



Briefing on Sustainability (Environment and Society)

December 20, 2023

Yamato Holdings Co., Ltd.



- 1. Overview and progress of
“Sustainable Management”**

1. Management Philosophy



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

2. Achieving Sustainable Corporate Value Enhancement

Realizing sustainable corporate value enhancement through
“Helping to enrich our society”

Changes in the business environment

- ✓ Diversification of customer “expectations” and “needs”
- ✓ Expansion of e-commerce in all industries
- ✓ Decline in total population and from the regional areas of Japan
- ✓ Decline in labor population
- ✓ Climate change becoming a more serious issue (global warming)

Creating new innovations

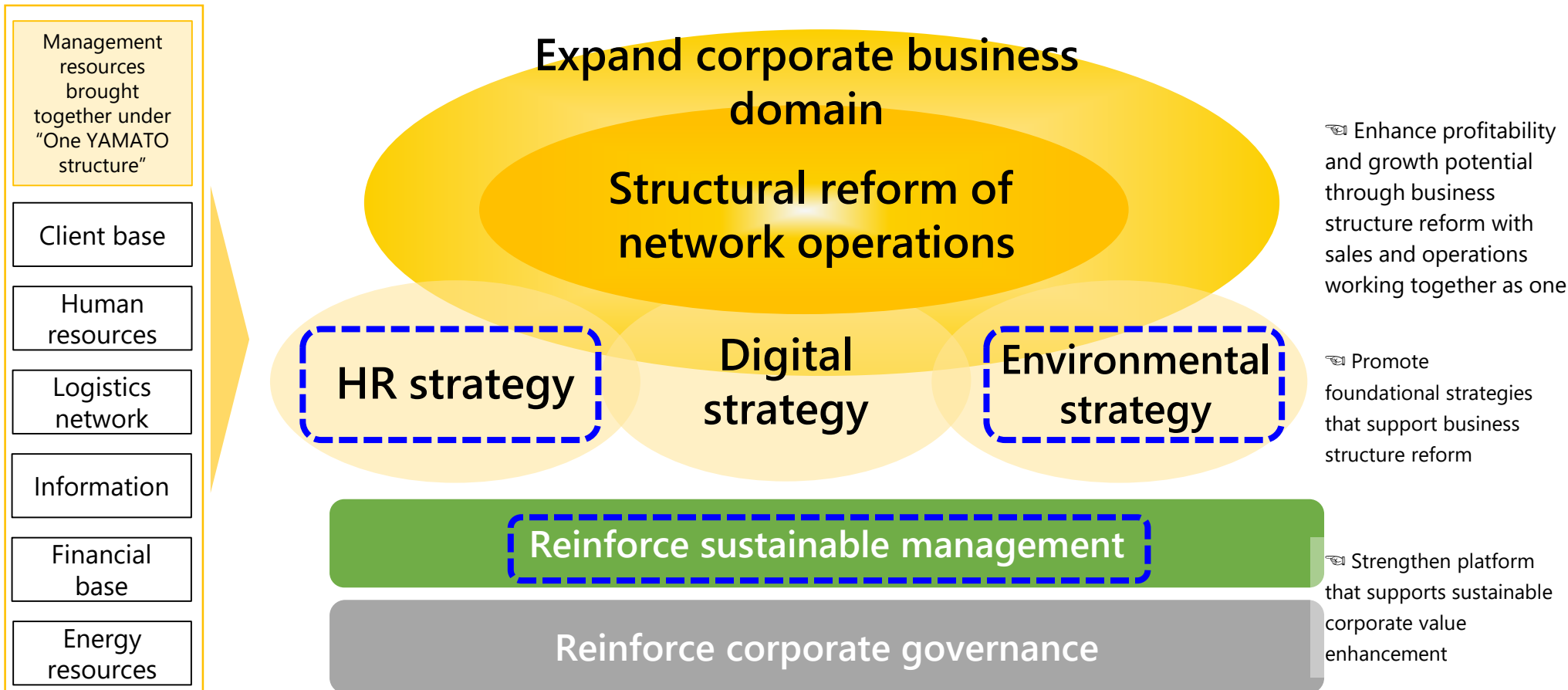
- ✓ Providing various ways of receiving parcels, and creating new services
- ✓ Expansion of value provided on an “End to End” basis to the supply chain
- ✓ Solving social issues through collaboration and innovation
- ✓ Establishing a labor environment that is easier to work in and more motivating through digitalization and automation
- ✓ Promote sustainable management, including green logistics

Material
Issues



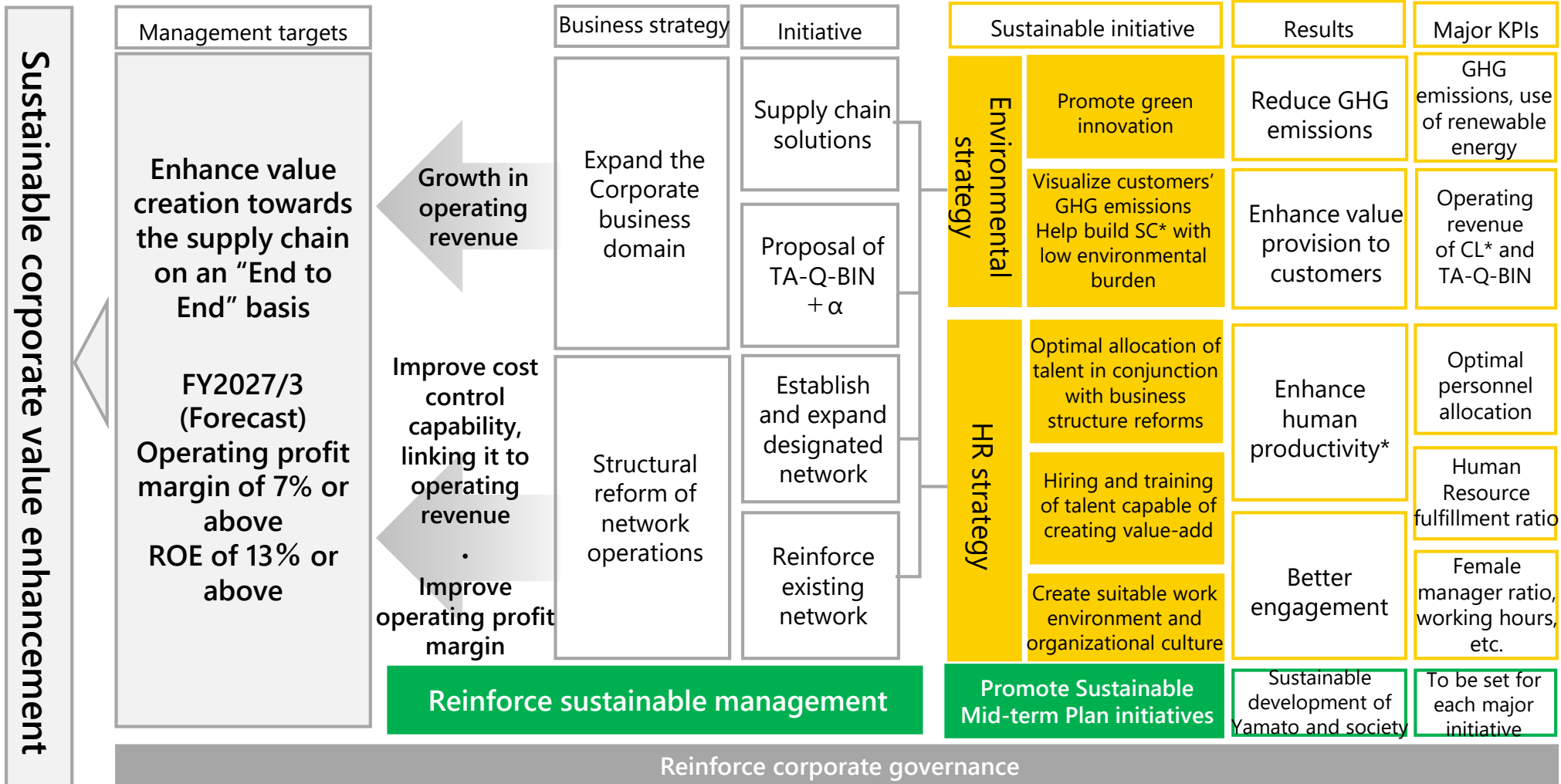
3. Direction of mid-to-long term strategy

- Position “Reinforcement of corporate governance” and “Reinforcement of sustainable management” as the foundations of management, and promote “Environmental strategy” and “HR strategy” in conjunction with business structure reforms involving both sales and operations (structural reforms of network operations ~ expansion of the Corporate business domain)



