

The Yamato Group's ESG

Guided by its Core Values, which represent the founding spirit of the Company, the Yamato Group is pursuing business activities under its Management Philosophy of “enriching our society.” To realize this philosophy, we seek to increase corporate value and develop a sustainable society through strengthening corporate governance, pursuing sustainable operations from an environmental and social perspective, creating new value, and addressing environmental, social, and governance (ESG)-related issues.





Sustainability Initiatives

Management embodying the Environment and Society

Under its two visions for a sustainable future, the Yamato Group will achieve the next level logistics friendly to the environment, society, and economy by attentively connecting people; resources and data.

► **Vision: 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 that is better for the planet, our lifestyles, and the economy. We will support a strong, smart society by striving toward carbon neutrality and by creating business models based on sustainable resource use and consumption.







Materiality	Priorities	Goal	Value Created
 Energy & Climate	Carbon neutrality	<ul style="list-style-type: none"> ■ Carbon neutrality by 2050*1 	<ul style="list-style-type: none"> ■ Driving renewable energy growth by stimulating demand ■ Mitigating climate risk such as natural disasters ■ Promoting widespread use of innovative low-carbon technologies ■ Facilitating the availability of low-carbon products
 Atmosphere	Logistics that protect the atmosphere	<ul style="list-style-type: none"> ■ Reduction of air pollutants from vehicles (reduction of NOx and PM from urban area deliveries) 	<ul style="list-style-type: none"> ■ Contributing to the health of local communities by preventing air pollution ■ Utilizing data to optimize transportation, thereby reducing traffic
 Resource Conservation & Waste	Resource efficient logistics and business	<ul style="list-style-type: none"> ■ Use environmentally friendly materials, and shift to delivery using reusable and minimal packaging 	<ul style="list-style-type: none"> ■ Shifting to a circular economy by creating resource recovery networks ■ Improving efficiency and economic gains by leveraging the sharing economy
 Resilience of Companies & Society	Logistics infrastructure that promotes a society in harmony with the environment	<ul style="list-style-type: none"> ■ Strengthened collaboration to combat environmental changes 	<ul style="list-style-type: none"> ■ Foster collaboration to support a sustainable society ■ Improving society's resilience to climate change ■ Promoting a low-carbon society through smart mobility

*1 Emissions from the Yamato Group: Scope1 (direct emissions) and Scope2 (indirect emissions from purchased or acquired electricity and other sourced owned or controlled by us).

► **Vision: Through Co-Creation and Fair Business Activities, Help Create a Society That “Leaves No One Behind”^{*2}**

■ As a social infrastructure company, Yamato Group will contribute to improving the quality of life (QOL) 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. 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.

^{*2} To leave no one behind: Basic philosophy of the SDGs

Materiality	Priorities	Goal	Value Created
 Labor	Creating work environments that are fair, worker-friendly, and engaging	<ul style="list-style-type: none"> ■ Achieve “Decent Work”^{*3} by 2030 by creating workplaces that are employee friendly and that foster employee engagement 	<ul style="list-style-type: none"> ■ Enabling employee work-life balance ■ Promoting physical and mental health of employees ■ Ensuring enough workers to continue stable business activities ■ Providing a model of industry best practices related to labor practices
 Human Rights & Diversity	Creating a vibrant society that respects human rights and diversity	<ul style="list-style-type: none"> ■ Empowerment of socially vulnerable people 	<ul style="list-style-type: none"> ■ Promoting a society where human rights are respected and protected ■ Sparking innovation through diverse ideas ■ Creating job opportunities for diverse individuals, including women and people with disabilities ■ Reducing and eliminating of social inequality and obstacles
 Safety & Security	Ensuring road and occupational safety, improving quality of services and business processes	<ul style="list-style-type: none"> ■ Establish business processes that can significantly reduce accidents on the road and at worksites 	<ul style="list-style-type: none"> ■ Creating safe cities ■ Ensuring health and safety of employees ■ Providing a sense of security and well-being
 Data Utilization & Security	Robust information security, utilization of data from operating vehicles and from transportation for social impact	<ul style="list-style-type: none"> ■ “Creating Shared Value” by utilizing data 	<ul style="list-style-type: none"> ■ Protecting personal data (respecting human rights) ■ Solving environmental and social challenges
 Supply Chain Management	A resilient and sustainable supply chain that considers the environment and society	<ul style="list-style-type: none"> ■ Build a resilient and robust supply chain and co-creation model 	<ul style="list-style-type: none"> ■ Continuing to ensure appropriate and stable business activities ■ Mitigating reputational risks ■ Creating synergy from environmental conservation activities ■ Providing an efficient and robust labor practices model
 Community	Building strong communities through co-creation	<ul style="list-style-type: none"> ■ Build a business model that accelerates the revitalization of local economies 	<ul style="list-style-type: none"> ■ Revitalizing local economies ■ Improving Japan’s global competitiveness through regional revitalization ■ Building a foundation for co-creation of a sustainable society

^{*3} Decent work: Work that ensures dignity, equality, fair income, and safe working conditions

■ **Initiatives to Achieve the SDGs**

The Yamato Group supports international initiatives for building a sustainable society. Toward this end, we became a signatory of the UN Global Compact in April 2014.

The Sustainable Development Goals (SDGs) adopted by the UN in September 2015 represent a set of common targets for the international community to achieve together by 2030. The Yamato Group is now working through its businesses to solve the many urgent social issues facing the world indicated in the SDGs.



Environment



Environmental Strategies for Realizing a Sustainable Society

Materiality

- Energy and climate

Major Initiatives

- Mitigating and adapting to climate change
 - Shift to low-carbon vehicles
 - Improve response capabilities to natural disasters
 - Promote cooperative transport
 - Expand low-carbon services

Value Created

- Driving renewable energy growth by stimulating demand
- Mitigating climate risk such as natural disasters
- Promoting widespread use of innovative lowcarbon technologies
- Facilitating the availability of low-carbon products

Contributions to the SDGs



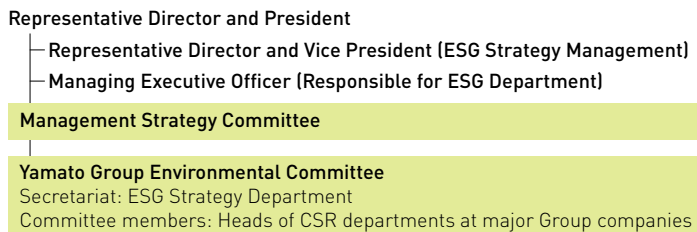
Basic Approach

Based on its “Corporate Stance” of “promoting environmental conservation,” the Yamato Group is working to resolve environmental issues through its business. Bearing in mind the responsibility of the logistics industry toward the environment, the Group has clearly stated “eco in transport” and other important items that require specific attention in its Environmental Protection Declaration. In particular, this declaration recognizes the close connection that exists between the risks and opportunities presented by climate change and their importance on business growth, for which we have established CO₂ reduction targets. In addition to reducing the environmental impact of our business, we are pursuing services that help reduce CO₂ emissions, making proposals for deregulation, and cooperating with local governments. In these ways, we are making serious efforts to mitigate and adopt to climate change.

Promotion System

Deliberations on important environmental issues and policies are held at meetings of such committees as the Management Strategy Committee, which involves the participation of the Company president and directors. The vice president is in charge of the Company’s ESG (environmental, social, and governance) strategy, and the managing executive officers in charge of ESG strategy are responsible for its execution. Specifically, these officers confirm the details of such matters as climate-related risks (transition and physical) and opportunities, the impact of such risks/opportunities on our financial position, and strategies to address these risks/opportunities. They also monitor, manage, and oversee environmental performance indicators such as greenhouse gas emissions. In addition, the Yamato Group Environmental Committee meets each quarter to discuss important matters pertaining to climate change and other environmental issues. The chair of this committee is selected by the managing executive officers responsible for ESG Department, and the committee itself comprises CSR managers from major Group companies. Furthermore, the ESG Department serves as a secretariat of the Yamato Group Environmental Committee. In these ways, we are appropriately managing risks related to climate change through a Companywide process in the same manner that we handle other important environmental risks.

■ Environmental Management System (As of September 2019)



Initiatives

The Yamato Group identifies and evaluates the risks, opportunities, and impacts associated with climate change in recognition of its importance on realizing a sustainable society and on the Group itself. Furthermore, the Group engages in information disclosure based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD*).

Our goal is to be a company that grows alongside society by leveraging our business to mitigate and adapt to climate change, while managing risks and creating opportunities and helping to realize a low-carbon society.

