

# Human Resource Strategy

The Yamato Group's human resource strategies are the foundation for realizing a sustainable enhancement in corporate value through "contributing to the realization of enriching our society," a goal laid out in our Management Philosophy. Our Human Resources Management Policy is to ensure that the growth of individual employees leads to the growth of the Group. Based on this policy, we are promoting human resource strategies that are linked to management strategies, such as building a human resource portfolio for the creation of new added value and further enhancing work comfort and motivation of diverse employees.

**MESSAGE**

## We will work to strengthen middle management and drive management strategies through the transformation of our skill set and human resource portfolio

### Masayuki Ishii

Managing Executive Officer Responsible for overseeing Human Resource Management and Development, Yamato Transport Co., Ltd.

Masayuki Ishii entered the Bridgestone Corporation in 1988. After working at the Head Office, plants, and technology centers, he was responsible for human resources and labor management at various offices in the United States, Spain, and Belgium. Upon returning to Japan, he was responsible for areas at the Head Office including global human resources and human resource development, corporate planning, corporate communication, risk management, and overseas business management. In October 2022, he joined Yamato Transport Co., Ltd.



#### ▶ The Vision of Our Human Resources Strategy

The vision of our human resources strategy is to create an organization where our skill set and human resource portfolio can be proactively transformed in line with the Yamato Group's target management direction, and to develop human resources who can take ownership of such transformation and carry it out in their respective domains and roles. We aim to build a so-called "learning organization" through activities including appropriate assignment of human resources, development and recruitment of human resources who create added value, establishment of working environments, and cultivation of corporate culture.

#### ▶ Middle Management is Key to Strategy Implementation

Our main focus in promoting our human resource strategy is our approach to middle management, a layer that connects our organization vertically and horizontally. The middle management has what we refer to as a "middle-up/middle-down" function, of communicating the intentions of senior management to frontline employees, and relaying opinions from the front line back to senior management. The Yamato Group is a huge organization of approximately 180,000 people. Middle management shares senior management's intentions and objectives to the front line employees and plays an important role in explaining the reasons behind such and ensuring that they are practically implemented on the ground. In the same way, they also have an extremely important function in returning feedback from frontline employees to senior management. A customer-oriented approach, in which Sales Drivers (SDs) on the front lines pick up on customer needs and use the information to improve services, is deeply rooted in the overall Yamato Group as part of our corporate culture and has become one of its strengths.

However, in promoting strategies and measures based on the Yamato Group Human Resource Management Policy, I have really felt that the function of middle management has not been fully realized. From a "middle-down" perspective, it seems that only the content of the strategies and measures formulated by Head Office is being relayed directly to the frontline employees, without any explanation of the reasons, which has resulted in implementation that is either half-hearted or misaligned with the original intention.

From the "middle-up" perspective, as the organization has expanded, the function of reflecting information collected on the front lines in management strategy has weakened to the point where I feel that at this stage it is not being fully utilized. These problems are rooted in organizational management and human resource operations. By building up human resource measures that strengthen the functions of middle management, we will ultimately realize our strengths in our customer-oriented approach at an even higher level.

#### ▶ Increasing human productivity and engagement by strengthening in-house dialogue capability

As we work to strengthen the functions of middle management, we are promoting the establishment and operation of a human resource management system based on job duties. First, we revised our Head Office job position ranking and organized the positions of executive officers and managerial personnel. In fiscal 2025, in conjunction with measures to reinforce the TA-Q-BIN network, we will redefine the duties of Sales Office Managers, which is a position held by a larger number of people, and review the compensation for this position. This will lead to a stronger structure and improved human resource management. Moreover, we are also transitioning to an evaluation system for managerial personnel based on work duties, and expanding this transition to operational managers as well. With these measures, we will bring depth to our middle management team in terms of both quality and quantity. In addition, by designing proper management duties together as a set with operations, we will elicit even better performance from individual employees, leading to an increase in human productivity.

