

Annual Securities Report

(Pursuant to Article 24, paragraph (1) of the Financial Instruments and Exchange Act)

Fiscal year
(159th Fiscal Year)

From: April 1, 2023
To: March 31, 2024

Yamato Holdings Co., Ltd.

(E04187)

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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[Fiscal year]	159th Fiscal Year (From April 1, 2023 to March 31, 2024)
[Company name]	ヤマトホールディングス株式会社 (<i>Yamato Holdings Kabushiki Kaisha</i>)
[Company name in English]	YAMATO HOLDINGS CO., LTD.
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PART 1 INFORMATION ON THE COMPANY

I. Overview of the Company

1. Changes in Principal Management Indicators, etc.

(1) Consolidated management indicators, etc.

Fiscal Year		155th	156th	157th	158th	159th
Closing Month and Year		March 2020	March 2021	March 2022	March 2023	March 2024
Operating revenue	(Millions of yen)	1,630,146	1,695,867	1,793,618	1,800,668	1,758,626
Ordinary profit	(Millions of yen)	40,625	94,019	84,330	58,066	40,458
Profit attributable to owners of parent	(Millions of yen)	22,324	56,700	55,956	45,898	37,626
Comprehensive income	(Millions of yen)	17,285	73,292	47,276	46,114	42,003
Net assets	(Millions of yen)	562,835	584,287	598,233	616,430	591,980
Total assets	(Millions of yen)	1,100,739	1,089,991	1,086,854	1,107,587	1,135,895
Net assets per share	(Yen)	1,441.20	1,553.45	1,611.34	1,684.87	1,708.00
Basic earnings per share	(Yen)	56.78	151.55	151.03	126.64	107.23
Diluted earnings per share	(Yen)	–	–	–	–	–
Equity-to-asset ratio	(%)	50.4	52.9	54.3	55.1	51.6
Return on equity	(%)	4.0	10.0	9.6	7.6	6.3
Price earnings ratio	(Times)	29.9	20.0	15.2	17.9	20.1
Cash flows from operating activities	(Millions of yen)	74,433	123,921	52,016	89,953	64,333
Cash flows from investing activities	(Millions of yen)	(49,943)	44,078	(58,943)	(49,420)	(22,435)
Cash flows from financing activities	(Millions of yen)	(22,368)	(123,247)	(54,456)	(38,617)	(30,777)
Cash and cash equivalents at end of period	(Millions of yen)	196,662	241,284	180,603	183,225	194,702
Number of employees	(Number of people)	224,945	223,191	216,873	210,197	177,430

- Notes:
- Diluted earnings per share are not presented since no potential shares exist.
 - In calculating the net assets per share for the 156th and thereafter, the Company's shares held by the Board Benefit Trust (BBT) are included in the treasury shares deducted from the number of shares outstanding as of the end of the fiscal period. In addition, in calculating the basic earnings per share, the Company's shares held by BBT are included in the treasury shares deducted from the calculation of the average number of shares during the period.
 - The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the 157th Fiscal Year, and the principal management indicators, etc. relating to the 157th Fiscal Year onwards are those after applying the accounting standard and relevant ASBJ regulations.
 - The Company and its domestic consolidated subsidiaries have changed from the declining-balance method that was previously applied as their depreciation method for property, plant and equipment to the straight-line method from the 157th Fiscal Year in order to allocate costs in a manner that better reflects actual use of assets, and have accordingly modified useful lives of some vehicles. The principal management indicators, etc. relating to the 157th Fiscal Year onwards are those after applying such change.

(2) The Reporting Company's management indicators, etc.

Fiscal Year		155th	156th	157th	158th	159th
Closing Month and Year		March 2020	March 2021	March 2022	March 2023	March 2024
Operating revenue	(Millions of yen)	49,864	44,864	48,010	47,189	36,454
Ordinary profit	(Millions of yen)	36,551	22,686	43,205	42,116	30,580
Net income	(Millions of yen)	16,169	12,622	47,168	52,255	32,340
Share capital	(Millions of yen)	127,234	127,234	127,234	127,234	127,234
Total Number of Issued Shares	(Thousands of shares)	411,339	388,575	388,575	379,824	360,496
Net assets	(Millions of yen)	327,007	294,863	310,596	333,868	304,918
Total assets	(Millions of yen)	524,956	489,922	403,163	425,145	449,053
Net assets per share	(Yen)	848.90	794.73	847.49	921.59	889.11
Dividend per share		41.00	46.00	46.00	46.00	46.00
[Interim dividend per share (included above)]	(Yen)	[15.00]	[16.00]	[23.00]	[23.00]	(23.00)
Basic earnings per share	(Yen)	41.13	33.74	127.32	144.17	92.17
Diluted earnings per share	(Yen)	–	–	–	–	–
Equity-to-asset ratio	(%)	62.3	60.2	77.0	78.5	67.9
Return on equity	(%)	4.8	4.1	15.6	16.2	10.1
Price earnings ratio	(Times)	41.3	90.0	18.0	15.7	23.4
Payout ratio	(%)	99.7	136.3	36.1	31.9	49.9
Number of employees	(Number of people)	284	389	25	21	19
Total shareholder return	(%)	60.8	109.2	84.9	85.6	83.4
[Benchmark index: TOPIX including dividends]	(%)	[90.5]	[128.6]	[131.2]	[138.8]	(196.2)
Highest share price	(Yen)	2,940.0	3,160.0	3,395.0	2,522.0	2,768.5
Lowest share price	(Yen)	1,289.0	1,641.0	2,130.0	2,008.0	2,091.0

- Notes:
1. Diluted earnings per share are not presented since no potential shares exist.
 2. In calculating the net assets per share for the 156th and thereafter, the Company's shares held by the Board Benefit Trust (BBT) are included in the treasury shares deducted from the number of shares outstanding as of the end of the fiscal period. In addition, in calculating the basic earnings per share, the Company's shares held by BBT are included in the treasury shares deducted from the calculation of the average number of shares during the period.
 3. The dividend per share of 41 yen in the 155th Fiscal Year includes the 100th anniversary commemorative dividend of 10 yen.
 4. The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the 157th Fiscal Year, and the principal management indicators, etc. relating to the 157th Fiscal Year onwards are those after applying the accounting standard and relevant ASBJ regulations.
 5. The Company has changed from the declining-balance method that was previously applied as its depreciation method for property, plant and equipment to the straight-line method from the 157th Fiscal Year in order to allocate costs in a manner that better reflects actual use of assets, and has accordingly modified useful lives of some vehicles. The principal management indicators, etc. relating to the 157th Fiscal Year onwards are those after applying such change.
 6. Highest share price and lowest share price are those recorded on the Prime Market of the Tokyo Stock Exchange from April 4, 2022. The prices before this date were those recorded on the 1st Section of the Tokyo Stock Exchange.

2. History

The Company's predecessor (Yamato Transport Co., Ltd.) established in Kyobashi-ku Tokyo on November 29, 1919 with a share capital of 100,000 yen. Daini Yamato Transport Co., Ltd. was established as a procedure to increase capital in February 1929, and it merged with Yamato Transport Co., Ltd. and changed its name to Yamato Transport Co., Ltd. with a share capital of 250,000 yen.

Nov. 1919	Founded in Kyobashi-ku, Tokyo with a share capital of 100,000 yen and four vehicles.
Apr. 1929	Commenced regular delivery service between Tokyo and Yokohama (Japan's first regular route transport service).
May 1949	Listed its shares with the resumption of the Tokyo Stock Exchange.
Mar. 1950	Commenced forwarding business.
Jan. 1951	Signed a contract with Civil Air Transport (CAT) and started air freight agency operations.
Jan. 1952	Commenced sea cargo handling operations.
Oct. 1957	Established Yamato Shoji Co., Ltd. (currently: Yamato Autoworks Co., Ltd.)
Jun. 1958	Commenced the packing and shipping of artworks.
Aug. 1958	Entered into agency agreement with Japan Airlines Co., Ltd. and commenced handling cargo for domestic air routes.
Feb. 1960	Commenced handling mixed cargo for international air routes.
Apr. 1966	Commenced marketing of general port transportation business.
Jan. 1973	Separated the computer division and established Yamato System Development Co., Ltd.
Jan. 1976	Commenced the "TA-Q-BIN" small-lot delivery system service.
Mar. 1977	Established Kyokuto Lease Co., Ltd. (currently: Yamato Lease Co., Ltd.)
Mar. 1980	Established YAMATO TRANSPORT U.S.A., INC.
Sep. 1981	The Company's shares moved to the 1st Section of the Tokyo Stock Exchange.
Oct. 1982	Change of characters for Japanese trade name (with no change to English name).
Jul. 1985	Commenced new service that commodified moving services.
Sep. 1985	Established Yamato Home Services Co., Ltd. (currently: Yamato Home Convenience Co., Ltd.)
Jul. 1986	Established Yamato Collect Service Co., Ltd. (currently: Yamato Financial Co., Ltd.)
Oct. 1986	Established Yamato Transport Netherlands B.V. (Currently: YAMATO TRANSPORT EUROPE B.V.)
Jul. 1988	Commenced the "Cool TA-Q-BIN" service, Japan's first refrigerated delivery system.
Dec. 1996	Commenced Year-end/New Year TA-Q-BIN services. Operating 365 days a year.
Mar. 1997	Commenced "Kuroneko Mail" service nationwide.
Nov. 1997	Commenced service to Ogasawara Islands, completing the nationwide TA-Q-BIN network.
Jan. 2002	Established YAMATO.STAFF.SUPPLY.CO.,LTD.
Apr. 2003	The logistics business was partially split and merged with Yamato Logistics Co., Ltd. The ocean forwarding business, customs clearance business, artworks transportation business and international moving business were separated and merged with Yamato Global Freight Co., Ltd. Shikoku Yamato Transport Co., Ltd. merged with Yamato Transport Co., Ltd. Kyushu Yamato Transport Co., Ltd. merged with Yamato Transport Co., Ltd.
Oct. 2003	The moving division was separated and merged with Yamato Home Convenience Co., Ltd. The car maintenance services division was separated and merged with Yamato Autoworks Co., Ltd.
Oct. 2004	Yamato Logistics Co., Ltd. and Yamato Parcel Service Co., Ltd. were combined with Yamato Global Freight Co., Ltd. through an absorption-type merger, and that company changed its name to Yamato Logistics Co., Ltd.
Nov. 2004	Established Yamato Management Services Co., Ltd. to handle bookkeeping and accounting operations as well as personnel affairs for companies in the Yamato Group.
Apr. 2005	Became involved in the management of Fine Credit Co., Ltd. (currently: Yamato Credit & Finance Co., Ltd.)
Nov. 2005	With the transition to a pure holding company, Yamato Transport Co., Ltd. changed its name to Yamato Holdings Co., Ltd. Delivery business, etc. was transferred to the Yamato Transport Successor Preparatory Company (currently: Yamato Transport Co., Ltd.)
Apr. 2008	Yamato Transport Co., Ltd.'s express business separated and merged with Yamato Global Express Co., Ltd.
Aug. 2008	Yamato Logistics Co., Ltd. split into Yamato Logistics Co., Ltd. conducting the logistics business, etc. and Yamato Global Logistics Japan Co., Ltd. conducting the international logistics services business, etc.
Sep. 2013	Completed construction of the integrated logistics terminal Haneda Chronogate.
Mar. 2015	Abolished "Kuroneko Mail" service.
Apr. 2015	Commenced TA-Q-BIN Compact, Nekopos and the new post service Kuroneko DM-Bin.
Jan. 2016	Formed business and capital alliance with major Malaysian delivery company GD EXPRESS CARRIER BHD. (currently: GDEX BHD.)
Jul. 2016	Packcity Japan Co., Ltd., a joint venture company with Neopost Shipping S.A. (France), commenced open-type parcel delivery locker business.

Aug. 2016	Agreed to acquire the shares of three OTL Group companies, which are based in Malaysia and operate cross-border land transportation, and their business in Vietnam.
Apr. 2020	60% of the issued common shares of Yamato Lease Co., Ltd. were transferred to Fuyo General Lease Co., Ltd.
Jun. 2020	Commenced the new "EAZY" delivery service for EC business operators.
Apr. 2021	Seven companies including Yamato Logistics Co., Ltd. and Yamato Financial Co., Ltd. were involved with Yamato Transport Co., Ltd. in absorption-type mergers and absorption-type company splits.
Sep. 2021	Yamato Management Services Co., Ltd. merged with Yamato Transport Co., Ltd.
Jan. 2022	51% of the issued common shares of Yamato Home Convenience Co., Ltd. were transferred to ART MOVING COMPANY Co., Ltd.
Apr. 2022	Due to the revision of the Tokyo Stock Exchange's market categories, transferred from the 1st Section to the Prime Market of the Tokyo Stock Exchange.
Sep. 2023	Transferred 51% of the shares issued of YAMATO.STAFF.SUPPLY.CO.,LTD. to World Staffing Co., Ltd.
Oct. 2023	Launched Kuroneko Yu-Packet delivery service in cooperation with Japan Post Group.
Jan. 2024	Abolished "Kuroneko DM-Bin" service.
Feb. 2024	Launched Kuroneko Yu-Mail service in cooperation with Japan Post Group.

3. Description of Business

The Yamato Group (the Group) comprises YAMATO HOLDINGS CO., LTD. (the Company), 42 subsidiaries and 34 affiliates and operates in two types of business segments, namely the Retail Business Unit and the Corporate Business Unit, based on their customer segments.

The description of business and the positioning and relationship to reportable segments are as follows.

The Company is categorized as a specified listed company pursuant to Article 49, paragraph (2) of the Cabinet Office Order on Restrictions on Securities Transactions. Accordingly, criteria for considering a material fact to be of minor importance for purposes of insider trading regulations are determined on the basis of consolidated figures.

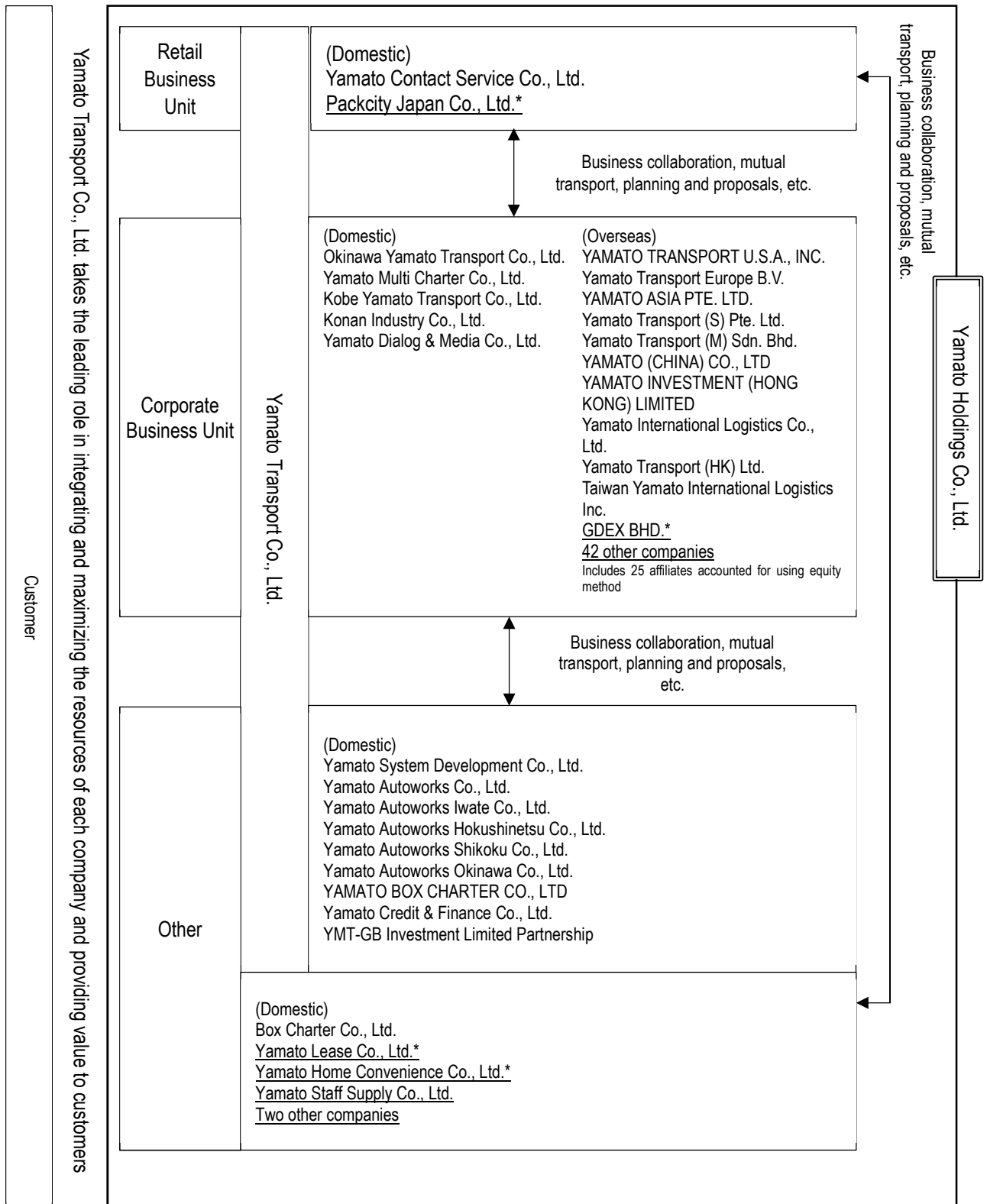
Business segment	Description of business	Main companies
Retail Business Unit	Engages in providing small-lot transportation services, including TA-Q-BIN.	Yamato Transport Co., Ltd., YAMATO CONTACT SERVICE CO., LTD., Packcity Japan Co., Ltd.
	Small parcel delivery services for consumers and small- to mid-sized corporations	
Corporate Business Unit	Provides value to the entire corporate logistics supply chain.	Yamato Transport Co., Ltd., Okinawa Yamato Transport Co., Ltd., Yamato Multi Charter Co., Ltd., Kobe Yamato Transport Co., Ltd., Konan Industry Co., Ltd., Yamato Dialog & Media Co., Ltd., YAMATO TRANSPORT U.S.A., INC., YAMATO TRANSPORT EUROPE B.V., YAMATO ASIA PTE. LTD.* ¹ , YAMATO TRANSPORT (S) PTE. LTD., YAMATO TRANSPORT (M) SDN. BHD., YAMATO CHINA CO., LTD., YAMATO INVESTMENT (HONG KONG) LIMITED* ¹ , YAMATO INTERNATIONAL LOGISTICS CO., LTD., Yamato Logistics (HK) Ltd., TAIWAN YAMATO INTERNATIONAL LOGISTICS INC., GDEX BHD., 42 other companies
	Transportation services for large corporations, planning and operation of logistics centers, customs services, air cargo agency service business, settlement services business	
Other	Engages in maximizing the Group's value to the customer by utilizing IT and maintenance functions and various forms of transportation business that support both the retail and corporate business segments.	Yamato Transport Co., Ltd., Yamato System Development Co., Ltd., Yamato Autoworks Co., Ltd., Yamato Autoworks Iwate Co., Ltd., Yamato Autoworks Hokushinetsu Co., Ltd., Yamato Autoworks Shikoku Co., Ltd., Yamato Autoworks Okinawa Co., Ltd., YAMATO BOX CHARTER CO., LTD., Yamato Credit & Finance Co., Ltd., YMT-GB Investment Limited Partnership, BOX CHARTER CO., LTD., Yamato Lease Co., Ltd., Yamato Home Convenience Co., Ltd., YAMATO.STAFF.SUPPLY.CO.,LTD.* ² , 2 other companies
	Development, operation and management of IT systems, vehicle maintenance business, fuel sales business, nonlife insurance agent business, cargo vehicle transportation service, roll box pallet transportation service	

*1. At the Company's Board of Directors meeting held in the previous fiscal year, the Company resolved to liquidate YAMATO ASIA PTE. LTD. and YAMATO INVESTMENT (HONG KONG) LIMITED, and is preparing for the liquidation proceedings now.

*2. YAMATO.STAFF.SUPPLY.CO.,LTD. changed from being a subsidiary to an affiliated company due to the transfer of a portion of its shares held by the Company on September 1, 2023.

*3. The liquidation process was completed for Express Network Co., Ltd. on December 21, 2023, and as a result, the company was excluded from the scope of consolidation.

The following business structure chart shows the status of the above corporate group.



- The company that submits consolidated financial statements
- No marking Consolidated subsidiary
- Underlined Non-consolidated subsidiary or affiliate
- * Affiliate accounted for using equity method

4. Status of Subsidiaries and Associates

Name	Location	Share capital (Millions of yen)	Description of business	Ratio of voting rights held (%)	Relationship	
(Consolidated subsidiary) Yamato Transport Co., Ltd. *1 *2	Tokyo Chuo-ku	50,000	Retail Business Unit Corporate Business Unit	100	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	4 Company officers 21,000 million yen in loans for funding. Entrusted with the Company's administrative operations, etc. Leasing facilities. None
YAMATO CONTACT SERVICE CO., LTD.	Tokyo Toshima-ku	20	Retail Business Unit	100	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	1 Company officer None None None None
Okinawa Yamato Transport Co., Ltd.	Okinawa Prefecture Itoman City	50	Corporate Business Unit	100	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	1 Company officer 2,700 million yen in loans for funding. None None None
Yamato Multi Charter Co., Ltd.	Kyoto City Fushimi-ku	96	Corporate Business Unit	100	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	None None None None None
Kobe Yamato Transport Co., Ltd.	Kobe City Chuo-ku	20	Corporate Business Unit	100	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	None None None None None
Konan Industry Co., Ltd.	Hamamatsu City Chuo-ku	20	Corporate Business Unit	100 (100)	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	None None None None None

Name	Location	Share capital (Millions of yen)	Description of business	Ratio of voting rights held (%)	Relationship	
Yamato Dialog & Media Co., Ltd.	Tokyo Chuo-ku	100	Corporate Business Unit	100	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	1 Company officer None None None None
YAMATO TRANSPORT U.S.A., INC.	California U.S.A.	Millions of US\$ 4	Corporate Business Unit	100	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	1 Company officer None None None None
YAMATO TRANSPORT EUROPE B.V.	Schiphol-Rijk The Netherlands	Millions of euro 8	Corporate Business Unit	100	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	1 Company officer None None None None
YAMATO ASIA PTE. LTD. *1	Singapore	Millions of S\$ 352	Corporate Business Unit	100	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	2 Company officers None None None In preparation for the liquidation proceedings, shares of subsidiaries and associates and other assets are transferred to the Company.
YAMATO TRANSPORT (S) PTE. LTD.	Singapore	Millions of S\$ 55	Corporate Business Unit	100	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	1 Company officer None None None None
YAMATO TRANSPORT (M) SDN. BHD.	Selangor Malaysia	Millions of RM 125	Corporate Business Unit	60	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	None None None None None

Name	Location	Share capital (Millions of yen)	Description of business	Ratio of voting rights held (%)	Relationship	
YAMATO CHINA CO., LTD.	Shanghai China	Millions of RMB 50	Corporate Business Unit	100	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	1 Company officer None None None None
YAMATO INVESTMENT (HONG KONG) LIMITED *1	Hong Kong	Millions of HK\$ 970	Corporate Business Unit	100	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	None None None None In preparation for the liquidation proceedings, shares of subsidiaries and associates are transferred to the Company and funds are deposited with the Company.
YAMATO INTERNATIONAL LOGISTICS CO., LTD.	Shanghai China	Millions of RMB 120	Corporate Business Unit	100 (100)	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	2 Company officers None None None None
Yamato Logistics (HK) Ltd.	Hong Kong	Millions of HK\$ 640	Corporate Business Unit	100	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	1 Company officer None None None None
TAIWAN YAMATO INTERNATIONAL LOGISTICS INC.	Taipei Taiwan	Millions of NT\$ 21	Corporate Business Unit	100	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	1 Company officer None None None None
Yamato System Development Co., Ltd.	Tokyo Koto-ku	1,800	Other	100	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	2 Company officers None Entrusted with the Company's system operation and management. None None

Name	Location	Share capital (Millions of yen)	Description of business	Ratio of voting rights held (%)	Relationship	
Yamato Autoworks Co., Ltd.	Tokyo Chuo-ku	30	Other	100	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	2 Company officers None None None None
Yamato Autoworks Iwate Co., Ltd.	Iwate Prefecture Kitakami City	1	Other	95 (95)	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	None None None None
Yamato Autoworks Hokushinetsu Co., Ltd.	Niigata City Nishi-ku	30	Other	95 (95)	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	None None None None
Yamato Autoworks Shikoku Co., Ltd.	Kagawa Prefecture Nakatado-gun	1	Other	100 (100)	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	None None None None
Yamato Autoworks Okinawa Co., Ltd.	Okinawa Prefecture Itoman City	30	Other	100 (100)	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	None None None None
YAMATO BOX CHARTER CO., LTD.	Tokyo Chuo-ku	400	Other	100	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	None None None None

Name	Location	Share capital (Millions of yen)	Description of business	Ratio of voting rights held (%)	Relationship	
Yamato Credit & Finance Co., Ltd.	Tokyo Toshima-ku	500	Other	70	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	1 Company officer 26,903 million yen in loans for funding. None None None
YMT-GB Investment Limited Partnership	Tokyo Shibuya-ku	4,000	Other	99.50	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	None None None None
Box Charter Co., Ltd.	Tokyo Chiyoda-ku	230	Other	55.87	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	1 Company officer None None None
(an equity method affiliate) Packcity Japan Co., Ltd.	Tokyo Chiyoda-ku	1,500	Retail Business Unit	49 (49)	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	None None None None
GDEX BHD.	Selangor Malaysia	Millions of RM 337	Corporate Business Unit	23.24	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	None None None None
Yamato Lease Co., Ltd.	Tokyo Toshima-ku	30	Other	40	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	1 Company officer None None None

Name	Location	Share capital (Millions of yen)	Description of business	Ratio of voting rights held (%)	Relationship	
Yamato Home Convenience Co., Ltd.	Tokyo Chuo-ku	100	Other	49	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	2 Company officers None None None None
YAMATO.STAFF.SUPPLY.CO., LTD.	Tokyo Chuo-ku	100	Other	49.02	Concurrent positions held by officers Financial assistance Business transactions Leasing of facilities Other	1 Company officer None None None None
25 other companies						

*1. Yamato Transport Co., Ltd., YAMATO ASIA PTE. LTD. and YAMATO INVESTMENT (HONG KONG) LIMITED are categorized as specified subsidiaries.

*2. The operating revenue (excluding inter-company operating revenue among the consolidated companies) of Yamato Transport Co., Ltd. accounts for more than 10% of consolidated operating revenue. However, since the operating revenue of that company (including inter-segment sales or transfer) accounts for more than 90% of the operating revenue under the Retail Business Unit and the Corporate Business Unit in the segment information, the main profit and loss information has been omitted.

Note: The figures in parentheses in the Ratio of voting rights held are the indirect holding ratios.

5. Status of Employees

(1) Consolidated companies

As of March 31, 2024

Business segment	Number of employees (Number of people)
Retail Business Unit	154,130
Corporate Business Unit	16,952
Other	6,329
Corporate	19
Total	177,430

Notes: 1. Employees in the Retail Business Unit include employees in the Transportation department and Headquarters of Yamato Transport Co., Ltd.
2. The number for "Corporate" is the number of employees of the Company.
3. The number of employees in the Other business area decreased by 14,341 from the end of the previous fiscal year. This is mainly due to the exclusion of YAMATO.STAFF.SUPPLY.CO.,LTD. from the scope of consolidation following the transfer of its shares.

(2) Status of the Reporting Company

As of March 31, 2024

Number of employees (Number of people)	Average age (Years old)	Average length of service (Years)	Average annual salary (Yen)
19	51.3	24.1	11,917,837

Note: Average annual salary (including tax) includes non-standard allowances and bonuses.

(3) Status of the labor union

Yamato Transport Labor Union, etc. are organized in the Yamato Group. There are no particular matters to describe in relation to labor-management relations.

(4) Percentages of female employees in managerial positions, percentages of male employees who have taken childcare leave, and gender pay gaps

The Yamato Group actively presents exemplary ways of working for its diverse employees to follow, so that they all have opportunities to achieve success. We pursue diversity, fairness, and inclusiveness in the workplace for our employees, including part-time and fixed-term employees who work under limited conditions for working hours and/or places of work, among others.

Current fiscal year					
Reporting Company and consolidated subsidiary	Female employees in managerial positions (%) (Note 1)	Male employees who have taken childcare leave (%) (Note 2)	Gender pay gap (%) (Notes 1 and 3)		
			All employees	Permanent employees	Part-time and fixed-term employees
Yamato Transport Co., Ltd.	5.4	25.4	46.9	74.1	97.6
YAMATO CONTACT SERVICE CO., LTD.	32.9	100.0	59.5	70.9	104.3
Okinawa Yamato Transport Co., Ltd.	11.0	23.9	53.4	76.9	84.6
Yamato Multi Charter Co., Ltd.	0.0	0.0	38.9	79.5	92.8
Konan Industry Co., Ltd.	5.0	–	70.7	73.2	82.5
Yamato System Development Co., Ltd.	6.1	22.7	63.6	76.3	65.1
Yamato Autoworks Co., Ltd.	6.5	26.8	58.7	75.8	83.3
YAMATO BOX CHARTER CO., LTD.	5.6	66.6	55.7	72.4	63.6
Yamato Credit & Finance Co., Ltd.	6.3	–	–	–	–

- Notes:
1. The percentages were calculated in accordance with the provision of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).
 2. These calculated percentages are of employees who have taken childcare leave as specified in Article 71-4, item (i) of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991) in accordance with the provision of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).
 3. In regard to gender pay gaps, the Company's personnel and wage systems are not gender-based. The gaps shown above are attributed mostly to the fact that many female employees are part-timers who work fewer hours, and to differences in numbers of employees between the lines of work.

II. Business Overview

1. Management Policy, Management Environment and Tasks to be Addressed

The management policy and management environment of the Yamato Group and its tasks to be addressed are as follows.

Forward-looking statements in the text are based on the judgment of the Yamato Group as of the date of submission of the Annual Securities Report.

(1) Management policy

With the Management Philosophy that Yamato helps enrich our society by enhancing our social infrastructure, creating more convenient services for evolving lifestyles and industries, and developing innovative logistics and distribution systems, we are developing products and services that are useful for enhancing the convenience of lifestyles.

In the future, as a member of society, we will continuously contribute to the creation of an enriched society by creating a “new logistics ecosystem” that meets the needs of customers and addresses social issues head on. In addition, we will aim for stable management by building next-generation sales, trunk line transportation, and last-mile operations with technology as the starting point, and by working to increase profitability.

(2) Objective indicators to judge the management environment, the management strategy and the status of achievement of the management goals

The Company has formulated the Medium-term Management Plan “Sustainability Transformation 2030 —1st Stage—” (“SX2030 —1st Stage—”) which ends in the fiscal year ending March 31, 2027.

We at the Yamato Group aim to realize sustainable enhancement of corporate value through “contribution to the creation of an enriched society” as stated in our Management Philosophy. To this end, under a group management framework that mobilizes the management resources of each Group company, we have 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.” Through the Group management structure reform, we launched the “One Yamato” structure in April 2021 by mobilizing management resources, and promoted business structure reforms focusing on “expansion of corporate business domain” and “structural reforms of network operations.”

Amid the stagnation of the retail market, the B-to-C EC market (merchandise sales) is expanding in terms of market size and EC ratio, and logistics is shifting from C-to-C to B-to-C. In the structural reforms of network operations, we have established and started operation of an EC logistics network dedicated to the increasing number of EC packages, mainly in urban areas, as a foundation to strengthen the existing (TA-Q-BIN) network.

In addition, while demand for delivery other than e-commerce delivery is sluggish, the existing (TA-Q-BIN) network is facing a range of structural challenges such as: a change in the composition of TA-Q-BIN customers, including a decline in the percentage of pickups by sales drivers; a high concentration of small last-mile pickup and delivery bases mainly in urban areas; aging and narrowing terminal bases; an imbalance between package dispatch and arrival mainly in urban areas; and a large number of employees involved in sorting work, and a lack of progress in outsourcing simple tasks. To resolve these challenges, we have initiated network reinforcement measures which include consolidating and upsizing last-mile pickup and delivery bases and reviewing terminal functions as well as a human resource strategy that makes full use of digital technology.

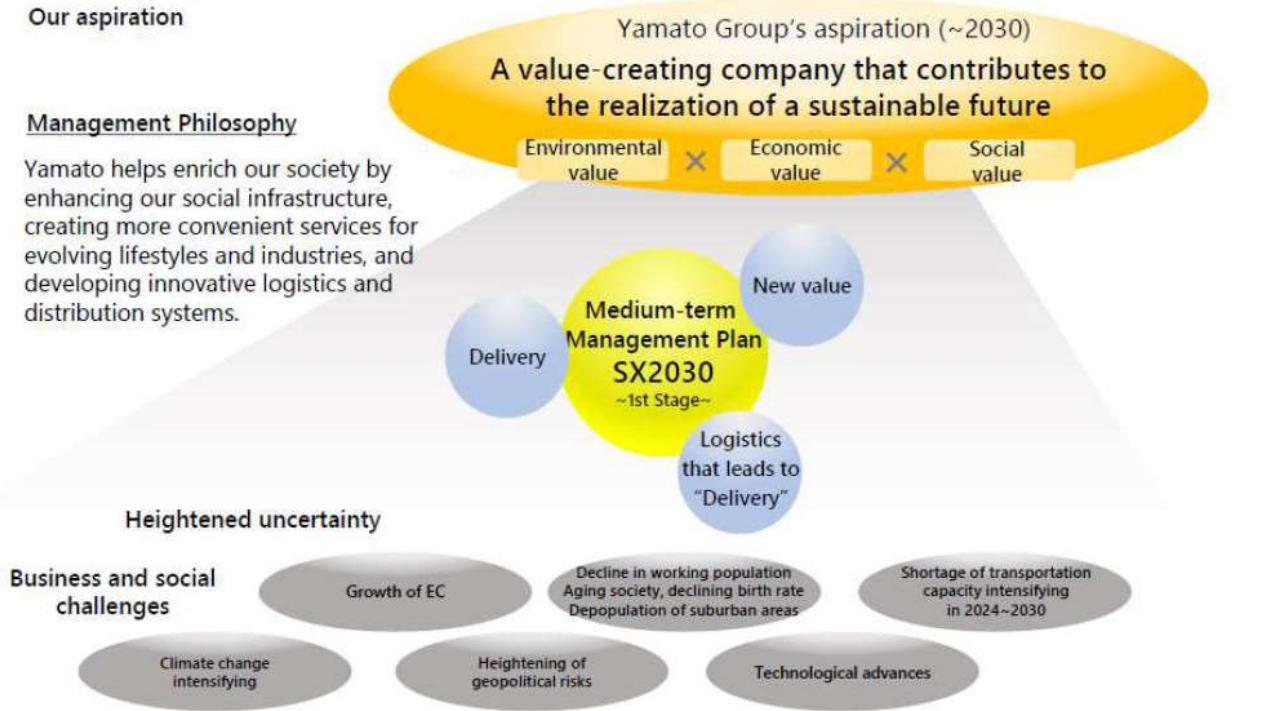
Meanwhile, in the expansion of corporate business domain, we have strengthened account management and expanded the value we provide to the end-to-end supply chain. Thanks to these efforts, we have begun to see results in new domains such as cross-border EC, three-temperature zone (ambient temperature, refrigerated, and frozen) logistics, and the creation of LLP (lead logistics partner) projects.

With the aim of achieving solid results from our efforts under “One Yamato 2023,” and realizing our aspiration to become “A value-creating company that contributes to the realization of a sustainable future,” we have positioned in “SX2030 —1st Stage—,” which we have recently formulated, the three-year period from the fiscal year ending March 31, 2025 to the fiscal year ending March 31, 2027 as “the period for realizing Sustainability Transformation (SX) in the Yamato Group.” During the period, we will implement the following key initiatives.

Our aspiration

Management Philosophy

Yamato helps enrich our society by enhancing our social infrastructure, creating more convenient services for evolving lifestyles and industries, and developing innovative logistics and distribution systems.



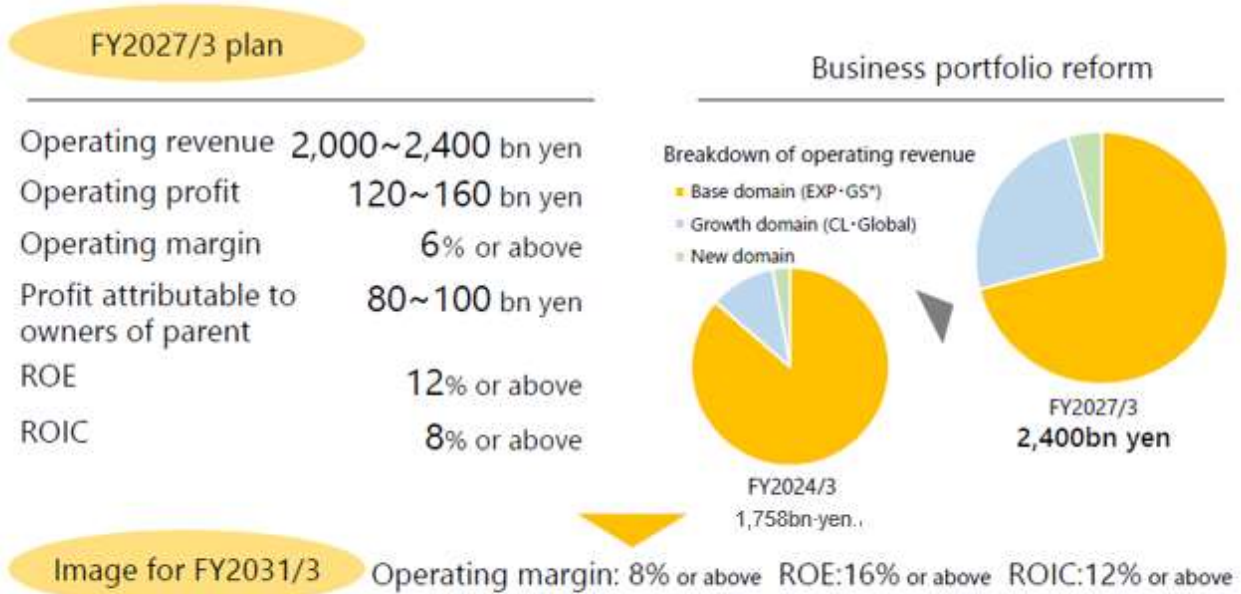
“SX2030 —1st Stage—” Key Initiatives

- i) **Basic domain: Reinforcement of the TA-Q-BIN network and expanding the value we provide**
We will expand operating revenue by achieving carbon neutrality of TA-Q-BIN, TA-Q-BIN Compact, and EAZY, enhancing the service line-up, improving customer experience, and strengthening the pricing strategy based on factors including the rise in external costs. We will also promote structural reforms of network operations to improve cost per unit and shift to a structure capable of stable profit growth.
- ii) **Growth domain: Expansion of corporate business domain**
We will promote business solutions that contribute to our customers' supply chain reforms by utilizing the TA-Q-BIN network and transportation by cargo aircraft (freighter), and expand our business through M&As and alliances.
- iii) **New domain: Commercialization of new business models**
We will promote commercialization of new business models that addresses diverse needs of customers and society with a diverse range of partners, while utilizing existing management resources, to realize a sustainable future.
- iv) **Reinforcement of the Group's management platform**
We will be working on HR strategy, digital strategy, reinforcement of sustainable management, and reinforcement of corporate governance as the foundation for sustainable enhancement of corporate value.
- v) **Embed management principles that place more focus on capital efficiency within the Group**
We have set ROIC as a new management metric to embed management principles with greater emphasis on capital efficiency and achieve ROI above WACC.

