Board of Directors supervises the execution of these decisions. Specifically, the President and Representative Director chairs the Environment Committee and is responsible for overseeing environmental management. Then, important items discussed by the Environment Committee, such as Basic Policy on environmental issues, including climate change, are deliberated and resolved by the higher-level Management Committee and the Board of Directors. In addition, the Executive Officers in charge of environmental fields and overseeing each region, and the Presidents of Group companies are responsible for ensuring the implementation, maintenance, and oversight of environmental management, including the preparation of the necessary management resources. Furthermore, in principle, all general managers and heads of field organizations are “environmental managers,” responsible for managing risks and opportunities related to the environment, including climate change.

Strategy

The Yamato Group believes that it is important to consider climate change-related environmental risks over an appropriate period of time, as they have the potential to affect the business activities of its own companies and its surrounding stakeholders over a long term. The execution period of the “Sustainable Mid-Term Plan 2023 [Environment]” runs from the fiscal year ended March 31, 2022 to the fiscal year ending March 31, 2024, FY2030, the year in which the mid-term goal is set with reference to the Japanese government’s GHG emission reduction target setting. Looking ahead to this milestone and FY2050, the year in which the long-term goal is set, our Group has examined transition risks due to the introduction of government policy regulations and changing market needs, as well as physical risks such as extreme weather events brought about by climate change. The risks and opportunities examined will be reflected and addressed in our Group strategies.

As short-term risks, we assessed physical risks, such as a shutdown of operations due to severe and more frequent extreme weather events and increased repair costs due to damage or loss of facilities and equipment; and as medium- and long-term risks, we assessed transition risks, such as increased expenses due to full-scale introduction of carbon taxes as a result of changes in policies and legislation. On the other hand, as opportunities, we identified significant potential for future financial benefits, such as reduced expenses due to energy conversion and efficiency improvements for a low-carbon economy, and increased profits from proactive responses to climate change mitigation and adaptation, which will be supported by customers who are becoming more environmentally conscious.

Considering a significant financial impact if a carbon tax is imposed on GHG emissions in our fleet or facilities, or if we are unable to meet the demand for lower carbon emissions to reduce GHG emissions, the Yamato Group believes that its financials would be significantly impacted by a reduction in profits due to changes in customer needs resulting from heightened environmental awareness. Therefore, in order to reduce GHG emissions, we are working to introduce electric vehicles (EVs), install solar power generation equipment, and switch to electricity derived from renewable energy sources. In addition, to address physical risks, we use hazard maps to open stores and regularly update our business continuity plan (BCP) manuals to avoid business

shutdowns and damage or loss of facilities and equipment due to severe or frequent extreme weather events.

We will continue to study the impact assessment of other risks and the creation of opportunities in the future.

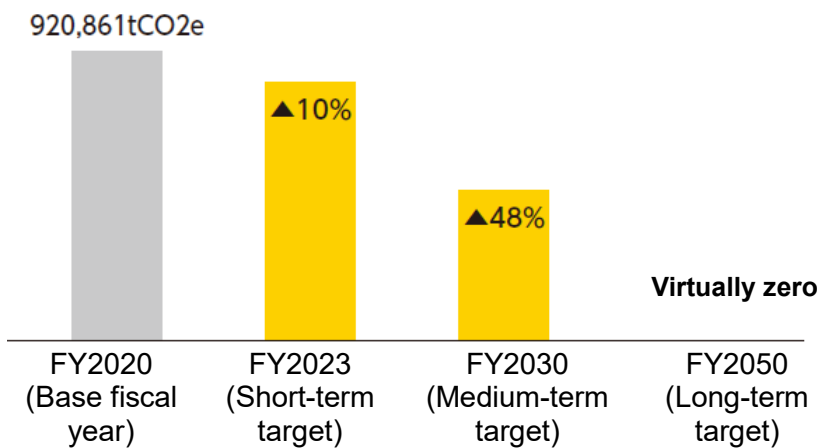
Risk Management

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

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

Indicators and Targets

GHG emissions and reduction targets



Measure	Target
	FY2030
EVs owned	20,000 vehicles
Photovoltaic facilities	810 units
Ratio of electricity derived from renewable energy sources	70%

In addition to conducting measures to achieve the above goals, we will work with our partners to establish green logistics in order to reduce GHG emissions throughout the value chain (Scope 3). In parallel, we are considering obtaining accreditation for the SBT 1.5°C target.

For more information on “Initiatives Based on Recommendations of the TCFD,” please visit the Company’s website at: <https://www.yamato-hd.co.jp/csr/environment/tcf.html>

**Cases of
Initiatives in
Social Area**

**Contributing to the realization of a society that respects human rights and diversity
Joint development of the Yamato Group's "Universal Manner* Certificate" with Mirairo Inc.**

The Yamato Group formulated the "Basic Policy on Diversity" in 2014 and the "Yamato Group Human Rights Policy" in 2021, with the aim of realizing a society that respects human rights and diversity and "Leaves No One Behind."

In addition, Yamato Transport collaborated with Mirairo Inc., a company that conducts research and consulting on universal design from the perspective of people with disabilities, to jointly develop a unique universal manner certificate tailored to day-to-day operations.

The certification test uses an e-learning video that simulates receiving and shipping packages at home or at TA-Q-BIN offices for people with visual or hearing impairments, and provides appropriate support and necessary considerations. By having employees learn universal manners through this certification test, we will contribute to the realization of a vibrant society that respects human rights and recognizes diversity.

*The "mindset" and "actions" for dealing with diverse people, including the elderly and people with disabilities.

(2) Issues to Be Addressed

In the business environment surrounding the Yamato Group, the impact of COVID-19 has weakened and there is progress toward the normalization of economic activities. However, the global economy is slowing down due to ongoing monetary tightening by major central banks in the U.S. and Europe against global inflation, including high energy and raw material prices accompanying the unstable international situation. Furthermore, in Japan, personal consumption has stagnated due to rising prices, making it difficult to foresee a full-fledged economic recovery. In addition, the logistics industry is facing challenges such as coping with the medium- to long-term declining trend of the working-age population and the “overtime work cap (2024 issue)” accompanying the Act on the Arrangement of Related Acts to Promote Work Style Reform promulgated in 2018. Under these circumstances, at the Yamato Group we will continue to accelerate the following initiatives (1) through (3) in order to realize sustainable enhancement of corporate value through “Contribution to the realization of an affluent society” as stated in our Management Philosophy. In order to cope with the above challenges in the logistics industry and ongoing cost increases accompanying price hikes, etc., the Company has revised its reported freight rates, etc. effective April 3, 2023. We will continue to maintain and strengthen our transportation and delivery network and create an environment in which we can continue to provide better service to our customers by reviewing our reported freight rates, etc. every year, considering the impact of changes in the external environment, and by responding to our logistics partners and others in a timely and appropriate manner.

i) Structural reform of network operations

We are promoting structural reform of our network and operations in order to meet the changing and diversifying needs of our customers, and to respond more flexibly to the fluctuating workloads. In order to maintain and improve the safety and quality of the existing TA-Q-BIN network and operations, as well as comfort and job satisfaction, and to optimize operating costs, we will continue to consolidate and increase the size of our bases, and reform the working style, personnel allocation, and framework at each base by subdividing and specializing job definitions and streamlining work operations through the use of IT systems. Moreover, in order to reduce the administrative operations of our frontline employees, we will continue to promote business process re-engineering (BPR) by standardizing our operations as well as digitizing such tasks.

ii) Expansion of corporate business area

The Yamato Group is focusing on the solutions business as a new growth area, aiming to solve customers’ management issues that extend throughout the entire supply chain, amid increasing risk factors such as global political and economic blockages in the supply chain and environmental issues.

In providing solutions, Sales and Operations work together with a thorough understanding of the customer’s industry, business purpose, and strategy, and then make full use of the Yamato Group’s management resources, including its domestic and international bases, transportation and delivery network, contract logistics, international forwarding and other logistics functions, finance, and IT systems. In this way, we aim to become a lead logistics partner (LLP) that not only manages and operates logistics for our customers, but is also involved in logistics strategy and planning. And, we will provide value to our customers across the entire supply chain from Japan to global areas. We will do this, while leveraging the vast customer bases in Japan that we have cultivated through TA-Q-BIN, creating optimal proposals based on sales information that is consolidated to our headquarters, facilitating frontline sales initiatives and design solutions as well as sophisticating our operational design, streamlining backyard operations related to stores and e-commerce operations, reducing opportunity loss in sales and optimizing inventories.

Furthermore, we will strive to achieve net-zero in-house GHG emissions by 2050. To this end, we will contribute to the realization of sustainable logistics by promoting green logistics such as the introduction of EVs and cold storage transportation without using dry ice to reduce the Company’s emissions, and at the same time, optimizing customers’ inventory and production

- activities and realizing reductions in their GHG emissions while creating a more environmentally responsible supply chain through visualization of customers' GHG emissions.
- iii) Promoting strategies for achieving sustainable enhancement of corporate value
The Yamato Group is working to strengthen its digital strategy, HR strategy, sustainable management, and governance as the foundation for expanding the value it provides to the “end to end” supply chain and enhancing sustainable corporate value.
With regard to the digital strategy, we have strengthened our DX promotion framework and are working to promote DX in tandem with our business, such as expanding the value we provide to customers by utilizing our digital infrastructure and optimizing our management resources. Regarding HR strategy, we are working to build an optimal human resources portfolio to create new added value and to improve the work comfort and job satisfaction of our diverse employees.
To strengthen sustainable management, we are working on each of the identified key issues (materiality) to enhance corporate value and realize a sustainable society over the medium to long term based on our two visions: “Connect. Deliver the future via green logistics” and “Through co-creation and fair business activities, help create a society that ‘Leaves No One Behind’.” With regard to the Environment, in order to realize “net-zero (in-house) GHG emissions in 2050” and “48% reduction in GHG emissions in 2030 (compared with FY2020),” we will continue to implement measures such as “introduction of 20,000 EVs,” “introduction of 810 solar power generation units,” and “increase in the use of electricity derived from renewable energy sources.” In addition, with regard to Social, we will continue to work toward the realization of an affluent society by, for example, respecting the diversity of human resources, creating a work environment where employees can play an active role, addressing various social issues, and promoting community development through co-creation.
We will also continue to strengthen governance by separating management supervision and execution, maintaining and enhancing management transparency, as well as enhancing corporate governance, and promote management reforms through a governance structure with an emphasis on the speed of decision-making.

Through the Group's unified efforts, Yamato will create greater corporate value.
We look to the continued understanding and support of our shareholders and investors.

(3) Business Performance and Changes in Financial Position

(Millions of yen)

Item	FY2020/3 155th	FY2021/3 156th	FY2022/3 157th	FY2023/3 158th
Operating revenue	1,630,146	1,695,867	1,793,618	1,800,668
Profit attributable to owners of parent	22,324	56,700	55,956	45,898
Basic earnings per share (Yen)	56.78	151.55	151.03	126.64
Total assets	1,100,739	1,089,991	1,086,854	1,107,587
Net assets	562,835	584,287	598,233	616,430
Net assets per share (Yen)	1,441.20	1,553.45	1,611.34	1,684.87

Note: Basic earnings per share is calculated based on the average number of shares outstanding in each fiscal year and net assets per share is calculated based on the total number of shares outstanding at the end of each fiscal year.

(4) Changes in Delivery Volume of TA-Q-BIN, Neko-Pos and Kuroneko DM-BIN

(Million parcels/unit)

Business area	FY2020/3 155th	FY2021/3 156th	FY2022/3 157th	FY2023/3 158th
TA-Q-BIN/TA-Q-BIN Compact/EAZY	1,627	1,803	1,890	1,926
Nekopos	172	293	384	413
Kuroneko DM-Bin	987	826	824	800

(5) Principal Business Activities

The Yamato Group operates its business in two divisions, the Retail Business Unit and the Corporate Business Unit, based on customer segment units.