4. Connection between sustainable initiatives and corporate value enhancement

- Promote "Environment strategy" and "HR strategy" in conjunction with business structure reforms ~ Sustainable corporate value enhancement



5. Sustainable Medium-Term Plans 2023 (FY 2022/3 to FY 2024/3)

- Focus on building the foundation for sustainable management, and set targets for selected material issues, with the aim of enhancing corporate value over the mid-to-long term and realizing a sustainable society

Environmental Vision

Connect. Deliver the future via green logistics

Medium-Term Environmental Plan 2023

Energy & Climate

- Reduce GHG emissions 10% compared with the fiscal year ended March 31, 2021*1
- Reduce GHG emission intensity 10% compared with the fiscal year ended March 31, 2021*1*2
- Achieve 40% usage rate of electricity generated via renewable energy sources*3

Atmosphere

- Reduce NOx and PM emissions from vehicles 25% compared with the fiscal year ended March 31, 2021*4
- Introduce vehicles that emit fewer air pollutants

Resource Conservation & Waste

- Use 55% renewable resources and recycled materials for paper materials*5
- Reduce landfill disposal rate (final disposal rate) to 5% or less*6
- Provide products utilizing recycled materials and resource saving materials

Resilience of Companies & Society

- Advance green logistics in collaboration with our business partners
- Collaborate with society to improve environmental resilience (verify and share information about mitigating climate change)
- Provide environmentally friendly products and services*7

*1 In-house emissions of consolidated companies in Japan and Swan Co., Ltd. (Scope 1 & Scope 2) *2 tCO2e/operating revenues of ¥100 million *3 For consolidated companies in Japan and Swan Co., Ltd. *4 For Yamato Transport *5 Paper materials refer to cardboard for shipping, pickup and delivery materials, etc. *6 Equivalent to reduction by half compared with the past *7 Products and services with environmental value and a low burden on the environment *8 Number of work-related fatalities and injuries per million working hours

Social Vision

Through co-creation and fair business activities, help create a society that “leaves no one behind”

Medium-Term Social Plan 2023

Labor

- Improve operating revenue per employee (compared with the growth rate for the fiscal year ended March 31, 2021)
- Reduce overtime for employees 20% compared with the fiscal year ended March 31, 2021
- Achieve 90% annual paid leave utilization

Human Rights & Diversity

- Achieve 100% attendance at human rights training for all employees
- Ensure percentage rate of employees with disabilities is 2.5%
- Double the number of women in management (executives) compared with the fiscal year ended March 31, 2021, and ensure 10% of all managers are women

Safety & Security

- Achieve zero serious traffic accidents (fatal traffic accidents for which the Company is responsible)*3
- Reduce number of traffic accidents (where bodily injury occurs) 50% compared with the fiscal year ended March 31, 2020*3
- Achieve zero serious occupational diseases (work-related deaths)*3
- Reduce frequency of lost workday injuries*8 by 20% compared with the fiscal year ended March 31, 2020*3

Data Utilization & Security

- Develop an infrastructure for creating businesses that utilize data to resolve social issues
- Achieve zero serious information security incidents
- Ensure 100% deployment of information security managers at major organizations and 100% implementation of training for information managers*4

Supply Chain Management





- Complete development and demonstration of monitoring framework*4

Community

- Complete development of a framework to measure effectiveness of corporate citizenship activities and business in resolving social issues

6. Progress of Sustainable Medium-Term Plans 2023

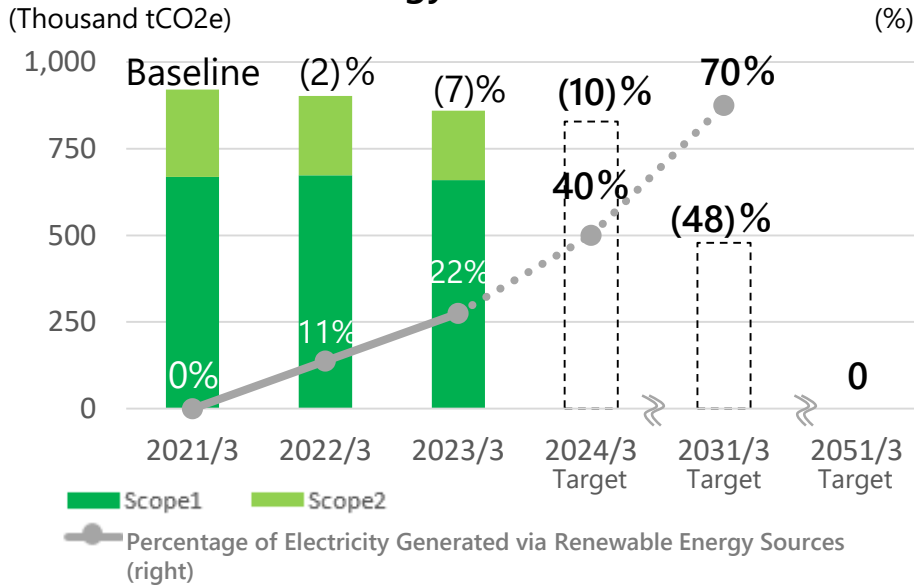
Steadily promoting initiatives to achieve the targets of Sustainable Medium-Term Plans 2023

	Targets for FY 2024/3 (Excerpt)	Progress in FY 2023/3	Examples of Initiatives in FY 2023/3
Environmental  Energy & Climate	▶ Mitigate climate change Reduce GHG emissions 10% (compared with FY 2021/3) Achieve 40%* usage rate of electricity generated via renewable energy sources	7% decrease 22% usage rate	<ul style="list-style-type: none"> • Introduction of EVs, solar power generation equipment and LEDs • Switch to a menu of electricity generated via renewable energy sources • Reducing the use of dry ice
	*We added 10% to our original target of 30% to achieve our overall targets for reducing GHG emission		
Social  Labor	▶ Create a work environment where employees can thrive Reduce overtime for employees 20% (compared with FY 2021/3) Achieve 90% annual paid leave utilization	7% decrease 98.1%	<ul style="list-style-type: none"> • Implementation of workplace discussions for all business managers at Yamato Transport (fostering organizational culture) • Formulating definitions of duties for occupations and roles
Social  Human Rights & Diversity	▶ Create a corporate culture that respects human rights and diversity Double the number of women in management (compared with FY 2021/3), ensure 10% of managers are women Ensure percentage rate of employees with disabilities is 2.5%	1.1 times /5.7% 2.9%	<ul style="list-style-type: none"> • Formulation of Yamato Group Human Resources Management Policy • Implementation of training programs for female employees • Developing multi-lingual tools, such as training manuals • Promoting the Yamato Original Universal Manners Test for Yamato Group employees
Social  Supply Chain Management	▶ Develop a common understanding with stakeholders Complete development and demonstration of monitoring framework	Implementation and completion of monitoring tests and verification for key suppliers	<ul style="list-style-type: none"> • Implementation of monitoring tests for key suppliers at 28 companies • Decision on how to advance monitoring in FY 2024/3

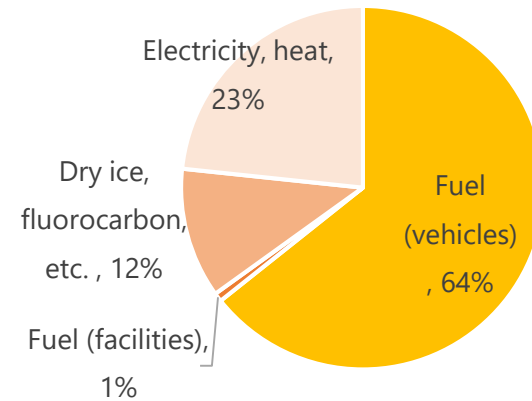
7. GHG Emissions and Electricity Generated via Renewable Energy Sources

- Promote the introduction of EVs, solar power generation equipment, LED lighting etc. in conjunction with the strategy for Yamato's facilities, which forms part of the structural reforms of network operations, while steadily reducing GHG emissions by promoting the use of renewable energy-derived electricity

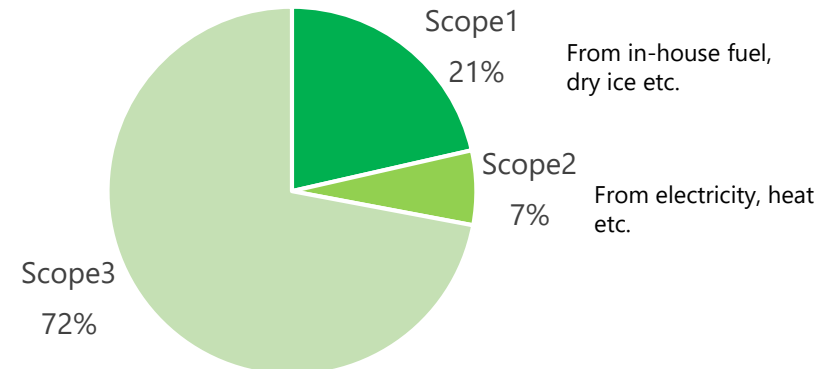
■ GHG Emissions/Percentage of Electricity Generated via Renewable Energy Sources



■ CO2 by source of emission (Scope1&Scope2)



■ CO2 emission by Scope



From purchased products and services (transportation partners, pickup and delivery commission, tires, equipment, etc.)

