

Group Corporate Philosophy

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

Management Philosophy

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

Core Values

1. We all represent the Company.

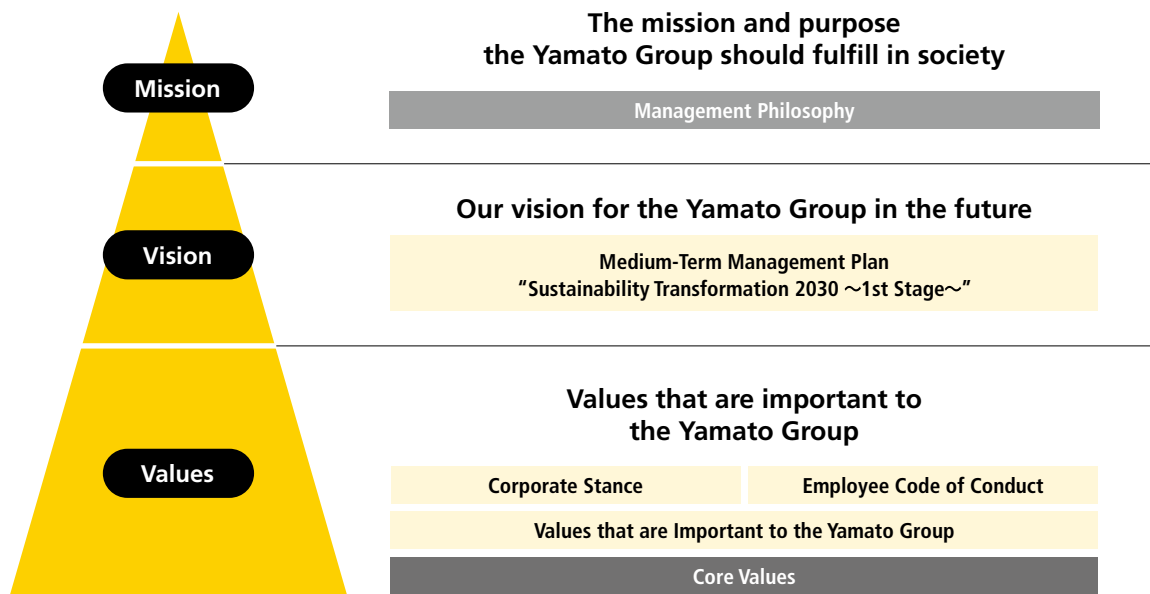
This value represents the spirit of “inclusive management,” whereby employees make decisions based on their own judgments and engage with our customers and business partners with an awareness that they represent the Company.

