

The following is an English translation of the Notice of the 157th Ordinary General Meeting of Shareholders of Yamato Holdings Co., Ltd. The Company provides this translation for your reference and convenience only and without any warranty as to its accuracy.

Stock code: 9064

June 1, 2022

Yamato Holdings Co., Ltd.
16-10, Ginza 2-chome, Chuo-ku, Tokyo
President: Yutaka Nagao

To Our Shareholders

Notice of the 157th Ordinary General Meeting of Shareholders

We are pleased to announce that the 157th Ordinary General Meeting of Shareholders of Yamato Holdings Co., Ltd. (hereinafter “the Company”) will be held as described below.

In order to prevent the spread of COVID-19 infection, shareholders are urged to refrain from coming to the venue on the date of the meeting, and encouraged to exercise your voting rights prior to the meeting by mail or by electromagnetic means such as the Internet, if at all possible. Please review the “Reference Documents for the General Meeting of Shareholders,” and exercise your voting rights. All votes must be received by 5:00 p.m., Wednesday, June 22, 2022 (JST).

When exercising voting rights by mail

Please indicate your vote “for” or “against” each of the items on the enclosed Voting Rights Exercise Form, and return the form to the Company by 5:00 p.m., Wednesday, June 22, 2022 (JST).

When exercising voting rights via the Internet

Please review the “Exercise of Voting Rights via the Internet” on page 3 and enter your vote for each of the items by 5:00 p.m., Wednesday, June 22, 2022 (JST).

When exercising voting rights by attending the meeting in person

Please bring the enclosed Voting Rights Exercise Form and present the form to the person at reception.

The 157th Ordinary General Meeting of Shareholders

1. Date and Time: Thursday, June 23, 2022, 10:00 a.m. (The reception desk will open at 9:00 a.m.)

2. Venue: B1 Hall Bellesalle Shiodome
Sumitomo Realty & Development Shiodome Hamarikyu Building
21-1, Ginza 8-chome, Chuo-ku, Tokyo

* To prevent the spread of COVID-19, seats will be arranged taking into account the distance between each shareholder. Therefore, please understand that if a large number of shareholders show up, the Company may limit the number of shareholders who can attend.

3. Objectives of Meeting

Matters to be reported:

1. Report of the Business Report, the Consolidated Financial Statements, and Audit Reports of the Accounting Auditor and the Audit & Supervisory Board for the Consolidated Financial Statements for the 157th Fiscal Year (from April 1, 2021 to March 31, 2022)
2. Report of the Non-consolidated Financial Statements for the 157th Fiscal Year (from April 1, 2021 to March 31, 2022)

Matters to be resolved:

- | | |
|----------------|--|
| Agenda Item 1. | Partial Amendments to the Articles of Incorporation |
| Agenda Item 2: | Election of Nine (9) Directors |
| Agenda Item 3. | Election of One (1) Audit & Supervisory Board Member |

4. Items Decided for the Convocation of Meeting

(1) Treatment of duplicate voting

In the event that you exercise your voting rights, both by mail and via the Internet etc., the vote via the Internet etc. shall be upheld as the valid exercise of your voting rights. In the event of multiple voting via the Internet etc., your last vote shall be upheld as the valid exercise of your voting rights.

(2) Diverse exercise of voting rights

In the event that you exercise your voting rights diversely, you are required to send notice providing the details and reasons in writing. Please note that you must ensure the notice arrives three days prior to the day of the General Meeting of Shareholders.

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- ◎ If any changes have been made to the items on the attached documents to this convocation notice and/or the Reference Documents for the General Meeting of Shareholders, such changes will be posted on our website.
 - ◎ Operational particulars of the General Meeting of Shareholders on the day of the meeting is provided in “Measures for Preventing Infection of the Novel Coronavirus Disease (COVID-19) at the 157th Ordinary General Meeting of Shareholders” posted separately on the Company’s website.
 - ◎ If future developments necessitate a major change in whether to hold or in the way the general meeting of shareholders will be run, shareholders will be informed via on our website.

Website: <http://www.yamato-hd.co.jp/>

Exercise of Voting Rights via the Internet

Method of exercise of voting rights by scanning QR code: “Smart Vote”

You can log in the Website for Exercising Voting Rights by scanning the QR code without entering your exercise of voting rights code and password.

1. Please scan QR code provided at the bottom right of the Voting Rights Exercise Form.

* QR Code is registered trademarks of DENSO WAVE INCORPORATED.

2. Please follow the directions that appear on the screen to vote “for” or “against” each of the items.

Note that exercising voting rights by using “Smart Vote” method is available only once.

If you need to change your votes after exercising your voting rights, please log in the voting website for a personal computer by using your voting rights exercise code and password provided on the Voting Rights Exercise Form and exercise your voting rights again.

* If you rescan the QR code, you can access the Website for Exercising Voting Rights for a personal computer.

Method of exercise of voting rights by entering exercise of voting rights code and password

1. Please access the Website for Exercising Voting Rights.

<https://soukai.mizuho-tb.co.jp/>

2. Please enter your “exercise of voting rights code” provided on the back of the Voting Rights Exercise Form.

3. Please enter your “password” provided on the back of the Voting Rights Exercise Form.

4. Please follow the directions that appear on the screen to vote “for” or “against” each of the items.

If you have any inquiries about the operation of a personal computer or a smartphone regarding the exercise of voting rights via the Internet, contact the following:

Internet Help Dial: Securities Agent Dept. of
Mizuho Trust & Banking Co., Ltd.
0120-768-524
(toll-free only from Japan)
(Business hours: 9 a.m. to 9 p.m. (JST) except for
the year-end and new year holidays)

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<Measures to prevent the spread of COVID-19>

1. Request to shareholders

In this General Meeting of Shareholders, In order to prevent the spread of COVID-19 infection, shareholders are urged to refrain from coming to the venue on the date of the meeting, and encouraged to exercise your voting rights prior to the meeting by mail or by electromagnetic means such as the Internet, if at all possible.

To prevent the spread of COVID-19, seats will be arranged taking into account the distance between each shareholder. Therefore, please understand that if a large number of shareholders show up, the Company may limit the number of shareholders admitted to enter the venue.

At this General Meeting of Shareholders, the Company will **livestream the meeting over the Internet** so that shareholders may view it from home. The Company also asks that you consider utilizing this method. For details, please refer to page 5 of this notice.

2. Regarding the special measures to be taken at the meeting

- (1) Shareholders' body temperatures will be monitored by a telethermographic screening system set up near the reception desk. Shareholders who have a fever of 37.5 degrees Celsius or above will not be admitted entry to the venue. In addition, shareholders who appear to be unwell may be refused entry to the venue. Accordingly, please note that it may take time to enter the venue.
- (2) The Company asks that shareholders wear a face mask and disinfect their hands using alcohol disinfectant, etc. upon arriving at the venue. Shareholders who do not cooperate with wearing a face mask or disinfecting their hands are refused entry to the venue. Please inform a staff member if you are allergic to alcohol disinfectant, etc. The Company asks that shareholders take precautions to prevent spread of the infection to themselves or others. The Company's officers and organizing staff members will also be wearing masks.
- (3) Please be advised in advance that **no gifts will be distributed** to attendants.
- (4) If future developments such as the situation regarding the spread of COVID-19 and announcements by the government ahead of the General Meeting of Shareholders necessitate a major change in the holding of the meeting or in the way the meeting will be run, the Company will revise the information at its website below as needed.

<https://www.yamato-hd.co.jp/investors/stock/meeting/>

Directions regarding livestreaming over the Internet

The General Meeting of Shareholders will be streamed online via the Internet (video with sound - Japanese only). We encourage shareholders to use this, so that they may view the proceedings from home.

When viewing the meeting via livestreaming, you will not be able exercise your voting rights on the day like shareholders attending the meeting are able to, so please exercise your voting rights beforehand.

Date and time of livestreaming	<p>Thursday, June 23, 2022, from 10:00 a.m.</p> <ul style="list-style-type: none"> * Access to the livestream is exclusive to shareholders with rights to attend this Ordinary General Meeting of Shareholders. * Out of consideration for the privacy of shareholders attending the meeting in person, footage to be broadcast will be limited to the area where the seats for chairperson and officers are located.
Method of viewing the livestream	<p>(1) With personal computer</p> <ol style="list-style-type: none"> 1) Please access the URL below. URL: https://vgm.smart-portal.ne.jp 2) Please click the login button after entering the ID and password shown on the “Notice Regarding the Livestreaming of the 157th Ordinary General Meeting of Shareholders” enclosed with this notice. <p>(2) With smartphone</p> <p>Shareholders may access the livestream by using a smartphone to scan the QR Code*1 shown on the “Notice Regarding the Livestreaming of the 157th Ordinary General Meeting of Shareholders” enclosed with this notice.</p>
Matters to take care of when viewing	<ul style="list-style-type: none"> ● Please be aware that livestream viewership of the General Meeting of Shareholders is not legally regarded as attendance at the meeting. ● Those accessing livestream content may encounter video or audio irregularities due to factors such as the operating environment of their personal computer or smartphone, or their telecommunications environment. ● Shareholders shall bear their own expenses for connection to the Internet. ● Shareholders viewing the livestream broadcast will not be able to voice questions, etc. at the meeting. Also, <u>because shareholders viewing the livestream broadcast will not be able to exercise their voting rights on the day like shareholders who attend the meeting are able to, the Company asks those shareholders to exercise their voting rights beforehand.</u> ● It is strictly forbidden to provide your ID and password to a third party by any means, including photo, video, sound recording, data file, etc. ● If some kind of future development prevents the livestreaming from taking place, shareholders will be informed on our website (https://www.yamato-hd.co.jp/investors/stock/meeting/).
Inquiries	<p>If you have any concerns, please contact the Stock Transfer Agency Dept., Mizuho Trust & Banking Co., Ltd. 0120-288-324 (toll-free only from Japan) Business hours: 9 a.m. to 9 p.m. (JST) on weekdays</p>

Reference Documents for the General Meeting of Shareholders

Agenda Item 1. Partial Amendments to the Articles of Incorporation

We propose to make a partial amendment to the Articles of Incorporation as described below.

1. Reasons for Amendment

Since the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation in preparation for the introduction of the system for providing informational materials for the general meeting of shareholders in electronic format.

- (1) The proposed Article 15 provides that information contained in the reference materials for the General Meeting of Shareholders, etc. shall be provided electronically, and establishes a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
- (2) Since the provisions for Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc. (Article 15 of the current Articles of Incorporation) will no longer be required, they will be deleted.
- (3) Accompanying the aforementioned establishment and deletion of a provision, a supplementary provision regarding the effective date, etc. will be established.

2. Details of Proposed Amendment

Current Articles of Incorporation and proposed amendments are as follows.

(Underlining denotes amendment.)

Current Articles of Incorporation	Proposed Amendments
<p><u>(Internet Disclosure and Deemed Provision of Reference Documents of the General Meeting of Shareholders, Etc.)</u></p> <p>Article 15. When the Company convenes a general meeting of shareholders, if it discloses information that is to be stated or presented in the reference documents for the general meeting of shareholders, business report, financial statements and consolidated financial statements through the internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</p> <p style="text-align: center;">(Newly established)</p>	<p style="text-align: center;">(Deleted)</p> <p>(Measures, etc. for Providing Information in Electronic Format)</p> <p>Article 15. When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</p> <p>Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</p>

Current Articles of Incorporation	Proposed Amendments
(Newly established)	<p data-bbox="815 226 1114 253"><u>(Supplementary Provisions)</u></p> <ol style="list-style-type: none"> <li data-bbox="815 277 1409 663">1. <u>The deletion of Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) in the pre-amended Articles of Incorporation and the establishment of the new Article 15 (Measures, etc. for Providing Information in Electronic Format) in the amended Articles of Incorporation shall be effective from September 1, 2022, the date of enforcement of the revised provisions, provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the "Date of Enforcement").</u> <li data-bbox="815 687 1409 848">2. <u>Notwithstanding the provisions of the preceding paragraph, Article 15 of the pre-amended Articles of Incorporation shall remain effective regarding any general meeting of shareholders held on a date within six months from the Date of Enforcement.</u> <li data-bbox="815 873 1409 1034">3. <u>These Supplementary Provisions shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u>

Agenda Item 2. Election of Nine (9) Directors

The terms of all the nine (9) Directors will expire at the close of this General Meeting of Shareholders. Accordingly, we would like to propose the election of nine (9) Directors.

The following are the candidates for Directors.

Please note that Mariko Tokuno, Yoichi Kobayashi, Shiro Sugata, Noriyuki Kuga, and Charles Yin are candidates for Outside Directors.

No.	Name of Candidate	Attributes of Candidate	Current Position at the Company	Board Tenure (at the close of this General Meeting)	Attendance to the Board of Directors Meetings
1	Yutaka Nagao	Reelection Male	Representative Director, Executive Officer and President	5 years	18/18 (100%)
2	Toshizo Kurisu	New election Male	Executive Officer and Vice President	—	—
3	Yasuharu Kosuge	New election Male	Senior Managing Executive Officer	—	—
4	Kenichi Shibasaki	Reelection Male	Representative Director	4 years	18/18 (100%)
5	Mariko Tokuno	Reelection Outside Independent Female	Director	5 years	16/18 (89%)
6	Yoichi Kobayashi	Reelection Outside Independent Male	Director	4 years	18/18 (100%)
7	Shiro Sugata	Reelection Outside Independent Male	Director	3 years	18/18 (100%)
8	Noriyuki Kuga	Reelection Outside Independent Male	Director	2 years	18/18 (100%)
9	Charles Yin	New election Outside Independent Male	—	—	—

New election New candidates for Directors

Reelection Candidates for Directors to be reelected

Outside Candidates for Outside Directors

Independent Independent officers

[Reference]

“Policies and procedures for the Board of Directors in appointing and dismissing senior management members and nominating candidates for positions as Directors and Audit & Supervisory Board Members”

Under the policy of appointing candidates with abundant experience and considerable insight relating to corporate management and business promotion, a sense of humanity from observing and evaluating from diverse perspectives, ability to grasp the essence of the issues facing the Company, and capabilities that will enhance our management structure, nominations are decided by the Board of Directors following deliberations on appointment and dismissal of Directors, Audit & Supervisory Board Members and Executive Officers by the Nomination and Compensation Committee, which comprises over half Outside Officers, and obtaining the consent of the Audit & Supervisory Board for the nominating Audit & Supervisory Board Members.

No.	Name of Candidate (Date of Birth)	Brief Background, Position and Responsibility at the Company		Number of Shares Owned	
1	Yutaka Nagao (Aug. 31, 1965)		Apr. 1988	Joined the Company	25,100
			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	
		Reelection	Apr. 2013	Managing Executive Officer	
			Apr. 2015	Executive Officer of the Company	
			Apr. 2015	Representative Director, Executive Officer and President of Yamato Transport Co., Ltd.	
			Jun. 2017	Director and Executive Officer of the Company	
		Board tenure (at the close of this	Apr. 2019	Representative Director, Executive Officer and President (current)	
		General Meeting): 5 years	Apr. 2021	Representative Director, Executive Officer and President of Yamato Transport Co., Ltd. (current)	
Attendance to the Board of Directors Meetings FY2022/3: 18/18 (100%)	(Important Concurrent Positions at Other Organizations) Representative Director, Executive Officer and President of Yamato Transport Co., Ltd. [Reasons for nomination as a candidate for Director] Yutaka Nagao possesses experience and achievements developed in the course of taking on leadership roles in Group management. In that regard, he has acted as Managing Executive Officer and Representative Director and President of the Company's subsidiary Yamato Transport Co., Ltd, and Director and Executive Officer of the Company. Since April 2019, he has been serving as Representative Director, Executive Officer and President of the Company. Accordingly, in order to enhance the management of the Group and promote its growth, the Company proposes his reelection as Director.				

No.	Name of Candidate (Date of Birth)	Brief Background, Position and Responsibility at the Company		Number of Shares Owned
2	New election Toshizo Kurisu (Sep. 29, 1960)	Apr. 1983	Joined the Company	30,310
		Jul. 1999	General Manager of Accounting Division	
		Jun. 2002	General Manager of Finance Division	
		Apr. 2006	Executive Officer of the Company	
		Apr. 2012	Representative Director, Executive Officer and President of Yamato Financial Co., Ltd.	
		Apr. 2017	Representative Director and Senior Managing Executive Officer of Yamato Transport Co., Ltd.	
		Apr. 2019	Representative Director, Executive Officer and President	
		Mar. 2020	Managing Executive Officer of the Company	
		Apr. 2021	Senior Managing Executive Officer of Yamato Transport Co., Ltd.	
		Feb. 2022	Executive Officer and Vice President of the Company (current)	
		Feb. 2022	Responsible for Finance, Public Relations and Digital (current)	
		Feb. 2022	Representative Director, Executive Officer and Vice President of Yamato Transport Co., Ltd. (current)	
(Important Concurrent Positions at Other Organizations)				
Representative Director, Executive Officer and Vice President of Yamato Transport Co., Ltd.				
[Reasons for nomination as a candidate for Director] Toshizo Kurisu possesses experience and achievements developed in the course of taking on leadership roles in Group management. In that regard, he had been acting as Representative Director, Executive Officer and President of the Company's subsidiary Yamato Financial Co., Ltd. (currently Yamato Transport Co., Ltd.), Representative Director, Executive Officer and President of Yamato Transport Co., Ltd., Executive Officer, Managing Executive Officer, and Executive Officer and Vice President of the Company. Accordingly, in order to enhance the management of the Group and promote its growth, the Company proposes his election as a Director				

No.	Name of Candidate (Date of Birth)	Brief Background, Position and Responsibility at the Company		Number of Shares Owned
3	Yasuharu Kosuge (Jun. 21, 1961)	Apr. 1985	Joined the Company	4,700
		Jun. 1997	Project Manager of Work System Project	
		Feb. 2002	Regional Branch Manager of Okayama Regional Branch	
		Apr. 2004	Regional Branch Manager of Yokohama Regional Branch	
		May 2006	Regional Branch Manager of Kita Tokyo Regional Branch of Yamato Transport Co., Ltd.	
		Apr. 2011	General Manager of Corporate Sales Division	
		Apr. 2014	Executive Officer	
		Apr. 2016	Managing Executive Officer	
		Apr. 2019	Managing Executive Officer of the Company	
		Apr. 2019	Representative Director, Executive Officer and President of Yamato Logistics Co., Ltd.	
		Apr. 2021	Senior Managing Executive Officer of Yamato Transport Co., Ltd.	
		New election	Feb. 2022	
		Feb. 2022	Responsible for Management Strategy and Human Resources (current)	
	Feb. 2022	Representative Director, Senior Managing Executive Officer of Yamato Transport Co., Ltd. (current)		
(Important Concurrent Positions at Other Organizations)				
Representative Director, Senior Managing Executive Officer of Yamato Transport Co., Ltd.				
[Reasons for nomination as a candidate for Director] Yasuharu Kosuge possesses experience and achievements developed in the course of taking on leadership roles in Group management. In that regard, he had been acting as Representative Director, Executive Officer and President of the Company's subsidiary Yamato Logistics Co., Ltd. (currently Yamato Transport Co., Ltd.), Representative Director and Senior Managing Executive Officer of Yamato Transport Co., Ltd., Managing Executive Officer, and Senior Managing Executive Officer of the Company. Accordingly, in order to enhance the management of the Group and promote its growth, the Company proposes his election as a Director				

No.	Name of Candidate (Date of Birth)	Brief Background, Position and Responsibility at the Company		Number of Shares Owned
4	Kenichi Shibasaki (Oct. 16, 1955)	Apr. 1980	Joined the Company	35,800
		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, Executive Officer and President 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	
		Apr. 2019	Supervisor of ESG Strategy, Marketing Strategy, Public Relations Strategy, Financing Strategy, Investor Relations Strategy, and Legal Strategy, and responsible for Internal Audit	
		Mar. 2020	Responsible for overseeing Managing Section	
	Feb. 2022	Representative Director of the Company (current)		
Reelection				
Board tenure (at the close of this General Meeting): 4 years				
Attendance to the Board of Directors Meetings FY2022/3: 18/18 (100%)				
		(Important Concurrent Positions at Other Organizations)		
		None		
		[Reasons for nomination as a candidate for Director] Kenichi Shibasaki possesses experience and achievements developed in the course of taking on leadership roles in Group management. In that regard, he had been acting as Director and Senior Managing Executive Officer since June 2018, after having served as Representative Director, Executive Officer and President of the Company's subsidiary Yamato Financial Co., Ltd. (currently Yamato Transport Co., Ltd.) and Executive Officer, Managing Executive Officer and Senior Managing Executive Officer of the Company. Since April 2019, he has been serving as Representative Director, Executive Officer and Vice President. Accordingly the Company proposes his reelection as Director.		