As part of the training regime for middle management, we continue to hold workplace discussions with operational managers such as Sales Office Managers and Logistics Center Managers, aiming to cultivate a mindset for increasing employee engagement by strengthening internal dialogue capabilities. We monitor the status of our efforts to increase employee engagement by conducting regular employee awareness surveys; however, indicators such as job satisfaction and employee-friendliness have continued to decline in recent years. We are addressing this by promoting a PDCA cycle to clarify and improve issues in each workplace

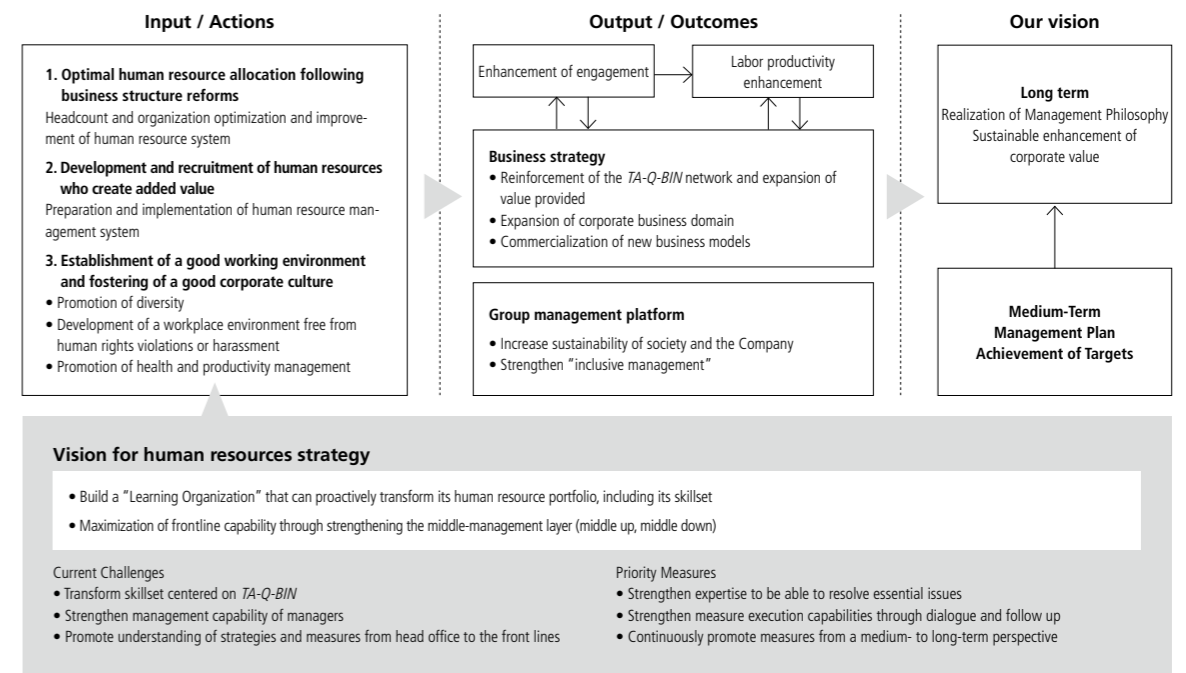
through exchanges of opinions between the employees and the operational managers, who are the leaders. Moreover, at Head Office, each division, such as the digital division or operational division, implemented measures to improve job satisfaction and employee-friendliness for employees, but these were communicated to employees as a unified initiative. We are therefore implementing cross-divisional activities to boost engagement with the EX Promotion Committee, which involves all divisions and has union participation. In addition, we are working to design a system for disseminating information from Head Office to ensure that it is communicated to each frontline employee.