* The TCFD was established in 2015 by the Financial Stability Board (FSB) and presented its recommendations for climate-related financial disclosure in 2017.

Targets and Results

To mitigate the risks of climate change and expand opportunities, the Yamato Group has set short and long term CO₂ reduction targets and evaluates their results.

■ Achieve Carbon Neutrality by 2050*

■ CO₂ Emissions Targets for 2019*

Reduce CO₂ emissions per operating revenue (tCO₂/¥100 million of operating revenues) by 10% by the fiscal year ending March 31, 2020 compared to the fiscal year ended March 31, 2010.

* Scope 1 and Scope 2 emissions.

■ Results for the Fiscal Year Ended March 31, 2019

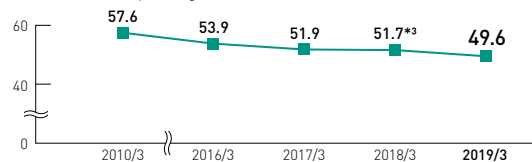
	2010/3 (Base year : BY)	2019/3 (Results)	Compared to BY
CO ₂ emissions intensity* ¹ , * ² (tCO ₂ /¥100 million of operating revenues)	57.6	49.6	-13.9% (target reached)

*1 CO₂ emissions falling under Scope 1 and Scope 2 are used to calculate intensity.

*2 Scope of coverage: Domestic consolidated subsidiaries and Swan Co., Ltd. (Excluding Employee Compensation and Benefits Division)

Trend in CO₂ Emissions intensity

(tCO₂/¥100 million of operating revenues)



*³ Figures for the fiscal year under review have been updated due to revisions made to data for the fiscal year ended March 31, 2018.

1 Policy and Legal Risks

In the case of stricter regulations on greenhouse gas emissions and increased obligations on their reduction, costs in the Delivery and BIZ-Logistics businesses may increase as a result of costs associated with the introduction of low-carbon vehicles and renovating facilities. This cost increase may also impact transport and administration expenses. Also, if the Delivery, BIZ-Logistics, or any other businesses are unable to meet the reduction obligations, the Company may issue fees for “credit” purchases.

► Management

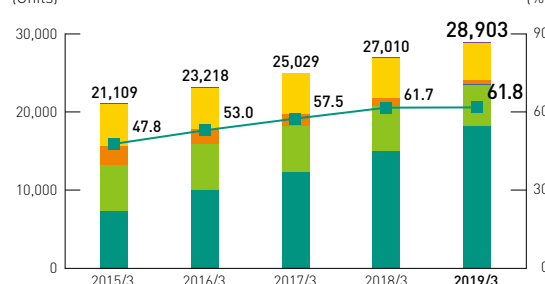
■ We are promoting greenhouse gas (GHG) emission reductions by monitoring energy consumption, conducting analysis, and taking a variety of energy conservation measures. Additionally, we are proactively advancing GHG emission reductions through a shift toward vehicles with lower GHG emissions such as hybrid vehicles and electric vehicles (EV), and the heavy use of electrically power assisted vehicles and hand-pushed trolleys for pickup and delivery services in urban areas. Although we own approximately 100 electric vehicles as of March 2019, from the fiscal year ending March 31, 2020 we will gradually introduce 500 small-sized commercial use electric vehicles, which can be driven without a medium-sized vehicle driver’s license. These vehicles, developed jointly with Street Scooter GmbH, a subsidiary of the Deutsche Post DHL Group, will accelerate the efficiency of home deliveries and CO₂ emission reductions. Going forward, we will proactively promote the development and introduction of next-generation mobility, including electric vehicles, with the aim of introducing 5,000 such vehicles, which is half of our small-sized pickup and delivery vehicles, by 2030.



A small-sized commercial-use EV

Trend in Introduction of Low-Emission Vehicles (Yamato Transport Co., Ltd.)

(Units)



■ Electric vehicles (EVs)
■ Low-pressure gas (LPG) vehicles
■ New long-term compliance vehicles
■ Hybrid vehicles
■ Compressed natural gas (CNG) vehicles
■ Replacement for new long-term compliance vehicles
■ Percentage of low-emission vehicles among all Yamato Transport vehicles (right scale)

Environmental Strategies for Realizing a Sustainable Society

2 Physical Risks

In the event of our employees being impacted by disasters or delays in business recovery as a result of increasing severity of heavy rains, typhoons, and other weather conditions, our services could be suspended and this could have an impact on our revenue. Additionally, the increased risk of our employees suffering from heat-stroke due to a rise in average temperatures could lead to an increase in workers' compensation and other types of insurance. Furthermore, an increase in capital expenditure and a rise in insurance premiums for facilities are also possible due to a rise in sea levels, necessitating a revision to flood countermeasures at bases with a high risk of flooding and plans for bases.

3 Opportunities to Improve Resource Efficiency

An increase in opportunities to collaborate with other companies, such as on the diversification of modes of transport and joint transportation, may potentially lead to increased transport efficiency as well as a decline in fuel consumption and a reduction in fuel oil costs.

4 Opportunities to Expand Low-Carbon Products and Services

Through improving and expanding our services that strike a balance between enhancing customer convenience and containing redeliveries, not only can we decrease GHG emissions but we can also increase orders and boost revenue. Or, the increased use of refrigerated parcel delivery service could have a positive impact on our revenue.

Management

- We strive to ensure the safety of our employees and safeguard parcels and other items by implementing training based on the Disaster Response Manual and responses. In the event of a suspension of *TA-Q-BIN* pickup and delivery services due to a disaster, we seek to minimize its impact by providing such information on Yamato Transport's website. Furthermore, after business recovery, we cooperate in supporting disaster-affected areas by transporting relief supplies in concert with local governments and other agencies.
- We manage chronic risks from increases in average temperatures and sea levels in the following ways. Firstly, to address the problem of heatstroke, we are investing in adaptation measures such as introducing air coolers that are suitable for work at terminals and *TA-Q-BIN* centers and using sweat absorbent, fast-drying fabrics in employee uniforms. Additionally, Yamato Transport is heightening its response capabilities and business continuity by assessing the risk of floods at its bases across Japan and implementing flood training.

Strategy

- In order to provide more-efficient trunk-route transportation to major cities, we are conducting joint trunk-route transportation with other logistics companies with our Super-Full Trailer 25 (a 25-meter-long connected trailer). As this initiative was accredited by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) in March 2019 under a law relating to logistics efficiency, it qualifies for subsidy aimed at improving efficiency. Moreover, it was accredited under the MLIT's plan pertaining to energy conservation through combined passenger and freight transportation in October 2019. As a result, the energy-saving effects obtained through this initiative can be reported in the annual report as stipulated in the Energy Conservation Act. This initiative contributes to the greater efficiency of transportation and a reduction in fuel consumption for the industry as a whole.



Eight Super-Full trailers and four full tractors for hauling them have been deployed as of June 2019

Strategy

- We offer the *Kuroneko Members* service, a members-only service for individual customers in which registered members can designate their desired date, time, and place for receiving packages. Moreover, we are seeking to improve the convenience of *TA-Q-BIN* services while containing redeliveries and reducing GHG emissions by expanding the installment of PUDO stations, which offer open-type parcel lockers that facilitate the receipt and shipment of packages.
- In order to contribute to the sound growth of the small-lot, chilled and frozen delivery market, we promoted the creation of international standards related to small-lot, chilled and frozen delivery services in collaboration with the British Standards Institution (BSI). As a result, the BSI issued PAS 1018:2017 in 2017. We will establish a sound presence in the refrigerated parcel delivery market and work to expand our service lineup.

Note: Please refer to Yamato Holdings' CDP2019 responses for more details on its analyses and assessments.

Safety



Safety Measures to Support Business Continuity

Materiality

- Safety and peace of mind

Major Initiatives

- Ensuring road safety
 - Introduce rules, equipment, and systems
 - Spread safety awareness among employees

Value Created

- Creating safe cities
- Ensuring health and safety of employees
- Providing a sense of security and well-being

Contributions to the SDGs



Basic Approach

The Yamato Group owns a large number of vehicles and uses public roads as its principal place of business. For that reason, the Group's operations have a major impact on society, and thus we place significant importance on ensuring the safety of communities. Additionally, since traffic safety is considered to be a part of the occupational safety of the employees who drive our vehicles, it is recognized as an important issue for the Yamato Group, which operates its business through its more than 220,000 employees.