We have set targets of consolidated operating revenue of 2.0-2.4 trillion yen, consolidated operating profit of 120-160 billion yen (consolidated operating margin of at least 6%), ROE of at least 12%, and ROIC of at least 8% for the fiscal year ending March 31, 2027, the final year of the Medium-term Management Plan, and will continue to transform our business portfolio.

Growth image

Dramatic profit growth through the reinforcement of the EXP business (base domain) and business portfolio reform (expansion of business domain)



*EXP: Domestic transportation and delivery business, centered around transportation (TA-Q-BIN) services that pay consideration to climate change
 GS: Group support (Yamato System Development Co., Ltd., etc.) CL: Contract Logistics

(3) Business and financial issues that require priority action

In the business environment surrounding the Yamato Group, although the global inflationary trend appears to be calming down, it remains difficult to foresee a full-fledged economic recovery in Japan as consumer spending remains sluggish. In addition, costs are expected to rise in line with changes in the external environment such as the enforcement of overtime work cap in car driving operations (2024 issue) starting from April 2024. Furthermore, in the medium and long term, we are expecting the growth of EC, heightening of geopolitical risks, aging society, declining birthrate, depopulation of suburban areas, labor shortage, climate change intensifying, etc. Under these circumstances, at the Yamato Group we have set our aspiration of “A value-creating company that contributes to the realization of a sustainable future” to be realized in 2030, and will continue to accelerate the following initiatives i) through v) based on the Medium-term Management Plan “Sustainability Transformation 2030 —1st Stage—,” which ends in the fiscal year ending March 31, 2027, in order to realize sustainable enhancement of corporate value through “Contribution to the realization of an affluent society” as stated in our Management Philosophy.

i) Reinforcement of the TA-Q-BIN network and expanding the value we provide

In light of the growth of EC, aging society, declining birthrate, depopulation of suburban areas, labor shortage, and climate change intensifying, we will continue to promote structural reforms of network operations in order to reinforce the TA-Q-BIN network more efficiently and sustainably as the social infrastructure. Specifically, in order to respond more flexibly to business volume fluctuations, improve efficiency in trunk-route transportation and reduce the waiting time for cargo, we will consolidate and enlarge last-mile facilities, which had been deployed in small-scale and multi-location, redefine terminal functions, and transform our way of “sorting,” “transporting” and “working” using digital technologies. In addition, by continuing to promote standardization of the administrative operations of our frontline employees and back-office operation, and business process re-engineering (BPR) by digitalization, we will realize the optimization of operating costs while maintaining and improving the safety and quality of operation as well as the working environment and job satisfaction for employees and partners.

We will expand value provided to customers through broadening the line-up of transportation service, improving customer experience through “Kuroneko Members,” and “Carbon Neutral Delivery” for TA-Q-BIN/TA-Q-BIN Compact/EAZY. Also, we will revise reported fares each year based on changes in the external environment, and review individual contracts with corporate clients. Through those initiatives, among others, we will promote appropriate pricing and fee collection.

ii) Expansion of corporate business domain

The Yamato Group is positioning 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, and will focus to expand Contract Logistics business and Global business.

In Contract Logistics business, putting an emphasis on synergy with Express business, we will strengthen our efforts to further expand the usage of TA-Q-BIN, charge appropriate pricing corresponding to the value provided, and acquire new logistics revenue through providing solutions that help solve problems and grow business of customers using TA-Q-BIN. We will establish a sales support structure and improve skills of sales staff so that corporate sales staff assigned to each area can make suitable proposals by utilizing information noticed by sales drivers through contacts with customers, etc.

In Global business, viewing changes in the supply chain as an opportunity, leveraging the existing vast client base accumulated by TA-Q-BIN, we will make efforts to further expand business areas such as automotive and high-tech industries where the Yamato Group is demonstrating its strength, and strengthen sales capabilities especially in Japan, U.S. & Mexico, India and ASEAN. Also, we will improve the efficiency in mixed-loading of forwarding by narrowing down the focus markets, strengthen proposals to the growing cross-border EC, and capture the logistics demands such as consumer goods accompanying expansion of domestic demand in the focus regions.

In order to accelerate the expansion of the growth areas, we will promote M&As and strategic alliances in addition to autonomous growth. In considering M&As, the division responsible for revenue and the dedicated M&A team will work together in an integrated way with discipline, focusing on compatibility with the growth strategies of Contract Logistics business and Global business as well as establishing quantitative criteria to measure investment effectiveness, among other things.

iii) Develop new business model

We will promote commercialization of new business models that addresses diverse needs of customers and society with a diverse range of partners, while utilizing existing management resources, to realize a sustainable future.

In Mobility business, we will develop platform and ecosystem that achieves both decarbonization and the right economics, and contribute to the overall sustainability of society and the logistics industry, by supporting introduction and operation of commercial EVs utilizing know-how of EVs, solar power generation equipment, energy management, etc. accumulated so far through environment investment and demonstration experiment within the Yamato Group based on our vehicle maintenance business. In addition, in order to respond to various needs of regional society besides sending and receiving packages, we will create new value by deploying “Neko Support Station” with an aim to provide new services, expanding sales of the “Kuroneko monitoring service: Hello Light Visit Plan” that uses “HelloLight” IoT light bulbs, etc. Moreover, we started operation of cargo aircraft (freighters) starting April 2024 in order to capture new demand by providing stable and speedy transportation, revitalize the regional economy through expanded distribution, and maintain and improve the transportation quality. We will gradually increase the number of flights and respond to new customer needs by offering flexible flight segment and timetables.

iv) Reinforcement of the Group's management platform

The Yamato Group will be working on HR strategy, digital strategy, reinforcement of sustainable management, and reinforcement of corporate governance as the foundation for sustainable enhancement of corporate value.

With regard to the HR strategy, with priority given to the optimal allocation of human resources in conjunction with business structure reforms, we will optimize organization and headcount, and revise evaluation and compensation scheme. We will also promote the development and operation of an HR management structure that promotes independent and autonomous career development in order to develop human resources who can create added value. Moreover, toward enhancing support to and motivation of diverse employees, we will establish welfare policy that matches the diversifying lifestyles of employees, promote employee health management and health promotion measures, and continue initiatives to promote diversity, human rights due diligence, and participation of female employees. Through those initiatives, we will aim to create higher added value by maximizing activities and contribution of each and every employee.

With regard to the digital strategy, we will strengthen our DX promotion framework and promote DX in tandem with our business, such as expanding the value we provide to customers by utilizing our digital infrastructure, transforming our way of “sorting,” “transporting” and “working,” and business process reengineering of back-office operation.

With regard to reinforcement of sustainable management, we will strengthen our initiatives for 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) greenhouse gas (GHG) emissions in 2050” and “48% reduction in GHG emissions in 2030 (compared with fiscal year ended March 31, 2021),” we will continue to implement measures such as introduction of 23,500 EVs, introduction of 810 solar power generation units, and increase in the use of electricity derived from renewable energy sources, and develop a measurement method for supply chain (Scope 3) emissions. With regard to Social, we will continue to take 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 build a sustainable supply chain through suitable relationships with business partners by holding regular discussions and establishing structure, process and mechanism for early detection and resolution of issues.

In strengthening corporate governance, we will continue working to separate management supervision and execution, and maintain

and enhance management transparency, while striving to sustainably increase corporate value through constructive dialogue with shareholders and investors and enhancement of disclosure.

v) Embed in facility strategy and DX strategy, etc. to help improve operation efficiency, while also promoting environmental investments in EVs, solar power generation equipment, etc. to achieve a low carbon society, balancing the provision of logistics services with low environmental impact to customers, and the improvement of energy efficiency of operations. In the growth domain of Contract Logistics business and Global business, we will utilize M&As and strategic alliances in addition to autonomous growth.

To support the above plan, we will raise funds through borrowings from financial institutions and issuance of corporate bonds as necessary, while being aware of financial soundness and efficiency, such as status of cash generation, cash and deposits held, and capital ratio, etc. as well as effective use of funds held in the Group. From the perspective of financial soundness, we set capital ratio at around 45~50% and D/E ratio at 0.3~0.5 times as guides, and will make efforts to maintain credit rating (Rating and Investment Information, Inc./AA-). With regard to shareholder return, the Company set targets of a payout ratio at 40% or more and a total shareholder return ratio at 50% or more based on profit attributable to owners of parent. We will flexibly consider the acquisition of treasury shares from standpoints of the progress of growth investments, cash flow trends, stock price movement, etc.

2. Approach to Sustainability and Associated Initiatives

The Yamato Group's approach to sustainability and its associated initiatives are as follows.

Forward-looking statements in the text are based on the judgment of the Yamato Group as of the date of submission of the Annual Securities Report.

(1) Promotion 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.

i) Governance

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 Executive Officers, etc. of Yamato Transport Co., Ltd. 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. Also, in the area of "Environment," three subcommittees (Energy, Climate & Atmosphere; Resource Conservation & Waste; and Management and Collaboration) 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.

(Sustainability Promotion System)



(Roles of Yamato Group Environment Committee and 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.

ii) Strategy

With a view to the improvement of corporate value over the medium to long term and the realization of a sustainable society, in our "YAMATO NEXT 100" grand design for medium- to long-term management, the Company adopted its vision for the environment and





















society as well as identified the key materiality that it should address with priority. Moreover, under the “Yamato Group Environmental Policy,” the “Yamato Group Human Rights Policy,” the “Basic Policy on Diversity” and the “Yamato Group Responsible Procurement Policy,” we have promoted initiatives based on our “Sustainable Medium-Term Plans 2023,” through which we set forth concrete actions to take to address the material issues and achievement targets for 2023. Consequently, we were able to achieve our targets for greenhouse gas (GHG) (in-house emissions) reductions and other targets, and for targets that we failed to achieve, we were able to identify issues to be addressed going forward.

Starting from the fiscal year ending March 31, 2025, the Company will set its aspiration of “A value-creating company that contributes to the realization of a sustainable future” to be realized in 2030, and will, in accordance with the Medium-term Management Plan “Sustainability Transformation 2030 —1st Stage—,” which ends in the fiscal year ending March 31, 2027, implement initiatives aimed at: reinforcement of the TA-Q-BIN network to achieve profit growth in basic domain; expansion of corporate business domain through provision of business solutions; commercialization of new business models to meet the diversifying needs of customers and society; and strengthening of sustainable management. The Company will generate “economic value” through these initiatives, while creating “environmental value” and “social value” through social sustainability initiatives.

(Vision for the Environment and Society)

<p>Environmental Vision</p>	<p>Connect. Deliver the future via green logistics.</p> <p>The Yamato Group will further promote its vision of “Connect. Deliver the future via green logistics.” By leveraging cutting-edge connections between data, people, and resources, we will increase the efficiency of transportation and provide delivery services that are better for the planet, our customers’ lifestyles, and the economy. We will also support a strong, smart society by striving toward virtually zero greenhouse gas emissions*1 and by creating business models based on sustainable resource use and consumption.</p> <p>*1 In-house emissions of consolidated subsidiaries in Japan and Swan Co., Ltd. (Scope 1 & Scope 2)</p>
<p>Social Vision</p>	<p>Through co-creation and fair business activities, help create a society that “leaves no one behind.”*2</p> <p>As a social infrastructure company, the Yamato Group will contribute to improving the quality of life of various people, including employees and customers, by reducing and eliminating various inequalities and obstacles in society. We will do this by delivering goods and value to everyone through fair and efficient business processes.</p> <p>By promoting digital innovation and our strengths offline, as well as co-creation with various partners, we will be a leader in solving social challenges and creating a society that leaves no one behind.</p> <p>*2 To leave no one behind: A basic philosophy of the SDGs</p>

(Material issues)

Material Issues	Themes of Initiatives	Vision	Risk/ Opportunity	Related SDGs
 Energy & Climate	Mitigate climate change	Reduce greenhouse gas emissions by using electricity generated via renewable energy sources, enhancing transportation efficiency through the utilization of digital technology, and reducing the use of dry ice, etc.	Risk Opportunity	
 Atmosphere	Clean up the skies (prevent air pollution)	Pursue transportation that reduces the effects of air pollutants emitted by vehicles and cleans up skies in local communities	Risk	
 Resource Conservation & Waste	Promote resource conservation and reduce waste	Drastically reduce our environmental burden and promote the use of technology and creation of opportunities for minimizing environmental impact	Risk Opportunity	
 Resilience of Companies & Society	Support a society that combats environmental changes	Collaborate with diverse partners to increase the resilience of stakeholders and local communities and create environmental value	Risk Opportunity	
 Labor	Create a work environment where employees can thrive	Implement a high-value-added model for labor and promote "decent work."	Risk Opportunity	
 Human Rights & Diversity	Create a corporate culture that respects human rights and diversity	Respect human rights, recognize diversity, and create a framework for human rights due diligence	Risk Opportunity	
 Safety & Security	Create initiatives to carry out business in a safe and secure manner	Maintain traffic and labor safety and provide reliable service	Risk	
 Data Utilization & Security	Create an information security infrastructure	Create an information security infrastructure and businesses that utilize data to resolve social issues	Risk Opportunity	
 Supply Chain Management	Develop a common understanding with stakeholders	Build a stable business infrastructure through sound, resilient supply chains	Risk Opportunity	
 Community	Create corporate citizenship activities that are rooted in local communities and create a framework for business creation	Establish corporate citizenship activities that are unique to the Yamato Group. Create a business model that revitalizes local economies	Opportunity	

iii) Risk management

The Company deliberates and resolves challenges and risks in promoting sustainable management at meetings of the Yamato Group Environment Committee and the Yamato Group Social Promotion Committee. In addition, important items are discussed and resolved at the Management Committee and the Board of Directors as necessary.

Information on risk management with respect to climate change is stated under "(3) Response to climate change."

iv) Indicators and targets

The Company has set forth achievement targets for its material issues in its "Sustainable Medium-Term Plans 2023." Information on specific targets and progress therein is described in the Company's Integrated Report.

(Integrated Report 2023_Strengthening of Sustainable Management)

https://www.yamato-hd.co.jp/english/investors/library/annualreport/pdf/e_ir2023_03_08.pdf

Progress in the fiscal year ended March 31, 2024, and targets based on the Medium-term Management Plan "Sustainability Transformation 2030 —1st Stage—" formulated with the fiscal year ending March 31, 2027 as the final year, will be included in the "Integrated Report 2024" to be released in the fiscal year ending March 31, 2025.

(2) Promotion of HR strategies that support management strategies

The Yamato Group promotes HR strategies linked with management strategies in accordance with the Yamato Group Human Resources Management Policy as a foundation for realizing the sustainable enhancement of corporate value through “contribution to the creation of an enriched society” as stated in its Management Philosophy.

(Yamato Group Human Resources Management Policy)

Yamato endeavors to create value for the future, and further advance itself to continuously help enrich our society.
Yamato recognizes employee’s contribution and growth through fair evaluation and feedback, and aims to foster an inclusive work environment where each individual feels actively engaged.
Yamato encourages employees who take ownership with a customer-centric perspective and sincerity, and rewards those who constantly strive to be at their best with challenging opportunities and personal growth.

i) Strategy

With priority given to the optimal allocation of human resources in conjunction with business structure reforms, the Yamato Group will optimize organization and headcount, and revise evaluation and compensation scheme. We will also promote the development and operation of an HR management structure that promotes independent and autonomous career development in order to develop human resources who can create added value. Moreover, toward enhancing support to and motivation of diverse employees, we will establish welfare policy that matches the diversifying lifestyles of employees, promote employee health management and health promotion measures, and continue initiatives to promote diversity, human rights due diligence, and participation of female employees. Through these initiatives, we will aim to create higher added value by maximizing activities and contribution of each and every employee.

A. Building an optimal human resources portfolio to create added value

In conjunction with the consolidation and enlargement of last-mile pickup and delivery bases, the review of terminal functions, etc. promoted as part of “structural reforms of network operations,” which is one of our management strategy pillars, we are pushing ahead with the reallocation of human resources responsible for administrative duties and work operations for TA-Q-BIN in order to effectively utilize management resources. In the fiscal year under review, the Company promoted the reallocation, both internally and externally, of personnel who had previously been engaged in the post service, following the start of handling Kuroneko Yu-Packet and Kuroneko Yu-Mail in accordance with the basic agreement on cooperation concluded with the Japan Post Group. In the fiscal year ending March 31, 2025, we will redefine the roles of sales driver and general managers of sales offices, who serve as points of contact with customers, and promote the securing and development of human resources by reviewing their working conditions.

In the fiscal year under review, promoting the development and operation of a job-based human resource management system, we revised the organizational hierarchy at Yamato Transport’s head office, reorganized executive officer and management positions, revised the evaluation system for management positions, promoted human resource development measures for each talent pool, and introduced an internal open recruitment system. Considering that building a human resource portfolio that supports new business growth is a challenge, we will work on appropriate personnel deployment based on the personnel plan for each business by optimizing personnel management through visualization of positions, securing and allocating appropriate personnel by expanding recruitment channels and internal open recruitment, enhancing training programs to improve performance, and implementing second career support measures for middle and senior-level personnel. In the digital domain, we will continue to promote hiring based on the needs of digital personnel and provide skill enhancement training and digital literacy training for employees of business departments.

Investment in human capital based on a “right people in the right positions” approach is needed in order to build such an optimal human resources portfolio linked to our management strategies. We will put a structure in place for monitoring investments and the actualization of their effects over the medium to long term, which will include the establishment of “human productivity” as a key indicator, and will proceed to promote associated initiatives.

B. Improving work comfort and job satisfaction for diverse employees

To establish a foundation for realizing sustainable growth, we promote the fostering of a corporate culture that respects human rights and diversity and measures to put a work environment in place where our employees can thrive. Moreover, we will link measures to boost an actual sense of employees’ own growth through their work as well as their true sense of contributing to the forward development of the company to the improvement of employees’ work comfort and job satisfaction and, in the process, their engagement.

The Yamato Group has positioned the “development of an environment in which non-Japanese employees are not left behind in the workplace” and the “development of an environment in which diverse human resources can play active roles and support of women’s empowerment” as priority challenges. With a view to creating a better working environment at Yamato Transport Co., Ltd.’s terminals where many foreign employees work, we have prepared multilingual manuals that contribute to a better understanding of work rules and job descriptions, promote their use in the workplace, and set up contact points inside and outside the workplace where foreign

employees can consult in multiple languages, thereby striving to raise employee awareness.

In addition, as a measure to promote women to managers, we have a “training program for female employees who aim to become general managers of sales offices” in place. Both participants and their superiors prepare development plans for program participants and conduct training with “doing away with unconscious bias” as its theme. In doing so, we back up the empowerment of ambitious female employees. In the future, we will support career development by providing mid-term training programs for regularly hired university graduates, while supporting the autonomous career development of motivated female employees, not limited to general manager of sales office, but including advancement to management positions for which they have a good aptitude.

In the area of employment of people with disabilities, we have appointed a nationwide staff in charge of employment promotion and hold monthly staff meetings to share issues and good practices for employment promotion, thereby facilitating recruitment activities and support for retention. In addition, we have progressively been implementing education based on the “Universal Manners Test,” which was jointly developed with Mirairo Inc., which is a company we have invested in. By fostering human resources capable of putting oneself in another person’s shoes, we are promoting the development of an environment in which a diverse range of employees can play an active role.

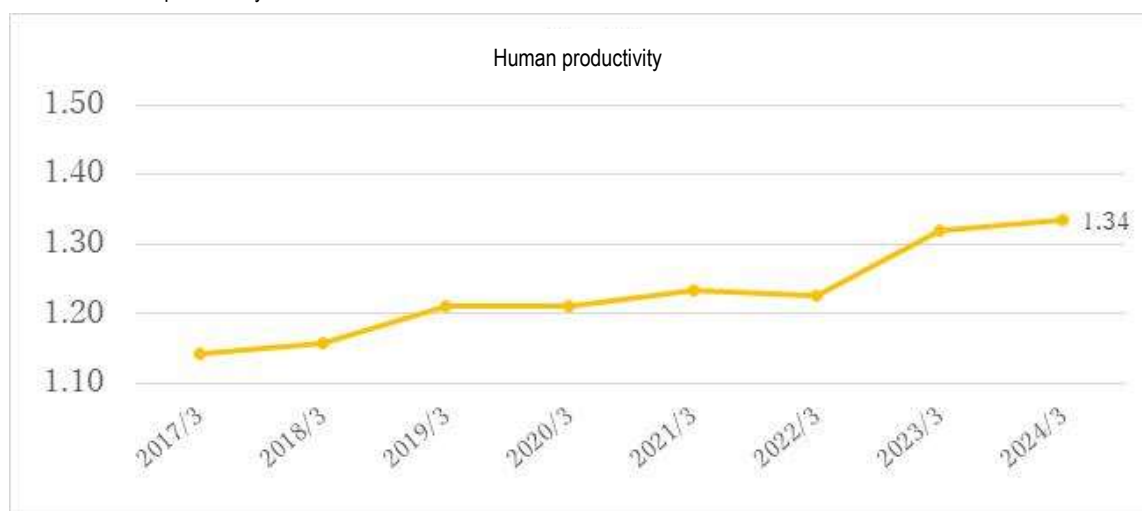
To improve job satisfaction, we are striving to improve the workplace by encouraging open communication between management and employees. At Yamato Transport Co., Ltd., in order to help exchange opinions on issues in the workplace and deepen mutual understanding, “workplace discussions” are held at each site nationwide. Starting in 2022, discussions have been held for general managers of sales offices, logistics center managers, and other operational managers. Furthermore, to prevent harassment in the workplace, we provide education for all employees and promote the creation of a comfortable work environment.

ii) Indicators and targets

(Indicators and targets aimed at FY2027/3)

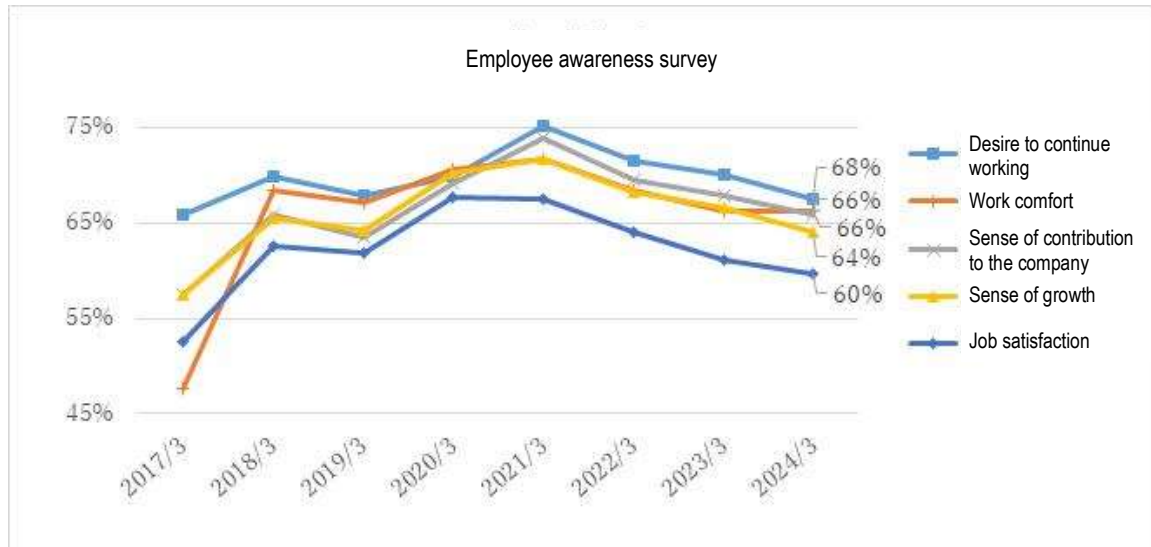
Target: Improvement of work productivity

Indicator: Human productivity*1



*1 $(\text{Consolidated operating revenue} - \text{Consolidated subcontracting expenses}) \div \text{Consolidated personnel expenses}$

Target: Improvement of engagement
 Indicator: Employee awareness survey^{*2}



*2 Applicable scope: Consolidated subsidiaries in Japan and Swan Co., Ltd.

(Indicators and targets under Sustainable Medium-Term Plan with fiscal year ended March 31, 2024 as final year)

Material issues	Indicators and FY2024/3 targets	FY2024/3 actual
Labor	Improvement in operating revenue per employee (versus FY2021/3 growth rate)	+16.3%
	Reduction in overtime work per employee 20% reduction compared with FY2021/3 ^{*1}	Reduced by 7.2%
	90% annual paid leave utilization ^{*2}	89.4%
Human rights & diversity	Number of women in management (executives) 2x compared with FY2021/3 (672 women)/10% of all managers are women ^{*2}	1.1x (362 women)/5.9%
	2.5% percentage rate of employees with disabilities ^{*3}	3.1%
	100% attendance at human rights training for all employees (full-timers) ^{*2}	Holding of human rights training for all eligible employees

*1 Applicable scope: Consolidated subsidiaries in Japan

*2 Applicable scope: Consolidated subsidiaries in Japan and Swan Co., Ltd.

*3 Applicable scope: Consolidated subsidiaries in Japan and Swan Co., Ltd. (excluding companies that are not subject to reporting on the employment status of people with disabilities)

(3) Response to climate change

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 Co., Ltd. during the year ended March 31, 2024. By clarifying the business impact of climate change 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.

i) Governance

The Yamato Group deliberates and resolves on environmental issues, including climate change, based on an environmental management framework with the Yamato Group 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, as environmental officers, 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.

ii) Strategy

STEP 1: Assessment of risk importance

[Criteria for assessing importance]

We have established the level of importance in accordance with three grades (high, medium and low) based on criteria for evaluating the financial impact of revenue and costs incurred over a one-year period.

High: 10 billion yen or greater; medium: 1 billion yen or greater but less than 10 billion yen; low: less than 1 billion yen

[Assumed time period]

Short term (up to 2026); medium term (from 2027 to 2030); long term: (2031 and beyond)

Impacts of climate change on the Yamato Group					Magnitude of impacts	Occurance timing
Risks			Risks	Opportunities		
Category	Type	Risk driver				
Transition Risks	Policy and Legal	(i) Carbon Pricing	Profit may decline if we cannot pass carbon tax on to prices.	Revenue may increase if low-carbon transport is sold as added value.	High	Medium-term
		(ii) Strengthened emissions reporting requirements	Revenue may decrease due to a loss in reputation if false reporting is made and found. System development costs and personnel expenses may increase in response to requests by business partners for precise reporting of GHG emissions.	—	Low	Medium-term
	Technology	(iii) Rising expectations for adding new technologies and high value to services	Revenue may decrease in the event of delays in responding to the transportation means and the deeper penetration of materials for curbing CO ₂ emissions accompanying the shift to a low carbon society.	We may be chosen by customers as partners and revenue may increase if we introduce transportation means that will curb CO ₂ emissions as the shift to a low carbon society takes place.	Low	Medium-term
		(iv) Request for low-carbon transport	Expenses for introducing low-carbon vehicles and equipment will increase.	If we promote low-carbon transport by introducing electric vehicles, energy used for vehicles may change from fossil fuels to electricity and procurement costs may fall.	Medium	Medium-term
	Market	(v) Change in energy mix	Expenses for energy used for vehicles and facilities may increase due to sharp rises in fuel prices and electricity prices caused by the deeper penetration of renewable energy, etc.	The energy self-sufficiency rate may rise and energy costs may fall, reflecting the introduction of renewable energy power generation facilities and solar power systems and the promotion of energy-savings activities.	Medium	Medium-term
		(vi) Rise in consumers and customers' environmental awareness	Our service may be avoided and revenue may fall if we fail to fully respond to the rising awareness of corporate and organizational clients of the need to reduce CO ₂ emissions throughout the supply chain and consumers' rising awareness of climate change and ethical consumption.	In eco-friendly corporate and organizational clients and those in EU countries, if expectations for reduced CO ₂ emissions throughout the supply chain and growing consumer expectations relating to climate change and ethical consumption are met, our service will be chosen, thereby resulting in revenue increase. If consumers actively use delivery lockers and pickup services at sales offices, redelivery due to absence may be reduced and delivery efficiency may improve, which may reduce working hours and related costs.	High	Medium-term
	Reputation	(vii) Criticism of the industrial sector	Expectations for the transport industry are high because it affects Scope 3 emissions in other industries. If it fails to achieve low-carbon transport, revenue may decline.	—	Low	Medium-term
		(viii) Impact on funding	If we are categorized as a company that is not environmentally sustainable, funding may become difficult.	Funding may diversify with a shift to a low carbon society, and funding by a variety of means may become easier. Higher evaluation for our environmental initiatives will result in an expansion in investment and stock price stabilization.	Low	Medium-term
Physical Risks	Acute	(ix) Increase in frequency and severity of extreme weather events	More frequent extreme weather events may lead to the more frequent suspension of business due to their effects on employees, delays in the recovery of facilities affected by extreme weather, and power and fuel supply disruptions, which in turn may cause a decrease in revenue.	Increasing our capability to deal with natural disasters may increase demand from customers that are concerned about more extreme natural disasters, and this may increase revenue.	Medium	Short-term
			If customers' facilities and products are affected and shipments stop, revenue may fall. Damage to logistics facilities and equipment and cargo may increase losses and repair costs.	We may reduce losses of business opportunities and expenses for restoration by relocating at an early stage business sites to places where the risk of natural disasters is low.		
	Chronic	(x) Rising sea levels	Costs may increase due to the impact of increased insurance premiums and expenses for flood disaster measures at logistics sites located in coastal areas	—	Low	Long-term
			(xi) Change in rainfall patterns and extreme changes in weather patterns	Decreases in shipments from customers significantly affected by climate change and water risk may cause a decrease in revenue. Delays in delivery due to disruptions to roads caused by flooding may increase related expenses.	—	Low
	(xii) Rise in average temperatures	Rising average temperatures may increase health damage, including heat stroke, to employees and may lead to difficulty in hiring employees and an increase in employees who leave the company, which in turn leads to increases in expenses, including personnel cost and recruiting expense. Rising average temperatures may cause an increase in energy consumption for temperature control at logistics facilities, which may result in an increase in utility costs. Local specialties may not be able to be harvested, which may cause a decrease in revenue from the delivery of fresh produce.	—	Low	Long-term	

STEP 2: Definition of scenario categories

In the scenario analysis that we performed in the fiscal year ended March 31, 2024, we envisioned the below two scenarios for Yamato Transport Co., Ltd. based on information from the UN Intergovernmental Panel on Climate Change (IPCC), the International Energy Agency (IEA)^{*1}, and so forth.

- A. 1.5°C Scenario^{*2}: The incurrence of costs associated with reducing carbon emissions will become necessary and we must enforce stricter regulations and higher fuel and electricity costs; however, sustainability is the key to creating and offering competitive products in the society under this scenario.
- B. 4°C Scenario: While we will continue to practice our current style of management, incurring costs to address damages from natural disasters, etc. in each area of operation will become necessary in the society under this scenario.

*1 IPCC: RCP8.5

IEA: Net Zero Emissions by 2050 Scenario, Sustainable Development Scenario, Stated Policies Scenario, etc.

*2 See 2°C Scenario for items with no scenario for 1.5°C

STEP 3: Evaluation of business impact

In the fiscal year ended March 31, 2024, recognizing the possibility that the introduction of a carbon tax and abnormal weather and disasters would exert a particularly large impact on revenue and costs among the risks that we extracted, we performed the below analysis and business impact evaluation.

●Items evaluated

- A. Financial impact from introduction of carbon tax
- B. Financial impact from decreasing revenues and increasing repair costs for facilities and equipment due to abnormal weather and disasters
- C. Financial impact from decreasing revenues and damage to facilities and equipment due to flooding

●Details

- A. Financial impact assessment regarding introduction of carbon tax

We calculated business impact in 2030 and 2050 related to calculations upon the full introduction of a carbon tax. As a result of estimating the impact from cost increases with the carbon tax price assumed to be 140 dollars/t for 2030 and 250 dollars/t for 2050, we calculated that estimate to be 15.7 billion yen for 2030 and 28.1 billion yen for 2050.

- B. Financial impact assessment regarding decreasing revenues and increasing repair costs for facilities and equipment due to abnormal weather and disasters

As a result of estimating business impact of the decrease in revenues due to abnormal weather such as increasingly severe typhoons and heavy rain caused by linear rainbands, and the increase in damaged facility and equipment repair costs^{*3}, we calculated that estimate to be 1.9 billion yen for 2030 and 3.8 billion yen for 2050.

*3 Estimated using disasters that occurred in past as reference

- C. Financial impact assessment regarding decreasing revenues and damage to facilities and equipment due to flooding

Based on floodwater depth projections using hazard maps, AQUEDUCT^{*4}, etc., the business impact was estimated for the amount of loss due to the suspension of operations and asset damage to facilities and equipment, using the damage rates by floodwater depth provided in "A Guide to Flood Risk Assessments for Enhanced TCFD Disclosures" by the Ministry of Land, Infrastructure, Transport and Tourism.

As a result, we calculated that the annual impact of a 1-in-100 year flood (floodwater depth) under the 4°C scenario (RCP8.5) on the amount of lost business and property damage would be 400 million yen in 2030 and 430 million yen in 2050.

[Conditions used in the analysis]

- Average of 5 climate models^{*5}
- Average value of 3 km square including the surrounding area with 1 km spatial resolution
- 49 sites surveyed, including sites with the potential for flooding on hazard maps

*4 AQUEDUCT, a risk assessment tool developed by the World Resources Institute (WRI)

*5 GFDL-ESM2M (National Oceanic and Atmospheric Administration);

HadGEM2-ES (a U.K. climate research institute);

IPSL-CM5A-LR (a French climate research institute);

MIROC-ESM-CHEM (University of Tokyo, etc.); and

NorESM1-M (a Norwegian climate research institute).

STEP 4: Direction of countermeasures

A. Introduction of carbon tax

The Yamato Group is working towards its high adopted target of virtually zero in-house emissions by the year 2050 in order to reduce greenhouse gas (GHG) emissions.

- a. Having adopted a reduction of 48% compared with FY2021/3 as our target value for 2030, our primary planned measures for realizing that target include introducing 23,500 low-carbon vehicles (mainly EVs) and 810 solar power generation units by 2030. By doing so, we estimate reduction effects of 7.4 billion yen by 2030 compared to if we did not take this initiative.
- b. Should we achieve virtually zero in-house emissions by also bolstering other measures, such as introducing EVs with cartridge batteries and other low-carbon vehicles and increasing the use of electricity derived from renewable energy sources through the further installation of solar power generation equipment, with a view to 2050, we envision that we will be able to eliminate the financial impact of a carbon tax.
- c. We are looking into introducing internal carbon pricing with the aim of proactive capital investment in low-carbon transition.

B. Decrease in revenues and increase in damaged facility and equipment repair costs due to abnormal weather and disasters

In addition to store openings utilizing a hazard map and regular updates to its BCP manual, the Yamato Group examines the communication of information on adapting to climate change to internal members and external partners. In the future, we will perform demonstrations of utilization models of renewable energy that boosts resilience and EVs with cartridge batteries.

Furthermore, we will continue to examine countermeasures by reevaluating business impact while adding preconditions, including elevating assumptions of places and scales of occurrence.

C. Initiatives to seize opportunities for increased environmental awareness among consumers and customers

In order to achieve “net-zero (in-house) greenhouse gas (GHG) emissions by 2050,” the Yamato Group is promoting the reduction of its GHG emissions by introducing EVs and solar power generation equipment, etc. At the same time, in order to optimize our customers’ inventory and production activities, we are building a supply chain with a lower environmental impact. To this end, we are working to create new value to offer to our corporate customers, including the development of a GHG emissions visualization tool in compliance with the international standard ISO 14083:2023. During the fiscal year ended March 31, 2024, we made a carbon neutral claim for TA-Q-BIN, TA-Q-BIN Compact, and EAZY (the three parcel delivery services). This claim consists of achievement of carbon neutrality pursuant to the international standard ISO 14068-1:2023 in the fiscal year ended March 31, 2023 (April 2022 - March 2023) and commitment to achieving carbon neutrality for the three parcel delivery services by 2050 through continuous efforts to reduce in-house GHG emissions from our business activities. Through the provision of such climate-friendly transportation services, the Yamato Group will further promote the use of these services by individual and corporate customers. We will also promote the commercialization of new business models that meet the diversifying needs of customers and society. Based on our vehicle maintenance business, we will develop platform and ecosystem that achieves both decarbonization and economic efficiency by supporting introduction and operation of commercial EVs utilizing know-how of EVs, solar power generation equipment, energy management, etc. accumulated so far through environment investment and demonstration experiment within the Yamato Group, thereby aiming to contribute to the Yamato Group’s profit growth and the sustainability of society and the logistics industry as a whole.

iii) 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 of Executive Officers, etc. of Yamato Transport Co., Ltd. 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.

iv) Indicators and targets

A. Indicators used in evaluations of climate-related risks and opportunities in accordance with strategy and risk management processes

As indicators to manage response to climate change, for migration risk, the Yamato Group refers to energy-related indicators such as “carbon pricing” published in the World Energy Outlook by the IEA. For physical risk, we reference data such as flood occurrence frequency to understand changes in trends using the likes of materials based on climate change that are disclosed by the Ministry of Land, Infrastructure, Transport and Tourism, the Ministry of Education, Culture, Sports, Science and Technology, and the Japan Meteorological Agency.

B. Greenhouse gas (GHG) emissions

(Unit: tCO₂e)

	FY2021/3	FY2022/3	FY2023/3	FY2024/3
Scope 1	668,554	673,213	659,537	656,732
Scope 2	252,307	229,042	200,674	166,350
Scope 1 & Scope 2 total (in-house emissions)	920,861	902,254	860,211	823,082
Scope 3	1,750,716	2,297,206	2,215,691	2,218,292
Scope 1, Scope 2 & Scope 3 total	2,671,577	3,199,460	3,075,902	3,041,374

- Applicable scope of Scope 1 & Scope 2: Consolidated subsidiaries in Japan and Swan Co., Ltd.
- Applicable scope of Scope 3: Categories 1, 2, 3, 5, 6, 7, 11 and 12

C. Targeted and actual figures used in climate change-related risk and opportunity management

[Targeted GHG emission reductions*1]

Short term: 10% reduction by 2023 compared with FY2021/3

25% reduction by 2026 compared with FY2021/3

Medium term: 48% reduction by 2030 compared with FY2021/3

Long term: Virtually zero emissions by 2050

[Actual GHG emissions*1]

823,082 tCO₂e for FY2024/3 (11% reduction compared with FY2021/3)

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

[Targeted ratio of electricity derived from renewable energy sources]

Short term: 40% of overall electricity by 2023*2

70% of overall electricity by 2026

*2 To achieve the short-term target for GHG emission reductions, the targeted ratio was raised from the ratio (30% of overall electricity) set when formulating the Medium-Term Environmental Plan.