Progress of introduction as of March, 2023

- 868 EVs
- 11 solar power generation equipment
- 1,241 facilities with LED lighting

8. Plan for Reducing GHG Emissions by key measures

- Set plan for reducing GHG emissions, with the aim of achieving the mid-term target of “48% reduction in GHG emissions (vs FY 2021/3)” by 2030, and promote initiatives towards the target

Plan for Reducing GHG Emissions to Achieve Medium-Term Targets (2030)

Key Measures

Introduction of 20,000 EVs

Introduction of 810 units of solar power generation equipment

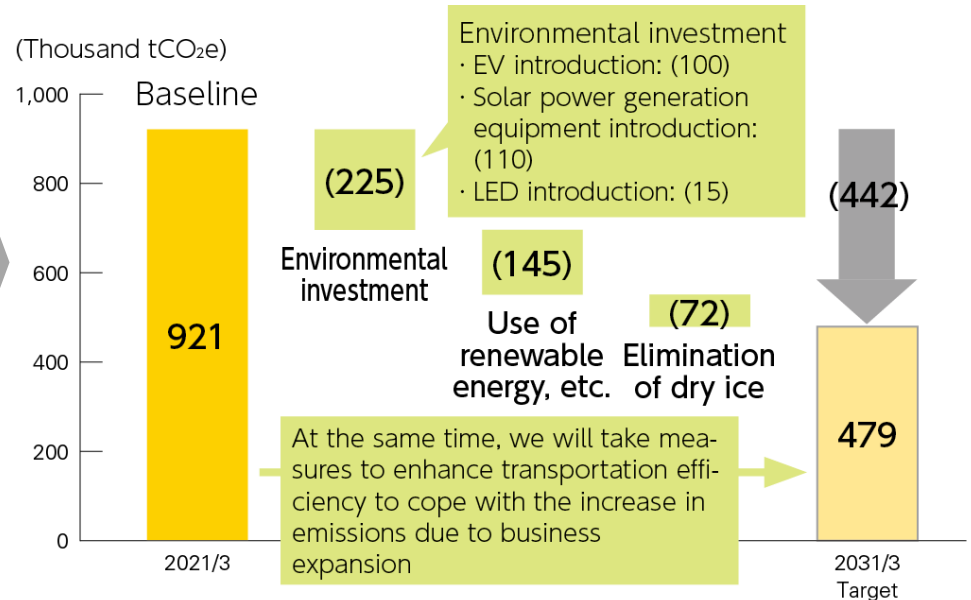
Introduction of LEDs

70% utilization rate for electricity generated via renewable energy sources

Elimination of dry ice

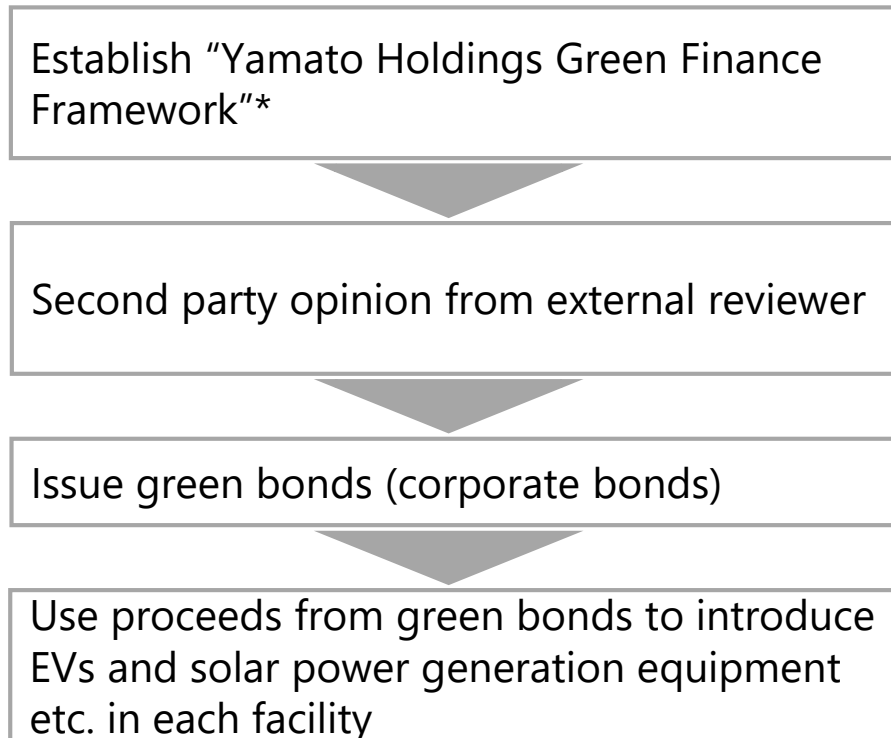
Increase in transportation efficiency

▶ Plan for Reducing GHG emissions



9. Utilizing green bonds

- Utilize green bonds (corporate bonds) as a source of funding, to actively promote investments for GHG emissions reduction and energy conservation



*Established based on the 4 pillars (1. use of proceeds, 2. project assessment and selection process, 3. management of proceeds, 4. reporting) outlined by the Green Bond Principles 2021 set by ICMA (The International Capital Market Association), and the Green Bond Guideline (2022 version) by the Ministry of the Environment, etc. Please see website for details.

https://www.yamato-hd.co.jp/news/attachment/newsrelease_20230605_1_1.pdf (Japanese only)

Name	Yamato Holdings Co., Ltd. The 1st unsecured bonds (with an inter-bond pari passu clause) (Green Bond)
Amount of issue	20 billion yen
Term to Maturity	5 years
Interest	0.31%
Date of Pricing	June 30, 2023
Date of Issue	July 6, 2023
Date of Maturity	July 6, 2028
Use of proceeds	<ul style="list-style-type: none"> Introduction of EVs and charging facilities, research and development Installation, operation, and renovation of solar power generation facilities Installing LEDs and other equipment to improve energy efficiency at facilities and sales offices
Rating	AA-(Rating and Investment Information, Inc.)
Lead Managers	Nomura Securities Co., Ltd., SMBC Nikko Securities Inc., Mizuho Securities Co., Ltd., Daiwa Securities Co., Ltd., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
Structuring Agent*	Nomura Securities Co., Ltd.
Fiscal Agent	Mizuho Securities Co., Ltd.

*A party that supports financing using green bonds and green loans through the development of a green finance framework and the acquisition of second-party opinions.

10. Establishing appropriate relations with partners

- Establish partnerships through regular communication with partners, to promote fair, just and sincere business and to ensure responsible procurement for environment and society
→ Collaborate to achieve sustainable growth and realize a sustainable society

Basic policy

- Based on the Yamato Group Responsible Procurement Policy and the Yamato Group Business Partner Guidelines, build partnerships through regular communication

Key partners / suppliers

<Procurement partners>

- Suppliers of invoices, materials, dry ice, etc.

