Group Corporate Philosophy

The Yamato Group's foundation lies in its Core Values, which serve as the spirit of the Group's founding and have remained unchanged since their establishment in 1931. Supported by our Group Corporate Philosophy, created based on our unchanging Core Values, we aim to become a corporate group that can make sustainable contributions to the realization of an enriched society.

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.

Core Values

1. We all represent the Company.

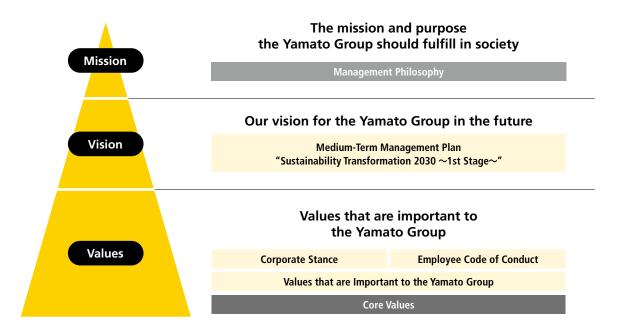
This value represents the spirit of "inclusive management," whereby employees make decisions based on their own judgments and engage with our customers and business partners with an awareness that they represent the Company.

2. We connect our customers' hearts with every delivery.

This value defines deliveries as not simply the transportation of goods, but rather a chance for us to connect with our customers' hearts and offer them joy.

3. We conduct ourselves both professionally and ethically.

This value reflects the importance of ensuring that all our employees adhere to laws and regulations as members of society while conducting themselves in an ethical manner.



For more details, please refer to our corporate website

Corporate Philosophy, including Corporate Stance and Employee Code of Conduct https://www.yamato-hd.co.jp/english/company/philosophy.html

 $^{{\}mathscr O}$ Values and Policies for Demonstrating Approaches https://www.yamato-hd.co.jp/english/csr/esg/policy.html

value-creating company that contributes ð the realization of a sustainable future

History of the Yamato Group's Value Creation

Direction of strategies



Around 1919 Transformation of freight transportation (from oxand horse-drawn carriages and wagons to trucks)



Around 1960

Rapid economic growth to stable growth Improvement in standard of living and purchasing power



Around 2000

Changes to lifestyles and expansion of needs from home delivery to individual delivery



Since 2020

Emergence and spread of COVID-19 Changes in consumption behavior and logistics structures





1919 **Delivery company Founding of Yamato Transport Co., Ltd.**



Around 1929 Launch of regular route transport service

Response to demand for small-lot delivery



Around 1976 Launch of TA-Q-BIN service

- Provision of products and services that meet consumer needs
- Expansion of TA-O-BIN network



Around 2000 **Promotion of Group** management

- Further advancement of Delivery Business
- Independent growth of non-delivery businesses



Creation of solutions in corporate logistics

- Creation of high-value-added business
- Reinforcement of business infrastructure by innovating networks



Since 2020 Promotion of Group management structure reform

- Construction of the One YAMATO structure (nine Group companies integrated into a single company, Yamato Transport)
- Structural reform of network operations
- Expansion of corporate business domain

Corporate Business Domain Functions (including products and services) Consumer Domain

Cultivation of Strengths through the Construction of Networks and Provision o Value over a Wide Range from Consumers Business Operators

- 1929 Launch of regular route, combined-load transport service between Tokyo and Yokohama 1951 Conclusion of agent contract with C.A.T. (Civil Air Transport), a Taiwanese airline, and launch of air freight handling
- 1952 Launch of marine freight handling shipping operations
- **1958** Launch of artwork packing and shipping 1960 Launch of international mixed air-freight handling
- 1973 Establishment of Yamato System Development Co., Ltd. and commencement of business in information and communication domain
- 1986 Launch of Collect service (Currently TA-Q-BIN Collect)

- 2000 Launch of third-party logistics (3PL) business 2003 Integration of Automobile Maintenance
- Division into Yamato Autoworks Co., Ltd. 2005 Launch of TA-Q-BIN Collect, comprehensive payment settlement service for mail-order dealers
- 2007 Launch of Kuroneko Yamato Recall Support service
- 2012 Launch of Total Logistics Support service for medical equipment manufacturers
- 2012 Launch of Yamato Business Members. members-only service for corporate clients 2015 Launch of Nekopos service
- 2020 Launch of EAZY service delivery product for e-commerce operators 2021 Started full-scale participation and support
- for customers' logistics planning and SCM strategy building as an LLP 2024 Establishment of Sustainable Shared
- Transport Inc. to provide an open platform for joint transportation and delivery