[Actual ratio of electricity derived from renewable energy sources]

40% of overall electricity for FY2024/3

The actual GHG emissions and ratio of electricity derived from renewable energy sources for the fiscal year ended March 31, 2024, as described in (iv) Indicators and targets, are provisional data as of the date of filing of the Annual Securities Report. The finalized data will be included in the "Integrated Report 2024" to be released in the fiscal year ending March 31, 2025.

In parallel with implementing measures aimed at achieving the above targets, we are making concrete preparations to obtain accreditation for the SBT1.5°C.

Note that disclosures on "2. Approach to Sustainability and Associated Initiatives" have been made with the judgment that there are no significant differences between the situation at the Company and its consolidated subsidiaries and the situation in the Yamato Group, including its non-consolidated subsidiaries, etc.

3. Business and Other Risks

Among the matters related to business conditions, accounting conditions, etc., as described in the Annual Securities Report, the major risks that are recognized as having a significant impact on the Yamato Group's business results, etc., from the perspective of their impact on management and the likelihood that they will materialize, are categorized as risks related to the business environment and corresponding strategies, and risks related to business operations, and they are summarized as follows.

Forward-looking statements in the text are based on the judgment of the Yamato Group as of the date of submission of the Annual Securities Report.

(1) Risks related to the business environment and corresponding strategies

i) Risks due to changes in the market and competitive environment

The market environment surrounding the Yamato Group is changing with the advancement of e-commerce, the formation of global political, economic and supply chain blocs, and the growing need for sustainable logistics in light of the worsening of climate change and a declining working population. The progress in the shift to e-commerce is also changing the competitive environment, not only intensifying competition with logistics providers, but also making it more important to have strategic relationships with EC platforms that are converting to in-house logistics, as well as the need to be aware of start-ups that have the potential to change business practices through digital means. Under such circumstances, failure to respond to the changing and diversifying needs of consumers and the logistics needs of corporate customers who are restructuring their existing distribution structures could result in a decline in operating revenue and missed growth opportunities, which could affect the Yamato Group's business results. In addition, if we do not work on corporate activities for the development of a sustainable society, we may face a decline in customer support, deterioration in relationships with the regional society, difficulty in securing talented human resources, and higher financing costs. This may affect the business results of the Yamato Group in the mid- to long-term.

In light of these risks, the Yamato Group has set its vision for 2030 as "a value-creating company that contributes to the realization of a sustainable future," and is promoting initiatives to enhance its corporate value.

In order to strengthen the TA-Q-BIN network and expand the value it provides, we are working to make our TA-Q-BIN network social infrastructure more efficient and sustainable by consolidating and enlarging our last-mile facilities, which had been small and multi-store operations, redefining terminal functions, and transforming our way of "sorting," "transporting," and "working" using digital technologies. We are working to expand value provided to customers through broadening the line-up of transportation services, improving customer experience through "Kuroneko Members," and "Carbon Neutral Delivery" for TA-Q-BIN/TA-Q-BIN Compact/EAZY.

In addition, in terms of expanding its corporate business domain, the Yamato Group is positioning 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 supply blockages in the supply chain and environmental issues, and will focus to expand Contract Logistics business and Global business.

Furthermore, we promote commercialization of new business models that addresses diverse needs of customers and society with a diverse range of partners, while utilizing existing management resources, to realize a sustainable future.

We are also working to strengthen our HR strategy, digital strategy, sustainable management, and corporate governance as a Group management foundation to support these structural reforms to our business.

ii) Risks due to the declining working population

Many of the businesses operated by the Yamato Group are labor-intensive, and it is essential for us to secure high-quality human resources as our workforce and to assign them to their positions appropriately. If the supply-and-demand for labor becomes even tighter due to a decline in Japan's working population and it is not possible to secure sufficient human resources including transportation and delivery partners, or if costs significantly increase due to more intense competition over human resources, the Yamato Group's business results may be affected.

In light of these risks, based on the Yamato Group Human Resources Management Policy, the Yamato Group is promoting to build an environment in which employees are motivated to work and can advance through an attractive personnel and evaluation system that contributes to the acquisition and retention of human resources. It is also developing a workplace environment in which human rights and diversity are respected and employees can work with greater peace of mind, and working to strengthen cooperation with our transportation and delivery partners, including in terms of safety and quality. Furthermore, we are consolidating and enlarging our last-mile facilities, which had been small and multi-store operations, redefining terminal functions, and improving overall network productivity by transforming our way of "sorting," "transporting," and "working" using digital technologies. We are also standardizing the administrative operations and back-office work of front-line employees and promoting BPR (business process reform) through digitalization.

iii) Risks involved in the evolution of technology

The logistics industry in which the Yamato Group operates is undergoing various changes due to the evolution of technology, such as resource optimization through the utilization of AI, IoT, big data, and more, the automation of warehouse operations through the utilization of robotics, and reformation of trunk route transportation and last-mile delivery through the utilization of drones and automated driving. If the Yamato Group is unable to respond appropriately to the emergence of new business models expected in the short to mid-term, or if there is a misunderstanding of technological trends or inadequacies in the implementation method of cutting-edge technologies, the investment effect may not be achieved as expected, which may affect the Yamato Group's business results.

In light of these risks, the Yamato Group has positioned its digital strategy as one of its Group management foundations for achieving ongoing enhancement of corporate value, and is working to promote DX as an integral part of its business. We are also striving to quickly detect technologies and business models that could become a threat to the Yamato Group through direct investment and CVC funds in the digital field, as well as to create new growth models through open innovation.

iv) Risks involved in information security

In addition to confidential business information, the Yamato Group also holds a great deal of personal and customer information through its logistics operations and commissioned information processing. If information were to be leaked externally or data were to be lost due to causes such as cyber-attacks or inadequate management, the business results of the Yamato Group may be affected due to damaged public trust, claims for damage compensation, and doubts about the digital strategy we are promoting. In addition, if the TA-Q-BIN system were to go down due to a cyber-attack, etc., and TA-Q-BIN deliveries were to be suspended nationwide, the Yamato Group's business results could be affected by lost revenue opportunities, etc.

In light of these risks, the Yamato Group is engaged in organizational and personnel-based measures as well as multi-layered technical measures, etc. in Japan and overseas assuming more advanced and more sophisticated cyber-attacks. Other security measures include 24 hours a day and 365 days a year monitoring against unauthorized access to the network and unauthorized entry into the facility. In addition, as a countermeasure against system outages due to broad-based disasters, we have decentralized data centers for critical systems and operate mutual backups. As a countermeasure against system breakdowns, we have maintenance contracts with manufacturers to deal with hardware degradation over time and potential bugs in their products, and we are constantly coordinating information on problems or defects.

v) Risks involved in depopulation of the region

Japan, which is the Yamato Group's main market, is experiencing a decline in the total population as well as a variety of issues in regional lifestyles and regional economies. In depopulated and aging regions, declining delivery efficiency and a shortage of human resources for pickup and delivery have become apparent. In the future, the business results of the Yamato Group may be affected if problems such as the decline of the regional social infrastructure due to a shrinkage of the local economy become more serious, or if it becomes more difficult to maintain a logistics network that covers the entire country in fine detail from a mid- to long-term perspective due to the decreasing profitability in such regions.

In light of these risks, in order to strengthen our TA-Q-BIN network social infrastructure in a more efficient and sustainable manner, we are working to consolidate and enlarge our last-mile facilities, mainly in urban areas, redefine terminal functions, and transform our way of "sorting," "transporting," and "working" using digital technologies. Furthermore, in addition to sending and receiving packages, we will carry out initiatives that contribute to the sustainability of local communities by collaborating and co-creating with our partners, such as by deploying "Neko Support Station" with an aim to provide new services, and expanding sales of the "Kuroneko monitoring service: Hello Light Visit Plan" that uses "HelloLight" IoT light bulbs.

vi) Risks involved in climate change

The Yamato Group uses a large number of vehicles to carry out its business. If global environmental issues, including climate change, become more serious, and if greenhouse gas (GHG) emission regulations or reduction obligations are tightened, or if carbon taxes are raised, the Yamato Group's business results may be affected due to increased costs for the introduction of low-carbon vehicles and facility renovations, etc. Also, with consumers becoming increasingly conscious of environmentally friendly consumption and with corporate customers' demands to reduce GHG emissions throughout their supply chains, if we are unable to meet the expected low-carbon transportation, operating revenue may decrease due to a decline in customer support, which may affect the Yamato Group's operating results among others. In addition, if the transition to a low-carbon society does not progress, the long-term effects could include frequent suspension of business activities due to damage to employees and facilities, road cutoffs, or power and fuel supply outages caused by more severe or more frequent natural disasters, which could affect the Yamato Group's operating results.

In light of these risks, the Yamato Group has set a medium-term target of reducing GHG emissions by 48% by 2030 compared to the fiscal year ended March 31, 2021, and is promoting initiatives such as "introduction of 23,500 EVs," "introduction of 810 solar power generation units," and "increase in the use of electricity derived from renewable energy sources," in order to achieve the long-term target of effectively zero GHG emissions (in-house emissions) by 2050. We will also work to ascertain net emissions in the supply chain (Scope 3) and set reduction targets. Furthermore, in the fiscal year ended March 31, 2024, we made a carbon neutral claim for TA-Q-BIN, TA-Q-BIN Compact, and EAZY (the three parcel delivery services). This claim consists of achievement of carbon neutrality pursuant to the international standard ISO 14068-1:2023 in the fiscal year ended March 31, 2023 (April 2022 - March 2023) and commitment to achieving carbon neutrality for the three parcel delivery services by 2050 through continuous efforts to reduce in-house GHG emissions from our business activities. Through the provision of such climate-friendly transportation services, the Yamato Group will further promote the use of these services by individual and corporate customers.

In addition, the entire Group is working to improve its resilience by strengthening its crisis management system in anticipation of various emergency situations caused by natural disasters. Specifically, we are conducting drills based on the business continuity plan (BCP), assessing the risk of flood damage to facilities, reallocating bases, and continuously reviewing manuals related to post-disaster response, suspension of pickup and delivery, maintenance work, etc. in preparation for unexpected disasters.

vii) Risks involved in M&As and strategic business alliances

Amid increasing risk factors such as the creation of political and economic blocs and supply chains across the world, as well as environmental issues, the Yamato Group has positioned its solutions business, which aims to resolve management issues that extend across the entire supply chain, as a growth area, and in order to accelerate its expansion, the Group is promoting M&As and strategic business alliances in addition to autonomous growth measures. However, if we are unable to achieve the expected results due to changes in the business environment or competition, or if unforeseen business problems occur, our business results may be affected.

In light of these risks, our division responsible for revenue and our dedicated M&A team will work together in an integrated way with discipline, focusing on compatibility with the growth strategies of Contract Logistics business and Global business as well as establishing quantitative criteria to measure investment effectiveness, among other things. In addition, following M&A implementation, we continue to conduct regular monitoring in accordance with the business feasibility determination rules.

(2) Risks related to business operations

i) Risks involved in compliance

The Yamato Group promotes management that places the utmost priority on compliance. However, it may not be possible to completely avoid compliance risks in products and services, work and safety, and the entire supply chain, and if a situation that infringes on a law or regulation were to occur, the Yamato Group's social trust and brand image could be damaged, and additional costs could be incurred in response to that occurrence. This may affect the business results of the Yamato Group.

In light of these risks, in order to improve the soundness of our Group management, the Yamato Group is striving to enhance our Group governance by appropriately operating our product management process based on our product management regulations, implementing philosophy training for employees, working to quickly discover and appropriately respond to inappropriate incidents through our whistle blower system consultation desk for our transaction partners, and regular consultations with business partners and the establishment of appropriate systems, processes and mechanisms.

ii) Risks involved in large-scale natural disasters, and the like

The Yamato Group's main business is the transportation of parcels by vehicle, and we operate our business assuming the safety and health of our employees, the maintenance of our vehicles and facilities, and the stable supply of fuel and electricity. In the event of an unexpected large-scale natural disaster or power outage, etc., the Yamato Group's business results could be affected by a shortage of human resources due to employees becoming victims, business stoppages due to damage or submersion of vehicles, information equipment, or facilities, power or water outages or shortages of fuel or supplies, incurring repair or replacement costs for vehicles or facilities, or a decrease in shipment

volume due to customers becoming victims, from immediately after the disaster and over the medium to long term. Also, in the event of an unforeseen outbreak of an infectious disease, the business results of the Yamato Group may be affected due to a lack of human resources because of employee illness, costs involved in providing hygienic supplies, and increased difficulty in continuing business.

In light of these risks, the Yamato Group, as a corporate group responsible for social infrastructure, has formulated a business continuity plan (BCP) to ensure that we can continue to provide stable services even in unexpected situations. The entire Group is working to strengthening its crisis management system in anticipation of various emergency situations. We are conducting drills based on the business continuity plan (BCP), assessing the risks of facilities and implementing relocations, as well as continuously reviewing manuals related to post-disaster response, suspension of pickup and delivery, maintenance work, and other needs in preparation for unexpected disasters. In the event of an emergency, based on the Yamato Group basic BCP policy, which is centered on “placing the highest priority on human life,” “aiming for early restoration of the business of each Group company,” and “meeting the expectations of the local community as a social infrastructure,” we will establish an internal task force in accordance with our standards, respond in cooperation with the Group companies, and work to provide value to the affected areas and customers in response to their issues.

iii) Risks involved in serious traffic accidents and occupational accidents

The Yamato Group conducts its business activities using vehicles on public roads, and if a serious traffic accident were to arise, the Yamato Group could suffer a drop in social trust, discontinuation of the use of its vehicles due to administrative punishment, discontinuation of business operations at its offices due to the violation point system, revocation of its business license, and other measures. This could result in business being disrupted or suspended. In addition, causing a serious occupational accident that impairs the occupational safety of employees and others could affect the business results of the Yamato Group.

In light of these risks, the Yamato Group places the utmost priority on respect for human life, and is working to promote initiatives in line with transportation safety management and occupational safety and health management systems (OSHMS), formulate and comply with rules to ensure safety, maintain facilities and systems, provide safety education and raise awareness among employees, implement periodic checks by the Audit Division on the status of compliance with laws and regulations in operations and maintenance management, and ensure a safe and secure working environment in accordance with the Industrial Safety and Health Act.

iv) Risks involved in labor-related laws and systems

Many of the businesses operated by the Yamato Group are labor-intensive, and it is essential for us to secure high-quality human resources as our workforce and to assign them to their positions appropriately. In the event of revisions to laws, regulations, systems related to labor, social insurance, or the like, the Yamato Group's business results may be affected due to a significant increase in costs to comply with such revisions. In addition, the application of overtime caps to vehicle driving operations has begun since April 2024, which will reduce capacity for long-distance transportation in the transportation industry and increase the cost of outsourcing to transportation partners, which may affect the Yamato Group's business results.

In light of these risks, the Yamato Group is working to promote the development of a working environment and HR system that appropriately complies with laws and regulations. Concurrently, in order to respond more flexibly to business volume fluctuations, improve efficiency in inter-base transportation and reduce the waiting time for cargo, we will consolidate and enlarge last-mile facilities, which had been small and multi-store operations, redefine terminal functions, and transform our way of “sorting,” “transporting” and “working” using digital technologies. In addition, we expand the use of trailers, including the Super Full Trailer SF25, which contributes to more efficient long-distance transportation, and promote modal shifts, and toward building a sustainable logistics network, in addition to trucks, railroad, ferries, and cargo space under passenger aircraft floors, which have been responsible for long-distance transportation until now, we have begun to operate dedicated cargo aircraft (freighters) as a new mode of transportation since April 2024.

v) Risks due to the influence of international situations and the like

If the regions in which the Yamato Group conducts its business activities or the regions in which its major clients conduct their business activities are affected by terrorism, war, or other international conflicts or trade disputes, the business results of the Yamato Group may be affected by stagnating logistics caused by disruptions in the supply chain or the like, as well as employee evacuations or other similar reasons. In addition, as the Yamato Group's main business is the transportation of parcels by vehicle, a constant, stable, and appropriate supply of fuel such as diesel oil is essential in order to carry out the business. If supply were to be restricted or fuel prices, etc. were to skyrocket due to international situations or the like, the business results of the Yamato Group may be affected.

In light of these risks, the Yamato Group is promoting initiatives to expand the value it provides by combining a variety of transportation methods by land, sea, and air for the globally extending supply chains of its customers. Additionally, we are promoting measures to improve energy efficiency, such as streamlining transportation and delivery through structural reform of our network operations, modal shifts, the introduction of more fuel-efficient vehicles, and the introduction of energy management systems, while also working to optimize pricing for customers in light of rising fuel prices and other factors.

vi) Risks due to influence from the financial market

The Yamato Group acquires the necessary funding by utilizing Group funds as well as borrowing from financial institutions and issuing bonds, in principle, while referring to our investment plans for business continuity and growth. The future economic situations of Japan and abroad may make it difficult to procure funding if the financial markets become dysfunctional or if financial institutions are selective in their lending, and interest expenses may increase due to rising interest rates.

In light of these risks, we will maintain and strengthen our financial soundness in terms of cash generation, cash and deposits held, equity ratio levels, and the like, as well as strive to appropriately diversify our funding sources and timing.

4. Management's Analysis of Financial Conditions, Business Results and Cash Flows

(1) Overview of the business results, etc.

An overview of the Yamato Group's financial conditions, business results and cash flows for the fiscal year ended March 31, 2024 is provided below.

Forward-looking statements in the text are based on the judgment of the Yamato Group as of the date of submission of the Annual Securities Report.

i) Financial conditions and business results

A. Financial conditions

Total assets were 1,135,895 million yen as of March 31, 2024, up 28,308 million yen from the end of the previous fiscal year.

Liabilities increased 52,757 million yen to 543,914 million yen from the end of the previous fiscal year.

Net assets were 591,980 million yen, down 24,449 million yen from the end of the previous fiscal year.

B. Business results

In the economic environment during the fiscal year under review, while the global inflationary trend has calmed down as prices of resources and energy, which had soared due to the unstable international situation, have turned to decline, monetary authorities in the U.S. and Europe have kept policy interest rates unchanged to prepare for a future economic slowdown. In Japan, meanwhile, amid moves to pass on price increases to consumers, business confidence is improving at the moment thanks to the expansion of service consumption supported by the recovery in holiday demand and inbound tourism, as well as increase in capital investment. However, with sluggish consumer spending due to the lack of real wage growth and other factors and expanding labor shortage, it remains difficult to foresee a full-fledged economic recovery. Under these circumstances, in order to realize sustainable enhancement of corporate value through "helping enrich our society," as stated in our management philosophy, the Yamato Group is promoting efforts to expand the overall value it provides to meet the diversifying needs of customers and society under a Group management structure that mobilizes the management resources of each Group company.

Our consolidated financial results for the fiscal year ended March 31, 2024 were as follows.

Category	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Change	Growth (%)
Operating revenue (Millions of yen)	1,800,668	1,758,626	(42,041)	(2.3)
Operating profit (Millions of yen)	60,085	40,059	(20,025)	(33.3)
Ordinary profit (Millions of yen)	58,066	40,458	(17,607)	(30.3)
Profit attributable to owners of parent (Millions of yen)	45,898	37,626	(8,271)	(18.0)

For the fiscal year ended March 31, 2024, operating revenue amounted to 1,758,626 million yen, down 42,041 million yen year-on-year. This was mainly due to a decrease in parcel delivery volume and demand for international transportation, despite efforts for price optimization.

Operating expenses amounted to 1,718,566 million yen, down 22,016 million yen year-on-year. This was mainly because we focused on efforts to optimize operating costs to fight the continuous rise in costs owing to changes in the external environment, including resource and energy prices and hourly wage rates.

As a result, for the fiscal year ended March 31, 2024, operating profit amounted to 40,059 million yen, down 20,025 million yen year-on-year. Profit attributable to owners of parent amounted to 37,626 million yen mainly due to gain on sale of non-current assets, representing a decrease of 8,271 million yen from the previous fiscal year.

At the Board of Directors meeting held on July 27, 2023, the Company resolved to sign an agreement regarding the strategic business alliance with WORLD HOLDINGS CO., LTD., and the Company transferred 51% of the outstanding shares of the Company's consolidated subsidiary, YAMATO.STAFF.SUPPLY.CO.,LTD. (hereinafter, "YSS") to WORLD STAFFING CO.,LTD., a consolidated subsidiary of WORLD HOLDINGS CO., LTD. As a result of this share transfer, the Company's ownership of voting rights in YSS became 49%, and YSS became an equity-method affiliate of the Company effective from the second quarter of the fiscal year under review.

Initiatives for the entire Yamato Group

The Yamato Group is, in order to realize sustainable enhancement of corporate value through “helping enrich our society,” as stated in our management philosophy, promoting efforts to expand the overall value it provides to meet the diversifying needs of customers and society. Furthermore, we are forging ahead with price optimization to cope with rising costs associated mainly with changes in the external environment, and responding to rising costs at partner companies in a timely and appropriate manner, thereby working to maintain and strengthen our transportation and delivery network and to create an environment in which we can continue to provide better service to our customers.

a. Structural reforms of network operations

We are building a dedicated network optimized for diversifying logistics needs, as witnessed by the growing EC demand and trend toward small-lot, high-frequency B2B logistics. In addition, with a view to achieving more flexible response to fluctuations in delivery volume, more efficient transportation between bases, and shorter waiting times for cargo, we are: consolidating and upsizing last-mile collection and delivery bases, which have been deployed in many small stores; redefining terminal functions; reforming “sorting” and “carrying methods” using digital technology; and improving efficiency in administrative processing; and promoting other initiatives to strengthen the TA-Q-BIN network.

In the fiscal year under review, we began handling Kuroneko Yu-Packet and Kuroneko Yu-Mail in accordance with the basic agreement on cooperation concluded with the Japan Post Group. We continue to make effective use of the management resources of the two companies in a bid to establish transportation services that contribute to greater customer convenience and to achieve business growth, while promoting initiatives to solve issues facing the logistics industry, such as the “2024 problem” and “carbon neutrality.”

b. Expansion of corporate business domain

Amid increasing risk factors such as division of the world into political and economic blocs, reshaping of global supply chains, and global environmental problems, the Yamato Group positions the solutions business aiming to solve customers’ management issues that extend throughout the entire supply chain as a new growth area. Against this backdrop, sales and operations continue to work together, while making optimum use of the Group’s management resources to enhance the value provided to the entire supply chain, which extends from Japan to the rest of the world.

Furthermore, in order to achieve “net-zero (in-house) greenhouse gas (GHG) emissions by 2050,” we are promoting the reduction of the Company’s GHG emissions by introducing EVs and implementing cold storage transportation without using dry ice, etc. At the same time, in order to optimize our customers’ inventory and production activities, we are building a supply chain with a lower environmental impact. To this end, we continue to work on creating new value to offer to our corporate customers, including the development of a GHG emissions visualization tool in compliance with the international standard ISO 14083:2023. In the fiscal year ended March 31, 2024, we made a carbon neutral claim for TA-Q-BIN, TA-Q-BIN Compact, and EAZY (the three parcel delivery services). This claim consists of achievement of carbon neutrality pursuant to the international standard ISO 14068-1:2023 in the fiscal year ended March 31, 2023 (April 2022 - March 2023) and commitment to achieving carbon neutrality for the three parcel delivery services by 2050 through continuous efforts to reduce in-house GHG emissions from our business activities. Through the provision of such climate-friendly transportation services, the Yamato Group will further promote the use of these services by individual and corporate customers.

c. Promoting strategies for achieving sustainable enhancement of corporate value

The Yamato Group is pressing on with its digital and HR strategies and strengthening 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.

Regarding digital strategy, we are working to expand the value we provide to customers and improve operational efficiency by establishing a system in which “business and digitalization” are being promoted in an integrated manner and using the Yamato Digital Platform, a digital information platform that enables real-time understanding of all types of information and linkage with internal and external systems. During the fiscal year under review, we continued to promote the collection and analysis of customer feedback and the improvement and design of services through the use of digital technology in order to further improve customer experience.

Regarding HR strategy, based on the “Human Resource Management Policy” that links employee growth to the growth of the Group, 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 intensifying our efforts to tackle 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.’”

In the area of the environment, in order to realize “net-zero (in-house) GHG emissions in 2050” and “48% reduction in GHG emissions in 2030 (compared with the fiscal year ended March 31, 2021),” we will continue to implement measures such as “introduction of 23,500 EVs,” “introduction of 810 solar power generation units,” and “increase in the use of electricity derived from renewable energy sources.” During the fiscal year under review, the Yawata Sales Office in Kyoto Prefecture was reopened as a demonstration base for energy management, including optimal EV operations and the use of electricity generated via renewable energy sources. The Yawata Sales

Office is the first in Japan to carry out pickup and delivery operations with a full fleet of electric trucks (32 trucks). It has also installed solar power generation equipment and storage batteries to utilize electricity derived from renewable energy sources and is working to balance-out energy consumption peaks through the use of electric power leveling systems.

We are also collaborating with automobile manufacturers to realize sustainable logistics, such as by launching a demonstration experiment for kei (mini) EV pickup and delivery operations using cartridge-type batteries.

In the area of society, we 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 in collaboration with local communities.

To strengthen corporate governance, we continue to put effort into separation of management supervision and business execution responsibilities to maintain and enhance the transparency of our business. We also undertake business structure reforms under a governance structure with an emphasis on the speed of decision-making.

d. Formulation of the Medium-term Management Plan “Sustainability Transformation 2030—1st Stage—”

The Yamato Group has set “a value-creating company that contributes to the realization of a sustainable future” as its vision for 2030, and formulated in February 2024 the Medium-term Management Plan “Sustainability Transformation 2030—1st Stage—,” which ends in the fiscal year ending March 31, 2027. Under the Medium-term Management Plan, the Group will work on initiatives to generate economic value, such as reinforcing the TA-Q-BIN network and expanding its value proposition, expanding the corporate business domain by providing business solutions on an “End to End” basis to the supply chain, commercializing new business models that meet diversifying customer and social needs, and strengthening the Group’s management platform. It will also create environmental value and social value through initiatives for social sustainability. From the fiscal year ending March 31, 2025, we will change our segments to the four business segments defined in this Medium-term Management Plan: Express Business, Contract Logistics Business, Global Business, and Mobility Business.

<Business strategies of each segment>

o Retail Business Unit

- a. The Retail Business Unit provides high-quality small-lot transportation services, including TA-Q-BINs. 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. 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 1.7 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.
- b. In addition, we are promoting efforts to strengthen the TA-Q-BIN network in order to improve the productivity of the entire network operations. In the fiscal year under review, we continued to consolidate and upsize last-mile pickup and delivery bases, which had been deployed in many small stores mainly in urban areas, and promoted the establishment of a dedicated cold storage network, as well as a system to flexibly set delivery areas and delivery routes in accordance with fluctuations in delivery volume.
- c. Operating revenue from customers decreased 1.9% from the previous fiscal year to 877,948 million yen, attributable mainly to a decline in handling volume despite an increase in the unit price of parcel delivery services. Operating profit decreased by 9,708 million yen from the preceding year, as efforts to optimize operating costs failed to offset the decline in handling volume.

- o Corporate Business Unit
 - a. In the Corporate Business Unit, sales and operations are working together to build and expand dedicated networks to increase the value provided to the entire supply chain, which extends from Japan to the rest of the world. We are also working to strengthen customer-oriented sales not only by improving logistics operations and efficiency, but also by proposing improvements based on customers' management issues, and by building and managing more effective projects.
 - b. In the urban areas where EC demand is concentrated, the Unit has been building an EC logistics network with more simplified operations covering sorting, transportation, and last mile deliveries, as well as using our partnerships with major e-commerce companies to implement initiatives to further improve convenience and expand sales for services that completely or partially replace operational functions from order receiving to shipping and delivery, with the aim of optimizing logistics for e-commerce vendors with stores in online shopping malls.
 - c. In cross border EC for which growth is accelerating, we are working on initiatives to enhance value provided on an "End to End" basis over the supply chain, such as connecting the IT system for import customs clearance with the domestic delivery network, in order to shorten the lead time to delivery. During the fiscal year under review, we started providing a small-lot ocean transportation service for cross-border EC operators to enable low-cost, speedy deliveries to buyers using cross-border EC services.
 - d. Operating revenue from customers was 824,096 million yen, down 2.6% year-on-year, mainly as a result of a decline in international transportation volume. Operating profit declined 8,551 million yen year-on-year, due to factors including the increase in expenses to consign deliveries to the Retail Business Unit.

(Reference)

Category	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Change	Growth (%)
TA-Q-BIN/TA-Q-BIN Compact/EAZY (Million units)	1,926	1,886	(40)	(2.1)
Nekopos/Kuroneko Yu-Packet (Million units)	413	409	(3)	(0.9)
Kuroneko DM-Bin/Kuroneko Yu-Mail (Million parcels)	800	626	(173)	(21.7)

- o Other
 - a. During the fiscal year ended March 31, 2024, we continued to promote efforts to expand sales for transportation by transport box taking advantage of its network consisting of multiple companies and for vehicle maintenance services.
 - b. Operating revenue from customers was 56,581 million yen, down 5.8% from the previous fiscal year. Meanwhile, operating profit was 12,734 million yen, down 8.4% from the previous fiscal year.

<Initiatives such as safety and regional co-creation>

- a. 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 fiscal year under review, we continued to conduct the "Traffic Safety Class for Children" at kindergartens and elementary schools, as well as engage in activities to raise awareness towards safety, including the "Zero Traffic Accidents Campaign" by the entire Group, as well as the "National Safety Competition," in which drivers from all over Japan competed with each other in their skills and knowledge regarding driving safety.
- b. 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. 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. Moreover, during the fiscal year under review, based on the basic agreement regarding the partnership signed between a retailer that operates drug stores in Hokkaido and Yamato Transport, we are promoting activities to address social issues faced by Hokkaido and realize a sustainable regional economy, through initiatives such as enhancing shopping support using the TA-Q-BIN sales offices and mobile vending vehicles, making it possible to receive parcels at drug stores, and having items purchased in stores delivered to people's homes, as well as providing efficient and stable deliveries of merchandise to retailers.
- c. 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 as actively employing people with disabilities at the Swan Bakery, which makes and sells bread, and operating job-finding support facilities where they take part in training to acquire the skills and knowledge necessary for employment.

ii) Cash flows

○ Cash flows from operating activities

Net cash provided by operating activities amounted to 64,333 million yen, which was 25,620 million yen less than the previous fiscal year. This is largely attributable to profit before income taxes of 51,704 million yen, which is a decrease in income of 5,111 million yen, and the booking of 12,239 million yen of gain on sales of non-current assets resulting from the sale of land.

○ Cash flows from investing activities

Net cash used in investing activities amounted to 22,435 million yen, which is a decrease of 26,985 million yen compared with the previous fiscal year. This is largely attributable to the 16,163 million yen increase in proceeds from the sale of property, plant and equipment, and the amount of other payments declining by 5,684 million yen.

○ Cash flows from financing activities

Net cash used in financing activities was 30,777 million yen, which is a decrease of 7,839 million yen compared with the previous fiscal year. This is largely attributable to the 40,006 million yen increase in spending related to the purchase of treasury shares, partially offset by the 26,553 million yen increase in proceeds from borrowings, and the 19,928 million yen proceeds from the issuance of bonds.

As a result of the above, cash and cash equivalents were 194,702 million yen as of March 31, 2024, up 11,476 million yen from a year earlier.

iii) Production, orders received and sales results

Operating revenue by segment is as follows.

Since service focused on the cargo transport business is the main product of the Yamato Group, production and orders received have been omitted from the description.

Business segment	Income	Fiscal year ended March 31, 2023 (From April 1, 2022 To March 31, 2023)		Fiscal year ended March 31, 2024 (From April 1, 2023 To March 31, 2024)		Change (%)
		Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)	
Retail Business Unit	Transportation income	1,191,264	66.2	1,181,251	67.2	(0.8)
	Logistical support income	3,352	0.2	3,640	0.2	8.6
	Other	25,858	1.4	28,913	1.6	11.8
	Eliminations	(325,901)	(18.1)	(335,857)	(19.1)	3.1
	Total	894,574	49.7	877,948	49.9	(1.9)
Corporate Business Unit	Transportation income	617,221	34.3	627,096	35.7	1.6
	Logistical support income	259,525	14.4	226,522	12.9	(12.7)
	Other	33,357	1.9	31,842	1.8	(4.5)
	Eliminations	(64,051)	(3.6)	(61,364)	(3.5)	(4.2)
	Total	846,053	47.0	824,096	46.9	(2.6)
Other	Transportation income	24,616	1.4	22,835	1.3	(7.2)
	Other	155,187	8.6	141,115	8.0	(9.1)
	Eliminations	(119,763)	(6.7)	(107,369)	(6.1)	(10.3)
	Total	60,040	3.3	56,581	3.2	(5.8)
Total		1,800,668	100.0	1,758,626	100.0	(2.3)

(2) Details of analysis and investigation concerning the status of business results, etc. from a management perspective

The recognition of the status of the Yamato Group's business results, etc. and details of the analysis and investigation from a management perspective are as follows.

Forward-looking statements in the text are based on the judgment of the Yamato Group as of the date of submission of the Annual Securities Report.

i) Recognition of the status of financial conditions and business results and details of the analysis and investigation

A. Financial conditions

Total assets were 1,135,895 million yen as of March 31, 2024, up 28,308 million yen from the end of the previous fiscal year. This is largely attributable to an increase of 11,736 million yen in property, plant and equipment mainly as a result of the construction and renovation of operating bases, chiefly in the Retail Business Unit, an increase of 9,687 million yen in cash and deposits, and an increase of 8,108 million yen in investment securities due to fair market valuation and other factors.

Liabilities increased 52,757 million yen from the end of the previous fiscal year to 543,914 million yen. This is largely attributable to a 21.0 billion yen increase in borrowings and a 20.0 billion yen increase in bonds payable resulting from the issuance of Green Bonds.

Net assets were 591,980 million yen, down 24,449 million yen from a year earlier. The major factors included profit attributable to owners of parent of 37,626 million yen, as well as the 16,432 million yen distribution of capital surplus and the acquisition of 50,001 million yen of treasury shares.

As a result, the equity ratio dropped to 51.6% from the 55.1% in the previous fiscal year.

B. Business results

For the fiscal year ended March 31, 2024, operating revenue amounted to 1,758,626 million yen, down 42,041 million yen year-on-year. This was mainly due to a decrease in parcel delivery volume and demand for international transportation, despite efforts for price optimization.

Operating expenses amounted to 1,718,566 million yen, down 22,016 million yen year-on-year. This was mainly because we focused on efforts to optimize operating costs to fight the continuous rise in costs owing to changes in the external environment, including resource and energy prices and hourly wage rates.

As a result, for the fiscal year ended March 31, 2024, operating profit amounted to 40,059 million yen, down 20,025 million yen year-on-year. Profit attributable to owners of parent amounted to 37,626 million yen mainly due to gain on sale of non-current assets, representing a decrease of 8,271 million yen from the previous fiscal year.

Basic earnings per share was 107.23 yen, down 19.41 yen from the previous fiscal year.

○ Retail Business Unit

Operating revenue from customers decreased 1.9% from the previous fiscal year to 877,948 million yen, attributable mainly to a decline in handling volume despite an increase in the unit price of parcel delivery services. Operating profit decreased by 9,708 million yen from the preceding year, as efforts to optimize operating costs failed to offset the decline in handling volume.

○ Corporate Business Unit

Operating revenue from customers was 824,096 million yen, down 2.6% year-on-year, mainly as a result of a decline in international transportation volume. Operating profit declined 8,551 million yen year-on-year, due to factors including the increase in expenses to consign deliveries to the Retail Business Unit

○ Other

Operating revenue from customers was 56,581 million yen, down 5.8% from the previous fiscal year. Meanwhile, operating profit was 12,734 million yen, down 8.4% from the previous fiscal year.

ii) Details of the analysis and investigation of cash flows as well as information concerning financial resources for capital and liquidity of funds

A. Cash flows

Cash flows for the fiscal year ended March 31, 2024 are as described in “II. Business Overview 4. Management’s Analysis of Financial Conditions, Business Results and Cash Flows (1) Overview of the business results, etc. (ii) Cash flows.”

B. Financial resources for capital and liquidity of funds

The Yamato Group formulated in February 2024 the Medium-term Management Plan “Sustainability Transformation 2030—1st Stage—.” During the period of the Medium-term Management Plan, we will promote actively growth investments in facility strategy and DX strategy, etc. to help improve operation efficiency, while also promoting environmental investments in EVs, solar power generation equipment, etc. to realize a low carbon society, balancing the provision of logistics services with low environmental impact to customers and the improvement of energy efficiency of operations. In the growth domain of Contract Logistics business and Global business, we will utilize M&As and strategic alliances in addition to autonomous growth.

To support the above plan, we will raise funds through borrowings from financial institutions and issuance of corporate bonds as necessary, while being aware of financial soundness and efficiency, such as status of cash generation, cash and deposits held, and capital ratio, etc. as well as effective use of funds held in the Group. From the perspective of financial soundness, we set capital ratio at around 45-50% and D/E ratio at 0.3-0.5 times as guides, and will make efforts to maintain credit rating (Rating and Investment Information, Inc./AA-). With regard to shareholder return, the Company set targets of a payout ratio at 40% and more and a total shareholder return ratio at 50% or more based on profit attributable to owners of parent. We will flexibly consider the acquisition of treasury shares from standpoints of the progress of growth investments, cash flow trends, stock price movement, etc.

iii) Extent to which target indicators are being achieved

The Yamato Group promoted business structure reforms for sustainable growth based on its Medium-term Management Plan “One Yamato 2023,” which aimed to provide value to individual and corporate customers, as well as society as a whole, by supporting the transformation of the entire supply chain. When formulating the Medium-term Management Plan, we set our targets for the fiscal year ended March 31, 2024, the final year of the plan, as follows: consolidated operating revenue of 2 trillion yen, consolidated operating profit of 120 billion yen (consolidated operating margin of 6.0%), and ROE of 10%. However, in light of changes in the external environment, including high prices and consumption trends, we revised those targets as follows: consolidated operating revenue of 1.86 trillion yen, consolidated operating profit of 80 billion yen (consolidated operating margin of 4.3%), and ROE of 8.3%. The actual results were: consolidated operating revenue of 1,758,626 million yen, consolidated operating profit of 40,059 million yen (consolidated operating margin of 2.3%), and ROE of 6.3%. Under the Medium-term Management Plan, we launched the One Yamato structure, which brought together the management resources of all Group companies, and promoted structural reforms of network operations, including the establishment of a dedicated network optimized for diversifying logistics needs and the consolidation and enlargement of last-mile pickup and delivery bases, which had been deployed in many small stores. We believe that these efforts have had a certain degree of success in strengthening our management platform.