<Services partners>

- Transportation and delivery partners

Major initiatives

<With key partners>

- Presentations to suppliers (June 2023)
- Implemented monitoring tests and decided how to advance monitoring

<With services partners>

- Establish structure to engage in business appropriately with transportation and delivery partners
- Ongoing employee training, regular discussions and support with partners for appropriate transactions

<Partnership Promotion Office*>

- In light of issues such as the decline in working population, rise in fuel prices, and the workstyle reform of drivers, set up the Office to establish structure and operations to engage in business appropriately, mainly with transportation, pickup and delivery partners

* Established in Yamato Transport on Jan. 2023

11. Future initiatives




- Pursue sustainability transformation in the environment and society
 → To realize sustainable management, Yamato will focus on solving environmental issues, while seeking to sustainably enhance corporate value, by providing social value to a diverse range of stakeholders

Sustainability Transformation(SX)

Environment Realize sustainable management

Realize resilient logistics that can withstand changes in the environment, and serve as a social infrastructure. Through business operations and solution providing that solve environmental issues, enhance the sustainability of the earth and companies

By 2026

<p>Reduce GHG emissions</p> 	<p>Provide resource recycling solutions</p> 	<p>Accelerate green & resilient logistics</p> 
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3 TOTAL ENERGY CONSUMPTION, 6 RESOURCE EFFICIENCY, 7 ENVIRONMENTAL POLLUTION, 9 BUSINESS RESILIENCE, 11 BUSINESS GROWTH, 12 CLEAN ENERGY, 13 SOCIAL RESPONSIBILITY, 15 SOCIAL VALUE, 17 COMMUNITY ENGAGEMENT

Solve environmental issues × Sustainable growth of companies

Society Value creation for multiple stakeholders

Pursue management that enhances the wellbeing of companies and the supply chain, thereby creating long-term value for society and companies

By 2026

<p>Enhance employee engagement*</p> <p>*Trust and the will to contribute to the company</p> 	<p>Realize diversity & inclusion</p> 	<p>Establish a sustainable supply chain</p> 
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3 TOTAL ENERGY CONSUMPTION, 4 SOCIAL VALUE, 5 GENDER EQUALITY, 8 BUSINESS RESILIENCE, 10 BUSINESS GROWTH, 12 CLEAN ENERGY, 16 BUSINESS RESILIENCE, 17 COMMUNITY ENGAGEMENT

Social value creation × Corporate value creation

Governance

Reinforce corporate governance

2. Environmental Strategy

12. Responding to the risks and opportunities posed by climate change

- Reduce own GHG emissions and increase the value we provide to customers to reduce climate change-related risks and expand opportunities over the mid-to-long term

Risk/Opportunity (excerpt)	Assumed time	Financial impact	Main Initiatives
Carbon tax • Increase in costs due to the carbon tax: 13.3 bn yen in 2030, 25.6 bn yen in 2050*1 Risk • Increase in revenues through sale of low-carbon logistics Opportunity	Medium term (up to 2030)	High	• Reducing GHG emission through the introduction of EVs, PVs etc. Expected reduction of the cost impact of carbon tax: (6.1) bn yen in 2030, (25.6) bn yen in 2050*1 • Examination of introducing internal carbon pricing
Increase in environmental awareness of consumers • Decrease/increase in revenues from meeting environmental needs Risk Opportunity • Improvement in efficiency by reducing redelivery Opportunity	Medium term (up to 2030)	High	• Providing supply chain solutions that meets customers' environmental needs
Increased severity and frequency of abnormal weather • Loss of business opportunities, increased repair costs, etc.: 1.9 bn yen in 2030, 3.8 bn yen in 2050*2 Risk • Reduce impact through early response to disaster risks Opportunity	Short term (up to 2023)	Medium	• Opening of offices utilizing hazard maps and periodic reviews of business continuity planning manual • Enhance resilience by using renewable energy and EVs with cartridge batteries

*1: Estimated carbon tax prices of \$130 per ton in 2030 and \$250 per ton in 2050 *2: Calculated by referencing past disasters

For details on the initiatives based on the recommendations of the TCFD, please refer to our corporate website.

(<https://www.yamato-hd.co.jp/english/csr/environment/tcf.html>)

13. Initiatives to reduce own GHG emission (Overview)

< Long-term Target >

Virtually zero GHG emissions* in 2050

< Mid-term Target >

**48% reduction in GHG emissions* in 2030
(vs FY 2021/3)**

< Focus initiatives >

**Introduction of
EVs**

**Utilize renewable
energy**

**Reduce use of
dry ice**

< Basic initiatives >

Energy saving
(Renew equipment / facilities,
switch to LED, etc.)

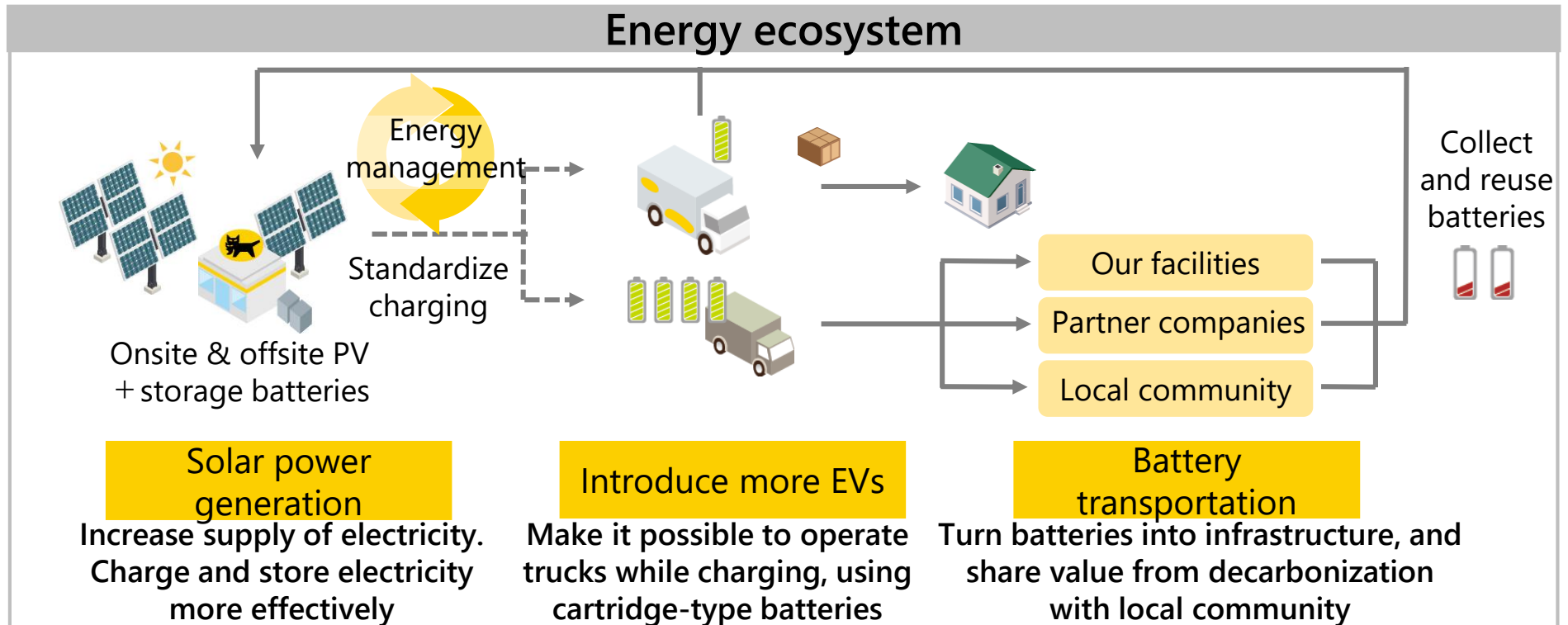
**Make it possible to
"see" electricity use**

**Study new
technologies, and
improve operational
efficiency**

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

14. Future vision for the energy ecosystem

- Take an integrated approach in promoting cartridge-type EVs, introducing solar power generation equipment, and energy management, to reduce GHG emissions and make efficient use of renewable energy



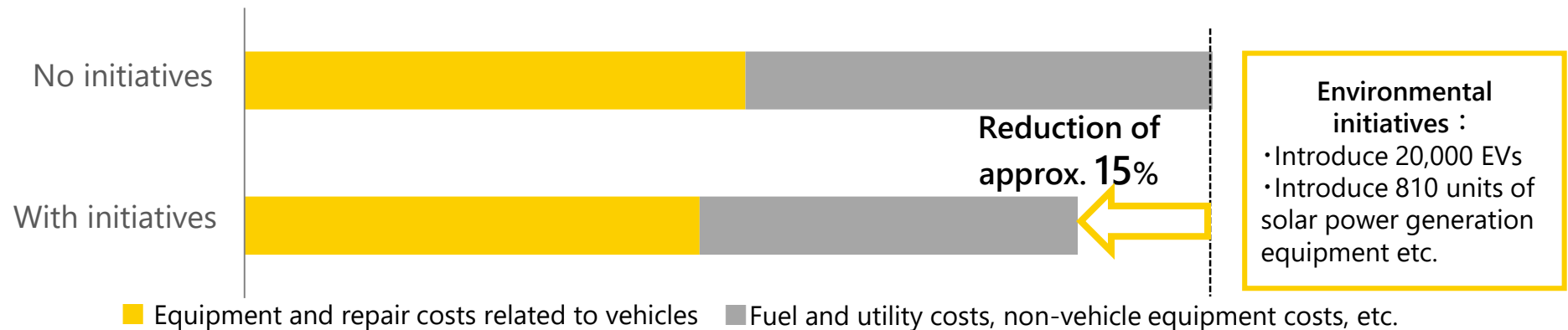
Discussion /Alliance

- Makers : Consider specifications for batteries that are easy to use as well as to procure
 - National and local governments : Signed alliance agreement with Gunma Prefecture to achieve carbon neutrality
- ⇒ Promote proof-of-concept trials in Gunma as a project supported by NEDO*