Item	Content of business
Retail Business Unit	Engages in providing small-lot transportation services, including TA-Q-BIN (Home delivery business for individuals and small and medium-sized corporate customers)
Corporate Business Unit	Provides value to the entire corporate logistics supply chain. (Transportation business for large corporate customers)
Other	Engages in maximizing the Group's value to the customer by utilizing IT & maintenance functions and various forms of transportation business (Development, operation and management of IT system and vehicle maintenance business, fuel sales business, nonlife insurance agent business, cargo vehicle transportations business, and roll box pallet transportation business)

(6) Capital Expenditure

The capital expenditure for the fiscal year ended March 31, 2023, totaled 46,912 million yen and the principal components were as follows:

(Millions of yen)			
Name	Category	Content of investment	Amount invested
Yamato Holdings Co., Ltd.	Corporate	Construction of new company building	4,196
Yamato Transport Co., Ltd.	Retail Business Unit Corporate Business Unit	Purchase of vehicles (2,218 units) Tokyo Rail Gate New cooling facilities	9,972 2,648

(7) Financing Activities

Not applicable.

(8) Principal Creditors

(Millions of yen)	
Creditors	Outstanding borrowing
Mizuho Bank, Ltd.	5,000
Sumitomo Mitsui Banking Corporation	2,000
MUFG Bank, Ltd.	2,000

(9) Employees

(Persons)		
Business area	Number of employees	Changes from previous fiscal year-end
Retail Business Unit	170,835	(6,046)
Corporate Business Unit	18,671	(1,146)
Other	20,670	520
Corporate	21	(4)
Total	210,197	(6,676)

- Notes: 1. The above numbers include 117,470 part timers (a year-on-year decrease of 4,930).
2. Employees in the Retail Business Unit include employees in the transport and Head Office divisions of Yamato Transport Co., Ltd.
3. The number of company-wide employees is the number of employees of the Company.

(10) Vehicles

(Units)

Classification	Number of vehicles	Changes from previous fiscal year-end
Retail Business Unit	49,395	152
Corporate Business Unit	3,757	551
Other	1,946	(33)
Corporate	3	(1)
Total	55,101	669

- Notes: 1. Vehicles in the Retail Business Unit include vehicles owned by the transport and Head Office divisions of Yamato Transport Co., Ltd.
2. The number of company-wide vehicles is the number of vehicles owned by the Company.

(11) Major Subsidiaries

Name	Classification	Share capital	Ownership	Principal business activities
		Millions of yen	(%)	
Yamato Transport Co., Ltd.	Retail Business Unit Corporate Business Unit	50,000	100.0	Home delivery business for individuals and small and medium-sized corporate customers Transportation business for large corporate customers
Okinawa Yamato Transport Co., Ltd.	Corporate Business Unit	50	100.0	Home delivery business for individuals and corporate customers in Okinawa
YAMATO TRANSPORT U.S.A., INC.		(Millions of US\$) 4	100.0	Handling of air cargo and marine cargo, and international moving in North America; Import/export customs clearance services
YAMATO ASIA PTE. LTD. (Note 1)		(Millions of S\$) 352	100.0	Management of regional operations in Southeast Asia, business development and market research
YAMATO INVESTMENT (HONG KONG) LIMITED (Note 1)		(Millions of HK\$) 970	100.0	Management of regional operations in East Asia, business development and market research
YAMATO BOX CHARTER CO., LTD.	Other	400	100.0	Cargo vehicle transportation service, roll box pallets transportation service
Yamato System Development Co., Ltd.		1,800	100.0	Development, operation and management of IT systems
Yamato Autoworks Co., Ltd.		30	100.0	Vehicle maintenance business, fuel sales business, and nonlife insurance agent business, etc.

- Notes: 1. At a meeting of the Company's Board of Directors held on February 17, 2023, the liquidation of this subsidiary was approved.
2. The status of a specified wholly owned subsidiary company as of March 31, 2023 is as follows.

(Millions of yen)

Name	Location	Book value of the shares in the Company	Total assets of the Company
Yamato Transport Co., Ltd.	16-10, Ginza 2-chome, Chuo-ku, Tokyo	258,539	425,145

(12) Major Offices

Name	Classification	Head office location	Number of offices (stores)
Yamato Transport Co., Ltd.	Retail Business Unit Corporate Business Unit	Chuo-ku, Tokyo	3,772
Okinawa Yamato Transport Co., Ltd.	Corporate Business Unit	Itoman City, Okinawa	36
YAMATO TRANSPORT U.S.A., INC.		California, U.S.A.	25
YAMATO ASIA PTE. LTD.		Singapore	1
YAMATO INVESTMENT (HONG KONG) LIMITED		Hong Kong	1
YAMATO BOX CHARTER CO., LTD.	Other	Chuo-ku, Tokyo	92
Yamato System Development Co., Ltd.		Koto-ku, Tokyo	10
Yamato Autoworks Co., Ltd.		Chuo-ku, Tokyo	103
Yamato Holdings Co., Ltd.	Corporate	Chuo-ku, Tokyo	1

2. Overview of Shares (As of March 31, 2023)

(1) Total Number of Shares Authorized: 1,787,541,000

(2) Number of Shares Issued: 379,824,892

Note: The total number of shares issued has decreased by 8,750,700 from the end of previous period due to cancellation of treasury stock, executed as of June 23, 2022.

(3) Number of Shareholders: 53,746

(4) Principal Shareholders

Shareholders	Number of shares owned	Ownership percentage
	(Thousands of shares)	(%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	59,132	16.30
Custody Bank of Japan, Ltd. (Trust Account)	27,884	7.69
Yamato Employees' Shareholding Association	27,763	7.65
Meiji Yasuda Life Insurance Company	14,814	4.08
Nippon Life Insurance Company	14,770	4.07
Mizuho Bank, Ltd.	10,247	2.82
Yamato Trading-Partner Shareholding Association	8,462	2.33
TOYOTA MOTOR CORPORATION	5,748	1.58
STATE STREET BANK WEST CLIENT-TREATY 505234	5,268	1.45
Sompo Japan Insurance Inc.	5,133	1.42

Notes: 1. Although the Company holds 17,068,367 of treasury shares as treasury shares, it is excluded from the above list of principal shareholders.

2. Ownership percentage is calculated exclusive of own shares.

3. Officers and Executives

(1) Directors and Audit & Supervisory Board Members

Position	Name	Responsibilities and key concurrent positions outside the Company
President and Representative Director Executive President	Yutaka Nagao	President, Representative Director, and Executive President of Yamato Transport Co., Ltd.
Senior Vice President & Representative Director Senior Vice President & Executive Officer	Toshizo Kurisu	Representative Director, Senior Vice President & Executive Officer of Yamato Transport Co., Ltd.
Senior Vice President & Representative Director Senior Vice President & Executive Officer	Yasuharu Kosuge	Representative Director, Senior Vice President & Executive Officer of Yamato Transport Co., Ltd.
Director	Kenichi Shibasaki	
Director	Mariko Tokuno	Outside Director of HAPPINET CORPORATION Outside Director of Mitsubishi Materials Corporation Outside Director of Shiseido Company, Limited
Director	Yoichi Kobayashi	
Director	Shiro Sugata	Outside Director of Yokogawa Electric Corporation
Director	Noriyuki Kuga	
Director	Charles Yin	Executive Chairman of Worldwide City Group (Hong Kong) Chairman of China-Japan CEO Forum Chairman of China-Japan Asia CEO Forum
Full-time Audit & Supervisory Board Member	Yoshihiro Kawasaki	
Full-time Audit & Supervisory Board Member	Tsutomu Sasaki	
Audit & Supervisory Board Member	Takashi Yamashita	Representative of Takashi Yamashita CPA Office Outside Director of Shin Nippon Biomedical Laboratories, Ltd.
Audit & Supervisory Board Member	Ryuji Matsuda	Matsuda Law Office, Attorney at law
Audit & Supervisory Board Member	Yoshihide Shimoyama	Outside Audit & Supervisory Board Member of NIPPON HUME CORPORATION

- Notes:
1. Of the Directors, Mariko Tokuno, Yoichi Kobayashi, Shiro Sugata, Noriyuki Kuga, and Charles Yin are five (5) candidates for Outside Directors.
 2. Takashi Yamashita, Ryuji Matsuda and Yoshihide Shimoyama serve as Outside Audit & Supervisory Board Members.
 3. The Company appoints all Outside Directors and Outside Audit & Supervisory Board Members as independent officers provided under the provisions of Tokyo Stock Exchange, Inc. and registers the individuals as such with that exchange.
 4. Yoshihiro Kawasaki, Audit & Supervisory Board Member, possesses considerable insight into finance and accounting-related matters through his experience in business management, business operation and as a Full-time Audit & Supervisory Board Member of the Company's subsidiary, Yamato Transport Co., Ltd. over many years.
 5. Takashi Yamashita, Audit & Supervisory Board Member, possesses considerable insight into finance and accounting-related matters through his services as a certified public accountant.
 6. Ryuji Matsuda, Audit & Supervisory Board Member, possesses considerable insight into finance and accounting-related matters through his services as an attorney.
 7. Yoshihide Shimoyama, Audit & Supervisory Board Member, possesses considerable insight into finance and accounting-related matters through his experience as a director and an outside Audit & Supervisory Board Member at other companies.

8. Shiro Sugata, Director, retired from the position of outside director of JSR Corporation as on June 17, 2022.
9. There are no significant relationships between the Company and the other organizations where concurrent positions are held by Outside Directors and Outside Audit & Supervisory Board Members.

(2) Limited Liability Agreements

The Company's Articles of Incorporation allow for the conclusion of agreements with Directors (excluding Executive Directors, etc.) and Audit & Supervisory Board Members limiting liability stipulated in the Companies Act, Article 423, paragraph (1). Thus, the Company has concluded Limited Liability Agreements with five (5) Directors, Mariko Tokuno, Yoichi Kobayashi, Shiro Sugata, Noriyuki Kuga and Charles Yin, and all Audit & Supervisory Board Members based on the Articles of Incorporation. The amount of liability allowed for in those agreements is as per the minimum amount of liability provided for under the Companies Act, Article 425, paragraph (1).

(3) Summary of Contents of Directors and Officers Liability Insurance Policy

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

(4) Amount Paid as Remuneration to Directors and Audit & Supervisory Board Members

i) Total Amount Paid as Remuneration

Categories of Directors and Audit & Supervisory Board Members	Total amount of remuneration (million 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 Notes:	Of the left, non-monetary remuneration, etc.	
Director	449	299	108	41	41	12
(Of which, Outside Directors)	(76)	(76)	(-)	(-)	(-)	(6)
Audit & Supervisory Board Members	81	81	-	-	-	6
(Of which, Outside Audit & Supervisory Board Members)	(33)	(33)	(-)	(-)	(-)	(3)
Total	530	380	108	41	41	18
(Of which, Outside Officers)	(109)	(109)	(-)	(-)	(-)	(9)

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

ii) Policy for determining performance-based remuneration (variable remuneration)

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

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

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

The Company has calculated the annual amount of performance-based remuneration based on these results and then converted that result to a monthly amount, which is applied to the period extending from July 2022 through June 2023.