Under the Medium-term Management Plan “Sustainability Transformation 2030 — 1st Stage —” with the fiscal year ending March 31, 2027 as the final year, the Group will work on initiatives to generate economic value, such as reinforcing the TA-Q-BIN network and expanding its value proposition, expanding the corporate business domain by providing business solutions on an “End to End” basis to the supply chain, commercializing new business models that meet diversifying customer and social needs, and strengthening the Group’s management platform. It will also create environmental value and social value through initiatives for social sustainability. For the fiscal year ending March 31, 2027, the final year of this Medium-term Management Plan, we target consolidated operating revenue of 2.0-2.4 trillion yen, consolidated operating profit of 120-160 billion yen (consolidated operating margin of at least 6%), ROE of at least 12%, and ROIC of at least 8%.

iv) Significant accounting estimates and assumptions used in these estimates

The Yamato Group’s consolidated financial statements are created based on the accounting standards generally accepted in Japan. For matters that need to be estimated when creating these consolidated financial statements, the accounting estimates are based on reasonable standards. Significant accounting estimates and the assumptions used in these estimates are shown in “V. Financial Information, 1. Consolidated Financial Statements, etc., (1) Consolidated Financial Statements, Notes to Consolidated Financial Statements (Significant accounting estimates).”

5. Significant Management Contracts

Not applicable

6. Research and Development Activities

The Yamato Group is engaged in initiatives that include those for research and development concerning digital technology to realize the improvement of logistics services. The total amount of research and development activities in the fiscal year ended March 31, 2024 was 3,345 million yen, which is broken down into 3,267 million yen for the consolidated subsidiary Yamato Transport Co., Ltd. (Retail Business Unit and Corporate Business Unit) and 77 million yen for the Company (as a whole).

III. Property, Plant and Equipment

1. Overview of Capital Investments

The Yamato Group made capital investments of 56,780 million yen (including leasehold deposits), mainly for the promotion of structural reforms of network operations to strengthen the TA-Q-BIN network and for growth investments to expand the value provided to the entire supply chain.

The Retail Business Unit made capital investments of 45,926 million yen for the construction of freezing and refrigeration facilities at the Low Temperature Transportation and Delivery Center (South Tokyo Area), purchase of vehicles, etc.

The Corporate Business Unit recorded the capital investment of 4,184 million yen for the refurbishment of offices, among others.

The Corporate segment (the Company) recorded the capital investment of 5,150 million yen for the construction of new buildings, among others. There are no particular matters to state in relation to Other.

The main capital investment completed in the fiscal year ended March 31, 2024 was the construction of freezing and refrigeration facilities at the Low Temperature Transportation and Delivery Center (South Tokyo Area) in the Retail Business Unit.

In addition, disposals and sales of important facilities during the fiscal year under review included the sale of the Tokyo base land in the transportation division (sales amount: 17,247 million yen). Since a land lease agreement for the use of that location (building) was executed with the buyer, there is no significant impact on transportation and delivery capabilities.

2. Overview of Major Facilities

The Yamato Group's major facilities are as follows, together with the figures by segment and according to the disclosure method for the main property, plant and equipment. Further, major facilities are described with the inclusion of intangible assets.

(1) Segment breakdown

Business segment	Book value (Millions of yen)								Number of employees (Number of people)
	Vehicles	Buildings and structures	Machinery and equipment	Land (Ground area 1,000 m ²)	Leased assets	Other property, plant and equipment	Intangible assets	Total	
Retail Business Unit	26,841	137,495	13,094	151,922 (1,861) [5,918]	24,654	7,075	30,219	391,302	154,130
Corporate Business Unit	2,267	16,753	4,392	12,307 (127) [820]	7,212	5,998	5,595	54,528	16,952
Other	65	8,185	789	5,930 (17) [368]	4,156	524	2,782	22,434	6,329
Corporate	–	2,781	24	6,632 (1)	–	257	332	10,029	19
Total	29,173	165,216	18,300	176,793 (2,007) [7,108]	36,024	13,856	38,930	478,294	177,430

(2) The Reporting Company

Name of business location (Location)	Business segment	Facilities	Book value (Millions of yen)								Number of employees (Number of people)
			Vehicles	Buildings and structures	Machinery and equipment	Land (Ground area 1,000 m ²)	Leased assets	Other property, plant and equipment	Intangible assets	Total	
Head office (Chuo-ku, Tokyo)	Corporate	–	–	2,781	24	6,632 (1)	–	257	332	10,029	19

(3) Domestic subsidiaries

Company name (Location)	Business segment	Facilities	Book value (Millions of yen)								Number of employees (Number of people)
			Vehicles	Buildings and structures	Machinery and equipment	Land (Ground area 1,000 m ²)	Leased assets	Other property, plant and equipment	Intangible assets	Total	
Yamato Transport Co., Ltd. Head office (Chuo-ku, Tokyo)	Retail Business Unit Corporate Business Unit	–	1	9,915	135	4,530 (5) [2]	14,570	336	34,395	63,884	2,472
Yamato Transport Co., Ltd. Overseeing Hokkaido Area (Atsubetsu-ku, Sapporo City)	Retail Business Unit Corporate Business Unit	Business offices Warehouses	1,528	3,925	221	2,327 (181) [310]	103	467	9	8,583	6,498
Yamato Transport Co., Ltd. Overseeing Tohoku Area (Izumi-ku, Sendai City)	Retail Business Unit Corporate Business Unit	Business offices Warehouses	1,411	5,012	913	2,323 (124) [650]	7,632	520	11	17,826	10,351
Yamato Transport Co., Ltd. Overseeing Tokyo Area (Ota-ku, Tokyo)	Retail Business Unit Corporate Business Unit	Business offices Warehouses	4,435	58,245	3,743	97,068 (234) [379]	581	1,368	585	166,027	26,678
Yamato Transport Co., Ltd. Overseeing Minami Kanto Area (Tsurumi-ku, Yokohama City)	Retail Business Unit Corporate Business Unit	Business offices Warehouses	4,015	17,685	3,698	10,294 (155) [896]	437	1,284	95	37,511	21,098
Yamato Transport Co., Ltd. Overseeing Kita Kanto Area (Chuo-ku, Saitama City)	Retail Business Unit Corporate Business Unit	Business offices Warehouses	3,481	9,063	1,793	6,698 (181) [862]	694	1,249	94	23,075	19,404
Yamato Transport Co., Ltd. Overseeing Hokushinetsu Area (Nishi-ku, Niigata City)	Retail Business Unit Corporate Business Unit	Business offices Warehouses	1,467	3,149	166	5,980 (136) [449]	225	481	4	11,474	10,295
Yamato Transport Co., Ltd. Overseeing Chubu Area (Toyota City, Aichi Prefecture)	Retail Business Unit Corporate Business Unit	Business offices Warehouses	2,528	19,795	1,676	6,320 (252) [627]	231	737	12	31,301	16,482
Yamato Transport Co., Ltd. Overseeing Kansai Area (Ibaraki City, Osaka Prefecture)	Retail Business Unit Corporate Business Unit	Business offices Warehouses	5,408	12,303	2,663	13,229 (209) [897]	487	1,235	212	35,542	25,783
Yamato Transport Co., Ltd. Overseeing Chugoku and Shikoku Areas (Kita-ku, Okayama City)	Retail Business Unit Corporate Business Unit	Business offices Warehouses	1,991	3,598	195	3,901 (198) [605]	183	521	11	10,402	12,500
Yamato Transport Co., Ltd. Overseeing Kyushu Area (Higashi-ku, Fukuoka City)	Retail Business Unit Corporate Business Unit	Business offices Warehouses	1,975	4,740	495	7,351 (247) [732]	742	891	8	16,205	13,859
YAMATO CONTACT SERVICE CO., LTD. (Toshima-ku, Tokyo)	Retail Business Unit	–	–	44	–	– [12]	1	19	68	134	2,076

Company name (Location)	Business segment	Facilities	Book value (Millions of yen)								Number of employees (Number of people)
			Vehicles	Buildings and structures	Machinery and equipment	Land (Ground area 1,000 m ²)	Leased assets	Other property, plant and equipment	Intangible assets	Total	
Okinawa Yamato Transport Co., Ltd. (Itoman City, Okinawa Prefecture)	Corporate Business Unit	–	629	6,142	1,598	1,057 (24) [68]	–	198	143	9,769	1,415
Yamato Multi Charter Co., Ltd. (Fushimi-ku, Kyoto City)	Corporate Business Unit	–	94	69	3	2,215 (11) [22]	5,875	8	18	8,285	348
Kobe Yamato Transport Co., Ltd. (Chuo-ku, Kobe City)	Corporate Business Unit	–	6	31	1	209 (2) [33]	93	5	5	352	97
Konan Industry Co., Ltd. (Chuo-ku, Hamamatsu City)	Corporate Business Unit	–	0	278	1	642 (13) [61]	6	13	1	943	428
Yamato Dialog & Media Co., Ltd. (Chuo-ku, Tokyo)	Corporate Business Unit	–	–	14	–	– [0]	–	5	35	54	33
Yamato System Development Co., Ltd. (Koto-ku, Tokyo)	Other	–	–	3,506	–	3,562 (5) [23]	2,184	351	1,069	10,674	2,627
Yamato Autoworks Co., Ltd. (Chuo-ku, Tokyo)	Other	–	47	4,112	678	1,405 (9) [208]	1,099	71	872	8,288	1,941
Yamato Autoworks Iwate Co., Ltd. (Kitakami City, Iwate Prefecture)	Other	–	0	–	12	– [8]	–	2	–	15	56
Yamato Autoworks Hokushinetsu Co., Ltd. (Nishi-ku, Niigata City)	Other	–	0	0	45	– [11]	–	0	–	46	58
Yamato Autoworks Shikoku Co., Ltd. (Nakatado-gun, Kagawa Prefecture)	Other	–	1	2	6	– [8]	223	2	–	235	47
Yamato Autoworks Okinawa Co., Ltd. (Itoman City, Okinawa Prefecture)	Other	–	1	4	45	– [1]	461	9	–	523	19
YAMATO BOX CHARTER CO., LTD. (Chuo-ku, Tokyo)	Other	–	13	60	1	– [108]	187	41	41	345	1,327
Yamato Credit & Finance Co., Ltd. (Toshima-ku, Tokyo)	Other	–	–	483	–	962 (1)	–	32	447	1,924	234
YMT-GB Investment Limited Partnership (Shibuya-ku, Tokyo)	Other	–	–	–	–	–	–	–	–	–	–
Box Charter Co., Ltd. (Chiyoda-ku, Tokyo)	Other	–	–	14	–	– [0]	–	13	351	379	20

(4) Overseas subsidiaries

Company name (Location)	Business segment	Facilities	Book value (Millions of yen)								Number of employees (Number of people)
			Vehicles	Buildings and structures	Machinery and equipment	Land (Ground area 1,000 m ²)	Leased assets	Other property, plant and equipment	Intangible assets	Total	
YAMATO TRANSPORT U.S.A., INC. (California, U.S.A.)	Corporate Business Unit	–	121	137	162	79 (8) [42]	–	1,787	16	2,305	347
YAMATO TRANSPORT EUROPE B.V. (Schiphol-Rijk, The Netherlands)	Corporate Business Unit	–	0	5	12	– [18]	–	55	5	78	144
YAMATO ASIA PTE. LTD. (Singapore)	Corporate Business Unit	–	–	–	–	–	–	–	–	–	–
YAMATO TRANSPORT (S) PTE. LTD. (Singapore)	Corporate Business Unit	–	0	16	2	– [8]	–	135	8	163	141
YAMATO TRANSPORT (M) SDN. BHD. (Selangor, Malaysia)	Corporate Business Unit	–	1	–	–	– [3]	–	12	8	22	112
YAMATO CHINA CO., LTD. (Shanghai, China)	Corporate Business Unit	–	–	–	–	– [0]	–	5	0	5	3
YAMATO INVESTMENT (HONG KONG) LIMITED (Hong Kong)	Corporate Business Unit	–	–	–	–	–	–	–	–	–	–
YAMATO INTERNATIONAL LOGISTICS CO., LTD. (Shanghai, China)	Corporate Business Unit	–	9	17	–	– [19]	–	426	18	472	197
Yamato Logistics (HK) Ltd. (Hong Kong)	Corporate Business Unit	–	0	48	–	– [18]	–	799	44	892	186
TAIWAN YAMATO INTERNATIONAL LOGISTICS INC. (Taipei, Taiwan)	Corporate Business Unit	–	–	6	–	– [14]	–	507	1	514	135

- Notes:
1. The figures for vehicles, buildings and structures, machinery and equipment, leased assets, other property, plant and equipment and intangible assets are the book values after deducting accumulated depreciation.
 2. The above includes leased facilities between consolidated companies.
 3. The areas of land shown in () are the areas owned by the Company, the figures shown in [] indicate the areas of leased land.
 4. Other property, plant and equipment refers to tools, furniture and fixtures, etc.
 5. Intangible assets are software, etc.
 6. The above does not include provisional balances.

3. Planned Capital Investments and Disposals of Property

The Yamato Group's capital investment plan is adjusted by the Company following individual decisions by each consolidated company, considering investment efficiencies and cash flow trends for the purpose of strengthening the service framework and increasing productivity. Significant capital investment plans as of March 31, 2024 are as follows.

Company name	Business segment	Content of investment	Planned investment amount (Millions of yen)		Funding method	Start and completion planned date	
			Total amount	Amount already paid		Start	Completion
Yamato Transport Co., Ltd.	Retail Business Unit	Purchase of vehicles (1,227 units)	8,380	–	Own funds and corporate bonds	2024.4	2025.3
	Corporate Business Unit	Tenant improvement construction at MFLP•LOGIFRONT Tokyo-Itabashi (52,932m ²)	11,575	2,974	Own funds and borrowings	2023.12	2025.2
		Purchase of loading equipment and business and communications equipment	12,881	–	Own funds	2024.4	2025.3
YAMATO HOLDINGS CO., LTD.	Corporate	Construction of new buildings (17,676 m ²)	15,395	8,199	Own funds	2022.5	2024.10

IV. Status of the Reporting Company

1. Status of Shares, etc.

(1) Total Number of Shares, etc.

i) Total number of shares

Type	Total number of shares authorized (Shares)
Common shares	1,787,541,000
Total	1,787,541,000

ii) Issued shares

Type	Number of issued shares as of the end of the fiscal year (Shares) (March 31, 2024)	Number of issued shares as of the filing date (Shares) (June 14, 2024)	Stock exchange on which the company is listed	Details
Common shares	360,496,492	360,496,492	Tokyo Stock Exchange Prime Market	Shares for which the rights of shareholders are not restricted Number of shares per unit: 100
Total	360,496,492	360,496,492	–	–

(2) Status of Stock Acquisition Rights, etc.

i) Details of stock option system

Not applicable

ii) Details of rights plan

Not applicable

iii) Status of other stock acquisition rights, etc.

Not applicable

(3) Status of Exercise of Moving Strike Convertible Bonds, etc.

Not applicable

(4) Changes in the Total Number of Issued Shares and Capital, etc.

Date	Change in the number of issued shares (Shares)	Balance of total number of issued shares (Shares)	Change in the amount of share capital (Millions of yen)	Share capital balance (Millions of yen)	Change in the amount of legal capital surplus (Millions of yen)	Balance of legal capital surplus (Millions of yen)
April 1, 2019– March 31, 2020	–	411,339,992	–	127,234	–	36,822
October 13, 2020*	(22,764,400)	388,575,592	–	127,234	–	36,822
April 1, 2021– March 31, 2022	–	388,575,592	–	127,234	–	36,822
June 23, 2022*	(8,750,700)	379,824,892	–	127,234	–	36,822
March 29, 2024*	(19,328,400)	360,496,492	–	127,234	–	36,822

*A decline due to the cancellation of treasury shares.

(5) Composition of Shareholders

As of March 31, 2024

Category	Status of shares (Number of shares per unit: 100)							Status of shares less than one unit (Shares)	
	National and local government bodies	Financial institutions	Financial instrument business operators	Other corporations	Foreign shareholders		Individuals and others		Total
					Non-individuals	Individuals			
Number of shareholders (Number of people)	1	79	39	605	632	132	50,321	51,809	–
Number of shares held (Units)	20	1,521,415	91,662	259,255	811,037	454	918,373	3,602,216	274,892
Ratio of the number of shares held (%)	0.00	42.24	2.54	7.20	22.52	0.01	25.49	100	–

Note: “Individuals and others” includes 170,687 units of treasury shares and “Number of less than one unit of stock” includes 85 treasury shares of less than one unit of stock.

(6) Status of Major Shareholders

As of March 31, 2024

Name	Location	Number of shares held (Thousands of shares)	The ratio of the number of shares held relative to the total number of issued shares (excluding treasury shares) (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	Akasaka Intercity AIR, 8-1, Akasaka 1-chome, Minato-ku, Tokyo	57,566	16.76
Yamato Employees' Shareholding Association	16-10, Ginza 2-chome, Chuo-ku, Tokyo	27,106	7.89
Custody Bank of Japan, Ltd. (Trust Account)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	26,423	7.69
Meiji Yasuda Life Insurance Company	1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	14,814	4.31
Nippon Life Insurance Company	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo Within the Nippon Life Securities Management Department	14,770	4.30
Mizuho Bank, Ltd.	1-5-5 Otemachi, Chiyoda-ku, Tokyo	10,247	2.98
Yamato Trading-Partner Shareholding Association	16-10, Ginza 2-chome, Chuo-ku, Tokyo	8,186	2.38
TOYOTA MOTOR CORPORATION	1 Toyota-cho, Toyota City, Aichi Prefecture	5,748	1.67
STATE STREET BANK WEST CLIENT-TREATY 505234 (Standing proxy: Mizuho Bank, Ltd.)	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171, U.S.A. (Shinagawa Intercity Building A, 15-1 Konan 2-chome, Minato-ku, Tokyo)	5,481	1.60
Sompo Japan Insurance Inc.	26-1, Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo	5,133	1.49
Total	–	175,479	51.10

- Notes: 1. The number of shares related to trust operations in the aforementioned number of shares owned is as follows.
- | | |
|--|------------------------|
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 57,566 thousand shares |
| Custody Bank of Japan, Ltd. (Trust Account) | 26,423 thousand shares |
2. Although the Company holds 17,068 thousand of its own shares as treasury shares, it is excluded from the above list of major shareholders.

3. Although the publicly available Substantial Shareholding Report dated November 19, 2015 shows that BlackRock Japan Co., Ltd. and five other joint holders hold 21,326 thousand shares as of November 13, 2015, the Company is unable to confirm the exact number of shares actually held as of March 31, 2024, so this is not included in the above Status of Major Shareholders. The details of such Substantial Shareholding Report are as follows.

Name	Location	Number of shares held (Thousands of shares)	Shareholding ratio (%)
BlackRock Japan Co., Ltd.	8-3 Marunouchi 1-chome, Chiyoda-ku, Tokyo	5,987	1.41
BlackRock Life Limited	12 Throgmorton Avenue, London, UK	946	0.22
BlackRock Asset Management Ireland Limited	Dublin, Republic of Ireland JP Morgan House, International Financial Services Center	1,918	0.45
BlackRock Fund Advisors	400 Howard Street, San Francisco, California, USA	5,870	1.38
BlackRock Institutional Trust Company, N.A.	400 Howard Street, San Francisco, California, USA	5,626	1.32
BlackRock Investment Management (UK) Limited	12 Throgmorton Avenue, London, UK	976	0.23
Total	–	21,326	5.02

4. Although the publicly available Substantial Shareholding Report (amended report) dated January 31, 2022 shows that MUFG Bank Ltd. and two other joint holders hold 16,513 thousand shares as of January 24, 2022, the Company is unable to confirm the exact number of shares actually held as of March 31, 2024, so this is not included in the above Status of Major Shareholders. The details of such Substantial Shareholding Report (amended report) are as follows.

Name	Location	Number of shares held (Thousands of shares)	Shareholding ratio (%)
MUFG Bank Ltd.	7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	656	0.17
Mitsubishi UFJ Trust and Banking Corporation	4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo	11,099	2.86
Mitsubishi UFJ Kokusai Asset Management Co., Ltd.	1-12-1 Yurakucho, Chiyoda-ku, Tokyo	4,757	1.22
Total	–	16,513	4.25

5. Although the publicly available Substantial Shareholding Report (amended report) dated August 22, 2022 shows that Nomura Asset Management Co., Ltd. and one other joint holder hold 22,416 thousand shares as of August 15, 2022, the Company is unable to confirm the exact number of shares actually held as of March 31, 2024, so this is not included in the above Status of Major Shareholders. The details of such Substantial Shareholding Report (amended report) are as follows.

Name	Location	Number of shares held (Thousands of shares)	Shareholding ratio (%)
NOMURA INTERNATIONAL PLC	1 Angel Lane, London EC4R 3AB, United Kingdom	600	0.16
Nomura Asset Management Co., Ltd.	2-2-1, Toyosu, Koto-ku, Tokyo	21,816	5.74
Total	–	22,416	5.90

6. Although the publicly available Substantial Shareholding Report (amended report) dated September 7, 2023 shows that Mizuho Bank, Ltd. and two other joint holders hold 21,601 thousand shares as of August 31, 2023, the Company is unable to confirm the exact number of shares actually held as of March 31, 2024, so this is not included in the above Status of Major Shareholders. The details of such Substantial Shareholding Report (amended report) are as follows.

Name	Location	Number of shares held (Thousands of shares)	Shareholding ratio (%)
Mizuho Bank, Ltd.	1-5-5 Otemachi, Chiyoda-ku, Tokyo	11,247	2.96
Mizuho Trust & Banking Co., Ltd.	3-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo	617	0.16
Asset Management One Co., Ltd.	8-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo	9,737	2.56
Total	–	21,601	5.69

7. Although the publicly available Substantial Shareholding Report (amended report) dated October 5, 2023 shows that Sumitomo Mitsui Trust Asset Management Co., Ltd. and one other joint holder hold 19,581 thousand shares as of September 29, 2023, the Company is unable to confirm the exact number of shares actually held as of March 31, 2024, so this is not included in the above Status of Major Shareholders.

The details of such Substantial Shareholding Report (amended report) are as follows.

Name	Location	Number of shares held (Thousands of shares)	Shareholding ratio (%)
Sumitomo Mitsui Trust Asset Management Co., Ltd.	1-1-1 Shibakoen, Minato-ku, Tokyo	10,662	2.81
Nikko Asset Management Co., Ltd.	9-7-1 Akasaka, Minato-ku, Tokyo	8,919	2.35
Total	–	19,581	5.16

(7) Status of Voting Rights

i) Issued shares

As of March 31, 2024

Category	Number of shares (Shares)	Number of voting rights (Units)	Details
Shares without voting rights	-	-	-
Shares with restricted voting rights (treasury shares, etc.)	-	-	-
Shares with restricted voting rights (other)	-	-	-
Shares with full voting rights (treasury shares, etc.)	Common shares 17,068,700	-	Number of shares per unit: 100
Shares with full voting rights (other)	Common shares 343,152,900	3,431,529	As above
Number of less than one unit of stock	Common shares 274,892	-	-
Total number of issued shares	360,496,492	-	-
Total number of voting rights	-	3,431,529	-

Note: The commons shares in the cell for "Shares with full voting rights (other)" includes 480,200 of the Company's shares held by the Board Benefit Trust (BBT) (Number of voting rights: 4,802 units).

ii) Treasury shares, etc.

As of March 31, 2024

Name of shareholder	Address of shareholder	Number of shares held under own name	Number of shares held under the names of others	Total number of shares held	The ratio of the number of shares held relative to the total number of issued shares (%)
The Company	16-10, Ginza 2-chome, Chuo-ku, Tokyo	17,068,700	-	17,068,700	4.73
Total	-	17,068,700	-	17,068,700	4.73

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

(8) Details of Stock Ownership System for Officers and Employees

The Company has, in accordance with a resolution of the 155th Ordinary General Meeting of Shareholders convened on June 23, 2020, established the "Stock Benefit Trust (BBT [Board Benefit Trust], hereinafter the "System")," 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 (hereinafter "Officers") and the Company's business performance and stock value and also to have 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.

i) Overview of the System

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 (hereinafter 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 (hereinafter 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.

The Company introduced the System for the three fiscal years from the fiscal year ended March 31, 2022 to the fiscal year ended March 31, 2024 (hereinafter, such three-fiscal-year period is referred to as the "Initial Period," and the Initial Period and each three consecutive fiscal years following the Initial Period are respectively referred to as "Applicable Period"), as well as each Applicable Period thereafter and contributed 1,377 million yen (including 519 million yen for Directors) to the Trust as the source of funds to acquire the Company's shares for the purpose of granting the Company's Shares, Etc. to the Officers in the Initial Period. Furthermore, after the expiration of the Initial Period, in principle, the Company shall make additional contributions to the Trust, of up to 1,377 million yen (including 519 million yen for Directors) for each Applicable Period until the termination of the System. However, in the case of making such additional contributions, if the Company's shares (excluding a number of the Company's shares that have not yet been provided to Directors equivalent to points granted to them for each Applicable Period up to the immediately preceding Applicable Period) and money remain in the trust asset (hereinafter referred to as the "Remaining Shares, etc."), the total amount of the Remaining Shares, etc. (the amount for the Company's shares shall be the market value on the final day of the immediately preceding Applicable Period) and additionally contributed money shall not exceed 1,377 million yen (including 519 million yen for Directors). The acquisition of the Company's shares by the Trust shall be through the stock market or by a method of underwriting the treasury shares disposed by the Company, funded by the contributed funds.

ii) The total number of the Company's shares intended to be acquired under the System

The trustee of the Trust, Mizuho Trust & Banking Co., Ltd., has acquired 483,700 shares from the stock market with the 1,377 million yen contributed to the Trust by the Company to grant the Company's Shares, Etc. to Officers in the Initial Period. Future acquisition plans are yet to be made.

iii) The scope of persons eligible to receive beneficiary rights and other rights under the System

Officers who have retired and satisfy the beneficiary requirements prescribed in the Regulations on Share-based Remuneration of Officers.

2. Status of Acquisition of Treasury Shares, etc.

[Class of shares, etc.] Acquisition of common shares in accordance with Article 155, items (iii) and (vii) of the Companies Act

(1) Status of acquisition in accordance with a resolution of the general meeting of shareholders
Not applicable

(2) Status of acquisition in accordance with a resolution of the Board of Directors

Category	Number of shares (Shares)	Total amount (Yen)
Status of resolution by the Board of Directors (May 10, 2023) (Acquisition period: May 17, 2023–February 29, 2024)	22,000,000	50,000,000,000
Treasury shares acquired before the fiscal year ended March 31, 2024	–	–
Treasury shares acquired during the fiscal year ended March 31, 2024	19,328,400	49,999,833,150
Total number of shares and total amount remaining under the resolution	2,671,600	166,850
Ratio of non-exercised portion at the end of the fiscal year ended March 31, 2024 (%)	12.14	0.00
Treasury shares acquired during the period after the reporting period to the filing date of this Annual Securities Report	–	–
Ratio of non-exercised portion as of the filing date (%)	12.14	0.00

(3) Details of acquisitions not based on resolution of the general meeting of shareholders or resolution of the Board of Directors

Category	Number of shares (Shares)	Total amount (Yen)
Treasury shares acquired during the fiscal year ended March 31, 2024	568	1,446,463
Treasury shares acquired during the period after the reporting period to the filing date of this Annual Securities Report*	161	326,016

* Treasury shares acquired during the period after the reporting period to the filing date of this Annual Securities Report do not include shares purchased as less than one unit of stock in the period from June 1, 2024 until the filing date of this Annual Securities Report.

(4) Status of disposal and holdings of acquired treasury shares

Category	Fiscal year ended March 31, 2024		Period after the reporting period to the filing date of this Annual Securities Report	
	Number of shares (Shares)	Total disposal amount (Yen)	Number of shares (Shares)	Total disposal amount (Yen)
Acquired treasury shares that were offered to subscribers	–	–	–	–
Acquired treasury shares that were cancelled	19,328,400	46,975,936,644	–	–
Acquired treasury shares that were transferred due to merger, share exchange, share issuance or company split	–	–	–	–
Other ^{*1} (Sales due to demand for sales of less than one unit of stock)	150	395,895	–	–
Number of treasury shares held ^{*2,3}	17,068,785	–	17,068,946	–

*1. The number of shares in the period after the reporting period to the filing date of this Annual Securities Report does not include shares for which there was a demand for sales of less than one unit of stock in the period from June 1, 2024 until the filing date of this Annual Securities Report.

*2. The number of treasury shares held in the period after the reporting period to the filing date of this Annual Securities Report does not include the change in shares due to purchases or sales of less than one unit of stock in the period from June 1, 2024 until the filing date of this

Annual Securities Report.

- *3. The number of treasury shares held in the fiscal year ended March 31, 2024 or that in the period after the reporting period to the filing date of this Annual Securities Report does not include the Company's shares held by the Board Benefit Trust (BBT).

3. Dividend Policy

As a pure holding company, the purpose of the Company is to enhance the entire Group's corporate value. Accordingly, the Company pays dividends from surplus with the goal of having a payout ratio of 40% or more on the basis of profit attributable to owners of parent for the fiscal year under review. 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 Company will flexibly consider the use of treasury shares, such as utilization for M&As, as a part of our capital policy.

The Company pays dividends of surplus twice a year with an interim dividend and year-end dividend, and these dividends of surplus are determined by resolution of the Board of Directors. In addition, apart from the matters prescribed in each item of Article 459, paragraph (1) of the Companies Act, the Company prescribes the interim dividend and year-end dividend and the record date, and the fact that the dividends of surplus can be paid by resolution of the Board of Directors in its Articles of Incorporation.

For the fiscal year under review, the year-end dividend is set at 23 yen per share. This, together with the interim dividend of 23 yen per share, brings the annual dividend to 46 yen per share. The dividend for the next fiscal year will also be determined based on the profit attributable to owners of parent in accordance with the Basic Policy.

The dividends of surplus for the fiscal year under review are as follows.

Date of resolution	Total amount of dividends (Millions of yen)	Dividend per share (Yen)
November 1, 2023 Board of Directors' resolution	8,089	23
May 15, 2024 Board of Directors' resolution	7,898	23

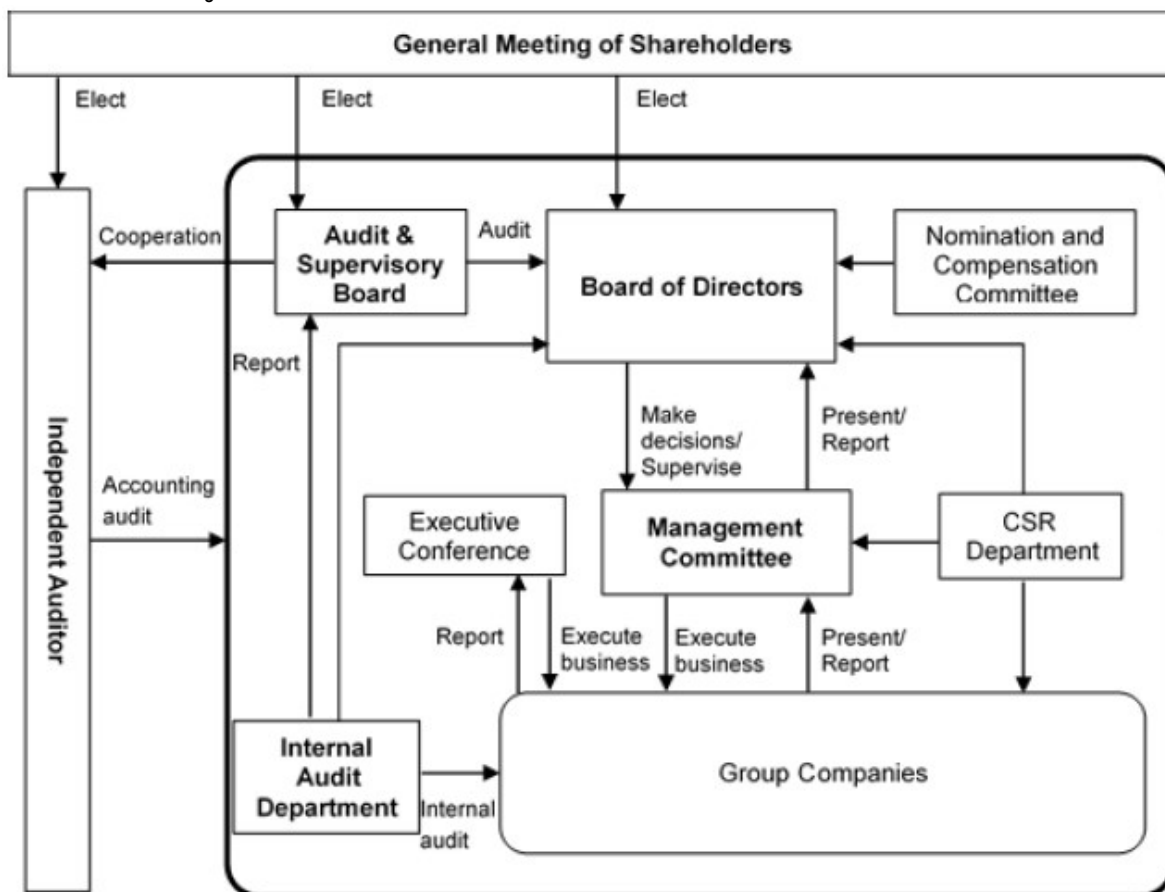
4. Status of Corporate Governance, etc.

(1) Overview of Corporate Governance

i) 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.

A schematic diagram of the status of the preparation of matters such as the oversight and internal controls for the Company's business execution and management is as follows.



ii) Overview of the corporate governance framework and the reasons for adopting such framework

The Company is a company with an Audit & Supervisory Board. In addition to the Board of Directors supervising important management decision-making and business execution, 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.

In addition, apart from this, we have established a Management Committee and Executive Conference as executive management organizations related to management decision-making and execution. We adopted this management structure for prompt and appropriate decision-making on important matters. In addition, to increase management transparency, we have established a Nomination and Compensation Committee, as an advisory committee to the Board of Directors to deliberate on particularly important matters such as nominations and compensation. The Company can have up to 12 Directors and up to five Audit & Supervisory Board Members in accordance with the Articles of Incorporation and as of the filing date, the Company's Board of Directors comprised a total of eight members including five Outside Directors and the Audit & Supervisory Board comprised a total of five members including three Outside Audit & Supervisory Board Members. In addition, to clarify the management responsibilities in each fiscal year, the Directors' terms of office are one year.

The objectives, authority, chairperson and members of the Board of Directors, Management Committee, Executive Conference, Nomination and Compensation Committee, Audit & Supervisory Board as of the filing date are as follows.

A. Board of Directors

a. Objectives and authority

Convened for the purpose of deliberating and deciding on important matters concerning the Basic Policy for executive

management and other management matters, and apart from the matters prescribed in laws and regulations and in the Articles of Incorporation, it decides on all matters prescribed in the Board of Directors Regulation including matters related to medium to long-term management plans.

b. Chairperson and Members

Comprised of all Directors.

Directors:

Yutaka Nagao, Toshizo Kurisu, Yasuharu Kosuge,

Mariko Tokuno (Outside Director), Yoichi Kobayashi (Outside Director), Shiro Sugata (Chairperson, Outside Director),

Noriyuki Kuga (Outside Director), Charles Yin (Outside Director)

Furthermore, the following Audit & Supervisory Board Members attend Board of Directors meetings and express their opinions when deemed necessary.

Audit & Supervisory Board Members:

Tsutomu Sasaki, Yoshito Shoji, Takashi Yamashita (Outside Audit & Supervisory Board Member), Ryuji Matsuda (Outside Audit & Supervisory Board Member), Yoshihide Shimoyama (Outside Audit & Supervisory Board Member)

B. Management Committee

a. Objectives and authority

Apart from deliberating and determining important matters related to business execution other than matters to be resolved by the Board of Directors, convened for the purpose of prior deliberation on matters submitted to the Board of Directors. It determines each matter prescribed in the Management Committee Regulations including matters concerning the start of sales of major new products and services by subsidiaries and affiliates and changes to existing services.

b. Chairperson and Members

Comprised of Executive Directors, Executive Officers and Full-time Audit & Supervisory Board Members.

Executive Directors:

Yutaka Nagao (Chairperson, Representative Director, Executive Officer and President), Toshizo Kurisu

Executive Officers:

Shinji Makiura, Atsushi Kashimoto

Full-time Audit & Supervisory Board Members:

Tsutomu Sasaki, Yoshito Shoji

C. Executive Conference

a. Objectives and authority

Apart from reporting the status of execution of business for which the executive officers are in charge, convened for the purpose of discussing matters under investigation and shared matters.

b. Chairperson and Members

Comprised of Executive Officers.

Executive Officers:

Yutaka Nagao (Chairperson, Representative Director, Executive Officer and President), Toshizo Kurisu, Shinji Makiura, Atsushi Kashimoto

D. Nomination and Compensation Committee

a. Objectives and authority

The Committee deliberates and verifies the appropriateness of the details of agenda items concerning the appointment and dismissal of Directors, Audit & Supervisory Board Members, and Executive Officers and the method for determining the compensation to be received by Directors and Executive Officers to bring them up at the Board of Directors meeting.

b. Chairperson and Members

Comprised of Directors elected by resolution of the Board of Directors, with a majority being Outside Directors.

Directors:

Mariko Tokuno (Chair, Outside Director), Yoichi Kobayashi (Outside Director), Shiro Sugata (Outside Director), Noriyuki Kuga (Outside Director), Charles Yin (Outside Director), Yutaka Nagao

E. Audit & Supervisory Board

a. Objectives and authority

The Audit & Supervisory Board is convened for the purpose of receiving reports, consulting and resolving important matters

concerning audits. Apart from the matters prescribed in laws and regulations or the Articles of Incorporation, it determines all matters prescribed in the Audit & Supervisory Board regulations including the audit policy, the method for studying the operations and financial positions, and the determination of other matters concerning the execution of duties by Audit & Supervisory Board Members.

b. Chairperson and Members

Comprised of Audit & Supervisory Board Members.

Audit & Supervisory Board Members:

Tsutomu Sasaki (Chairperson, Full-time Audit & Supervisory Board Member), Yoshito Shoji, Takashi Yamashita (Outside Audit & Supervisory Board Member), Ryuji Matsuda (Outside Audit & Supervisory Board Member), Yoshihide Shimoyama (Outside Audit & Supervisory Board Member)

Note: There are proposals on the agenda items (Matters to be resolved) for the Ordinary General Meeting of Shareholders to be convened on June 21, 2024 for the "Election of Seven (7) Directors" and the "Election of Two (2) Audit & Supervisory Board Members." If such agenda items are approved as proposed the chairpersons and members of the Board of Directors, the Nomination and Compensation Committee, and the Audit & Supervisory Board shall be as follows. This also describes the details of matters to be resolved (Titles and members of the Nomination and Compensation Committee) at the Board of Directors and Audit & Supervisory Board meetings scheduled to be convened immediately following such Ordinary General Meeting of Shareholders.