No.	Name of Candidate (Date of Birth)	Brief Background, Position and Responsibility at the Company	Number of Shares Owned
		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) (Important Concurrent Positions at Other Organizations) Outside Director of HAPPINET CORPORATION Outside Director of Mitsubishi Materials Corporation Outside Director of Shiseido Company, Limited	
5	Reelection Outside Independent Mariko Tokuno (Oct. 6, 1954) Board tenure (at the close of this General Meeting): 5 years Attendance to the Board of Directors Meetings FY2022/3: 16/18 (89%)	[Reasons for nomination as a candidate for Outside Director and expected roles] Mariko Tokuno possesses abundant experience and considerable insight, particularly in the fields of marketing/sales and global business as a corporate manager. Accordingly, the Company has determined that utilizing this insight to furnish advice on the Company's general management from a managerial standpoint in addition to the standpoint of customers and employees, particularly regarding business execution, business strategy, and human resources strategy, will contribute to further enhancing our management structure, and proposes her reelection as Outside Director. Furthermore, if she is elected, the Company plans for her to contribute to selecting Company officer candidates and deciding officer remuneration and other compensation as a member of the Nomination and Compensation Committee, enlisting her position of objectivity and neutrality.	4,200

No.	Name of Candidate (Date of Birth)	Brief Background, Position and Responsibility at the Company	Number of Shares Owned
		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	
	Reelection Outside Independent	Apr. 2011 Representative Director and Executive Vice President	
		Apr. 2015 Senior Advisor	
		Apr. 2016 Vice Chairman	
	Yoichi Kobayashi (Jul. 21, 1949)	Jun. 2018 Director of the Company (current)	
		(Important Concurrent Positions at Other Organizations)	
	Board tenure	None	
6	(at the close of this General Meeting): 4 years	[Reasons for nomination as a candidate for Outside Director and expected roles] Yoichi Kobayashi possesses abundant experience and considerable insight, particularly in the fields of marketing/sales and global business as a corporate manager. Accordingly, the Company has determined that utilizing this insight to furnish advice on the Company's general management from a managerial standpoint, particularly regarding business execution, business strategy, and investment strategy, will contribute to further enhancing our management structure, and proposes his reelection as Outside Director. Furthermore, if he is elected, the Company plans for him to contribute to selecting Company officer candidates and deciding officer remuneration and other compensation as a member of the Nomination and Compensation Committee, enlisting his position of objectivity and neutrality.	5,200
	Attendance to the Board of Directors Meetings FY2022/3: 18/18 (100%)		

No.	Name of Candidate (Date of Birth)	Brief Background, Position and Responsibility at the Company	Number of Shares Owned
7	Shiro Sugata (Nov. 17, 1949)	Apr. 1972 Joined USHIO INC.	0
		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	
		Jun. 2019 Director of the Company (current)	
		(Important Concurrent Positions at Other Organizations)	
		Outside Director of JSR Corporation (scheduled to retire in Jun. 2022)	
		Outside Director of Yokogawa Electric Corporation	
	Board tenure (at the close of this General Meeting): 3 years	[Reasons for nomination as a candidate for Outside Director and expected roles]	
	Attendance to the Board of Directors Meetings FY2022/3: 18/18 (100%)	Shiro Sugata possesses abundant experience and considerable insight, particularly in the fields of marketing/sales, IT/digital technology and global business as a corporate manager. Accordingly, the Company has determined that utilizing this insight to furnish advice on the Company's general management from a managerial standpoint, particularly regarding business execution, business strategy, increasing productivity, and cost structure reform, will contribute to further enhancing our management structure, and proposes his reelection as Outside Director. Furthermore, if he is elected, the Company plans for him to contribute to selecting Company officer candidates and deciding officer remuneration and other compensation as a member of the Nomination and Compensation Committee, enlisting his position of objectivity and neutrality.	

No.	Name of Candidate (Date of Birth)	Brief Background, Position and Responsibility at the Company		Number of Shares Owned
8	Noriyuki Kuga (Aug. 25, 1955)	Apr. 1979	Joined Tokyo Electron Ltd.	600
		Apr. 2002	Vice President & General Manager	
		Oct. 2004	President & Representative Director, Tokyo Electron BP Ltd.	
		Oct. 2006	Executive Vice President of TOKYO ELECTRON DEVICE LIMITED	
		Jun. 2007	Corporate Director and Executive Vice President	
		Jun. 2011	Senior Executive Vice President & Representative Director	
		Jun. 2016	Chairman of the Board	
		Jun. 2020	Director of the Company (current)	
		(Important Concurrent Positions at Other Organizations)		
		None		
Board tenure (at the close of this General Meeting): 2 years	[Reasons for nomination as a candidate for Outside Director and expected roles]			
Attendance to the Board of Directors Meetings FY2022/3: 18/18 (100%)	Noriyuki Kuga possesses abundant experience and considerable insight, particularly in the fields of personnel/labor management, finance/accounting and global business as a corporate manager. Accordingly, the Company has determined that utilizing this insight to furnish advice on the Company's general management from a managerial standpoint, particularly regarding business execution, financial strategy, and corporate governance, will contribute to further enhancing our management structure, and proposes his reelection as Outside Director. Furthermore, if he is elected, the Company plans for him to contribute to selecting Company officer candidates and deciding officer remuneration and other compensation as a member of the Nomination and Compensation Committee, enlisting his position of objectivity and neutrality.			

No.	Name of Candidate (Date of Birth)	Brief Background, Position and Responsibility at the Company	Number of Shares Owned
		Feb. 1990 Joined L3, Inc. (New York) Mar. 1992 Vice President Sep. 1996 Joined Fuji Xerox Asia Pacific Pte. Ltd. (Singapore) Aug. 2007 CEO of Worldwide City Group (Hong Kong) Jul. 2018 Executive Chairman (current)	
		(Important Concurrent Positions at Other Organizations)	
		Chairman of China-Japan CEO Forum	
		Chairman of China-Japan Asia CEO Forum	
9	New election Outside Independent Charles Yin (May 29, 1964)	[Reasons for nomination as a candidate for Outside Director and expected roles] Charles Yin possesses abundant experience and considerable insight, particularly in the fields of marketing/sales, IT/digital technology and global business as a corporate manager. Accordingly, the Company has determined that utilizing this insight to furnish advice on the Company's general management from a managerial standpoint, particularly regarding business execution and global business strategy, will contribute to enhance our management structure, and proposes his reelection as Outside Director. Furthermore, if he is elected, the Company plans for him to contribute to selecting Company officer candidates and deciding officer remuneration and other compensation as a member of the Nomination and Compensation Committee, enlisting his position of objectivity and neutrality.	0

Notes:

1. There are no particular vested interests between the Company and the candidates.
2. Additional information regarding the candidates of Outside Directors is as follows.
 - (1) Independent officers

The Company appointed Mariko Tokuno, Yoichi Kobayashi, Shiro Sugata and Noriyuki Kuga as independent officers provided for under the provisions of Tokyo Stock Exchange, Inc. and registered the individuals as such with that exchange. The Company plans on having the officers keep their position if their reelection is approved. In addition, if the election of Charles Yin is approved, the Company will appoint him as an independent officer.

Mariko Tokuno, Yoichi Kobayashi, Shiro Sugata, Noriyuki Kuga, and Charles Yin(*) satisfy the requirements for Criteria for Determining Independence of the Company on page 23.

(*) Worldwide Citigroup (Hong Kong), of which Mr. Charles Yin is Executive Chairman, and the Company entered into an advisory agreement for the period October 1, 2014 through September 30, 2019 to advise the Company on its global business strategy. The fee for this service was US\$50,000 per year, and the Company concludes that there are no independence concerns
 - (2) The number of years as Outside Director of the Company

Mariko Tokuno, Yoichi Kobayashi, Shiro Sugata and Noriyuki Kuga have been serving as the Company's Outside Directors for five years, four years, three years and two years, respectively, as of the closing of this General Meeting of Shareholders.
 - (3) Inappropriate conducts of business occurred and corrective and preventive measures implemented against such conducts during the past five years at another company at which a candidate served as a director

Since June 2016, Mariko Tokuno has been serving as an Outside Director of Mitsubishi Materials Corporation. During this time, cases have been discovered in which said Mitsubishi Materials Corporation's consolidated subsidiaries Mitsubishi Cable Industries, Ltd., Mitsubishi Shindoh Co., Ltd., Mitsubishi Aluminum Co., Ltd., Tachibana Metal MFG Co., Ltd, and Diamet Corporation manufactured and sold products that deviated from customer standards or internal company specifications due to misconduct, including the rewriting of data. In addition, Mitsubishi Materials Corporation also received revocation of JIS certification for copper slag aggregate manufactured at its Naoshima Smelter & Refinery.

Although she was unaware of each of these cases until they were revealed, as an Outside Director at Mitsubishi Materials Corporation she has routinely spoken out from the perspective of enhancing governance structure. Since each of these cases was revealed, she has been conducting investigations relating to these cases, identifying root causes, and providing advice on measures to prevent reoccurrences. After Mitsubishi Materials Corporation Group formulated measures etc. to enhance governance structure, she has been making efforts to further enhance governance structure by overseeing the progress of these measures and providing the Board of Directors with necessary comments and advice regarding issues and the like.
3. Agreement on liability limitation

The Company has concluded an agreement with Mariko Tokuno, Yoichi Kobayashi, Shiro Sugata and Noriyuki Kuga regarding liability limitation according to Article 423, paragraph (1) of the Companies Act. According to the agreement, the maximum liability amount is the minimum amount stipulated by Article 425, paragraph (1) of the Companies Act. If the reelection proposal is approved, the Company will continue its agreement with them. In addition, if the election of Charles Yin is approved, the Company will conclude the said agreement with him.
4. Directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy, as provided for in Article 430-3, paragraph (1) of the Companies Act, with an insurance company. The policy covers Directors, Audit & Supervisory Board Members and Executive Officers of the Company and its subsidiaries. If the election of each candidate is approved, they will be included as the insured.

The summary of the policy contents is as written on page 46 in Business Report.

In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.

Agenda Item 3. Election of One (1) Audit & Supervisory Board Member

The term of one (1) Audit & Supervisory Board Member, namely Mamoru Matsuno, will expire at the close of this General Meeting of Shareholders. Accordingly, we would like to propose the election of one (1) Audit & Supervisory Board Member.

The following are the candidates for Audit & Supervisory Board Members.

In addition, the Audit & Supervisory Board has already approved this proposal.

Name of Candidate (Date of Birth)	Brief Background and Position at the Company		Number of Shares Owned
New election Tsutomu Sasaki (Nov. 13, 1964)	Apr. 1987	Joined the Company	12,600
	Apr. 2005	General Manager of TA-Q-BIN Sales Division III	
	Jul. 2006	General Manager of Product Development Division of Yamato Transport Co., Ltd.	
	Apr. 2007	General Manager of Manufacturer Solution Sales Division	
	Apr. 2009	General Manager of Global Sales Division	
	Apr. 2011	General Manager of Sales Strategy Division	
	Apr. 2017	Executive Officer of the Company	
	Sep. 2018	Representative Director, Executive Officer and President of Yamato Logistics Co., Ltd.	
	Apr. 2019	Managing Executive Officer of the Company	
	Mar. 2020	Representative Director and Senior Managing Executive Officer of Yamato Transport Co., Ltd.	
	Apr. 2021	Senior Managing Executive Officer of the Company	
	Apr. 2021	Senior Managing Executive Officer of Yamato Transport Co., Ltd.	
	Feb. 2022	Attached to the President of the Company (current)	
(Important Concurrent Positions at Other Organizations)			
None			
[Reasons for nomination as a candidate for Audit & Supervisory Board Member]			
The Company has determined that Tsutomu Sasaki will provide appropriate oversight of Group-wide management from an objective perspective based on his experience and achievements developed in the course of taking on leadership roles in Group management. In that regard he had been acting as Representative Director, Executive Officer and President of Yamato Logistics Co., Ltd. (currently Yamato Transport Co., Ltd.) and Executive Officer, Managing Executive Officer and Senior Managing Executive Officer of the Company. Accordingly the Company propose his election as Audit & Supervisory Board Member.			

Notes:

1. There are no particular vested interests between the Company and the candidate.
2. Agreement on liability limitation
If the election of Tsutomu Sasaki is approved, the Company will conclude an agreement with him regarding liability limitation according to the Companies Act, Article 423, Paragraph 1. According to the agreement, the maximum liability amount is the minimum amount stipulated by the Companies Act, Article 425, Paragraph 1.
3. Directors and officers liability insurance policy
The Company has entered into a directors and officers liability insurance policy, as provided for in Article 430-3, paragraph (1) of the Companies Act, with an insurance company. The policy covers Directors, Audit & Supervisory Board Members and Executive Officers, etc. of the Company and its subsidiaries. If the election of Tsutomu Sasaki is approved, he will be included as the insured.

The summary of the policy contents is as written on page 46 in Business Report.
In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.

[Reference] Management Structure After Agenda Items 2 and 3 Are Approved (Planned)

Name	Position	Outside	Nomination and Compensation Committee	Expertise and experience						
				Corporate management	Marketing/sales	Personnel/labor management	Finance/accounting	Legal affairs/risk management	IT/digital technology	Global
Yutaka Nagao	Representative Director, Executive Officer and President		○	●	●				●	
Toshizo Kurisu	Representative Director, Executive Officer and Vice President			●			●		●	
Yasuharu Kosuge	Representative Director, Executive Officer and Vice President			●	●	●				
Kenichi Shibasaki	Director			●			●	●	●	
Mariko Tokuno	Director	○	○	●	●					●
Yoichi Kobayashi	Director	○	○	●	●					●
Shiro Sugata	Director	○	○	●	●				●	●
Noriyuki Kuga	Director	○	○	●		●	●			●
Charles Yin	Director	○	○	●	●				●	●
Yoshihiro Kawasaki	Full-time Audit & Supervisory Board Member				●	●	●	●		
Tsutomu Sasaki	Full-time Audit & Supervisory Board Member			●	●			●		
Takashi Yamashita	Audit & Supervisory Board Member	○					●	●		
Ryuji Matsuda	Audit & Supervisory Board Member	○					●	●		
Yoshihide Shimoyama	Audit & Supervisory Board Member	○		●			●	●		

Notes:

1. Full-time Audit & Supervisory Board Members will be determined at the Audit & Supervisory Board meeting after the close of this General Meeting of Shareholders, and Directors with titles and members of the Nomination and Compensation Committee will be determined at a subsequent meeting of the Board of Directors.
2. The Board of Directors and the Nomination and Compensation Committee will be chaired by Shiro Sugata.
3. The above list shows fields in which each of them has more expert knowledge in light of their experience and other factors, and does not cover all their knowledge.

Criteria for Determining Independence in Electing Outside Officers of the Yamato Group

1. Criteria for determining independence

Yamato Holdings Co., Ltd. has established the following criteria for determining the independence of the Outside Directors and Outside Audit & Supervisory Board Members of the Company (hereinafter collectively referred to as “Outside Officers”).

2. Independence requirements for Outside Officers

A party with respect to whom any of the following apply shall be deemed as not having met the requirements for independence of an Outside Director or Outside Audit & Supervisory Board Member of the Company.

- (1) A party who is a major business partner of either the Company or a Group company (hereinafter collectively referred to as the “Company”), or otherwise if such party is a corporation or other such entity, a person who executes business thereof;
- (2) A major business partner of the Company, or otherwise if such party is a corporation or other such entity, a person who executes business thereof;
- (3) A consultant, accounting professional or legal professional who receives substantial monetary consideration and/or other economic benefits from the Company besides officer remuneration;
- (4) A consultant, accounting professional, legal professional or other such professional who is a member of a corporation or other such entity that provides professional services acting as a major business partner of the Company;
- (5) A major shareholder of the Company, or otherwise if such major shareholder is a corporation or other such entity, a person who executes business thereof;
- (6) A recipient of donations from the Company or a person who executes business thereof;
- (7) A person who now serves or has served in the past as a Director (excluding Outside Director), Audit & Supervisory Board Member (excluding Outside Audit & Supervisory Board Member), Executive Officer, or employee of either the Company or one of its subsidiaries;
- (8) A close relative of a Director, Audit & Supervisory Board Member, Executive Officer or employee of the Company;
- (9) A close relative of a person (excluding inconsequential persons) with respect to whom any of the aforementioned apply.

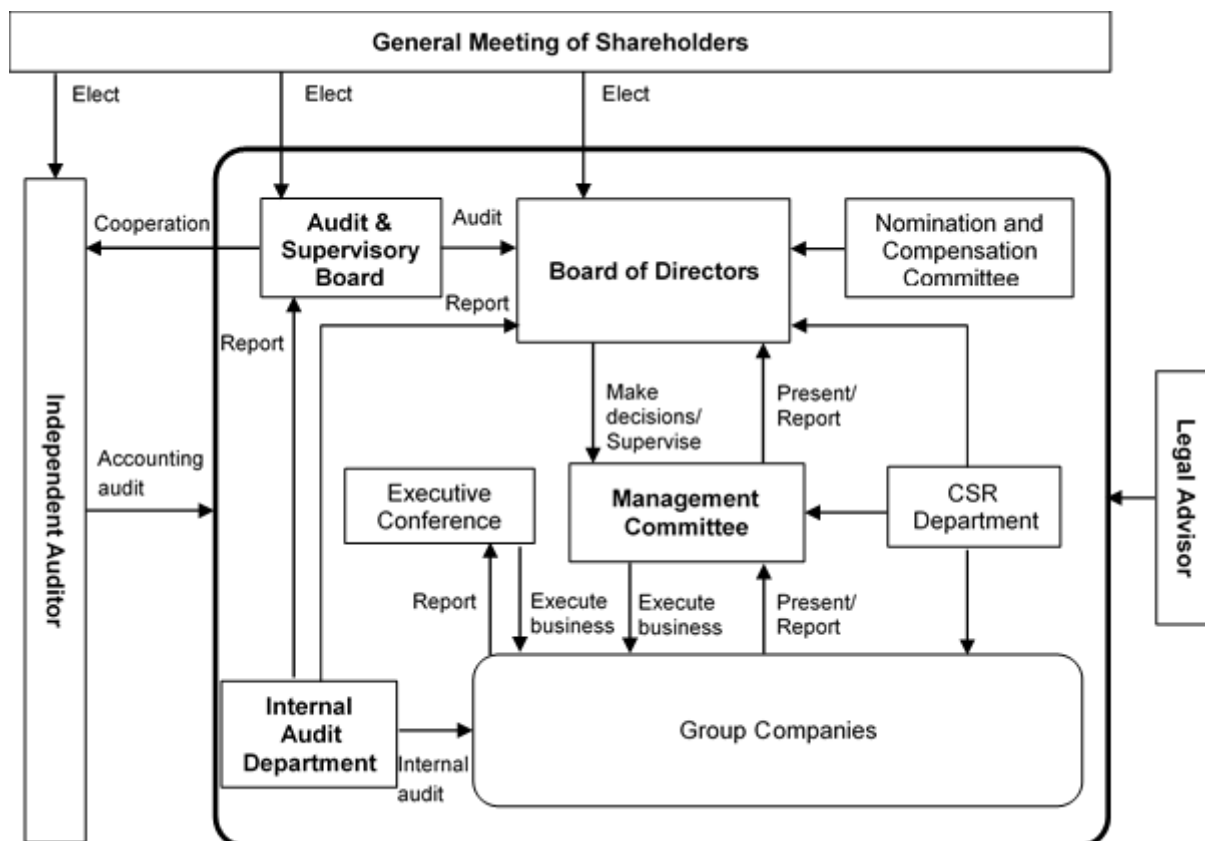
Basic Views on Corporate Governance

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.

Corporate Governance System

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 complement the functions of the Board of Directors, the Company established a Nomination and Compensation Committee comprising a majority of Outside Directors. At the same time, the Company has adopted an executive officer system to ensure prompt decision-making related to business execution.



(Attached Documents)

Business Report

(From April 1, 2021 to March 31, 2022)

1. Status of the Corporate Group

(1) Operating Performance

During the fiscal year under review, there were signs of improvement in the economic sentiment, due to the gradual resumption of economic activity following the full lifting of the novel coronavirus disease (COVID-19) state of emergency declarations. However, the outlook for full-scale economic recovery remains unclear, due to global supply chain disruptions, the weakening of the yen, high crude oil prices, as well as the instability in international affairs leading to the rise in natural resource prices.

Meanwhile, COVID-19 has accelerated growth in the e-commerce domain across all industries amid a scenario of changes in consumer behavior and lifestyles brought about by developments such as companies promoting telework arrangements and a shift to online services in the fields of medicine and education. Under such circumstances, the Yamato Group embarked on a new Group management structure centered on the “New Yamato Transport,” which combines management resources of our respective Group companies, with the aim of sustainably increasing its corporate value through contribution to the creation of an enriched society as stated under its Management Philosophy.

In addition, we took steps to furthermore provide comprehensive value by meeting the needs of our customers and society by transforming supply chains in response to changing lifestyles and changing distribution structure, based on the medium-term management plan, “One Yamato 2023,” with the fiscal year ending March 31, 2024 set as its final fiscal year.

Our consolidated financial results for the fiscal year ended March 31, 2022 were as follows.

(Millions of yen)				
Item	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Change	Growth (%)
Operating revenue	1,695,867	1,793,618	97,750	5.8
Operating profit	92,121	77,199	(14,921)	(16.2)
Ordinary profit	94,019	84,330	(9,689)	(10.3)
Profit attributable to owners of parent	56,700	55,956	(744)	(1.3)

Operating revenue amounted to 1,793,618 million yen, up 97,750 million yen from the previous fiscal year. This is largely attributable to our having achieved an increase in parcel delivery volume as a result of taking action in the burgeoning e-commerce domain, and also a result of our having focused on optimizing logistics for customers.

Operating expenses amounted to 1,716,418 million yen, up 112,672 million yen from the previous fiscal year. This was due to factors that include an increase in costs associated with the promotion of the medium-term management plan “One Yamato 2023,” such as the fact that we are in the process of optimizing operations in the e-commerce logistics network, which are building to accommodate the growing demand for e-commerce, and our existing network, along with higher unit prices of fuel.

As a result, operating profit amounted to 77,199 million yen, down 14,921 million yen from the previous fiscal year.

Ordinary profit amounted to 84,330 million yen, down 9,689 million yen year-on-year, despite the booking of 4,510 million yen in gain on investments in investment partnerships.

Profit attributable to owners of parent amounted to 55,956 million yen, and the Company was able to limit the decline from the previous fiscal year to 744 million yen, mainly due to booking of 15,312 million yen of disposal gains of investment securities as extraordinary income, in part due to the disposal of strategic holdings of shares, the booking of 14,999 million yen in loss on revision of retirement benefit plan as extraordinary losses, as well as the decline in taxable profit for the period as a result of losses from the disposal of affiliate company shares.

In addition, the Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the fiscal year under review. In addition, effective from the fiscal year under review, the Company and its domestic consolidated subsidiaries have changed from the declining-balance method to the straight-line method as their depreciation method for property, plant and equipment in order to allocate costs in a manner that better reflects actual use of assets, and have accordingly modified useful lives of some vehicles. Details are shown on “Notes to Consolidated Financial Statement, 2. Changes in Accounting Policies.”

In January 2022, the Company transferred 51% of the Company’s holdings of issued common shares of Yamato Home Convenience Co., Ltd. (“YHC”) to ART CORPORATION. Effective from the end of the fiscal year under review, the Company will make YHC an equity method affiliate rather than its current designation as a consolidated subsidiary, given that the Company holds 49% of the voting rights in YHC, down from 100% previously as a result of the transfer of shares.