<Formula for calculating performance-based remuneration>

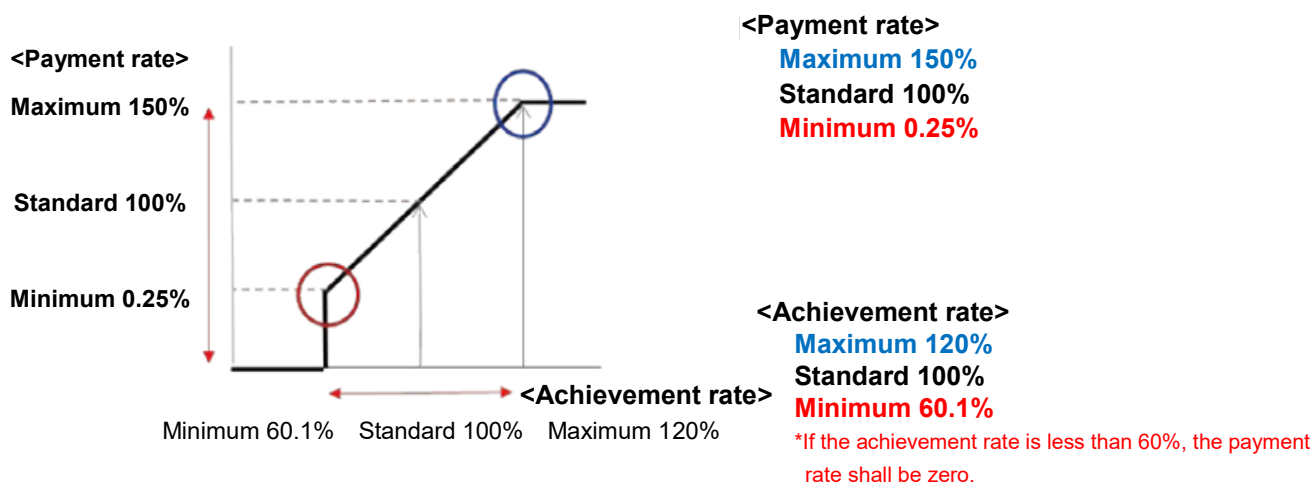
Variable remuneration	Performance indicator	Indicator rate for each Director	Actual	Target	Achievement rate
			(Millions of yen)	(Millions of yen)	%
Short-term performance indicator	i. The Group's consolidated operating revenue	○ 30%	1,793,600	1,815,000	98.8
	ii. The Group's consolidated operating profit	○ 30%	77,200	95,000	81.3
	iii. The Group's consolidated profit	○ 30%	56,000	53,000	105.6
	iv. Mission evaluation (individual)	○ 10%		–	

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

Variable remuneration	Performance indicator	Details	Indicator rate for each Director	Actual	Target	Achievement rate
				%	%	%
Long-term performance indicator	i. ROE	–	○ 40%	9.6	10	96.0
	ii. TSR	Relative TSR TOPIX including dividends	○ 30%	77.1 (TOPIX 102.0 including dividends)	100	75.6
	iii. ESG indicators	TSR comparison Greenhouse gas emissions single-year target *3% reduction from FY2020	○ 20%	(2.0)	(3)	66.7
	iv. Medium- to long-term innovative action targets	Mission evaluation (individual)	○ 10%		–	

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

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



Achievement rate on short-term performance indicator in FY2022: 85.7%

(i. $98.8\% \times 0.3$ + ii. $81.3\% \times 0.3$ + iii. $105.6\% \times 0.3$)

Achievement rate on mid- to long-term performance indicator in FY2022: 74.4%

(i. $96.0\% \times 0.4$ + ii. $75.6\% \times 0.3$ + iii. $66.7\% \times 0.2$)

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

A resolution of the General Meeting of Shareholders to determine remuneration for the Company's Directors was approved on June 23, 2020. Accordingly, it was resolved that remuneration for Directors shall amount to not more than 431 million yen per year (of which, up to 109 million yen is to be allocated to Outside Directors), and short-term and mid- to long-term performance-based remunerations paid to Directors (excluding Outside Directors) shall amount to not more than 245 million yen and 173 million yen per year, respectively. The Company has deemed that these are competitive remuneration levels for recruiting and retaining talented persons amid its rapidly changing business environment. The Company furthermore seeks to contend with developments that include an increase in Director's responsibilities along with the Company having increased its number of Directors and Audit & Supervisory Board Members with the aims of achieving transparency and vigor of Board of Director's operations and enhancing management oversight. There were nine (9) Directors on the Company's Board of Directors upon approval of the resolution. Meanwhile, remuneration for Audit & Supervisory Board Members was set at an amount of up to 800 million yen per month, per resolution at its General Meeting of Shareholders held on June 29, 1994. The Company had four (4) Audit & Supervisory Board Members upon approval of the resolution.

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

i. Basic policy

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

Competitive remuneration levels

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

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

- The remuneration system shall be linked to business performance and furthermore serve as motivation for achieving performance targets.
- The remuneration structure shall be linked to medium- to long-term corporate value and furthermore encourage a sense of common interests with shareholders.

Fairness and impartiality of the remuneration system

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

ii. Remuneration structure

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

iii. Policy for determining basic remuneration (fixed remuneration)

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

iv. 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-based remuneration. The Company has opted for this approach upon having taken into account remuneration levels at other companies, in part because this approach makes it possible to 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 persons.

v. Timing of delivery and conditions

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

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

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

vi) Other

A certain percentage of the monetary remuneration shall be allocated to the purchase of shares of the Company through the Officers and Executives' Shareholding Association. In order to implement a process with high objectivity and transparency for activities of the Nomination and Compensation Committee to decide remuneration and other compensation for individual Directors in fiscal year ended March 31, 2023, the Company held 12 meetings of the Nomination and Compensation Committee, and the decision was made by the Board of Directors upon having taken into consideration the amount of remuneration for individual Directors and details of calculation of such amount based on the Policy for determining remuneration and other compensation for individual Directors.

(5) Outside Officers

Principal activities

Position	Name	Attendance and participation at meetings, and overview of duties performed in relation to expected role
Director	Mariko Tokuno	<p>Attended all 18 meetings of the Board of Directors held in the fiscal year under review, and provided necessary comments and advice on overall management as appropriate from her perspective as a manager with rich experience and profound critical insight.</p> <p>She fulfills her role with respect to ensuring suitability and adequacy of decision-making in part by furnishing oversight and advice by taking the viewpoint of customers and employees, combined with a managerial standpoint particularly regarding business execution, business strategy, and human resource strategy. Serving as the head of the Nomination and Compensation Committee, she also leads proceedings of committee meetings and has attended all 12 committee meetings held during the fiscal year under review. She has fully performed the oversight function in the process of selecting Company officer candidates and making decisions on evaluations involving officer remuneration and other compensation, utilizing her position of objectivity and neutrality.</p>
Director	Yoichi Kobayashi	<p>Attended all 18 meetings of the Board of Directors held in the fiscal year under review, and provided necessary comments and advice on overall management as appropriate from his perspective as a manager with rich experience and profound critical insight.</p> <p>He fulfills his role with respect to ensuring suitability and adequacy of decision-making in part by furnishing oversight and advice from a managerial standpoint particularly regarding business execution, business strategy, and investment strategy. Serving as a member of the Nomination and Compensation Committee, he has attended all 12 committee meetings held during the fiscal year under review and has fully performed the oversight function in relation to selecting Company officer candidates and engaging in the process of making decisions on evaluations involving officer remuneration and other compensation, utilizing his position of objectivity and neutrality.</p>
Director	Shiro Sugata	<p>Attended all 18 meetings of the Board of Directors held in the fiscal year under review, and provided necessary comments and advice on overall management as appropriate from his perspective as a manager with rich experience and profound critical insight. He has also served as Chairperson of the Board of Directors since June 2022, and has appropriately fulfilled his duties and responsibilities, contributing to enhancing the effectiveness of the Board of Directors.</p> <p>He fulfills his role with respect to ensuring suitability and adequacy of decision-making in part by furnishing oversight and advice from a managerial standpoint particularly regarding business execution, business strategy, increasing productivity, and cost structure reform. Serving as a member of the Nomination and Compensation Committee, he has attended all 12 committee meetings held during the fiscal year under review and has fully performed the oversight function in relation to selecting Company officer candidates and engaging in the process of making decisions on evaluations involving officer remuneration and other compensation, utilizing his position of objectivity and neutrality.</p>

Position	Name	Attendance and participation at meetings, and overview of duties performed in relation to expected role
Director	Noriyuki Kuga	<p>Attended all 18 meetings of the Board of Directors held in the fiscal year under review, and provided necessary comments and advice on overall management as appropriate from his perspective as a manager with rich experience and profound critical insight.</p> <p>He fulfills his role with respect to ensuring suitability and adequacy of decision-making in part by furnishing oversight and advice from a managerial standpoint particularly regarding business execution, financial strategy, and corporate governance. Serving as a member of the Nomination and Compensation Committee, he attended all nine meetings of the Committee held since June 23, 2022, when he became a member of the Committee, and has fully performed the oversight function in relation to selecting Company officer candidates and engaging in the process of making decisions on evaluations involving officer remuneration and other compensation, utilizing his position of objectivity and neutrality.</p>
Director	Charles Yin	<p>Attended all 14 meetings of the Board of Directors held on or after June 23, 2022 when he was appointed Director, and provided necessary comments and advice on overall management as appropriate from his perspective as a manager with rich experience and profound critical insight. He fulfills his role with respect to ensuring suitability and adequacy of decision-making in part by furnishing oversight and advice from a managerial standpoint particularly regarding business execution and global business strategy. Serving as a member of the Nomination and Compensation Committee, he attended all nine meetings of the Committee held since June 23, 2022, when he became a member of the Committee, and has fully performed the oversight function in relation to selecting Company officer candidates and engaging in the process of making decisions on evaluations involving officer remuneration and other compensation, utilizing his position of objectivity and neutrality.</p>
Audit & Supervisory Board Member	Takashi Yamashita	<p>Attended all 18 meetings of the Board of Directors held in the fiscal year under review, and offered the necessary comments based on his expertise and rich experience in finance and accounting. Furthermore, he attended all 18 meetings of the Audit & Supervisory Board held in the fiscal year under review, and had regular exchange with the Representative Director and President. He examined the execution of the Directors' duties mainly from his perspective as a certified public accountant with rich experience and profound critical insight.</p>
Audit & Supervisory Board Member	Ryuji Matsuda	<p>Attended all 18 meetings of the Board of Directors held in the fiscal year under review, and offered the necessary comments based on his expertise and rich experience as an attorney as well as in finance and accounting. Furthermore, he attended all 18 meetings of the Audit & Supervisory Board held in the fiscal year under review, and had regular exchange with the Representative Director and President. He examined the execution of the Directors' duties mainly from his perspective as an attorney with rich experience and profound critical insight.</p>
Audit & Supervisory Board Member	Yoshihide Shimoyama	<p>Attended all 18 meetings of the Board of Directors held in the fiscal year under review, and offered the necessary comments based on his rich experience in the fields of management and audit. Furthermore, he attended all 18 meetings of the Audit & Supervisory Board held in the fiscal year under review, and had regular exchange with the Representative Director and President. He examined the execution of the Directors' duties mainly from his perspective as a manager and Outside Audit & Supervisory Board Member with rich experience and profound critical insight.</p>

4. Accounting Auditor

(1) Name Deloitte Touche Tohmatsu LLC

(2) Amount Paid as Remuneration to Accounting Auditor for the Fiscal Year

(Millions of yen)

Item	Amount paid
i) Remuneration paid or payable to the Accounting Auditor concerning the operation prescribed in the Certified Public Accountant Act, Article 2, paragraph (1)	264
ii) Remuneration other than (i)	25
iii) Remuneration to be paid to the Accounting Auditor by the Company and subsidiaries	290

Note: The Audit & Supervisory Board furnished its consent with respect to remuneration payable to the Accounting Auditor upon having verified as necessary the content of the Accounting Auditor's audit plan, circumstances with respect to performing duties of the accounting audit, basis for calculating estimates of the remuneration and other such details.

(3) Policy on Dismissal or Non-Reappointment of Accounting Auditor

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

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

(4) Non-Audit Services

The Company entrusts the Accounting Auditor with advisory services, etc. for the provision of financial services as non-audit services outside the scope prescribed in the Certified Public Accountant Act, Article 2, paragraph (1).

5. Corporate Governance and Company Policy, and Operational Status

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

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

- i) Corporate framework ensuring that execution of duties by directors of the Company complies with laws and regulations and the Articles of Incorporation, and other systems for ensuring the proper business operation of the corporate group consisting of the Company and its subsidiaries
 - i. To ensure that execution of duties by directors of the Company complies with laws and regulations and the Articles of Incorporation, and to ensure the proper business operation of the Company and each Group company, the Company has established the “Group Corporate Philosophy” and the “Statement of Compliance.” The Representative Director of the Company is responsible for ensuring that this statement is fully understood by directors of the Company and each Group company. At the same time, directors shall perform their businesses in accordance with this statement.
 - ii. To ensure that the above directives are fully understood, the Company establishes the Compliance and Risk Committee headed by the executive officer who oversees the Group’s compliance and risk management and shall monitor the undertaking of the Group-wide compliance and risk management. The Head of the committee shall monitor compliance at the Company and each Group company and report the situation to the Board of Directors of the Company.
 - iii. The Company shall develop a whistle-blower system for the Group to allow employees to report any compliance violations by directors of the Company and each Group company.
 - iv. In “Corporate Stances” of the “Group Corporate Philosophy,” the Company declares it shall have no relationship with antisocial forces, and shall station employees to perform related businesses in departments responsible for compliance and risk management of the Company and each Group company. Departments responsible for compliance and risk management make systematic efforts in collaboration with outside specialized institutions, such as the police and attorneys, to prevent antisocial forces from being involved in management and prevent possible damage caused by antisocial forces.
- ii) Framework for storing and managing information related to execution of duties by directors of the Company
Directors of the Company shall prescribe the retention period of the documents and the division in charge in the organization regulations and basic regulations on document management and prepare, store and manage the material documents in relation to the execution of duties by directors and minutes of each meeting.
- iii) Policy and framework for managing risks of loss of the Company and its subsidiaries
 - i. The Company shall assign an executive officer to oversee Group-wide compliance and risk management. Employees shall be stationed to perform related businesses in the department responsible for the compliance and risk management of the Company and each Group company.
 - ii. The Company shall develop a “Risk Management Basic Policy” as the basis of risk management. Each Group company shall also develop a “Risk Management Basic Policy” on the basis of this policy.