A. Board of Directors

Directors:

Yutaka Nagao, Toshizo Kurisu

Mariko Tokuno (Outside Director), Shiro Sugata (Chairperson, Outside Director), Noriyuki Kuga (Outside Director),

Charles Yin (Outside Director), Junichiro Ikeda (Outside Director)

Audit & Supervisory Board Members:

Tsutomu Sasaki, Yoshito Shoji,

Takashi Yamashita (Outside Audit & Supervisory Board Member), Ryuji Matsuda (Outside Audit & Supervisory Board Member),

Setsuko Ino (Outside Audit & Supervisory Board Member)

D. Nomination and Compensation Committee

Directors:

Mariko Tokuno (Chair, Outside Director), Shiro Sugata (Outside Director), Noriyuki Kuga (Outside Director),

Charles Yin (Outside Director), Junichiro Ikeda (Outside Director), Yutaka Nagao

E. Audit & Supervisory Board

Audit & Supervisory Board Members:

Tsutomu Sasaki (Chairperson, Full-time Audit & Supervisory Board Member), Yoshito Shoji,

Takashi Yamashita (Outside Audit & Supervisory Board Member), Ryuji Matsuda (Outside Audit & Supervisory Board Member),

Setsuko Ino (Outside Audit & Supervisory Board Member)

iii) Basic approach to internal control systems and status of development

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

A. 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

- a. 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.
- b. To ensure that the above directives are fully understood, the Company establishes the "Compliance and Risk Committee" chaired 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 Chair 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.
- c. 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.
 - d. 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.
- B. 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.
- C. Policy and framework for managing risks of loss of the Company and its subsidiaries
- a. 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 Company and each Group company.
 - b. 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.
 - c. Large companies under the Companies Act in the Group companies shall establish a division in charge of compliance and risk supervising 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 risk status at each Group company in a timely manner.
 - d. 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.
- D. Framework ensuring the efficiency of execution of duties by directors of the Company and its subsidiaries
- a. 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.
 - b. The Company shall hold a 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.
 - c. 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.
- E. Framework ensuring that execution of duties by employees of the Company as well as directors and employees of its subsidiaries complies with laws and regulations and the Articles of Incorporation
- a. 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.
 - b. Large companies under the Companies Act in the Group companies shall establish a division in charge of compliance and risk supervising 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 the Group in a timely manner.
 - c. 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.
 - d. 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.
 - e. The Company shall establish a whistle-blower system for the Group to develop an environment in which compliance violations are promptly reported.
- F. Framework ensuring the proper business operation of the corporate group consisting of the Company and its subsidiaries
- a. 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.
 - b. 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.
 - c. 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.

- d. Each Group company shall execute business operations in accordance with the group company management rules established by the Company, and shall obtain the approval of the Company's Board of Directors 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.
- G. 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.
- H. 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.
- I. Framework for reporting to Audit & 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
- a. 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 & Supervisory Board Members of the Company without delay.
- Material violations of laws and regulations and the Articles of Incorporation as well as misconduct, by directors or employees
 - Crucial information obtained through whistle blowing
 - Other facts that threaten to cause significant losses to the Company and each Group company
- b. 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.
- J. 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.
- K. Framework ensuring the effectiveness of auditing by Audit & Supervisory Board Members of the Company
- a. Audit & Supervisory Board Members of the Company may attend Board meetings, those of the Management Committee, the executive conferences, and other important meetings, and understand the process of important decision-making and status of business operation, and provide necessary opinions.
- b. The Company shall establish regular meetings between Audit & Supervisory Board Members and the Representative Director to exchange opinions.
- c. The Internal Audit Department of the Company shall report 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.
- d. Audit & Supervisory Board Members of the Company and each Group company shall exchange information and enhance collaboration throughout the Group at Group Audit & Supervisory Board Members' Liaison Meetings.
- e. 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.
- f. 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.
- iv) Overview of the agreement on liability limitation
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 Article 423, paragraph (1) of the Companies Act. The Company has entered into an agreement on liability limitation with all Outside Directors and Audit & Supervisory Board Members in accordance with such Articles of Incorporation. The amount of liability allowed for in those agreements is as per the minimum amount of liability provided for under Article 425, paragraph (1) of the Companies Act.
- v) Summary of the 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 insureds of this policy include Directors, Audit & Supervisory Board Members and

Executive Officers of the Company and its subsidiaries, and the insureds do not pay the insurance premium. This policy covers losses, such as the amount of indemnification and litigation expenses incurred by the insureds in case where claims for the insureds' 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 insureds, the policy does not cover the insureds' criminal acts or illegal acts done intentionally.

vi) Requirements for resolution to elect Directors

The Company prescribes in its Articles of Incorporation that a resolution to elect Directors shall be made by a majority of the votes of the shareholders present at such meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their votes at such meetings are present and that such resolutions shall not be conducted by cumulative voting.

vii) Organizational body to determine dividends of surplus, etc.

The Company prescribes in its Articles of Incorporation that unless otherwise provided for by laws and regulations, the Company may, by resolution of the Board of Directors, determine dividends of surplus and other matters set forth in the items of Article 459, paragraph (1) of the Companies Act. This is for the purpose of flexibly returning profits to shareholders by giving authority on dividends of surplus, etc. to the Board of Directors.

viii) Exemption of liabilities of Directors and Audit & Supervisory Board Members

The Company prescribes in its Article of Incorporation that pursuant to the provisions of Article 426, paragraph (1) of the Companies Act, the Company may, by resolution of the Board of Directors, exempt a Director (including a person who was formerly a Director) and an Audit & Supervisory Board Member (including a person who was formerly an Audit & Supervisory Board Member) from his/her liability for damages for their acts stipulated under Article 423, paragraph (1) of the Companies Act arising from neglecting his/her duties to the extent permitted by laws and regulations. This is for the purpose of establishing an environment in which Directors and Audit & Supervisory Board Members can adequately demonstrate their abilities and accomplish their expected roles when executing their duties.

ix) Requirements for special resolutions of the general meeting of shareholders

For the smooth operation of the general meeting of shareholders, the Company prescribes in its Articles of Incorporation that resolutions as prescribed in Article 309, paragraph (2) of the Companies Act shall be made by at least two-thirds of the votes of the shareholders present at such meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their votes at such meetings are present.

x) Activities of the Board of Directors, etc.

A. Activities of the Board of Directors and the Nomination and Compensation Committee

During the fiscal year ended March 31, 2024, 20 meetings of the Board of Directors (Note 1) were held, and 10 meetings of the Nomination and Compensation Committee were held. Attendance of each Director and Audit & Supervisory Board Member is as follows.

Title	Name	Board of Directors meeting	Nomination and Compensation Committee Meeting
President	Yutaka Nagao	100% (20 of 20 meetings)	100% (10 of 10 meetings)
Executive Officer and Vice President	Toshizo Kurisu	100% (20 of 20 meetings)	–
Director	Yasuharu Kosuge	100% (20 of 20 meetings)	–
Outside Director	Mariko Tokuno	95% (19 of 20 meetings)	100% (10 of 10 meetings)
Outside Director	Yoichi Kobayashi	95% (19 of 20 meetings)	90% (9 of 10 meetings)
Outside Director	Shiro Sugata	100% (20 of 20 meetings)	100% (10 of 10 meetings)
Outside Director	Noriyuki Kuga	100% (20 of 20 meetings)	100% (10 of 10 meetings)
Outside Director	Charles Yin	95% (19 of 20 meetings)	100% (10 of 10 meetings)
Audit & Supervisory Board Member	Tsutomu Sasaki	100% (20 of 20 meetings)	–
Audit & Supervisory Board Member	Yoshito Shoji	100% (15 of 15 meetings) (Note 4)	–
Outside Audit & Supervisory Board Member	Takashi Yamashita	95% (19 of 20 meetings)	–
Outside Audit & Supervisory Board Member	Ryuji Matsuda	100% (20 of 20 meetings)	–
Outside Audit & Supervisory Board Member	Yoshihide Shimoyama	100% (20 of 20 meetings)	–
Director (Note 3)	Kenichi Shibasaki	100% (5 of 5 meetings) (Note 5)	–
Audit & Supervisory Board Member (Note 3)	Yoshihiro Kawasaki	100% (5 of 5 meetings) (Note 5)	–

- Notes: 1. In addition to the number of meetings stated above, there was one written resolution that was deemed to have been approved by the Board of Directors pursuant to Article 370 of the Companies Act and Article 27 of the Company's Articles of Incorporation.
2. The numbers in parentheses indicate the number of meetings attended/the number of meetings held during the term of office.
3. The titles presented are those held during the terms of office.
4. He was appointed as Audit & Supervisory Board Member at the Ordinary General Meeting of Shareholders held on June 23, 2023.
5. He retired due to the expiration of his term of office at the Ordinary General Meeting of Shareholders held on June 23, 2023.

B. Specific details of discussion

a. Board of Directors

The Board of Directors checks and supervises the status of business execution, the status of initiatives in each business area based on medium- to long-term management strategies, matters related to corporate governance, etc. In the fiscal year ended March 31, 2024, the Board discussed matters, including formulation of medium-term management plan, revisions to reported freight rates for TA-Q-BIN and other services, progress in domestic sales, reinforcement of corporate sales capabilities in global and other domains, structural reform of the transportation and delivery network and last-mile operations, the status of the promotion of sustainable management, the status of Group-wide risk management and internal control, assessment of the effectiveness of the Board of Directors, and the status of dialogue with shareholders and investors.

b. Nomination and Compensation Committee

- The Committee deliberated on and determined matters concerning the appointment and dismissal of Directors, Audit & Supervisory Board Members, and Executive Officers, policies regarding the compensation to be received by Directors and

Executive Officers, and processes to increase objectivity and transparency, verified the appropriateness of the details thereof, and brought them up at the Board of Directors meetings.

- In order to sustainably strengthen corporate competitiveness, the Committee deliberated on matters related to nomination processes for developing and selecting candidates for the person who will succeed the President in the future.

(2) Status of Officers

i) List of Officers

A. The status of officers as of June 14, 2024 (the Filing Date of the Annual Securities Report) is as follows.

12 men and 1 woman (ratio of women: 7.7%)

Title	Name	Date of birth	Brief career summary	Term	Number of shares held (Thousands of shares)
Representative Director, Executive Officer and President	Yutaka Nagao	August 31, 1965	Apr. 1988 Joined the Company 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, Yamato Transport Co., Ltd. Apr. 2010 Executive Officer and President of Kanto Regional Office, Yamato Transport Co., Ltd. Apr. 2013 Managing Executive Officer, Yamato Transport Co., Ltd. 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)	Note 3	35
Representative Director, Executive Officer and Vice President	Toshizo Kurisu	September 29, 1960	Apr. 1983 Joined the Company Jul. 1999 General Manager of Accounting Division Jun. 2002 General Manager of Finance Division Apr. 2006 Executive Officer Apr. 2012 Representative Director, Executive Officer and President of Yamato Financial Co., Ltd. Apr. 2017 Representative Director and Senior Managing Executive Officer of Yamato Transport Co., Ltd. Apr. 2019 Representative Director, Executive Officer and President, Yamato Transport Co., Ltd. Mar. 2020 Managing Executive Officer of the Company Apr. 2021 Senior Managing Executive Officer of Yamato Transport Co., Ltd. Feb. 2022 Executive Officer and Vice President of the Company Feb. 2022 Responsible for Finance, Public Relations and Digital Feb. 2022 Representative Director, Executive Officer and Vice President of Yamato Transport Co., Ltd. (current) Jun. 2022 Representative Director, Executive Officer and Vice President of the Company (current)	Note 3	40

Title	Name	Date of birth	Brief career summary	Term	Number of shares held (Thousands of shares)
Director	Yasuharu Kosuge	June 21, 1961	<p>Apr. 1985 Joined the Company</p> <p>Jun. 1997 Project Manager of Work System Project</p> <p>Feb. 2002 Regional Branch Manager of Okayama Regional Branch</p> <p>Apr. 2004 Regional Branch Manager of Yokohama Regional Branch</p> <p>May 2006 Regional Branch Manager of Kita Tokyo Regional Branch of Yamato Transport Co., Ltd.</p> <p>Apr. 2011 General Manager of Corporate Sales Division of Yamato Transport Co., Ltd.</p> <p>Apr. 2014 Executive Officer of Yamato Transport Co., Ltd.</p> <p>Apr. 2016 Managing Executive Officer of Yamato Transport Co., Ltd.</p> <p>Apr. 2019 Managing Executive Officer of the Company</p> <p>Apr. 2019 Representative Director, Executive Officer and President of Yamato Logistics Co., Ltd.</p> <p>Apr. 2021 Senior Managing Executive Officer of Yamato Transport Co., Ltd.</p> <p>Feb. 2022 Senior Managing Executive Officer of the Company</p> <p>Feb. 2022 Responsible for Management Strategy and Human Resources</p> <p>Feb. 2022 Representative Director and Senior Managing Executive Officer of Yamato Transport Co., Ltd.</p> <p>Jun. 2022 Representative Director, Executive Officer and Vice President of the Company</p> <p>Jun. 2022 Representative Director, Executive Officer, and Vice President of Yamato Transport Co., Ltd.</p> <p>Feb. 2024 Director of the Company (current)</p> <p>Feb. 2024 Director Chairman of Yamato Transport Co., Ltd. (current)</p>	Note 3	10
Director	Mariko Tokuno	October 6, 1954	<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>Outside Director of Mitsubishi Materials Corporation</p> <p>Outside Director of Shiseido Company, Limited</p>	Note 3	7
Director	Yoichi Kobayashi	July 21, 1949	<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>	Note 3	8
Director	Shiro Sugata	November 17, 1949	<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>(Important Concurrent Positions at Other Organizations)</p> <p>Outside Director of Yokogawa Electric Corporation</p>	Note 3	—

Title	Name	Date of birth	Brief career summary	Term	Number of shares held (Thousands of shares)
Director	Noriyuki Kuga	August 25, 1955	<p>Apr. 1979 Joined Tokyo Electron Ltd.</p> <p>Apr. 2002 Vice President and General Manager</p> <p>Oct. 2004 President and Representative Director of 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 and Representative Director</p> <p>Jun. 2016 Chairman of the Board</p> <p>Jun. 2020 Director of the Company (current)</p>	Note 3	1
Director	Charles Yin	May 29, 1964	<p>Feb. 1990 Joined L3, Inc. (New York)</p> <p>Mar. 1992 Vice President</p> <p>Sep. 1996 Joined Fuji Xerox Asia Pacific Pte. Ltd. (Singapore)</p> <p>Aug. 2007 CEO of Worldwide City Group (Hong Kong)</p> <p>Jul. 2018 Executive Chairman (current)</p> <p>Jun. 2022 Director of the Company (current)</p> <p>(Important Concurrent Positions at Other Organizations)</p> <p>Executive Chairman of Worldwide City Group (Hong Kong)</p> <p>Chairman of China-Japan CEO Forum</p> <p>Chairman of China-Japan Asia CEO Forum</p>	Note 3	–
Full-time Audit & Supervisory Board Member	Tsutomu Sasaki	November 13, 1964	<p>Apr. 1987 Joined the Company</p> <p>Apr. 2005 General Manager of TA-Q-BIN Sales Division III</p> <p>Jul. 2006 General Manager of Product Development Division of Yamato Transport Co., Ltd.</p> <p>Apr. 2007 General Manager of Manufacturer Solution Sales Division</p> <p>Apr. 2009 General Manager of Global Sales Division</p> <p>Apr. 2011 General Manager of Sales Strategy Division</p> <p>Apr. 2017 Executive Officer of the Company</p> <p>Sep. 2018 Representative Director, Executive Officer, President of Yamato Logistics Co., Ltd.</p> <p>Apr. 2019 Managing Executive Officer of the Company</p> <p>Mar. 2020 Representative Director, Senior Managing Executive Officer of Yamato Transport Co., Ltd.</p> <p>Apr. 2021 Senior Managing Executive Officer of the Company</p> <p>Apr. 2021 Senior Managing Executive Officer of Yamato Transport Co., Ltd.</p> <p>Feb. 2022 Attached to the President of the Company</p> <p>Jun. 2022 Full-time Audit & Supervisory Board Member of the Company (current)</p>	Note 4	12
Full-time Audit & Supervisory Board Member	Yoshito Shoji	April 22, 1961	<p>Apr. 1980 Joined the Company</p> <p>Nov. 2007 General Manager of Finance Division, Yamato Transport Co., Ltd.</p> <p>Apr. 2019 Managing Executive Officer</p> <p>Mar. 2020 Director and Managing Executive Officer, Yamato Management Services Co.</p> <p>Apr. 2021 General Manager, Professional Service Function Division, Yamato Transport Co., Ltd.</p> <p>Apr. 2022 General Manager of Project Group, Finance Division</p> <p>Feb. 2023 Human Resources Department of the Company</p> <p>Jun. 2023 Full-time Audit & Supervisory Board Member of the Company (current)</p>	Note 5	7
Audit & Supervisory Board Member	Takashi Yamashita	February 18, 1956	<p>Oct. 1983 Joined Asahi Accounting Company</p> <p>Mar. 1987 Registered as Certified Public Accountant</p> <p>May 2003 Representative Partner of Asahi & Co. (currently: KPMG AZSA LLC)</p> <p>Aug. 2014 Established Takashi Yamashita CPA Office, Representative (current)</p> <p>Jan. 2015 Registered as Certified Tax Accountant</p> <p>Jun. 2017 Audit & Supervisory Board Member of the Company (current)</p> <p>(Important Concurrent Positions at Other Organizations)</p> <p>Representative of Takashi Yamashita CPA Office</p> <p>Outside Director of SHIN NIPPON BIOMEDICAL LABORATORIES, LTD.</p>	Note 6	–

Title	Name	Date of birth	Brief career summary	Term	Number of shares held (Thousands of shares)
Audit & Supervisory Board Member	Ryuji Matsuda	April 30, 1955	Apr. 1986 Registered as Attorney at Law and Certified Public Accountant Jul. 1992 Established Matsuda Law Office (current) Jun. 2007 Audit & Supervisory Board Member of SQUARE ENIX CO., LTD. Jun. 2008 Audit & Supervisory Board Member of Seika Corporation May 2012 Auditor of the Japan Federation of Bar Associations Jun. 2014 Auditor of ASAHU GROUP ARTS FOUNDATION (currently: ASAHU GROUP FOUNDATION) (current) Jun. 2020 Audit & Supervisory Board Member of the Company (current) (Important Concurrent Positions at Other Organizations) Attorney at Law, Matsuda Law Office	Note 7	–
Audit & Supervisory Board Member	Yoshihide Shimoyama	April 24, 1951	Apr. 1976 Joined Nihon Cement Co., Ltd. (currently: Taiheiyō Cement Corporation) Apr. 2006 General Manager of Technology Planning Department, Central Research Laboratory Mar. 2008 President and Representative Director of Taiheiyō Consultant Co., Ltd. Apr. 2015 Advisor Jun. 2020 Audit & Supervisory Board Member of the Company (current) (Important Concurrent Positions at Other Organizations) Outside Audit & Supervisory Board Member of NIPPON HUME CORPORATION	Note 7	1
Total					125

- Notes:
1. Directors Mariko Tokuno, Yoichi Kobayashi, Shiro Sugata, Noriyuki Kuga and Charles Yin are Outside Directors.
 2. Audit & Supervisory Board Members Takashi Yamashita, Ryuji Matsuda and Yoshihide Shimoyama are Outside Audit & Supervisory Board Members.
 3. One year from the conclusion of the Ordinary General Meeting of Shareholders held on June 23, 2023.
 4. Four years from the conclusion of the Ordinary General Meeting of Shareholders held on June 23, 2022.
 5. Four years from the conclusion of the Ordinary General Meeting of Shareholders held on June 23, 2023.
 6. Four years from the conclusion of the Ordinary General Meeting of Shareholders held on June 24, 2021.
 7. Four years from the conclusion of the Ordinary General Meeting of Shareholders held on June 23, 2020.
 8. Important Concurrent Positions at Other Organizations are as of March 31, 2024.
 9. The Company has introduced an executive officer system. Of the four executive officers, the following two do not concurrently serve as Directors.

Title	Name
Senior Managing Executive Officer	Shinji Makiura
Managing Executive Officer	Atsushi Kashimoto

B. The Company has proposed the “Election of Seven (7) Directors” and “Election of Two (2) Audit & Supervisory Board Members” as agenda items (Matters to be resolved) at the Ordinary General Meeting of Shareholders held on June 21, 2024, and if these agenda items are approved as proposed, the status of the Company’s officers shall be as follows.

Note that this also includes a description of the matters to be resolved (titles) at the Board of Directors and Audit & Supervisory Board meetings scheduled to be convened immediately following such Ordinary General Meeting of Shareholders.

10 men and 2 women (ratio of women: 16.7%)

Title	Name	Date of birth	Brief career summary	Term	Number of shares held (Thousands of shares)
Representative Director, Executive Officer and President	Yutaka Nagao	August 31, 1965	Apr. 1988 Joined the Company 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, Yamato Transport Co., Ltd. Apr. 2010 Executive Officer and President of Kanto Regional Office, Yamato Transport Co., Ltd. Apr. 2013 Managing Executive Officer, Yamato Transport Co., Ltd. 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)	Note 3	35
Representative Director, Executive Officer and Vice President	Toshizo Kurisu	September 29, 1960	Apr. 1983 Joined the Company Jul. 1999 General Manager of Accounting Division Jun. 2002 General Manager of Finance Division Apr. 2006 Executive Officer Apr. 2012 Representative Director, Executive Officer and President of Yamato Financial Co., Ltd. Apr. 2017 Representative Director and Senior Managing Executive Officer of Yamato Transport Co., Ltd. Apr. 2019 Representative Director, Executive Officer and President of Yamato Transport Co., Ltd. Mar. 2020 Managing Executive Officer of the Company Apr. 2021 Senior Managing Executive Officer of Yamato Transport Co., Ltd. Feb. 2022 Executive Officer and Vice President of the Company Feb. 2022 Responsible for Finance, Public Relations and Digital Feb. 2022 Representative Director, Executive Officer and Vice President of Yamato Transport Co., Ltd. (current) Jun. 2022 Representative Director, Executive Officer and Vice President of the Company (current)	Note 3	40
Director	Mariko Tokuno	October 6, 1954	Jan. 1994 Joined Louis Vuitton Japan KK Apr. 2002 Senior Director for Sales Administration Louis Vuitton Japan KK Mar. 2004 Vice President of Tiffany & Co. Japan Inc. Aug. 2010 Representative Director and President of Christian Dior Japan KK Sep. 2013 Representative Director, President and CEO of Ferragamo Japan KK Jun. 2017 Director of the Company (current)	Note 3	7
Director	Shiro Sugata	November 17, 1949	Apr. 1972 Joined USHIO INC. Jan. 1993 President of BLV LICHT- UND VAKUUMTECHNIK GmbH Jun. 2000 Director and Corporate Senior Vice President of USHIO INC. Apr. 2004 Director and Corporate Executive Vice President Jun. 2004 Representative Director and Corporate Executive Vice President Mar. 2005 President and CEO Oct. 2014 Director and Corporate Advisor Jun. 2016 Corporate Advisor Jul. 2017 Special Corporate Advisor Jun. 2019 Director of the Company (current)	Note 3	—

Title	Name	Date of birth	Brief career summary	Term	Number of shares held (Thousands of shares)
Director	Noriyuki Kuga	August 25, 1955	Apr. 1979 Joined Tokyo Electron Ltd. Apr. 2002 Vice President and General Manager Oct. 2004 President and Representative Director of Tokyo Electron BP Ltd. Oct. 2006 Executive Vice President of TOKYO ELECTRON DEVICE LIMITED Jun. 2007 Corporate Director and Executive Vice President Jun. 2011 Senior Executive Vice President and Representative Director Jun. 2016 Chairman of the Board Jun. 2020 Director of the Company (current)	Note 3	1
Director	Charles Yin	May 29, 1964	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)	Note 3	—
Director	Junichiro Ikeda	July 16, 1956	Apr. 1979 Joined Mitsui O.S.K. Lines, Ltd. (currently Mitsui O.S.K. Lines, Ltd.) Jun. 2004 General Manager of Human Resources Division Jun. 2007 General Manager of Liner Division Jun. 2008 Executive Officer Jun. 2010 Managing Executive Officer Jun. 2013 Director and Senior Managing Executive Officer Jun. 2015 Representative Director and President Apr. 2021 Representative Director and Chairman Executive Officer Apr. 2023 Chairman of the Board (current) Jun. 2024 Director of the Company (current)	Note 3	—
Full-time Audit & Supervisory Board Member	Tsutomu Sasaki	November 13, 1964	Apr. 1987 Joined the Company Apr. 2005 General Manager of TA-Q-BIN Sales Division III Jul. 2006 General Manager of Product Development Division of Yamato Transport Co., Ltd. Apr. 2007 General Manager of Manufacturer Solution Sales Division Apr. 2009 General Manager of Global Sales Division Apr. 2011 General Manager of Sales Strategy Division Apr. 2017 Executive Officer of the Company Sep. 2018 Representative Director, Executive Officer and President of Yamato Logistics Co., Ltd. Apr. 2019 Managing Executive Officer of the Company Mar. 2020 Representative Director, Senior Managing Executive Officer of Yamato Transport Co., Ltd. Apr. 2021 Senior Managing Executive Officer of the Company Apr. 2021 Senior Managing Executive Officer of Yamato Transport Co., Ltd. Feb. 2022 Attached to the President of the Company Jun. 2022 Full-time Audit & Supervisory Board Member of the Company (current)	Note 4	12
Full-time Audit & Supervisory Board Member	Yoshito Shoji	April 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 Jun. 2023 Full-time Audit & Supervisory Board Member of the Company (current)	Note 5	7
Audit & Supervisory Board Member	Takashi Yamashita	February 18, 1956	Oct. 1983 Joined Asahi Accounting Company Mar. 1987 Registered as Certified Public Accountant May 2003 Representative Partner of Asahi & Co. (currently: KPMG AZSA LLC) Aug. 2014 Established Takashi Yamashita CPA Office, Representative (current) Jan. 2015 Registered as Certified Tax Accountant Jun. 2017 Audit & Supervisory Board Member of the Company (current)	Note 6	—

Title	Name	Date of birth	Brief career summary	Term	Number of shares held (Thousands of shares)
Audit & Supervisory Board Member	Ryuji Matsuda	April 30, 1955	Apr. 1986 Registered as Attorney at Law and Certified Public Accountant Jul. 1992 Established Matsuda Law Office (current) Jun. 2007 Audit & Supervisory Board Member of SQUARE ENIX CO., LTD. Jun. 2008 Audit & Supervisory Board Member of Seika Corporation May 2012 Auditor of the Japan Federation of Bar Associations Jun. 2014 Auditor of ASAHI GROUP ARTS FOUNDATION (currently: ASAHI GROUP FOUNDATION) (current) Jun. 2020 Audit & Supervisory Board Member of the Company (current)	Note 7	–
Audit & Supervisory Board Member	Setsuko Ino	March 18, 1964	Apr. 1988 Joined Suntory Spirits Ltd. Sep. 1994 Joined PepsiCo, Inc. Jul. 2003 CFO and Finance Director of Sun Microsystems Japan KK Nov. 2006 CFO and Representative Director of SAP Japan Mar. 2012 CFO of Retail Division of Amazon Japan Jun. 2017 CFO of Asurion Japan Jan. 2024 Venture Partner of Eight Roads Ventures Japan (current) Jun. 2024 Audit & Supervisory Board Member of the Company (current)	Note 7	–
Total					104

- Notes:
1. Directors Mariko Tokuno, Shiro Sugata, Noriyuki Kuga, Charles Yin and Junichiro Ikeda are Outside Directors.
 2. Audit & Supervisory Board Members Takashi Yamashita, Ryuji Matsuda and Setsuko Ino are Outside Audit & Supervisory Board Members.
 3. One year from the conclusion of the Ordinary General Meeting of Shareholders to be held on June 21, 2024.
 4. Four years from the conclusion of the Ordinary General Meeting of Shareholders held on June 23, 2022.
 5. Four years from the conclusion of the Ordinary General Meeting of Shareholders held on June 23, 2023.
 6. Four years from the conclusion of the Ordinary General Meeting of Shareholders held on June 24, 2021.
 7. Four years from the conclusion of the Ordinary General Meeting of Shareholders to be held on June 21, 2024.
 8. Setsuko Ino's name in the family register is Setsuko Yamada.
 9. The Company has introduced an executive officer system. Of the four executive officers, the following two do not concurrently serve as Directors.

Title	Name
Senior Managing Executive Officer	Shinji Makiura
Managing Executive Officer	Atsushi Kashimoto

ii) Information about Outside Directors (and other outside officers)

The Company has elected five Outside Directors and three Outside Audit & Supervisory Board Members. There is no human relationship, capital relationship, business relationship, or other interest between the Company and the Outside Directors and Outside Audit & Supervisory Board Members and between the Company and the companies where the Outside Directors and Outside Audit & Supervisory Board Members are, or were, officers or employees.

The Outside Directors provide remarks and advice that are necessary for overall management as appropriate and improve the management in cooperation with the Accounting Audit and Internal Audit Departments.

The Outside Audit & Supervisory Board Members attend meetings of the Audit & Supervisory Board and meetings between the President and the Outside Directors and Audit & Supervisory Board Members, which are regularly held. They provide remarks that are necessary from the standpoint of the Audit & Supervisory Board Members, confirm the job execution status of Directors, and ask questions about management measures.

The Company has the five Outside Directors, of the eight Directors in total, to check its management from an objective point of view, and its functioning is strengthened by having more than half of all the Directors being Outside Directors. In order to strengthen the auditing function over the Company's business execution, three of the five Audit & Supervisory Board Members are Outside Audit & Supervisory Board Members, and its functioning is strengthened by having more than half of all the Audit & Supervisory Board Members being Outside Audit & Supervisory Board Members.

The following is the Company's ideas about the election of Outside Directors and Outside Audit & Supervisory Board Members as of June 14, 2024 (the filing date of the Annual Securities Report).

<Outside Directors>

Name	Reasons for the election of the Outside Director
Mariko Tokuno	<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 has elected her as an Outside Director.</p> <p>The Company appointed Mariko Tokuno as an independent officer, as provided for under the provisions of Tokyo Stock Exchange, Inc., and registered her as such with that exchange. Mariko Tokuno satisfies the requirements for Criteria for Determining Independence of the Company.</p>
Yoichi Kobayashi	<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 has elected him as an Outside Director.</p> <p>The Company appointed Yoichi Kobayashi as an independent officer, as provided for under the provisions of Tokyo Stock Exchange, Inc., and registered him as such with that exchange. Yoichi Kobayashi satisfies the requirements for Criteria for Determining Independence of the Company.</p>
Shiro Sugata	<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 has elected him as an Outside Director.</p> <p>The Company appointed Shiro Sugata as an independent officer, as provided for under the provisions of Tokyo Stock Exchange, Inc., and registered him as such with that exchange. Shiro Sugata satisfies the requirements for Criteria for Determining Independence of the Company.</p>

Name	Reasons for the election of the Outside Director
Noriyuki Kuga	<p>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 has elected him as an Outside Director.</p> <p>The Company appointed Noriyuki Kuga as an independent officer, as provided for under the provisions of Tokyo Stock Exchange, Inc., and registered him as such with that exchange. Noriyuki Kuga satisfies the requirements for Criteria for Determining Independence of the Company.</p>
Charles Yin	<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 has elected him as an Outside Director.</p> <p>The Company appointed Charles Yin as an independent officer, as provided for under the provisions of Tokyo Stock Exchange, Inc., and registered him as such with that exchange. Charles Yin satisfies the requirements for Criteria for Determining Independence of the Company.</p>

<Outside Audit & Supervisory Board Members>

Name	Reasons for the election of the Outside Audit & Supervisory Board Member
Takashi Yamashita	<p>The Company has elected Takashi Yamashita as an Outside Audit & Supervisory Board Member in order to draw on his expertise related to finance and accounting as a certified public accountant with respect to the Company's audit structure.</p> <p>The Company appointed Takashi Yamashita as an independent officer, as provided for under the provisions of Tokyo Stock Exchange, Inc., and registered him as such with that exchange. Takashi Yamashita satisfies the requirements for Criteria for Determining Independence of the Company.</p>
Ryuji Matsuda	<p>The Company has elected Ryuji Matsuda as an Outside Audit & Supervisory Board Member in order to draw on his sophisticated expertise as a lawyer with respect to the Company's audit structure.</p> <p>The Company appointed Ryuji Matsuda as an independent officer, as provided for under the provisions of Tokyo Stock Exchange, Inc., and registered him as such with that exchange. Ryuji Matsuda satisfies the requirements for Criteria for Determining Independence of the Company.</p>
Yoshihide Shimoyama	<p>The Company has elected Yoshihide Shimoyama as an Outside Audit & Supervisory Board Member in order to draw on his experience as a member of the Board of Directors and an Outside Audit & Supervisory Board Member at other companies with respect to the Company's audit structure.</p> <p>The Company appointed Yoshihide Shimoyama as an independent officer, as provided for under the provisions of Tokyo Stock Exchange, Inc., and registered him as such with that exchange. Yoshihide Shimoyama satisfies the requirements for Criteria for Determining Independence of the Company.</p>

Note: As agenda items (Matters to be resolved) at the Ordinary General Meeting of Shareholders of the Company held on June 21, 2024, the Company has proposed the "Election of Seven (7) Directors" and the "Election of Two (2) Audit & Supervisory Board Members." If these agenda items are approved as proposed, the Company's Outside Directors and Outside Audit & Supervisory Board Members shall be as follows.

<Outside Directors>

Name	Reasons for the election of the Outside Director
Mariko Tokuno	<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 has elected her as an Outside Director.</p> <p>The Company appointed Mariko Tokuno as an independent officer, as provided for under the provisions of Tokyo Stock Exchange, Inc., and registered her as such with that exchange. Mariko Tokuno satisfies the requirements for Criteria for Determining Independence of the Company.</p>
Shiro Sugata	<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 has elected him as an Outside Director.</p> <p>The Company appointed Shiro Sugata as an independent officer, as provided for under the provisions of Tokyo Stock Exchange, Inc., and registered him as such with that exchange. Shiro Sugata satisfies the requirements for Criteria for Determining Independence of the Company.</p>
Noriyuki Kuga	<p>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 has elected him as an Outside Director.</p> <p>The Company appointed Noriyuki Kuga as an independent officer, as provided for under the provisions of Tokyo Stock Exchange, Inc., and registered him as such with that exchange. Noriyuki Kuga satisfies the requirements for Criteria for Determining Independence of the Company.</p>
Charles Yin	<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 has elected him as an Outside Director.</p> <p>The Company appointed Charles Yin as an independent officer, as provided for under the provisions of Tokyo Stock Exchange, Inc., and registered him as such with that exchange. Charles Yin satisfies the requirements for Criteria for Determining Independence of the Company.</p>
Junichiro Ikeda	<p>Junichiro Ikeda possesses abundant experience and considerable insight, particularly in the fields of human resources and global business, as a corporate manager. We expect him to use this insight to furnish advice on the Company's general management from a managerial standpoint, particularly regarding business execution, business strategy, and human resources strategy. Accordingly, in order to further enhance our management structure, the Company has elected him as Outside Director.</p> <p>The Company appointed Junichiro Ikeda as an independent officer, as provided for under the provisions of Tokyo Stock Exchange, Inc., and registered him as such with that exchange. Junichiro Ikeda satisfies the requirements for Criteria for Determining Independence of the Company.</p>

<Outside Audit & Supervisory Board Members>

Name	Reasons for the election of the Outside Audit & Supervisory Board Member
Takashi Yamashita	<p>The Company has elected Takashi Yamashita as an Outside Audit & Supervisory Board Member in order to draw on his expertise related to finance and accounting as a certified public accountant with respect to the Company's audit structure.</p> <p>The Company appointed Takashi Yamashita as an independent officer, as provided for under the provisions of Tokyo Stock Exchange, Inc., and registered him as such with that exchange. Takashi Yamashita satisfies the requirements for Criteria for Determining Independence of the Company.</p>
Ryuji Matsuda	<p>The Company has elected Ryuji Matsuda as an Outside Audit & Supervisory Board Member in order to draw on his sophisticated expertise as a lawyer with respect to the Company's audit structure.</p> <p>The Company appointed Ryuji Matsuda as an independent officer, as provided for under the provisions of Tokyo Stock Exchange, Inc., and registered him as such with that exchange. Ryuji Matsuda satisfies the requirements for Criteria for Determining Independence of the Company.</p>
Setsuko Ino	<p>The Company has elected Setsuko Ino as an Outside Audit & Supervisory Board Member in order to draw on her abundant experience and broad knowledge, particularly in the fields of finance and accounting, at other companies with respect to the Company's audit structure.</p> <p>The Company appointed Setsuko Ino as an independent officer, as provided for under the provisions of Tokyo Stock Exchange, Inc., and registered her as such with that exchange. Setsuko Ino satisfies the requirements for Criteria for Determining Independence of the Company.</p>

For electing the Outside Directors and Outside Audit & Supervisory Board Members, the Company has established the following original criteria for determining their independence from the Company, based on the Criteria for Determining Independence shown by Tokyo Stock Exchange, Inc.

The Company has appointed all of the Outside Directors and Outside Audit & Supervisory Board Members as independent officers, as provided for under the provisions of the Tokyo Stock Exchange, Inc., and registered them as such with that exchange.

<Criteria for Determining Independence>

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

- A. A party who is a major business partner^{*1} of either 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;
- B. A major business partner^{*2} of the Company, or otherwise if such party is a corporation or other such entity, a person who executes business thereof;
- C. A consultant, accounting professional or legal professional who receives substantial monetary consideration and/or other economic benefits^{*3} from the Company besides officer remuneration;
- D. A consultant, accounting professional, legal professional or other such professional who is a member of a corporation or other such entity^{*4} that provides professional services acting as a major business partner of the Company;
- E. A major shareholder^{*5} of the Company, or otherwise if such major shareholder is a corporation or other such entity, a person who executes business thereof;
- F. A recipient of donations^{*6} from the Company or a person who executes business thereof;
- G. A party who fell under (A) through (F) above in the past three years;
- H. A CPA or member of an audit corporation that served as the accounting auditor of the Company in the past three years;
- I. A person who served in the past ten years as a Director (excluding Outside Director), Audit & Supervisory Board Member (excluding Outside Audit & Supervisory Board Member), Executive Officer, or employee of the Company;
- J. A close relative^{*8} of a person (limited to significant persons^{*7}) who falls under any of the above.

*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.

*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.