Initiatives for the entire Yamato Group

The Yamato Group has been working to address the COVID-19 pandemic, and to ensure that customers can use TA-Q-BIN with peace of mind, we have continued to take steps that include making sure that employees practice full hygiene management, promoting workplace vaccinations among employees who wish to be vaccinated, and otherwise placing focus on implementing contact-free deliveries and other infection prevention measures when interacting with customers, using our website to share information, and continuing to provide logistics services, including TA-Q-BIN. Based on our medium-term management plan “One Yamato 2023,” which seeks to provide comprehensive value that addresses the diversifying needs of customers and society, we are working on the following initiatives.

- i) **Increasing productivity across the entire Yamato Group**
In order to address the changing and increasingly diverse needs of our customers, we have continued working to optimally allocate the Group’s management resources while striving to improve the accuracy of our demand and operating amount forecasts on the basis of data analysis. In addition, we have been coordinating efforts to the Retail Business Unit, Corporate Business Unit, Transportation Function Division, and Digital Function Division with respect to optimizing and standardizing our delivery process by transforming work operations, and shifting to automation and digitization, thereby increasing the amount of time frontline personnel interact with our customers, expanding our collection and delivery capabilities, and enabling us to make improvements in safety and quality. In September 2021, Yamato Management Service Co., Ltd., which handles bookkeeping and accounting operations as well as personnel affairs for respective companies of the Yamato Group, was combined with Yamato Transport Co., Ltd. by means of absorption-type merger, thereby enabling us to make progress in achieving optimal allocations of specialist human resources in our accounting and HR operations. Moreover, our Professional Service Function Division has been operating under the “One Yamato Structure” in spearheading efforts to reduce the administrative and indirect operations workload of our frontline personnel by engaging in business process re-engineering (BPR), which has involved standardizing and digitizing such tasks.
- ii) **Growing operating revenue through growth in the corporate client domain**
For our corporate clients who have been coping with changes in consumer behavior and lifestyles caused by the spread of COVID-19, we have been working to build transportation

and delivery networks with the addition of the network for corporate enterprises to the TA-Q-BIN and EAZY transportation modes, cater to the needs for international transportation, as well as improve the profitability of our international business. In addition, we have been continuing to tap the expanding e-commerce (EC) demand through the optimal allocation of EAZY CREW delivery partners and our sales drivers, as well as establishing an e-commerce logistics network with a more simple sorting, transportation and last-mile delivery operation, while also proposing solutions in upstream domains of logistics, particularly in areas that include e-commerce company procurement and inventory liquidation. We have also been placing focus on providing new value in part by launching the “digital return and sending service” for e-commerce companies, which entails shifting to digital procedures for returns of purchased merchandise, simplifying procedures in terms of hassles encountered when purchasers would previously make a return request by telephone or in preparing delivery slips, and making it possible to return items without the need for delivery slips from nearby business offices, PUDO Station parcel delivery lockers, and certain convenience stores. Moreover, we served as the official logistics services partner of the Tokyo 2020 Olympic and Paralympic Games held from July to September 2021, which involved facilitating smooth and safe operations with respect to logistics design and implementation during the event by providing comprehensive logistics services in addition to TA-Q-BIN.

iii) Promoting strategies for achieving sustainable enhancement of corporate value

With the aim of sustainably enhancing our corporate value, we have engaged in initiatives under our medium-term management plan “One Yamato 2023” plan that involve promoting data and innovation strategies, reforming management structure and reinforcing governance, engaging in HR strategy which supports “Innovating Delivery Business,” improving capital efficiency, and strengthening sustainable management.

Our data strategy aims at preparing and making use of digital data and enhancing our digital platform to further sophisticate our use of data. In the fiscal year under review, we further enhanced the accuracy of demand forecasting, as well as the real-time communication platform that supports the EAZY operations.

In terms of our innovation strategy, we moved forward with initiatives to promote open innovation, which entails discovering and collaborating with startups, as well as investing in such startups with the aim of creating new businesses. In the fiscal year under review, we invested in startups with state-of-the-art technologies, such as cross border fashion e-commerce site operator Sixty Percent Co., Ltd., and Pale Blue Inc., which develops propulsion systems for ultra-small satellites that use water as fuel, through the “KURONEKO Innovation Fund.”

We are also working on strengthening governance through efforts to strengthen corporate governance. This will entail separating management supervision and execution, maintaining and enhancing management transparency, as well as enhancing governance with an emphasis on decision-making speed.

When it comes to HR strategy which supports “Innovating Delivery Business,” we are using a specialist personnel system for employees engaged in instructing safety as well as planning, and conducting training programs through the Yamato Digital Academy with the aim of raising the digital literacy of all employees including senior management, as well as developing digital talent as quickly as possible.

As for strengthening sustainable management, in order to strike a balance between sustainable growth and the development of a sustainable society, we have been engaging in business in a manner that involves considering the environment and society, in part by streamlining transportation in a manner that involves attentively connecting people with resources and data. These efforts have been underpinned by our dual visions, one of which is “Connect. Deliver the Future via Green Logistics.” and the other of which is, “Through Co-Creation and Fair Business Activities, Help Create a Society That ‘Leaves No One Behind.’” In the fiscal year under review, we established an organizational structure to manage sustainability efforts of the whole Group, as well as setting the “Yamato Group Environmental Policy” (August 2021), “Yamato Group Human Rights Policy” (December 2021), followed by

“Yamato Group Responsible Procurement Policy” and “Yamato Group Business Partner Guidelines” in January 2022.

Business strategies of each segment

The Company has changed its classification of reportable segments, effective from the fiscal year under review. As such, figures for the previous fiscal year have been restated to the new reportable segments to enable segment comparisons.

Retail Business Unit

- i) The Retail Business Unit provides high-quality parcel delivery services such as TA-Q-BIN and has otherwise been working to provide value that addresses needs of our customers by drawing on the distinctive characteristics of TA-Q-BIN in terms of its points of contact with a broad range of customers. The business unit continued to focus on proposing solutions that draw on the Group’s management resources in collaboration with the Corporate Business Unit, in a manner whereby frontline personnel grasp customer changes associated with lifestyles and the business environment, thereby serving as a starting point for business of the entire Yamato Group. Moreover, it has also been working in collaboration with the Platform Function Division, in part through efforts to provide services that make delivery and pick-up more convenient, particularly the “Kuroneko Members” service, which has more than 50 million registered members, and the “Yamato Business Members” service, which is used by more than 1.3 million corporate clients, and also through efforts to upgrade various services other than those involving transportation that are beneficial in terms of people’s lives and business.
- ii) During the fiscal year under review, we took steps to improve customer convenience with respect to the “TA-Q-BIN Request by Smartphone” service, which enables customers to complete TA-Q-BIN sending procedures using their smartphones via a service-specific website that makes it possible for them to take care of everything from preparing shipping labels to paying TA-Q-BIN fees. Such improvements included expanding the list of delivery options available in terms of targeting leisure interests through delivery options such as Golf TA-Q-BIN, Ski TA-Q-BIN, Airport TA-Q-BIN, and Round-Trip TA-Q-BIN, and also adding the online receipt download function, as well as making it possible to send parcels from PUDO Stations without human interaction. In March 2022, we improved the convenience of the various functions offered to Kuroneko Members, including better visibility and control functions of the app and website, as well as real-time linkage and integration of customer and parcel information using the new data platform.
- iii) Working in collaboration with the Transportation Function Division and Digital Function Division, the Retail Business Unit continued to strive to improve the accuracy of demand and operating amount forecasts in respective geographic regions, and has been endeavoring to increase productivity by appropriately allocating personnel and by heightening efficiency of collection and delivery and of our trunk-route transportation.
- iv) In terms of profitability, operating revenue from customers amounted to 893,396 million yen, up 1.2% from the previous fiscal year, mainly as a result of the business unit having engaged in efforts to optimally deliver parcels in alignment with diversifying needs and it having focused on acquiring parcels from small businesses in collaboration with the Corporate Business Unit. Operating revenue of the Retail Business Unit overall amounted to 1,172,414 million yen, down 2.0% from the previous fiscal year, as a result of parcels from e-commerce companies, which had shown a dramatic increase in the previous year, having been shifted to the Corporate Business Unit. Although operating expenses decreased by 1.5% from the previous fiscal year largely due to lower personnel expenses, and despite higher transportation costs associated with rising unit price of fuel and higher delivery volume, operating profit decreased by 12.5% from the previous fiscal year.

Corporate Business Unit

- i) The Corporate Business Unit has been seeking to provide value across entire corporate logistics supply chains, including midstream and upstream domains of business. To such ends, the business unit has been taking on initiatives that include planning supply chain management (SCM) strategies that contribute to customers' business decisions, above and beyond improving and streamlining logistics operations, and furthermore engaging in account management, which involves developing effective projects and assuming responsibility through to management and operations.
- ii) Moreover, for retailers who are developing physical stores and e-commerce omni-channel sales frameworks, the business unit has been promoting efforts to optimize inventory and distribution through centralized management, thereby liquidating sales inventories with customers' omni-channel operations by combining restructured business facilities and transportation networks under the "One Yamato Structure." We also focused our efforts on proposal-based sales that contribute to providing comprehensive value by engaging in integrated management encompassing all of the Yamato Group's logistics services for companies, extending from procurement of merchandise for stores and merchandise for official online shopping websites, to storage, packaging and delivery.
- iii) For the ever-growing e-commerce domain, Yamato has been promoting sales expansion of the "EAZY" delivery service, which enables greater purchase, delivery and pick-up convenience and safety. We are promoting the establishment of a new e-commerce logistics network with a more simplified operation process from sorting to the last-mile delivery. In addition, to optimize logistics for e-commerce vendors with stores in online shopping malls, we used our partnerships with major e-commerce companies to implement initiatives to further improve convenience and expand sales for services that completely or partially replace operational functions from order receiving to shipping and delivery. Furthermore, the business unit has also been engaging in efforts involving cross-border e-commerce amid growing demand, such that involve achieving shorter lead times up through delivery by seamlessly linking import customs clearance systems with the domestic delivery network.
- iv) During the fiscal year under review, the business unit has been actively engaging in a focused marketing approach that has culminated in greater use of new TA-Q-BIN services, while tapping needs involving items we had not previously handled such as furniture and household appliances, as well as locally sourced rice and specialty products, as a result of our offering TA-Q-BIN delivery for larger items to address needs for increasingly diverse and larger parcel sizes among corporate clients serving a wider range of business domains. We also made available the "Okihai" function for registered customers, where the driver opens the ground floor entrance to condominiums using digital keys and placing the parcel near the customers' front doors.
- v) Operating revenue from customers amounted to 812,185 million yen, up 10.8% from the previous fiscal year, mainly as a result of the business unit tapping growing e-commerce demand, promoting logistics optimization of corporate clients, and flexible response for recovery of import-export freight movement, which had been stagnant due to the global spread of COVID-19. Meanwhile, operating profit was decreased 57.4% from the previous fiscal year mainly due to factors on the expenditure front in terms of an increase in transportation costs associated with higher delivery volume, as well as an increase in costs associated with our promotion of the medium-term management plan, "One Yamato 2023."

[Reference]

(Million parcels / units)				
Category	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Change	Growth (%)
Parcel delivery				
TA-Q-BIN/TA-Q-BIN	2,096	2,275	178	8.5
Compact/EAZY/Nekopos				
Kuroneko DM-Bin	826	824	(1)	(0.2)

Other

- i) During the fiscal year under review, we promoted efforts to expand sales for transportation by transport box taking advantage of its network consisting of multiple companies and for vehicle maintenance services.
- ii) Operating revenue from customers was 88,035 million yen, up 9.9% from the previous fiscal year. Operating profit was 16,559 million yen, up 9,570 million yen from the previous fiscal year.

ESG Initiatives

- i) The Yamato Group places utmost priority on protecting human life and conducts a range of safety measures. Accordingly, its transport safety management practices in that regard involve drawing up its Safety Management Regulations, building up its transport safety management systems, and formulating fiscal year plans, all centered on respective Group companies whose main operations involve transport. During the fiscal year under review, we cultivated safety awareness, which involved holding awards ceremonies to recognize drivers who have remained accident-free for many years in ten locations nationwide. Due to COVID-19, we refrained from holding our “Safety Classes for Children,” which we have been continually offering to children in day care facilities, kindergartens and elementary schools across Japan since 1998 with the aim of convey the importance of traffic safety.
- ii) Striving to maximize corporate value is one of the top priorities of management, and we have implemented measures and bolstered management systems in our corporate governance initiative. In addition, we have been carrying out business activities in accordance with the law and social norms and actively promoting compliance management, based on our Group Corporate Philosophy. In the fiscal year under review, we established an organizational structure to manage sustainability efforts of the whole Group, as well as setting the “Yamato Group Environmental Policy” (August 2021), “Yamato Group Human Rights Policy” (December 2021), followed by “Yamato Group Responsible Procurement Policy” and “Yamato Group Business Partner Guidelines” in January 2022.
- iii) The Yamato Group has been working toward strengthening sustainable management upon having formulated its Sustainable Medium-Term Environmental Plan 2023 and Medium-Term Social Plan 2023, underpinned by the two visions of “Connect. Deliver the Future via Green Logistics” and “Through Co-Creation and Fair Business Activities, Help Create a Society That Leaves No One Behind,” set forth in the transformation plan “YAMATO NEXT100,” which serves as a grand design for management over the medium to long term.
- iv) Under the “Environmental” component of the plan, we have set aggregate targets for reducing the environmental burden of our business activities and have otherwise set targets for areas in the logistics industry where the Yamato Group is able to bring about widespread use of innovative technology, such as with respect to materials and vehicles. We are furthermore working to create environmental value on the basis of having also set targets in terms of engaging in green logistics in collaboration with diverse partners and providing products and services that have less impact on the environment. During the fiscal year under review, we embarked on field testing of collection and delivery operations enlisting compact battery electric vehicle (BEV) trucks featuring a walk-through, ultra-low-floor design with the aim of

introducing drivers to very practical low-carbon vehicles placing due consideration on the environment. We have continued taking action to achieve the vision of virtually zero greenhouse gas emissions (in-house emissions) by 2050, established as a long-term goal. This entails efforts that include adopting collection and delivery methods that do not generate greenhouse gas emissions through use of hand trucks, bicycles and other such modes of transportation, and using electricity derived from renewable energy. Due to COVID-19, we refrained from holding our “Kuroneko Yamato Environmental Class” sessions, which we have been continually offering nationwide since 2005, with the aim of providing support for environmental education of children who will bear responsibilities of the next generation.

- v) In addition, under the “Social” component of the plan, we have been continuing to take on initiatives that involve developing a work environment in which we respect diverse personnel and in which employees are able to play active roles, while also working to realize an enriched society in part by addressing social challenges and promoting community development enlisting a co-creation approach. During the fiscal year under review, we set our sights on developing a sustainable pharmaceutical network by embarking on field testing to assess economic feasibility of using unmanned drones to transport items such as pharmaceutical products required by locally-based medical institutions and prescription medicine delivered to private residences. This involved working in collaboration with participants that include the town of Wake in Okayama Prefecture and pharmaceutical manufacturers and wholesalers. Going forward, maintaining our capacity for trunk-route transportation will become a challenge, with the shortage of truck drivers. In order to build a sustainable and robust logistics network, we announced in January 2022 that we will begin operations of cargo-only planes (freighters) from April 2024.
- vi) Aiming to create more sustainable social value, the Yamato Group promotes initiatives for sharing value with society based on the concept of “Creating Shared Value (CSV).” We continue to engage in various initiatives to such ends. For instance, we have been operating our community-based Neko Support Station locations enlisting close local ties and facilitating healthy and sustainable development of local communities, along with lifestyles of safety and comfort among local residents. We have also been setting up housekeeping support services, monitoring services that use “HelloLight” IoT light bulbs, consultation services for everyday life, and holding events that enable interaction among community members.
- vii) Aspiring to be a company that continually evolves in step with society, led by Yamato Welfare Foundation, the Yamato Group conducts various activities to help realize a society in which disabled people can freely enjoy a lifestyle as a member of each community. Specifically, we engage in ongoing programs that support economic independence of people with disabilities, such that include actively employing people with disabilities at the Swan Bakery which makes and sells bread, providing them with workplaces through the consigned delivery of Kuroneko DM-Bin, and operating job-finding support facilities where they take part in training to acquire skills and knowledge necessary for employment.

[Reference]

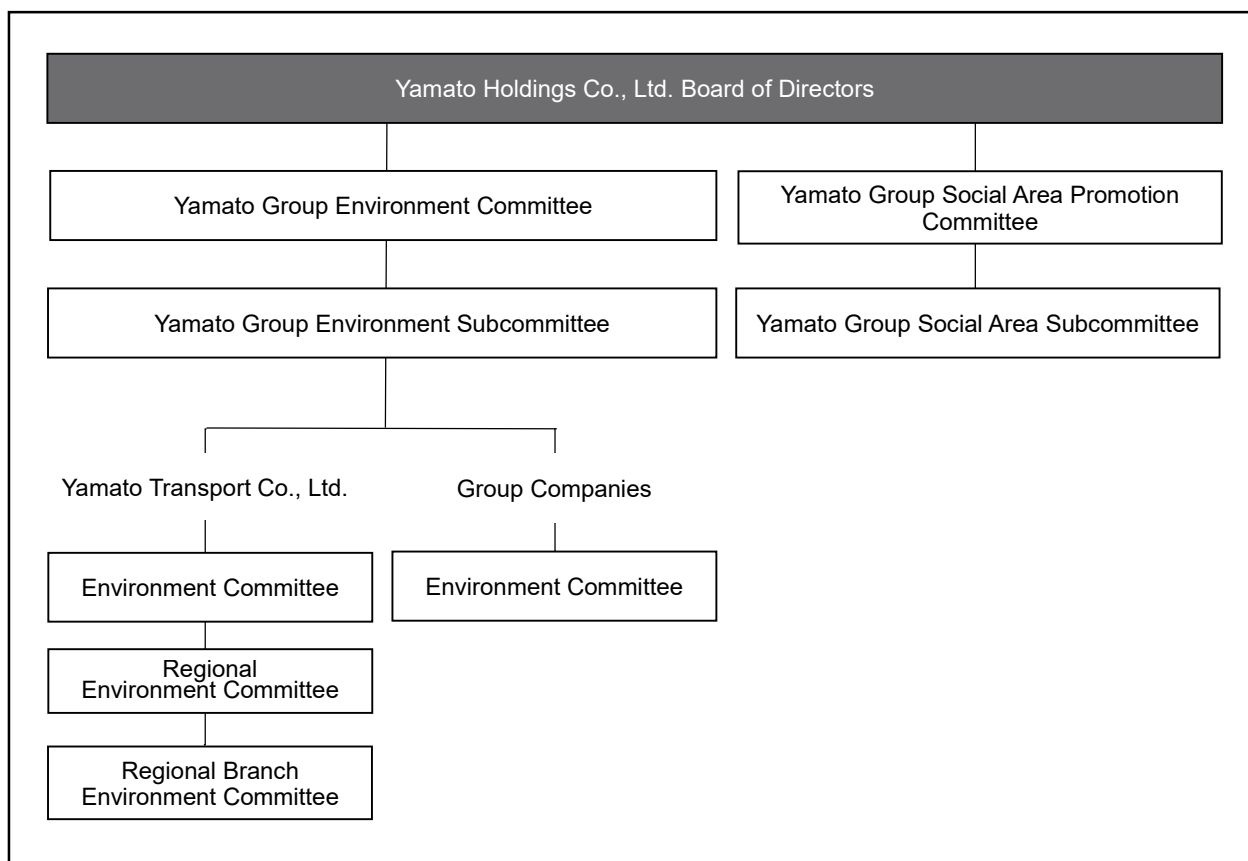
Strengthening of Sustainable Management

Now, when society as a whole is facing many urgent issues, such as climate change, labor shortages, human rights, inequality, and COVID-19, it is becoming increasingly important that corporations also diligently face these issues and participate in resolving them.

The Yamato Group is promoting sustainability management based on Sustainable Medium-Term Plans 2023, which set out specific actions to be taken to address each important material issue (materiality) and targets to be achieved by 2023 in order to achieve long-term targets, such as our environmental and social visions for a sustainable future and virtually zero greenhouse gas emissions by 2050.

Sustainability Promotion System

We established a dedicated department to oversee the Groupwide promotion of sustainability. Additionally, we deployed personnel responsible for sustainability at each Group company to promote sustainability management Groupwide. With the president as chairman and executive officers, the Yamato Group Environment Committee and the Yamato Group Social Promotion Committee meet once a year and share information about and discuss issues related to sustainability. Additionally, key agenda items are appropriately discussed and resolved at Management Committee meetings and Board of Directors meetings.



Yamato Group Environmental Policy

The Yamato Group pursues business activities that contribute to the protection of the environment as a company working toward the well-being and enrichment of society in the future. As part of a

sustainable social infrastructure, we provide environmentally friendly goods and services, protect the earth's environment, which is the basis of life for present and future generations, and contribute to the realization of the well-being and enrichment of society.