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

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

3. We conduct ourselves both professionally and ethically.

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

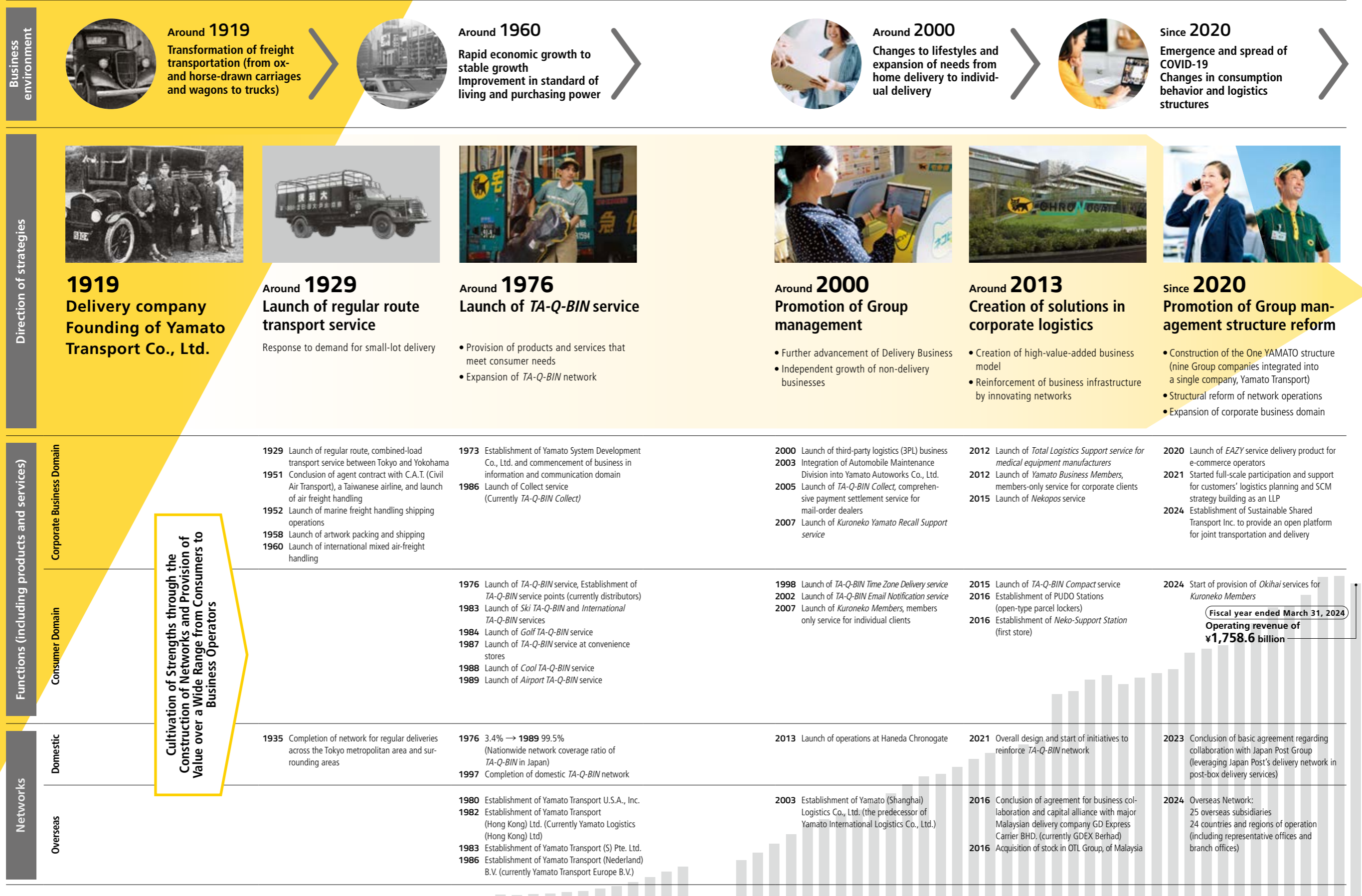


For more details, please refer to our corporate website.

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

🔗 Values and Policies for Demonstrating Approaches
<https://www.yamato-hd.co.jp/english/csr/esp/policy.html>

History of the Yamato Group's Value Creation



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

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

Fiscal year ended March 31, 2024
Operating revenue of
¥1,758.6 billion

The Yamato Group in Figures

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

Operating revenues

¥1,758.6 billion

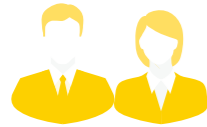
Operating profit

¥40.0 billion

Number of employees

Approx.

180,000



Sales Drivers

Approx.

60,000



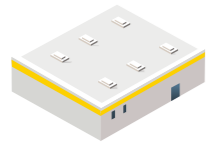
Last-mile pickup and delivery facilities

Approx. 2,900



Terminals

80



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

Approx. 400

Pickup and delivery vehicles

Approx. 46,000

EVs

Approx. 2,300

TA-Q-BIN agents and convenience stores

Approx.

150,000



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

Approx.

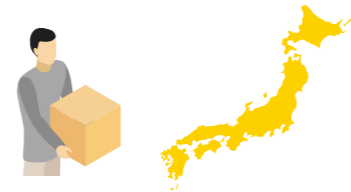
57 million

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

Approx. 1.7 million companies

Network coverage of TA-Q-BIN in Japan

100%



Overseas development



24 countries and regions

Domestic parcel delivery market share*

No. 1 (46.7%)

Annual parcel delivery amount

(TA-Q-BIN, TA-Q-BIN Compact, EAZY, Nekopos, and Kuroneko Yu-Packet)

Approx.

2.3 billion parcels

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

The Yamato Group Going Forward

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

Our Vision (Up to 2030)

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



Material Issues

Environment



Energy & Climate



Atmosphere



Resource Conservation & Waste



Resilience of Companies & Society

Society



Labor



Human Rights & Diversity



Safety & Security



Data Utilization & Security



Supply Chain Management



Community



Business Environment / Social Issues

Growth of E-Commerce

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

Shortage of transportation capacity intensifying

Climate change intensifying

Heightening of geopolitical risk

Technological advances

Value Creation Process

Sources of Value Creation

- Human resources with shared philosophy
- Logistics network supporting social infrastructure
- Solid partnerships supporting the logistics network
- Highly competitive logistics technologies and expertise
- Digital platform that enables expansion of value provided and increased operational efficiency
- Green platform built on environmental investment and demonstration tests
- Broad customer foundation ranging from individuals to corporations
- Solid financial foundation