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

- *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.
- *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.
- *6 In the event that the donation exceeds 10 million yen 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.
- *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.
- *8 A spouse or a relative within the second-degree of kinship.

(3) Information about Audits

i) Information about audits by Audit & Supervisory Board Members

A. Organization, staff, and procedures of audits by Audit & Supervisory Board Members

The Audit & Supervisory Board is comprised of two Full-time Audit & Supervisory Board Members and three Outside Audit & Supervisory Board Members. Yoshito Shoji, Full-time Audit & Supervisory Board Member, possesses considerable insight into finance and accounting related matters through his many years of experience in group financial accounting. Takashi Yamashita, Outside Audit & Supervisory Board Member, possesses considerable insight into finance and accounting related matters through his services as a certified public accountant. Ryuji Matsuda, Outside Audit & Supervisory Board Member, possesses considerable insight into finance and accounting related matters through his services as an attorney. Yoshihide Shimoyama, Outside 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. The Company has assigned a dedicated person who supports the Audit & Supervisory Board Members to ensure a system where their audit work is executed smoothly.

The Audit & Supervisory Board Members attend the Board of Directors meetings and other important meetings and oversee the execution of duties by the Directors in accordance with the audit policy, allocation of work, etc., thereby enhancing sound management and social trust in the Company. The Audit & Supervisory Board Members hold Group Audit & Supervisory Board Members' Liaison Meetings once a month and discuss the audit policy and method with the full-time audit & supervisory board members of the Group's major business companies, exchange information, and strengthen the relationships with them. They also hold monthly reporting sessions with internal auditors and exchange information with them. The Audit & Supervisory Board Members maintain independence from the Accounting Auditors and monitor and verify whether they implemented appropriate audits, and they receive reports from the Accounting Auditors regarding the performance of their duties and seek explanations as necessary.

B. Activities of Audit & Supervisory Board Members and Audit & Supervisory Board

In the fiscal year under review, the Audit & Supervisory Board held 22 meetings, made 16 resolutions (about the audit plan, the audit report, agenda items on the election of Audit & Supervisory Board Members at the General Meeting of Shareholders, evaluated reappointing the Accounting Auditors, and other items) and issued 37 reports (details of the reports based on the whistleblowing system, the status of implementing the internal audit, the operational status of the internal control system, and others) throughout the year. Each meeting lasted about 68 minutes on average. The following shows the attendance records of the Audit & Supervisory Board Members.

Title	Name	Attendance at Audit & Supervisory Board meetings
Full-time Audit & Supervisory Board Member	Tsutomu Sasaki	22 of 22 meetings (100%)
Full-time Audit & Supervisory Board Member	Yoshito Shoji	17 of 17 meetings (100%)
Outside Audit & Supervisory Board Member	Takashi Yamashita	22 of 22 meetings (100%)
Outside Audit & Supervisory Board Member	Ryuji Matsuda	22 of 22 meetings (100%)
Outside Audit & Supervisory Board Member	Yoshihide Shimoyama	22 of 22 meetings (100%)
Full-time Audit & Supervisory Board Member	Yoshihiro Kawasaki	5 of 5 meetings (100%)

* The attendance at Audit & Supervisory Board meetings of Yoshito Shoji, Full-time Audit & Supervisory Board Member, is his attendance at the Audit & Supervisory Board meetings that were held after his appointment on June 23, 2023. The attendance at

Audit & Supervisory Board meetings of Yoshihiro Kawasaki, Full-time Audit & Supervisory Board Member, is his attendance at the Audit & Supervisory Board meetings that were held before his retirement on June 23, 2023.

The Audit & Supervisory Board set the following as its significant audit items: the status of decision making by Directors, the internal control systems, the status of initiatives to reinforce Group companies' management, the compliance and risk management systems, the status of promotion of sustainable management, the information management systems, the status of decision-making by Directors and operation of the internal control systems in the context of structural reforms under the "One Yamato 2023" Medium-term Management Plan, etc. In addition, the Audit & Supervisory Board received detailed explanation for the results of the impairment test for Yamato Transport Co., Ltd.'s non-current assets and valuation of shares of the Company's subsidiaries and associates, which were recognized as Key Audit Matters (KAMs) for the fiscal year ended March 31, 2024, from the finance department and the Accounting Auditor and asked them questions.

The Audit & Supervisory Board Members attended the Board of Directors meetings, oversaw the proceedings of management and the resolutions, and expressed their opinions as necessary. The total attendance rate was 99% (100% for the Full-time Audit & Supervisory Board Members and 98% for the Outside Audit & Supervisory Board Members). The Audit & Supervisory Board held semi-annual meetings to exchange opinions with the President and exchanged opinions based on the audit reports and audit findings. It also received reports from Directors, Executive Officers, and general managers in charge of business departments and exchanged opinions with them as necessary.

The Full-time Audit & Supervisory Board Members attended meetings of the Management Committee and other important meetings. The Full-time and Outside Audit & Supervisory Board Members exchanged opinions with the representative directors of Group companies as necessary.

ii) Information about internal audits

The Company has established the Internal Audit Department as an independent organization. Under the internal audit supervisor of the Company, there are 172 internal auditors within the Group. According to the annual audit plan, they conduct audits using a risk-based approach aimed at mitigating risks throughout the Group. As for audit results, the Company has established a dual-reporting structure, including monthly reports to the President and Audit & Supervisory Board Members as well as regular reports to the Board of Directors and the Audit & Supervisory Board. The Company holds regular Group internal audit meetings to discuss audit policies and problems and improvement proposals based on audit results. The Company also makes efforts to improve and maintain the effectiveness of internal control over financial reporting in cooperation with the internal control departments of Group companies. In addition, internal auditors, Audit & Supervisory Board Members, and the Accounting Auditors regularly exchange information with each other on audit plans and audit results. They also attend each other's audits. The Company is thus working to strengthen coordination in its three-pillar audit system for effective audits.

iii) Information about accounting audits

A. Name of audit firm

Deloitte Touche Tohmatsu LLC

B. Years of continuous auditing

Since 1983

C. Certified public accountants who executed the audit duties

Designated Engagement Partner CPA Koichi Yano

Designated Engagement Partner CPA Shinji Seki

Designated Engagement Partner CPA Yusuke Kumei

D. Composition of assistants who supported audit duties

The auditing team for the Company includes 11 other CPAs and 23 other assistants.

E. Policy and reason for appointing audit firm

The Company comprehensively takes into account the capabilities of the Accounting Auditors to properly react to the Company's business size, diversification and internationalization of its business domains in line with the development of Group management and environmental changes, such as revisions to the laws, orders, and criteria with respect to accounting. And it evaluates the Accounting Auditors according to the evaluation criteria for selecting and reappointing or not reappointing the Accounting Auditors set by the Audit & Supervisory Board. Based on the above, the Company confirms the Accounting Auditors' quality control system,

independence, and expertise before electing the Accounting Auditors.

Moreover, the Audit & Supervisory Board evaluates whether the election of the Accounting Auditors is proper or not according to the criteria for the election and reappointment or not of the Accounting Auditors.

If the Company's Audit & Supervisory Board recognizes a fact about the Accounting Auditors, as the Company's accounting auditors, 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 Auditors based on that fact and shall dismiss the Accounting Auditors if there is consent from 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 Auditors, as the Company's accounting auditors, are insufficient for performing audit services, it shall deliberate on the non-reappointment of the Accounting Auditors based on that fact and shall resolve an agenda item for the non-reappointment of the Accounting Auditors to be submitted to the General Meeting of Shareholders.

The details of the criteria for the election of the Accounting Auditor are as follows.

(Details of criteria for election of Accounting Auditor)

- a. Overview of audit firm
- b. Audit implementation system, etc.
- c. Estimated audit fee amount

F. Evaluation of audit firm by the Audit & Supervisory Board and its Members

The Audit & Supervisory Board has set the criteria for electing and reappointing or not reappointing the Accounting Auditors. According to the criteria, the Audit & Supervisory Board monitors and verifies whether the Accounting Auditors maintain independence and implement appropriate audits and receives reports from the Accounting Auditors regarding the performance of their duties and carries out evaluations after seeking explanations as necessary. In addition, the Audit & Supervisory Board received notice from the Accounting Auditors that "the system for ensuring that duties are performed correctly" (matters set forth in each item of Article 131 of the Regulations on Corporate Accounting) is organized in accordance with the "product quality management standards regarding audits" (Business Accounting Council) and other relevant standards and sought explanations as necessary.

As a result, the Audit & Supervisory Board has reappointed the Accounting Auditors of the Company after comprehensively evaluating and considering the audit quality, independence and expertise of the audit firm, as well as the effectiveness of communication with the Audit & Supervisory Board Members and senior executives, etc.

The details of the criteria for the reappointment or non-reappointment of the Accounting Auditors are as follows.

(Details of criteria for reappointment or non-reappointment of Accounting Auditors)

- a. Quality control of audit firm
- b. Independence and expertise of the audit team
- c. Estimated audit fee amount, etc.
- d. Communication with Audit & Supervisory Board Members, etc.
- e. Relationships with corporate managers, etc.
- f. Group audits
- g. Handling of fraud risk

iv) Details of audit fees and other matters

A. Audit fees paid to auditing certified public accountants, etc.

Classification	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024	
	Fees for audit certification services (Millions of yen)	Fees for non-audit services (Millions of yen)	Fees for audit certification services (Millions of yen)	Fees for non-audit services (Millions of yen)
Reporting company	76	9	84	9
Consolidated subsidiaries	188	16	197	–
Total	264	25	281	9

The details of the non-audit services at the Company included the provision of lectures at training sessions for employees, etc. for both the fiscal year ended March 31, 2023, and that ended March 31, 2024.

The details of the non-audit services at consolidated subsidiaries for the fiscal year ended March 31, 2023 included advice, guidance, etc. on the provision of financial services.

B. Remuneration to the same network (Deloitte) as the auditing CPAs, etc.
(Excluding A.)

Classification	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024	
	Fees for audit certification services (Millions of yen)	Fees for non-audit services (Millions of yen)	Fees for audit certification services (Millions of yen)	Fees for non-audit services (Millions of yen)
Reporting company	–	22	–	14
Consolidated subsidiaries	129	68	139	56
Total	129	91	139	70

The details of the non-audit services at the Company included advice on the introduction of the Group Tax Sharing System, etc. for the fiscal year ended March 31, 2023, and support services for preparation for liquidation procedures, etc. for the fiscal year ended March 31, 2024.

The details of the non-audit services at consolidated subsidiaries included the tax advisory service related to overseas subsidiaries for both the fiscal year ended March 31, 2023, and that ended March 31, 2024.

C. Details of fees for other significant audit certification services
Not applicable

D. Policy on determining audit fees

The Company determined audit fees to the auditing CPAs and others after considering the number of days needed for audits, the Company's business size and characteristics, and others.

E. Reason for the Audit & Supervisory Board's consent to fees for Accounting Auditors

The Audit & Supervisory Board agreed with the audit fees to the Accounting Auditors according to Article 399, paragraph (1) of the Companies Act after it made the necessary inspection of the details of the Accounting Auditors' audit plans, implementation status of their accounting audits, grounds for calculating estimated fee amounts, and other factors.

(4) Remuneration for Directors (and other officers)

- i) Total amount of remuneration by category of Directors (and other officers) and by type of remuneration as well as the number of eligible Directors (and other officers)

Categories of Directors (and other officers)	Total amount of remuneration, etc. (Millions of yen)	Total amount by type of remuneration (Millions of yen)				Number of eligible Directors (and other officers) (Persons)
		Basic remuneration	Short-term performance-linked remuneration	Medium- to long-term performance-linked stock compensation*	Of the left, non-monetary remuneration, etc.	
Directors	290	183	64	42	42	4
Outside Directors	77	77	–	–	–	5
Audit & Supervisory Board Members	49	49	–	–	–	3
Outside Audit & Supervisory Board Member	33	33	–	–	–	3

Note: The amount of expenses recorded for share delivery points during the fiscal year under review.

- ii) Total amount of remuneration, etc. to those whose total remuneration, etc. was 100 million yen or more

Name	Total amount of remuneration, etc. (Millions of yen)	Category of Directors (or other officers)	Category of companies	Total amount by type of remuneration (Millions of yen)			
				Basic remuneration	Short-term performance-linked remuneration	Medium- to long-term performance-linked stock compensation*	Of the left, non-monetary remuneration, etc.
Yutaka Nagao	121	Director	Reporting company	73	28	20	20

Note: The amount of expenses recorded for share delivery points during the fiscal year under review.

- iii) Policy for determining performance-linked remuneration (variable remuneration)

The short-term performance-linked 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 parent.

The medium- to long-term performance-linked 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-linked 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-linked 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 2023 through June 2024.

<Formula for calculating performance-linked remuneration>

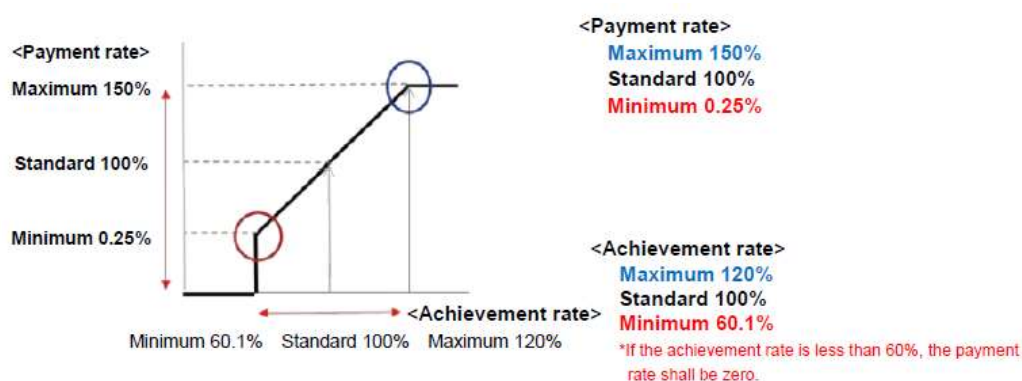
Variable remuneration	Performance indicator	Indicator rate for each Director	Actual (Unit: 100 million yen)	Target (Unit: 100 million yen)	Achievement rate
Short-term performance indicator	i. The Group's consolidated operating revenue	○ 30%	18,007	18,200	98.9%
	ii. The Group's consolidated operating profit	○ 30%	601	900	66.8%
	iii. The Group's consolidated profit	○ 30%	459	570	80.5%
	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
Medium- to long-term performance indicator	i. ROE	-	○ 40%	7.6%	10%	76.0%
	ii. TSR	Relative TSR (Index compared to TSR: Dividend-included TOPIX)	○ 30%	101.0% (Dividend-included TOPIX: 105.8%)	100%	95.5%
	iii. ESG indicators	Greenhouse gas emissions single-year target *8% reduction from FY2020	○ 20%	(6.6%)	(8%)	82.5%
	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 the fiscal year ended March 31, 2023: 73.9%

(i. 98.9%×0.3 + ii. 66.8%×0.3 + iii. 80.5%×0.3)

Achievement rate on medium- to long-term performance indicator in the fiscal year ended March 31, 2023: 75.6%

(i. 76.0%×0.4 + ii. 95.5%×0.3 + iii. 82.5%×0.2)

With the formulation of the Yamato Group Medium-Term Management Plan “Sustainability Transformation 2030 — 1st Stage —,” to aim to penetrate management more focusing on capital efficiency, based on a report from a discussion by the Nomination and Compensation Committee, we have added ROIC to the mid- to long-term performance indicators since April 1, 2024.

- iv) 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 and 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 8.00 million yen per month at the General Meeting of Shareholders held on June 29, 1994. The Company had four (4) Audit & Supervisory Board Members upon approval of the resolution.

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

A. 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.

B. Remuneration structure

The Company's remuneration for Directors consists of basic remuneration (fixed), short-term performance-linked remuneration (variable) and medium- to long-term performance-linked 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.

C. Policy for determining basic remuneration (fixed)

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

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

The mix of remuneration types is such that the higher a Director's position, the more weight assigned to performance-linked 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 furthermore fuel motivation with respect to achieving performance targets, generating medium- to long-term corporate value, attaining sustainable growth, and also because the Company seeks to offer remuneration levels competitive for recruiting and retaining talented persons.

E. Timing of delivery and conditions

The Company pays its basic remuneration (fixed) and short-term performance-linked remuneration (variable) as monetary sums on a monthly basis encompassing twelve equal installments annually. The medium- to long-term performance-linked 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.

vi) 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-linked remunerations (variable) and medium- to long-term performance-linked 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.

vii) Others

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 the fiscal year ended March 31, 2024, the Company held 10 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) Status of Shareholdings

i) Standards and approach to investment share classification

The Company classifies shares owned purely for investment purposes as those held solely for the purpose of receiving profit from a change in their value or from their dividends. Among investment shares owned for any purpose other than a pure investment purpose, the Company classifies shares it deems to be significant for holding, having taken into account comprehensively their relationship with the Group's business developments, profitability, possibility for creating business opportunities, and other factors from medium and long-term perspectives.

ii) Investment shares owned for any purpose other than a pure investment purpose

A. Shareholding policies, method of verification of reasonableness for shareholdings, and the Board of Directors' examination on appropriateness of shareholdings of individual issues

The Company has a policy that it holds shares it deems to be significant for holding, having taken into account comprehensively their relationship with the Group's business developments, profitability, possibility for creating business opportunities, and other factors from medium and long-term perspectives.

Each year, the Board of Directors examines the benefits and risks associated with holding them, quantitatively and qualitatively, and determines whether or not to continue holding them on the basis of trading performance, market prices, and other factors. The Company reduces the shareholdings if it has found poor holding significance as a result of the examination.

During the fiscal year ended March 31, 2024, at the Board of Directors meeting held on December 20, 2023, the Company examined the trading-related profit, dividend income, and evaluation difference amounts, verified their relationship with the Group's business developments and possibility to create future business opportunities from medium to long-term perspectives, and comprehensively determined whether or not to continue holding those shares. The Company plans to reduce the number of shares it deemed to be of poor holding significance while taking into account the possible impact on the market.

During the fiscal year ended March 31, 2024, the Company sold the shares of five issues (part of the shares of two issues).

B. Number of issues and carrying amount on balance sheet

	Number of issues (Issues)	Total carrying amount on balance sheet (Millions of yen)
Unlisted shares	10	2,253
Shares other than those not listed	19	22,057

(Issues whose number of shares increased during the fiscal year under review)

	Number of issues (Issues)	Total acquisition cost associated with increase in number of shares (Millions of yen)	Reason for increase in number of shares
Unlisted shares	1	2	Due to acquisition of golf memberships in the form of share certificates from a consolidated subsidiary of the Company
Shares other than those not listed	-	-	-

(Issues whose number of shares decreased during the fiscal year under review)

	Number of issues (Issues)	Total sale amount associated with decrease in number of shares (Millions of yen)
Unlisted shares	-	-
Shares other than those not listed	5	1,845

C. Information on the number of shares and carrying amount on balance sheet by issue of specified investment shares

Specified investment shares

Issue name	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2023	Holding purpose, reason for increase in number of shares, and quantitative holding effect*1	Holding or non- holding of Company shares
	Number of shares (Shares)	Number of shares (Shares)		
	Carrying amount on balance sheet (Millions of yen)	Carrying amount on balance sheet (Millions of yen)		
ANA HOLDINGS INC.	1,305,500	1,305,500	For maintaining and developing the transportation network	Yes
	4,190	3,754		
Palantir Technologies Inc.	1,075,268	1,075,268	For accelerating digital data-driven management	No
	3,746	1,213		
Nippon Yusen Kabushiki Kaisha	618,600	618,600	For maintaining and developing the transportation network	Yes
	2,519	1,910		
Isetan Mitsukoshi Holdings Ltd.	906,000	906,000	For maintaining and developing medium and long- term business relationships in the Corporate Business Unit, etc.	No
	2,260	1,342		
SEINO HOLDINGS CO.,LTD.	802,000	802,000	For maintaining and developing the transportation network	Yes
	1,696	1,170		
Mizuho Financial Group, Inc.*2	465,628	517,167	For conducting stable and smooth financial transactions	No
	1,418	971		
Sumitomo Mitsui Financial Group, Inc.	133,393	133,393	For conducting stable and smooth financial transactions	No
	1,188	706		
NIPPON EXPRESS HOLDINGS, INC.	137,700	137,700	For maintaining and developing the transportation network	Yes
	1,064	1,097		
Dai Nippon Printing Co., Ltd.	226,000	226,000	For maintaining and developing medium and long- term business relationships in the Corporate Business Unit, etc.	Yes
	1,055	837		
Kewpie Corporation	245,000	245,000	For maintaining and developing medium and long- term business relationships in the Corporate Business Unit, etc.	Yes
	693	545		
KAJIMA CORPORATION	161,500	161,500	For facilitating business activities through stable supply	Yes
	504	258		
Rengo Co., Ltd.	360,000	360,000	For facilitating business activities through stable supply	Yes
	421	309		
ENEOS Holdings, Inc.	535,000	535,000	For facilitating business activities through stable supply	No
	391	248		
Oisix ra daichi Inc.	219,700	219,700	For maintaining and developing medium and long- term business relationships in the Corporate Business Unit, etc.	No
	286	504		
Sompo Holdings, Inc.	19,950	19,950	For facilitating insurance transactions, etc. needed for business activities	No
	190	104		

Issue name	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2023	Holding purpose, reason for increase in number of shares, and quantitative holding effect*1	Holding or non- holding of Company shares
	Number of shares (Shares)	Number of shares (Shares)		
	Carrying amount on balance sheet (Millions of yen)	Carrying amount on balance sheet (Millions of yen)		
Rakuten Group, Inc.	208,000	208,000	For maintaining and developing medium and long- term business relationships in the Corporate Business Unit, etc.	No
	176	127		
Suzuki Motor Corporation	16,800	16,800	For maintaining and developing medium and long- term business relationships in the Corporate Business Unit, etc.	Yes
	116	80		
RAKSUL INC.*2	78,200	300,000	For maintaining and developing the transportation network	No
	84	412		
MITSUMURA PRINTING Co., Ltd.	31,728	31,728	For facilitating business activities through stable supply	Yes
	52	38		
JGC HOLDINGS CORPORATION*3	-	451,528	For maintaining and developing medium and long- term business relationships in the Corporate Business Unit, etc.	Fiscal year ended March 31, 2023: Yes Fiscal year ended March 31, 2024: No
	-	740		
J. FRONT RETAILING Co., Ltd.*3	-	290,500	For maintaining and developing medium and long- term business relationships in the Corporate Business Unit, etc.	No
	-	384		
Mitsubishi UFJ Financial Group, Inc.*3	-	241,700	For conducting stable and smooth financial transactions	No
	-	204		

*1. The outline of the business alliance, etc. is in line with the holding purpose. In addition, the quantitative shareholding effect is not described because it falls under business confidentiality. At the Board of Directors meeting held on December 20, 2023, the Company examined the trading-related profit, dividend income, and evaluation difference amounts, verified their relationship with the Group's business developments and possibility to create future business opportunities from medium- to long-term perspectives, and comprehensively determined whether or not to continue holding those shares. There was no issue whose number of shares increased during the fiscal year under review.

*2. The Company sold part of the shares during the fiscal year ended March 31, 2024.

*3. The Company sold the shares during the fiscal year ended March 31, 2024.

iii) Investment shares owned for a pure investment purpose
Not applicable

iv) Investment shares whose purpose was changed from a pure investment purpose to any other purpose during the fiscal year ended
March 31, 2024
Not applicable

v) Investment shares whose purpose was changed from any other purpose other than a pure investment purpose to a pure investment
purpose during the fiscal year ended March 31, 2024
Not applicable

V. Financial Information

1. Preparation of the consolidated financial statements and non-consolidated financial statements

(1) The consolidated financial statements of the Company are prepared in accordance with the "Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements" (Ministry of Finance Order No. 28 of 1976).

(2) The non-consolidated financial statements of the Company are prepared in accordance with the "Regulation on Terminology, Forms, and Preparation Methods of Financial Statements" (Ministry of Finance Order No. 59 of 1963 ("Regulation on Financial Statements")). The Company is a company filing non-consolidated financial statements prepared in accordance with special provisions and prepares non-consolidated financial statements pursuant to Article 127 of the Regulation on Financial Statements.

2. About audit certificate

Pursuant to the provisions of Article 193-2, paragraph (1) of the Financial Instruments and Exchange Act, the consolidated financial statements of the Company for the fiscal year (April 1, 2023 to March 31, 2024) and the non-consolidated financial statements for the 159th fiscal year of the Company (April 1, 2023 to March 31, 2024) were audited by Deloitte Touche Tohmatsu LLC.

3. About special initiatives to secure the adequacy of the consolidated financial statements, etc.

The Company implements special initiatives to secure the adequacy of the consolidated financial statements, etc. Specifically, the Company joins the Financial Accounting Standards Foundation to prepare a system that can adequately grasp the details of the financial accounting standards and other matters and properly respond to changes therein.

1. Consolidated Financial Statements, etc.

(1) Consolidated Financial Statements

i) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	185,373	195,061
Notes and accounts receivable - trade, and contract assets	*1 216,251	*1 212,094
Accounts receivable - installment	50,509	52,787
Merchandise and finished goods	168	97
Work in process	322	212
Raw materials and supplies	2,089	1,723
Other	31,406	35,977
Allowance for doubtful accounts	(1,474)	(1,599)
Total current assets	484,647	496,353
Non-current assets		
Property, plant and equipment		
Buildings and structures	381,218	402,346
Accumulated depreciation	(227,735)	(236,813)
Buildings and structures, net	153,483	165,533
Machinery and equipment	77,642	77,705
Accumulated depreciation	(58,689)	(59,406)
Machinery and equipment, net	18,953	18,299
Vehicles	196,140	192,889
Accumulated depreciation	(165,934)	(163,716)
Vehicles, net	30,205	29,173
Land	179,811	175,187
Leased assets	47,257	51,085
Accumulated depreciation	(13,110)	(15,528)
Leased assets, net	34,146	35,556
Construction in progress	12,379	17,147
Other	61,173	62,291
Accumulated depreciation	(47,136)	(48,436)
Other, net	14,037	13,855
Total property, plant and equipment	443,017	454,753
Intangible assets		
Software	38,149	36,653
Other	5,609	4,562
Total intangible assets	43,759	41,215

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Investments and other assets		
Investment securities	*2 42,758	*2 50,867
Long-term loans receivable	5,258	5,107
Leasehold deposits	22,317	23,255
Retirement benefit asset	20	–
Deferred tax assets	64,291	63,277
Other	3,513	3,342
Allowance for doubtful accounts	(1,996)	(2,278)
Total investments and other assets	136,163	143,571
Total non-current assets	622,940	639,541
Total assets	1,107,587	1,135,895
Liabilities		
Current liabilities		
Notes and accounts payable - trade	160,766	164,073
Short-term borrowings	10,000	10,181
Lease liabilities	5,415	5,868
Income taxes payable	16,911	8,369
Deferred installment income	4,797	5,163
Provision for bonuses	36,918	32,280
Other	*3 109,949	*3 119,968
Total current liabilities	344,758	345,905
Non-current liabilities		
Bonds payable	–	20,000
Long-term borrowings	–	20,818
Lease liabilities	32,858	35,659
Deferred tax liabilities	482	535
Retirement benefit liability	98,295	103,077
Provision for share awards for directors (and other officers)	162	328
Other	14,599	17,589
Total non-current liabilities	146,398	198,009
Total liabilities	491,156	543,914

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Net assets		
Shareholders' equity		
Share capital	127,234	127,234
Capital surplus	36,839	36,839
Retained earnings	473,891	448,109
Treasury shares	(39,835)	(42,850)
Total shareholders' equity	598,130	569,333
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,280	14,354
Foreign currency translation adjustment	1,781	2,907
Remeasurements of defined benefit plans	1,188	(839)
Total accumulated other comprehensive income	12,250	16,422
Non-controlling interests	6,049	6,225
Total net assets	616,430	591,980
Total liabilities and net assets	1,107,587	1,135,895

ii) Consolidated statement of income and consolidated statement of comprehensive income
Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Operating revenue	*1 1,800,668	*1 1,758,626
Operating costs	1,687,241	1,664,317
Operating gross profit	113,426	94,308
Selling, general and administrative expenses		
Personnel expenses	26,046	25,622
Provision for bonuses	1,077	1,079
Retirement benefit expenses	1,190	953
Provision for share awards for directors (and other officers)	162	187
Commission expenses	9,364	10,407
Taxes and dues	9,399	10,113
Provision of allowance for doubtful accounts	677	891
Depreciation	2,494	2,150
Other	5,359	5,063
Total selling, general and administrative expenses	*2 53,341	*2 54,249
Operating profit	60,085	40,059
Non-operating income		
Interest income	245	408
Dividend income	1,669	1,362
Green Innovation Fund Project subsidies	–	479
Gain on sale of vehicles	298	239
Other	1,971	2,150
Total non-operating income	4,184	4,640
Non-operating expenses		
Interest expenses	904	1,404
Share of loss of entities accounted for using equity method	4,158	837
Loss on investments in investment partnerships	257	636
Other	882	1,362
Total non-operating expenses	6,203	4,241
Ordinary profit	58,066	40,458
Extraordinary income		
Gain on sale of non-current assets	*3 95	*3 12,239
Gain on sale of investment securities	1,970	3,861
Penalty income	125	–
Other	15	10
Total extraordinary income	2,207	16,110

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Extraordinary losses		
Loss on retirement of non-current assets	*4,499	*4,401
Impairment losses	*5,1994	*5,1,423
Loss on sale of investment securities	4	–
Loss on valuation of investment securities	2	95
Payments for retirement and other	–	*6,2,727
Provision of allowance for doubtful accounts	182	188
Dismantlement expenses	753	–
Other	21	29
Total extraordinary losses	3,458	4,865
Profit before income taxes	56,815	51,704
Income taxes-current	23,017	13,926
Income taxes-deferred	(11,623)	(61)
Total income taxes	11,393	13,864
Profit	45,421	37,840
Profit (loss) attributable to non-controlling interests	(476)	213
Profit attributable to owners of parent	45,898	37,626

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	45,421	37,840
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,222)	5,063
Foreign currency translation adjustment	2,292	1,118
Remeasurements of defined benefit plans, net of tax	677	(1,971)
Share of other comprehensive income of entities accounted for using equity method	(54)	(48)
Total other comprehensive income	* 692	* 4,163
Comprehensive income	46,114	42,003
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	46,597	41,798
Comprehensive income attributable to non-controlling interests	(483)	205

iii) Consolidated statement of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	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	-
Change in ownership interest of parent due 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 at end of period	127,234	36,839	473,891	(39,835)	598,130

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	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						-
Change in ownership interest of parent due 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 at end of period	9,280	1,781	1,188	12,250	6,049	616,430

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	127,234	36,839	473,891	(39,835)	598,130
Changes during period					
Dividends of surplus			(16,432)		(16,432)
Profit attributable to owners of parent			37,626		37,626
Purchase of treasury shares				(50,001)	(50,001)
Disposal of treasury shares		0		10	10
Cancellation of treasury shares		(0)	(46,975)	46,975	-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	(25,781)	(3,015)	(28,796)
Balance at end of period	127,234	36,839	448,109	(42,850)	569,333

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	9,280	1,781	1,188	12,250	6,049	616,430
Changes during period						
Dividends of surplus						(16,432)
Profit attributable to owners of parent						37,626
Purchase of treasury shares						(50,001)
Disposal of treasury shares						10
Cancellation of treasury shares						-
Net changes in items other than shareholders' equity	5,074	1,126	(2,028)	4,171	175	4,347
Total changes during period	5,074	1,126	(2,028)	4,171	175	(24,449)
Balance at end of period	14,354	2,907	(839)	16,422	6,225	591,980

iv) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	56,815	51,704
Depreciation	41,626	44,430
Impairment losses	1,994	1,423
Increase (decrease) in retirement benefit liability	4,633	2,750
Increase (decrease) in provision for bonuses	(2,056)	(4,541)
Interest and dividend income	(1,914)	(1,771)
Interest expenses	904	1,404
Share of loss (profit) of entities accounted for using equity method	4,158	837
Loss (gain) on sale of non-current assets	(94)	(12,239)
Loss on retirement of non-current assets	499	401
Loss (gain) on sale of investment securities	(1,965)	(3,861)
Loss (gain) on valuation of investment securities	2	95
Decrease (increase) in trade receivables	1,234	1,288
Decrease (increase) in inventories	(356)	542
Increase (decrease) in trade payables	(5,259)	1,001
Other, net	9,845	1,710
Subtotal	110,066	85,175
Interest and dividends received	1,948	1,852
Interest paid	(900)	(1,370)
Income taxes paid	(21,160)	(21,324)
Net cash provided by (used in) operating activities	89,953	64,333
Cash flows from investing activities		
Payments into time deposits	(4,107)	(4,572)
Proceeds from withdrawal of time deposits	4,107	6,466
Purchase of property, plant and equipment	(35,435)	(31,956)
Proceeds from sale of property, plant and equipment	1,391	17,554
Purchase of investment securities	(1,751)	(2,428)
Proceeds from sale of investment securities	4,950	3,238
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	-	≈ 1,265
Loan advances	(3,191)	(3,644)
Proceeds from collection of loans receivable	3,930	3,993
Other payments	(20,175)	(14,491)
Other proceeds	862	2,139
Net cash provided by (used in) investing activities	(49,420)	(22,435)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(5,000)	600
Repayments of lease liabilities	(5,689)	(5,766)
Proceeds from long-term borrowings	–	20,953
Proceeds from issuance of bonds	–	19,928
Purchase of treasury shares	(10,025)	(50,032)
Dividends paid	(16,770)	(16,431)
Dividends paid to non-controlling interests	(380)	(34)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(777)	–
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	18	–
Other, net	7	5
Net cash provided by (used in) financing activities	(38,617)	(30,777)
Effect of exchange rate change on cash and cash equivalents	705	356
Net increase (decrease) in cash and cash equivalents	2,621	11,476
Cash and cash equivalents at beginning of period	180,603	183,225
Cash and cash equivalents at end of period	*1 183,225	*1 194,702

Notes to Consolidated Financial Statements

(Significant matters forming the basis of preparing the consolidated financial statements)

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 27

Major consolidated subsidiaries are described in "I. Overview of the Company, 4. Status of Subsidiaries and Associates."

Effective from the fiscal year under review, Express Network Co., Ltd. is excluded from the scope of consolidation due to the conclusion of its liquidation, and YAMATO.STAFF.SUPPLY.CO.,LTD. is excluded from the scope of consolidation due to the partial transfer of its shares.

(2) Unconsolidated 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 unconsolidated subsidiaries are immaterial and, even taken together as a group, they do not exert a significant influence on the consolidated financial statements.

2. Application of equity method

(1) Number of affiliates accounted for using equity method: 30

Major entities accounted for using equity method are described in "I. Overview of the Company, 4. Status of Subsidiaries and Associates."

Effective from the fiscal year under review, YAMATO.STAFF.SUPPLY.CO.,LTD. is excluded from the scope of consolidation and included in the scope of the equity method due to the partial transfer of shares. Effective from the fiscal year under review, ALP Capital Sdn. Bhd. and four other companies 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) Unconsolidated subsidiaries and affiliates not accounted for using equity method

Entities not subject to the equity method such as OTL ASIA SDN. BHD. and certain other unconsolidated 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 immateriality of their profit, retained earnings and other financial results corresponding to the ownership held by the Company.

(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.

3. 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, 2023, and March 31, 2024, which is the consolidated closing date.

4. Accounting policies

(1) Valuation basis and methods for significant assets

i) 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 calculated by the moving-average method).

Stocks and other securities with no market price

Stated at cost using the moving-average method.

Investments in investment limited partnerships and similar partnerships

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

Stated at 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.

ii) 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)

(2) Depreciation and amortization methods for significant depreciable and amortizable assets

i) Property, plant and equipment (excluding leased assets)

Straight-line method

ii) Intangible assets (excluding leased assets)

Straight-line method

However, software is amortized by the straight-line method over the estimated useful life (five years or less).

iii) 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.

(3) Accounting method for significant provisions

i) 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 the prospective uncollectible amount is provided.

ii) Provision for bonuses

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

iii) Provision for share awards for directors (and other officers)

In preparation for the payment of shares based on the Regulations on Share-based Remuneration for Directors (and Other Officers), the expected amount of compensation is recorded according to the points allocated to Directors (and other officers).

(4) Method of accounting for retirement benefits

i) Method of attributing expected retirement benefits 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 (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.

(5) Accounting method for significant 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 satisfaction 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. These logistics support services include the collection, storage, packing, and delivery of cargo based on contracts with customers, and the Company recognizes each contractually agreed-upon process as a performance obligation. The Company recognizes revenue for each process under the contract as the satisfaction 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.

(6) Scope of cash and cash equivalents in consolidated statement of cash flows

The funds (cash and cash equivalents) in the consolidated cash flow statement consist of cash on hand and short-term investments that are readily convertible into cash and exposed to insignificant risk of changes in value and which mature or become due within three months from the date of acquisition. Bank overdrafts are included in cash equivalents, excluding the case when they are clearly recognized as fundraising activities similar to short-term borrowings.

(Significant accounting estimates)

(Impairment of non-current assets)

(1) Amount recorded 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.

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Property, plant and equipment	443,017	454,753
Intangible assets	43,759	41,215

(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.

Asset groups are created in consideration of the management accounting classification and the unit used for investment decision making. For Yamato Transport Co., Ltd., the Company reviewed its grouping in accordance with the changes of the management accounting classification. The grouping is based on customer segments and business segments, and assets associated with Corporate function are classified as common assets.

Regarding the above property, plant, and equipment and intangible assets, the Company identified signs of impairment and judged the necessity to recognize impairment losses of the assets by each group. However, there is a possibility that those numbers used for the evaluation may be impacted by uncertain future economic and business conditions, including cost situation

caused by the changes in the external environment such as the trends of prices and delivery volumes of TA-Q-BIN, resource and energy prices, hourly wage rates, etc. If it becomes necessary to revise the premise and assumptions of estimates, it may have a material impact on the consolidated financial statements for the next and subsequent periods.

(Changes in presentation)

(Consolidated statement of income)

"Rental income" in "Non-operating income" presented separately in the previous fiscal year, is included in "Other" in the fiscal year under review because the amount became immaterial. The consolidated financial statements of the previous fiscal year have been reclassified to reflect this change in presentation.

As a result, "Rental income" of 434 million yen under "Non-operating income" and "Other" of 1,537 million yen in the consolidated statement of income for the previous fiscal year have been reclassified as "Other" of 1,971 million yen.

"Loss on investments in investment partnerships," which was included in "Other" under "Non-operating expenses" in the previous fiscal year, is separately presented in the fiscal year under review. The consolidated financial statements of the previous fiscal year have been reclassified to reflect this change in presentation.

As a result, 1,140 million yen presented in "Other" under "Non-operating expenses" in the consolidated statement of income for the previous fiscal year has been reclassified as 257 million yen in "Loss on investments in investment partnerships" and 882 million yen in "Other."