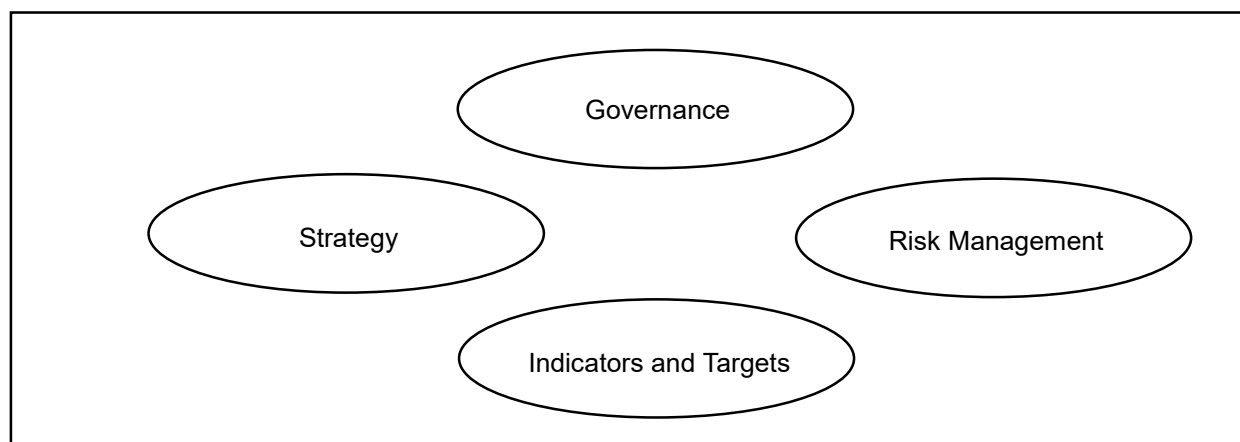
1. Reduction of Environmental Burden and Prevention of Pollution	3. Environmental Management and Compliance
2. Provision of Sustainable Goods and Services	4. Collaboration and Communication

For details on the Yamato Group Environmental Policy, please refer to our corporate website.
<https://www.yamato-hd.co.jp/csr/esg/policy.html#anc-08>

Initiatives Based on Recommendations of the TCFD

The Yamato Group continually identifies and evaluates the risks, opportunities, and impacts associated with climate change, in recognition of its importance on increasing corporate value over the medium to long term and realizing a sustainable society. Furthermore, the Group engages in enhancing information disclosure based on the recommendations of the TCFD.* Going forward, we will conduct scenario analysis, to be reflected in business plans under Medium-Term Environmental Plan 2023, as well as confirm the operation and effectiveness of internal carbon pricing and consider its use as an investment indicator to promote low-carbon investment. 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, creating opportunities, and helping to realize a low-carbon society.

*TCFD : Task Force on Climate-related Financial Disclosures, which was established by the Financial Stability Board (FSB)



Each initiative is described on the following pages.

[Reference]

☐ Governance

The Yamato Group has an environmental management system under the supervision of its Board of Directors, with the Yamato Group Environment Committee as the main decision-making body, which deliberates, makes decisions, and supervises with regard to environmental issues, including climate change. The president serves as chairperson of the Yamato Group Environment Committee and reports important matters discussed by the committee to the Board of Directors, as the overall supervisor responsible for the environmental management system. Executive officers in the environmental field and in charge of regions, and presidents of Group companies are responsible for ensuring the implementation, maintenance, and supervision of environmental management, and also responsible for the environment, which involves preparing necessary management resources, among other duties. As a general rule, all managers and heads of frontline organizational structures are also responsible for managing environmental risks and opportunities, including climate, as environmental managers.

☐ Strategy

The Yamato Group holds discussions to identify and assess Groupwide climate-related risks, opportunities, and financial impacts, as well as identify the details including management approaches and strategies. Under Medium-Term Environmental Plan 2023, which was formulated in January 2021, we set environmental targets and specific actions to be taken by the end of the fiscal year ending March 31, 2024. Based on this plan, we will promote initiatives to reduce GHG emissions by using electricity generated via renewable energy sources, enhance transportation efficiency, and reduce the use of dry ice, among other initiatives. We also plan to implement scenario analysis based on numerous climate change scenarios in the fiscal year ending March 31, 2023. We will utilize the results when considering business strategies and these results will be reflected in our next management plan.

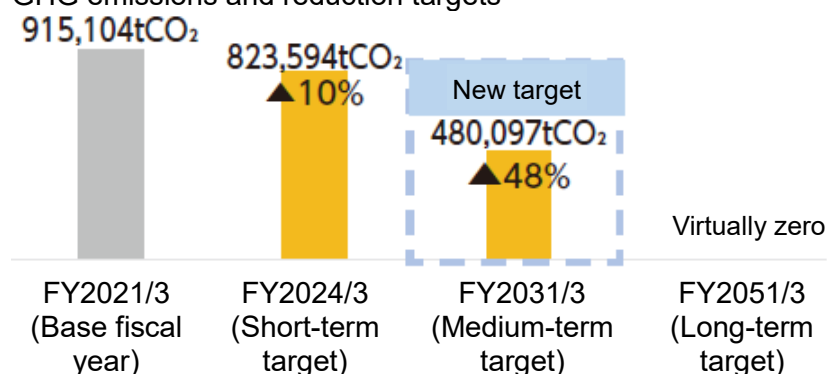
☐ Risk Management

The Board of Directors deliberates on the identification of material issues (including climate) and the Group's vision; long-term targets, including the reduction of GHG emissions; and Medium-Term Environmental Plan 2023 (targets and strategies). Performance with respect to environmental targets, such as progress in the reduction of GHG emissions; the status of the response to environmental issues, including climate transition risks; compliance with laws and regulations; audit results; and plans for the next fiscal year are reported to Environment Committees (attended by the above management team members and executives) for monitoring, supervision, and evaluation, in accordance with the Group's corporate governance system. Specifically, these matters are reported from the Regional Branch Environment Committees, which meets four times a year, to the Regional Environment Committee (four times a year); the environment committees of each Group company (once a year); the Yamato Group Environment Subcommittee, which discusses the four environmental issues (three times a year); and the Yamato Group Environment Committee (once a year). These reports are also subject to top management reviews by the president and are reported to the Board of Directors for supervision. In this way, we appropriately manage environmental risks, including climate change risks, in Companywide management processes. We also regularly review the effectiveness of environmental management and strive for continual improvement by holding stakeholder dialogues and incorporating the opinions of employees and experts in the decision-making process, among other methods.

Indicators and Targets

To mitigate the risks of climate change and expand opportunities, the Yamato Group has set targets to reduce its greenhouse gas (GHG) emissions. For its long-term target to achieve “net zero GHGs (in-house emissions) in fiscal 2050,” we have newly set a GHG emission target to achieve 48% reduction compared with fiscal year ended March 31, 2021 for fiscal year ending March 31, 2031, which we announced on May 10, 2022. We will work to achieve this goal to reduce GHG emissions with some of our major measures as “introduction of 20,000 EVs,” “introduction of 810 photo-voltaic power generation facilities,” and “increase overall ratio of electricity generated via renewable energy sources to 70%.”

GHG emissions and reduction targets



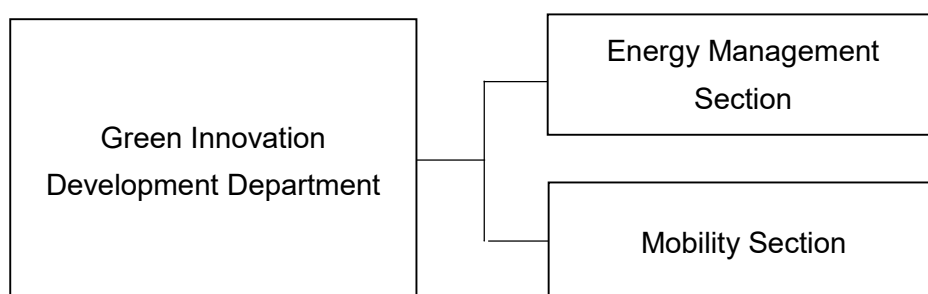
	FY2024/3	FY2031/3
EVs owned	2,000 vehicles	20,000 vehicles
Photo-voltaic facilities	150 locations	810 locations
Dry ice use	Reduced use	Zero use
Renewable energy ratio	30%	70%

Examples of initiatives for our materialities

Environment

Energy and Climate (Mitigate climate change)

In October 2021, Yamato Transport established the new Green Innovation Development Department with the aim of achieving “net zero GHGs (in-house emissions) in fiscal 2050.” The Green Innovation Development Department will work to reduce Yamato’s GHG emissions through methods including the introduction of EVs and renewable energy sources along with initiatives to find solutions to climate change issues across the entire logistics industry. The Energy Management Section of this department examines the utilization of energy-saving technology and the use of electricity generated via renewable energy sources, in addition to working to reduce the GHG emissions. The Mobility Section of this department engages in the research and demonstration of the latest technologies, starting with mobility, aiming for their implementation.



Social

Human Rights & Diversity

(Create a corporate culture that respects human rights and diversity)

● **Human Rights Due Diligence**

We are endeavoring to create a working environment that is employee-friendly and rewarding by improving working styles. Additionally, we have implemented human rights due diligence based on the UN Guiding Principles on Business and Human Rights to make this more widespread both inside and outside the Yamato Group. We formulated the Yamato Group Human Rights Policy in 2021 with the aim of realizing an enriched society as set out in our Management Philosophy. We will strengthen our initiatives for respecting human rights based on this policy, which sets out the Yamato Group's intention to respect human rights and the actions to take to achieve this. In the fiscal year ended March 31, 2022, in order to improve understanding of human rights in-house, we implemented human rights training for 390 new managers to encourage their leadership in the matter. By the fiscal year ending March 31, 2024, we will expand this human rights training to all employees.

Please see our corporate website for details on the Yamato Group Human Rights Policy.
<https://www.yamato-hd.co.jp/csr/esg/policy.html#anc-10>

(2) Issues to Be Addressed

The Yamato Group is operating in a business environment that is undergoing substantial transformation particularly in terms of diversifying customer needs, declining regional populations, a shrinking labor population, and climate change. Meanwhile, COVID-19 has furthermore accelerated growth in the e-commerce domain across all industries as companies address changes in consumer behavior and lifestyles caused by the pandemic. Moreover, the global disruption in supply chains as well as instability in international affairs causing the rise in natural resource prices is making the future outlook unclear. Amid that business environment, the Yamato Group has been seeking to sustainably increase its corporate value by helping to enrich our society as stated under its Management Philosophy. To that end, on April 1, 2021, we have been shifting to a Group management structure centered on the “New Yamato Transport,” which combines management resources of our respective Group companies, while furthermore embarking on our medium-term management plan, “One Yamato 2023,” with the fiscal year ending March 31, 2024 set as its final fiscal year. We will furthermore accelerate implementation of the following initiatives based on the “One Yamato 2023” plan, which aims to provide comprehensive value by meeting the diversifying needs of customers and society to transform the supply chain in response to changing lifestyles.

- i) Increasing productivity across the entire Yamato Group
Under our medium-term management plan “One Yamato 2023,” we are optimally allocating the Group’s management resources by improving the accuracy of our demand and operational workload forecasts in the various regions, in order to cater to the changing and diversifying needs of our individual and corporate customers.
We will improve productivity across our entire logistics network and achieve higher profitability by consolidating and repositioning our commercial warehouses, sorting terminals, TA-Q-BIN Sales offices and other business locations nationwide. We are building an e-commerce logistics network that addresses the continuously growing e-commerce demand, especially in the urban areas, and will seek to optimize our human resource allocation as well as transportation and delivery costs between this new network and our existing network. We will also continue optimize and standardize our delivery process by transforming work operations, and shifting to automation and digitization, thereby increasing the amount of time frontline personnel interact with our customers, expanding our collection and delivery capabilities, and enabling us to make improvements in safety and quality. Moreover, in order to reduce the administrative operations of our frontline employees, we will continue to promote business process re-engineering (BPR) by standardizing our operations as well as digitizing such tasks.
- ii) Increasing operating revenue through growth in the corporate client domain
In our medium-term management plan “One Yamato 2023,” we regard the changes in consumer behavior and lifestyles triggered by COVID-19 as an opportunity to grow our business. We are positioning the solution business, in which we seek to solve challenges faced by our clients throughout the entire supply chain, beyond the business-to-consumer (B2C) domain, as a growth area to focus on.
For clients that conduct their businesses globally, the consolidated Group sales functions and our operations will come together to provide one-stop business solutions using the Group’s facilities including our international offices.
For the corporate clients in various regions, we will create optimal proposals based on sales information that is consolidated to our headquarters, facilitating frontline sales initiatives and design solutions as well as sophisticating our operational design, providing value across the entire supply chain by streamlining backyard operations related to stores and e-commerce operations, reducing opportunity loss in sales and optimizing inventories.
In order to create optimal e-commerce ecosystem solutions that enable e-commerce companies to expand together with sellers, e-commerce users and delivery service providers, we will enhance the functions of EAZY, which is based on real-time communications with customers. We will also enhance our solutions for procurement, inventory management and other upstream domains for both large and small e-commerce companies, as well as for manufacturers and retailers aiming to strengthen their e-commerce operations.

- iii) Promoting strategies for achieving sustainable enhancement of corporate value
Through our medium-term management plan “One Yamato 2023,” we will promote data and innovation strategies, reform our management structure and reinforce governance, implement an HR strategy that supports “Innovating Delivery Business”, improve capital efficiency, and strengthen sustainable management, thereby achieving sustainable corporate value enhancement.

Our data strategy continues to involve upgrading core systems, as well as maintaining digital data and enhancing digital platforms to achieve more sophisticated use of data. Meanwhile, our innovation strategy continues to promote pinpointing and collaborating with startups as well as investing in such startups with the aim of creating new businesses, particularly using the “KURONEKO Innovation Fund.”

We will also continue to strengthen governance by separating management supervision and execution, maintaining and enhancing management transparency, as well as enhancing corporate governance, and promote management reforms through a governance structure with an emphasis on the speed of decision-making.

As for our HR strategy, which supports “Innovating Delivery Business,” we will continue to establish and operate a personnel system through which we assess every employee based on clear job descriptions. We will also rapidly promote the development of digitally literate employees by enhancing our digital education programs, and raising the digital literacy of all employees including senior management. Moreover, we will create work environment that enables our approximately 220,000 employees, the Yamato Group’s greatest asset, to work with more peace of mind. We accordingly aim to maintain a rewarding work environment that causes employees to take a vibrant approach to work and where human rights and diversity are respected. In terms of improving our capital efficiency, we will place more emphasis on capital efficiency when managing our operations with a two-pronged approach through a capital strategy and a financial strategy, in order to achieve both business growth and cost structure reform. Meanwhile, we will enhance shareholder value through a timely and appropriate capital policy underpinned by stable dividends mindful of the ratio of dividends on equity (DOE), with due consideration placed on growth (operating revenue), profitability (operating profit margin), financial soundness (cash generation, balance of cash and deposits, equity ratio levels), progress of investments, capital efficiency and other factors.

As for strengthening sustainable management, we will take further steps based on our targets for March 31, 2024, and specific actions to be taken in response to material issues, outlined in the “Sustainable Medium-term Plan 2023 <Environment & Society>”, and pursue the sustainable development of the environment and society as well as our own business. In order to achieve our long-term environmental target of zero emissions (In-house emissions) of GHGs by 2050, we have set a mid-term target for 2030 to reduce GHG emissions by 48% compared to 2020. Going forward, we will introduce more EV’s in our fleet, as well as electricity generated from renewable sources, and promote initiatives to reduce GHG emissions for the entire logistics industry and society.

Through the Group’s unified efforts, Yamato will create greater corporate value.
We look to the continued understanding and support of our shareholders and investors.

(3) Business Performance and Changes in Financial Position

(Millions of yen)

Classification	FY2019/3 154th	FY2020/3 155th	FY2021/3 156th	FY2022/3 157th
Operating revenue	1,625,315	1,630,146	1,695,867	1,793,618
Profit attributable to owners of parent	25,682	22,324	56,700	55,956
Basic earnings per share (Yen)	65.14	56.78	151.55	151.03
Total assets	1,123,659	1,100,739	1,089,991	1,086,854
Net assets	573,388	562,835	584,287	598,233
Net assets per share (Yen)	1,435.15	1,441.20	1,553.45	1,611.34

- Notes: 1. Basic earnings per share is calculated based on the average number of shares outstanding in each fiscal year and net assets per share is calculated based on the total number of shares outstanding at the end of each fiscal year.
2. The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and other standards from the beginning of the 49th period, and the financial position and the results of operations for the fiscal year under review reflects these accounting standards.
3. Effective from the fiscal year under review, the Company and its domestic consolidated subsidiaries have changed to the straight-line method as their depreciation method for property, plant and equipment from the declining-balance method previously, and have accordingly modified useful lives of some vehicles, in order to allocate costs in a manner that better reflects actual use of assets. The financial position and the results of operations for the fiscal year under review reflects these accounting changes.

(4) Delivery Volume of Small Parcels

(Million parcels / units)

Classification	FY2019/3 154th	FY2020/3 155th	FY2021/3 156th	FY2022/3 157th
Parcel delivery TA-Q-BIN/TA-Q-BIN Compact/EAZY/Nekopos	1,803	1,799	2,096	2,275
Kuroneko DM-Bin	1,211	987	826	824

(5) Principal Business Activities

The Yamato Group has changed the classification of reportable segments from six business segments based on their business types to two business segments, the Retail Business Unit and the Corporate Business Unit, based on their customer segments.

As a result of an absorption-type merger in which Yamato Transport Co., Ltd. is the surviving company, the Company's former consolidated subsidiaries, Yamato Global Express Co., Ltd., Yamato Logistics Co., Ltd., Yamato Global Logistics Japan Co., Ltd., Yamato Packing Service Co., Ltd., Yamato Packing Technology Institute Co., Ltd., and Yamato Financial Co., Ltd. have ceased to exist on April 1, 2021, and Yamato Management Service Co., Ltd. have ceased to exist on September 1, 2021.

In January 2022, the Company transferred 51% of the Company's holdings of issued common shares of Yamato Home Convenience Co., Ltd. ("YHC") to ART CORPORATION. Effective from the fiscal year under review, the Company will make YHC an equity method affiliate rather than its current designation as a consolidated subsidiary, given that the Company holds 49% of the voting rights in YHC, down from 100% previously as a result of the transfer of shares.

Classification	Content of business
Retail Business Unit	Engages in providing high-quality, small-lot transportation services, including TA-Q-BIN (Home delivery business for individuals and small and medium-sized corporate customers)
Corporate Business Unit	Engages in providing improvement and efficiency to the logistics supply chains, planning supply chain management strategies, and providing the best solutions for the sustainable e-commerce system (Transportation business for large corporate customers)
Other	Engages in maximizing the Group's value to the customer by utilizing IT & maintenance functions and various form of transportation business (Development, operation and management of IT system, vehicle maintenance business, fuel sales business, nonlife insurance agent business, cargo vehicle transportations business, and roll box pallets transportation business)

(6) Capital Expenditure

The capital expenditure for the fiscal year ended March 31, 2022 totaled 73,271 million yen and the principal components were as follows: From the fiscal year under review, the amount of capital expenditure includes intangible assets as well as property, plant and equipment.

(Millions of yen)			
Name	Classification	Content of investment	Amount invested
Yamato Transport Co., Ltd.	Retail Business Unit	Purchase of vehicles (3,106 units)	14,186
	Corporate Business Unit	Edagawa sorting base	3,029

(7) Financing Activities

Not applicable.

(8) Principal Creditors

(Millions of yen)

Creditors	Outstanding borrowing
Mizuho Bank, Ltd.	7,000
Sumitomo Mitsui Banking Corporation	3,500
MUFG Bank, Ltd.	3,500

(9) Employees

(Persons)

Business area	Number of employees	Changes from previous fiscal year-end
Retail Business Unit	176,881	(4,216)
Corporate Business Unit	19,817	2,508
Other	20,150	(4,246)
Corporate	25	(364)
Total	216,873	(6,318)

Notes: 1. The above numbers include 122,400 part timers (a year-on-year decrease of 3,962).
2. Employees in the Retail Business Unit includes employees in Yamato Transport Co., Ltd. headquarters.
3. Number in Corporate indicates the number of employees in Yamato Holdings Co., Ltd.

(10) Vehicles

(Units)

Classification	Number of vehicles	Changes from previous fiscal year-end
Retail Business Unit	49,243	(262)
Corporate Business Unit	3,206	72
Other	1,979	(1,483)
Corporate	4	(3)
Total	54,432	(1,676)

Notes: 1. Vehicles in the Retail Business Unit includes vehicles in Yamato Transport Co., Ltd. headquarters.
2. Number in Corporate indicates the number of vehicles Yamato Holdings Co., Ltd. owns.

(11) Major Subsidiaries

Name	Classification	Share capital	Ownership	Principal business activities
		(Millions of yen)	(%)	
Yamato Transport Co., Ltd.	Retail Business Unit Corporate Business Unit	50,000	100.00	Home delivery business for individuals and small and medium-sized corporate customers
Okinawa Yamato Transport Co., Ltd.	Corporate Business Unit	50	100.00	Home delivery business for individuals and corporate customers in Okinawa
YAMATO TRANSPORT U.S.A., INC.		(Millions of US\$) 4	100.00	Handling of air cargo and marine cargo, and international moving in North America; import/export customs clearance services
YAMATO ASIA PTE. LTD.		(Millions of S\$) 352	100.00	Management of regional operations in Southeast Asia, business development and market research
YAMATO INVESTMENT (HONG KONG) LIMITED		(Millions of HK\$) 970	100.00	Management of regional operations in East Asia, business development and market research
YAMATO BOX CHARTER CO., LTD	Other	400	100.00	Cargo vehicle transportation service, roll box pallets transportation service
Yamato System Development Co., Ltd.		1,800	100.00	Development, operation and management of IT systems
Yamato Autoworks Co., Ltd.		30	100.00	Vehicle maintenance business, fuel sales business, and nonlife insurance agent business, etc.

Notes: The status of a specified wholly owned subsidiary company as of March 31, 2022 is as follows.

(Millions of yen)			
Name	Location	Book value of the shares in the Company	Total assets of the Company
Yamato Transport Co., Ltd.	16-10, Ginza 2-chome, Chuo-ku, Tokyo	258,539	403,163

(12) Major Offices

Name	Classification	Head office location	Number of offices (stores)
Yamato Transport Co., Ltd.	Retail Business Unit Corporate Business Unit	Chuo-ku, Tokyo	3,963
Okinawa Yamato Transport Co., Ltd.	Corporate Business Unit	Itoman City, Okinawa	35
YAMATO TRANSPORT U.S.A., INC.		California, U.S.A.	25
YAMATO ASIA PTE. LTD.		Singapore	1
YAMATO INVESTMENT (HONG KONG) LIMITED		Hong Kong	1
YAMATO BOX CHARTER CO., LTD	Other	Chuo-ku, Tokyo	97
Yamato System Development Co., Ltd.		Koto-ku, Tokyo	10
Yamato Autoworks Co., Ltd.		Chuo-ku, Tokyo	105
Yamato Holdings Co., Ltd.	Corporate	Chuo-ku, Tokyo	1

2. Overview of Shares (As of March 31, 2022)

(1) Total Number of Shares Authorized: 1,787,541,000 shares

(2) Number of Shares Issued: 388,575,592 shares

(3) Number of Shareholders: 54,486 persons

(4) Principal Shareholders

Shareholders	Number of shares owned	Ownership percentage
	(Thousands of shares)	(%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	64,846	17.67
Yamato Employees' Shareholding Association	24,833	6.77
Custody Bank of Japan, Ltd. (Trust Account)	23,248	6.34
Meiji Yasuda Life Insurance Company	14,814	4.04
Nippon Life Insurance Company	14,770	4.02
Mizuho Bank, Ltd.	10,247	2.79
Yamato Trading-Partner Shareholding Association	8,303	2.26
TOYOTA MOTOR CORPORATION	5,748	1.57
Sompo Japan Insurance Inc.	5,133	1.40
Aioi Nissay Dowa Insurance Co., Ltd.	4,800	1.31

Notes: 1. Although the Company holds 21,600,721 of its own shares as treasury shares, it is excluded from the above list of principal shareholders.