Based on the corporate stance of respecting human life and ensuring safety, the Group thoroughly adheres to its philosophy of placing safety first and business second to position respect for human life as a priority at all times. General freight automotive transportation operators of a certain business scale are required to establish safety management regulations and report them to the "minister" of Land, Infrastructure, Transport and Tourism. Group companies subject to this obligation have established safety management regulations in accordance with this law. The Group places particular emphasis on "promoting safety management systematically and continuously through the leadership of top management," as indicated in the law, and is promoting initiatives to this end.

Safety Management Structure

Based on the Yamato Group's Safety Management Regulations, each Group company has established a safety management structure.

Guided by the leadership of its top management, the Group has set up an organizational management structure involving a collaboration between those on the transportation front lines and those in administrative divisions, in order to enhance the effectiveness of its transportation safety management.

Also, in regard to important information on such matters as serious transportation-related accidents, the Group maintains a framework for sharing such information with Yamato Holdings, which oversees the Group, in an effort to promote transportation safety on a Groupwide level.

■ Safety-Related Performance (Domestic Consolidated Subsidiaries and Swan Co., Ltd.)

Item	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
No. of serious traffic accidents*1	3	1	1
No. of serious work-related accidents*2	0	1	1

*1 Deaths from traffic accidents (including accidents where driver was responsible)

*2 Deaths from work-related accidents

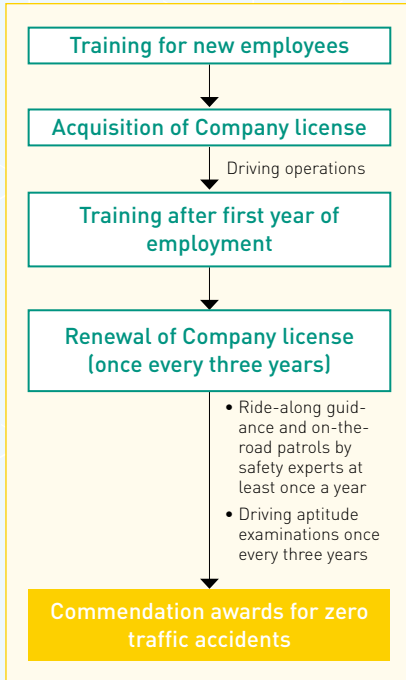
Driver Aptitude Examination

Automotive transportation operators are required to have their drivers take an aptitude examination that is recognized by the Ministry of Land, Infrastructure, Transport and Tourism. The drivers of the Yamato Group undergo driver aptitude examinations on a regular basis. These examinations consist of two types: mandatory examinations, including examinations after being hired, age-specific examinations, and other specific examinations, and voluntary examinations, including general examinations. In addition to the mandatory examinations, Group drivers take voluntary examinations once every three years to ensure safe driving.



Safety Measures to Support Business Continuity

■ Outline of Internal Education



Guidance from a safety expert



Commendation awards for zero traffic accidents

Training of Sales Drivers (Yamato Transport)

To develop excellent sales drivers who strictly practice safe driving, the Group provides them with detailed guidance on a daily basis. Yamato Transport sales drivers hired after a rigorous aptitude examination and receive training upon joining the Company that includes safety training and other forms of training for approximately one month. After acquiring their Company license, they are able to engage in driving operations for the first time. They continue to hone their driving skills through training sessions for one year after joining, regular ride-along guidance, and on-the-road patrols by safety experts, as well as a driving aptitude examination held once every three years.

Enhancing Training for Safe Driving through the Use of Data (Yamato Transport)

Yamato Transport is gradually equipping all pickup and delivery vehicles with in-vehicle terminals* that gather a variety of operating data, such as speed, parking location information, road images, and driving routes created through information obtained from GPS antennas. By visualizing and analyzing operating data that is centrally managed through these in-vehicle terminals, safety experts and other personnel can gain a more detailed understanding of the driving characteristics of sales drivers and realize preventative-type training for safe driving that is tailored to each driver's driving characteristics. In this way, we are further strengthening initiatives toward safety and security.

* All pickup and delivery vehicles are scheduled to be equipped with in-vehicle terminals during the fiscal year ending March 31, 2021

Contest to Enhance Safety Awareness and Techniques

With the aim of improving the driving safety of its professional drivers, maintaining Companywide safety awareness, and improving driving techniques, Yamato Transport has been holding the Yamato Transport Nationwide Safety Meet annually since 2010. At the Eighth Annual Yamato Transport Nationwide Safety Meet held in 2018, 38 sales drivers and 13 operational managers took part after advancing through the preliminary rounds at regional and other branches to compete with each other on driving techniques and the knowledge necessary for safe driving.

Moreover, Yamato Autoworks, which operates our vehicle maintenance business, holds a contest for competing on maintenance techniques and customer service skills. The contest improves the safety awareness, techniques, and knowledge of the participants by competing in areas such as the safety and accuracy of maintenance techniques, maintenance speed, skillfulness of cooperation with colleagues, customer service skills, and knowledge of insurance.

Commendation Awards for Zero Traffic Accidents That Recognize Professional Drivers Dedicated to Safe Driving

The Yamato Group's philosophy of placing safety first is underpinned by its drivers who demonstrate safe driving on a daily basis. Yamato Transport, Yamato Home Convenience, Yamato Global Express, Okinawa Yamato, Yamato Multi Charter, and Yamato Box Charter annually recognize and reward outstanding drivers who continue to drive safely without causing any accidents.

Further, Yamato Transport presented awards for excellence in safety to 3,135 centers that achieved zero accidents and zero disasters throughout the year.

▶ For more detailed information, please see the CSR section of our website. <https://www.yamato-hd.co.jp/english/csr/index.html>

Society



Promotion of CSV in Cooperation with Local Communities

Materiality

- Local communities

Major Initiatives

- Supporting lifestyles, tourism, etc., through our businesses

Value Created

- Revitalizing local economies
- Improving Japan's global competitiveness through regional revitalization
- Building a foundation for the co-creation of a sustainable society

Contributions to the SDGs



Basic Approach

While Japan has been facing a variety of social issues in recent years, such as its declining birthrate and aging and declining population, the Yamato Group has been firmly engaged in regional revitalization through its business on a nationwide scale. Moreover, we recognize that our business activities have a significant impact on regional communities. For that reason, the Group will work to reduce its burden on these communities in a variety of ways and strive toward mutual growth.

In collaboration with regional governments and other entities, the Yamato Group is promoting Project G (Government), which aims to contribute to the resolution of social issues through its main business. By pursuing such efforts as combined passenger-cargo operations, promoting tourism, and helping to expand sales channels for local products as part of our main business, we are seeking to realize the concept of Creating Shared Value (CSV), which involves supplying both economic and social value.

Accomplishments of Project G

Number of Project G solutions: **1,075** (As of December 31, 2019)

Breakdown of the 408 Project Agreements with Local Governments

Watch-over support	150	Hometown tax payments	10
Shopping support services	14	Environmental conservation	2
Product support services	14	Combined passenger-cargo operations using buses	10
Tourism promotion support	14	Comprehensive support	43
Event support	3	Other	12
Disaster relief support	136		

Initiatives for Combined Passenger-Cargo Operations

Yamato Transport is collaborating with local governments and bus and railway companies to promote combined passenger-cargo operations, which involve moving passengers and parcels at the same time. By doing so, Yamato is helping to maintain bus and railway networks in hilly and mountainous areas where the population is substantially declining and aging, and improve lifestyle-related services for local community members through more-efficient logistics.

Number of combined passenger-cargo operation areas: **14** prefectures across Japan (As of December 31, 2019)

Maintaining Transport Routes and Improving Productivity through Combined Passenger-Cargo Operations

In October 2018, we commenced combined passenger-cargo operations in partnership with a local bus route operated by Kan-etsu Transportation Co., Ltd. in Numata City, Gunma Prefecture. While Kan-etsu Transportation's bus route between Numata Station and Kamata is an important means of transportation for people living in the region, it was deemed unproductive due to declining revenues. For Yamato Transport, meanwhile, it was necessary to do a round trip of approximately one hour in the morning and afternoon when delivering parcels from its Numata branch to the Kamata region. As a result of the combined passenger-cargo operations initiative, Kan-etsu Transportation has secured a new source of revenue by loading *TA-Q-BIN* packages in the areas of its buses not occupied by passengers, while Yamato Transport has improved the working environment of its sales drivers and reduced CO₂ emissions by reducing travel time by approximately one hour. In addition, it has made it easier for our sales drivers to respond to the needs of customers through the additional time they can spend with them.