(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 System 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 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 were 483 thousand shares of such treasury shares at a book value of 1,376 million yen as of March 31, 2023, and 480 thousand shares at a book value of 1,366 million yen as of March 31, 2024.

(Dissolution and liquidation of subsidiaries)

At the Company's Board of Directors meeting held in the previous fiscal year, the Company resolved to liquidate its subsidiaries, YAMATO ASIA PTE. LTD. and YAMATO INVESTMENT (HONG KONG) LIMITED, and is preparing for the liquidation proceedings now.

(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 with an intermediate holding company 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 the subsidiaries

- | | |
|-----------------------------|---|
| i) Name | YAMATO ASIA PTE. LTD. |
| ii) Description of business | Management of regional operations in Southeast Asia, business development and market research |
| iii) Ownership | 100% owned by the Company |
| | |
| i) Name | YAMATO INVESTMENT (HONG KONG) LIMITED |
| ii) Description of business | Management of regional operations in East Asia, business development and market research |
| iii) Ownership | 100% owned by the Company |

(3) Timing of dissolution and liquidation

(YAMATO ASIA PTE. LTD.)

- | | |
|---|--------------------------|
| Extraordinary General Meeting of Shareholders (companies concerned) | September 2024 (planned) |
| Completion of liquidation | September 2025 (planned) |

(YAMATO INVESTMENT (HONG KONG) LIMITED)

- | | |
|---|-------------------------|
| Extraordinary General Meeting of Shareholders (companies concerned) | July 2024 (planned) |
| Completion of liquidation | December 2024 (planned) |

(4) Status and total liabilities of the subsidiaries

(YAMATO ASIA PTE. LTD.)

- | | |
|-------------------|-------------------|
| Net assets | 8,112 million yen |
| Total assets | 8,123 million yen |
| Total liabilities | 11 million yen |

(YAMATO INVESTMENT (HONG KONG) LIMITED)

- | | |
|-------------------|--------------------|
| Net assets | 10,188 million yen |
| Total assets | 10,192 million yen |
| Total liabilities | 4 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 the 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.

(Consolidated balance sheet)

*1 The amounts of notes and accounts receivable - trade and contract assets arising from contracts with customers are as follows:

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Notes receivable - trade	979	1,083
Accounts receivable - trade	184,569	182,771
Contract assets	4,793	4,551

*2 The amounts of "Investment securities" invested in unconsolidated subsidiaries and affiliates are as follows:

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Investment securities	10,522	10,586

*3 The amounts of contract liabilities in "Other" of "Current liabilities" are as follows:

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Contract liabilities	14,263	13,431

(Consolidated statement of income)

*1 Revenue from contracts with customers

Regarding operating revenue, 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 "V. Financial Information, 1. Consolidated Financial Statements, etc., (1) Consolidated Financial Statements, Notes to Consolidated Financial Statements (Revenue recognition), 1. Information that breaks down revenue from contracts with customers."

*2 Research and development expenses included in general and administrative expenses are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Research and development expenses	1,782	3,345

*3 Gain on sale of non-current assets is as follows:

(Millions of yen)

	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024
Tools, furniture and fixtures	88	Land	12,230
Buildings and structures	4		

*4 Loss on retirement of non-current assets is as follows:

(Millions of yen)

	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024
Buildings and structures	188	Buildings and structures	177

*5 Impairment losses

Fiscal year ended March 31, 2023

(Millions of yen)

Use of asset	Type of asset	Region	Impairment losses
Sales office and other	Software, machinery and equipment, other	Yamato Credit & Finance Co., Ltd. Credit Card Payment Business Unit and Deferred Payment Outsourcing Business Unit (Toshima-ku, Tokyo) and three other lots	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 businesses of Retail, Corporate, Global SCM, and EC were grouped as the smallest cash flow generating units, and assets associated with the Transportation department and Headquarters 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 of Yamato Credit & Finance Co., Ltd. and four 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 impairment losses.

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.

Fiscal year ended March 31, 2024

(Millions of yen)

Use of asset	Type of asset	Region	Impairment losses
Idle assets, etc.	Machinery and equipment, software, other	Yamato Transport Co., Ltd. Kansai Gateway (Ibaraki City, Osaka) and six other lots	1,423

At the Yamato Group, asset groups are created in consideration of the management accounting classification and the unit used for investment decision making. For Yamato Transport Co., Ltd., the Company reviewed its grouping in accordance with the changes of the management accounting classification. The grouping is based on customer segments and business segments, and assets associated with Corporate function are classified as common assets. For the Company and its consolidated subsidiaries, the grouping is based on the unit of department. For idle assets, the grouping is based on individual 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 Kansai Gateway of Yamato Transport Co., Ltd. and 6 other premises, and it decreased the book value of the relevant asset group to the recoverable value and posted the relevant decrease of 1,423 million yen to extraordinary losses as an impairment loss.

A main breakdown of this decrease shows that 863 million yen was attributable to machinery and equipment and 522 million yen was attributable to software.

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 6.00%). 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 Payments for retirement and other

Fiscal year ended March 31, 2024

In June 2023, the Company's consolidated subsidiary Yamato Transport Co., Ltd. and Japan Post Co., Ltd. signed a basic agreement on collaboration to contribute to solving various social issues related to logistics and to promote sustainable logistics services. Payments for retirement and other include severance payment and honoraria to part-time employees engaged in the previous post services, Nekopos and Kuroneko DM-Bin, and sole proprietors to whom delivery services were outsourced as we terminated contracts with them, following the start of handling new post services, Kuroneko Yu-Packet and Kuroneko Yu-Mail, in accordance with this basic agreement.

(Consolidated statement of comprehensive income)

* Reclassification adjustments and tax effects relating to other comprehensive income

	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024	
Valuation difference on available-for-sale securities				
Amount arising during the year	(303)	Million yen	9,290	Million yen
Reclassification adjustments	(1,970)		(2,343)	
Before tax effects adjustments	(2,274)		6,947	
Tax effects	51		(1,883)	
Valuation difference on available-for-sale securities	(2,222)		5,063	
Foreign currency translation adjustment				
Amount arising during the year	2,143		1,186	
Before tax effects adjustments	2,143		1,186	
Tax effects	149		(67)	
Foreign currency translation adjustment	2,292		1,118	
Remeasurements of defined benefit plans, net of tax				
Amount arising during the year	488		(2,031)	
Reclassification adjustments	492		(813)	
Before tax effects adjustments	981		(2,845)	
Tax effects	(304)		874	
Remeasurements of defined benefit plans, net of tax	677		(1,971)	
Share of other comprehensive income of entities accounted for using equity method				
Amount arising during the year	1		14	
Reclassification adjustments	(55)		(63)	
Share of other comprehensive income of entities accounted for using equity method	(54)		(48)	
Total other comprehensive income	692		4,163	

(Consolidated statement of changes in equity)

Fiscal year ended March 31, 2023

1. Class and total number of issued shares and treasury shares

	Number of shares at beginning of the fiscal year (Thousand shares)	Increase (Thousand shares)	Decrease (Thousand shares)	Number of shares at end of the fiscal year (Thousand shares)
Issued shares				
Common shares* ¹	388,575	–	8,750	379,824
Total	388,575	–	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

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

*2 The number of treasury shares of common shares 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. Share acquisition rights and treasury share acquisition rights

Not applicable

3. Dividends

(1) Payments of dividends

(Resolution)	Type of shares	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Board of Directors meeting on May 17, 2022	Common shares	8,440	23	March 31, 2022	June 2, 2022
Board of Directors meeting on November 7, 2022	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 whose effective date falls in the fiscal year following the fiscal year of the record date

(Resolution)	Type of shares	Total amount of dividends (Millions of yen)	Source of dividends	Dividend per share (Yen)	Record date	Effective date
Board of Directors meeting on May 17, 2023	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).

Fiscal year ended March 31, 2024

1. Class and total number of issued shares and treasury shares

	Number of shares at beginning of the fiscal year (Thousand shares)	Increase (Thousand shares)	Decrease (Thousand shares)	Number of shares at end of the fiscal year (Thousand shares)
Issued shares				
Common shares*1	379,824	–	19,328	360,496
Total	379,824	–	19,328	360,496
Treasury shares				
Common shares*2	17,552	19,328	19,332	17,548
Total	17,552	19,328	19,332	17,548

*1 The decrease of 19,328 thousand shares of common shares is due to the cancellation of treasury shares held.

*2 The number of treasury shares of common shares 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 480 thousand shares at the end of the fiscal year under review).

The increase of 19,328 thousand shares of treasury shares of common shares is mainly due to the purchase of 19,328 thousand treasury shares.

The decrease of 19,332 thousand shares of treasury shares of common shares is mainly due to the cancellation of 19,328 thousand treasury shares and the provision of three thousand treasury shares to retired officers through the Board Benefit Trust (BBT).

2. Share acquisition rights and treasury share acquisition rights

Not applicable

3. Dividends

(1) Payments of dividends

(Resolution)	Type of shares	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Board of Directors meeting on May 17, 2023	Common shares	8,343	23	March 31, 2023	June 2, 2023
Board of Directors meeting on November 1, 2023	Common shares	8,089	23	September 30, 2023	December 8, 2023

Notes: 1. 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).

2. The total amount of dividends resolved by the Board of Directors on November 1, 2023, includes dividends of 11 million yen for the Company's shares held by the Board Benefit Trust (BBT).

(2) Dividends whose effective date falls in the fiscal year following the fiscal year of the record date

(Resolution)	Type of shares	Total amount of dividends (Millions of yen)	Source of dividends	Dividend per share (Yen)	Record date	Effective date
Board of Directors meeting on May 15, 2024	Common shares	7,898	Retained earnings	23	March 31, 2024	May 31, 2024

Note: The total amount of dividends resolved by the Board of Directors on May 15, 2024, includes dividends of 11 million yen for the Company's shares held by the Board Benefit Trust (BBT).

(Consolidated statement of cash flows)

*1 Reconciliation of closing balance of cash and cash equivalents and the related account on the consolidated balance sheet

	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024	
Cash and deposits	185,373	Million yen	195,061	Million yen
Time deposits with maturity over 3 months	(2,148)		(358)	
Cash and cash equivalents	183,225		194,702	

*2 Major components of assets and liabilities of companies that ceased to be consolidated subsidiaries by sales of shares in the fiscal year ended March 31, 2024

The following is the breakdown of assets and liabilities on the sale of the shares of YAMATO.STAFF.SUPPLY.CO.,LTD., when it ceased to be a consolidated subsidiary by the sale of its shares, and the selling price and amount of proceeds from the sale of the shares of YAMATO.STAFF.SUPPLY.CO.,LTD.

Current assets	4,730	Million yen
Non-current assets	298	
Current liabilities	(3,309)	
Non-current liabilities	(62)	
Investment account after the sale of the shares	(812)	
Gain on the sale of the shares	1,377	
Selling amount of the shares	2,222	
Cash and cash equivalents	(956)	
Net: Proceeds from the sale	1,265	

3 Details of significant non-cash transactions

Amount of assets and liabilities related to newly recorded lease transactions

	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024	
Amount of assets related to lease transactions	11,385	Million yen	8,701	Million yen
Amount of liabilities related to lease transactions	11,796		9,589	

(Leases)

(Lessee)

1. Finance lease transactions

Finance lease transactions that do not transfer ownership

(1) Components of leased assets

Property, plant and equipment:

Mainly buildings and dedicated cargo aircraft (freighters) in the Retail Business Unit and computer-related equipment of Yamato System Development Co., Ltd.

(2) Accounting method for depreciation of leased assets

The accounting method for depreciation of leased assets is as described in "V. Financial Information, 1. Consolidated Financial Statements, etc., (1) Consolidated Financial Statements, Notes to Consolidated Financial Statements (Significant matters forming the basis of preparing the consolidated financial statements), 4. Accounting policies, (2) Depreciation and amortization methods for significant depreciable and amortizable assets."

2. Operating lease transactions

Future lease payments to be made under non-cancellable leases of operating lease transactions

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Due within one year	9,784	14,877
Due after one year	44,460	96,484
Total	54,244	111,362

(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 the 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 fixed 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

Carrying amounts on the consolidated balance sheet, fair values and the differences between them were as follows.

As of March 31, 2023

(Millions of yen)

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

- Notes: 1. Items recognized as liabilities are shown in square parentheses [] both under Carrying 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 carrying amounts approximate fair value.
3. Notes and accounts receivable - trade, and contract assets are presented after deducting allowances for doubtful accounts set up for notes and 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 on the consolidated balance sheet.
6. Investments in partnerships and other similar entities that are recorded on the consolidated balance sheet at a net amount equivalent to the Company's ownership interest are not included in Investment securities. The amount of this investment on 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 carrying amounts approximate fair value.
8. Expected redemption amounts of monetary claims and securities with maturity after the consolidated balance sheet date

(Millions of yen)

	Within 1 year	After 1 year through 5 years	After 5 years
Cash and deposits	185,373	–	–
Notes and accounts receivable - trade, and contract assets	216,213	37	–
Accounts receivable - installment	22,182	23,546	4,780
Total	423,769	23,583	4,780

9. Repayment schedule of long-term borrowings after the consolidated balance sheet date
Not applicable

As of March 31, 2024

(Millions of yen)

	Carrying amount on the consolidated balance sheet	Fair value	Difference
(1) Notes and accounts receivable - trade, and contract assets	212,094		
Allowance for doubtful accounts	(302)		
	211,792	211,812	20
(2) Accounts receivable - installment	52,787		
Allowance for doubtful accounts	(1,003)		
Deferred installment income	[5,163]		
	46,620	50,952	4,332
(3) Investment securities			
Available-for-sale securities	25,822	25,822	-
Shares of affiliates	3,764	7,205	3,440
(4) Short-term borrowings	[10,181]	[10,181]	-
(5) Long-term borrowings	[20,818]	[20,802]	(15)

- Notes: 1. Items recognized as liabilities are shown in square parentheses [] both under Carrying 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 carrying amounts approximate fair value.
3. Notes and accounts receivable - trade, and contract assets are presented after deducting allowances for doubtful accounts set up for notes and 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 11,979 million yen on the consolidated balance sheet.
6. Investments in partnerships and other similar entities that are recorded on the consolidated balance sheet 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 9,300 million yen.
7. Notes and accounts payable - trade are omitted because most of them are due within one year and their carrying amounts approximate fair value.
8. Expected redemption amounts of monetary claims and securities with maturity after the consolidated balance sheet date

(Millions of yen)

	Within 1 year	After 1 year through 5 years	After 5 years
Cash and deposits	195,061	-	-
Notes and accounts receivable - trade, and contract assets	212,061	33	-
Accounts receivable - installment	21,411	23,903	7,472
Total	428,533	23,937	7,472

9. Repayment schedule of long-term borrowings after the consolidated balance sheet date

(Millions of yen)

	Within 1 year	After 1 year up to 2 years	After 2 years up to 3 years	After 3 years up to 4 years	After 4 years up to 5 years	After 5 years
Long-term borrowings	181	181	181	181	20,272	–

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

As of March 31, 2023

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

As of March 31, 2024

Item	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Stocks	25,655	–	–	25,655
Others	167	–	–	167
Total assets	25,822	–	–	25,822

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

As of March 31, 2023

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 affiliates				
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

As of March 31, 2024

Item	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Notes and accounts receivable - trade, and contract assets	–	211,812	–	211,812
Accounts receivable - installment	–	50,952	–	50,952
Investment securities				
Shares of affiliates				
Stocks	7,205	–	–	7,205
Total assets	7,205	262,765	–	269,970
Short-term borrowings	–	10,181	–	10,181
Long-term borrowings	–	20,802	–	20,802
Total liabilities	–	30,984	–	30,984

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

Investment securities

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

Others are stock acquisition rights and are valued using quoted market prices. Since stock acquisition rights 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 and long-term borrowings

The fair value of short-term borrowings and long-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.

(Securities)

As of March 31, 2023

1. Available-for-sale securities

(Millions of yen)

	Type of asset	Carrying amount on the consolidated balance sheet	Acquisition cost	Difference
Items whose carrying amount exceeds acquisition cost	(1) Stocks	17,189	6,742	10,447
	(2) Debentures	–	–	–
	(3) Other	–	–	–
	Subtotal	17,189	6,742	10,447
Items whose carrying amount does not exceed acquisition cost	(1) Stocks	3,810	4,064	(253)
	(2) Debentures	–	–	–
	(3) Other	–	–	–
	Subtotal	3,810	4,064	(253)
Total		21,000	10,807	10,193

2. Available-for-sale securities sold during the fiscal year ended March 31, 2023

(Millions of yen)

Type of asset	Sale proceeds	Total gain on sale	Total loss on sale
(1) Stocks	2,786	1,970	4
(2) Debentures	–	–	–
(3) Other	0	–	–
Total	2,787	1,970	4

3. Securities for which impairment losses are recognized

During the fiscal year ended March 31, 2023, the Company recorded impairment losses on securities of 2 million yen.

For impairment of listed stocks, if the market prices at the end of the year dropped 30% or more from the book value, the full amount is impaired. With respect to other securities, if the net realizable value at the end of the year dropped by 30% or more from the book value, impairment is made for the amount deemed necessary by the Company, taking into consideration the possibility of recovery.

As of March 31, 2024

1. Available-for-sale securities

(Millions of yen)

	Type of asset	Carrying amount on the consolidated balance sheet	Acquisition cost	Difference
Items whose carrying amount exceeds acquisition cost	(1) Stocks	24,339	8,613	15,726
	(2) Debentures	–	–	–
	(3) Other	–	–	–
	Subtotal	24,339	8,613	15,726
Items whose carrying amount does not exceed acquisition cost	(1) Stocks	1,315	1,451	(136)
	(2) Debentures	–	–	–
	(3) Other	167	216	(49)
	Subtotal	1,482	1,668	(185)
Total		25,822	10,282	15,540

2. Available-for-sale securities sold during the fiscal year ended March 31, 2024

(Millions of yen)

Type of asset	Sale proceeds	Total gain on sale	Total loss on sale
(1) Stocks	3,238	2,483	–
(2) Debentures	–	–	–
(3) Other	–	–	–
Total	3,238	2,483	–

3. Securities for which impairment losses are recognized

During the fiscal year ended March 31, 2024, the Company recorded impairment losses on securities of 95 million yen.

For impairment of listed stocks, if the market prices at the end of the year dropped 30% or more from the book value, the full amount is impaired. With respect to other securities, if the net realizable value at the end of the year dropped by 30% or more from the book value, impairment is made for the amount deemed necessary by the Company, taking into consideration the possibility of recovery.

(Retirement benefits)

1. Overview of retirement benefit plans adopted

As a defined benefit plan, the Yamato Group has adopted a lump-sum retirement allowance system and a corporate pension fund system. The Group has also established a defined contribution system.

2. Defined benefit plan

(1) Reconciliation between the balance at beginning of period and the balance at end of period of retirement benefit obligations

	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024	
Balance of retirement benefit obligations at beginning of period	151,477	Million yen	155,309	Million yen
Service cost	14,233		15,272	
Interest cost	150		154	
Actuarial gains and losses accrued	169		2,635	
Retirement benefits paid	(10,720)		(13,891)	
Decrease resulting from exclusion of subsidiaries from consolidation	-		(129)	
Balance of retirement benefit obligations at end of period	155,309		159,351	

Note: Some consolidated subsidiaries have adopted the simplified method in calculating the amount of retirement benefit obligations.

(2) Reconciliation between the balance at beginning of period and the balance at end of period of pension plan assets

	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024	
Balance of plan assets at beginning of period	57,351	Million yen	57,034	Million yen
Expected return on plan assets	573		569	
Actuarial gains and losses accrued	657		603	
Contribution from employer	1		-	
Retirement benefits paid	(1,549)		(1,788)	
Decrease resulting from exclusion of subsidiaries from consolidation	-		(144)	
Balance of plan assets at end of period	57,034		56,273	

(3) Reconciliation between ending balance of retirement benefit obligations and plan assets and retirement benefit liability/asset recorded on the consolidated balance sheet

	As of March 31, 2023		As of March 31, 2024	
Retirement benefit obligations of funded plans	11,802	Million yen	10,386	Million yen
Plan assets	(57,034)		(56,273)	
	(45,232)		(45,887)	
Retirement benefit obligations of unfunded plans	143,507		148,964	
Net amount of liabilities and assets recorded on the consolidated balance sheet	98,274		103,077	
Retirement benefit liability	98,295		103,077	
Retirement benefit asset	(20)		-	
Net amount of liabilities and assets recorded on the consolidated balance sheet	98,274		103,077	

Note: As for liabilities and assets with respect to retirement benefits, the amounts that were offset in the presentation by the Company and each consolidated subsidiary were added up.

(4) Amounts of retirement benefit expenses and their components

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Service cost	14,233 Million yen	15,272 Million yen
Interest cost	150	154
Expected return on plan assets	(573)	(569)
Recognition of actuarial gains and losses	492	(783)
Other	52	(38)
Retirement benefit expenses associated with defined benefit plan	14,355	14,034

(5) Remeasurements of defined benefit plans, net of tax

The components of remeasurements of defined benefit plans (before deduction of tax effects) are as follows:

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Actuarial gains and losses	981 Million yen	(2,845) Million yen
Total	981	(2,845)

(6) Remeasurements of defined benefit plans

The components of remeasurements of defined benefit plans (before deduction of tax effects) are as follows:

	As of March 31, 2023	As of March 31, 2024
Unrecognized actuarial gains and losses	1,387 Million yen	(1,487) Million yen
Total	1,387	(1,487)

(7) Plan assets

i) Major components of plan assets

The ratio of each major category to total plan assets is as follows:

	As of March 31, 2023	As of March 31, 2024
General account	58 %	58 %
Debentures	22	22
Other	20	20
Total	100	100

ii) Method for setting the long-term expected rate of return on plan assets

The Company set the expected long-term rate of return on plan assets taking into account the allocation of plan assets, the historical result of each component asset of the plan assets and market trends.

(8) Actuarial assumptions

Major actuarial assumptions

	As of March 31, 2023	As of March 31, 2024
Discount rate	0.1 %	0.1 %
Long-term expected rate of return	1.0	1.0

3. Defined contribution plans

The amounts of required contributions to defined contribution plans of the Company and certain consolidated subsidiaries were 10,795 million yen as of March 31, 2023, and 11,221 million yen as of March 31, 2024.

(Tax effect accounting)

1. Detailed deferred tax assets and deferred tax liabilities

	As of March 31, 2023	As of March 31, 2024
Deferred tax assets		
Provision for bonuses	11,197	9,836
	Million yen	Million yen
Unpaid legal welfare expenses	1,880	1,659
Accrued enterprise tax	1,906	1,411
Excess allowance for doubtful accounts	525	570
Tax loss carryforwards*	4,257	4,444
Retirement benefit liability	30,776	31,703
Loss on valuation of land	20,484	16,352
Impairment losses	4,242	4,556
Loss on valuation of investment securities	919	867
Investments in subsidiaries and associates	10,627	11,534
Unrealized gain on non-current assets	3,944	3,928
Loss on valuation of telephone subscription rights	393	215
Other	9,427	10,396
Subtotal	100,584	97,478
Allowance for devaluation for tax loss carryforwards*	(4,257)	(4,444)
Allowance for devaluation for the total deductible temporary difference, etc.	(24,584)	(20,425)
Subtotal	(28,841)	(24,870)
Total	71,743	72,608
Deferred tax liabilities		
Valuation difference on available-for-sale securities	(2,703)	(4,587)
Reserve for reduction entry	(174)	(163)
Other	(5,055)	(5,114)
Total	(7,933)	(9,866)
Net deferred tax assets	63,809	62,741

- * Tax loss carryforwards and amounts of their deferred tax assets by carryforward period
As of March 31, 2023

(Millions of yen)

	Within 1 year	After 1 year up to 2 years	After 2 years up to 3 years	After 3 years up to 4 years	After 4 years up to 5 years	After 5 years	Total
Tax loss carryforwards	23	50	35	2	–	4,144	4,257
Allowance for devaluation	(23)	(50)	(35)	(2)	–	(4,144)	(4,257)
Deferred tax assets	–	–	–	–	–	–	–

Note: Tax loss carryforwards were calculated by multiplying the statutory effective tax rate.

As of March 31, 2024

(Millions of yen)

	Within 1 year	After 1 year up to 2 years	After 2 years up to 3 years	After 3 years up to 4 years	After 4 years up to 5 years	After 5 years	Total
Tax loss carryforwards	52	37	2	–	503	3,847	4,444
Allowance for devaluation	(52)	(37)	(2)	–	(503)	(3,847)	(4,444)
Deferred tax assets	–	–	–	–	–	–	–

Note: Tax loss carryforwards were calculated by multiplying the statutory effective tax rate.

2. Breakdown of the main items that caused differences between the effective statutory tax rate and the actual effective tax rate by applying tax effect accounting

	As of March 31, 2023	As of March 31, 2024
Statutory effective tax rate of the reporting company's consolidated financial statements	30.6%	30.6%
(Adjustments)		
Inhabitant per capita taxes	4.7	4.9
Difference of tax rates applied to overseas subsidiaries	(0.1)	(0.3)
Allowance for devaluation	(17.0)	(9.4)
Equity in net income of affiliates	2.2	0.5
Other	(0.3)	0.5
Effective rate of income taxes after application of deferred tax accounting	20.1	26.8

3. Accounting for corporate income tax and local corporate tax or tax effect accounting related to these taxes

Regarding the accounting treatment and disclosure related to tax effect accounting for corporate income tax and local corporate tax, the Company and some domestic consolidated subsidiaries are applying the Group Tax Sharing System from the fiscal year under review in compliance with the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ Practical Solutions No. 42, August 12, 2021).

(Asset retirement obligations)

Asset retirement obligations reported on the consolidated balance sheet

1. Overview of the relevant asset retirement obligations

There are obligations to restore sites to their original conditions based on facility lease contracts and fixed-term land leasehold contracts.

2. Method for calculating the relevant asset retirement obligations

The Company calculated the amount of the relevant asset retirement obligations by estimating the expected period of use at 15 to 38 years and applying the yields on Japanese government bonds due in the expected period of use as the discount rates.

3. Change in the total amount of the relevant asset retirement obligations

	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024	
Beginning balance	9,927	Million yen	9,608	Million yen
Increase by purchase of property, plant and equipment	22		994	
Adjustment amount over time	103		107	
Increase (decrease) by change in estimate	(6)		33	
(Decrease by implementing the asset retirement obligations)	(448)		(202)	
Other increase (decrease)	10		6	
Balance at end of period	9,608		10,547	

4. Change in the estimate for the relevant asset retirement obligations

As the Company found that the amount of the retirement cost for the relevant assets will change from the estimated amount at the beginning of each period by obtaining new information on the cost, it changed the estimate for the relevant asset retirement obligations, reducing the amount by 6 million yen in the fiscal year ended March 31, 2023, and increasing the amount by 33 million yen in the fiscal year ended March 31, 2024.

(Revenue recognition)

1. Information that breaks down revenue from contracts with customers

Fiscal year ended March 31, 2023

(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 reportable segment	1,217,911	862,508	172,032	2,252,452
Inter-segment operating revenue or transfers	(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.

Fiscal year ended March 31, 2024

(Millions of yen)

	Retail Business Unit	Corporate Business Unit	Other (Note 1)	Total
Transportation income	1,181,251	627,096	22,835	1,831,183
Logistical support income	3,640	226,522	–	230,162
Other	28,913	31,842	137,728	198,484
Revenue from contracts with customers	1,213,805	885,460	160,564	2,259,830
Other revenue (Note 2)	–	–	3,387	3,387
Total	1,213,805	885,460	163,951	2,263,217
Operating revenue or transfers within the segment	(3,082)	(48,129)	(6,603)	(57,815)
Operating revenue by reportable segment	1,210,723	837,331	157,347	2,205,402
Inter-segment operating revenue or transfers	(332,775)	(13,234)	(100,766)	(446,775)
Operating revenue from customers	877,948	824,096	56,581	1,758,626

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

Information that forms the basis for understanding revenue from contracts with customers is presented in “V. Financial Information, 1. Consolidated Financial Statements, etc., (1) Consolidated Financial Statements, Notes to Consolidated Financial Statements (Significant matters forming the basis of preparing the consolidated financial statements), 4. Accounting policies, (5) Accounting method for significant revenues and costs” and thus 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) Balance of contract assets and liabilities, etc.

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Receivables from contracts with customers (beginning balance)	188,004	185,549
Receivables from contracts with customers (balance at end of period)	185,549	183,854
Contract assets (beginning balance)	4,688	4,793
Contract assets (balance at end of period)	4,793	4,551
Contract liabilities (beginning balance)	12,887	14,263
Contract liabilities (balance at end of period)	14,263	13,431

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 consolidated 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 previous fiscal year, 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 previous fiscal year from performance obligations satisfied in prior periods was not material.

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 11,282 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 consolidated 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 TA-Q-BIN in the Retail Business Unit.

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

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

The reportable segments of the Yamato Group are components of the Group for which discrete financial information is available and which are regularly reviewed by the Company's Board of Directors to make decisions about allocation of managerial resources and to assess their performance.

The Yamato Group is operated through a Group management structure under Yamato Holdings Co., Ltd., which is a pure holding company, and manages business operations by customer segment with the Retail Business Unit, which manages the Retail Business that provides delivery services to individuals and small to mid-sized corporations, the Corporate Business Unit, which manages the Corporate Business, Global SCM Business and EC Business that provide transportation services, etc. to large corporations and others.

Accordingly, Yamato Group's two reportable segments are the Retail Business Unit and the Corporate Business Unit.

Type of services by reportable segment

Reportable segment	Type of services
Retail Business Unit	Small parcel delivery services for consumers and small- to mid-sized corporations
Corporate Business Unit	Transportation services for large corporations, planning and operation of logistics centers, customs services, air cargo agency services
Other	Development and operation of IT systems, car maintenance services, sales of fuel, non-life insurance agency services, cargo vehicle transportation services

2. Method for calculating amounts of operating revenue, profit/loss, assets and other items by reportable segment

The accounting method used for reported business segments complies with the accounting policy that has been adopted in preparing the consolidated financial statements.

3. Information regarding the amounts of operating revenue, profit/loss, assets and other items by reportable segment

Fiscal year ended March 31, 2023

	(Millions of yen)					
	Retail Business Unit	Corporate Business Unit	Other (Note 1)	Total	Adjustments (Note 2)	Amount recorded in consolidated financial statements (Note 3)
Operating revenue						
Operating revenue from customers	894,574	846,053	60,040	1,800,668	–	1,800,668
Inter-segment operating revenue or transfers	323,337	16,454	111,991	451,783	(451,783)	–
Total	1,217,911	862,508	172,032	2,252,452	(451,783)	1,800,668
Segment profit (loss)	32,298	13,138	13,900	59,337	747	60,085
Segment assets (Note 4)	788,000	181,737	142,258	1,111,996	(4,409)	1,107,587
Others						
Depreciation	21,883	14,796	4,097	40,777	780	41,557
Investments in entities accounted for using equity method	768	4,309	–	5,077	4,311	9,389
Increase of property, plant, equipment and intangible assets (Note 4)	38,972	9,101	2,324	50,398	5,292	55,691

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. Adjustments made are as follows.

- (1) The adjustment of 747 million yen of segment profit includes group-wide expenses which have not been allocated to each reportable segment (general and administrative expenses of the Company, which is a pure holding company) of negative 7,385 million yen, as well as eliminations of transactions among segments of 8,132 million yen.
- (2) The adjustment of negative 4,409 million yen of segment assets includes eliminations of inter-segment receivables and payables, etc. of negative 112,276 million yen and group-wide assets of 107,867 million yen not allocated to each reportable segment.
- (3) The adjustment of 4,311 million yen of investment in entities accounted for using the equity method pertains to the amount of investment in those entities accounted for using the equity method which are not allocated to respective reportable segments.
- (4) The adjustment of 5,292 million yen of increases of property, plant, equipment and intangible assets is the Company's capital investment amount.

3. An adjustment was made between segment profit and operating profit in the consolidated statement of income.

4. The segment assets and the increase in property, plant, equipment and intangible assets of the Retail Business Unit include the 540,416 million yen of segment assets of the Transportation Unit and Head Office of Yamato Transport Co., Ltd. as well as the 23,630 million yen increase in their property, plant, equipment and intangible assets, respectively.

Fiscal year ended March 31, 2024

(Millions of yen)

	Retail Business Unit	Corporate Business Unit	Other (Note 1)	Total	Adjustments (Note 2)	Amount recorded in consolidated financial statements (Note 3)
Operating revenue						
Operating revenue from customers	877,948	824,096	56,581	1,758,626	–	1,758,626
Inter-segment operating revenue or transfers	332,775	13,234	100,766	446,775	(446,775)	–
Total	1,210,723	837,331	157,347	2,205,402	(446,775)	1,758,626
Segment profit (loss)	22,589	4,586	12,734	39,910	149	40,059
Segment assets (Note 4)	829,542	193,603	139,203	1,162,350	(26,455)	1,135,895
Others						
Depreciation	24,463	15,567	3,473	43,503	790	44,294
Investments in entities accounted for using equity method	859	–	–	859	8,495	9,354
Increase of property, plant, equipment and intangible assets (Note 4)	48,219	7,320	1,670	57,210	5,149	62,359

- 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. Adjustments made are as follows.
- (1) The adjustment of 149 million yen of segment profit includes group-wide expenses which have not been allocated to each reportable segment (general and administrative expenses of the Company, which is a pure holding company) of negative 7,841 million yen, as well as eliminations of transactions among segments of 7,990 million yen.
 - (2) The adjustment of negative 26,455 million yen of segment assets includes eliminations of inter-segment receivables and payables, etc. of negative 124,980 million yen and group-wide assets of 98,525 million yen not allocated to each reportable segment.
 - (3) The adjustment of 8,495 million yen of investment in entities accounted for using the equity method pertains to the amount of investment in those entities accounted for using the equity method which are not allocated to respective reportable segments.
 - (4) The adjustment of 5,149 million yen of increases of property, plant, equipment and intangible assets is the Company's capital investment amount.
3. An adjustment was made between segment profit and operating profit in the consolidated statement of income.
4. The segment assets and the increase in property, plant, equipment and intangible assets of the Retail Business Unit include the 569,629 million yen of segment assets of the Transportation Unit and Head Office of Yamato Transport Co., Ltd. as well as the 26,903 million yen increase in their property, plant, equipment and intangible assets, respectively.

(Additional information)

(Changes in reportable segments)

The Yamato Group has so far had two reportable segments, "Retail Business Unit" and "Corporate Business Unit." However, effective from the fiscal year ending March 31, 2025, we will begin operate under four reportable segments: "Express Business," "Contract Logistics Business," "Global Business," and "Mobility Business."

This is due to the change in management structure under the Company, a pure holding company, in order to realize sustainable enhancement of corporate value by promoting initiatives such as strengthening the TA-Q-BIN network, expanding the value provided, expanding the corporate business domain, and commercializing a new business model based on the Medium-term Management Plan "Sustainability Transformation 2030 —1st Stage—" which was formulated with the fiscal year ending March 31, 2027 as the final year.

Information regarding operating revenue, profit or loss, assets, and other items by reportable segment for the fiscal year under review, based on the new reportable segments, is as follows.

Fiscal year ended March 31, 2024

(Millions of yen)

	Express Business	Contract Logistics Business	Global Business	Mobility Business	Other (Note 1)	Total	Adjustments (Note 2)	Amount recorded in consolidated financial statements (Note 3)
Operating revenue								
Operating revenue from customers	1,548,598	89,073	74,055	20,163	26,734	1,758,626	–	1,758,626
Inter-segment operating revenue or transfers	39,903	11,118	3,781	33,873	68,874	157,541	(157,541)	–
Total	1,588,502	100,192	77,836	54,037	95,599	1,916,168	(157,541)	1,758,626
Segment profit (loss)	11,353	9,702	6,663	4,132	8,123	39,975	84	40,059
Segment assets (Note 4)	925,183	23,908	65,409	30,351	104,381	1,149,234	(13,339)	1,135,895
Others								
Depreciation	34,908	3,060	2,275	936	2,323	43,503	790	44,294
Investments in entities accounted for using equity method	859	–	–	–	–	859	8,495	9,354
Increase of property, plant, equipment and intangible assets (Note 4)	51,569	1,132	3,018	754	736	57,210	5,149	62,359

Notes: 1. Other includes Yamato System Development Co., Ltd. (information systems development).

2. Adjustments made are as follows.

- (1) The adjustment of 84 million yen of segment profit includes group-wide expenses which have not been allocated to each reportable segment (general and administrative expenses of the Company, which is a pure holding company) of negative 7,841 million yen, as well as eliminations of transactions among segments of 7,925 million yen.
- (2) The adjustment of negative 13,339 million yen of segment assets includes eliminations of inter-segment receivables and payables, etc. of negative 111,864 million yen and group-wide assets of 98,525 million yen not allocated to each reportable segment.
- (3) The adjustment of 8,495 million yen of investment in entities accounted for using the equity method pertains to the amount of investment in those entities accounted for using the equity method which are not allocated to respective reportable segments.
- (4) The adjustment of 5,149 million yen of increases of property, plant, equipment and intangible assets is the Company's capital investment amount.

3. An adjustment was made between segment profit and operating profit in the consolidated statement of income.

4. The segment assets and the increase in property, plant, equipment and intangible assets of the Express Business include the 342,976 million yen of segment assets of the Head Office of Yamato Transport Co., Ltd. as well as the 10,575 million yen increase in their property, plant, equipment and intangible assets, respectively.

[Related information]

Fiscal year ended March 31, 2023

1. Information about products and services

(Millions of yen)

	Parcel delivery	Kuroneko DM-Bin Kuroneko Yu-Mail	Others	Total
Operating revenue from customers	1,357,418	52,856	390,393	1,800,668

2. Information about geographical areas

(1) Operating revenue

The information is omitted because external operating revenue from customers in Japan accounted for more than 90% of total operating revenue in the consolidated statement of income.

(2) Property, plant and equipment

The information is omitted because the amount of property, plant and equipment located in Japan accounted for more than 90% of total property, plant and equipment in the consolidated balance sheet.

3. Information about main customers

The information is omitted because there is no external operating revenue from a specific customer that accounted for 10% or more of total operating revenue in the consolidated statement of income.

Fiscal year ended March 31, 2024

1. Information about products and services

(Millions of yen)

	Parcel delivery	Kuroneko DM-Bin Kuroneko Yu-Mail	Others	Total
Operating revenue from customers	1,363,771	41,909	352,944	1,758,626

2. Information about geographical areas

(1) Operating revenue

The information is omitted because external operating revenue from customers in Japan accounted for more than 90% of total operating revenue in the consolidated statement of income.

(2) Property, plant and equipment

The information is omitted because the amount of property, plant and equipment located in Japan accounted for more than 90% of total property, plant and equipment in the consolidated balance sheet.

3. Information about main customers

The information is omitted because there is no external operating revenue from a specific customer that accounted for 10% or more of total operating revenue in the consolidated statement of income.