2. Ownership percentage is calculated exclusive of own shares.

3. Officers and Executives

(1) Directors and Audit & Supervisory Board Members

Position	Name	Responsibilities and important concurrent positions at other organizations
Chairperson of the Board of Directors	Masaki Yamauchi	External Director of PERSOL HOLDINGS CO., LTD.
Representative Director, Executive Officer and President	Yutaka Nagao	Representative Director, Executive Officer and President of Yamato Transport Co., Ltd.
Representative Director	Kenichi Shibasaki	
Director	Haruo Kanda	
Director	Masakatsu Mori	Senior Advisor of the International University of Japan (IUJ) Outside Director of Stanley Electric Co., Ltd. Outside Director of Kirin Holdings Company, Limited External Statutory Auditor of FAST RETAILING CO., LTD.
Director	Mariko Tokuno	Outside Director of HAPPINET CORPORATION Outside Director of Mitsubishi Materials Corporation Outside Director of Shiseido Company, Limited
Director	Yoichi Kobayashi	
Director	Shiro Sugata	Outside Director of JSR Corporation Outside Director of Yokogawa Electric Corporation
Director	Noriyuki Kuga	
Full-time Audit & Supervisory Board Member	Yoshihiro Kawasaki	
Full-time Audit & Supervisory Board Member	Mamoru Matsuno	
Audit & Supervisory Board Member	Takashi Yamashita	Representative of Takashi Yamashita CPA Office Outside Director of Shin Nippon Biomedical Laboratories, Ltd.
Audit & Supervisory Board Member	Ryuji Matsuda	Matsuda Law Office Attorney at law
Audit & Supervisory Board Member	Yoshihide Shimoyama	Outside Audit & Supervisory Board Member of NIPPON HUME CORPORATION

- Notes:
1. Masakatsu Mori, Mariko Tokuno, Yoichi Kobayashi, Shiro Sugata and Noriyuki Kuga serve as Outside Directors.
 2. Takashi Yamashita, Ryuji Matsuda and Yoshihide Shimoyama serve as Outside Audit & Supervisory Board Members.
 3. The Company appoints all Outside Directors and Outside Audit & Supervisory Board Members as independent officers provided under the provisions of the Tokyo Stock Exchange, Inc. and registers the individuals as such with that exchange.
 4. Yoshihiro Kawasaki, Audit & Supervisory Board Member, possesses considerable insight into finance and accounting related matters through his experience in business management, business operation and as a Full-time Audit & Supervisory Board Member of the Company's subsidiary, Yamato Transport Co., Ltd. over many years.
 5. Mamoru Matsuno, Audit & Supervisory Board Member, possesses considerable insight into finance and accounting related matters through his experience in internal auditing duties over many years.
 6. Takashi Yamashita, Audit & Supervisory Board Member, possesses considerable insight into finance and accounting related matters through his services as a certified public accountant.
 7. Ryuji Matsuda, Audit & Supervisory Board Member, possesses considerable insight into finance and accounting related matters through his services as an attorney.
 8. Yoshihide Shimoyama, Audit & Supervisory Board Member, possesses considerable insight into finance and accounting related matters through his experience as a director and an outside audit & supervisory board member at other companies.
 9. Shiro Sugata, Director, has retired from Special Corporate Advisor of USHIO INC. on April 30, 2021.
 10. There are no significant relationships between the Company and the other organizations where concurrent

positions are held by Outside Directors and Outside Audit & Supervisory Board Members.

11. On February 1, 2022, there were changes in responsibilities and important concurrent positions at other organizations as follows:

Name	Before	After
Kenichi Shibasaki	Representative Director, Executive Officer and Vice President Director of Yamato Transport Co., Ltd.	Representative Director
Haruo Kanda	Director Representative Director, Executive Officer and Vice President of Yamato Transport Co., Ltd.	Director

(2) Limited Liability Agreements

The Company's Articles of Incorporation allow for the conclusion of agreements with Directors (excluding Executive Directors, etc.) and Audit & Supervisory Board Members limiting liability stipulated in the Companies Act, Article 423, paragraph (1). Thus, the Company has concluded Limited Liability Agreements with Directors, Masakatsu Mori, Mariko Tokuno, Yoichi Kobayashi, Shiro Sugata and Noriyuki Kuga, and all Audit & Supervisory Board Members based on the Articles of Incorporation. The amount of liability allowed for in those agreements is as per the minimum amount of liability provided for under the Companies Act, Article 425, paragraph (1).

(3) Contents Summary of Directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy, as provided for in Article 430-3, paragraph (1) of the Companies Act, with an insurance company. The insureds of this policy include Directors, Audit & Supervisory Board Members and Executive Officers of the Company and its subsidiaries, and the insureds do not pay the insurance premium. This policy covers losses, such as the amount of indemnification and litigation expenses incurred by the insureds in case where claims for the insureds' action (or omission) based on their position in the Company is brought forward. However, in order not to lose appropriateness of the execution of operation by the insureds, the policy do not cover the insureds' criminal acts or illegal acts done intentionally.

(4) Amount Paid as Remuneration to Directors and Audit & Supervisory Board Members

i) Total Amount Paid as Remuneration

Categories of Directors and Audit & Supervisory Board Members	Total amount of remuneration (Millions of yen)	Total amount of remuneration by type (Millions of yen)			Number of recipient Directors and Audit & Supervisory Board Members
		Basic remuneration	Performance-linked remuneration	Non-monetary remuneration, etc.	
Director	456	321	135	–	9
(Of which Outside Directors)	(73)	(73)	(–)	(–)	(5)
Audit & Supervisory Board Member	81	81	–	–	5
(Of which Outside Audit & Supervisory Board Members)	(33)	(33)	(–)	(–)	(3)
Total	537	402	135	–	14
(Of which Outside Officers)	(106)	(106)	(–)	(–)	(8)

ii) Policy for determining performance-linked remuneration (variable remuneration)

i. Old executive remuneration system (applied from April, 2021 to June, 2021)

As benchmarks pertaining to performance-linked remuneration, the Company uses operating profit to better link remuneration to corporate performance and also to achieve greater transparency and objectivity.

The Company makes decisions on performance-linked remuneration (variable remuneration) using the calculation formula below.

<Formula for calculating performance-linked remuneration>

[Consolidated operating profit × percentage share of operating profit*1 × percentage share by rank and title*2 + extra allowance amount*3]

*1. Percentage share of operating profit: Varies depending on achievement of targets for consolidated operating profit
Achievement of target 100% or more = 0.15%; from 90% to less than 100% = 0.10%; less than 90% = 0.00%

*2. Percentage share by rank and title: Varies in the range of 20% to 34% depending on rank and title

*3. Extra allowance amount: consolidated operating profit × 0.05% share of extra allowance × 60% share for Directors. The amount calculated using this formula serves as the basis for extra allowance allocations made upon having assessed the extent to which targets have been achieved on an individual basis.

The consolidated operating profit for the fiscal year ended March 31, 2020, served as a benchmark for determining performance-linked remuneration paid in fiscal year ended March 31, 2021. The operating profit target was 72,000 million yen, and the actual operating profit was 44,701 million yen.

The Company has calculated the annual amount of performance-linked remuneration based on these results and then converted that result to a monthly amount, which is applied to the period extending from April 2021 through June 2021.

ii. New executive remuneration system (applied from June, 2021 to March, 2022)

For the benchmark for determining short-term performance-linked remuneration, the Company has calculated the amount of individual remuneration based on achievement of quantitative performance indicators to “The Group’s consolidated operating revenue,” “The Group’s consolidated operating profit,” and “The Group’s consolidated profit” and achievement of individual’s mission evaluated by individual’s mission progress and role satisfaction, in order to have better link with the Company’s performance and improve transparency and objectivity of the remuneration.

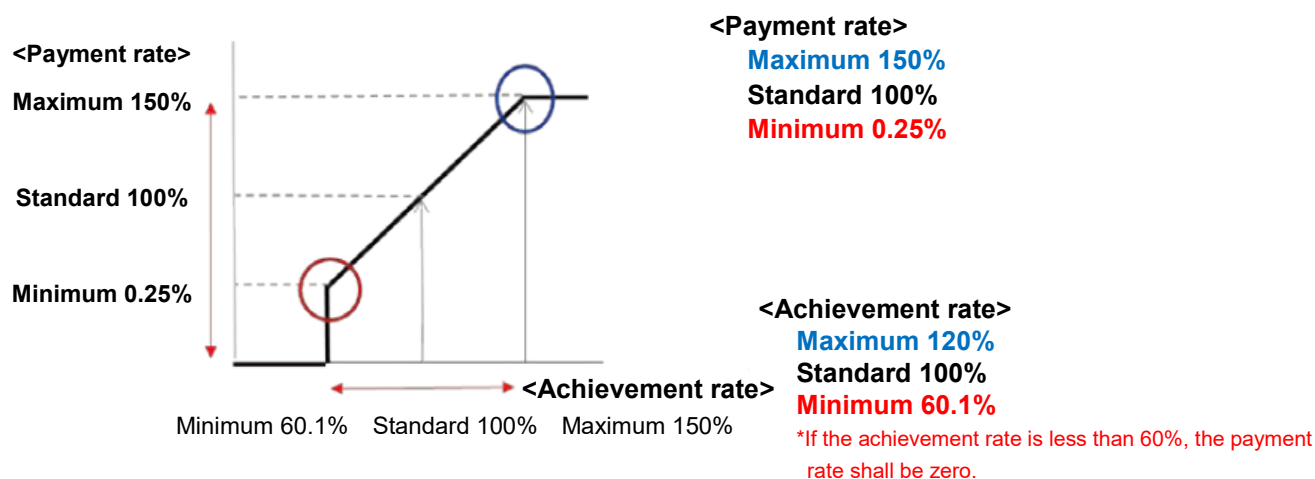
The Company has calculated the annual amount of performance-linked remuneration based on these results and then converted that result to a monthly amount, which is applied to the period extending from July 2021 through June 2022.

<Formula for calculating performance-linked remuneration>

Variable remuneration	Performance indicator	Indicator rate on each Director	Actual	Target	Achievement rate
			(Millions of yen)	(Millions of yen)	%
Short-term performance indicator	i. The Group’s consolidated operating revenue	○ 30%	1,695,900	1,623,000	104.5
	ii. The Group’s consolidated operating profit	○ 30%	92,100	60,000	153.5
	iii. The Group’s consolidated profit	○ 30%	56,700	30,000	189.0
	iv. Mission evaluation (individual)	○ 10%		—	

[(Achievement rate of i. x 0.3 + Achievement rate of ii. x 0.3 + Achievement rate of iii. x 0.3) + Mission evaluation (individual) 10% maximum]

<Reference> Relationship between target achievement rate and payment rate>



Achievement rate on performance indicator in 2021 134.1%

(i.104.5% × 0.3 + ii.153.5% × 0.3 + iii.189.0% × 0.3)

iii) Resolution of the General Meeting of Shareholders on remuneration and other compensation for Audit & Supervisory Board Members and Directors

A resolution of the General Meeting of Shareholders to determine remuneration for the Company's Directors was approved on June 23, 2020. Accordingly, it was resolved that remuneration for Directors shall amount to not more than 431 million yen per year (of which, up to 109 million yen is to be allocated to Outside Directors), and short-term performance-linked remuneration paid to Directors (excluding Outside Directors) shall amount to not more than 245 million yen per year. The Company has deemed that these are competitive remuneration levels for recruiting and retaining talented persons amid its rapidly changing business environment. The Company furthermore seeks to contend with developments that include an increase in Director's responsibilities along with the Company having increased its number of Directors and Audit & Supervisory Board Members with the aims of achieving transparency and vigor of Board of Director's operations and enhancing management oversight. There were nine (9) Directors on the Company's Board of Directors upon approval of the resolution. Meanwhile, remuneration for Audit & Supervisory Board Members was set at an amount of up to 800 million yen per month, per resolution at its General Meeting of Shareholders held on June 29, 1994. The Company had four (4) Audit & Supervisory Board Members upon approval of the resolution.

iv) Policy, etc. on making decisions on content of officer remuneration and other compensation

i. Basic policy

The Company determines matters regarding remuneration for the Company's Directors based on the following considerations.

Competitive remuneration levels

- The remuneration level shall reward Officers for their roles, responsibilities and business performance, and shall be appropriate for securing talented persons.

Remuneration system that places emphasis on increasing corporate value and shareholder value

- The remuneration system shall be linked to business performance and furthermore serve as motivation for achieving performance targets.
- The remuneration structure shall be linked to medium- to long-term corporate value and furthermore encourage a sense of common interests with shareholders.

Fairness and impartiality of the remuneration system

- The process of determining remuneration shall be objective and highly transparent.

ii. Remuneration structure

The Company's remuneration for Directors consists of basic remuneration (fixed remuneration), which takes remuneration levels at other companies and other such factors into consideration, and performance-linked remuneration (variable remuneration). In addition, remuneration for Audit & Supervisory Board Members and Outside Officers consists exclusively of basic remuneration due to the nature of their functional roles.

iii. Policy for determining basic remuneration (fixed remuneration)

Basic remuneration (fixed remuneration) is determined in accordance with rank and title and based on responsibilities, upon having considered remuneration levels at other companies and other such factors.

iv. Policy for determining mix of remuneration and other compensation types for individual Directors

The mix of remuneration types is such that the higher a Director's position, the more weight assigned to performance-linked remuneration. The Company has opted for this approach upon having taken into account remuneration levels at other companies, in part because this approach makes it possible to furthermore fuel motivation with respect to achieving performance targets, generating medium- to long-term corporate value, and attaining sustainable growth, and also because the Company seeks to offer remuneration levels competitive for recruiting and retaining talented persons.

v. Timing of delivery and conditions

The Company pays its basic remuneration (fixed remuneration) and short-term performance-linked remuneration (variable remuneration) as monetary sums on a monthly basis encompassing twelve equal installments annually.

v) Authority for decisions on remuneration and other compensation for individual Directors

On the basis of policy for decisions resolved by the Board of Directors, the Company decides the amounts of basic remuneration (fixed remuneration) and short-term performance-linked remuneration (variable remuneration) for individual Directors upon having taken into consideration findings reported by the Nomination and Compensation Committee, which Independent Outside Directors occupy the majority of its membership and is chaired by one of the Outside Directors, so that it will assess each of the Directors while taking factors such as Company-wide business results into consideration.

vi) Others

The Company is to make payment of its medium- to long-term performance-linked remuneration under its performance-linked and share-based remuneration system (share-based remuneration), approved per resolution at its General Meeting of Shareholders held on June 23, 2020. The Company will accordingly make calculations based on performance benchmarks for the fiscal year ended March 31, 2022, and grant points (1 point corresponds to 1 share) in June 2022. Per resolution, such remuneration shall amount to not more than 173 million yen per year.

In addition, a certain percentage of the monetary remuneration shall be allocated to the purchase of shares of the Company through the Officers and Executives' Shareholding Association.

In order to implement a process with high objectivity and transparency for activities of Nomination and Compensation Committee to decide remuneration and other compensation for individual Directors in fiscal year ended March 31, 2022, the Company held 5 meetings of Nomination and Compensation Committee with the participation of all members, and the decision was made upon having taken into consideration the amount of remuneration for individual Directors and detail of calculation of such amount based on Policy for determining remuneration and other compensation for individual Directors.

(5) Outside Officers

Principal activities

Position	Name	Attendance and participation at meetings, and overview of duties performed in relation to expected role
Director	Masakatsu Mori	<p>Attended all 18 meetings of the Board of Directors held in the fiscal year under review, and provided necessary comments and advice on overall management as appropriate from his perspective as a manager with rich experience and profound critical insight.</p> <p>He properly fulfills his role with respect to ensuring suitability and adequacy of decision making in part by furnishing oversight and advice from a managerial perspective, particularly regarding business execution and matters of management strategy overall encompassing business strategy, financial strategy, and sustainability strategy. Serving as a member of the Nomination and Compensation Committee, he has attended all 11 committee meetings held during the fiscal year under review and has fully performed the oversight function in relation to selecting Company officer candidates and engaging in the process of making decisions on evaluations involving officer remuneration and other compensation, enlisting his position of objectivity and neutrality.</p>
Director	Mariko Tokuno	<p>Attended 16 of 18 meetings of the Board of Directors held in the fiscal year under review, and provided necessary comments and advice on overall management as appropriate from her perspective as a manager with rich experience and profound critical insight.</p> <p>She properly fulfills her role with respect to ensuring suitability and adequacy of decision making in part by furnishing oversight and advice by taking the viewpoint of customers and employees, combined with a managerial standpoint particularly regarding business execution, business strategy, and human resources strategy. Serving as a member of the Nomination and Compensation Committee, she has attended all 11 committee meetings held during the fiscal year under review and has fully performed the oversight function in relation to selecting Company officer candidates and engaging in the process of making decisions on evaluations involving officer remuneration and other compensation, enlisting her position of objectivity and neutrality.</p>
Director	Yoichi Kobayashi	<p>Attended all 18 meetings of the Board of Directors held in the fiscal year under review, and provided necessary comments and advice on overall management as appropriate from his perspective as a manager with rich experience and profound critical insight.</p> <p>He properly fulfills his role with respect to ensuring suitability and adequacy of decision making in part by furnishing oversight and advice from a managerial standpoint particularly regarding business execution, business strategy, and investment strategy. Serving as a member of the Nomination and Compensation Committee, he has attended all 11 committee meetings held during the fiscal year under review and has fully performed the oversight function in relation to selecting Company officer candidates and engaging in the process of making decisions on evaluations involving officer remuneration and other compensation, enlisting his position of objectivity and neutrality.</p>
Director	Shiro Sugata	<p>Attended all 18 meetings of the Board of Directors held in the fiscal year under review, and provided necessary comments and advice on overall management as appropriate from his perspective as a manager with rich experience and profound critical insight.</p> <p>He properly fulfills his role with respect to ensuring suitability and adequacy of decision making in part by furnishing oversight and advice from a managerial standpoint particularly regarding business execution, business strategy, increasing productivity, and cost structure reform. Serving as the head of the Nomination and Compensation Committee, he also leads proceedings of committee meetings and has attended all 11 committee meetings held during the fiscal year under review. He has fully performed the oversight function in relation to selecting Company officer candidates and</p>

Position	Name	Attendance and participation at meetings, and overview of duties performed in relation to expected role
Director	Noriyuki Kuga	<p>making decisions on evaluations involving officer remuneration and other compensation, enlisting his position of objectivity and neutrality.</p> <p>Attended all 18 meetings of the Board of Directors held in the fiscal year under review, and provided necessary comments and advice on overall management as appropriate from his perspective as a manager with rich experience and profound critical insight.</p> <p>He properly fulfills his role with respect to ensuring suitability and adequacy of decision making in part by furnishing oversight and advice from a managerial standpoint particularly regarding business execution, financial strategy, and corporate governance.</p>
Audit & Supervisory Board Member	Takashi Yamashita	<p>Attended all 18 meetings of the Board of Directors held in the fiscal year under review, and offered necessary comments based on his expertise and rich experience in finance and accounting.</p> <p>Furthermore, he attended all 19 meetings of the Audit & Supervisory Board held in the fiscal year under review, as well as regular exchanges held with the Representative Director and President. He examined the execution of the Directors' duties mainly from his perspective as a certified public accountant with rich experience and profound critical insight.</p>
Audit & Supervisory Board Member	Ryuji Matsuda	<p>Attended all 18 meetings of the Board of Directors held in the fiscal year under review, and offered necessary comments based on his expertise and rich experience as an attorney as well as in finance and accounting. Furthermore, he attended all 19 meetings of the Audit & Supervisory Board held in the fiscal year under review, as well as regular exchanges held with the Representative Director and President. He examined the execution of the Directors' duties mainly from his perspective as an attorney with rich experience and profound critical insight.</p>
Audit & Supervisory Board Member	Yoshihide Shimoyama	<p>Attended all 18 meetings of the Board of Directors held in the fiscal year under review, and offered necessary comments based on his rich experience in the fields of management and audit. Furthermore, he attended all 19 meetings of the Audit & Supervisory Board held in the fiscal year under review, as well as regular exchanges held with the Representative Director and President. He examined the execution of the Directors' duties mainly from his perspective as a manager and Outside Audit & Supervisory Board Member with rich experience and profound critical insight.</p>

4. Accounting Auditor

(1) Name Deloitte Touche Tohmatsu LLC

(2) Amount Paid as Remuneration to Accounting Auditor for the Fiscal Year

		(Millions of yen)
Item	Amount paid	
1) Remuneration paid or payable to the Accounting Auditor concerning the operation prescribed in the Certified Public Accountant Act, Article 2, paragraph (1)	311	
2) Remuneration other than (1)	44	
3) Remuneration to be paid to the Accounting Auditor by the Company and subsidiaries	355	

Note: The Audit & Supervisory Board furnished its consent with respect to remuneration payable to the Accounting Auditor upon having verified as necessary content of the Accounting Auditor's audit plan, circumstances with respect to performing duties of the accounting audit, the basis for calculating estimates of the remuneration and other such details.