#### ▶ Human Resources Strategy Coordinated with Growth Domains to Create Added Value

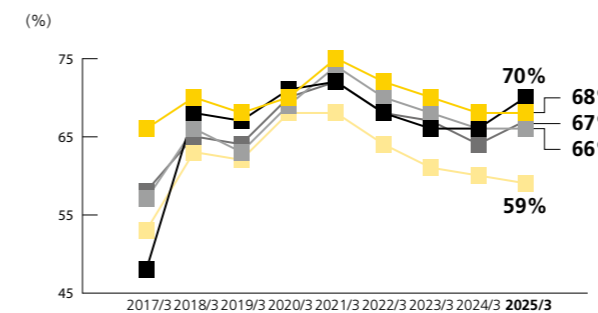
We are also evolving our human resource development program to build up an optimal human resource portfolio. In expanding our corporate business domain, we created a quantitative visualization

of the desired skill set, which comprises skills, knowledge, and mindset, to develop sales personnel in our Global Business in advance, and we will also apply this approach to our Express Business. First, we are taking stock of the current skill set of each employee to visualize areas that need to be supplemented. Then, we will use this information to conduct organizational and human resource management that elicits the maximum engagement of human resources, including a revamp of our human resource systems. We are also working on preparing systems to support employees in autonomous management of their careers. We have introduced an internal job-posting system for experiences and jobs that employees need for their growth and created pathways for each employee to take up challenges in order to achieve this. These initiatives have started from Head Office and, by introducing them in stages to frontline positions, we will create a ripple of positive impact that will lead to the sustainable growth of both employees and the Company.

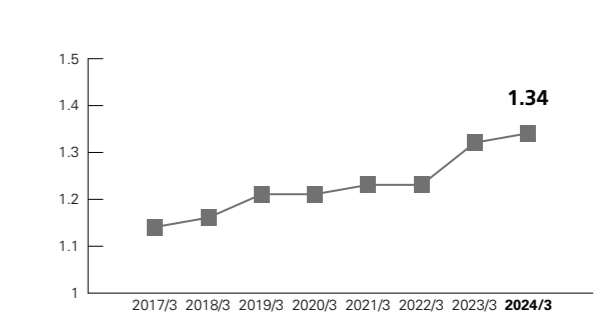
### Promoting Human Resource Strategies Linked to Management Strategies



#### Employee Awareness Survey Results\*1



#### Human Resource Productivity\*2



\*2 (consolidated operating revenues – consolidated subcontracting expenses) / consolidated personnel expenses

\*1 Scope: consolidated companies in Japan and Swan Co., Ltd.

## Human Resource Strategy

### Optimal Human Resource Allocation following Business Structure Reform

To realize sustainable growth, the Group is working to optimize its human resource allocation in conjunction with its business structure reforms by optimizing the organization and headcount and revising evaluation and compensation schemes.

In the year ended March 31, 2024, the Group started outsourcing its postbox delivery service operation to the Japan Post Group, aiming to make effective use of the management resources and increase the sustainability of the logistics industry overall. In tandem with this, the Group reallocated employees who had been working on the postbox delivery service to positions in and outside the Company.

- **Internal reallocation:** We listed positions with staff shortages in the same workplace or nearby Regional Branches, and conducted a reallocation based on the wishes of each employee.
- **Career change support:** We set up a dedicated career change support website and posted information on job openings from associated companies, while supporting employees' career change activities.

To optimize our organization and headcount, we revised the organizational layers and number of positions at Yamato Transport head office, starting from the senior positions (managing executives), and proceeded to streamline the organization and expedite decision making. At the same time, we revised human resource systems to develop and compensate talent with a higher level of practical job implementation based on job definitions.

Going forward, we will continue to promote optimal human resource allocation coordinated with measures in our structural reform of network operations, such as concentration and enlargement of pickup and delivery facilities and operation streamlining. We will also conduct optimization of our organization and headcount over a wider scope, including areas outside the head office and at Group companies, while providing support from a human resource strategy aspect to ensure that our business structure reforms are effective.

### Development and Recruitment of Human Resources Who Create Added Value

We prepared a Document for Definitions of Duties, which clearly set out details of duties, and stipulated the necessary organization and roles for executing our management strategy. Based on this definition, we are promoting the operation of a human resources management system that promotes appropriate placement.