[Information regarding impairment losses of non-current assets by reportable segment]

Fiscal year ended March 31, 2023

(Millions of yen)

	Retail Business Unit	Corporate Business Unit	Other	Total	Corporate or eliminations	Consolidated
Impairment losses	748	280	966	1,994	–	1,994

Fiscal year ended March 31, 2024

(Millions of yen)

	Retail Business Unit	Corporate Business Unit	Other	Total	Corporate or eliminations	Consolidated
Impairment losses	898	–	524	1,423	–	1,423

[Information about amortization and unamortized balance of goodwill by reportable segment]

Fiscal year ended March 31, 2023

Not applicable

Fiscal year ended March 31, 2024

Not applicable

[Information about gain on bargain purchase by reportable segment]

Fiscal year ended March 31, 2023

Not applicable

Fiscal year ended March 31, 2024

Not applicable

[Related party information]

Fiscal year ended March 31, 2023

Not applicable

Fiscal year ended March 31, 2024

Not applicable

(Per share information)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net assets per share	1,684.87 Yen	1,708.00 Yen
Basic earnings per share	126.64 Yen	107.23 Yen

- Notes: 1. The Company's shares held by the Board Benefit Trust (BBT), which are booked as treasury shares in the shareholders' equity section, are included in the treasury shares that are deducted from the number of shares outstanding as of the end of the fiscal period when calculating net assets per share. In addition, they are included in the treasury shares that are deducted from the average number of shares during the period when calculating basic earnings per share. The number of treasury shares as of the end of the fiscal periods that were deducted when calculating net assets per share was 483,000 shares as of the end of the previous fiscal year and 480,000 shares as of the end of the fiscal year under review. The average number of treasury shares during the fiscal periods that were deducted when calculating basic earnings per share was 483,000 shares for the previous fiscal year and 481,000 shares for the fiscal year under review.
2. Diluted earnings per share are not presented since no potential shares exist.
3. The basis for calculating basic earnings per share is as follows.

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit attributable to owners of parent (Millions of yen)	45,898	37,626
Amounts not belonging to ordinary shareholders (Millions of yen)	–	–
Profit attributable to owners of parent concerning common shares (Millions of yen)	45,898	37,626
Average number of common shares during the period (Thousand shares)	362,445	350,881

(Significant subsequent events)

Not applicable

v) Annexed consolidated detailed schedules

[Detailed schedule of corporate bonds]

Company name	Issue name	Date of issue	Balance at beginning of period (Millions of yen)	Balance at end of period (Millions of yen)	Interest rate (%)	Security	Redemption period
Yamato Holdings Co., Ltd.	1st Unsecured Corporate Bonds (With inter-bond pari passu clause) (Green Bonds)	2023.7.6	-	20,000	0.310	None	2028.7.6
Total	-	-	-	20,000	-	-	-

Note: The scheduled redemption amount within five years after the consolidated balance sheet date is as follows

(Millions of yen)

Within 1 year	After 1 year up to 2 years	After 2 years up to 3 years	After 3 years up to 4 years	After 4 years up to 5 years
-	-	-	-	20,000

[Detailed schedule of borrowings]

Classification	Balance at beginning of period (Millions of yen)	Balance at end of period (Millions of yen)	Average interest rate (%)	Payment due
Short-term borrowings	10,000	10,000	0.126	-
Current portion of long-term borrowings	-	181	0.300	-
Current portion of lease liabilities	5,415	5,868	3.011	-
Long-term borrowings (excluding current portion)	-	20,818	0.501	2025-2029
Lease liabilities (excluding current portion)	32,858	35,659	2.501	2025-2043
Other interest-bearing debt	-	-	-	-
Total	48,273	72,528	-	-

Note: The repayment schedule for long-term borrowings and lease liabilities (excluding the current portion) for five years after the consolidated balance sheet date is as follows.

(Millions of yen)

	After 1 year up to 2 years	After 2 years up to 3 years	After 3 years up to 4 years	After 4 years up to 5 years
Long-term borrowings	181	181	181	20,272
Lease liabilities	4,774	3,603	2,423	2,214

[Detailed schedule of asset retirement obligations]

Pursuant to the provision of Article 92-2 of the Regulation on Consolidated Financial Statements, the information is omitted because the amounts of asset retirement obligations at the beginning and end of the fiscal year ended March 31, 2024, were not more than 1% of the total of liabilities and net assets at the beginning and end of the fiscal year ended March 31, 2024.

(2) Other

i) Status after the closing date

Not applicable

ii) Quarterly information for the fiscal year ended March 31, 2024

Cumulative period	First quarter	Second quarter	Third quarter	Fiscal year ended March 31, 2024
Operating revenue (Millions of yen)	420,212	866,582	1,366,827	1,758,626
Profit before income taxes (Millions of yen)	1,686	10,266	61,049	51,704
Profit (loss) attributable to owners of parent (Millions of yen)	(133)	5,384	46,927	37,626
Basic earnings (loss) per share (Yen)	(0.37)	15.07	132.75	107.23

Accounting period	First quarter	Second quarter	Third quarter	Fourth quarter
Basic earnings (loss) per share (Yen)	(0.37)	15.60	119.98	(27.12)

iii) Significant lawsuits, etc.

Not applicable

2. Non-consolidated Financial Statements, etc.

(1) Non-consolidated Financial Statements

i) Non-consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	40,236	18,386
Trade accounts receivable	* 71	* 88
Short-term loans receivable	* 14,736	* 15,539
Income taxes refund receivable	6,847	5,082
Other	* 1,491	* 1,188
Total current assets	63,383	40,285
Non-current assets		
Property, plant and equipment		
Buildings	1,280	2,781
Tools, furniture and fixtures	381	257
Land	6,632	6,632
Construction in progress	5,095	8,199
Other	36	24
Total property, plant and equipment	13,426	17,895
Intangible assets		
Software	857	331
Other	1	1
Total intangible assets	858	332
Investments and other assets		
Investment securities	26,771	33,791
Shares of subsidiaries and associates	295,784	309,329
Long-term loans receivable	* 16,089	* 38,585
Deferred tax assets	8,862	7,735
Other	1,728	1,740
Allowance for doubtful accounts	(402)	(590)
Allowance for investment loss	(1,357)	(54)
Total investments and other assets	347,477	390,539
Total non-current assets	361,762	408,768
Total assets	425,145	449,053

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Trade accounts payable	* 442	* 654
Short-term borrowings	10,000	10,181
Income taxes payable	434	326
Deposits received	* 79,564	* 83,979
Provision for bonuses	3	4
Accounts payable - purchase of shares of subsidiaries and associates	-	7,236
Other	* 220	161
Total current liabilities	90,665	102,543
Non-current liabilities		
Bonds payable	-	20,000
Long-term borrowings	-	20,818
Provision for retirement benefits	128	124
Provision for share awards for directors (and other officers)	162	328
Other	321	321
Total non-current liabilities	611	41,592
Total liabilities	91,277	144,135
Net assets		
Shareholders' equity		
Share capital	127,234	127,234
Capital surplus		
Legal capital surplus	36,822	36,822
Total capital surplus	36,822	36,822
Retained earnings		
Other retained earnings		
General reserve	138,965	138,965
Retained earnings brought forward	62,573	31,505
Total retained earnings	201,539	170,471
Treasury shares	(39,835)	(42,850)
Total shareholders' equity	325,761	291,678
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	8,106	13,239
Total valuation and translation adjustments	8,106	13,239
Total net assets	333,868	304,918
Total liabilities and net assets	425,145	449,053

ii) Non-consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Operating revenue	*147,189	*136,454
Selling, general and administrative expenses	*1,270,222	*1,266,532
Operating profit	40,167	29,922
Non-operating income		
Interest and dividend income	*11,823	*11,394
Leasing income	*12,017	*12,117
Other	*1,568	*1,287
Total non-operating income	4,408	3,800
Non-operating expenses		
Interest expenses	*17	*180
Facility charges	2,017	2,117
Other	435	944
Total non-operating expenses	2,459	3,142
Ordinary profit	42,116	30,580
Extraordinary income		
Gain on sale of investment securities	1,970	1,347
Gain on sale of shares of subsidiaries and associates	16	2,142
Reversal of allowance for investment loss	517	–
Other	9	191
Total extraordinary income	2,513	3,680
Extraordinary losses		
Loss on valuation of investment securities	–	95
Loss on valuation of shares of subsidiaries and associates	–	835
Provision of allowance for doubtful accounts	1,020	188
Dismantlement expenses	753	–
Other	40	0
Total extraordinary losses	1,814	1,118
Profit before income taxes	42,815	33,141
Income taxes-current	1,909	1,490
Income taxes-deferred	(11,348)	(689)
Total income taxes	(9,439)	801
Profit	52,255	32,340

iii) Non-consolidated statement of changes in equity
Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward	
Balance at beginning of period	127,234	36,822	0	36,822	138,965	46,819	185,785
Changes during period							
Dividends of surplus						(16,783)	(16,783)
Profit						52,255	52,255
Purchase of treasury shares							
Disposal of treasury shares						(0)	(0)
Cancellation of treasury shares			(0)	(0)		(19,717)	(19,717)
Net changes in items other than shareholders' equity							
Total changes during period	-	-	(0)	(0)	-	15,754	15,754
Balance at end of period	127,234	36,822	-	36,822	138,965	62,573	201,539

	Shareholders' equity		Valuation and translation adjustments	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	
Balance at beginning of period	(49,551)	300,291	10,305	310,596
Changes during period				
Dividends of surplus		(16,783)		(16,783)
Profit		52,255		52,255
Purchase of treasury shares	(10,001)	(10,001)		(10,001)
Disposal of treasury shares	0	0		0
Cancellation of treasury shares	19,717	-		-
Net changes in items other than shareholders' equity			(2,198)	(2,198)
Total changes during period	9,715	25,469	(2,198)	23,271
Balance at end of period	(39,835)	325,761	8,106	333,868

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward	
Balance at beginning of period	127,234	36,822	–	36,822	138,965	62,573	201,539
Changes during period							
Dividends of surplus						(16,432)	(16,432)
Profit						32,340	32,340
Purchase of treasury shares							
Disposal of treasury shares			0	0			
Cancellation of treasury shares			(0)	(0)		(46,975)	(46,975)
Net changes in items other than shareholders' equity							
Total changes during period	–	–	–	–	–	(31,067)	(31,067)
Balance at end of period	127,234	36,822	–	36,822	138,965	31,505	170,471

	Shareholders' equity		Valuation and translation adjustments	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	
Balance at beginning of period	(39,835)	325,761	8,106	333,868
Changes during period				
Dividends of surplus		(16,432)		(16,432)
Profit		32,340		32,340
Purchase of treasury shares	(50,001)	(50,001)		(50,001)
Disposal of treasury shares	10	10		10
Cancellation of treasury shares	46,975	–		–
Net changes in items other than shareholders' equity			5,133	5,133
Total changes during period	(3,015)	(34,082)	5,133	(28,949)
Balance at end of period	(42,850)	291,678	13,239	304,918

Notes to Non-consolidated Financial Statements

(Significant accounting policies)

1. Valuation bases and methods for assets

Valuation bases 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 calculated by the moving-average method).

Stocks and other securities with no market price

Stated at cost using the moving-average method.

Investments in investment limited partnerships and similar partnerships

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

Stated at 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.

Shares of subsidiaries and affiliates

Stated at cost using the moving-average method.

2. Depreciation and amortization methods of non-current assets

(1) Property, plant and equipment

Depreciated using the straight-line method.

(2) Intangible assets

Amortized using the straight-line method.

However, software is amortized by the straight-line method over the estimated useful life (five years or less).

3. Accounting method for provisions

(1) Allowance for doubtful accounts

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

(2) Allowance for investment loss

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

(3) Provision for bonuses

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

(4) 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, 2024.

i) Method of attributing expected retirement benefits 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

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.

(5) Provision for share awards for directors (and other officers)

In preparation for the payment of shares based on the Regulations on Share-based Remuneration for Directors (and Other Officers), the expected amount of compensation is recorded according to the points allocated to Directors (and other officers).

4. 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 when the performance obligations are satisfied, which is measured by the passage of time.

5. Other significant matters for preparing non-consolidated financial statements

(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.

(Significant accounting estimates)

(Valuation of shares of subsidiaries and associates)

(1) Amount recorded 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 non-consolidated financial statements for the fiscal year under review based on accounting estimates and that may have a material effect on the non-consolidated financial statements for the following fiscal year.

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Shares of subsidiaries and associates	295,784	309,329
Allowance for investment loss	(1,357)	(54)

(2) Information on significant accounting estimates for identified items

In principle, shares of subsidiaries and associates are stated at the cost by the moving-average method. In the event of a decline in the net realizable 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 non-consolidated financial statements for the next and subsequent periods.

(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 purpose of the system 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 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.

The outline of this system is presented in "V. Financial Information, 1. Consolidated Financial Statements, etc., (1) Consolidated Financial Statements, Notes to Consolidated Financial Statements (Additional information)" and thus omitted.

(Dissolution and liquidation of subsidiaries)

At the Company's Board of Directors meeting held in the previous fiscal year, the Company resolved to liquidate its subsidiaries, YAMATO ASIA PTE. LTD. and YAMATO INVESTMENT (HONG KONG) LIMITED, and is preparing for the liquidation proceedings now.

Details are shown on "V. Financial Information, 1. Consolidated Financial Statements, etc., (1) Consolidated Financial Statements, Notes to Consolidated Financial Statements (Additional information)."

(Non-consolidated balance sheet)

* Monetary receivables and payables to subsidiaries and associates are as follows.

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Short-term monetary receivables	15,465	15,998
Long-term monetary receivables	14,769	37,058
Short-term monetary payables	79,892	91,457

Contingent liabilities are as follows.

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Joint and several guarantee based on clearing agreements with other transportation companies	300	300
Guarantee of obligation for debt financing	298	345

(Non-consolidated statement of income)

*1 Volume of transactions with subsidiaries and associates is as follows:

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Operating revenue	47,197	36,453
Operating expenses	2,844	2,562
Non-operating transactions	3,078	3,145

*2 Major expense items and amounts included in selling, general and administrative expenses are as follows:

Since the Company is a pure holding company, all expenses are included in general and administrative expenses.

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Personnel expenses	1,096	996
[Provision for bonuses (included above)]	3	4
[Provision for retirement benefits (included above)]	11	2
[Provision for share awards for directors (and other officers) (included above)]	162	187
Commission expenses	2,141	2,405
Computer expenses	1,674	1,280
Depreciation	580	480

(Changes in presentation)

“Advertising expenses” is not separately presented as a major expense in the fiscal year under review, since it became immaterial in terms of amount. In line with this, it is not presented for the previous fiscal year, either.

(Securities)

Shares of subsidiaries and affiliates

As of March 31, 2023

Carrying amount on balance sheet of shares, etc. which do not have a quoted market price

(Millions of yen)

Item	As of March 31, 2023
Shares of subsidiaries	295,655
Shares of affiliates	129

As of March 31, 2024

(Millions of yen)

Classification	Carrying amount on balance sheet	Fair value	Difference
Shares of affiliates	7,752	7,205	(547)
Total	7,752	7,205	(547)

Note: Carrying amount on balance sheet of shares, etc. which do not have a quoted market price that are not included in the above table.

(Millions of yen)

Item	As of March 31, 2024
Shares of subsidiaries	300,979
Shares of affiliates	597

(Tax effect accounting)

1. Detailed deferred tax assets and deferred tax liabilities

	As of March 31, 2023	As of March 31, 2024
Deferred tax assets		
Provision for bonuses	1 Million yen	1 Million yen
Accrued enterprise tax	48	30
Provision for retirement benefits	39	38
Loss on valuation of investment securities	643	663
Shares of subsidiaries and associates	61,649	62,505
Other	804	704
Subtotal	63,186	63,942
Allowance for devaluation	(51,972)	(52,050)
Total	11,213	11,891
Deferred tax liabilities		
Valuation difference on available-for-sale securities	(2,294)	(4,109)
Other	(57)	(46)
Total	(2,351)	(4,156)
Net deferred tax assets (liabilities)	8,862	7,735

2. Breakdown of the main items that caused differences between the effective statutory tax rate and the actual effective tax rate by applying tax effect accounting

	As of March 31, 2023	As of March 31, 2024
Statutory effective tax rate	30.6%	30.6%
(Adjustments)		
Allowance for devaluation	(26.1)	0.2
Non-taxable dividend income	(28.7)	(28.4)
Adjustments to the book value of investment in subsidiaries	-	(1.5)
Non-deductible amount of donations	1.9	1.4
Other	0.3	0.1
Effective rate of income taxes after application of deferred tax accounting	(22.0)	2.4

3. Accounting for corporate income tax and local corporate tax or tax effect accounting related to these taxes

Regarding the accounting treatment and disclosure related to tax effect accounting for corporate income tax and local corporate tax, the Company is applying the Group Tax Sharing System from the fiscal year under review and complies with the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ Practical Solutions No. 42, August 12, 2021).

(Revenue recognition)

Information that forms the basis for understanding revenues from contracts with customers is presented in "V. Financial Information, 2. Non-consolidated Financial Statements, etc., (1) Non-consolidated Financial Statements, Notes to Non-consolidated Financial Statements (Significant accounting policies), 4. Accounting method for revenues and costs" and thus omitted.

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.

(Significant subsequent events)

Not applicable

iv) Annexed detailed schedules

[Detailed schedule of property, plant and equipment, etc.]

(Millions of yen)

Classification	Asset type	Balance at beginning of period	Increase	Decrease	Depreciation/ amortization in the fiscal year	Balance at end of period	Accumulated depreciation
Property, plant and equipment:	Buildings	1,280	1,846	–	344	2,781	849
	Tools, furniture and fixtures	381	54	0	177	257	846
	Land	6,632	–	–	–	6,632	–
	Construction in progress	5,095	4,000	896	–	8,199	–
	Other	36	–	0	12	24	31
	Total	13,426	5,900	896	534	17,895	1,727
Intangible assets	Software	857	19	244	300	331	874
	Other	1	1	0	1	1	1
	Total	858	20	244	301	332	876

Note: Increases in “Buildings” and “Construction in progress” are mainly due to the construction of new office building.

[Detailed schedule of allowance and provisions]

(Millions of yen)

Account item	Balance at beginning of period	Increase	Decrease	Balance at end of period
Allowance for doubtful accounts	402	188	–	590
Allowance for investment loss	1,357	–	1,303	54
Provision for bonuses	3	4	3	4
Provision for share awards for directors (and other officers)	162	187	21	328

(2) Details of Major Assets and Liabilities

This information has been omitted as the consolidated financial statements have been prepared.

(3) Other

i) Status after the closing date

Not applicable

ii) Significant lawsuits, etc.

Not applicable

VI. Outline of Share-Related Administration of the Reporting Company

Fiscal year	From April 1 to March 31
Ordinary General Meeting of Shareholders	June
Record date	March 31
Record dates for dividends of surplus	September 30 March 31
Share unit	100 shares
Sale of shares of less than one unit and incremental purchase of shares	
Office for handling business	(Special account) 1-3-3, Marunouchi, Chiyoda-ku, Tokyo Head Office Transfer Agent Department, Mizuho Trust & Banking Co., Ltd.
Administrator of shareholders' register	(Special account) 1-3-3, Marunouchi, Chiyoda-ku, Tokyo Mizuho Trust & Banking Co., Ltd.
Forwarding office	–
Sale and incremental purchase fees	The amount equivalent to the commission for the consignment of the sale and purchase of 100 shares, divided proportionally by the number of shares sold or added to one unit
Method of public notice	Electronic public notice If an announcement by an electronic public notice is not possible due to accidents or other unavoidable reasons, it shall be done by publication in the Nihon Keizai Shimbun. URL for public notice https://www.yamato-hd.co.jp
Special benefits for shareholders	None

Note: Pursuant to the Company's Articles of Incorporation, shareholders of the Company may not exercise any rights other than the rights listed below with respect to shares of less than one unit held by them.

- (1) Rights listed in each item of Article 189, paragraph (2) of the Companies Act
- (2) The right to make a request pursuant to the provisions of Article 166, paragraph (1) of the Companies Act
- (3) The right to receive an allotment of offered shares and offered stock acquisition rights in proportion to the number of shares held by the shareholder
- (4) The right to request the sale of shares of less than one unit

VII. Reference Information on the Reporting Company

1. Information about Parent of the Reporting Company

Not applicable

2. Other Reference Information

From the beginning of the fiscal year under review until the filing date of this Annual Securities Report, the Company has filed the following documents.

- (1) Annual Securities Report and Attachments and Confirmation Letter
Fiscal year (the 158th term) (from April 1, 2022 to March 31, 2023)
Filed with the Director-General of the Kanto Local Finance Bureau on June 16, 2023
- (2) Internal Control Report and Attachments
Filed with the Director-General of the Kanto Local Finance Bureau on June 16, 2023
- (3) Quarterly Securities Reports and Confirmation Letters
First quarter of the 159th term (from April 1, 2023 to June 30, 2023)
Filed with the Director-General of the Kanto Local Finance Bureau on August 8, 2023
Second quarter of the 159th term (from July 1, 2023 to September 30, 2023)
Filed with the Director-General of the Kanto Local Finance Bureau on November 8, 2023
Third quarter of the 159th term (from October 1, 2023 to December 31, 2023)
Filed with the Director-General of the Kanto Local Finance Bureau on February 8, 2024
- (4) Extraordinary Reports
Filed with the Director-General of the Kanto Local Finance Bureau on June 27, 2023
This is an Extraordinary Report based on Article 19, paragraph (2), item (ix)-2 of the Cabinet Office Order on Disclosure of Corporate Affairs
Filed with the Director-General of the Kanto Local Finance Bureau on January 29, 2024
This is an Extraordinary Report based on Article 19, paragraph (2), item (ix) of the Cabinet Office Ordinance on Disclosure of Corporate Affairs
- (5) Shelf Registration Statements (share certificates, bond certificates, etc.) and accompanying documents
Filed with the Director-General of the Kanto Local Finance Bureau on June 30, 2023
- (6) Amended Shelf Registration Statements
Filed with the Director-General of the Kanto Local Finance Bureau on January 29, 2024
- (7) Share Repurchase Reports
Reporting period (from June 1, 2023 to June 30, 2023)
Filed with the Director-General of the Kanto Local Finance Bureau on July 13, 2023
Reporting period (from July 1, 2023 to July 31, 2023)
Filed with the Director-General of the Kanto Local Finance Bureau on August 10, 2023
Reporting period (from August 1, 2023 to August 31, 2023)
Filed with the Director-General of the Kanto Local Finance Bureau on September 14, 2023
Reporting period (from September 1, 2023 to September 30, 2023)
Filed with the Director-General of the Kanto Local Finance Bureau on October 12, 2023
Reporting period (from October 1, 2023 to October 31, 2023)
Filed with the Director-General of the Kanto Local Finance Bureau on November 14, 2023
Reporting period (from November 1, 2023 to November 30, 2023)
Filed with the Director-General of the Kanto Local Finance Bureau on December 14, 2023
Reporting period (from December 1, 2023 to December 31, 2023)
Filed with the Director-General of the Kanto Local Finance Bureau on January 12, 2024
Reporting period (from January 1, 2024 to January 31, 2024)
Filed with the Director-General of the Kanto Local Finance Bureau on February 14, 2024
Reporting period (from February 1, 2024 to February 29, 2024)
Filed with the Director-General of the Kanto Local Finance Bureau on March 13, 2024

PART 2 INFORMATION ON GUARANTORS, ETC., FOR THE REPORTING COMPANY

Not applicable

[Cover]

[Document title]	Written Confirmations
[Clause of stipulation]	Article 24-4-2, paragraph (1) of the Financial Instruments and Exchange Act
[Place of filing]	Director-General of the Kanto Local Finance Bureau
[Filing date]	June 14, 2024
[Company name]	ヤマトホールディングス株式会社 (<i>Yamato Holdings Kabushiki Kaisha</i>)
[Company name in English]	YAMATO HOLDINGS CO., LTD.
[Title and name of representative]	Yutaka Nagao, President
[Title and name of Chief Financial Officer (CFO)]	Toshizo Kurisu, Vice President, Responsible for Finance
[Address of registered headquarters]	16-10, Ginza 2-chome, Chuo-ku, Tokyo
[Place for public inspection]	Tokyo Stock Exchange, Inc. (2-1 Nihonbashi Kabutocho, Chuo-ku, Tokyo)

1. Matters related to appropriateness of statements contained in the Annual Securities Report

Yutaka Nagao, President of the Company, and Toshizo Kurisu, Chief Financial Officer confirmed that statements contained in the Company's Annual Securities Report for the 159th term (from April 1, 2023 to March 31, 2024) were appropriate under the Financial Instruments and Exchange Act and related laws and regulations.

2. Special notes

There are no significant matters to report.

[Cover]

[Document title]	Internal Control Report
[Clause of stipulation]	Article 24-4-4, paragraph (1) of the Financial Instruments and Exchange Act
[Place of filing]	Director-General of the Kanto Local Finance Bureau
[Filing date]	June 14, 2024
[Company name]	ヤマトホールディングス株式会社 (<i>Yamato Holdings Kabushiki Kaisha</i>)
[Company name in English]	YAMATO HOLDINGS CO., LTD.
[Title and name of representative]	Yutaka Nagao, President
[Title and name of Chief Financial Officer (CFO)]	Toshizo Kurisu, Vice President, Responsible for Finance
[Address of registered headquarters]	16-10, Ginza 2-chome, Chuo-ku, Tokyo
[Place for public inspection]	Tokyo Stock Exchange, Inc. (2-1 Nihonbashi Kabutocho, Chuo-ku, Tokyo)

1. Matters related to the basic framework for internal control over financial reporting

Yutaka Nagao, President, and Toshizo Kurisu, Chief Financial Officer, are responsible for the design, implementation and maintenance of internal control over financial reporting of Yamato Holdings Co., Ltd. (the "Company") and have designed, implemented and maintained internal control over financial reporting in accordance with the basic framework for internal control set forth in the "On the Setting of the Standards and Practice Standards for Management Assessment and Audit Concerning Internal Control Over Financial Reporting (Council Opinions)" published by the Business Accounting Council.

Internal control is designed to achieve its objectives to a reasonable extent when each basic element of internal control is organically linked and functions in an integrated manner. Therefore, there is a possibility that misstatements in financial reporting may not be completely prevented or detected by internal control over financial reporting.

2. Matters related to scope of assessment, record date, and assessment procedures

The assessment of internal control over financial reporting was conducted with the record date of March 31, 2024, which is the end of the fiscal year under review, in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

In making this assessment, we assessed internal controls that may have a material impact on the entire financial reporting on a consolidated basis (company-wide internal controls), and then, based on the results, we selected business processes to be assessed. In assessing the business process, after analyzing the selected business process, we assessed the effectiveness of internal control by identifying key control points that have a significant impact on the reliability of financial reporting and by assessing the design and operation of such key control points. The scope of the assessment of internal control over financial reporting was determined for the Company, its consolidated subsidiaries and equity-method affiliates based on the materiality of the effects on the reliability of financial reporting. The materiality of the effects on the reliability of financial reporting was determined by considering the significance of the monetary and qualitative effects. Based on the results of the assessment of company-wide internal control conducted for the Company and its 13 consolidated subsidiaries, the scope of the assessment of internal control over business processes was reasonably determined. Consolidated subsidiaries and equity-method affiliates that were deemed to be insignificant in terms of monetary and qualitative importance were not included in the scope of the assessment of company-wide internal control.

With respect to the scope of the assessment of internal control over business processes, business locations with approximately 2/3 of operating revenue in the previous fiscal year were designated as "important business locations." For the selected important business locations, the business processes leading to operating revenue, subcontracting expenses and personnel expenses among operating costs, trade accounts receivable among notes and accounts receivable - trade and contract assets, trade accounts payable among notes and accounts payable - trade, and accrued expenses among other current liabilities as accounts that are significantly related to corporate business objectives were subject to assessment. In addition, regardless of the selected important business locations, we have added, as material business processes to be assessed, to the scope of assessment, which includes other business locations as well, the business processes related to significant accounts that have a high possibility of material misstatements and involve estimates and forecasts, and business processes related to businesses or operations that engage in high-risk transactions, taking into account their impact on financial reporting.

3. Matters related to the results of assessment

Based on the results of the above assessment, we concluded that the Company's internal control over financial reporting as of the end of the fiscal year under review, was effective.

4. Supplementary information

Not applicable

5. Special notes

Not applicable

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

June 12, 2024

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

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant:

Koichi Yano

Designated Engagement Partner,
Certified Public Accountant:

Shinji Seki

Designated Engagement Partner,
Certified Public Accountant:

Yusuke Kumei

<Audit of Consolidated Financial Statements>

Opinion

Pursuant to the first paragraph of Article 193-2 of the Financial Instruments and Exchange Act, we have audited the consolidated financial statements of Yamato Holdings Co., Ltd. and its consolidated subsidiaries (the "Group") included in the Financial Section, namely, the consolidated balance sheet as of March 31, 2024, and the consolidated statement of income, consolidated statement of comprehensive income consolidated statement of changes in equity and consolidated statement of cash flows for the fiscal year from April 1, 2023 to March 31, 2024, and a summary of significant accounting policies and other explanatory information, and the consolidated supplementary schedules.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for 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 Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Examination of indications of impairment loss occurring on non-current assets of Yamato Transport Co., Ltd.	
Key Audit Matter Description	How the Key Audit Matter Was Addressed in the Audit
<p>The Group provides delivery and other logistics services. As described in "Significant accounting estimates" of the notes to the consolidated financial statements, as of March 31, 2024, the Group's main assets subject to accounting standards related to impairment of non-current assets are property, plant and equipment of ¥454,753 million and intangible assets of ¥41,215 million. Among these balances, property, plant and equipment of ¥394,695 million, and intangible assets of ¥39,471 million are attributed to Yamato Transport Co., Ltd. ("Yamato Transport"), a consolidated subsidiary. As of March 31, 2024, there were indications that certain assets or asset groups of Yamato Transport and other subsidiaries may be impaired, and the Group recognized an impairment loss of ¥1,423 million.</p> <p>Regarding the asset groups, considering the management accounting classification and the units for making investment decisions, Yamato Transport changed the grouping based on business units during the current business year, and classified non-current assets associated with the Head Office division as common assets.</p> <p>Yamato Transport examined whether there are indications of impairment loss including the continual operating losses, the abolition or restructuring of businesses, changes in non-current asset usage, idle assets, and the significant deteriorations of the management environment.</p> <p>The operating profits and losses of each asset group are calculated based on the income and expenditure statement output from the system, and the allocation of headquarters expenses is automatically calculated and allocated based on the allocation rate.</p> <p>If the materials for examining indications of impairment loss were not created appropriately, there may be errors in the determination and impairment loss that should be recorded may not be recorded. In particular, for the current fiscal year when asset groupings are changed, there is a high risk that there may be errors in the calculations in the operating profits and losses of each asset group. Therefore, we have identified the examination of indications of impairment loss occurring on non-current assets of Yamato Transport as a key audit matter.</p>	<p>Our audit procedures related to examining the indications of impairment loss for Yamato Transport included the following, among others:</p> <p>We obtained an understanding of Yamato Transport's overall business environment through inquiry of the departments in charge and inspection of the minutes of the Board of Directors' meetings, management meetings, and other important approval documents. Our understanding included information on delivery unit prices, delivery volume, external delivery resources, unit commission expenses, number of employees, the circumstances of labor management, and internal transfer of services between divisions.</p> <p>We carefully tested whether changes to the asset groupings were implemented in a timely manner based on changes in the facts and whether the revised groups were appropriately determined based on management accounting classification, the units for making investment decisions, and other similar factors.</p> <p>After understanding the process for creating the materials used to examine the indications of impairment loss, we evaluated Yamato Transport's internal controls related to the examination of indications of impairment loss, including the inspection and approval at the appropriate levels of management.</p> <p>We tested the consistency of the income and expenditure statement and trial balance that were to be the basis for the materials used to examine the indications of impairment loss with the materials themselves.</p> <p>We involved our IT specialists to assist us in testing the general IT control of the system that output the income and expenditure statement as well as the report logic of the income and expenditure statement.</p> <p>Also, after examining the validity of the headquarters expense allocation logic, the accuracy of the allocation calculation was tested by recalculating it.</p> <p>Furthermore, in order to examine whether there was significant deterioration with the management environment, organizational restructurings, idle assets, or other similar factors, we inquired with management and read various meeting minutes.</p>

Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Annual Securities Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the 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 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 the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

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

Our objectives 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 includes our opinion. 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 economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting 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 related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. 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 overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with 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.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may

reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Audit & Supervisory Board members and the Audit & Supervisory Board we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Audit of Internal Control>

Opinion

Pursuant to the second paragraph of Article 193-2 of the Financial Instruments and Exchange Act, we have audited management's report on internal control over financial reporting of Yamato Holdings Co., Ltd. as of March 31, 2024.

In our opinion, management's report on internal control over financial reporting referred to above, which represents that the internal control over financial reporting of Yamato Holdings Co., Ltd. as of March 31, 2024, is effectively maintained, presents fairly, in all material respects, the results of the assessment of internal control over financial reporting in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

Basis for Opinion

We conducted our internal control audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Internal Control Audit section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for Report on Internal Control

Management is responsible for designing and operating effective internal control over financial reporting and for the preparation and fair presentation of its report on internal control in accordance with assessment standards for internal control over financial reporting generally accepted in Japan. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing and verifying the design and operating effectiveness of internal control over financial reporting. There is a possibility that misstatements may not be completely prevented or detected by internal control over financial reporting.

Auditor's Responsibilities for the Internal Control Audit

Our objectives are to obtain reasonable assurance about whether management's report on internal control over financial reporting is free from material misstatement and to issue an auditor's report that includes our opinion.

As part of an audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Perform audit procedures to obtain audit evidence regarding the results of the assessment of internal control over financial reporting in management's report on internal control. The procedures selected depend on the auditor's judgment, including the significance of effects on reliability of financial reporting.
- Examine representations on the scope, procedures and results of the assessment of internal control over financial reporting made by management, as well as evaluating the overall presentation of management's report on internal control.
- Obtain sufficient appropriate audit evidence regarding the results of the assessment of internal control over financial reporting. We are responsible for the direction, supervision and performance of the internal control audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the internal control audit, result of the internal control audit, including any identified material weakness which should be disclosed and the result of remediation.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

<Fee-Related Information>

Fees for audit and other services for the year ended March 31, 2024, which were charged by us and our network firms to Yamato Holdings Co., Ltd. and its subsidiaries are disclosed in "4. Status of Corporate Governance, etc. (3) Information about audit" included in the "IV. Status of the Reporting Company" of the Annual Securities Report.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Financial Instruments and Exchange Act of Japan for the conveniences of the reader.

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

June 12, 2024

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

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant:

Koichi Yano

Designated Engagement Partner,
Certified Public Accountant:

Shinji Seki

Designated Engagement Partner,
Certified Public Accountant:

Yusuke Kumei

<Audit of Nonconsolidated Financial Statements>

Opinion

Pursuant to the first paragraph of Article 193-2 of the Financial Instruments and Exchange Act, we have audited the nonconsolidated financial statements of Yamato Holdings Co., Ltd. (the "Company") included in the Financial Section, namely, the nonconsolidated balance sheet as of March 31, 2024, and the nonconsolidated statement of income and nonconsolidated statement of changes in equity for the 159th fiscal year from April 1, 2023 to March 31, 2024, and a summary of significant accounting policies and other explanatory information, and the supplementary schedules.

In our opinion, the accompanying nonconsolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2024, and its financial performance and for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for 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 Nonconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the nonconsolidated financial statements of the current period. The matter was addressed in the context of our audit of the nonconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Valuation of shares of subsidiaries and associates	
Key Audit Matter Description	How the Key Audit Matter Was Addressed in the Audit
<p>The Company, as a holding company of the group that provides delivery and other logistics services, owns shares of subsidiaries and associates within the group. As described in “Significant accounting estimates” of the notes to the non-consolidated financial statements, the Company’s total assets of 449,053 million yen as of March 31, 2024 included shares of subsidiaries and associates in the amount of 309,329 million yen, of which 301,576 million yen had no market value. The Company recorded an allowance for investment loss of 54 million yen on those shares some of which had a net realizable value lower than carrying value during this fiscal year.</p> <p>The Company records its shares of subsidiaries and associates at the acquisition cost on its balance sheet. If the net realizable value has declined by 30% or more compared to the carrying value at the end of the fiscal year and there is not sufficient evidence to support the possibility that the net realizable value will recover, the carrying value is written down to the net realizable value and the difference is recorded as a loss for the current fiscal year. If the decline in the net realizable value is less than 30% of the carrying value, but the recovery in the net realizable value deems to take a long period of time, the Company records an allowance for investment loss to prepare for any investment loss taking into consideration the financial position of the subsidiaries and associates and the recoverability of the carrying value of investments.</p> <p>The recoverability of the net realizable value is evaluated based on the future management plan approved by the Board of Directors, and whether the underlying business plan is feasible and rational and whether the net realizable value is expected to recover within around five years.</p> <p>There is a high degree of uncertainty and subjective judgments made by management involved in significant assumptions used for estimating the recoverability as they are affected by the progress of initiatives to expand its business and manage costs in the future management plan. Therefore, we identified this as a key audit matter.</p>	<p>Our audit procedures related to examining the Company’s valuation of shares of subsidiaries and associates included the following, among others:</p> <p>We evaluated the Company’s internal controls over the valuation of shares of subsidiaries and associates, including the reconciliation of the financial position of each of the subsidiaries and associates used in the valuation with the latest financial information available, and the review and approval by management at the appropriate level to ensure that the valuation of shares of subsidiaries and associates whose net realizable value has significantly declined due to deterioration in the financial position is conducted completely and timely.</p> <p>Regarding shares of subsidiaries and associates whose net realizable value declined in comparison to the carrying value, we assessed the consistency of the business plan that supports the net realizable value with the next fiscal year’s budget approved by the Board of Directors as well as the future management plan. In addition, we assessed the estimates in the future plan for management bias by comparing the budgets and management plans in the previous fiscal years with the actual results.</p> <p>We tested the feasibility and rationality of initiatives to expand the business and manage costs, which were the main variables in the estimates of the future management plan by making inquiries of management and performing a trend analysis using historical results.</p>

Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Annual Securities Report, but does not include the nonconsolidated financial statements and our auditor’s report thereon.

Our opinion on the nonconsolidated financial statements does not cover the other information and we do not express any form of

assurance conclusion thereon.

In connection with our audit of the nonconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the nonconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the nonconsolidated 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 of nonconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the nonconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the nonconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 economic decisions of users taken on the basis of these nonconsolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the nonconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 related disclosures in the nonconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. 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 Company to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the nonconsolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the nonconsolidated financial statements, including the disclosures, and whether the nonconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.

[We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Audit & Supervisory Board members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the nonconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

[<Fee-Related Information>

Fee-related information are disclosed in independent auditor's report on the consolidated financial statements as of and for the year ended March 31, 2024.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Financial Instruments and Exchange Act of Japan for the conveniences of the reader.