15. Cost impact from promoting initiatives

- Establish energy ecosystem, and thereby achieve both GHG emission reduction as well as cost control through efficient use of energy

Cost impact in FY March 2031(estimate)



- ▶ If carbon tax is fully introduced, (6.1) billion yen of additional cost effect is expected, on top of the above (based on TCFD scenario analysis and business impact assessment)

【Assumptions for calculation】

- Assuming a +1%/year growth rate in parcel delivery volume, the same number of facilities, vehicles, mileage, etc. are used for both cases.
- Estimated vehicle repair cost, fuel cost, utilities and, depreciation, lease and operational costs for vehicles and solar power generation equipment, respectively. Assumed annual rise in fuel and utilities cost.
- Assumed all electricity from solar power generation to be used inhouse, through the utilization of batteries etc.

16. Progress of initiatives (EV)

- Promote introduction of various types of EVs in cooperation with automakers and achieve both GHG emissions reduction and maintaining/enhancing pickup and delivery efficiency

Vehicle type



Hino Motors "Hino Dutro Z EV"

Key features

- ✓ Super low floor and walkthrough type small BEV
- ✓ Easy to move from driver's seat to cargo area, and get on/off vehicle
- ✓ Can be driven with ordinary license

Introduction Status

Introduced
approx. 650 vehicles
(as of Nov. 2023)



Mitsubishi Fuso "eCanter" (new model)

- ✓ 2-ton truck type EV
- ✓ Compact and easy to maneuver, despite its loading capacity
- ✓ Supports three temperature zones (room temperature, chilled and frozen)
- ✓ Cartridge type model is under development by the manufacturer

Introduced
approx. 300 vehicles
(as of Nov. 2023)



Honda "MEV-VAN Concept" (for trial use)

- ✓ Light commercial EV that uses replaceable batteries
- ✓ Will verify operations to reduce GHG emissions of Yamato and partner companies

Start trials from
Nov. 2023

17. Progress of initiatives (FCV)

- For trunk-route transportation, where sufficient cruising range and payload capacity are required, verify the practical application of large fuel cell (hydrogen) trucks (FCVs)

Vehicle type



Key features

- ✓ Large fuel cell truck which uses hydrogen as fuel
- ✓ Jointly developed by Toyota and Hino Motors
- ✓ Cruising range: approx. 600 km
- ✓ Since heavy-duty trucks are required to have sufficient cruising range, payload capacity, and the ability to refuel in a short time, the effectiveness of the fuel cell system using hydrogen, which has a high energy density, will be verified

Introduction Status

Trunk-route transportation
Started trials from May 17, 2023 between Haneda Chronogate sorting centre and Gunma sorting centre

18. Progress of initiatives (Solar power generation & energy management)

- Began full-fledged operation of model facility for energy management, with all trucks being EVs as well as using solar power generation systems (from Oct. 2023)

■ Overview of Kyoto Yawata Sales Office

- ✓ First facility where all vehicles operated are EVs
- ✓ Installed solar power generation equipment and storage batteries. Uses electricity generated during the day to recharge EVs and the electricity used in the building*
- ✓ Conducts energy management, such as by using a power leveling system to reduce power usage volatility by recharging all EVs at night

EV introduction
100%
(32 vehicles)

Usage of
CO2-free
energy
100%*

LED introduction
100%

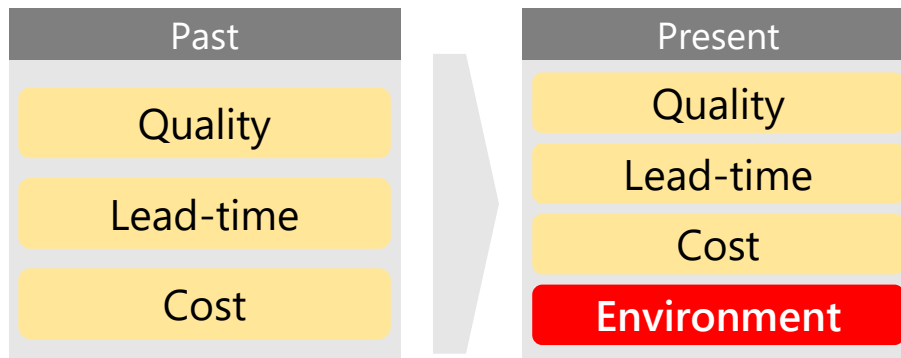


* Purchases "CO2-free electricity" from The Kansai Electric Power Company to address electricity demand that cannot be covered by solar power generation

19. Expanding value provision to customers (Market analysis)

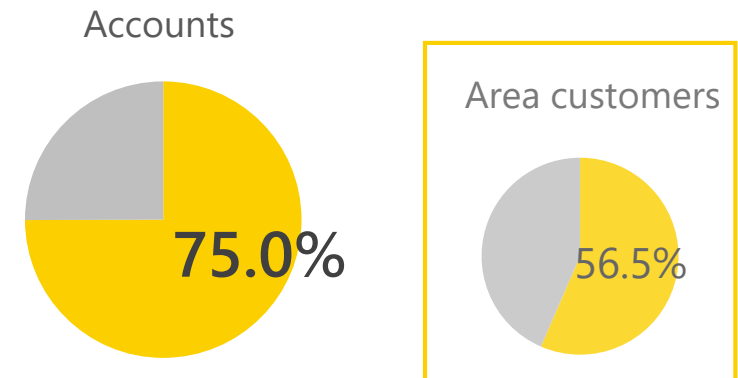
- Addressing climate change has become an important issue for companies, leading to higher environment-related needs
- Promote green innovation to create customer value and increase revenue

■ Areas of competition in the logistics industry



- Higher importance of “resilience” as an issue in supply chain management
- Based on requests from stakeholders, environmental value (GHG emissions and disclosure) has become one of the criteria for assessing logistics companies

■ Results of customer needs survey

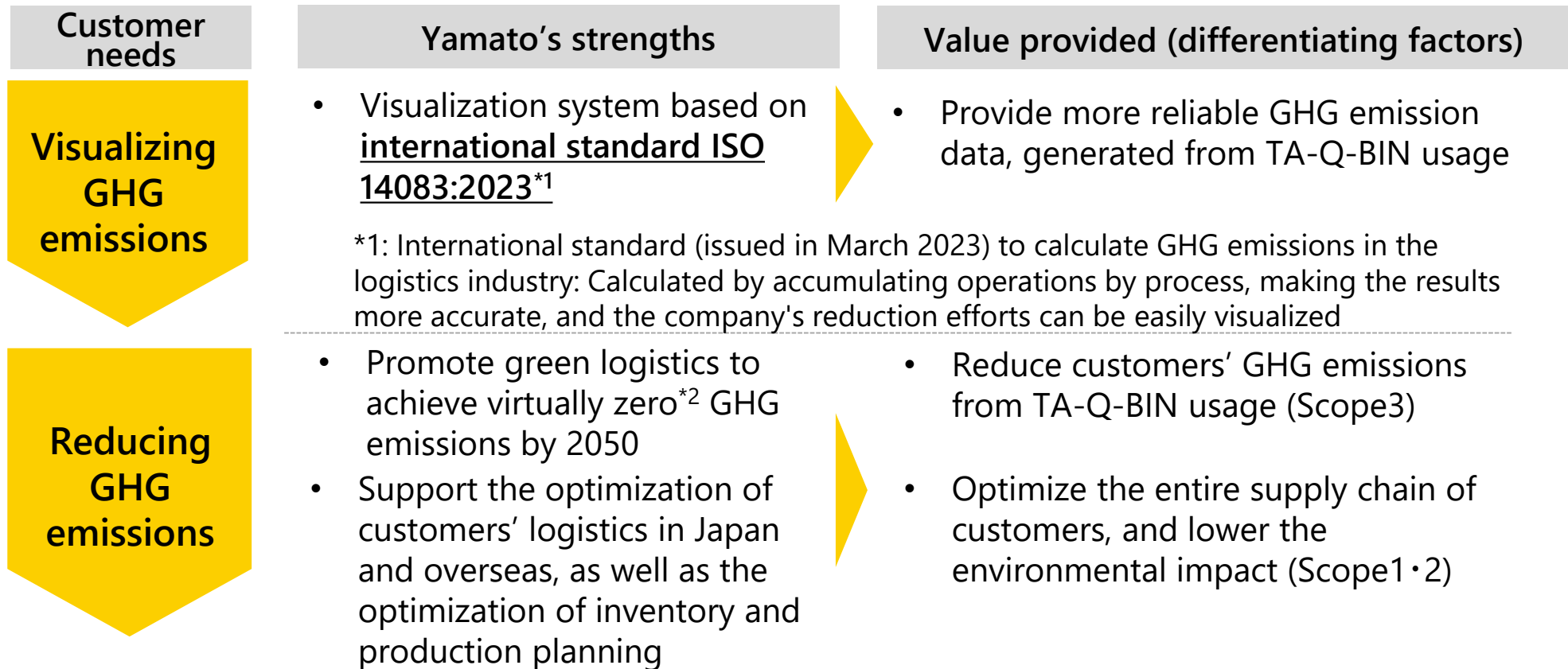


- 75.0% of accounts (large corporate clients) responded* that they “Will actively use delivery services with low environmental impact”