- iii. Large companies under the Companies Act in the Group companies shall establish a division in charge of risk management, and assign an officer in charge of the same. Departments responsible for compliance and risk management of the Company shall oversee this, and monitor and manage risk status at each Group company in a timely manner.
 - iv. The Company shall establish the Internal Audit Department to audit the implementation status and the effectiveness of risk management at the Company and each Group company.
 - iv) Framework ensuring the efficiency of execution of duties by directors of the Company and its subsidiaries
 - i. The Company shall adopt the executive officer system in order to realize the efficiency of the management and the clarification of responsibility through the clear division of management decision-making, supervision and execution.
 - ii. The Company shall hold the Board of Directors Meeting once or more a month. In addition, material matters to be deliberated at the Board of Directors Meeting shall be discussed and examined at the management committee comprising executive directors, executive officers, and full-time Audit & Supervisory Board Members.
 - iii. The Company shall define in the organizational regulations the procedure and the officer in charge with respect to the business operation based on the resolution of the Board of Directors and at the management committee of the Company as well as the resolution of each Group company's Board of Directors.
 - v) Framework ensuring that execution of duties by directors and employees of the Company and its subsidiaries complies with laws and regulations and the Articles of Incorporation
 - i. To realize management in conformity with compliance at the Company and each Group company, the Company and each Group company shall formulate "Corporate Stances" and "Employee Credo of Conduct" as directives applicable to all employees. The documents shall be displayed and distributed etc. and training implemented.
 - ii. Large companies under the Companies Act in the Group companies shall establish a division in charge of compliance promotion, and assign an officer in charge of the same. Departments responsible for compliance and risk management of the Company shall oversee this, and monitor and manage the status of compliance promotion at each Group company in a timely manner.
 - iii. The Company shall establish the Internal Audit Department to audit the implementation status and the effectiveness of compliance at the Company and each Group company.
 - iv. The Company shall hold Compliance and Risk Committee meetings regularly to develop and promote specific measures to ensure compliance and monitor the progress at the Company and each Group company.
 - v. The Company shall establish a whistle-blower system for the Group to develop an environment in which compliance violations are promptly reported.
 - vi) Framework ensuring the proper business operation of the corporate group consisting of the Company and its subsidiaries
 - i. To ensure the proper business operation of the Company and each Group company, the Company shall establish the "Group Corporate Philosophy." The Company and each Group company shall formulate their company rules and execute business operations accordingly.

- ii. The Company shall assign an executive officer to be in charge of basic strategy for Group-wide management, and station employees to perform related businesses at the Management Strategy Department at the Company and each Group company.
- iii. The Company, as a pure holding company, shall be responsible for the planning and control of each Group company's operation in accordance with the executive management contract that prescribes the management duties that the Company will execute with respect to each Group company.
- iv. Each Group company shall execute business operations in accordance with the management policy formulated by the Company, and shall obtain the approval of the Company's Board of Directors Meeting or the management committee in advance, when executing material matters. In addition, all material management matters shall be reported to the Company's related division.

- vii) Appointment of supporting personnel, when Audit & Supervisory Board Members of the Company request such personnel

The Internal Audit Department shall provide support to Audit & Supervisory Board Members and personnel shall be appointed when deemed necessary in consultation with the Audit & Supervisory Board.

- viii) Securing independence of the personnel in the preceding item from directors and effectiveness of instructions from Audit & Supervisory Board Members

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

- ix) Framework for reporting to Audit and Supervisory Board Members by directors and employees of the Company and framework for reporting to Audit & Supervisory Board Members of the Company by directors, Audit & Supervisory Board Members and employees of subsidiaries, or those who have received reports from the said persons
 - i. In addition to matters designated by law, directors and employees of the Company and directors, Audit & Supervisory Board Members and employees of each Group company shall report the following to Audit and Supervisory Board Members of the Company without delay.
 - a. Material violations of laws and regulations and the Articles of Incorporation as well as misconduct, by directors or employees
 - b. Crucial information obtained through whistle-blowing
 - c. Other facts that threaten to cause significant losses to the Company and each Group company
 - ii. The Company and each Group company shall create a framework to ensure that persons who have reported to Audit & Supervisory Board Members of the Company and each Group company are not treated disadvantageously because of the said report.

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

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

- xi) Framework ensuring the effectiveness of auditing by Audit & Supervisory Board Members of the Company
 - i. In addition to the Board of Directors Meeting, Audit & Supervisory Board Members of the Company may attend other important meetings, including those of the management

- committee and the executive conference, and understand the process of important decision-making and status of business operation, and provide necessary opinions.
- ii. The Company shall establish regular meetings between Audit & Supervisory Board Members and the representative director to exchange opinions.
 - iii. The Internal Audit Department of the Company shall report on the progress and results of internal audits of the Company and each Group company as necessary to Audit & Supervisory Board Members to realize a collaborative framework for effective audits.
 - iv. Audit & Supervisory Board Members of the Company and each Group company shall exchange information and enhance collaboration throughout the Group at Group Audit and Supervisory Board Members' Liaison Meetings.
 - v. The Company shall establish a liaison office for the Audit & Supervisory Board and Group Audit & Supervisory Board Members' Liaison Meetings in the Internal Audit Department of the Company to promote efficient audits by Audit & Supervisory Board Members of the Company and each Group company.
 - vi. The Company shall receive explanations on the contents of its accounts from the Accounting Auditor as needed and exchange information to realize a collaborative framework for effective audits.

(2) Operational Status of Systems for Ensuring Proper Business Operations

Details are provided as follows on the operational status of systems for ensuring proper business operations.

i) Execution of duties by directors

The Board of Directors holds 18 meetings which are attended by the directors and Audit & Supervisory Board Members. Those in attendance adopt resolutions on individual proposals in accordance with decision-making standards, and also discuss matters and make resolutions with respect to key issues of mid- to long-term management strategies encompassing areas such as growth strategy, investment, capital management policy and human resource strategy.

ii) Compliance

We regard compliance as one of the top priority issues in our business management, and have established a Compliance and Risk Committee and a division in charge of compliance promotion at the Company and our Group companies in order to manage and monitor the implementation of compliance. In the event of matters requiring correction, there is a framework in place, where the Committee will directly provide guidance and recommendations to the manager of the relevant division, hear the results of the correction, and report the results to the Board of Directors and the Audit & Supervisory Board.

There is also a mechanism established for a Group internal reporting system that allows employees of the Company and our Group companies to report directly in the event of compliance violation.

In addition, in order to be a corporate Group broadly trusted by society, we have declared in the "Corporate Stance" of our "Group Corporate Philosophy" that we will resolutely reject any relationship with antisocial forces or groups that threaten the order and safety of civic life, and have already established a dedicated department in the Group. This dedicated department works in cooperation with the police, lawyers, and other external organizations to prevent involvement in management by antisocial forces and damage to the company.

iii) Risk management

Managers in charge of compliance and risk oversight are stationed at the Company and each Group company, and have been developing systems to address risk in a swift and harmonious manner.

Any emergency situation is accurately and promptly assessed and reported without delay to the relevant parties within the Company, including Directors and Audit & Supervisory Board Members, in accordance with the Group's common framework for reporting emergencies.

In addition, in order to prevent situations that could have a significant impact on corporate activities, major risks are identified, case examples are shared and countermeasures are discussed at the Compliance and Risk Committee of the Company and our Group companies.

iv) Audit structure

The Internal Audit Department of the Company and internal audit departments of major Group companies respectively check to make sure that business operations are being performed effectively in accordance with the rules, and they accordingly develop frameworks to immediately rectify matters when aberrations are found to exist.

Moreover, Audit & Supervisory Board Members of the Company and full-time Audit & Supervisory Board Members of each Group company hold monthly Group Audit & Supervisory Board Members' Liaison Meetings. In so doing, they collaborate by sharing information, and effectively monitor operations in a manner that is coordinated with Group management.

(3) Policy on Decision of Appropriation of Surplus

As a pure holding company, the Company conducts its business with the goal of maximizing the entire Group's corporate value. Accordingly, with respect to the appropriation of surplus, the Company's policy is to pay dividends with the goal of having a payout ratio of 30% of profit attributable to owners of parent. Retained earnings are used to facilitate the growth of the Group as a whole through capital expenditure—to strengthen the network, one of our management resources, and develop new businesses and products, for example—and investments are aimed at raising the corporate value in the future. Finally, the use of treasury shares is strategically positioned for flexible utilization, such as M&A, as a part of our capital policy.

Consolidated Balance Sheet

(As of March 31, 2023)

(Millions of yen)

Assets		Liabilities	
Current assets	484,647	Current liabilities	344,758
Cash and deposits	185,373	Notes and accounts payable - trade	160,766
Notes and accounts receivable - trade, and contract assets	216,251	Short-term borrowings	10,000
Accounts receivable - installment	50,509	Lease obligations	5,415
Inventories	2,580	Income taxes payable	16,911
Other	31,406	Deferred installment income	4,797
Allowance for doubtful accounts	(1,474)	Provision for bonuses	36,918
		Other	109,949
Non-current assets	622,940		
Property, plant and equipment	443,017	Non-current liabilities	146,398
Buildings and structures	153,483	Lease obligations	32,858
Machinery and equipment	18,953	Deferred tax liabilities	482
Vehicles	30,205	Retirement benefit liability	98,295
Land	179,811	Provision for share awards for directors (and other officers)	162
Leased assets	34,146	Other	14,599
Construction in progress	12,379	Total liabilities	491,156
Other	14,037		
Intangible assets	43,759	Net assets	
Software	38,149	Shareholders' equity	598,130
Other	5,609	Share capital	127,234
Investments and other assets	136,163	Capital surplus	36,839
Investment securities	42,758	Retained earnings	473,891
Long-term loans receivable	5,258	Treasury shares	(39,835)
Leasehold deposits	22,317	Accumulated other comprehensive income	12,250
Retirement benefit asset	20	Valuation difference on available-for-sale securities	9,280
Deferred tax assets	64,291	Foreign currency translation adjustment	1,781
Other	3,513	Remeasurements of defined benefit plans	1,188
Allowance for doubtful accounts	(1,996)	Non-controlling interests	6,049
		Total net assets	616,430
Total assets	1,107,587	Total liabilities and net assets	1,107,587

Consolidated Statement of Income

(From April 1, 2022 to March 31, 2023)

(Millions of yen)

Operating revenue	1,800,668
Operating cost	1,687,241
Operating gross profit	113,426
Selling, general and administrative expenses	53,341
Operating profit	60,085
Non-operating income	
Interest and dividend income	1,914
Other revenue	2,269
	4,184
Non-operating expenses	
Interest expenses	904
Share of loss of entities accounted for using equity method	4,158
Other	1,140
	6,203
Ordinary profit	58,066
Extraordinary income	
Gain on sales of non-current assets	95
Gain on sales of investment securities	1,970
Other	141
	2,207
Extraordinary losses	
Loss on retirement of non-current assets	499
Amount of impairment loss	1,994
Loss on sale of investment securities	4
Loss on valuation of investment securities	2
Dismantling and removal cost	753
Provision of allowance for doubtful accounts	182
Other	21
	3,458
Profit before income taxes	56,815
Income taxes-current	23,017
Income taxes-deferred	(11,623)
	11,393
Profit	45,421
Net loss attributable to non-controlling interests	(476)
Profit attributable to owners of parent	45,898