#### Promoting Professional Growth of SDs with Definitions of Duties and Career Path Design

To strengthen the Express Business and increase the Company's sustainability, we are working to define the duties of and design career paths for our Sales Drivers (SDs), who serve as the Yamato Group's contact point with customers through their pickup, delivery, and sales activities. Employees who have acquired high levels of skill and perform well in their sales and pickup and delivery roles are properly evaluated, optimally placed, and then developed and advanced. This will encourage their aspirations and promote their autonomous professional growth, ultimately expanding the earnings capability of the Express Business as well.



#### Strengthening Recruitment and Development of Sales Personnel Using Talent Maps

We are promoting human resource portfolio transformation based on talent maps that visualize and list the abilities of human resources by business. In the Global Business, which is positioned as one of the growth domains in the Medium-Term Management Plan "Sustainability Transformation 2030 ~1st Stage~, " we have completed talent maps of our sales personnel along three axes: mindset (transformation awareness and ethical perspective, etc.); knowledge (knowledge of services and industries, etc.); and skills (logical thinking and English language ability, etc.), and based on the result, we are promoting the development of human resources along with recruitment of external resources to supplement gaps in ability. In the Contract Logistics Business, we are also making progress with the same approach, and we will expand it to target businesses in stages while working to strengthen our sales capabilities.



#### Strengthening Recruitment and Development of Human Resources with Digital Skills to Support the Realization of Fully-Digital Operations

We are working to strengthen our recruitment and development of human resources with digital skills and technological capabilities in order to reinforce our development and operation systems over the medium to long term through operation of a professional system designed to offer compensation that is competitive in the market and the establishment of skills development programs.

■ For information about recruitment and development of human resources with digital skills, please refer to P.38.