1976 Launch of TA-Q-BIN service, Establishment of TA-Q-BIN service points (currently distributors) 1983 Launch of Ski TA-Q-BIN and International TA-O-BIN services

1984 Launch of *Golf TA-Q-BIN* service 1987 Launch of TA-Q-BIN service at convenience

1988 Launch of Cool TA-Q-BIN service 1989 Launch of Airport TA-O-BIN service

- 1998 Launch of TA-Q-BIN Time Zone Delivery service 2002 Launch of TA-Q-BIN Email Notification service
- 2007 Launch of Kuroneko Members, members only service for individual clients
- 2015 Launch of TA-Q-BIN Compact service 2016 Establishment of PUDO Stations (open-type parcel lockers)
- 2016 Establishment of Neko-Support Station (first store)

2021 Overall design and start of initiatives to

reinforce TA-Q-BIN network

2024 Start of provision of *Okihai* services for Kuroneko Members

> (Fiscal year ended March 31, 2024) Operating revenue of

¥1,758.6 billion

1935 Completion of network for regular deliveries across the Tokyo metropolitan area and surrounding areas

1976 3.4% → **1989** 99.5% (Nationwide network coverage ratio of TA-O-BIN in Japan)

1997 Completion of domestic TA-Q-BIN network

1980 Establishment of Yamato Transport U.S.A., Inc. 1982 Establishment of Yamato Transport (Hong Kong) Ltd. (Currently Yamato Logistics (Hong Kong) Ltd)

1983 Establishment of Yamato Transport (S) Pte. Ltd. 1986 Establishment of Yamato Transport (Nederland) B.V. (currently Yamato Transport Europe B.V.)

2003 Establishment of Yamato (Shanghai)

2013 Launch of operations at Haneda Chronogate

Logistics Co., Ltd. (the predecessor of

Yamato International Logistics Co., Ltd.)

2016 Conclusion of agreement for business collaboration and capital alliance with major Malaysian delivery company GD Express Carrier BHD. (currently GDEX Berhad)

2016 Acquisition of stock in OTL Group, of Malaysia

2023 Conclusion of basic agreement regarding collaboration with Japan Post Group (leveraging Japan Post's delivery network post-box delivery services)

2024 Overseas Network: 25 overseas subsidiaries 24 countries and regions of operation (including representative offices and branch offices)

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The Yamato Group in Figures

The fiscal year ended March 31, 2024, or as of March 2024

Operating revenues

Operating profit

¥1,758.6 billion ¥40.0 billion

Number of employees

Approx.

180,000

Sales Drivers

Approx.

60,000

Last-mile pickup and delivery facilities



Terminals



Facilities for corporate clients (warehouses, pickup and delivery facilities for corporate clients, etc.)

Approx. **400**

Pickup and delivery vehicles

Approx. 46,000

TA-Q-BIN agents and convenience stores

Approx.

150,000

Number of registered users of members-only service for individual clients

Approx.

57 million

Number of registered companies for members-only service for corporate clients

Approx.

1.7 million companies

Network coverage of TA-Q-BIN in Japan



Overseas development



Domestic parcel delivery market

Annual parcel delivery amount (TA-Q-BIN, TA-Q-BIN Compact, EAZY, Nekopos, and Kuroneko Yu-Packet)

Approx.

The Yamato Group Going Forward

Since its founding, the Yamato Group has been helping to enrich our society through "Delivery". It is our responsibility to create a sustainable society in the age of heightened uncertainty that lies ahead. As a member of society, the Yamato Group will create "New Logistics" and "New Value" together with a diverse range of partners, with innovation as our starting point, and face head-on the challenges posed to us from the future.

Our Vision (Up to 2030)

A value-creating company that contributes to the realization of a sustainable future



Material Issues

Environment



Energy & Climate



Resource Conservation & Waste



Society



Society



Labor

Diversity



Safety & Security

Data Utilization & Security

Supply Chain

Community

Business Environment / Social Issues

Growth of E-Commerce

Decline of the working population Aging society, declining birth rate/ Depopulation of suburban areas

Shortage of transportation capacity intensifying

Climate change intensifying

Heightening of geopolitical risk

Technological advances

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^{*} Source: "Survey and Calculation Method for Parcel Delivery Amount" (provisional translation) compiled by Japan's Ministry of Land, Infrastructure, Transport and Tourism

Value Creation Process

Sources of Value Creation

Human resources with shared philosophy

Logistics network supporting social infrastructure

Solid partnerships supporting the logistics network

Highly competitive logistics technologies and expertise

Digital platform that enables expansion of value provided and increased operational efficiency