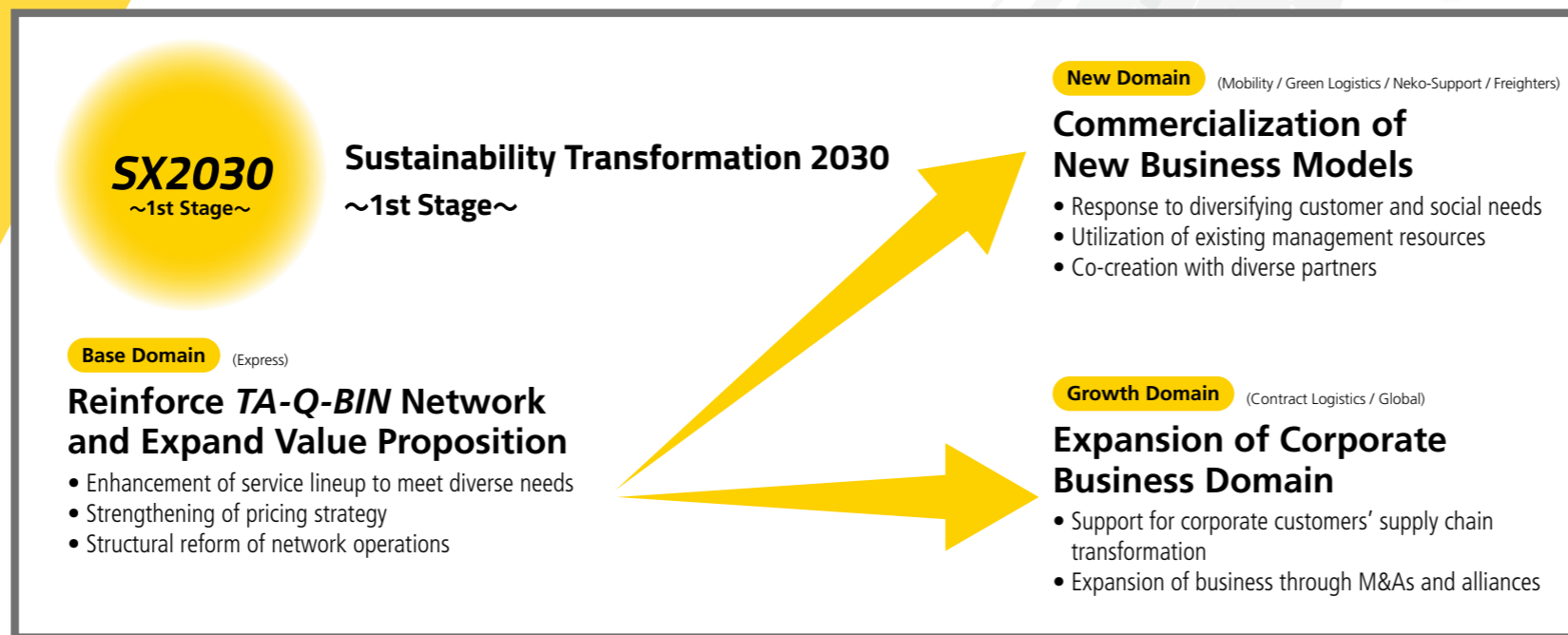
Business Environment / Social Issues

- Growth of E-Commerce
- Decline of the working population
Aging society, declining birth rate / Depopulation of suburban areas
- Shortage of transportation capacity intensifying
- Climate change intensifying
- Heightening of geopolitical risk
- Technological advances

Value Creation Strategies

Our Vision

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



Value Created

Helping to enrich our society

- Economic Value**
Realization of sustainable profit growth
- Environmental Value**
Realization of a low-carbon society
- Social Value**
Creation of a society that leaves no-one behind

Financial and Non-Financial Targets

► Medium- to long-term financial targets and aims

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

► Medium- to Long-Term Non-Financial Targets

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

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

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

*3 For Yamato Transport

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

Evolution of the Business Model

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

Medium-Term Management Plan for Realizing Our Vision

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

 <p>Base Domain</p> <p>Reinforcement of <i>TA-Q-BIN</i> Network and Expansion of Value Proposition</p> <p>In the base domain, we will realize profit growth by reinforcing the <i>TA-Q-BIN</i> network and expanding the value provided.</p>	 <p>Growth Domain</p> <p>Expansion of Corporate Business Domain</p> <p>In the growth domain, we will realize an expansion of the corporate business domain beyond <i>TA-Q-BIN</i> by strengthening our Contract Logistics Business and Global Business.</p>	 <p>New Domain</p> <p>Commercialization of New Business Models</p> <p>In the new domain, we will work to commercialize new business models that meet the needs of our diversifying customers and society for the realization of a sustainable future.</p>
 <p>Reinforcement of Group Management Foundation</p> <p>We will work to strengthen our human resource strategy, digital strategy, environmental strategy, sustainability management, and corporate governance, which support our growth strategies, thereby reinforcing the Group management foundation.</p>	 <p>Promotion of Management with a Greater Focus on Capital Efficiency</p> <p>By adding ROIC as a new target in addition to the operating profit margin and ROE, we aim to promote management with a greater focus on capital efficiency in order to realize capital efficiency exceeding the cost of capital.</p>	