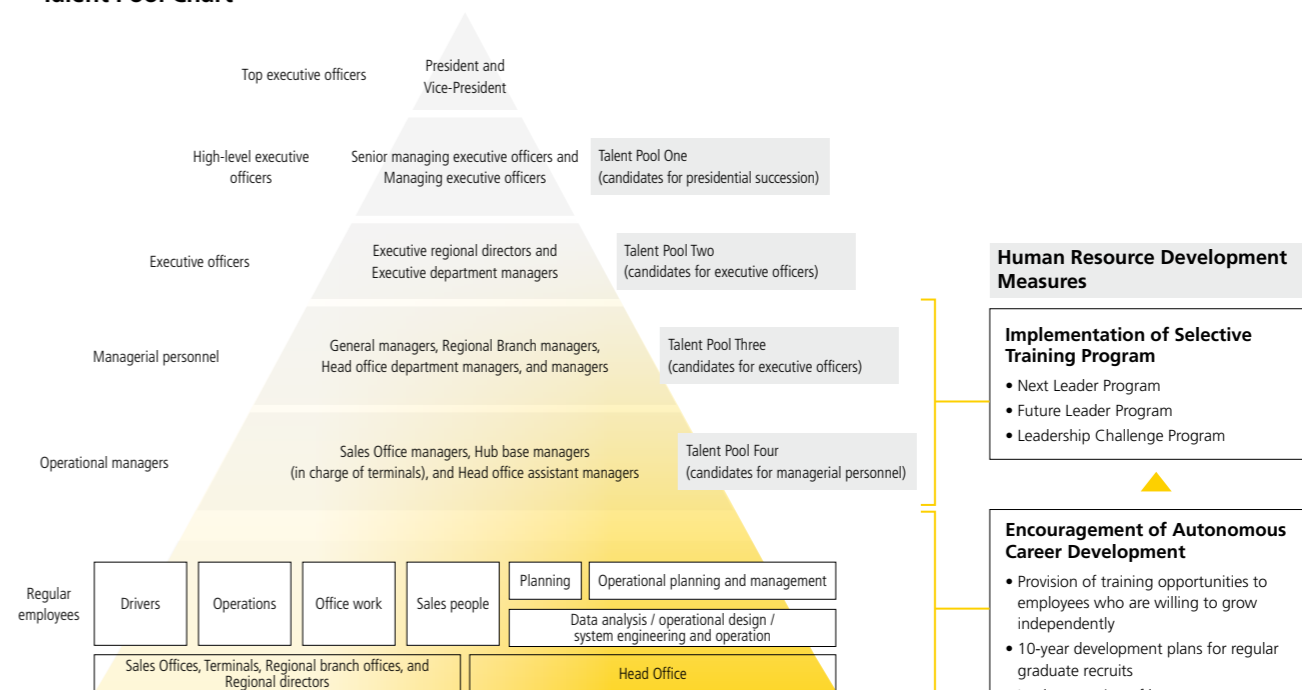
#### In-House Job Posting System

We introduced an in-house job posting system aimed at supporting employees' autonomous career development and increasing their motivation for self-improvement. In the first fiscal year of the system, the year ended March 31, 2024, we posted jobs for each head office department and 35 of 110 applicants received assignments. We will continue working to enhance the Company's environment to support employees' autonomous growth and career achievement.

### Development of Core Personnel

Based on succession plans, we have formed talent pools, with the president positioned at the highest level. We are systematically providing growth opportunities for each talent pool, such as training programs and challenging assignments. In addition, we offer medium-term development measures for regular graduate recruits and implement measures such as systematic human resource investment based on careful discernment of employee ability and aptitude. Through these measures, we are developing and nurturing human resources for management execution from a medium- to long-term perspective.

#### Talent Pool Chart



#### Human Resource Development Measures

##### Implementation of Selective Training Program

- Next Leader Program
- Future Leader Program
- Leadership Challenge Program

##### Encouragement of Autonomous Career Development

- Provision of training opportunities to employees who are willing to grow independently
- 10-year development plans for regular graduate recruits
- Implementation of human resource visualization and assessment
- Appropriate placement based on career goals and qualifications



Group training for regular graduate employees (first year)

Human Resource Development Program Name	Target	Results for 2024/3	
		Number of Participants	Annual Training Hours per Participant
Next Leader Program	Next-generation executive candidates	16	42
Future Leader Program	Candidates for appointment to senior management roles	66	87
Leadership Challenge Program			
Training prior to assignment in a managerial position	Planned operational management appointees	77	25
Ten-year development plan for regular graduate recruits	Regular graduate recruits	845	26

### TOPICS

#### Ten-Year Development Plans for Regular Graduate Recruits

We conduct medium-term training measures for regular graduate recruits based on the pillars of training on an entry-year basis, human resource visualization through assessment, and strategic placement based on individual aptitude. We provide employees with systematic growth opportunities over their first 10 years in the Company to support their autonomous career development, while also implementing systematic placement and development based on their career aspirations and aptitudes. These practices help us to produce human resources who will take over the management of the Yamato Group as its future leaders.

Year	Theme	Training details
1-4	Personal growth	Understanding the group and Human Resource Management Policy, career development, etc.
5-6	Organization growth	Target setting and resilience
7-8	Company growth	Making an impact and transformational leadership
9-10	Contribution to society and customers	Ability to discern issues, integration of learning