(3) Policy on Dismissal or Non-Reappointment of Accounting Auditor

If the Company's Audit & Supervisory Board recognizes a fact about the Accounting Auditor, as the Company's accounting auditor, that falls under the matters prescribed in each item of Article 340, paragraph (1) of the Companies Act, it shall deliberate on the dismissal of the Accounting Auditor based on the fact, and dismiss the Accounting Auditor based on the consent of all members of the Audit & Supervisory Board.

If the Company's Audit & Supervisory Board recognizes a fact deemed to show that the audit quality and other standards of the Accounting Auditor, as the Company's accounting auditor, are insufficient for performing audit services, it shall deliberate on the non-reappointment of the Accounting Auditor based on the fact, and resolve on an agenda item for the non-reappointment of the Accounting Auditor to be submitted to the General Meeting of Shareholders.

(4) Non-Audit Services

The Company entrusts the Accounting Auditor with advisory services, etc. for the managing financial information disclosure related to climate change as non-audit services outside the scope of services prescribed in the Certified Public Accountant Act, Article 2, paragraph (1).

5. Corporate Governance and Company Policy, and Operational Status

(1) Corporate Framework Ensuring that Execution of Duties by Directors of the Company Complies with Laws and Regulations and the Articles of Incorporation, and Other Systems for Ensuring the Proper Business Operation of the Corporate Group Consisting of the Company and its Subsidiaries

In accordance with the Companies Act and the Regulation for Enforcement of the Companies Act, the Company has established Policy to develop its internal control system.

- 1) Corporate framework ensuring that execution of duties by directors of the Company complies with laws and regulations and the Articles of Incorporation, and other systems for ensuring the proper business operation of the corporate group consisting of the Company and its subsidiaries
 - i. To ensure that execution of duties by directors of the Company complies with laws and regulations and the Articles of Incorporation, and to ensure the proper business operation of the Company and each Group company, the Company has established the “Group Corporate Philosophy” and the “Statement of Compliance.” The Representative Director of the Company is responsible for ensuring that this statement is fully understood by directors of the Company and each Group company. At the same time, directors shall perform their businesses in accordance with this statement.
 - ii. To ensure that the above directives are fully understood, the Company establishes “Compliance and Risk Committee” headed by the executive officer who oversees the Group’s compliance and risk management and shall monitor the undertaking of the Group-wide compliance and risk management. The Head of the committee shall monitor compliance at the Company and each Group company and report the situation to the Board of Directors of the Company.
 - iii. The Company shall develop a whistle-blower system for the Group to allow employees to report any compliance violations by directors of the Company and each Group company.
 - iv. In the “Corporate Stances” of the “Group Corporate Philosophy,” the Company declares it shall have no relationship with antisocial forces, and shall station employees to perform related businesses in departments responsible for compliance and risk management of the Company and each Group company. Departments responsible for compliance and risk management makes systematic efforts in collaboration with outside specialized institutions, such as police and attorneys, to prevent antisocial forces from being involved in management and prevent possible damage caused by antisocial forces.
- 2) Framework for storing and managing information related to execution of duties by directors of the Company

Directors of the Company shall prescribe the retention period of the documents and the division in charge in the organization regulations and basic regulations on document management and prepare, store and manage the material documents in relation to the execution of duties by directors and minutes of each meeting.
- 3) Policy and framework for managing risks of loss of the Company and its subsidiaries
 - i. The Company shall assign an executive officer to oversee Group-wide compliance and risk management. Employees shall be stationed to perform related businesses in the department responsible for the compliance and risk management of the Company and each Group company.

- ii. The Company shall develop a “Risk Management Basic Policy” as the basis of risk management. Each Group company shall also develop a “Risk Management Basic Policy” on the basis of this policy.
 - iii. Large companies under the Companies Act in the Group companies shall establish a division in charge of risk management, and assign an officer in charge of the same. Departments responsible for compliance and risk management of the Company shall oversee this, and monitor and manage risk status at each Group company in a timely manner.
 - iv. The Company shall establish the Internal Audit Department to audit the implementation status and the effectiveness of risk management at the Company and each Group company.
- 4) Framework ensuring the efficiency of execution of duties by directors of the Company and its subsidiaries
- i. The Company shall adopt the executive officer system in order to realize the efficiency of the management and the clarification of responsibility through the clear division of management decision-making, supervision and execution.
 - ii. The Company shall hold the Board of Directors Meeting more than once a month. In addition, material matters to be deliberated at the Board of Directors Meeting shall be discussed and examined at the management committee comprising executive directors, executive officers, and full-time audit & supervisory board members.
 - iii. The Company shall define in the organizational regulations the procedure and the officer in charge with respect to the business operation based on the resolution of the Board of Directors and at the management committee of the Company as well as the resolution of each Group company’s Board of Directors.
- 5) Framework ensuring that execution of duties by directors and employees of the Company and its subsidiaries complies with laws and regulations and the Articles of Incorporation
- i. To realize management in conformity with compliance at the Company and each Group company, the Company and each Group company shall formulate “Corporate Stances” and “Employee Credo of Conduct” as directives applicable to all employees. The documents shall be displayed and distributed etc. and training implemented.
 - ii. Large companies under the Companies Act in the Group companies shall establish a division in charge of compliance promotion, and assign an officer in charge of the same. Departments responsible for compliance and risk management of the Company shall oversee this, and monitor and manage risk status at each Group company in a timely manner.
 - iii. The Company shall establish the Internal Audit Department to audit the implementation status and the effectiveness of compliance at the Company and each Group company.
 - iv. The Company shall hold “Compliance and Risk Committee” meetings regularly to develop and promote specific measures to ensure compliance and monitor the progress at the Company and each Group company.
 - v. The Company shall establish a whistle-blower system for the Group to develop an environment in which compliance violations are promptly reported.

- 6) Framework ensuring the proper business operation of the corporate group consisting of the Company and its subsidiaries
 - i. To ensure the proper business operation of the Company and each Group company, the Company shall establish "Group Corporate Philosophy." The Company and each Group company shall formulate their company rules and execute business operations accordingly.
 - ii. The Company shall assign an executive officer to be in charge of basic strategy for Group-wide management, and station employees to perform related businesses at the Management Strategy Department at the Company and each Group company.
 - iii. The Company, as a pure holding company, shall be responsible for the planning and control of each Group company's operation in accordance with the executive management contract that prescribes the management duties that the Company will execute with respect to each Group company.
 - iv. Each Group company shall execute business operations in accordance with the management policy formulated by the Company, and shall obtain the approval of the Company's Board of Directors Meeting or the management committee in advance, when executing material matters. In addition, all material management matters shall be reported to the Company's related division.

- 7) Appointment of supporting personnel, when audit & supervisory board members of the Company request such personnel

The Internal Audit Department shall provide support to audit & supervisory board members and personnel shall be appointed when deemed necessary in consultation with the Audit & Supervisory Board.

- 8) Securing independence of the personnel in the preceding item from directors and effectiveness of instructions from audit & supervisory board members

The personnel in the preceding item cannot hold a concurrent position that has the duties of planning or control of business operations. Accordingly, reassignment, evaluation, or disciplinary action against the supporting personnel requires the approval of the Audit & Supervisory Board in advance.

- 9) Framework for reporting to audit & supervisory board members by directors and employees of the Company and framework for reporting to audit & supervisory board members of the Company by directors, audit & supervisory board members and employees of subsidiaries, or those who have received reports from the said persons
 - i. In addition to matters designated by law, directors and employees of the Company and directors, audit & supervisory board members and employees of each Group company shall report the following to audit & supervisory board members of the Company without delay.
 - a. Material violations of laws and regulations and the Articles of Incorporation as well as misconduct, by directors or employees
 - b. Crucial information obtained through whistle blowing
 - c. Other facts that threaten to cause significant losses to the Company and each Group company

- ii. The Company and each Group company shall create a framework to ensure that persons who have reported to audit & supervisory board members of the Company and each Group company are not treated disadvantageously because of the said report.
- 10) Policy on procedures for advance payment or reimbursement of expenses incurred in the execution of duties by audit & supervisory board members of the Company, and other expenses incurred in the said execution of duties, or handling of debts

The Company shall develop a policy regarding the handling of audit expenses and secure a budget of a certain amount to cover audit expenses.

- 11) Framework ensuring the effectiveness of auditing by audit & supervisory board members of the Company
- i. In addition to the Board of Directors Meeting, audit & supervisory board members of the Company may attend other important meetings, including those of the management committee and the executive conference, and understand the process of important decision-making and status of business operation, and provide necessary opinions.
 - ii. The Company shall establish regular meetings between audit & supervisory board members and the representative director to exchange opinions.
 - iii. The Internal Audit Department of the Company shall report progress and results of internal audits of the Company and each Group company as necessary to audit & supervisory board members to realize a collaborative framework for effective audits.
 - iv. Audit & supervisory board members of the Company and each Group company shall exchange information and enhance collaboration throughout the Group at Group Audit & Supervisory Board Members' Liaison Meetings.
 - v. The Company shall establish a liaison office for the Audit & Supervisory Board and Group Audit & Supervisory Board Members' Liaison Meetings in the Internal Audit Department of the Company to promote efficient audits by audit & supervisory board members of the Company and each Group company.
 - vi. The Company shall receive explanations on the contents of its accounts from the Accounting Auditor as needed and exchange information to realize a collaborative framework for effective audits.

(2) Operational Status of Systems for Ensuring Proper Business Operations

Details are provided as follows on the operational status of systems for ensuring proper business operations.

1) Execution of duties by directors

The Board of Directors holds 18 meetings which are attended by the directors and audit & supervisory board members. Those in attendance adopt resolutions on individual proposals in accordance with decision-making standards, and also discuss matters and make resolutions with respect to issues of managerial importance encompassing areas such as growth strategy, investment, capital management policy and human resources strategy.

2) Compliance

The “Compliance and Risk Committee” meets once every quarter, with such meetings attended by the Company’s executive officers in charge of ESG strategy, full-time audit & supervisory board members, outside attorneys at law, and managers in charge of compliance of major Group companies, and oversees Group-wide compliance initiatives across the organization.

The Company has developed mechanisms for a whistle-blower system for the Group to allow employees to report compliance violations of the Company and each Group company.

In order to raise awareness of compliance issues and call attention to such matters, all business offices of the Company and each Group company display “Statement of Compliance” posters which declare their vow to observe laws and regulations and corporate ethics.

In addition, the Company has been taking steps to ensure that everyone is well aware that all ties with antisocial forces must be rejected. To that end, such matters have been stipulated in the “Group Corporate Philosophy” which outlines the Yamato Group’s responsibilities to society and its stance toward issues in that regard, and furthermore pamphlets detailing such content are distributed to all employees of the Company and each Group company.

Additionally, in order to forge a robust corporate culture, the Company is working to establish a comfortable working environment for employees through initiatives such as reviewing management rules on working hours and creating new working styles, and implement “Work Style Reform” throughout the entire Group.

3) Risk management

Managers in charge of compliance and risk oversight are stationed at the Company and each Group company, and have been developing systems to address risk in a swift and harmonious manner.

When an emergency arises, the Company’s executive officers in charge of ESG strategy, and its full-time audit & supervisory board members, are notified of the situation without delay, through a Group-wide system for ensuring availability of up-to-the-minute details on emergency matters.

In addition, the Company’s “Compliance and Risk Committee” considers key risks by sharing examples of such risks and discussing related measures.

4) Audit structure

The Internal Audit Department of the Company and internal audit departments of major Group companies respectively check to make sure that business operations are being performed effectively in accordance with the rules, and they accordingly develop frameworks to immediately rectify matters when aberrations are found to exist.

Moreover, audit & supervisory board members of the Company and full-time audit & supervisory board members of each Group company hold monthly Group Audit & Supervisory Board Members’ Liaison Meetings. In so doing, they collaborate by sharing information, and effectively monitor operations in a manner that is coordinated with Group management.

(3) Policy on Decision of Appropriation of Surplus

As a pure holding company, the Company conducts its business with the goal of maximizing the entire Group's corporate value. Accordingly, with respect to the appropriation of surplus, the Company's policy is to pay dividends with the goal of having a payout ratio of 30% of profit attributable to owners of parent. Retained earnings are used to facilitate the growth of the Group as a whole through capital expenditure—to strengthen the network, one of our management resources, and develop new businesses and products, for example—and investments are aimed at raising the corporate value in the future. Finally, the use of treasury shares is strategically positioned for flexible utilization, such as M&A, as a part of our capital policy.

Consolidated Balance Sheet

(As of March 31, 2022)

(Millions of yen)

Assets		Liabilities	
Current assets	480,844	Current liabilities	352,807
Cash and deposits	182,644	Notes and accounts payable - trade	165,346
Notes and accounts receivable - trade, and contract assets	218,922	Short-term borrowings	15,000
Accounts receivable - installment	48,055	Lease obligations	4,850
Inventories	2,216	Income taxes payable	14,395
Other	30,462	Deferred installment income	4,714
Allowance for doubtful accounts	(1,456)	Provision for bonuses	38,942
		Other	109,558
Non-current assets	606,010	Non-current liabilities	135,814
Property, plant and equipment	429,878	Lease obligations	26,038
Buildings and structures	157,013	Deferred tax liabilities	1,913
Machinery and equipment	21,601	Retirement benefit liability	94,141
Vehicles	25,207	Other	13,719
Land	179,650	Total liabilities	488,621
Leased assets:	28,366		
Construction in progress	3,165		
Other	14,873		
Intangible assets	45,646	Net assets	
Software	38,588	Shareholders' equity	578,991
Other	7,058	Share capital	127,234
Investments and other assets	130,484	Capital surplus	36,813
Investment securities	47,972	Retained earnings	464,494
Long-term loans receivable	6,162	Treasury shares	(49,551)
Leasehold deposits	20,519	Accumulated other comprehensive income	11,551
Retirement benefit asset	15	Valuation difference on available-for-sale securities	11,498
Deferred tax assets	54,197	Foreign currency translation adjustment	(513)
Other	3,229	Remeasurements of defined benefit plans	565
Allowance for doubtful accounts	(1,611)	Non-controlling interests	7,690
		Total net assets	598,233
Total assets	1,086,854	Total liabilities and net assets	1,086,854

Consolidated Statement of Income

(From April 1, 2021 to March 31, 2022)

(Millions of yen)

Operating revenue	1,793,618
Operating cost	1,654,085
Operating gross profit	139,532
Selling, general and administrative expenses	62,333
Operating profit	77,199
Non-operating income	
Interest and dividend income	1,561
Gain on investments in investment partnerships	4,510
Other revenue	2,546
	8,618
Non-operating expenses	
Interest expenses	785
Share of loss of entities accounted for using equity method	242
Other	459
	1,487
Ordinary profit	84,330
Extraordinary income	
Gain on sales of non-current assets	3
Gain on sales of investment securities	15,312
Gain on liquidation of subsidiaries	1,210
Gain on transition of retirement benefit plan	1,419
Other	92
	18,038
Extraordinary losses	
Loss on retirement of non-current assets	360
Amount of impairment loss	2,420
Loss on sale of investment securities	3,104
Loss on valuation of investment securities	48
Loss on revision of retirement benefit plan	14,999
Provision of allowance for doubtful accounts	190
Other	206
	21,328
Profit before income taxes	81,040
Income taxes-current	29,293
Income taxes-deferred	(5,324)
	23,968
Profit	57,071
Profit attributable to non-controlling interests	1,115
Profit attributable to owners of parent	55,956

Consolidated Statement of Comprehensive Income

(From April 1, 2021 to March 31, 2022)

(Millions of yen)

Profit	57,071
Other comprehensive income	
Valuation difference on available-for-sale securities	(5,415)
Foreign currency translation adjustment	793
Remeasurements of defined benefit plans, net of tax	(5,282)
Share of other comprehensive income of entities accounted for using equity method	108
Total other comprehensive income	(9,795)
Comprehensive income	47,276
(Breakdown)	
Comprehensive income attributable to owners of parent	47,210
Comprehensive income attributable to non-controlling interests	66

Consolidated Statement of Changes in Equity

(From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of April 1, 2021	127,234	36,813	431,571	(39,549)	556,070
Cumulative effects of changes in accounting policies			(3,343)		(3,343)
Restated balance	127,234	36,813	428,228	(39,549)	552,727
Changes during period					
Dividends of surplus			(19,689)		(19,689)
Profit attributable to owners of parent			55,956		55,956
Purchase of treasury shares				(10,002)	(10,002)
Disposal of treasury shares		0		0	0
Net changes in items other than shareholders' equity					
Total changes during period	—	0	36,266	(10,002)	26,263
Balance as of March 31, 2022	127,234	36,813	464,494	(49,551)	578,991

(Millions of yen)

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance as of April 1, 2021	15,883	(1,316)	5,730	20,297	7,919	584,287
Cumulative effects of changes in accounting policies					(229)	(3,572)
Restated balance	15,883	(1,316)	5,730	20,297	7,689	580,714
Changes during period						
Dividends of surplus						(19,689)
Profit attributable to owners of parent						55,956
Purchase of treasury shares						(10,002)
Disposal of treasury shares						0
Net changes in items other than shareholders' equity	(4,384)	803	(5,164)	(8,745)	1	(8,744)
Total changes during period	(4,384)	803	(5,164)	(8,745)	1	17,519
Balance as of March 31, 2022	11,498	(513)	565	11,551	7,690	598,233

Notes to Consolidated Financial Statements

1. Basis of Preparation of the Financial Statements

(1) Amounts described are rounded down to the nearest million yen.

(2) Scope of Consolidation

1) Number of Consolidated Subsidiaries: 30

Names of major consolidated subsidiaries:

Yamato Transport Co., Ltd.	Okinawa Yamato Transport Co., Ltd.	YAMATO TRANSPORT U.S.A., INC.
YAMATO ASIA PTE. LTD.	YAMATO INVESTMENT (HONG KONG) LIMITED	YAMATO BOX CHARTER CO., LTD
Yamato System Development Co., Ltd.	Yamato Autoworks Co., Ltd.	

Effective from the beginning of the fiscal year under review, Yamato Global Express Co., Ltd., Yamato Logistics Co., Ltd., Yamato Global Logistics Japan Co., Ltd., Yamato Packing Service Co., Ltd., Yamato Packing Technology Institute Co., Ltd., Yamato Financial Co., Ltd. and Yamato Management Service Co., Ltd. are excluded from the scope of consolidation given that they have ceased to exist as a result of an absorption-type merger in which Yamato Transport Co., Ltd. is the surviving company. In addition, YAMATO (CHINA) CO., LTD. and Yamato Home Convenience Co., Ltd. have also been excluded from the scope of consolidation due to the conclusion of their liquidation and the partial transfer of their shares.

2) Non-consolidated Subsidiaries, etc.

OTL ASIA SDN. BHD. and certain other subsidiaries are not included within the scope of consolidation. The total assets, operating revenue, profit, and retained earnings of these non-consolidated subsidiaries are immaterial and, even taken together as a group, they do not exert a significant influence on the consolidated financial statements.

(3) Application of Equity Method

1) Number of Affiliates Accounted for Using Equity Method: 22

Names of major equity method affiliates:

Packcity Japan Co., Ltd.	GDEX BHD.
Yamato Home Convenience Co., Ltd.	Yamato Lease Co., Ltd.

Effective from the beginning of the fiscal year under review, Yamato Home Convenience Co., Ltd. is excluded from the scope of consolidation and included in the scope of the equity method due to the partial transfer of shares. SCG YAMATO EXPRESS CO., LTD. and GUANGZHOU WISEPOWER TRANSPORTATION & DISTRIBUTION GROUP CO., LTD. are excluded from the scope of the equity method due to the sale of such equity holdings.

2) Non-consolidated Subsidiaries and Affiliates Not Accounted for Using Equity Method

Entities not subject to the equity method such as OTL ASIA SDN. BHD., certain other non-consolidated subsidiaries and YAMATO UNYU (THAILAND) CO., LTD. and certain other affiliated companies are excluded from the scope of entities accounted for using the equity method because they do not exert a significant influence on the consolidated financial statements even when taken together as a group, given the immateriality of their profit (the amount corresponding to the ownership held by the Company), retained earnings (the amount corresponding to the ownership held by the Company) and other financial results.

3) Special Note on the Application of Equity Method

The fiscal year-end dates of certain entities accounted for using the equity method differ from the consolidated fiscal year-end date, and accordingly the financial statements have been prepared on the basis of the financial statements and provisional financial results for the respective fiscal years of each of those entities.

(4) Closing Date of Consolidated Subsidiaries

Of consolidated subsidiaries, YAMATO TRANSPORT U.S.A., INC. and nine other overseas subsidiaries have December 31 as their financial year end. Financial statements as of this closing date were used in the preparation of the consolidated financial statements. However, the consolidated figures have been adjusted as required to reflect significant transactions occurring between December 31, 2021, and March 31, 2022, which is the consolidated closing date.

(5) Accounting Policies

1) Valuation Basis and Methods for Securities

Available-for-sale securities

Other than stocks and other securities with no market price

Stated at the fair market value based on the quoted market price

(valuation differences are recognized in net assets; the cost of securities sold is the moving-average method)

Stocks and other securities with no market price

Stated at the cost by moving-average method

Investments in the limited partnership for investment partnerships and similar partnerships (Securities deemed to be securities pursuant to Article 2, Paragraph 2 of the Financial Instruments and Exchange Act)

The net amount of the Company's interest in the partnership based on the most recent financial statements available, according to the reporting date stipulated in the partnership agreement.

2) Valuation Basis and Methods for Inventories

Stated at the cost by first-in first-out method (for the value stated in the balance sheet, book value is written down based on the decreased profitability)

3) Depreciation and Amortization Methods of Non-current Assets

Property, plant and equipment:
(excluding leased assets)

Straight-line method

Intangible assets:
(excluding leased assets)

Straight-line method

However, software is amortized by the straight-line method over the estimated useful life (five years).

Leased assets:

Straight-line method where the useful life of leased assets shall be equal to the lease period and their residual value shall be zero.

4) Accounting Method for Provision

Allowance for doubtful accounts

The allowance for doubtful accounts is provided to prepare for losses from uncollectible credits. For ordinary receivables, the amount is estimated using the rate based on the historical bad debt experience. For special receivables with higher uncertainty, collectivity is considered on individual cases and prospective uncollectible amount is provided.

Provision for bonuses:

The provision for bonuses is provided for payment of bonuses to employees based on an amount expected to be paid.