* Excerpt from Yamato survey (NPS) in FY 2022
Area customers : n=44,213 companies
Accounts : n=453 companies

20. Expanding value provision to customers (Competitive advantage and value provision to customers)

- Visualize customers' GHG emissions, and establish a supply chain with low environmental impact, thereby expanding value provision in the corporate domain



Reduce environmental impact from customers' business activities and enhance corporate value

21. Reducing GHG emissions in the entire supply chain

- Seek to expand the Corporate business domain, by supporting the building of supply chains with low environmental impact

Examples of initiatives with customers

Kubarahonke (Food manufacturer)

- Integrate and optimize supply chain by sales channel and product
- Establish optimal supply chain from production to nationwide

Yoshinoya (Restaurant chain)

- Integrate and optimize supply chain for direct sales and wholesale
- Make distribution scheme more efficient using 3 temperature zone logistics facility integrated with terminal

Nihon Michelin Tire (Tire manufacturer)

- Integrate warehouses
- Visualize and optimize inventory in each facility
- Minimize disposal due to expiration by managing the year of manufacturing

Adastria (Clothing Seller and Manufacturer)

- Review the supply chain in Japan and overseas, from the sourcing of materials, production, and omnichannel sales

Colowide Group /(Restaurant chain)

- Visualize and optimize supply chain, which had been divided by business
- Accommodate high frequency small lot delivery in meal service business

Resulting effects

- Utilize multiple networks and facilities nationwide
- Visualize and integrate management of inventory
- Visualize GHG emissions from TA-Q-BIN (to be provided)



Optimization of logistics

**Optimization of
inventory**

Reduce waste

Reduce GHG emissions

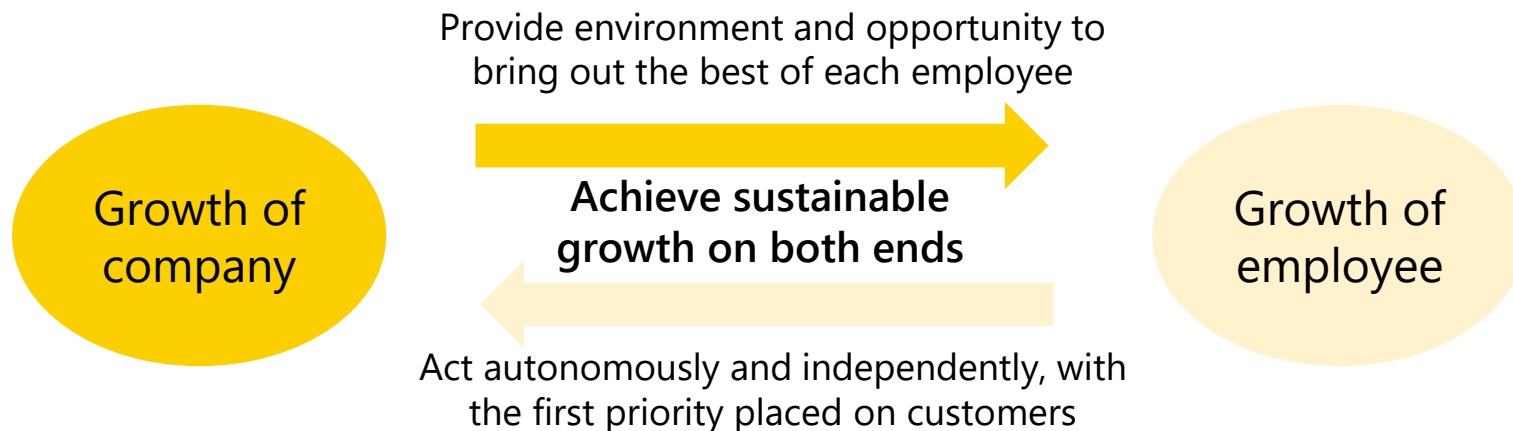
3. Human Resource Strategy

22. Human Resources Management Policy

- Clarify ideal state of the organization and Human Resources management as Yamato promotes Business Structural Reforms

Image of Yamato Group Human Resources Management Policy

Management philosophy : Help enrich our society

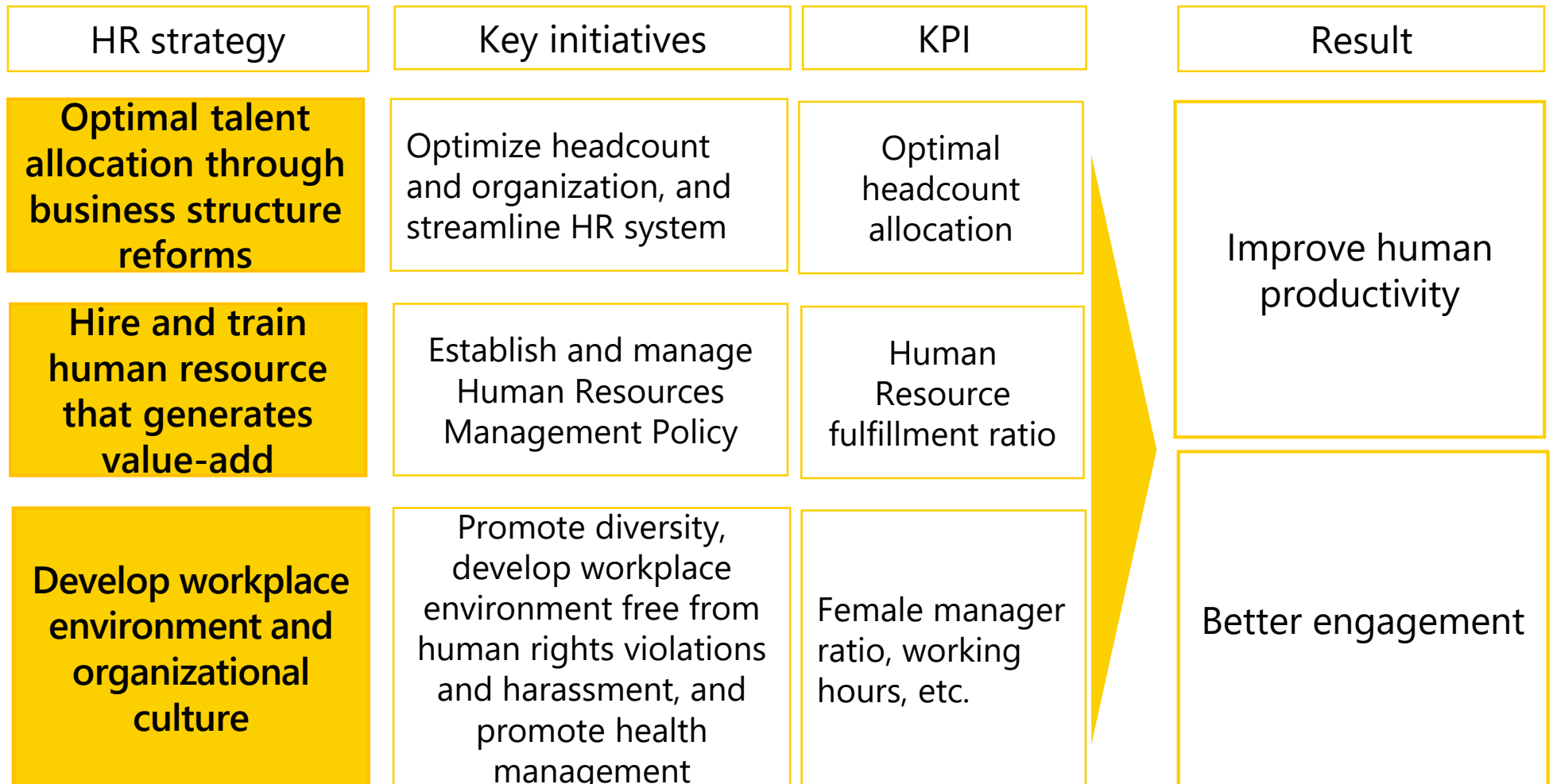


Basic initiatives of HR strategy, to realize Human Resources Management Policy

- Clarify "job description" that is linked to management strategy, and set plan to hire, train and allocate talent based on "job description"
- Penetrate cycle of target setting, evaluation and feedback based on "job description"