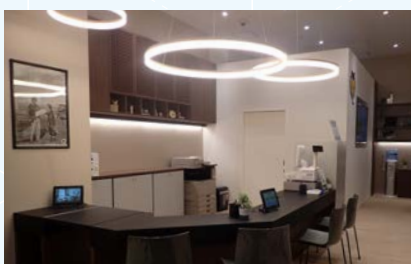
Promotion of CSV in Cooperation with Local Communities



Zentan Bus



A tourist leaving her luggage at SOZORO



A Nekosapo Station service counter



A Nekosapo Station coworking space



Housework support service—cleaning of a ventilation fan

Promoting “Hands-Free Travel” through Tourism-Oriented Combined Passenger-Cargo Operations

In December 2018, Yamato Transport and Zentan Bus launched a “hands-free travel” service for overseas tourists staying at Kinosaki Hot Springs in Hyogo Prefecture.

Tourists staying at Kinosaki Hot Springs can enjoy “hands-free travel” without the need to carry around heavy luggage by leaving it at SOZORO, Zentan Bus’s tourist information center. In tandem with this service, luggage is transported by combined passenger-cargo operations using a highway bus from Kinosaki Hot Springs to Yamato Transport’s base in the central area of Osaka and delivered to hotels in the central area of Osaka via *TA-Q-BIN*.

Since 2017, Yamato Transport and Zentan Bus have been conducting combined passenger-cargo operations with the goal of improving lifestyle-related services for local community residents through maintaining bus networks in hilly and mountainous areas and more-efficient logistics. Based on this collaboration, we realized our “hands-free travel” service as a new initiative.

Providing Life Style Support Utilizing Locations in the Community

Amid the declining birthrate and aging population, the population of Japan is centralizing in certain urban areas while thinning out in regional communities. In such communities, it is anticipated that community members will face various lifestyle-related issues going forward due to the rapid progression of the aging population.

Leveraging its management resources, the Yamato Group has been operating the “Nekosapo lifestyle support service” since April 2016 to provide more comfortable lives of the people living in Tokyo’s Tama New Town area.

At Nekosapo Stations, which have been set up within housing complexes and neighborhood retail facilities, we offer local information and hold exchange events in an effort to revitalize the community. At the same time, we are collaborating with the local government and local company to provide lifestyle-related services, including providing support for housework and shopping needs on behalf of local community members.

As the Nekosapo Station in Tama New Town has been widely used by people living in the community, we have received many requests for the opening of Nekosapo Stations in communities other than Tama City. Against this backdrop, we opened “Nekosapo Station Terrace Mall Matsudo” at *Terrace Mall Matsudo*, a large-scale retail facility in Chiba Prefecture, in October 2019. Despite the aging of its population in the large-scale housing complex area established in the 1960s, Matsudo City has become popular among dual-income households and families raising children in recent years due to its easy access to central Tokyo. We are promoting urban development with the aim of enabling community members of all ages to live comfortably and with peace of mind.

By Providing services in partnership with tenants and regional local companies and organizations while leveraging the management resources of the Yamato Group, we aim to be a community base that connects a variety of generations living in Matsudo City and its neighboring areas, including the elderly and families raising children. In this way, we will contribute to the secure and comfortable lifestyles of community members.

▶ For more detailed information, please see the CSR section of our website.
<https://www.yamato-hd.co.jp/english/csr/index.html>

Corporate Governance

Basic Position on Corporate Governance

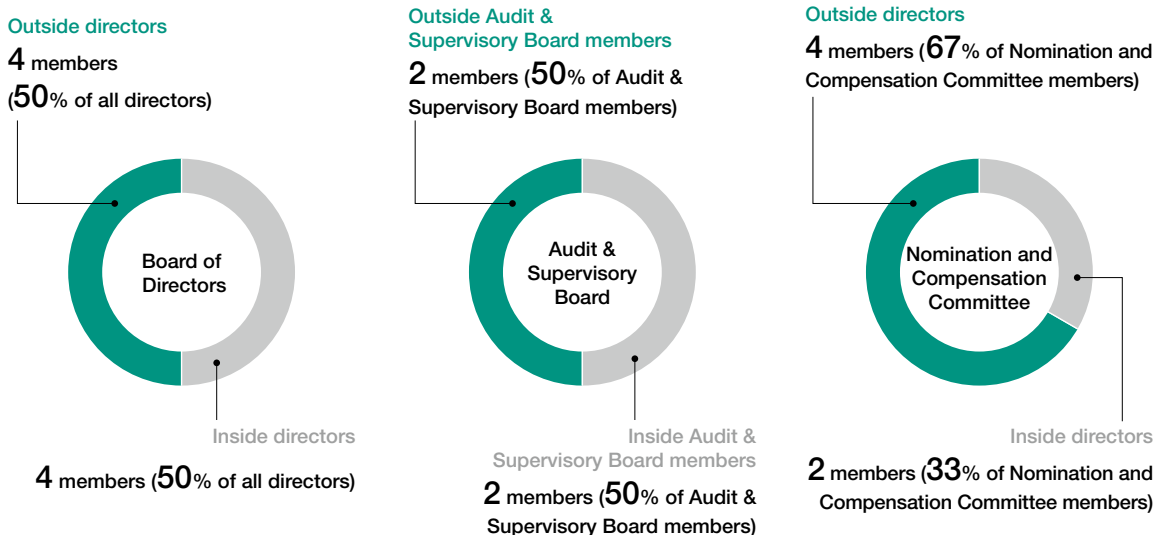
Based on its corporate philosophy, the Yamato Group carries out business activities in accordance with the law and social norms and actively promotes compliance management. Striving to maximize corporate value by effectively utilizing the

management resources of the Group is one of the top priorities of management, and we have implemented measures and bolstered management systems as part of our corporate governance initiative.

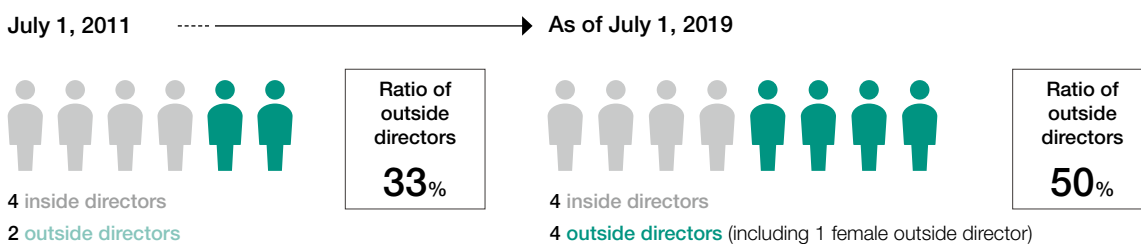
Characteristics of Corporate Governance System (As of July 1, 2019)

System	Company with auditors
Number of directors	8
Outside directors	4
Number of Audit & Supervisory Board members	4
Outside auditors	2
Term of directors	1
Executive officer system in place	Yes
Independent auditor	Deloitte Touche Tohmatsu LLC

Composition of the Board of Directors, Audit & Supervisory Board, and Nomination and Compensation Committee

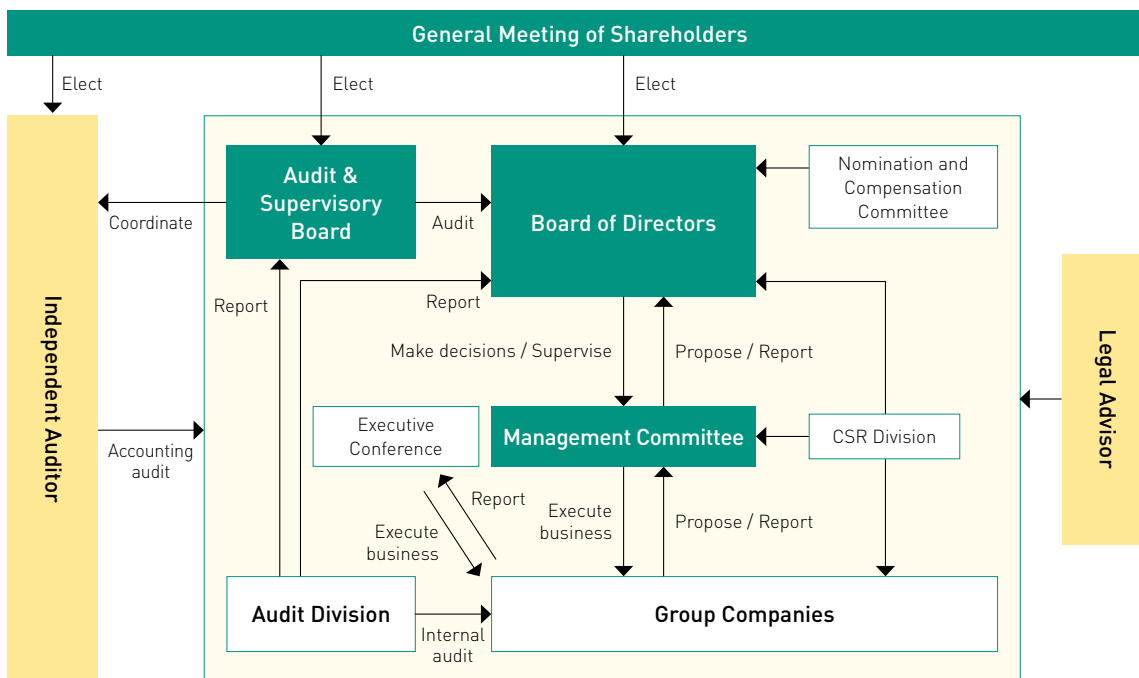


Change in the Composition of the Board of Directors



Corporate Governance

Corporate Governance Framework



Efforts to Improve Corporate Governance

Medium-Term Management Plan

	DAN-TOTSU Three-Year Plan HOP	DAN-TOTSU Three-Year Plan STEP	KAIKAKU 2019 for NEXT100
2002	2011	2014	2017-