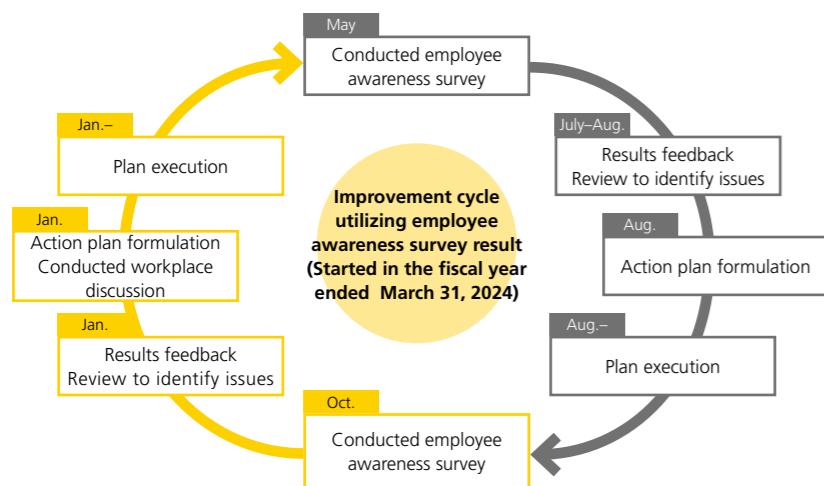
## Human Resource Strategy

### Establishment of a Good Working Environment and Fostering of a Good Corporate Culture

As a foundation for realizing sustainable growth, we are promoting the cultivation of a corporate culture that respects human rights and diversity and also the development of a working environment where employees can thrive. As a result of measures aimed at increasing each employee's sense of personal growth through their work and their sense of contribution to the growth and development of the Company, we are improving employee-friendliness and job-satisfaction, which will lead to the enhancement of engagement.

#### ► Enhancement of Engagement

At Yamato Transport, we began implementing workplace discussions as a forum for exchanging opinions between frontline employees and management with the aim of encouraging mutual understanding through smooth workplace communication and creating a working environment of mutual respect for diverse approaches and values. As we promote reforms in management and business structure, employee awareness survey results have been trending downward. Given this situation, in the fiscal year ended March 31, 2024, we conducted measures to strengthen the functions of middle management, which is responsible for communicating management's intentions to frontline employees and relaying frontline feedback to management. We held workplace discussions with frontline leaders such as Sales Office Managers and Logistics Center Managers, working to cultivate a mindset for increasing engagement. We also set the theme of "resolving issues in our workplace," and started an initiative to work through a PDCA cycle for workplace improvement by getting the managers to hold discussions with the employees in their own workplaces. Through these initiatives, we aim to improve workplace teamwork and the capabilities of our middle management, and this has brought about a change in employee awareness.



#### Summary of Workplace Discussions (2024/3 Yamato Transport)

Period: Jan.–Feb. 2024 (held 91 times)  
 Participants: Regional Branch Managers (facilitating), all employees under the management of the Regional Branch  
 Implementation method: Face-to-face group discussions



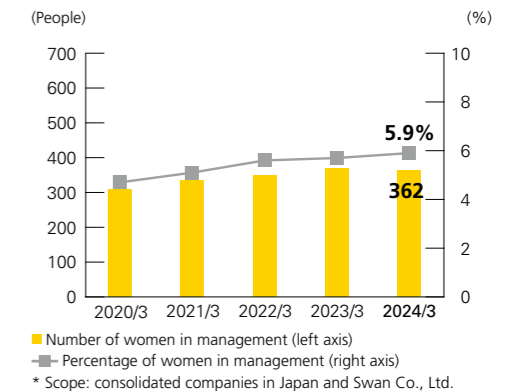
Workplace discussions taking place

### ► Development of an Environment Where Diverse Employees Can Play an Active Role and Promotion of Advancement for Women in the Workplace

We recognize that respecting diversity and promoting the advancement of women in the workplace is an important management priority for responding flexibly to changes in the social environment and diversifying social needs, and we are promoting initiatives in line with this.

Under our "Sustainable Medium-Term Plans 2023," our targets were to double the number of women in management (operational managers) compared with the fiscal year ended March 31, 2021, and ensure 10% of all managers are women. We promoted a program for developing women in the position of Sales Office Manager, a role which accounts for the highest number of management roles in the Yamato Group and held training not only with these participants but also their supervisors on the theme of eliminating unconscious bias. As a result, of the 69 program participants in the fiscal year ended March 31, 2024, 10 have been assigned as Sales Office Managers. Meanwhile, we have recognized through the results of career awareness surveys and other means that there are many employees who aspire to roles other than Sales Office Manager.