23. Overview of HR strategy

- Bring out the most in terms of activities and contribution from each employee, and generate higher value-add



24. Optimal talent allocation through business structure reforms

- Establish system to evaluate and compensate employees appropriately, based on clearly defined job descriptions, and visualize positions in order to optimally allocate human resource

Structural reform of network operation

〈For the happiness of customers, employees and business partners〉

- **Transportation**
 - Build multi-layered networks, reduce long-distance truck transportation, etc.
- **Last-mile**
 - Consolidate and enlarge facilities, create good workplaces, etc.
- **Fully digital operations**
 - Digitalize and automate operations, capacity management, etc.

Optimization of headcount and organization, and streamlining of HR systems

- **Initiatives to the front lines of operations**
 - Renew system to evaluate and compensate appropriately, based on job description, following the renewal of workstyle and structure at the front lines
→ Set up dedicated team to promote project
- **Initiatives to headquarters**
 - Flatten the organization to encourage the active participation of managers and further drive performance

25. Hiring and training of human resource that generates value-add

- Establish and operate human resource management system that promotes the autonomous and independent career development of employees, hire and train human resource that can generate value-add

Realize sustainable business growth

- Reinforce Corporate business domain
- Strengthen operation and network
- Promote digital strategies, etc.

Establish and operate HR management system

- Secure and develop human resource that can provide new value
(corporate sales, operations, digitalization, etc.)
- Training of employees with new roles, following structural reforms etc.
- Structured training of key personnel based on career path

26. Hire and train human resource capable of generating value-add (Development of key personnel)

- **Develop key personnel to drive business growth, by revising the evaluation system to match the “job description”, operating the talent development process by job level and providing opportunities for autonomous growth**

Revise system to evaluate level of implementation of the “job description”

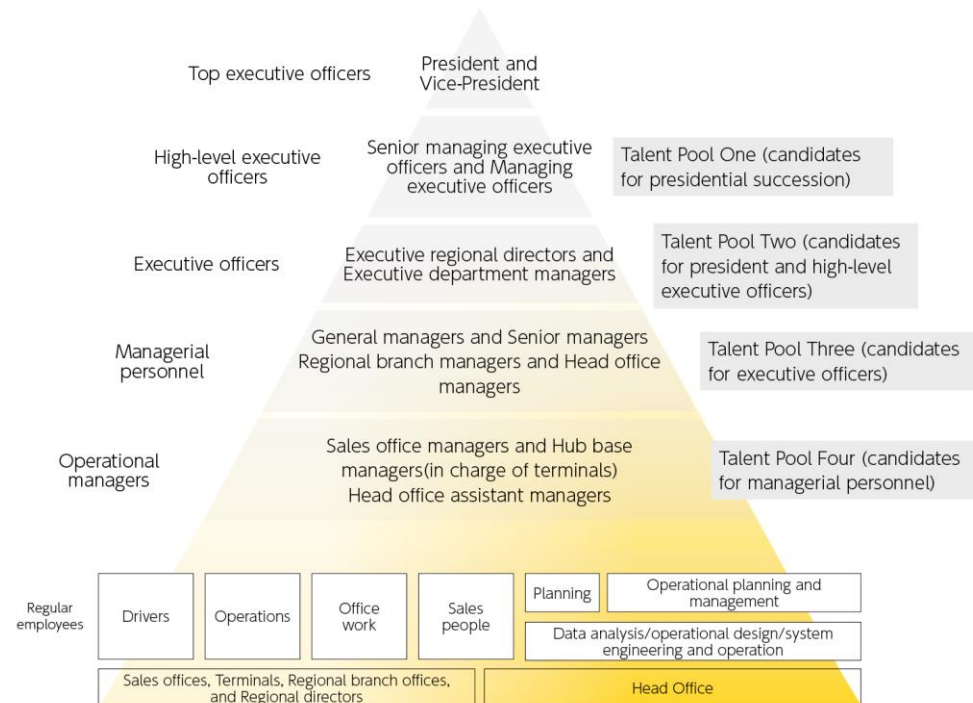
- Shifting to an evaluation system based on job descriptions, starting with senior managers
- Develop and embed a culture in the organization in which employees themselves pursue career development and their own growth, based on the evaluations

Operation of HR development process for each job level/ providing growth opportunities

- Reorganize initiatives for each job level to integrate operation of HR development process
- Continuously develop key personnel that supports the future management of the company, through medium-term training programs for new graduates
- Strategically allocate human resource based on each assessment information
- Trial introduction of in-house job posting system and a self evaluation system for middle and junior level employees

Based on the succession plan, create a talent pool with the position of President at the top, and systematically develop candidates for senior management

■ Image of talent pool



27. Hire and train human resource capable of generating value-add (Hiring and training of digital talent)

- Establish structure to promote “Business and Digital” in an integrated manner, through reorganization of the Group
- Promote hiring and training to strengthen development and operation

Strengthening technological capabilities

- Hiring to secure digital talent effectively, in light of rising demand for such talent
 - Hiring new graduates who want to improve their skills
 - Mid-career hiring of employees who want to contribute to the business using their skills

Strengthening technological capabilities

- Introduce skill maps for each employee, quantify skills and acquire the necessary skills efficiently

Retention of talent

- Reform the digital human resource system in order to gain market competitiveness
 - Abolish seniority-based elements, and implement evaluation, promotion and pay rises based on professional skills and business contribution
 - Propose working conditions that accommodate more flexible workstyles

* Have begun to apply to employees originally hired at Yamato System Development, from October 2023

■ KPI for digital talent

KPI	FY 2023/3	FY 2027/3 (Estimated)
Digital-focused talent*1	560	900
Digital training attendance*2	350	1,000

*1: If hiring does not progress as expected, promote alliances with external partners

*2: Training to enhance skills of digital-focused talent and to improve digital literacy and skills of employees including staff on the business side

28. Establishing work environment and creating organizational culture

- **Prioritize initiatives to promote the role of managers, in order to establish a work environment and organizational culture that provides a better work environment and heightens motivation**

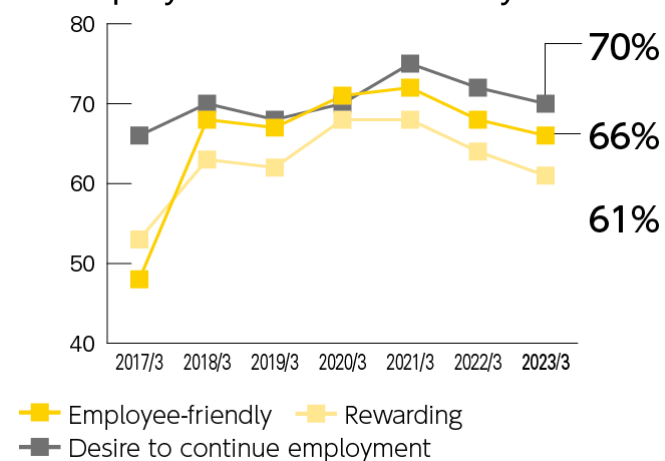
Employee awareness survey results

- Priority for improvement is enhancing motivation
- The awareness, motivation, skills etc. of managers has a strong impact on the mindset of employees

Initiatives to promote the role of Managers

- **Workplace Discussions**
 - Through dialogue, promote the mindset that it is important to understand management policy and strategy, communicate it to their team members, reflect it in actions, penetrate the Human Resource Management Policy, evaluate and feedback members based on the "Job description"
- **Continuous follow-up with managers (FY2024/3~)**
 - Regularly conduct Workplace Discussions
 - Streamline job, role and responsibility of managers
 - Reorganize and provide skills education and training

▶ Employee awareness survey results



▶ Workplace discussions (Yamato Transport, FY2023/3)