Consolidated Statement of Comprehensive Income

(From April 1, 2022 to March 31, 2023)

(Millions of yen)

Profit	45,421
Other comprehensive income	
Valuation difference on available-for-sale securities	(2,222)
Foreign currency translation adjustment	2,292
Remeasurements of defined benefit plans, net of tax	677
Share of other comprehensive income of entities accounted for using equity method	(54)
Total other comprehensive income	<u>692</u>
Comprehensive income	<u>46,114</u>
 (Breakdown)	
Comprehensive income attributable to owners of parent	46,597
Comprehensive income attributable to non-controlling interests	<u>(483)</u>

Consolidated Statement of Changes in Equity

(From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				Total shareholders' equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	
Balance as of April 1, 2022	127,234	36,813	464,494	(49,551)	578,991
Changes during period					
Dividends of surplus			(16,783)		(16,783)
Profit attributable to owners of parent			45,898		45,898
Purchase of treasury shares				(10,001)	(10,001)
Disposal of treasury shares			(0)	0	0
Cancellation of treasury shares		(0)	(19,717)	19,717	-
Changes in parent equity attributable to transactions with non-controlling interests		25			25
Net changes in items other than shareholders' equity					
Total changes during period	-	25	9,397	9,715	19,138
Balance as of March 31, 2023	127,234	36,839	473,891	(39,835)	598,130

(Millions of yen)

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	
Balance as of April 1, 2022	11,498	(513)	565	11,551	7,690	598,233
Changes during period						
Dividends of surplus						(16,783)
Profit attributable to owners of parent						45,898
Purchase of treasury shares						(10,001)
Disposal of treasury shares						0
Cancellation of treasury shares						-
Changes in parent equity attributable to transactions with non-controlling interests						25
Net changes in items other than shareholders' equity	(2,218)	2,295	622	699	(1,641)	(942)
Total changes during period	(2,218)	2,295	622	699	(1,641)	18,196
Balance as of March 31, 2023	9,280	1,781	1,188	12,250	6,049	616,430

Notes to Consolidated Financial Statements

1. Basis of Preparation of the Financial Statements

(1) Amounts described are rounded down to the nearest million yen.

(2) Scope of Consolidation

- 1) Number of Consolidated Subsidiaries: 29
Names of major consolidated subsidiaries:
Yamato Transport Co., Ltd. Okinawa Yamato Transport Co., Ltd. YAMATO TRANSPORT U.S.A.,INC.
YAMATO ASIA PTE.LTD. YAMATO INVESTMENT (HONG KONG) LIMITED YAMATO BOX CHARTER CO., LTD
Yamato System Development Co., Ltd. Yamato Autoworks Co., Ltd.
Effective from the beginning of the fiscal year under review, Yamato Web Solutions Co., Ltd. is excluded from the scope of consolidation given that they have ceased to exist as a result of an absorption-type merger in which Yamato System Development Co., Ltd. is the surviving company.
- 2) Non-consolidated Subsidiaries, etc.
OTL ASIA SDN. BHD. and certain other subsidiaries are not included within the scope of consolidation. The total assets, operating revenue, profit, and retained earnings of these non-consolidated subsidiaries are immaterial and, even taken together as a group, they do not exert a significant influence on the consolidated financial statements.

(3) Application of Equity Method

- 1) Number of Affiliates Accounted for Using Equity Method: 24
Names of major equity method affiliates:
Packcity Japan Co., Ltd. GDEX BHD. Yamato Home Convenience Co., Ltd.
Yamato Lease Co., Ltd.
Effective from the beginning of the fiscal year under review, Sweetmag Solutions (M) Sdn. Bhd. and one other company are included in the scope of the equity method due to the acquisition of new shares by GDEX BHD., an entity accounted for using the equity method.
- 2) Non-consolidated Subsidiaries and Affiliates Not Accounted for Using Equity Method
Entities not subject to the equity method such as OTL ASIA SDN. BHD., certain other non-consolidated subsidiaries and YAMATO UNYU (THAILAND) CO., LTD. and certain other affiliated companies are excluded from the scope of entities accounted for using the equity method because they do not exert a significant influence on the consolidated financial statements even when taken together as a group, given the immateriality of their profit (the amount corresponding to the ownership held by the Company), retained earnings (the amount corresponding to the ownership held by the Company) and other financial results.
- 3) Special Note on the Application of Equity Method
The fiscal year-end dates of certain entities accounted for using the equity method differ from the consolidated fiscal year-end date, and accordingly the financial statements have been prepared on the basis of the financial statements and provisional financial results for the respective fiscal years of each of those entities.

(4) Closing Date of Consolidated Subsidiaries

Of consolidated subsidiaries, YAMATO TRANSPORT U.S.A., INC. and nine other overseas subsidiaries have December 31 as their financial year end. Financial statements as of this closing date were used in the preparation of the consolidated financial statements. However, the consolidated figures have been adjusted as required to reflect significant transactions occurring between December 31, 2022, and March 31, 2023, which is the consolidated closing date.

(5) Accounting Policies

- 1) Valuation Basis and Methods for Securities Available-for-sale securities
 - Other than stocks and other securities with no market price
 - Stated at the fair market value based on the quoted market price (valuation differences are recognized in net assets; the cost of securities sold is the moving average method)
 - Stocks and other securities with no market price
 - Stated at the cost by the moving-average method
 - Investments in the limited partnership for investment and similar partnerships (Securities deemed to be securities pursuant to Article 2, Paragraph 2 of the Financial Instruments and Exchange Act)
 - The net amount of the Company's interest in the partnership based on the most recent financial statements available, according to the reporting date stipulated in the partnership agreement.
- 2) Valuation Basis and Methods for Inventories
 - Stated at the cost by first-in first-out method (for the value stated in the balance sheet, book value is written down based on the decreased profitability)
- 3) Depreciation and Amortization Methods of Non-current Assets
 - Property, plant and equipment (excluding leased assets): Straight-line method
 - Intangible assets (excluding leased assets): Straight-line method. However, software is amortized by the straight-line method over the estimated useful life (five years).
 - Leased assets: Straight-line method where the useful life of leased assets shall be equal to the lease period and their residual value shall be zero.
- 4) Accounting Method for Provision
 - Allowance for doubtful accounts
 - The allowance for doubtful accounts is provided to prepare for losses from uncollectible credits. For ordinary receivables, the amount is estimated using the rate based on the historical bad debt experience. For special receivables with higher uncertainty, collectivity is considered on individual cases and prospective uncollectible amount is provided.
 - Provision for bonuses
 - The provision for bonuses is provided for payment of bonuses to employees based on an amount expected to be paid.
 - This provision is not applicable for overseas consolidated subsidiaries.
 - Provisions for share based remuneration for officers
 - In preparation for the payment of shares based on the Regulations on Share-based Remuneration for Officers, the expected amount of compensation is recorded according to the points allocated to Officers.
- 5) Method of Accounting for Retirement Benefits
 - i. Method of attributing expected retirement benefit to periods
 - In calculating the retirement benefit obligations, the straight-line basis is used in determining the amount of the expected retirement benefit obligation attributed to service performed up to the end of the fiscal year under review.
 - ii. Method of recognizing actuarial differences and prior service costs
 - The entire amount of prior service cost is recognized in profit or loss in the fiscal year during which it arises.
 - Actuarial differences are recognized in profit or loss in the year following the year in which a respective gain or loss arises and are amortized proportionally on a straight-line basis over a period of time (mainly five years), which is within the average remaining years of service of the eligible employees.
 - iii. Method of accounting for unrecognized actuarial difference
 - Unrecognized actuarial difference is accounted for in remeasurements of defined benefit

plans, after adjusting for tax effects, under accumulated other comprehensive income of net assets.

6) Accounting Method for Revenues and Costs

Revenue from contracts with customers

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

i. Retail Business Unit

The Retail Business Unit provides small parcel delivery services such as TA-Q-BIN for consumers and small to medium-sized corporations. In this transportation service, based on contracts with customers, the Company provides pickup and delivery services at the request of customers, and revenues from these services are recognized in proportion to the fulfillment of performance obligations measured by the progress of deliveries, since other companies are not required to re-perform the transportation process that has already been executed even if the delivery to the designated destination cannot be completed.

ii. Corporate Business Unit

In addition to the same transportation services as the Retail Business Unit, the Corporate Business Unit provides logistics support services, such as cargo storage and logistics services for inbound and outbound shipments, in order to provide value to the entire supply chain of its customers. The Company provides logistics support services, which include the collection, storage, packing, and delivery of cargo based on contracts with customers, and recognizes each contractually agreed-upon process as a performance obligation. The Company recognizes revenue for each process under the contract as the fulfillment of the performance obligation, which is measured by the progress of the work, as the customer receives the economic benefit of the work as it progresses.

2. Accounting Estimates

(Impairment of non-current assets)

(1) The amount recognized in the consolidated financial statements for the fiscal year under review

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

Property, plant and equipment:	443,017 million yen
Intangible assets:	43,759 million yen

(2) Information on significant accounting estimates for identified items

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

The criteria of the asset groups are the management accounting classification and the unit used for investment decision making, and for Yamato Transport Co., Ltd., the four Business Divisions of Retail, Corporate, Global SCM, and EC were grouped as the smallest cash flow generating units, and assets associated with the Transportation Division and Head Office were classified as common assets.

The majority of the above property, plant and equipment and intangible assets are held by the Retail Business Unit, and the undiscounted future cash flows used in determining the recognition of impairment losses on property, plant and equipment for this business segment are based on future business plans that include TA-Q-BIN unit prices and TA-Q-BIN volumes as key assumptions. If these assumptions need to be revised due to uncertain future economic and business conditions, it could have a material impact on the consolidated financial statements in subsequent periods.

3. Notes on Additional Information

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

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

(1) Overview of transactions

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

(2) Accounting procedures

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

(3) Shares of the Company remaining in trust

Shares of the Company remaining in trust are to be recorded as treasury shares under net assets at book value in trust (excluding incidental expense amounts). There are 483 thousand shares of such treasury shares at a book value of 1,376 million yen as of March 31, 2023.

(Dissolution and Liquidation of Subsidiaries)

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

(1) Reasons for Dissolution and Liquidation

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

(2) Name, Business Content and Ownership of Subsidiary

- 1) Name YAMATO ASIA PTE.LTD.
- 2) Content of business Management of regional operations in Southeast Asia, business development and market research
- 3) Ownership 100% owned by the Company

- 1) Name YAMATO INVESTMENT (HONG KONG) LIMITED
- 2) Content of business Management of regional operations in East Asia, business development and market research
- 3) Ownership 100% owned by the Company

(3) Timing of Dissolution and Liquidation

- Board of Directors Resolution (the Company) February 17, 2023

- Extraordinary General Meeting of Shareholders (companies concerned) July, 2023
(planned)
- Completion of liquidation October, 2023 (planned)

(4) Status and Total Liabilities of the Subsidiaries

(YAMATO ASIA PTE.LTD.)

Net assets 3,675 million yen

Total assets 3,767 million yen

Total liabilities 92 million yen

YAMATO INVESTMENT (HONG KONG) LIMITED

Net assets 6,172 million yen

Total assets 6,176 million yen

Total liabilities 3 million yen

(5) Impact on Profit/Loss due to the Dissolution and Liquidation

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

(6) Significant Impact of the Dissolution and Liquidation on Business Activities

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

(Application of Japanese Group Relief System)

The Company and some of its domestic consolidated subsidiaries have obtained approval for the application of the Japanese Group Relief System during the current fiscal year, and therefore, starting from the next fiscal year, will transition from the independent taxation system to the Japanese Group Relief System. Regarding the accounting treatment and disclosure related to tax effect accounting for corporate income tax and local corporate tax from the end of the current fiscal year, the Company is applying the 'Accounting Treatment and Disclosure of the Japanese Group Relief System' (Practical Solutions No. 42, August 12, 2021)."