Board of Directors and Audit & Supervisory Board

- Shortened the term of directors to one year (June 2003)
- Appointed outside directors (June 2005)
- Implemented evaluation of effectiveness of the Board of Directors (June 2016)
- Appointed a female outside director (June 2017)
- Transitioned to a structure in which outside directors made up one-third of all directors (June 2015)
- Transitioned to a structure in which outside directors comprised one-half of all directors (June 2019)

Committees, etc.

- Established the Nomination and Compensation Committee (June 2005)
- Established the Compliance and Risk Committee (August 2006)

Corporate Structure and Other Systems and Initiatives

- Introduced executive officer system (June 2004)
- Abolished adviser position (June 2018)
- Eliminated retirement benefit system for corporate officers (June 2004)
- Established an advisory board (October 2014)
- Disclosed ROE target in medium-term management plan (January 2005)
- Established Corporate Governance Guidelines (September 2015)
- Introduced performance-based compensation system (April 2005)
- Implemented corporate officer training (October 2015)
- Transitioned to a pure holding company (November 2005)
- Established interim holding companies to be responsible for regional management (Southeast Asia and East Asia) Southeast Asia (January 2014), East Asia (April 2017)
- Introduced succession plans (July 2006)

Concurrent Posts and Main Activities of Outside Directors and Outside Audit & Supervisory Board Members

	Name	Independent officer	Nomination and Compensation Committee	Concurrent posts (As of June 25, 2019)	Main activities	Attendance at meetings of the Board of Directors and/or Audit & Supervisory Board during the fiscal year ended March 31, 2019
Outside Directors	Masakatsu Mori	Yes	Yes (Committee Chair)	<ul style="list-style-type: none"> Senior Advisor of International University of Japan Outside Director of Stanley Electric Co., Ltd. Outside Director of Kirin Holdings Company, Limited 	Masakatsu Mori has ample experience and extensive knowledge as a businessperson, and he comments and advises as needed on all aspects of business management. Furthermore, his collaboration with the independent auditor and the Audit Division enhances governance.	Board of Directors: 19 of 19 meetings
	Mariko Tokuno	Yes	Yes	<ul style="list-style-type: none"> Outside Director of Happinet Corporation Outside Director of Mitsubishi Materials Corporation 	Mariko Tokuno has ample experience and extensive knowledge as a businessperson, and she comments and advises as needed on all aspects of business management. Furthermore, her collaboration with the independent auditor and the Audit Division enhances governance.	Board of Directors: 18 of 19 meetings
	Yoichi Kobayashi	Yes	Yes	<ul style="list-style-type: none"> Vice Chairman of ITOCHU Corporation 	Yoichi Kobayashi has ample experience and extensive knowledge as a businessperson, and he comments and advises as needed on all aspects of business management. Furthermore, his collaboration with the independent auditor and the Audit Division enhances governance.	Board of Directors: 16 of 16 meetings
	Shiro Sugata	Yes	Yes	<ul style="list-style-type: none"> Special Corporate Advisor of USHIO INC. Outside Director of JSR Corporation Outside Director of Yokogawa Electric Corporation 	—	Appointed in June 2019
Outside Audit & Supervisory Board members	Hiroyuki Kanae	Yes	—	<ul style="list-style-type: none"> Partner, Anderson Mori and Tomotsune LPC 	Hiroyuki Kanae provides necessary advice based on his high level of expertise and abundance of experience as an international lawyer. Furthermore, he attends regular meetings to exchange opinions with the representative director and president, outside directors, and Audit & Supervisory Board members, monitoring directors' execution of duties primarily by asking questions related to overseas business risk.	Board of Directors: 19 of 19 meetings Audit & Supervisory Board: 19 of 19 meetings
	Takashi Yamashita	Yes	—	<ul style="list-style-type: none"> Representative of Takashi Yamashita CPA Office Outside Director of Shin Nippon Biomedical Laboratories, Ltd. 	Takashi Yamashita possesses sufficient insight into finance and accounting through his work as a Certified Public Accountant. Furthermore, he attends regular meetings to exchange opinions with the representative director and president, outside directors, and Audit & Supervisory Board members, monitoring directors' execution of duties primarily by asking questions related to finance and accounting.	Board of Directors: 19 of 19 meetings Audit & Supervisory Board: 18 of 19 meetings

Corporate Governance

The Company is a company with an Audit & Supervisory Board. In addition to important management decision-making and the supervision of business execution by the Board of Directors, Audit & Supervisory Board members and the Audit & Supervisory Board, which are independent from the Board of Directors, shall audit the status of execution of duties by directors.

Also, to increase management transparency, the Company established a Nomination and Compensation Committee comprising a majority of outside directors as an advisory committee to the Board of Directors. At the same time, the Company has adopted an executive officer system to ensure prompt decision-making related to business execution.

Board of Directors

Roles and duties

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

Management

- To allow Board of Directors meeting attendees the opportunity to prepare for meetings in advance, the Board of Directors secretariat shall send agenda items and related materials to directors well in advance of the meeting date and provide explanations in advance as needed.
- The annual schedule of Board of Directors meetings as well as anticipated agenda items shall be decided in advance, and this information shall be provided to directors and Audit & Supervisory Board members.
- The number of issues to be deliberated as well as the frequency of meetings shall be appropriately set, and the time of meetings shall be decided so as to allow sufficient time for deliberations.

- As needed, meetings comprising Board of Directors meeting attendees shall be held for the purpose of exchanging ideas, thereby encouraging lively debate.
- The effectiveness of the Board of Directors shall be evaluated through questionnaires and interviews performed by the chair.

Evaluation of effectiveness

To verify the effectiveness of the Board of Directors, the Company listens to the individual opinions of all directors and Audit & Supervisory Board members regarding the composition and operational status of the Board of Directors. Based on these opinions, the Company carries out an evaluation on the Board's effectiveness in terms of such matters as the condition of the Board's operation and the state of deliberation held at Board meetings.

By sharing the issues brought to light through the evaluation at Board of Directors meetings, the Company makes efforts to examine and implement measures toward realizing improvements.

Results of Evaluation for the Fiscal Year Ended March 31, 2019

The results of evaluation for the fiscal year ended March 31, 2019 deemed that the composition, operating conditions, and state of deliberations of the Board of Directors are generally appropriate for an organization that fulfills a supervisory function. The evaluation also determined that the Board has fostered an environment that allows its members to actively participate in Board meetings and hold open-minded discussions.

In light of this, the Company confirmed that the Board of Directors is functioning in an effective manner that contributes to its Corporate Governance Guidelines of "securing sound management" and "achieving prompt and accurate decision-making and business execution."

With regard to the incident involving inappropriate billing by Yamato Home Convenience Co., Ltd.,

which came to light in July 2018, we gravely accept that the cause of this incident was the inadequate management and supervision of Group companies by the Company. As a measure to prevent such an incident from reoccurring within the Group, we have established a Group Governance Project with the goal of achieving a drastic and comprehensive transformation to our governance on a Groupwide basis. We are also moving forward with reforms to the management and supervisory systems of the Company and each Yamato Group

company and are regularly monitoring the progress of these reforms.

Going forward, we will continue to strengthen the management and supervisory systems of the Company and each Group company in order to increase the management soundness of the entire Group. At the same time, the Company will continue to maintain and improve the effectiveness of its Board of Directors with a view to executing its growth strategy aimed at the next 100 years upon celebrating its 100-year anniversary in November 2019.