#### Number of Women in Management / Percentage of Women in Management\*



We have again set the target for the fiscal year ending March 31, 2027, of ensuring that 10% of all managers are women, and in the fiscal year ending March 31, 2025, we will conduct follow-up measures predicated on placing people not only in Sales Office Manager positions, but in management positions for which they are highly suited. We will also establish role models and mentors for the advancement of women in the workplace in our development plans for regular graduate recruits, aiming to raise their awareness and motivation for career development, aiming for management roles.

#### INTERVIEW

##### Developing a Career that Suits Me

I joined Yamato Transport as a part-time administrative employee. Prioritizing childcare while my children were very young, after they reached a certain age I decided to pursue career advancement and became a manager. When I first joined the Company, I had no intention of aiming for a managerial role, but I became involved in staff development for an event held by the Regional Branch that highlighted the role of reception staff at Sale Offices, and, after winning the event, I decided to advance my career to a managerial role. I participated in training for candidate operational managers held by the Regional Branch, where I learned how to be a manager and the importance of human relationships. I also participated in a program for developing female Sales Office Managers, where I was inspired by interacting with other women with the same goal as me.

Currently, I am working as the safety and administration manager at a large-scale pickup and delivery facility\*1 with approximately 160 SDs. My duties include duties related so safety, such as the morning meetings, taking rollcalls for SDs, vehicle inspection checks and ride-along guidance, and I am also responsible for the general management of office work, including reception. I was a little worried that I might not be accepted as a woman with no experience as an SD, but I have been working to build trust relationships by taking care to respond quickly to employees' needs, no matter how small, while working to increase safety awareness. I am conscious that I have employees' lives in my hands, and I am motivated by a desire to see happy colleagues by helping them to do their best.

\*1 Following the consolidation and enlargement of pickup and delivery facilities, operations such as sorting and office work have been consolidated and managers have been assigned responsibility for each operation. We have therefore changed from the previous system in which the Sales Office Managers had management responsibility for all operations to a team system in which operational managers cooperate to manage overall operations. In doing so, we will increase operational proficiency and efficiency.

\*2 Assigned department and role are current as of the time of writing.



**Hiroko Kumashiro**  
 Safety and Administration Manager,\*2  
 Oji Sales Office,  
 Johoku Regional Branch,  
 Yamato Transport

#### INTERVIEW

##### Increasing Employee-Friendliness and Job Satisfaction

There are about 70 employees at the Shimizu Ejiridai Sales Office, which I manage. They have different working hours and times at the office depending on their type of work. For example, Sales Drivers (SDs) are out all day picking up and delivering, while other employees may be working on short hours on reception or on early morning parcel sorting shifts. Due to this, we had some difficulty in achieving good communication. To embody the Yamato Group's fundamental spirit of "inclusive management," I think it is important to elicit opinions and wishes from employees and reflect these in the management of the Sales Office, and also to increase employees' understanding of my work directives and the information sharing. We are therefore working to invigorate our workplace communication.

My first step was to distribute a consultation inquiry sheet to all employees, so as to start by eliciting and responding to the individual opinions and wishes of all employees, including those who do not communicate easily or who have little contact with me. I feel that this established a sense of safety that made everyone feel able to approach me as the office manager to talk about their concerns. In addition, with the SDs, I aim to use lunch break time to communicate. Having created an atmosphere conducive to discussion, I hold afternoon meetings where I can talk about the policies and initiatives of the Company and our Sales Office. I also try to be inventive with the method of communication, explaining as clearly as possible in my own words the reasons for implementing policies and the benefits for the customer and the Company.

Through this initiative, I have seen individual employees take on a more proactive attitude, thinking about solutions to problems and tackling them without detailed instructions from me. The number of employees taking a positive approach to their work has increased, and I feel that they are working faster on sales activities and initiatives to improve the quality and productivity of operations. By increasing the awareness of our Core Value, "We all represent the company," for each individual, including myself, I am certain that we can serve our customers and our community even more effectively.



**Narumi Sugiyama**  
 Manager, Shimizu Ejiridai  
 Sales Office  
 Shizuoka Regional Branch