4. Notes to the Consolidated Balance Sheet

(1) Receivables, contract assets and contract liabilities arising from contracts with customers

1) Amounts of notes receivable - trade, accounts receivable - trade and contract assets arising from contracts with customers

Notes receivable - trade 979 million yen

Accounts receivable - trade 184,569 million yen

Contract assets 4,793 million yen

2) Amount of contract liabilities included in other current liabilities

Contract liabilities 14,263 million yen

(2) Accumulated depreciation of property, plant and equipment: 512,607 million yen

(3) Balance of liabilities on guarantee

Guarantee of obligation for debt financing: 20 million yen

5. Notes to the Consolidated Statement of Income

(1) Revenue from contracts with customers

The Company does not separately present revenues from contracts with customers and other revenues. The amount of revenue from contracts with customers is presented in "8. Revenue Recognition (1) Information on breakdown of revenue from contracts with customers" in the Notes to Consolidated Financial Statements.

(2) Impairment loss

During the fiscal year under review, the Yamato Group posted an impairment loss on the following asset group.

Use of asset	Type of asset	Region	Impairment loss (Millions of yen)
Sales office and other	Software, machinery and equipment, other	Credit Card Payment Business Unit and Deferred Payment Outsourcing Division Business Unit of Yamato Credit & Finance Co., Ltd. (Toshima-ku, Tokyo)) Three other premises	1,994

The Yamato Group uses management accounting classification and the unit used for investment decision making as criteria, and for Yamato Transport Co., Ltd., the four Business Divisions of Retail, Corporate, Global SCM, and EC were grouped as the smallest cash flow generating units, and assets associated with the Transportation Division and Head Office were classified as common assets.

During the fiscal year under review, the Group recognized no future usage and a continuous decrease in profit and loss arising from operating activities or significant declines in market prices for the asset group consisting of the Credit Card Payment Business Unit and Deferred Payment Outsourcing Division Business Unit of Yamato Credit & Finance Co., Ltd. and 4 other premises, and it decreased the book value of the relevant asset group to the recoverable value and posted the relevant decrease of 1,994 million yen to extraordinary losses as an impairment loss.

A main breakdown of this decrease shows that 1,013 million yen was attributable to software and 740 million yen was attributable to machinery and equipment.

If the recoverable value of such asset group is calculated based on value in use, the amount is valued by discounting future cash flows with a discount ratio (mainly 5.29%). Where the recoverable value is calculated based on net realizable value, idle assets are assumed to be zero, and assets other than idle assets are valued based mainly on real estate appraisal standards, the assessed value of property tax or the posted land price.

6. Notes to the Consolidated Statement of Changes in Equity

(1) Class and Total Number of Issued Shares and Treasury Shares:

	(Thousands of shares)			
	Number of shares as of beginning of fiscal year under review	Number of increased shares in fiscal year under review	Number of decreased shares in fiscal year under review	Number of shares as of end of fiscal year under review
Issued shares				
Common shares*1	388,575	–	(8,750)	379,824
Total	388,575	–m	(8,750)	379,824
Treasury shares				
Common shares*2	22,084	4,218	(8,750)	17,552
Total	22,084	4,218	(8,750)	17,552

(Notes) 1. The decrease of 8,750 thousand shares in the number of common shares issued is due to the cancellation of treasury stock held.

2. The number of treasury stock of common stock includes the Company's shares held by the Board Benefit Trust (BBT) (483 thousand shares at the beginning of the fiscal year under review and 483 thousand shares at the end of the fiscal year under review).

The increase of 4,218 thousand shares of treasury shares of common shares is mainly due to the purchase of 4,217 thousand treasury shares.

The decrease of 8,750 thousand shares of treasury shares of common shares is mainly due to the cancellation of 8,750 thousand treasury shares.

(2) Dividends

1) Payments of dividends

Resolution	Type of shares	Total amount of dividends (Millions of yen)	Dividend per share	Record date	Effective date on and after
May 17, 2022 Board of Directors	Common shares	8,440	23	March 31, 2022	June 2, 2022
November 7, 2022 Board of Directors	Common shares	8,343	23	September 30, 2022	December 9, 2022

Notes: 1. The total amount of dividends resolved by the Board of Directors on May 17, 2022, includes dividends of 11 million yen for the Company's shares held by the Board Benefit Trust (BBT).
2. The total amount of dividends resolved by the Board of Directors on November 7, 2022, includes dividends of 11 million yen for the Company's shares held by the Board Benefit Trust (BBT).

2) Dividends with a record date that falls within the fiscal year under review but an effective date starting in the upcoming fiscal year

Resolution	Type of shares	Total amount of dividends (Millions of yen)	Source of dividend	Dividend per share	Record date	Effective date on and after
May 17, 2023 Board of Directors	Common shares	8,343	Retained earnings	23	March 31, 2023	June 2, 2023

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

7. Notes to the Financial Instruments

(1) Matters concerning the status of financial instruments

1) Policy on financial instruments

To finance further business growth, the Yamato Group raises capital through bank loans and bond issuances based on a facilities investment scheme that includes the network development plan. One-time surplus funds are invested in safe financial assets. Derivative products are mainly used for hedging against variable interest rate risk, and no speculative transactions are undertaken.

Some of the Group's consolidated subsidiaries are engaged in businesses such as third-party credit sales.

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

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

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

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

Short-term borrowings and long-term borrowings are mainly used to raise capital for the Group's financial business. Borrowings are mainly procured at floating rates of interest.

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

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

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

(2) Matters concerning fair value of financial instruments

The table below shows the amounts recorded on the consolidated balance sheet as of March 31, 2023, their fair values, and differences between them.

(Millions of yen)

	Amount on the consolidated balance sheet	Fair value	Difference
Notes and accounts receivable - trade and contract assets	216,251		
Allowance for doubtful accounts	(260)		
	215,990	216,028	37
Accounts receivable - installment	50,509		
Allowance for doubtful accounts	(942)		
Deferred installment income	[4,797]		
	44,769	49,135	4,366
Investment securities			
Available-for-sale securities	21,000	21,000	-
Shares of subsidiaries and associates	4,309	5,805	1,496
Short-term borrowings	[10,000]	[10,000]	-

- Notes: 1. Items recognized as liabilities are shown in square parentheses [] both under Amount on the consolidated balance sheet and Fair value.
2. Cash and deposits are omitted because they are settled in a short period of time and their fair value approximates their book value.
3. Notes, accounts receivable - trade and contract assets are presented after deducting allowances for doubtful accounts set up for notes, accounts receivable - trade and contract assets not payable in the short term.
4. Accounts receivable - installment is presented after deducting the relevant allowance for doubtful accounts and deferred installment income.
5. Stocks and other securities that have no market price are not included in investment securities. Such financial instruments are unlisted equity and investments in capital, which amounted to 10,053 million yen in the consolidated balance sheets.
6. Investments in partnerships and other similar entities that are recorded on the consolidated balance sheets at a net amount equivalent to the Company's ownership interest are not included in investment securities. The amount of this investment in the consolidated balance sheet is 7,395 million yen.
7. Notes and accounts payable - trade are omitted because most of them are due within one year and their fair values are approximately equal to their book values.

- (3) Matters concerning the breakdown of the fair value of financial instruments by level and other items
The fair value of financial instruments is classified into the following three levels based on the observability and materiality of the inputs used to calculate fair value.

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

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

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

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

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

Item	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Stocks	21,000	–	–	21,000
Total assets	21,000	–	–	21,000

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

Item	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Notes and accounts receivable - trade and contract assets	–	216,028	–	216,028
Accounts receivable - installment	–	49,135	–	49,135
Investment securities				
Shares of subsidiaries and associates				
Stocks	5,805	–	–	5,805
Total assets	5,805	265,163	–	270,969
Short-term borrowings	–	10,000	–	10,000
Total liabilities	–	10,000	–	10,000

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

Investment securities

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

Notes and accounts receivable - trade and contract assets

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

Accounts receivable - installment

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

Short-term borrowings

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

8. Revenue Recognition

(1) Information that breaks down revenue from contracts with customers

(Millions of yen)

	Retail Business Unit	Corporate Business Unit	Other Note 1	Total
Transportation income	1,191,264	617,221	24,616	1,833,103
Logistical support income	3,352	259,525	–	262,877
Other	25,858	33,357	151,751	210,967
Revenue from contracts with customers	1,220,475	910,104	176,368	2,306,948
Other revenue (Note 2)	–	–	3,436	3,436
Total	1,220,475	910,104	179,804	2,310,385
Operating revenue or transfers within the segment	(2,563)	(47,596)	(7,772)	(57,932)
Operating revenue by segment	1,217,911	862,508	172,032	2,252,452
Operating revenue or transfers between segments	(323,337)	(16,454)	(111,991)	(451,783)
Operating revenue from customers	894,574	846,053	60,040	1,800,668

Notes:1. Other includes Yamato System Development Co., Ltd. (information systems development), and Yamato Autoworks Co., Ltd. (collective vehicle management agent business for transportation companies).
2. Other revenue consists of transactions related to financial instruments included in the scope of ASBJ Statement No. 10 “Accounting Standard for Financial Instruments,” such as installment sales.

(2) Information that provides a basis for understanding revenue from contracts with customers
The same information as in “1. Basis of Preparation of the Financial Statements, (5) Accounting Policies, 6) Accounting Method for Revenues and Costs” in the Notes to Consolidated Financial Statements has been omitted.

None of the contracts include significant financial elements or variable consideration, and the contractual consideration for services is generally received within 30–70 days from the time of revenue recognition. The contractual consideration for transportation services provided to individual customers in the Retail Business Unit is received at the time the shipment is accepted.

(3) Information about the relationship between the satisfaction of performance obligations under contracts with customers and cash flows from such contracts, and the amount and timing of revenue expected to be recognized in subsequent periods from contracts with customers that existed at the end of the fiscal year under review

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

(Millions of yen)

	Fiscal year ended March 31, 2023
Receivables from contracts with customers (beginning balance)	188,004
Receivables from contracts with customers (balance at end of period)	185,549
Contract assets (beginning balance)	4,688
Contract assets (balance at end of period)	4,793
Contract liabilities (beginning balance)	12,887
Contract liabilities (balance at end of period)	14,263

Contract assets are mainly recognized in TA-Q-BIN transactions and are recognized based on the estimated revenue from the progress of deliveries up to the end of the fiscal year. Contract assets are reclassified to receivables from contracts with customers when the subsidiary’s rights to the consideration become unconditional.

Contract liabilities mainly relate to advances received from customers who have subscribed to the Kuroneko Member Discount program for TA-Q-BIN transactions. Contract liabilities are reversed upon the recognition of revenue.

Among the revenues recognized during the fiscal year under review, the amount included in the contract liability balance at the beginning of the period was 10,427 million yen.

The amount of revenue recognized in the fiscal year under review from performance obligations

satisfied in prior periods was not material.

2) Transaction prices allocated to remaining performance obligations

The Company and its subsidiaries apply the practical expedient in noting transaction prices allocated to the remaining performance obligations and do not include performance obligations with original expected contractual terms of one year or less and performance obligations for which the entity is entitled to receive consideration directly corresponding to the value to the customer of the portion of the obligation that has been performed by the entity to date. As a result, there are no significant performance obligations that should be noted as the transaction price allocated to the remaining performance obligations.

The performance obligations with an initial expected term of one year or less mainly relate to courier services such as TAK-Q-BIN in the Retail Business Unit.

In addition, there are no material amounts of consideration arising from contracts with customers that are not included in the transaction price.

9. Per Share Information

(1) Net assets per share	1,684.87 yen
(2) Basic earnings per share	126.64 yen

Note: The number of shares of common stock at the end of the fiscal year under review and the average number of shares of common stock during the fiscal year under review used for the calculation of net assets per share and basic earnings per share are calculated by deducting the number of shares held in the Company's own name and the number of shares of the Company's stock held by the Board Benefit Trust (BBT) (483 thousand shares at the end of the fiscal year under review and 483 thousand shares in the average number of shares during the fiscal year under review).

10. Significant Subsequent Events

(Purchase and cancellation of treasury shares)

At its meeting held on May 10, 2023, the Board of Directors resolved matters related to the purchase of treasury shares of the Company in accordance with the provisions of the Articles of Incorporation, pursuant to Article 459, paragraph (1), item (i) of the Companies Act, and also resolved cancellation of treasury shares of the Company in accordance with the provisions of Article 178 of the Companies Act.