Audit & Supervisory Board

► Roles and duties

- The Audit & Supervisory Board and its members shall exercise their authority actively and proactively, and they shall appropriately state their opinions at Board of Directors meetings as well as to members of senior management.
- The full-time Audit & Supervisory Board members shall attend Board of Directors meetings and other important meetings related to the execution

of business, express reasonable opinions, hold effective Audit & Supervisory Board meetings, and ensure that information is shared and that members work together in a coordinated manner.

- The Audit & Supervisory Board shall regularly hold information exchange meetings for the purpose of sharing information with outside directors, thereby ensuring more robust gathering of information and encouraging teamwork.

Nomination and Compensation Committee

- The Nomination and Compensation Committee shall comprise outside directors and the same number of or fewer internal directors with an outside director serving as the committee chair.
- The committee shall deliberate on matters related to the appointment or removal of senior management members based on business performance and multifaceted observations and evaluation, thereby verifying the validity of such decisions,

and decide policies on compensation and other matters related to senior management members.

- The committee shall propose candidates as successors to the representative director to the Board of Directors, following deliberation based on multifaceted observations and evaluations of candidates' track records, human nature, and other factors, thereby increasing management transparency.

Support Framework for Directors and Audit & Supervisory Board Members

- The Company shall establish a support framework that enables it to provide necessary and adequate information at the necessary time to allow directors to effectively fulfill their roles and duties.
- By participating in key business strategy meetings for the overall Group, such as the "Business Summit," "Business Conference," and "Management Plan Unveiling," as well as by observing key Group business sites, including those overseas, participants are able to better understand the business strategies and provide opportunities to see how these strategies are being advanced.
- As a system to help Audit & Supervisory Board members smoothly perform their duties, employees

in the internal audit division shall be appointed to assist Audit & Supervisory Board members.

- Audit & Supervisory Board members shall exercise their authority to perform investigations in accordance with the Companies Act. In addition, if a director or employee discovers a fact that could potentially inflict marked damage on the Company, he/she shall immediately report this fact to an Audit & Supervisory Board member, even if there is no request to do so from an Audit & Supervisory Board member.
- If a director or Audit & Supervisory Board member believes it to be necessary, he/she shall obtain advice from an outside expert at the Company's expense.

Corporate Governance

■ The internal audit division shall regularly hold meetings with the full-time Audit & Supervisory Board members, and provide audit reports in a planned manner to the Board of Directors and

the Audit & Supervisory Board, thereby enhancing the provision of information to as well as bolstering coordination with outside directors and outside Audit & Supervisory Board members.

Compensation of Directors and Audit & Supervisory Board Members

(Year ended March 31, 2019)

Directors and Audit & Supervisory Board members	Total compensation and other remuneration (Millions of yen)	Total by compensation and remuneration category (Millions of yen)		Head count of eligible directors and Audit & Supervisory Board members
		Basic compensation	Performance-based compensation	
Directors (excluding outside directors)	365	284	80	6
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	48	48	—	3
Outside directors and Audit & Supervisory Board members	76	76	—	6

► Policies related to methods for calculation and determination of director compensation

To ensure the objectivity and transparency of policies for determining director compensation, deliberations are conducted through the Nomination and Compensation Committee, more than half of whose members are outside directors, with the Board of Directors making resolutions.

Compensation regarding the Company's officers was determined at the General Meeting of Shareholders held on June 28, 2018, where the amount of compensation to be provided to Directors was determined to be a monthly amount of not more than ¥45 million (of which up to ¥6 million is allocated to Outside Directors).

Director compensation comprises fixed remuneration that reflects external and other standards and performance-based amounts. In addition, a certain percentage of their compensation is allocated to purchasing shares of the Company through the Officers and Executives' Shareholding Association.

The indicator for performance-based compensation is operating profit, which was selected to strengthen the connection between compensation and Company performance and improve transparency and objectivity. The total amount of performance-based compensation paid shall be determined by the level of achievement of the consolidated operating profit target and the individual compensation amounts paid shall be the sum of the amount determined by the Director's rank and title and the amount determined by a multifaceted evaluation of achievement of individual-specific performance targets. In the fiscal year ended March 31, 2019, we achieved consolidated operating profit of ¥58,345 million, which exceeded its target of ¥58,000 million.

The compensation of Audit & Supervisory Board members and outside directors is fixed in keeping with the nature of their work.

Policy on Cross-Shareholdings

The Company shall maintain a policy of owning stocks that are deemed meaningful, based on a comprehensive consideration from a medium to long term perspective of the relationship with the Group's businesses, the profitability of the Company, and the potential for creating new business opportunities, among other factors.

A decision shall be made every year at the Board of Directors meeting concerning whether to continue holding the stocks based on careful consideration of various factors including previous business transactions with the Company and the market price of the shares, and after verifying the benefits

and risks associated with holding the stocks from a quantitative and qualitative perspective.

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

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

Compliance

Strengthening internal control for the Group overall

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

In addition, in order to respond to the internal

control report system pursuant to the Financial Instruments and Exchange Act, we are promoting reviews of business rules and the standardization of operations, checking whether operations have been effectively performed in accordance with the rules, and establishing a system to immediately put improvements in place should there be any shortcomings.

Internal control over the financial reporting of the Yamato Group as of March 31, 2019 was considered valid, and a report was submitted to the Kanto Local Finance Bureau.

Business Continuity Plan

As a corporate group that offers the *TA-Q-BIN* service as a part of social infrastructure, the Yamato Group has formulated a business continuity plan (BCP) to ensure that it can keep offering services in a steady manner even under unforeseeable circumstances. Based on the experience gained after the Great East Japan Earthquake and other disasters, we are anticipating various emergency scenarios in an effort to reinforce our crisis management system on a Groupwide basis.

We have also established the Yamato Group BCP Basic Policy, which is supported by the three pillars of giving the utmost priority to human life, aiming for the prompt recovery of operations at

each Group company, and meeting the expectations of local community members as a part of social infrastructure. Guided by this policy, we have determined various Groupwide standards and have created a wide range of manuals in accordance with the business continuity of each Group company.

Going forward, we will strengthen our response to dealing with damage from natural disasters such as earthquakes, for which damage is expected to be large in scale, and flooding caused by heavy rain and other factors. At the same time, we will promote extensive examinations of various risks that could impact our business continuity.

Accountability

The Yamato Group considers the explanation of corporate and management data to shareholders, investors, and other stakeholders to be an important corporate governance issue and is committed to the speedy, accurate, and fair disclosure of information. Furthermore, the Group has

established the Disclosure Policy in order to disclose and manage information in a more appropriate manner and enhance the reliability of that information.

The main investor relations activities are listed below.

Item	Number of times	Content
Settlement of Accounts Meetings for analysts and institutional investors	4	The first-quarter meeting is held by telephone with the Chief Financial Officer. Meetings for the second, third, and fourth quarters are held with the president.
Visits by the president to investors in the United States, Europe, and Asia	1 or more per year to each region	The president or chairman makes regular overseas visits to investors in the United States, Europe, and Asia to explain management policies.
Small meetings with the president	2 per year	Creating regular opportunities for direct dialogue with management
Facility tours	2 or more per year	Creating regular opportunities to promote understanding of business operations
Website for investor relations materials	—	Financial results, news releases, securities reports, and quarterly reports; materials pertaining to settlement of accounts meetings, convocation notices for the ordinary general meeting of shareholders, notices of resolution, and disclosure of voting results. Publication of most important information in two languages—Japanese and English—so that information can be communicated to foreign investors.
Establishment of IR department	—	Responsible for developing IR strategies to initiate dialogue with shareholders and other investors and disclosing information

Efforts to Strengthen Group Governance

Strengthening governance is one of the most important issues for the Yamato Group. In light of the inappropriate billing for moving-related services to employees of corporate clients at Yamato Home Convenience (hereinafter, “YHC Inappropriate Billing Incident”), which we discovered in 2018, we established the Group Governance Project in order to improve the soundness of the Group’s management. Centered on this project, we are working to dramatically and comprehensively rebuild the governance of the Group.

Major Issues Prioritized by the Group

The Group takes the proposals of the “in-house investigative committee consisting of independent experts from outside the Company” very seriously. Based on these proposals, we have clarified the major issues to be prioritized and are working to strengthen our governance on a Groupwide basis.

■ Products and Services

In regard to the newly developed products and services of each Group company, as well as the products and services currently being offered by these companies, the Group is working to establish a shared management process that involves implementing appropriate inspections, including compliance checks.