This provision is not applicable for overseas consolidated subsidiaries.

5) Method of Accounting for Retirement Benefits

- i. Method of attributing expected retirement benefit to periods
In calculating the retirement benefit obligations, the straight-line basis is used in determining the amount of the expected retirement benefit obligation attributed to service performed up to the end of the fiscal year under review.
- ii. Method of recognizing actuarial differences and prior service costs
The entire amount of prior service cost is recognized in profit or loss in the fiscal year during which it arises.
Actuarial differences are recognized in profit or loss in the year following the year in which a respective gain or loss arises and are amortized proportionally on a straight-line basis over a period (mainly five years), which is within the average remaining years of service of the eligible employees.
- iii. Method of accounting for unrecognized actuarial difference
Unrecognized actuarial difference is accounted for in remeasurements of defined benefit plans, after adjusting for tax effects, under accumulated other comprehensive income of net assets.

6) Accounting Method for Revenues and Costs

Revenue from contracts with customers

The following is a summary of the principal performance obligations in the Company's and its consolidated subsidiaries' principal businesses relating to revenues from contracts with customers and the normal time at which such performance obligations are satisfied (the normal time for recognizing revenues).

- i. Retail Business Unit
The Retail Business Unit provides small parcel delivery services such as TA-Q-BIN for consumers and small to medium-sized corporations. In this transportation service, based on contracts with customers, the Company provides pickup and delivery services at the request of customers, and revenues from these services are recognized in proportion to the fulfillment of performance obligations measured by the progress of deliveries, since other companies are not required to re-perform the transportation process that has already been executed even if the delivery to the designated destination cannot be completed.
- ii. Corporate Business Unit
In addition to the same transportation services as the Retail Business Unit, the Corporate Business Unit provides logistics support services, such as cargo storage and logistics services for inbound and outbound shipments, in order to provide value to the entire supply chain of its customers. The Company provides logistics support services, which include the collection, storage, packing, and delivery of cargo based on contracts with customers, and recognizes each contractually agreed-upon process as a performance obligation. The Company recognizes revenue for each process under the contract as the fulfillment of the performance obligation, which is measured by the progress of the work, as the customer receives the economic benefit of the work as it progresses.

2. Changes in Accounting Policies

(Application of Accounting Standard for Revenue Recognition, Etc.)

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the fiscal year under review, and it has recognized revenue at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of said goods or services. As such, whereas revenue derived from certain business transactions including transportation income involving the Yamato Group's mainstay service, TA-Q-BIN, was previously recognized when parcels, etc. were consigned to TA-Q-BIN, the Company will now recognize such revenue upon fulfillment of performance obligations.

The application of the Accounting Standard for Revenue Recognition and relevant ASBJ regulations is subject to the transitional treatment provided for in the proviso to paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of the retrospective application, assuming the new accounting policy had been applied to periods prior to the beginning of the fiscal year under review, was added to or deducted from the opening balance of retained earnings as of the beginning of the fiscal year under review, and thus the new accounting policy was applied from such opening balance. However, by applying the method set forth in item (1) of the supplementary provisions of paragraph 86 of the Accounting Standard for Revenue Recognition, modifications to contracts carried out prior to the beginning of the fiscal year under review were accounted for based on the contractual terms after all contract modifications were reflected. Consequently, this cumulative effect was added to or deducted from the opening balance of retained earnings as of the beginning of the fiscal year under review.

In addition, "Notes and accounts receivable - trade," which was included in "Current assets" in the consolidated balance sheets for the previous fiscal year, is included in "Notes and accounts receivable - trade and contract assets" from the fiscal year under review.

As a result of this change, comparing with before application of Accounting Standard for Revenue Recognition, etc., operating revenue decreased by 2,081 million yen, and operating costs decreased by 1,997 million yen, while operating profit, ordinary profit and profit before income taxes each decreased by 84 million yen. In addition, retained earnings as of the beginning of the fiscal year under review decreased by 3,343 million yen.

The impact on per share information is described in "10. Per share information" of the Notes to Consolidated Financial Statements.

(Application of Accounting Standard for Fair Value Measurement)

The Company has applied the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019) and relevant ASBJ regulations from the beginning of the fiscal year under review. In the future, the Company will furthermore apply the new accounting policy stipulated by the Accounting Standard for Fair Value Measurement and relevant ASBJ regulations subject to the transitional treatment provided for in paragraph 19 of the Accounting Standard for Fair Value Measurement and paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019). In addition, this application has no impact on the consolidated financial statements.

In addition, in "8. Notes to Financial Instruments," the Company has decided to provide notes on the breakdown of the fair value of financial instruments by level and other items.

(Changes in accounting policies which are difficult to distinguish from changes in accounting estimates and changes in accounting estimates)

(Changes in depreciation method for property, plant and equipment and changes in useful life)
Effective from the beginning of the fiscal year under review, the Company and its domestic consolidated subsidiaries have changed to the straight-line method as their depreciation method for property, plant and equipment (excluding leased assets) from the declining-balance method previously. (However, the straight-line method has been adopted for buildings acquired on or after April 1, 1998 [excluding facilities attached to buildings] and for facilities attached to buildings and structures acquired on or after April 1, 2016.) Overseas consolidated subsidiaries have been using the straight-line method thus far.

Based on its medium-term management plan, "One Yamato 2023," the Yamato Group has transitioned to its "One Yamato" management structure, which has involved transforming to a fully optimized organization structured according to customer segments and further accelerating management. To such ends, Yamato Transport Co., Ltd. carried out absorption-type mergers and absorption-type company splits involving seven Group companies on April 2021. In so doing, we were able to review our use of property, plant and equipment in Japan.

We consequently changed to the straight-line method upon having deemed that the straight-line method of allocating costs more rationally reflects actual use of assets given that we expect our asset use in Japan to remain consistent. In addition, the Company and its domestic consolidated subsidiaries conducted surveys on actual use of property, plant and equipment on the occasion of reviewing changes to the depreciation method of property, plant and equipment. Effective from the beginning of the fiscal year

under review, they consequently revised useful life figures of some vehicles based on more realistic, economically feasible forecast periods. This change will apply into the future.

As a result, operating profit, ordinary profit, and profit before income taxes for the fiscal year under review are each 13,075 million yen more than would have been the case using the previous method.

3. Accounting Estimates

(Impairment of non-current assets)

(1) The amount recognized in the consolidated financial statements for the fiscal year under review

The following is a list of items that have been recognized in the consolidated financial statements for the fiscal year under review based on accounting estimates and that may have a material effect on the consolidated financial statements for the following fiscal year.

Property, plant and equipment:	429,878 million yen
Intangible assets:	45,646 million yen

(2) Information on significant accounting estimates for identified items

When there is an indication that an asset may be impaired, the Company assesses whether impairment is necessary based on the future cash flows of the asset. The cash flow generating unit, which is the unit used to determine whether impairment is required, is the smallest unit of the asset group identified as generating cash inflows that are generally independent of the cash inflows of other assets or asset groups.

The criteria of the asset groups are the management accounting classification and the unit used for investment decision making, and the grouping of Yamato Transport Co., Ltd. was reviewed in consideration of the management accounting classification and the unit used for investment decision making, among others, in accordance with the transition to a new group management structure in the fiscal year under review, and the four Business Divisions of Retail, Corporate, Global SCM, and EC were grouped as the smallest cash flow generating units, and assets associated with the four Functional Divisions of Transportation, Digital, Platform, and Professional Services, as well as Corporate function, were classified as common assets. The majority of the above property, plant and equipment and intangible assets are held by the Retail Business Unit, and the undiscounted future cash flows used in determining the recognition of impairment losses on property, plant and equipment for this business segment are based on future business plans that include TA-Q-BIN unit prices and TA-Q-BIN volumes as key assumptions. If these assumptions need to be revised due to uncertain future economic and business conditions, it could have a material impact on the consolidated financial statements in subsequent periods.

4. Notes on Additional Information

(Board Benefit Trust (BBT) performance-linked and share-based remuneration system)

The Company has adopted the Board Benefit Trust (BBT) performance-linked and share based remuneration system (the "System"). The purpose of the Trust is to further clarify the linkage of remuneration for Directors (excluding Outside Directors) and executive officers, etc. who do not concurrently serve as Directors (collectively, "Officers"), and the Company's business performance and share value, and ensuring that not only the benefit of the increase in share prices, but also the risk of the decrease in share prices are shared between the Officers and the shareholders, thereby further motivating the Officers to contribute to the improvement in the business performance and corporate value over the medium to long term.

(1) Overview of transactions

The System is a performance-linked and share-based remuneration system under which the Company's shares are acquired through a trust using money contributed by the Company as the source of funds (the "Trust"), and the Officers are provided with the Company's shares and an amount of money equivalent to the market value of the Company's shares (the "Company's Shares, Etc.") through the Trust in accordance with the Regulations on Share-based Remuneration for Officers established by the Company. The Officers shall receive the Company's Shares, Etc. upon their retirement, in principle.

(2) Accounting procedures

Accounting for the trust shall be carried out in accordance with the "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (ASBJ Practical Issues Task Force (PITF) No. 30, March 26, 2015).

(3) Shares of the Company remaining in trust

Shares of the Company remaining in trust are to be recorded as treasury shares under net assets at book value in trust (excluding incidental expense amounts). There are 483 thousand shares of such treasury shares at a book value of 1,376 million yen as of March 31, 2022.

(Revision of retirement benefit plan)

In April 2021, the Company resolved to revise its retirement benefit plan in terms of accordingly changing benefit levels of the lump-sum benefit plan with July 2021 serving as the date of revision with respect to its regulations and October 2021 serving as the date on which the regulations take effect and in terms of carrying out the transition of its corporate pension fund plan to a defined contribution pension plan from the defined-benefit corporate pension plan.

For the accounting treatment associated with the transition of the Plan, the Company has applied the "Accounting for Transfer between Retirement Benefit Plans" (ASBJ Guidance No. 1, December 16, 2016) and the "Practical Solution on Accounting for Transfer between Retirement Benefit Plans" (ASBJ PITF No. 2, February 7, 2007).

As a result, with respect to past service costs incurred due to changes made to benefit levels of the lump-sum benefit plan, the Company recorded a loss on the revision of the retirement benefit plan of 14,999 million yen under extraordinary losses for the fiscal year under review. Furthermore, with respect to gains and losses arising from the transition of the corporate pension fund plan to a defined contribution pension plan from the defined-benefit corporate pension plan, the Company recorded a gain on the transition of the retirement benefit plan of 1,419 million yen under extraordinary income.

5. Notes to the Consolidated Balance Sheet

(1) Receivables, contract assets and contract liabilities arising from contracts with customers

- 1) Amounts of notes receivable - trade, accounts receivable -trade and contract assets arising from contracts with customers

Notes receivable - trade	1,242 million yen
Accounts receivable - trade	186,762 million yen
Contract assets	4,688 million yen

- 2) Amount of contract liabilities included in other current liabilities

Contract liabilities	12,887 million yen
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- (2) Accumulated depreciation of property, plant and equipment: 504,159 million yen
- (3) Balance of liabilities on guarantee
- Guarantee of obligation for debt financing: 32 million yen

6. Notes to the Consolidated Statement of Income

(1) Revenue from contracts with customers

The Company does not separately present revenues from contracts with customers and other revenues. The amount of revenue from contracts with customers is presented in "9. Revenue Recognition (1) Information on breakdown of revenue from contracts with customers" in the Notes to Consolidated Financial Statements.

(2) Impairment loss

During the fiscal year under review, the Yamato Group posted an impairment loss on the following asset group.

(Millions of yen)			
Use of asset	Type of asset	Region	Impairment loss
Branch and distribution center and other	Software Vehicles, other	Yamato Home Convenience Co., Ltd.	
		Seven premises including Head Office (Chuo-ku, Tokyo) and Tokyo Management Branch (Suginami-ku, Tokyo)	
		One other premises	
			2,420

The Yamato Group sets the criteria of the management accounting classification and the unit used for investment decision making, and the grouping of Yamato Transport Co., Ltd. was reviewed in consideration of the management accounting classification and the unit used for investment decision making, among others, in accordance with the transition to a new group management structure in the fiscal year under review and the four Business Divisions of Retail, Corporate, Global SCM, and EC were grouped as the smallest cash flow generating units, and assets associated with the four Functional Divisions of Transportation, Digital, Platform, and Professional Services, as well as Corporate function, were classified as common assets.

During the fiscal year under review, the Group recognized no future usage and a continuous decrease in profit and loss arising from operating activities or significant declines in market prices for the asset group consisting of Head Office of Yamato Home Convenience Co., Ltd., Tokyo Management Branch and 6 other premises, and it decreased the book value of the relevant asset group to the recoverable value and posted the relevant decrease of 2,420 million yen to extraordinary losses as an impairment loss.

A main breakdown of this decrease shows that 1,275 million yen was attributable to software, 674 million yen was attributable to other intangible assets and 400 million yen was attributable to vehicles.

If the recoverable value of such asset group is calculated based on value in use, the amount is valued by discounting future cash flows with a discount ratio of 5.23%. Where the recoverable value is calculated based on net realizable value, idle assets are assumed to be zero, and assets other than idle assets are valued based mainly on real estate appraisal standards, the assessed value of property tax or the posted land price.

7. Notes to the Consolidated Statement of Changes in Equity

(1) Class and Total Number of Issued Shares and Treasury Shares: (Thousands of shares)

	Number of shares as of beginning of fiscal year under review	Number of increased shares in fiscal year under review	Number of decreased shares in fiscal year under review	Number of shares as of end of fiscal year under review
Issued shares				
Common shares	388,575	—	—	388,575
Total	388,575	—	—	388,575
Treasury shares				
Common shares (Note)	17,550	4,533	0	22,084
Total	17,550	4,533	0	22,084

Note: The number of treasury stock of common stock includes the Company's shares held by the Board Benefit Trust (BBT) (483 thousand shares at the beginning of the fiscal year under review and 483 thousand shares at the end of the fiscal year under review).

The increase of 4,533 thousand shares of treasury shares of common shares is due to the purchase of 4,533 thousand treasury shares.

The decrease of 0 thousand shares of treasury shares of common shares is due to the decrease by the sale of shares less than one unit.

(2) Dividends

1) Payments of dividends

Resolution	Type of shares	Total amount of dividends	Dividend per share	Record date	Effective date on and after
		Millions of yen	Yen		
May 17, 2021 Board of Directors	Common shares	11,145	30	March 31, 2021	June 3, 2021
November 12, 2021 Board of Directors	Common shares	8,544	23	September 30, 2021	December 10, 2021

Note: 1. The total amount of dividends resolved by the Board of Directors on May 17, 2021, includes 14 million yen of dividends for the Company's shares held by the Board Benefit Trust (BBT).

2. The total amount of dividends resolved by the Board of Directors on November 12, 2021, includes dividends of 11 million yen for the Company's shares held by the Board Benefit Trust (BBT).

2) Dividends with a record date that falls within the fiscal year under review but an effective date starting in the upcoming fiscal year

Resolution	Type of shares	Total amount of dividends	Source of dividend	Dividend per share	Record date	Effective date on and after
		Millions of yen		Yen		
May 17, 2022 Board of Directors	Common shares	8,440	Retained earnings	23	March 31, 2022	June 2, 2022

Note: The total amount of dividends resolved by the Board of Directors on May 17, 2022, includes dividends of 11 million yen for the Company's shares held by the Board Benefit Trust (BBT).

8. Notes to the Financial Instruments

(1) Matters concerning the status of financial instruments

1) Policy on financial instruments

To finance further business growth, the Yamato Group raises capital through bank loans and bond issuances based on a facilities investment scheme that includes the network development plan. One-time surplus funds are invested in safe financial assets. Derivative products are mainly used for hedging against variable interest rate risk, and no speculative transactions are undertaken.

Some of the Group's consolidated subsidiaries are engaged in businesses such as third-party credit sales.

2) Features and risks of financial instruments and risk management structure

Operating receivables such as notes and accounts receivable - trade and accounts receivable - installment carry credit risk of trading partners, and thus the Company manages and controls cash received, as well as outstanding receivables, for each period to identify the credit risk of each trading partner.

Regarding investment securities, the Yamato Group mainly holds shares of companies with which the Group has business relationships or forms a capital alliance, and such shares involve the risk of stock price fluctuations.

The majority of operating payables, such as notes and accounts payable - trade, are due within one year.

Short-term borrowings and long-term borrowings are mainly used to raise capital for the Group's financial business. Borrowings are mainly procured at floating rates of interest.

Within the Yamato Group, each Group company controls liquidity risk associated with operating payables and borrowings by monitoring payments and settlements, bookkeeping, and balances, as well as managing cash positions.

3) Supplemental remarks on the fair value of the financial instruments

Since variable factors are incorporated in the calculation of the market value of financial instruments, the value may change due to the adoption of different assumptions, etc.

(2) Matters concerning fair value of financial instruments

The table below shows the amounts recorded on the consolidated balance sheet as of March 31, 2022, their fair values, and differences between them.

	Amount on the consolidated balance sheet	Fair value	Difference
(Millions of yen)			
Notes and accounts receivable - trade and contract assets	218,922		—
Allowance for doubtful accounts	(157)		
	218,765	218,777	11
Accounts receivable - installment	48,055		—
Allowance for doubtful accounts	(936)		
Deferred installment income	[4,714]		
	42,405	46,955	4,550
Investment securities			
Available-for-sale securities	21,562	21,562	—
Shares of subsidiaries and associates	6,667	10,127	3,459
Short-term borrowings	[15,000]	[15,000]	—

- Note:
1. Items recognized as liabilities are shown in square parentheses [] both under Amount on the consolidated balance sheet and Fair value.
 2. Cash and deposits are omitted because they are settled in a short period of time and their fair value approximates their book value.
 3. Notes, accounts receivable - trade and contract assets are presented after deducting allowances for doubtful accounts set up for notes, accounts receivable - trade and contract assets not payable in the short term.
 4. Accounts receivable - installment is presented after deducting the relevant allowance for doubtful accounts and deferred installment income.

5. Stocks and other securities that have no market price are not included in investment securities. Such financial instruments are unlisted equity and investments in capital, which amounted to 11,256 million yen in the consolidated balance sheets.
6. Investments in partnerships and other similar entities that are recorded on the consolidated balance sheets at a net amount equivalent to the Company's ownership interest are not included in investment securities. The amount of this investment in the consolidated balance sheet is 8,485 million yen.
7. Notes and accounts payable - trade are omitted because most of them are due within one year and their fair values are approximately equal to their book values.

(3) Matters concerning the breakdown of the fair value of financial instruments by level and other items

The fair value of financial instruments is classified into the following three levels based on the observability and materiality of the inputs used to calculate fair value.

- Level 1 fair value Of the inputs related to the observable fair value calculation, the fair value is calculated based on the market price of the asset or liability formed in the active market.
- Level 2 fair value Of the inputs related to the observable fair value calculation, the fair value is calculated based on inputs other than the inputs used in level 1.
- Level 3 fair value Fair value is calculated using inputs for calculating unobservable fair value

When multiple inputs that have a significant influence on the market value calculation are used, the market value is classified into the lowest priority level in the market value calculation among the levels to which those inputs belong.

1) Financial instruments carried on the consolidated balance sheet at fair value

Item	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Stocks	21,562	—	—	21,562
Total assets	21,562	—	—	21,562

2) Financial instruments other than those carried on the consolidated balance sheet at fair value

Item	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Notes and accounts receivable - trade and contract assets	—	218,777	—	218,777
Accounts receivable - installment	—	46,955	—	46,955
Investment securities				
Shares of subsidiaries and associates				
Stocks	10,127	—	—	10,127
Total assets	10,127	265,733	—	275,860
Short-term borrowings	—	15,000	—	15,000
Total liabilities	—	15,000	—	15,000

Note: Explanation of valuation techniques used and inputs related to the calculation of fair value

Investment securities

Listed stocks are valued using quoted market prices. Since listed stocks are traded in active markets, their fair value is classified as Level 1 fair value.

Notes and accounts receivable - trade and contract assets

The fair value of those assets is determined using the discounted present value method based on the amount of the receivable, the period to maturity and the interest rate that takes into account credit risk for each receivable classified by certain time periods and is classified as Level 2 fair value.

Accounts receivable - installment

The fair value of accounts receivable - installment is determined using the discounted present value method based on the amount of the receivable, the period to maturity and the interest rate that takes into account credit risk for each receivable classified by certain time periods and is classified as Level 2 fair value.

Short-term borrowings

The fair value of short-term borrowings is determined using the discounted present value method based on the total amount of principal and interest and an interest rate that takes into account the remaining term of the debt and credit risk and is classified as Level 2 fair value.

9. Revenue Recognition

(1) Information that breaks down revenue from contracts with customers

(Millions of yen)

	Retail Business Unit	Corporate Business Unit	Other (Note 1)	Total
Transportation income	1,144,359	598,306	50,967	1,793,632
Logistical support income	3,587	249,637	–	253,225
Other	28,183	33,022	171,975	233,181
Revenue from contracts with customers	1,176,130	880,966	222,942	2,280,039
Other revenue (Note 2)	–	–	4,583	4,583
Total	1,176,130	880,966	227,526	2,284,622
Inter-segment operating revenue or transfers	(3,715)	(42,690)	(18,327)	(64,733)
Operating revenue by segment	1,172,414	838,276	209,198	2,219,889
Inter-segment operating revenue or transfers	(279,017)	(26,090)	(121,163)	(426,271)
Operating revenue from customers	893,396	812,185	88,035	1,793,618

- Note:
1. Other includes Yamato Home Convenience Co., Ltd. (lifestyle support services), Yamato System Development Co., Ltd. (information systems development), and Yamato Autoworks Co., Ltd. (collective vehicle management agent business for transportation companies).
 2. Other revenue consists of transactions related to financial instruments included in the scope of ASBJ Statement No. 10 "Accounting Standard for Financial Instruments," such as installment sales.

(2) Information that provides a basis for understanding revenue from contracts with customers

The same information as in "1. Basis of Preparation of the Financial Statements, (5) Accounting Policies, 6) Accounting Method for Revenues and Costs" in the Notes to Consolidated Financial Statements has been omitted.