(1) Reason of purchase and cancellation of treasury shares

The Company purchases and cancels its treasury shares to improve capital efficiency and enhance shareholder returns.

(2) Content of matters related to the purchase of treasury shares

Type of shares to be purchased Common shares of the Company

Total number of shares to be purchased Up to 22,000,000 shares

(Ratio to the total number of issued shares (excluding treasury shares): 6.06%)

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

Total acquisition price of shares to be purchased

Up to 50.0 billion yen

Acquisition period

From May 17, 2023 to February 29, 2024

Acquisition method

Through the market

(3) Content of cancellation of treasury shares

Type of shares to be cancelled Common shares of the Company

Total number of shares to be cancelled All of the treasury shares to be purchased through 2. above

Scheduled date of share cancellation March 29, 2024

Non-consolidated Balance Sheet

(As of March 31, 2023)

(Millions of yen)

Assets	Liabilities
Current assets	Current liabilities
Cash and deposits	Trade accounts payable
Trade accounts receivable	Short-term borrowings
Short-term loans receivable	Income taxes payable
Income taxes receivable	Deposits received
Other	Provision for bonuses
Non-current assets	Other
Property, plant and equipment:	Non-current liabilities
Buildings	Provision for retirement benefits:
Tools, furniture and fixtures	Provision for share awards for directors (and other officers)
Land	Other
Construction in progress	Total liabilities
Other	Net assets
Intangible assets	Shareholders' equity
Software	Share capital
Other	Capital surplus
Investments and other assets	Legal capital surplus
Investment securities	Retained earnings
Shares of subsidiaries and associates	Other retained earnings
Long-term loans receivable	General reserve
Deferred tax assets	Retained earnings brought forward
Other	Treasury shares
Allowance for doubtful accounts	Valuation and translation adjustments
Allowance for investment loss	Valuation difference on available-for- sale securities
Total assets	Total net assets
425,145	333,868
	Total liabilities and net assets
	425,145

Non-consolidated Statement of Income

(From April 1, 2022 to March 31, 2023)

(Millions of yen)

Operating revenue	47,189
Selling, general and administrative expenses	7,022
Operating profit	40,167
Non-operating income	
Interest and dividend income	1,823
Leasing income	2,017
Other revenue	568
	4,408
Non-operating expenses	
Interest expenses	7
Facility charges	2,017
Other	435
	2,459
Ordinary profit	42,116
Extraordinary income	
Gain on sales of investment securities	1,970
Gain on sales of shares of subsidiaries and associates	16
Provision of allowance for investment loss	517
Other	9
	2,513
Extraordinary losses	
Provision of allowance for doubtful accounts	1,020
Dismantling and removal cost	753
Other	40
	1,814
Profit before income taxes	42,815
Income taxes-current	1,909
Income taxes-deferred	(11,348)
	(9,439)
Profit	52,255

Non-consolidated Statement of Changes in Equity

(From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity					
	Capital surplus				Retained earnings	
	Share capital	Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings	
					General reserve	Retained earnings brought forward
Balance as of April 1, 2022	127,234	36,822	0	36,822	138,965	46,819
Changes during period						
Dividends of surplus						(16,783)
Profit						52,255
Purchase of treasury shares						
Disposal of treasury shares			(0)	(0)		(0)
Cancellation of treasury shares						(19,717)
Net changes in items other than shareholders' equity						
Total changes during period	–	–	(0)	(0)	–	15,754
Balance as of March 31, 2023	127,234	36,822	–	36,822	138,965	62,573

(Millions of yen)

	Shareholders' equity			Valuation and translation adjustments	Total net assets
	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	
	Total retained earnings				
	Balance as of April 1, 2022	185,785	(49,551)	300,291	
Changes during period					
Dividends of surplus	(16,783)		(16,783)		(16,783)
Profit	52,255		52,255		52,255
Purchase of treasury shares		(10,001)	(10,001)		(10,001)
Disposal of treasury shares	(0)	0	0		0
Cancellation of treasury shares	(19,717)	19,717	–		–
Net changes in items other than shareholders' equity				(2,198)	(2,198)
Total changes during period	15,754	9,715	25,469	(2,198)	23,271
Balance as of March 31, 2023	201,539	(39,835)	325,761	8,106	333,868

Notes to Non-Consolidated Financial Statements

1. Amounts described are rounded down to the nearest million yen.

2. Summary of Significant Accounting Policies

(1) Valuation Basis and Methods for Securities

Available-for-sale securities

Other than stocks and other securities with no market price

Stated at the fair market value based on the quoted market price

(valuation differences are recognized in net assets; the cost of securities sold is the moving average method)

Stocks and other securities with no market price

Stated at the cost by the moving-average method

Investments in the limited partnership for investment and similar partnerships

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

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

Shares of subsidiaries and associates

Stated at the cost by the moving-average method

(2) Depreciation and Amortization Methods of Non-current Assets

Property, plant and equipment:

Straight line method

Intangible assets:

Straight line method, but software is amortized by the straight line method over the estimated useful life (five years)

(3) Accounting Method for Provision

Allowance for doubtful accounts

The allowance for doubtful accounts is provided to prepare for loss from uncollectible credits. For special receivables with higher uncertainty, collectivity is considered on individual cases and the prospective uncollectible amount is provided.

Allowance for investment loss:

To prepare for a devaluation loss of investments in subsidiaries and associates, allowances are provided considering the financial position and recoverability of the relevant subsidiary or associate.

Provision for bonuses:

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

Provision for retirement benefits:

To provide for employees' retirement benefits, a provision for retirement benefits is recorded based on the projected retirement benefit obligations and related pension assets as of the end of the fiscal year ended March 31, 2023.

1) Method of attributing expected retirement benefit to periods

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

the end of the fiscal year under review.

2) **Method of recognizing actuarial differences**

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

Provisions for share based remuneration for officers

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

(4) Method of Accounting for Retirement Benefits

The method of accounting for unrecognized actuarial differences on retirement benefits is different to the method in the consolidated financial statements.

(5) Accounting Method for Revenues and Costs

The Company mainly engages in executive management of its subsidiaries. Under the executive management contracts, the Company provides management and planning guidance to its subsidiaries. Since the economic benefits of these services are provided equally over the contract period, the Company recognizes revenue as the performance obligations are satisfied, which is measured by the passage of time.

3. Revenue Recognition

Information that forms the basis for understanding revenues from contracts with customers has been omitted because the same information is presented in "2. Summary of Significant Accounting Policies (5) Accounting Method for Revenues and Costs" in the Notes to the Non-consolidated Financial Statements.

For all services, the consideration for transactions does not include significant financial elements or variable consideration, and the consideration for transactions with subsidiaries is received primarily at the end of each quarter.

4. Accounting Estimates

(Valuation of shares of subsidiaries and associates)

(1) The amount recognized in the non-consolidated financial statements for the fiscal year under review

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

Shares of subsidiaries and associates	295,784 million yen
Allowance for investment loss	(1,357) million yen

(2) Information on significant accounting estimates for identified items

In principle, stocks of subsidiaries and affiliates are stated at the cost by the moving-average method. In the event of a decline in the effective value, the Company determines whether or not to recognize a write-down based on estimates of the business plans and other factors of the relevant company. In determining whether or not to recognize a write-down, certain assumptions are made with respect to business plans and other estimates. These assumptions are subject to uncertain future economic and business conditions, which may have a material impact on the financial statements for the next and subsequent periods.

5. Notes on Additional Information

(The “Board Benefit Trust (BBT),” a performance-linked stock compensation plan)

The Company has established the “Board Benefit Trust (BBT),” a performance-linked stock compensation plan, in order to clarify the linkage between the compensation of directors (excluding outside directors) and executive officers who do not concurrently serve as directors (“Officers”) and the Company’s business performance and stock value and also having the Officers share not only the benefits of higher stock prices but also the risks of lower stock prices with shareholders, thereby raising awareness of contributing to improving the Company’s medium- to long-term business performance and increasing its corporate value.

The outline of this plan is described in “3. Notes on Additional Information” on the Notes to Consolidated Financial Statements and thus omitted.

(Dissolution and Liquidation of Subsidiaries)

At the Company’s Board of Directors meeting held on February 17, 2023, the Company resolved to liquidate its subsidiaries, YAMATO ASIA PTE. LTD. and YAMATO INVESTMENT (HONG KONG) LIMITED.

For details, please refer to “3. Notes on Additional Information” in the Notes to Consolidated Financial Statements.

6. Notes to the Non-consolidated Balance Sheet

(1) Accumulated depreciation of property, plant and equipment:	1,195 million yen
(2) Balance of liabilities on guarantee	
1) Joint and several guarantee based on clearing agreements with other transportation companies:	300 million yen
2) Guarantee of obligation for debt financing:	298 million yen
(3) Monetary receivables from, and monetary payables to, subsidiaries and associates	
Short-term monetary receivables:	15,465 million yen
Long-term monetary receivables:	14,769 million yen
Short-term monetary payables:	79,892 million yen

7. Notes to the Non-consolidated Statement of Income

Transaction with subsidiaries and associates:

Operating revenue	47,197 million yen
Operating expenses	2,844 million yen
Non-operating transactions	3,078 million yen

8. Notes to the Non-consolidated Statement of Changes in Equity

Class and Total Number of Treasury Shares:

	(Thousands of shares)			
	Number of shares as of beginning of fiscal year under review	Number of increased shares in fiscal year under review	Number of decreased shares in fiscal year under review	Number of shares as of end of fiscal year under review
Common shares (Note)	22,084	4,218	8,750	17,552

Notes: The number of treasury stock of common stock includes the Company’s shares held by the Board Benefit Trust (BBT) (483 thousand shares at the beginning of the fiscal year under review and 483 thousand shares at the end of the fiscal year under review).

The increase of 4,218 thousand shares of treasury shares of common shares is mainly due to the purchase of 4,217 thousand treasury shares.

The decrease of 8,750 thousand shares of treasury shares of common shares is mainly due to the cancellation of 8,750 thousand treasury shares.

9. Notes to Tax Effect Accounting

Detailed deferred tax assets and deferred tax liabilities

(Millions of yen)

Deferred tax assets	
Provision for bonuses	1
Accrued enterprise tax	48
Provision for retirement benefits:	39
Loss on valuation of investment securities	643
Shares of subsidiaries and associates	61,649
Other	804
	Subtotal
	63,186
Allowance for devaluation	(51,972)
	Total
	11,213
Deferred tax liabilities	
Valuation difference on available-for-sale securities	(2,294)
Other	(57)
	Total
	(2,351)
Net deferred tax assets	8,862

The Company has obtained approval for the application of the Japanese Group Relief System during the current fiscal year, and therefore, starting from the next fiscal year, will transition from the independent taxation system to the Japanese Group Relief System. Regarding the accounting treatment and disclosure related to tax effect accounting for corporate income tax and local corporate tax from the end of the current fiscal year, the Company is applying the 'Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System' (Practical Solutions No. 42, August 12, 2021)."

10. Notes to Dealings with Related Parties

Subsidiaries, Etc.