■ Whistle-Blower System

To promptly discover and appropriately respond to law and/or internal regulation violations, the Group is revamping and working to entrench specific Groupwide response procedures, handling methods, and risk assessment criteria for responding to whistle-blower

■ Ethics Education

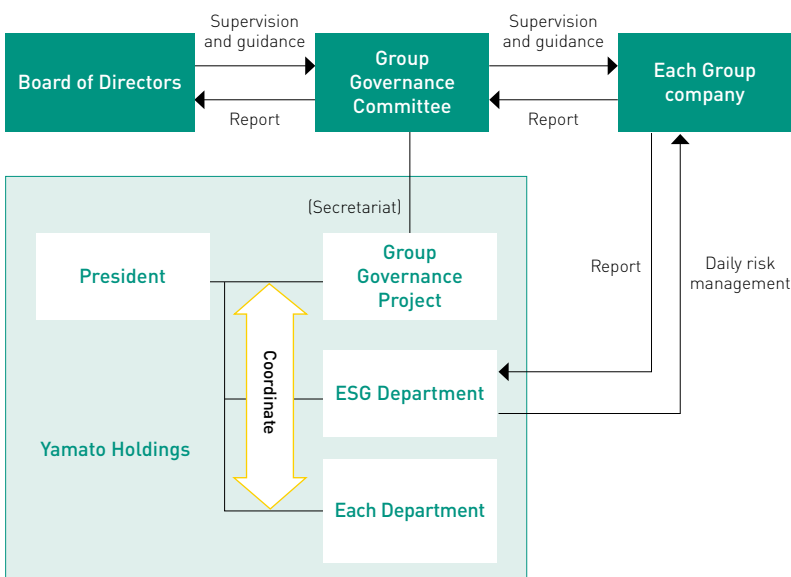
The Group is implementing ethics and compliance education across the Group with the aim of fostering a corporate culture with a high level of ethics.

Promotion of Group Governance Reforms

The Yamato Group believes that strengthening governance forms the foundation to take decisive action toward the working style reforms and three major structural reforms adopted under the medium-term management plan “KAIKAKU 2019 for NEXT100.” To that end, the Group Governance Project is working to prevent the reoccurrence of scandals in light of the YHC Inappropriate Billing Incident. In addition, the project is promoting efforts to strengthen governance across the Group, including establishing frameworks and structures for executing the appropriate management of risks facing the Group.

■ **Our Vision** By establishing frameworks and structures for executing appropriate risk management at each Group company, we will become a corporate group that always meets the needs and expectations of its stakeholders.

■ Promotion Structure



► Role of the Group Governance Project

The mission of the Group Governance Project is to comprehensively inspect the functions and systems of each Group company and formulate and implement measures for reform. The project’s mission also involves rebuilding monitoring and analysis frameworks. Based on this mission, the project is responsible for conducting the following measures.

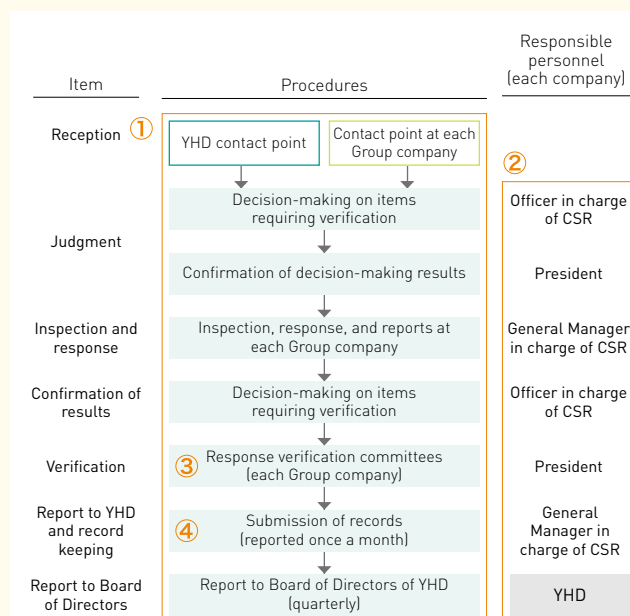
- Comprehensively inspect the functions and systems of each Group company
- Plan and promote strategies for Groupwide governance reform
- Rebuild monitoring and analysis frameworks for monitoring the implementation of the above strategies
- Carry out other tasks related to the promotion of Group governance

Progress of Efforts toward Major Issues and Initiatives Going Forward

Products and Services	Whistle-Blower System	Ethics Education
Efforts in the Fiscal Year Ended March 31, 2019		
<ul style="list-style-type: none"> Ensured compliance with laws and regulations, prepared the necessary paperwork, and implemented comprehensive inspections of risk related to incorrect billing, etc., in regard to the products and services offered by each Group company (tentative efforts) Implemented improvement activities based on the results of the above risk inspections and formulated risk-response plans for the fiscal year ending March 31, 2020 	<ul style="list-style-type: none"> Revamped specific Groupwide response procedures, handling methods, and risk assessment criteria to promptly discover and appropriately respond to law and/or internal regulation violations Implemented training for handling reports received through the whistle-blower system targeting the approximately 80 employees responsible for the system at each domestic Group company 	<ul style="list-style-type: none"> Revised our Declaration of Compliance, Corporate Stance, and Employee Code of Conduct Commenced ethics education for all Yamato Group employees and held lectures for approximately 600 managerial personnel
Impacts and Issues		
<ul style="list-style-type: none"> As a result of the comprehensive inspections of products and services, no major defaults were detected that could impact the continuation of sales. For the individual issues brought to light through the inspections, improvement activities have been implemented by each Group company with follow-up support by the Group Governance Project. In addition, the Compliance and Risk Committee has been monitoring the status of these improvement activities. 	<ul style="list-style-type: none"> As a result of stepping up efforts to improve the management of whistle-blower systems and raise awareness of these systems, the number of reports received increased significantly from April 2019 (reports from April to September 2019 were up 82% compared with the same period in the previous fiscal year). We have been implementing internal audits and other monitoring activities to ensure improvements to the operation of whistle-blower systems at each Group company. 	<ul style="list-style-type: none"> We expect improvements in awareness of ethics and compliance thanks to the implementation of ethics education (we plan to verify results via a survey of all employees during the fiscal year ending March 31, 2020).
Efforts in the Fiscal Year Ending March 31, 2020		
<ul style="list-style-type: none"> Systematic establishment of a PDCA cycle for the inspection of new and existing products and services, including the preparation of product management standards to be shared Groupwide 	<ul style="list-style-type: none"> Enhanced understanding of risk-related information through the implementation of compliance surveys of partner companies and all Group employees and the analysis of survey results 	<ul style="list-style-type: none"> Implementation of ethics training (ongoing) targeting all domestic Group employees (approx. 220,000)
<p style="text-align: center; border: 1px solid black; padding: 2px;">Anticipated Impacts</p> <ul style="list-style-type: none"> Prevention of unfavorable circumstances for customers due to the provision of services that contradict our Articles of Incorporation and contracts with customers Improvement in evaluation of our products and services by customers 	<p style="text-align: center; border: 1px solid black; padding: 2px;">Anticipated Impacts</p> <ul style="list-style-type: none"> Prompt assessment of unexpected risk-related information, such as law/regulation violations 	<p style="text-align: center; border: 1px solid black; padding: 2px;">Anticipated Impacts</p> <ul style="list-style-type: none"> Stronger sense of ethics among employees

Main Points Regarding Revisions to the Whistle-Blower System

- | | | | |
|--|--|--|--|
| <p>① Before Discrepancies in responses between contact points</p> <p>After Adoption of consistent management process for all reports, helping prevent the overlooking of major risks</p> | <p>② Before Lack of clarity regarding the personnel responsible for decision-making and standards for dealing with major risks</p> <p>After Clarification of personnel responsible for decision-making and improvements in the level of risk awareness due to consistency in standards</p> | <p>③ Before Inconsistency in inspection rules within the Group</p> <p>After Establishment of rule requiring the holding of inspection committee meetings at each Group company and holding company in order to carry out appropriate inspections and verify response, thereby preventing the reoccurrence of incidents</p> | <p>④ Before Individual management of response information by each company</p> <p>After Improvement in information management in such ways as gaining understanding of Groupwide trends and sharing examples across the Group through comprehensive management of report-related information on a Groupwide level</p> |
|--|--|--|--|



* YHD = Yamato Holdings Co., Ltd.