Update on Management Resources and Strengths

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

» Sources of Value Creation

		Current strengths*1		Updates	
Human resources with shared philosophy	<ul style="list-style-type: none"> Group employees with a shared corporate philosophy 	Numbers of employees	Approx. 180,000	<ul style="list-style-type: none"> Building an optimal human resource portfolio for creation of added value → P32-37 Human Resource Strategy 	
		Sales Drivers (SDs)	Approx. 60,000		
		Corporate sales personnel	Approx. 750		
		Human resources with digital skills	Approx. 680		
Logistics network supporting social infrastructure	<ul style="list-style-type: none"> <i>TA-Q-BIN</i> network serving countless customers Logistics network for corporate clients that combines warehousing, transportation, and delivery Global network operating in 24 countries and regions 	Last-mile pickup and delivery facilities	Approx. 2,900	<ul style="list-style-type: none"> Reinforce <i>TA-Q-BIN</i> Network Stable, speedy transportation using freighters Strengthening of logistics network for corporations in Japan and overseas through M&As, strategic alliances, and so forth → P22-31 Initiatives in Base, Growth, and New Domains 	
		PUDO Stations (open-type parcel lockers)	Approx. 6,900		
		Terminals	80		
		Facilities for corporate clients (warehouses, pickup and delivery facilities for corporate clients, etc.)	Approx. 400		
		Pickup and delivery vehicles	Approx. 46,000		
		Transportation operation vehicles	Approx. 2,500		
Solid partnerships supporting the logistics network	<ul style="list-style-type: none"> Transport and delivery partners supporting the <i>TA-Q-BIN</i> network Distributors and receivers serving as the main customer touchpoints for <i>TA-Q-BIN</i> 	Transport and delivery partners	Approx. 3,500	<ul style="list-style-type: none"> Further strengthening of partnerships for sustainable growth, such as fair, equitable, and honest business transactions and consideration for the environment and society → P48-49 Supply Chain Management 	
		<i>TA-Q-BIN</i> distributors and convenience stores	Approx. 150,000		
Highly competitive logistics technologies and expertise	<ul style="list-style-type: none"> High-quality logistics technologies cultivated through the handling of healthcare-related items (medical equipment, pharmaceuticals, etc.) and automotive-related items Logistics technologies for three temperature ranges (room temperature, refrigerated, and frozen) cultivated through the handling of food-related items Customs expertise for ensuring security, compliance, and efficiency (AEO Customs Broker*2) Artwork logistics, etc. 			<ul style="list-style-type: none"> Increasing competitive advantage in growth domains through M&As and strategic alliances, and so forth → P25-29 Initiatives in Growth Domain 	
		Digital platform that enables expansion of value provided and increased operational efficiency			
Green platform built on environmental investment and demonstration tests	<ul style="list-style-type: none"> Equipment and expertise for reducing in-house GHG emissions due to the introduction of EVs, solar power generation, and LEDs, as well as the development of energy management systems Provision of climate change-conscious transportation and delivery services (Carbon neutral <i>TA-Q-BIN</i>) Small mobile freezer (D-mobico) Implementation of studies aimed at standardization and commercialization of removable and portable cartridge batteries for EVs 	EVs	Approx. 2,300	<ul style="list-style-type: none"> Building Fully-Digital Operations Enhancement of the digital platform → P38-39 Digital Strategy 	
		Number of Solar Power Generation Equipment Installations	100		
		Percentage of Electricity Generated via Renewable Energy Sources	37%		
		Number of Facilities Introducing LEDs	Approx. 2,000		
Broad customer foundation ranging from individuals to corporations	<ul style="list-style-type: none"> Broad customer foundation in Japan cultivated through <i>TA-Q-BIN</i> 	Number of registered users of members-only service for individual clients	Approx. 57 million	<ul style="list-style-type: none"> Expanding customer foundation in growth domains through M&As and strategic alliances, and so forth → P26 Conversion of Nakano Shokai to a Consolidated Subsidiary → P29 M&A Strategy 	
		Number of registered companies for members-only service for corporate clients	Approx. 1.7 million		
Solid financial foundation	<ul style="list-style-type: none"> Soundness Dividend payments emphasizing stability and continuity 	Share capital	¥127.2 billion	<ul style="list-style-type: none"> Disciplined capital allocation → P18-21 Message from the Chief Financial Officer 	
		Shareholders' equity ratio	51.6%		
		Rating (Rating & Investment Information, Inc. (R&I))	AA-		
		Dividend payout ratio	42.9%		

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

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