Green platform built on environmental investment and demonstration tests

Broad customer foundation ranging from individuals to corporations

Solid financial foundation

Business Environment / Social Issues

Growth of E-Commerce

Decline of the working population ging society, declining birth rate / Depopulation of suburban areas

> Shortage of transportation capacity intensifying

Climate change intensifying

Heightening of geopolitical risk

Technological advances

Value Creation Strategies

Our Vision

A value-creating company that contributes to the realization of a sustainable future Creating "New Logistics" and "New Value" with innovation as our starting point



5X2030 ~1st Stage~

Sustainability Transformation 2030 ~1st Stage~

Base Domain (Express)

Reinforce TA-Q-BIN Network and Expand Value Proposition

- Enhancement of service lineup to meet diverse needs
- Strengthening of pricing strategy
- Structural reform of network operations

New Domain (Mobility / Green Logistics / Neko-Support / Freighters)

Commercialization of New Business Models

- Response to diversifying customer and social needs
- Utilization of existing management resources
- Co-creation with diverse partners

Growth Domain (Contract Logistics / Global)

Expansion of Corporate Business Domain

- Support for corporate customers' supply chain transformation
- Expansion of business through M&As and alliances



Management Foundation: Human Resource Strategy / Digital Strategy / Environmental Strategy

Sustainable Management

Corporate Governance

Corporate Philosophy

Value Created

Helping to enrich our society

Realization of sustainable profit growth

Realization of a low-carbon society

Creation of a society that leaves no-one behind

Financial and Non-Financial Targets

Medium- to long-term financial targets and aims

	Targets for the Fiscal Year	Targets for the Fiscal Year
	Ending March 31, 2027	Ending March 31, 2031
Operating Revenues	¥2,000-2,400 billion	_
Operating Profit	¥120–160 billion	_
Ordinary Profit	¥120–160 billion	_
Profit Attributable to Owners of Parent	¥80–100 billion	_
Operating Profit Margin	6% or above	8% or above
ROIC	8% or above	12% or above
ROE	12% or above	16% or above

► Medium- to Long-Term Non-Financial Targets

		Targets for the Fiscal Year Ending March 31, 2027	Targets for the Fiscal Year Ending March 31, 2031	2050 targets
	GHG emissions*¹ reduction rate (compared with the fiscal year ended March 31, 2021)	-25%	-48%	Virtually zero GHG emissions*1
		Setting of scope 3 emissions reduction targets	_	_
	Percentage of electricity generated via renewable energy sources	70%	_	_
	Human resource productivity*2	Enhancement of labor productivity	_	_
	Employee Awareness Surveys	Increase engagement	_	_
	Percentage of women in management (executives)	10%	_	_
	Number of serious traffic accidents where bodily injury occurs (compared with the fiscal year ended March 31, 2024)	-15%*³	-	_
	Number of serious infor- mation security incidents	0 cases	_	_
	Rate of support from major business partners regarding the Code of Conduct	100%	_	_

*1 Scope 1 & Scope 2 emissions of consolidated companies in Japan and Swan Co., Ltd.

*2 (Consolidated operating revenues - consolidated subcontracting expenses) ÷ consolidated personnel expenses

*3 For Yamato Transport

For details on non-financial targets, please refer to Sustainable Management on P.44

Value Creation Process

Evolution of the Business Model

Since its foundation as a truck transportation company in 1919, the Yamato Group has created services that didn't exist, despite being needed. The concept embedded in our Core Values of continuing to provide better service for customers and society has led to the success of TA-Q-BIN and supported our growth to the present day. The Yamato Group will continue to evolve its business model with innovation as the starting point, helping to enrich our society by creating "New Logistics" and "New Value" to support the coming era.

Medium-Term Management Plan for Realizing Our Vision

>> Main Strategies under the Medium-Term Management Plan "Sustainability Transformation 2030 ~1st Stage~"



Base Domain

Reinforcement of *TA-Q-BIN*Network and Expansion of Value Proposition

In the base domain, we will realize profit growth by reinforcing the *TA-Q-BIN* network and expanding the value provided.



Growth Domain

Expansion of Corporate Business Domain

In the growth domain, we will realize an expansion of the corporate business domain beyond *TA-Q-BIN* by strengthening our Contract Logistics Business and Global Business.



lew Domain

Commercialization of New Business Models

In the new domain, we will work to commercialize new business models that meet the needs of our diversifying customers and society for the realization of a sustainable future.



Reinforcement of Group Management Foundation

We will work to strengthen our human resource strategy, digital strategy, environmental strategy, sustainability management, and corporate governance, which support our growth strategies, thereby reinforcing the Group management foundation.