Directors

As of March 1, 2020



Kenichi Shibasaki

Haruo Kanda

Yutaka Nagao

Masaki Yamauchi

Masaki Yamauchi

Director and Chairperson of the Board of Directors

- Apr. 1984 Joined the Company
- Apr. 2005 Executive Officer
- Apr. 2005 President, Tokyo Regional Office
- Nov. 2005 Executive Officer of Yamato Transport Co., Ltd.
- Nov. 2005 General Manager of Human Resources and Administration
- Mar. 2007 Executive Officer of the Company
- Mar. 2007 Responsible for Human Resources Strategy
- May 2007 Responsible for Management Strategy
- Apr. 2008 Representative Director, President and Executive Officer of Yamato Logistics Co., Ltd.
- Apr. 2011 Representative Director, President and Executive Officer of Yamato Transport Co., Ltd.
- Jun. 2011 Director and Executive Officer of the Company
- Apr. 2015 Representative Director, President and Executive Officer
- Apr. 2019 Director and Chairperson of the Board of Directors (current)

Yutaka Nagao

Representative Director, President and Executive Officer

- 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
- Apr. 2010 Executive Officer and President of Kanto Regional Office
- Apr. 2013 Managing Executive Officer
- Apr. 2015 Executive Officer of the Company
- Apr. 2015 Representative Director, President and Executive Officer of Yamato Transport Co., Ltd.
- Jun. 2017 Director and Executive Officer of the Company
- Apr. 2019 Representative Director, President and Executive Officer (current)

Haruo Kanda

Representative Director, Executive Officer and Vice President
Responsible for Overseeing Management, Assistant to President, Shared Value Creation and Internal Audits

- Jan. 1985 Joined the Company
- Apr. 2004 General Manager of Human Resources
- Aug. 2005 Executive Officer
- Nov. 2005 Executive Officer of Yamato Transport Co., Ltd.
- Jul. 2006 Managing Executive Officer
- Apr. 2008 Managing Executive Officer of the Company
- Jun. 2008 Representative Director and Managing Executive Officer
- Apr. 2013 Representative Director and Senior Managing Executive Officer
- Apr. 2014 Responsible for Human Resources Strategy, Network Strategy, Legal Affairs, CSR Strategy and Audit
- Apr. 2015 Representative Director, Executive Officer and Vice President
- Mar. 2020 Responsible for Overseeing Management, Assistant to President, Shared Value Creation and Internal Audits (current)

Kenichi Shibasaki

Representative Director, Executive Officer and Vice President
Responsible for Overseeing Managing Section

- Apr. 1980 Joined the Company
- Jun. 1997 Regional Branch Manager of Saitama Regional Branch
- Jun. 1999 General Manager of Education Division
- Apr. 2003 General Manager of Operation Division
- Feb. 2006 Representative Director, President and Executive Officer of Yamato Financial Co., Ltd.
- Apr. 2006 Executive Officer of the Company
- Apr. 2012 Managing Executive Officer
- Apr. 2016 Senior Managing Executive Officer
- Apr. 2017 Responsible for Financing Strategy and Coordinator-General of Investor Relations Strategy
- Jun. 2018 Director and Senior Managing Executive Officer
- Apr. 2019 Representative Director, Executive Officer and Vice President (current)
- Mar. 2020 Responsible for Overseeing Managing Section



Masakatsu Mori

Mariko Tokuno

Yoichi Kobayashi

Shiro Sugata

Masakatsu Mori

Outside Director

Apr. 1969 Joined Arthur Andersen & Co. (currently: Accenture Japan Ltd)
 May 1972 Qualified as Certified Public Accountant
 Sep. 1981 Partner (business partner) of Arthur Andersen & Co. (currently: Accenture Japan Ltd)
 Feb. 1989 President of Andersen Consulting (currently: Accenture Japan Ltd)
 Board Member of Andersen Consulting (Global) (currently: Accenture)
 Apr. 2003 Representative Director and Chairman of Accenture Japan Ltd
 Sep. 2007 Corporate Advisor of Accenture Japan Ltd
 Oct. 2009 President of the International University of Japan (IUJ)
 Apr. 2013 Senior Advisor of IUJ
 Jun. 2013 Director of the Company (current)
 Nov. 2013 Vice Chairman of IUJ
 Apr. 2018 Senior Advisor of IUJ (current)

Mariko Tokuno

Outside Director

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

Yoichi Kobayashi

Outside Director

Apr. 1973 Joined ITOCHU Corporation
 Jun. 2004 Executive Officer
 Apr. 2006 Managing Executive Officer
 Jun. 2006 Representative Executive Managing Director
 Apr. 2008 Representative Senior Managing Director
 Apr. 2011 Representative Director and Executive Vice President
 Apr. 2015 Senior Advisor
 Apr. 2016 Vice Chairman (current)
 Jun. 2018 Director of the Company (current)

Shiro Sugata

Outside Director

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

Audit & Supervisory Board Members

As of March 1, 2020



Mamoru Matsuno

Yoshihiro Kawasaki

Hiroyuki Kanae

Takashi Yamashita

Yoshihiro Kawasaki

Full-time Audit & Supervisory Board Member

- Sep. 1992 Joined Kyushu Yamato Transport Co., Ltd.
- Apr. 2003 Regional Branch Manager of Kagoshima Regional Branch of Yamato Transport Co., Ltd.
- Feb. 2006 General Manager of Division of Service Quality Improvement
- Apr. 2010 Executive Officer and President of Shikoku Regional Office
- Jun. 2015 Audit & Supervisory Board Member
- Jun. 2019 Full-time Audit & Supervisory Board Member of the Company (current)

Mamoru Matsuno

Full-time Audit & Supervisory Board Member

- Apr. 1981 Joined the Company
- Jun. 2000 Manager of Audit Section No.1 of Audit Division
- Jun. 2002 Manager of Audit Section of Audit Division
- Jul. 2006 Audit Function Manager
- Apr. 2012 Audit Function Senior Manager
- Apr. 2018 Attached to the President
- Jun. 2018 Full-time Audit & Supervisory Board Member (current)

Hiroyuki Kanae

Outside Audit & Supervisory Board Member

- Apr. 1979 Licensed and registered as an attorney at law (Bengoshi) at Daini Tokyo Bar Association
- Sep. 1987 Coudert Brothers LLP (New York)
- Jul. 1988 Licensed and registered as an attorney at law in the State of New York
- Sep. 1988 Joined Nishi, Tanaka & Takahashi Law Office
- Apr. 1992 Partner of Nishi, Tanaka & Takahashi Law Office
- May 2001 Joined Shin-Tokyo Law Office as partner
- Oct. 2007 Through the consolidation of law offices, name changed to Bingham McCutchen Murase, Sakai Mimura Aizawa, Foreign Law Joint Enterprise (Partner)
- Jun. 2012 Outside Audit & Supervisory Board Member of the Company (current)
- Apr. 2015 Through the consolidation of law offices, name changed to Anderson Mori & Tomotsune LPC (Partner) (current)

Takashi Yamashita

Outside Audit & Supervisory Board Member

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

Executive Officers

As of March 1, 2020



Shinji Makiura

Senior Managing Executive Officer
Responsible for overseeing Management Strategy, Transformation of the Company



Yasuharu Kosuge

Managing Executive Officer
Responsible for Global Corporate Business and President, Yamato Logistics Co., Ltd.



Toshizo Kurisu

Managing Executive Officer
Responsible for Retail Business President, Yamato Transport Co., Ltd.



Osamu Yamanaka

Managing Executive Officer
Responsible for Regional Corporate Business



Tamaki Abe

Managing Executive Officer
Responsible for EC Business



Hiroshi Matsuda

Executive Officer
Responsible for Trunk-route Transportation



Seiichi Awa

Executive Officer
Responsible for IT Functions President, Yamato System Development Co., Ltd.



Tatsuya Suzuki

Executive Officer
Responsible for Platform Functions President, Yamato Financial Co., Ltd.



Hideo Tanzawa

Executive Officer
Responsible for Public Relations, Tokyo Olympic and Paralympic Promotion



Tomoki Otani

Executive Officer
Responsible for Human Resources Department, ESG Department, and Legal Affairs



Atsushi Kashimoto

Executive Officer
Responsible for Finance and Investor Relations Department



Yorimasa Tanaka

Executive Officer
Responsible for IT Functions and IT Reform



Katsuhiko Umetsu

Executive Officer
Responsible for International Strategy



Takeo Kosugi

Executive Officer
Responsible for International Business President, Yamato Global Logistics Japan Co., Ltd.



Norihiko Nakabayashi

Executive Officer
Responsible for IT Functions and Data Strategy



Setsuko Nishida

Executive Officer
Responsible for Management Strategy