No. of meetings

87

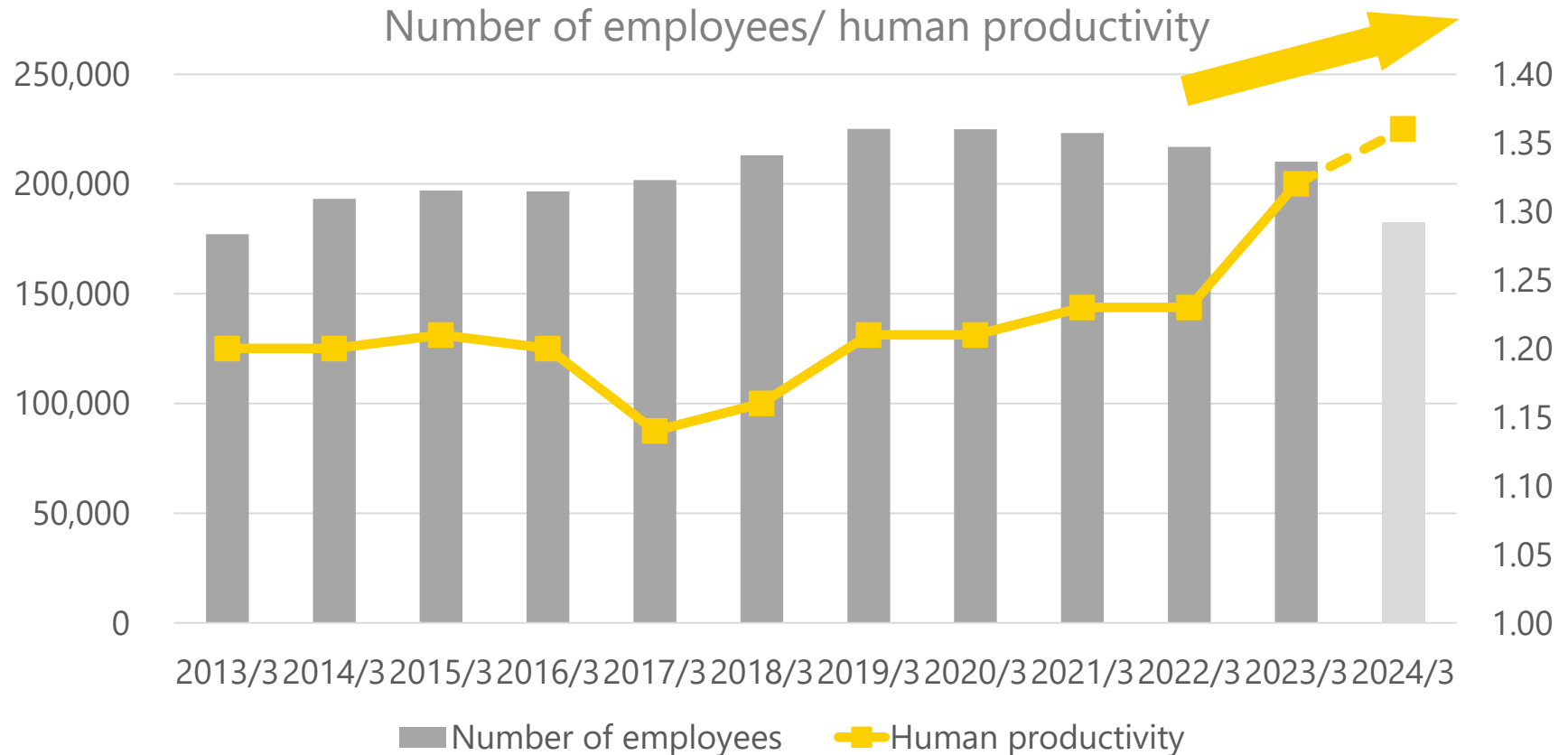
Participants*

2,411

*Managers in Sales office etc. participated. (Executive Officers joined as observers)

29. Trend in labor productivity

- With the structural reform of network and (EC logistics network, consolidating and enlarging last-mile facilities), human productivity has improved
- Through the establishment and operation of HR systems and management structure, accelerate higher productivity in operations and value creation, and aim for higher human productivity and the improvement in operating margin

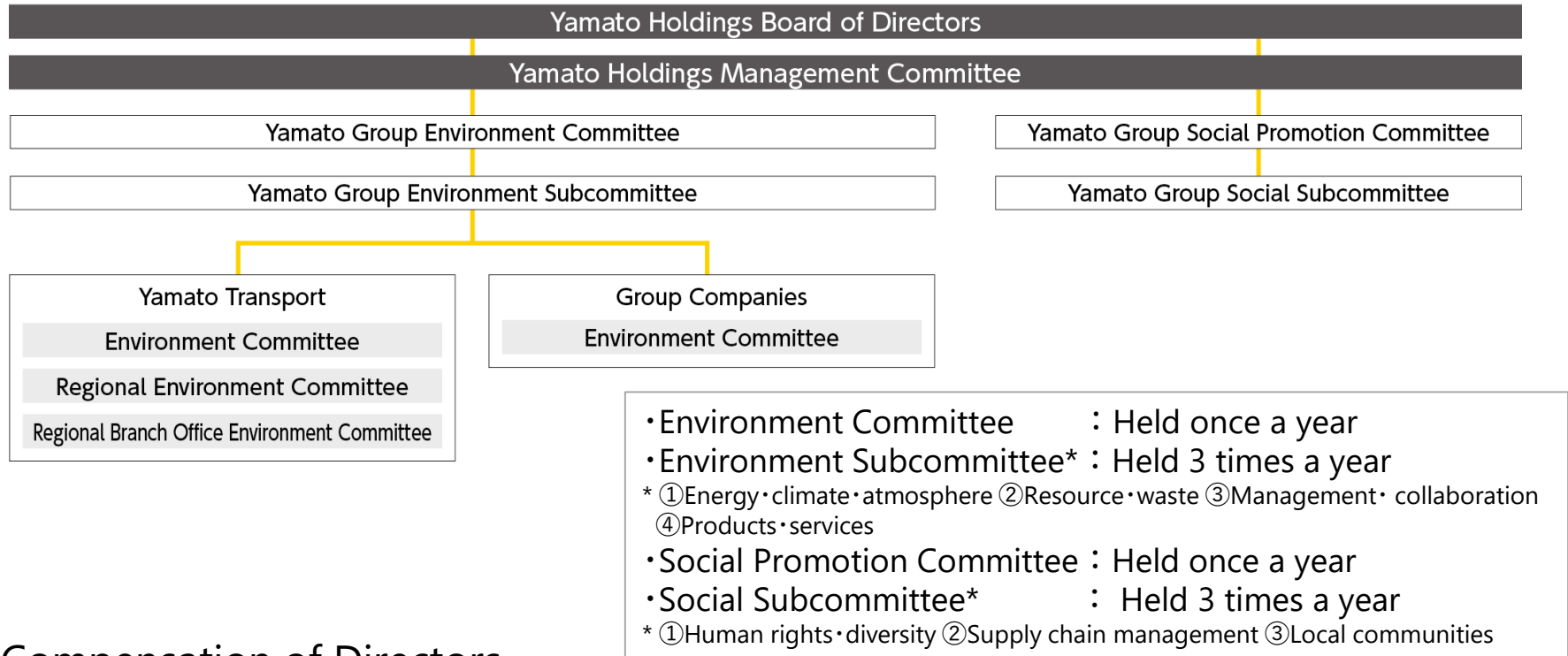




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Ref. Sustainability Promotion Structure and governance

■ Sustainability Promotion Structure



■ Compensation of Directors

Mid-to-long term performance-linked, share-based compensation
(variable compensation) introduced in FY2022/3

Performance indicators

ROE, total shareholder return,
ESG indicators (greenhouse gas emissions)

Ref. External certifications and assessments

(As of Dec 1, 2023)

Organization	Metric, name, etc.	Yamato HD's certification
MSCI	MSCI ESG Leaders Indexes MSCI Japan ESG Select Leaders Index MSCI Japan Empowering Women (WIN) Select Index	Included in the index AA(Max AAA)
FTSE	FTSE 4 Good Index Series FTSE Blossom Japan Index FTSE Blossom Japan Sector Relative Index	Included in the index 4.3 (Max 5)
S&P	S&P/JPX Carbon Efficient Index	Included in the index
SOMPO Asset Management	SOMPO Sustainability Index	Included in the index
CDP		Climate change B (A~D)
Morningstar	Morningstar Japan ex-REIT Gender Diversity Tilt Index	Included in the index

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