Status	Company	Location	Capital	Main business	Holding of voting rights	(Millions of yen)
						Relationship Concurrent positions held by officers
Subsidiary	Yamato Transport Co., Ltd.	Chuo-ku, Tokyo	50,000	Home delivery business for individuals and small and medium-sized corporate customers Transportation business for large corporate customers	Direct holdings 100.0%	Concurrently 4 persons
Subsidiary	Yamato System Development Co., Ltd.	Koto-ku, Tokyo	1,800	System development	Direct holdings 100.0%	Concurrently 2 persons
Subsidiary	Yamato Credit & Finance Co., Ltd.	Toshima-ku, Tokyo	500	Installment credit and finance services	Direct holdings 70.0%	None
Subsidiary	Yamato Autoworks Co., Ltd.	Chuo-ku, Tokyo	30	Vehicle Management Service business	Direct holdings 100.0%	Concurrently 2 persons

Status	Company	Relationship Business relationships	Dealings	Dealing amount	Account item	(Millions of yen)
						Balance at end of period
Subsidiary	Yamato Transport Co., Ltd.	Executive management	Receipt of executive management fee	5,230	–	–
			Payment of consignment service fee, etc.	2,104	Trade accounts payable	210
			Leasing income	2,017	Other current assets	192
			Funding	18,362	Deposits received	53,431
			Payment of interest	1		
Subsidiary	Yamato System Development Co., Ltd.	Executive management	Funding	(9,281)	Deposits received	14,298
			Payment of interest	0		
Subsidiary	Yamato Credit & Finance Co., Ltd.	Executive management	Loans for working capital	5,901	Short-term loans receivable	13,867
			Repayment of working capital	280	Long-term loans receivable	12,894
		Loans for funding	Receipt of interest	24		
Subsidiary	Yamato Autoworks Co., Ltd.	Executive management	Funding	(3,474)	Deposits received	5,046
			Payment of interest	0		

Notes: Trade terms and decision policy of the dealing

- (1) The executive management fee and the consignment service fee are determined reasonably through mutual consultation, considering the business contents, etc.
- (2) Leasing income is determined based on the prevailing market conditions.
- (3) Interest on deposits received and loans receivable is determined based on market interest rates.
- (4) The amount of "Funding" records the net amount of increase or decrease during the period.
- (5) The dealing amount of loans provided as working capital to Yamato Credit & Finance Co., Ltd. records the net amount of increase or decrease during the period.
- (6) To prepare for the loss of business in subsidiaries, an allowance for doubtful accounts of 67 million yen for loans receivable was recorded in the fiscal year under review. The balance of allowance for doubtful accounts was 402 million yen.

11. Per Share Information

(1) Net assets per share	921.59 yen
(2) Basic earnings per share	144.17 yen

Note: The number of shares of common stock at the end of the fiscal year under review and the average number of shares of common stock during the fiscal year under review used for the calculation of net assets per share and basic earnings per share are calculated by deducting the number of shares held in the Company's own name and the number of shares of the Company's stock held by the Board Benefit Trust (BBT) (483 thousand shares at the end of the fiscal year under review and 483 thousand shares in the average number of shares during the fiscal year under review).

12. Notes on Important Subsequent Matters

(Purchase and cancellation of treasury shares)

Information on purchase and cancellation of treasury shares is described in "10. Significant Subsequent Events" on the Notes to Consolidated Financial Statements and thus omitted.

(TRANSLATION)

Audit Report of Accounting Auditor on Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

May 11, 2023

To the Board of Directors of Yamato Holdings Co., Ltd.

Deloitte Touche Tohmatsu LLC Tokyo Office

Designated Limited Liability Partner, Engagement Partner	CPA	Koichi Yano
Designated Limited Liability Partner Engagement Partner	CPA	Shinji Seki
Designated Limited Liability Partner Engagement Partner	CPA	Yusuke Kumei

Audit Opinion

Pursuant to Article 444, paragraph (4) of the Companies Act, we have audited the consolidated financial statements, namely, the Consolidated Balance Sheet as of March 31, 2023 of Yamato Holdings Co., Ltd. (the "Company"), and the Consolidated Statement of Income and Consolidated Statement of Changes in Equity for the fiscal year from April 1, 2022 to March 31, 2023, and the Notes to the Consolidated Financial Statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Yamato Holdings Co., Ltd. and its consolidated subsidiaries (collectively, the "Group") as of March 31, 2022, and the results of their operations for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Information

The other information comprises the business report and its supplemental schedules. Management is responsible for the preparation and disclosure of the other information. Audit & Supervisory Board

Members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

The other information is not included in the scope of our opinion on the consolidated financial statements, and we do not provide our opinion on the other information.

Our responsibility in auditing the consolidated financial statements is to read the other information and, in the course of reading, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the course of our audit, and pay attention to whether there are any other signs of material errors in the other information in addition to such material inconsistency.

If, based on the work we have performed, we conclude that there is a material error in the other information, we are required to report that fact.

We have nothing to report with respect to the other information.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the consolidated financial statements, consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the consolidated financial statements with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and notes to the

consolidated financial statements are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.

- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We report to the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and to communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Interest

Our firm and the engagement partners do not have any interest in the Company and its consolidated subsidiaries for which disclosure is required under the provisions of the Certified Public Accountants Act.

End

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

Audit Report of Accounting Auditor on Non-consolidated Financial Statements**INDEPENDENT AUDITOR'S REPORT**

May 11, 2023

To the Board of Directors of Yamato Holdings Co., Ltd.

**Deloitte Touche Tohmatsu LLC
Tokyo Office**

Designated Limited Liability Partner Engagement Partner	CPA	Koichi Yano
Designated Limited Liability Partner Engagement Partner	CPA	Shinji Seki
Designated Limited Liability Partner Engagement Partner	CPA	Yusuke Kumei

Audit Opinion

Pursuant to Article 436, paragraph (2), item (i) of the Companies Act, we have audited the non-consolidated financial statements, namely, the Non-consolidated Balance Sheet as of March 31, 2023 of Yamato Holdings Co., Ltd. (the "Company"), and the Non-consolidated Statement of Income and Non-consolidated Statement of Changes in Equity for the 158th fiscal year from April 1, 2022 to March 31, 2023, and the Notes to Non-consolidated Financial Statements and the accompanying supplemental schedules (collectively, the "Financial Statements").

In our opinion, the Financial Statements referred to above present fairly, in all material respects, the financial position of Yamato Holdings Co., Ltd. as of March 31, 2022, and the results of its operations for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in Japan, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Information

The other information comprises the business report and its supplemental schedules. Management is responsible for the preparation and disclosure of the other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

The other information is not included in the scope of our opinion on the non-consolidated financial statements, and we do not provide our opinion on the other information.

Our responsibility in auditing the non-consolidated financial statements is to read the other information and, in the course of reading, consider whether the other information is materially inconsistent with the non-consolidated financial statements or our knowledge obtained in the course of our audit, and pay attention to whether there are any other signs of material errors in the other information in addition to such material inconsistency.

If, based on the work we have performed, we conclude that there is a material error in the other information, we are required to report that fact.

We have nothing to report with respect to the other information.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing whether it is appropriate to prepare the Financial Statements with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the Financial Statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these Financial Statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the Financial Statements, consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the Financial Statements with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the Financial Statements or, if the notes to the Financial Statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the Financial Statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the Financial Statements and notes to the Financial Statements are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the Financial Statements, including the related notes thereto, and whether the Financial Statements fairly present the underlying transactions and accounting events.

We report to the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any

significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and to communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

End

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

(TRANSLATION)

Audit Report of the Audit & Supervisory Board

AUDIT REPORT

Regarding the performance of duties by the Directors for the 158th business year from April 1, 2022 to March 31, 2023, the Audit & Supervisory Board hereby submits its audit report, which has been prepared through discussions based on the audit report prepared by each Audit & Supervisory Board Member.

1. Auditing Methods Employed by the Audit & Supervisory Board Members and Audit & Supervisory Board and Details of Such Methods

- (1) The Audit & Supervisory Board established auditing policies, allocation of duties, and other relevant matters, and received reports from Audit & Supervisory Board Members regarding their audits and results thereof, as well as received reports from the Directors, other relevant personnel, and Accounting Auditors regarding performance of their duties, and sought explanations as necessary.
- (2) Each Audit & Supervisory Board Member complied with the auditing standards of Audit & Supervisory Board Members established by the Audit & Supervisory Board, followed the auditing policies, allocation of duties, and other relevant matters, communicated with the Directors, the internal audit division, other employees, and any other relevant personnel, and made efforts to optimize the environment for information collection and audit. We have executed the audit based on the following methods.
 - 1) Each Audit & Supervisory Board Member participated in the Board of Directors Meetings and other important meetings, received reports from the Directors, employees, and other relevant personnel regarding performance of their duties, sought explanations as necessary, examined important authorized documents and associated information, and studied the operations and financial positions. With respect to subsidiaries, we communicated and exchanged information with Directors, Audit & Supervisory Board Members, and other relevant personnel of the subsidiaries, and received business reports from subsidiaries as necessary.
 - 2) We received periodic reports from Directors and employees and sought explanations as necessary on the details of the resolution of the Board of Directors related to the provision of a system described in Article 100, paragraphs (1) and (3) of the Regulation for Enforcement of the Companies Act that not only ensures Directors are carrying out their duties indicated in the business report in compliance with laws and regulations and the Articles of Incorporation, but also ensures the propriety of the work activities of the corporate group consisting of the Company and its subsidiaries. We also received periodic reports from Directors and employees, sought explanations and expressed an opinion as necessary on the status of development and operation of the system (internal control system) put in place in accordance with the aforesaid resolution.
 - 3) Furthermore, we monitored and verified whether the Accounting Auditors maintained their independence and implemented appropriate audits, and we received reports from the Accounting Auditors regarding the performance of their duties and sought explanations as necessary. In addition, we received notice from the Accounting Auditors that “the system for ensuring that duties are performed properly” (matters set forth in each item of Article 131 of the Regulation on Corporate Accounting) is organized in accordance with the “product quality management standards regarding audits” (Business Accounting Council, November 16, 2021) and other relevant standards, and sought explanations as necessary.

Based on the above methods, we examined the business report and supplemental schedules, non-consolidated financial statements (Non-consolidated Balance Sheet, Non-consolidated Statement of Income, Non-consolidated Statement of Changes in Equity, and Notes to the Non-consolidated Financial Statement) and supplemental schedules, as well as consolidated financial statements (Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Changes in Equity, and Notes to the Consolidated Financial Statements) related to the relevant business year.

2. Audit Results

- (1) Results of Audit of Business Report and Other Reference Documents
- 1) In our opinion, the business report and supplemental schedules are in accordance with the related laws and regulations and Articles of Incorporation, and fairly represent the Company's condition.
 - 2) With regard to the performance of duties by the Directors, we have found no evidence of wrongful action or material violation of related laws and regulations, nor of any violation with respect to the Articles of Incorporation.
 - 3) In our opinion, the contents of the resolutions of the Board of Directors regarding the internal control system are fair and reasonable. In addition, we have found no matters on which to remark in regard to the performance of duties of the Directors regarding the internal control system.
- (2) Results of Audit of Non-consolidated Financial Statements and Supporting Schedules
In our opinion, the methods and results employed and rendered by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are fair and reasonable.
- (3) Results of Audit of Consolidated Financial Statements
In our opinion, the methods and results employed and rendered by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are fair and reasonable.

May 11, 2023

Audit & Supervisory Board, Yamato Holdings Co., Ltd.

Full-time Audit & Supervisory Board Member	Yoshihiro Kawasaki	(seal)
Full-time Audit & Supervisory Board Member	Tutomu Sasaki	(seal)
Outside Audit & Supervisory Board Member	Takashi Yamashita	(seal)
Outside Audit & Supervisory Board Member	Ryuji Matsuda	(seal)
Outside Audit & Supervisory Board Member	Yoshihide Shimoyama	(seal)

Access to the Venue

Date and time: Friday, June 23, 2023, 10:00 a.m. (The reception desk will open at 9:00 a.m.)

Meeting venue: B1F Hall, Belle Salle Shiodome
Sumitomo Realty & Development Shiodome Hamarikyu Building 21-1, Ginza 8-chome, Chuo-ku, Tokyo

TEL: 03-3541-4141

JR Line:

From Shimbashi Station (Shiodome Exit or Karasumori Exit) 15 minute walk

Toei Asakusa Line

From the Exit for JR Shimbashi Station and Shiodome district 15 minute walk

Tokyo Metro Ginza Line

From Shimbashi Station (Exit 4) 15 minute walk

Toei Oedo Line

From the Exit for JR Shimbashi Station 10 minute walk

- * Vehicle parking will not be available at the meeting venue.
- If you do not attend the meeting in person, please exercise your voting rights prior to the meeting by mail or by electromagnetic means such as the Internet.
- The Company will livestream the General Meeting of Shareholders over the Internet so that shareholders may view it from home. The Company also asks that you consider utilizing this method. For details regarding how to view the livestream, etc., please refer to page 6 of this notice.
- If future developments necessitate a major change in the holding of the meeting or in the way the meeting will be run, the Company will revise the information at its website below as needed.
<https://www.yamato-hd.co.jp/investors/stock/meeting/>