Promotion of Management with a Greater Focus on Capital Efficiency

By adding ROIC as a new target in addition to the operating profit margin and ROE, we aim to promote management with a greater focus on capital efficiency in order to realize capital efficiency exceeding the cost of capital.

Update on Management Resources and Strengths

In light of the business and social issues caused by environmental changes, we will update our current management resources and strengths through investment and strategy execution and evolve our business model to create economic, environmental, and social value. Then, by honing our strengths and making our value creation cycle more robust and sustainable, we will contribute to the realization of a sustainable future.

>> Sources of Value Creation

	Current	strengths*1			Updates
		Numbers of employees	Approx. 180,000		
Human resources with	Group employees with a shared	Sales Drivers (SDs)	Approx. 60,000		Building an optimal human resource port folio for greation of added value
shared philosophy	corporate philosophy	Corporate sales personnel	Approx. 750		folio for creation of added value → P32–37 Human Resource Strategy
		Human resources with digital skills	Approx. 680		3,
	TA-Q-BIN network serving count-	Last-mile pickup and delivery facilities	Approx. 2,900		
		PUDO Stations (open-type parcel lockers)	Approx. 6,900		 Reinforce TA-Q-BIN Network Stable, speedy transportation using
agistics naturally	less customers • Logistics network for corporate cli-	Terminals	80		freighters
supporting social infrastructure	ents that combines warehousing, transportation, and delivery Global network operating in 24	Facilities for corporate clients (ware- houses, pickup and delivery facilities for corporate clients, etc.)	Approx. 400	>	 Strengthening of logistics network for corporations in Japan and overseas through M&As, strategic alliances, and so forth
	countries and regions	Pickup and delivery vehicles	Approx. 46,000		→ P22–31 Initiatives in Base, Growth and New Domains
		Transportation operation vehicles	Approx. 2,500		
Solid partner- ships supporting	Transport and delivery partners supporting the TA-Q-BIN network Distributors and receivers serving as the main customer touchpoints for TA-Q-BIN	Transport and delivery partners	Approx. 3,500		Further strengthening of partnerships for sustainable growth, such as fair, equitable and honest business transactions and cor
the logistics network		TA-Q-BIN distributors and convenience stores	Approx. 150,000		sideration for the environment and society → P48–49 Supply Chain Management
echnologies and expertise	Logistics technologies for three temptivated through the handling of food Customs expertise for ensuring securi Artwork logistics, etc.	•	gic alliances, and so forth → P25–29 Initiatives in Growth Domain		
Digital platform that enables expansion of value provided and increased operational efficiency	A new digital platform (Yamato Digital collaborate with internal and external and external collaborate with internal collaborate w	•	Building Fully-Digital Operations Enhancement of the digital platform → P38–39 Digital Strategy		
	Equipment and expertise for reducing in-house GHG emissions due to the introduction of EVs, solar power generation, and LEDs, as well as the development of energy management systems Provision of climate change-conscious transportation and delivery services (Carbon neutral TA-Q-BIN) Small mobile freezer (D-mobico) Implementation of studies aimed at standardization and commercialization of removable and portable cartridge batteries for EVs	EVs	Approx. 2,300	.	
Green platform built on environ-		Number of Solar Power Generation Equipment Installations	100		Reduction of GHG emissions both in-house and at partners Strengthening ability to propose solutions that contribute to reducing customers' GHG emissions → P40–43 Environmental Strategy → P30 Initiatives in New Domains
mental invest- ment and demonstration		Percentage of Electricity Generated via Renewable Energy Sources	37%		
tests		Number of Facilities Introducing LEDs	Approx. 2,000		
Broad customer foundation ranging from individuals to corporations	Broad customer foundation in Japan cultivated through <i>TA-Q-BIN</i>	Number of registered users of members- only service for individual clients	Approx. 57 million	•	Expanding customer foundation in growth domains through M&As and strategic alli-
		Number of registered companies for members-only service for corporate clients	Approx. 1.7 million		ances, and so forth → P26 Conversion of Nakarto Shokai to a Consolidated Subsidiary → P29 M&A Strategy
		Share capital	¥127.2 billion		
Solid financial foundation	• Soundness • Dividend payments emphasizing stability and continuity	Shareholders' equity ratio	51.6%		Disciplined capital allocation → P18–21 Message from the Chief Financial Officer
		Rating (Rating & Investment Information, Inc. (R&I))	AA-		
		Dividend payout ratio	42.9%		

^{*1} The fiscal year ended March 31, 2024, or as of March 2024

42.9%

Dividend payout ratio

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^{*2} A business operator certified under a program that provides relaxed, simplified customs procedures to operators recognized by customs to have established systems for cargo security management and legal and regulatory compliance.