None of the contracts include significant financial elements or variable consideration, and the contractual consideration for services is generally received within 30–70 days from the time of revenue recognition. The contractual consideration for transportation services provided to individual customers in the Retail Business Unit is received at the time the shipment is accepted.

(3) Information about the relationship between the satisfaction of performance obligations under contracts with customers and cash flows from such contracts, and the amount and timing of revenue expected to be recognized in subsequent periods from contracts with customers that existed at the end of the fiscal year under review

1) Balance of contract assets and liabilities, etc.

	(Millions of yen)
	Fiscal year ended March 31, 2022
Receivables from contracts with customers (beginning balance)	178,323
Receivables from contracts with customers (balance at end of period)	188,004
Contract assets (beginning balance)	4,146
Contract assets (balance at end of period)	4,688
Contract liabilities (beginning balance)	11,444
Contract liabilities (balance at end of period)	12,887

Contract assets are mainly recognized in TA-Q-BIN transactions and are recognized based on the estimated revenue from the progress of deliveries up to the end of the fiscal year. Contract assets are reclassified to receivables from contracts with customers when the subsidiary's rights to the consideration become unconditional.

Contract liabilities mainly relate to advances received from customers who have subscribed to the Kuroneko Member Discount program for TA-Q-BIN transactions. Contract liabilities are reversed upon the recognition of revenue.

Among the revenues recognized during the fiscal year under review, the amount included in the contract liability balance at the beginning of the period was 9,558 million yen.

The amount of revenue recognized in the fiscal year under review from performance obligations satisfied in prior periods was not material.

2) Transaction prices allocated to remaining performance obligations

The Company and its subsidiaries apply the practical expedient in noting transaction prices allocated to the remaining performance obligations and do not include performance obligations with original expected contractual terms of one year or less and performance obligations for which the entity is entitled to receive consideration directly corresponding to the value to the customer of the portion of the obligation that has been performed by the entity to date. As a result, there are no significant performance obligations that should be noted as the transaction price allocated to the remaining performance obligations.

The performance obligations with an initial expected term of one year or less mainly relate to courier services such as TAK-Q-BIN in the Retail Business Unit.

In addition, there are no material amounts of consideration arising from contracts with customers that are not included in the transaction price.

10. Per Share Information

(1) Net assets per share	1,611.34 yen
(2) Basic earnings per share	151.03 yen

- Note: 1. The number of shares of common stock at the end of the fiscal year under review and the average number of shares of common stock during the fiscal year under review used for the calculation of net assets per share and basic earnings per share are calculated by deducting the number of shares held in the Company's own name and the number of shares of the Company's stock held by the Board Benefit Trust (BBT) (483 thousand shares at the end of the fiscal year under review and 483 thousand shares in the average number of shares during the fiscal year under review).
2. As stated in "2. Changes in Accounting Policies," the Company has adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and other related accounting standards and has followed the transitional treatment prescribed in the proviso to Article 84 of the "Accounting Standard for Revenue Recognition." As a result, net assets per share for the fiscal year under review decreased by 9.22 yen. The effect of this change on basic earnings per share is immaterial.

Non-consolidated Balance Sheet

(As of March 31, 2022)

(Millions of yen)

Assets		Liabilities	
Current assets	48,986	Current liabilities	89,620
Cash and deposits	37,338	Trade accounts payable	583
Trade accounts receivable	70	Short-term borrowings	15,000
Short-term loans receivable	3,960	Income taxes payable	391
Income taxes receivable	6,648	Deposits received	72,690
Other	968	Provision for bonuses	4
		Other	950
Non-current assets	354,176	Non-current liabilities	2,946
Property, plant and equipment	8,787	Deferred tax liabilities	2,506
Vehicles	0	Provision for retirement benefits:	118
Buildings	1,156	Other	321
Tools, furniture and fixtures	571		
Land	6,536		
Construction in progress	476		
Other	45		
		Total liabilities	92,566
		Net assets	
Intangible assets	1,091	Shareholders' equity	300,291
Software	1,090	Share capital	127,234
Other	1	Capital surplus	36,822
		Legal capital surplus	36,822
		Other capital surplus	0
Investments and other assets	344,296	Retained earnings	185,785
Investment securities	29,315	Other retained earnings	185,785
Shares of subsidiaries and associates	293,118	General reserve	138,965
Long-term loans receivable	24,631	Retained earnings brought forward	46,819
Other	1,709	Treasury shares	(49,551)
Allowance for doubtful accounts:	(2,605)		
Allowance for investment loss:	(1,874)	Valuation and translation adjustments	10,305
		Valuation difference on available-for-sale securities	10,305
		Total net assets	310,596
Total assets	403,163	Total liabilities and net assets	403,163

Non-consolidated Statement of Income

(From April 1, 2021 to March 31, 2022)

(Millions of yen)

Operating revenue	48,010
Selling, general and administrative expenses	11,036
Operating profit	36,973
Non-operating income	
Interest and dividend income	1,465
Leasing income	1,521
Gain on investments in investment partnerships	4,368
Other revenue	506
	7,862
Non-operating expenses	
Interest expenses	43
Facility charges	1,521
Other	66
	1,630
Ordinary profit	43,205
Extraordinary income	
Gain on sales of investment securities	9,873
Provision of allowance for doubtful accounts	496
Provision of allowance for investment loss	5
Other	12
	10,387
Extraordinary losses	
Loss on valuation of investment securities	44
Loss on sales of shares of subsidiaries and associates	110
Provision of allowance for doubtful accounts	411
Loss on debt waiver	3,986
Other	150
	4,703
Profit before income taxes	48,888
Income taxes-current	1,624
Income taxes-deferred	94
	1,719
Profit	47,168

Non-consolidated Statement of Changes in Equity

(From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity					
	Capital surplus				Retained earnings	
	Share capital	Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings	
					General reserve	Retained earnings brought forward
Balance as of April 1, 2021	127,234	36,822	—	36,822	138,965	19,340
Changes during period						
Dividends of surplus						(19,689)
Profit						47,168
Purchase of treasury shares						
Disposal of treasury shares			0	0		
Net changes in items other than shareholders' equity						
Total changes during period	—	—	0	0	—	27,478
Balance as of March 31, 2022	127,234	36,822	0	36,822	138,965	46,819

(Millions of yen)

	Shareholders' equity			Valuation and translation adjustments	Total net assets
	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	
	Total retained earnings				
Balance as of April 1, 2021	158,306	(39,549)	282,814	12,048	294,863
Changes during period					
Dividends of surplus	(19,689)		(19,689)		(19,689)
Profit	47,168		47,168		47,168
Purchase of treasury shares		(10,002)	(10,002)		(10,002)
Disposal of treasury shares		0	0		0
Net changes in items other than shareholders' equity				(1,743)	(1,743)
Total changes during period	27,478	(10,002)	17,476	(1,743)	15,733
Balance as of March 31, 2022	185,785	(49,551)	300,291	10,305	310,596

Notes to Non-Consolidated Financial Statements

1. Amounts described are rounded down to the nearest million yen.

2. Summary of Significant Accounting Policies

(1) Valuation Basis and Methods for Securities

Available-for-sale securities

Other than stocks and other securities with no market price

Stated at the fair market value based on the quoted market price

(valuation differences are recognized in net assets; the cost of securities sold is the moving average method)

Stocks and other securities with no market price

Stated at the cost by the moving-average method

Investments in the limited partnership for investment and similar partnerships

(Securities deemed to be securities pursuant to Article 2, Paragraph 2 of the Financial Instruments and Exchange Act)

Net amount of the Company's interest in the partnership based on the most recent financial statements available according to the reporting date stipulated in the partnership agreement

Shares of subsidiaries and associates

Stated at the cost by the moving-average method

(2) Depreciation and Amortization Methods of Non-current Assets

Property, plant and equipment:

Straight line method

Intangible assets:

Straight line method, but software is amortized by the straight line method over the estimated useful life (five years)

(3) Accounting Method for Provision

Allowance for doubtful accounts

The allowance for doubtful accounts is provided to prepare for loss from uncollectible credits. For special receivables with higher uncertainty, collectivity is considered on individual cases and the prospective uncollectible amount is provided.

Allowance for investment loss:

To prepare for a devaluation loss of investments in subsidiaries and associates, allowances are provided considering the financial position and recoverability of the relevant subsidiary or associate.

Provision for bonuses:

The provision for bonuses is provided for the payment of bonuses to employees based on the amount expected to be paid.

Provision for retirement benefits:

To provide for employees' retirement benefits, a provision for retirement benefits is recorded based on the projected retirement benefit obligations and related pension assets as of the end of the fiscal year ended March 31, 2022.

- 1) Method of attributing expected retirement benefit to periods
In calculating the retirement benefit obligations, the straight-line basis is used in determining the amount of the expected retirement benefit obligation attributed to service performed up to the end of the fiscal year under review.
- 2) Method of recognizing actuarial differences
Actuarial differences are recognized in profit or loss in the year following the year in which a respective gain or loss arises and are amortized proportionally on a straight-line basis over a period of time (mainly five years), which is within the average remaining years of service of the eligible employees.

(4) Method of Accounting for Retirement Benefits

The method of accounting for unrecognized actuarial differences on retirement benefits is different to the method in the consolidated financial statements.

(5) Accounting Method for Revenues and Costs

The Company mainly engages in executive management of its subsidiaries. Under the executive management contracts, the Company provides management and planning guidance to its subsidiaries. Since the economic benefits of these services are provided equally over the contract period, the Company recognizes revenue as the performance obligations are satisfied, which is measured by the passage of time.

3. Changes in Accounting Policies

(Application of Accounting Standard for Revenue Recognition, Etc.)

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the fiscal year under review, and it has recognized revenue at the time the control of promised goods or services are transferred to the customer at the amount expected to be received upon exchange of said goods or services.

This change has no impact on the financial statements.

(Application of Accounting Standard for Fair Value Measurement)

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019) and relevant ASBJ regulations from the beginning of the fiscal year under review. In the future, the Company will furthermore apply the new accounting policy stipulated by the Accounting Standard for Fair Value Measurement and relevant ASBJ regulations subject to the transitional treatment provided for in paragraph 19 of the Accounting Standard for Fair Value Measurement and paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019).

This change has no impact on the financial statements.

(Changes in accounting policies which are difficult to distinguish from changes in accounting estimates and changes in accounting estimates)

(Changes in depreciation method for property, plant and equipment and changes in useful life)

Effective from the beginning of the fiscal year under review, the Company has changed to the straight line method as their depreciation method for property, plant and equipment (excluding leased assets) from the declining balance method previously. (However, the straight line method has been adopted for buildings acquired on or after April 1, 1998 (excluding facilities attached to buildings) and for facilities attached to buildings and structures acquired on or after April 1, 2016.)

Based on its medium-term management plan, “One Yamato 2023,” the Yamato Group has transitioned to its “One Yamato” management structure, which has involved transforming to a fully optimized organization structured according to customer segments and further accelerating management. To such ends, Yamato Transport Co., Ltd. carried out absorption-type mergers and absorption-type company

splits involving seven Group companies on April 2021. In so doing, we were able to review our use of property, plant and equipment in Japan.

We consequently changed to the straight line method upon having deemed that the straight line method of allocating costs more rationally reflects the actual use of assets given that we expect our asset use in Japan to remain consistent. In addition, the Company conducted surveys on the actual use of property, plant and equipment on the occasion of reviewing changes to the depreciation method of property, plant and equipment. Effective from the beginning of the fiscal year under review, it consequently revised the useful life figures of some vehicles based on more realistic, economically feasible forecast periods. This change will apply into the future.

As a result, operating profit, ordinary profit, and profit before income taxes for the fiscal year under review are each 89 million yen more than would have been the case using the previous method.

4. Revenue Recognition

Information that forms the basis for understanding revenues from contracts with customers has been omitted because the same information is presented in “2. Summary of Significant Accounting Policies (5) Accounting Method for Revenues and Costs” in the Notes to the Non-consolidated Financial Statements.

For all services, the consideration for transactions does not include significant financial elements or variable consideration, and the consideration for transactions with subsidiaries is received primarily at the end of each quarter.

5. Accounting Estimates

(Valuation of shares of subsidiaries and associates)

(1) The amount recognized in the non-consolidated financial statements for the fiscal year under review

The following is a list of items that have been recognized in the financial statements for the fiscal year under review based on accounting estimates and that may have a material effect on the financial statements for the following fiscal year.

Shares of subsidiaries and associates	293,118 million yen
Allowance for investment loss:	(1,874) million yen

(2) Information on significant accounting estimates for identified items

In principle, stocks of subsidiaries and affiliates are stated at the cost by the moving-average method. In the event of a decline in the effective value, the Company determines whether or not to recognize a write-down based on estimates of the business plans and other factors of the relevant company. In determining whether or not to recognize a write-down, certain assumptions are made with respect to business plans and other estimates. These assumptions are subject to uncertain future economic and business conditions, which may have a material impact on the financial statements for the next and subsequent periods.

6. Additional Information

(The “Board Benefit Trust (BBT),” a performance-linked stock compensation plan)

The Company has established the “Board Benefit Trust (BBT),” a performance-linked stock compensation plan, in order to clarify the linkage between the compensation of directors (excluding outside directors) and executive officers who do not concurrently serve as directors (“Officers”) and the Company’s business performance and stock value and also having the Officers share not only the benefits of higher stock prices but also the risks of lower stock prices with shareholders, thereby raising

awareness of contributing to improving the Company's medium- to long-term business performance and increasing its corporate value.

The outline of this plan is described in "4. Additional Information" on the Notes to Consolidated Financial Statements and thus omitted.

7. Notes to the Non-consolidated Balance Sheet

(1) Accumulated depreciation of property, plant and equipment:	747 million yen
(2) Balance of liabilities on guarantee	
1) Joint and several guarantee based on clearing agreements with other transportation companies:	300 million yen
2) Guarantee of obligation for debt financing:	304 million yen
(3) Monetary receivables from, and monetary payables to, subsidiaries and associates	
Short-term monetary receivables:	4,378 million yen
Long-term monetary receivables:	23,328 million yen
Short-term monetary payables:	73,037 million yen

8. Notes to the Non-consolidated Statement of Income

Transaction with subsidiaries and associates:	
Operating revenue	47,873 million yen
Operating expenses	3,678 million yen
Non-operating transactions	2,217 million yen

9. Notes to the Non-consolidated Statement of Changes in Equity

Class and Total Number of Treasury Shares:

	(Thousands of shares)			
	Number of shares as of beginning of fiscal year under review	Number of increased shares in fiscal year under review	Number of decreased shares in fiscal year under review	Number of shares as of end of fiscal year under review
Common shares (Note)	17,550	4,533	0	22,084

Note: The number of treasury stock of common stock includes the Company's shares held by the Board Benefit Trust (BBT) (483 thousand shares at the beginning of the fiscal year under review and 483 thousand shares at the end of the fiscal year under review).

The increase of 4,533 thousand shares of treasury shares of common shares is mainly due to the purchase of 4,533 thousand treasury shares.

The decrease of 0 thousand shares of treasury shares of common shares is due to the decrease by the sale of shares less than one unit.

10. Notes to Tax Effect Accounting

Detailed deferred tax assets and deferred tax liabilities

(Millions of yen)

Deferred tax assets	
Provision for bonuses	1
Accrued enterprise tax	43
Provision for retirement benefits:	36
Loss on valuation of investment securities	797
Shares of subsidiaries and associates	59,894
Other	1,593
Subtotal	62,367
Allowance for devaluation	(62,367)
Total	—
Deferred tax liabilities	
Valuation difference on available-for-sale securities	(2,313)
Other	(192)
Total	(2,506)
Net deferred tax assets (liabilities)	(2,506)

11. Notes to Dealings with Related Parties

Subsidiaries, Etc.						(Millions of yen)
Status	Company	Location	Capital	Main business	Holding of voting rights	Relationship Concurrent positions held by officers
Subsidiary	Yamato Transport Co., Ltd.	Chuo-ku, Tokyo	50,000	Home delivery business for individuals and small and medium-sized corporate customers Transportation business for large corporate customers	Direct holdings 100.0%	Concurrently 2 persons
Subsidiary	Yamato System Development Co., Ltd.	Koto-ku, Tokyo	1,800	System development	Direct holdings 100.0%	Concurrently 1 person
Subsidiary	Yamato Credit & Finance Co., Ltd.	Toshima-ku, Tokyo	500	Installment credit and finance services	Direct holdings 70.0%	None
Subsidiary	Yamato Autoworks Co., Ltd.	Chuo-ku, Tokyo	30	Vehicle Management Service business	Direct holdings 100.0%	Concurrently 1 person
Affiliate	Yamato Home Convenience Co., Ltd.	Chuo-ku, Tokyo	100	moving and lifestyle support services;	Direct holdings 49.0%	Concurrently 1 person

(Millions of yen)						
Status	Company	Relationship Business relationships	Dealings	Dealing amount	Account item	Balance at end of period
Subsidiary	Yamato Transport Co., Ltd.	Executive management	Receipt of executive management fee	7,915	—	—
			Payment of consignment service fee, etc.	2,660	Trade accounts payable	244
			Leasing income	1,520	Other current assets	190
			Funding	(90,053)	Deposits received	33,582
			Payment of interest	1		
Subsidiary	Yamato System Development Co., Ltd.	Executive management	Sale of software	6,043	—	—
			Funding	4,012	Deposits received	23,549
			Payment of interest	0		
Subsidiary	Yamato Credit & Finance Co., Ltd.	Executive management	Loans for working capital	5,300	Short-term loans receivable	3,052
		Loans for funding	Repayment of working capital	3,081	Long-term loans receivable	18,088
			Receipt of interest	21		
Subsidiary	Yamato Autoworks Co., Ltd.	Executive management	Funding	2,207	Deposits received	8,520
			Payment of interest	0		
Affiliate	Yamato Home Convenience Co., Ltd.	Loans for funding	Loans for working capital	3,986		
			Receipt of interest	21	—	—
			Loan forgiveness	24,793		

Note: Trade terms and decision policy of the dealing

- (1) The executive management fee and the consignment service fee are determined reasonably through mutual consultation, considering the business contents, etc.
- (2) Leasing income is determined based on the prevailing market conditions.
- (3) Interest on deposits received and loans receivable is determined based on market interest rates.
- (4) The amount of "Funding" records the net amount of increase or decrease during the period.
- (5) The sale price of software to Yamato Transport Co., Ltd. is determined based on the book value.

- (6) The dealing amount of repayment of working capital to Yamato Credit & Finance Co., Ltd. records the net amount of increase or decrease during the period.
- (7) The dealing amount of working capital to Yamato Home Convenience Co., Ltd. records the net amount of increase or decrease during the period.
- (8) The entire amount of the loan to Yamato Home Convenience Co. was forgiven in the fiscal year under review.
- (9) To prepare for the loss of business in subsidiaries, an allowance for doubtful accounts of 411 million yen for loans receivable was recorded in the fiscal year under review. The balance of allowance for doubtful accounts was 2,605 million yen.

12. Per Share Information

(1) Net assets per share	847.49 yen
(2) Basic earnings per share	127.32 yen

- Note: 1. The number of shares of common stock at the end of the fiscal year under review and the average number of shares of common stock during the fiscal year under review used for the calculation of net assets per share and basic earnings per share are calculated by deducting the number of shares held in the Company's own name and the number of shares of the Company's stock held by the Board Benefit Trust (BBT) (483 thousand shares at the end of the fiscal year under review and 483 thousand shares in the average number of shares during the fiscal year under review).
2. As stated in "3. Changes in Accounting Policies," the Company has adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and other related accounting standards and has followed the transitional treatment prescribed in the proviso to Article 84 of the "Accounting Standard for Revenue Recognition." There is no impact on net assets per share and basic earnings per share for the fiscal year under review.

(TRANSLATION)

Audit Report of Accounting Auditor on Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

May 12, 2022

To the Board of Directors of Yamato Holdings Co., Ltd.

**Deloitte Touche Tohmatsu LLC
Tokyo Office**

Designated Limited Liability Partner, Engagement Partner	CPA	Koichi Yano
Designated Limited Liability Partner Engagement Partner	CPA	Yoshihiro Ishida
Designated Limited Liability Partner Engagement Partner	CPA	Shinji Seki

Audit Opinion

Pursuant to Article 444, paragraph (4) of the Companies Act, we have audited the consolidated financial statements, namely, the Consolidated Balance Sheet as of March 31, 2022 of Yamato Holdings Co., Ltd. (the "Company"), and the Consolidated Statement of Income and Consolidated Statement of Changes in Equity for the fiscal year from April 1, 2021 to March 31, 2022, and the Notes to the Consolidated Financial Statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Yamato Holdings Co., Ltd. and its consolidated subsidiaries (collectively, the "Group") as of March 31, 2022, and the results of their operations for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As stated in changes in accounting policies that are difficult to distinguish from changes in accounting estimates and changes in accounting estimates, the Company and its domestic consolidated subsidiaries previously adopted the declining-balance method for depreciation of property, plant and

equipment (excluding lease assets) while the straight-line method was adopted for buildings acquired on or after April 1, 1998 (excluding facilities attached to buildings) and for facilities attached to buildings and structures acquired on or after April 1, 2016. However, the Company has changed to the straight-line method from the fiscal year ended March 31, 2022. Additionally, the useful lives of some vehicles have been changed to more reasonably reflect their actual conditions of use. This matter does not have any impact on our opinion.

Other Information

The other information comprises the business report and its supplemental schedules. Management is responsible for the preparation and disclosure of the other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

The other information is not included in the scope of our opinion on the consolidated financial statements, and we do not provide our opinion on the other information.

Our responsibility in auditing the consolidated financial statements is to read the other information and, in the course of reading, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the course of our audit, and pay attention to whether there are any other signs of material errors in the other information in addition to such material inconsistency.

If, based on the work we have performed, we conclude that there is a material error in the other information, we are required to report that fact.

We have nothing to report with respect to the other information.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the consolidated financial statements, consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the consolidated financial statements with the

assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the presentation of the consolidated financial statements and notes to the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We report to the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and to communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Interest

Our firm and the engagement partners do not have any interest in the Company and its consolidated subsidiaries for which disclosure is required under the provisions of the Certified Public Accountants Act.

End

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

Audit Report of Accounting Auditor on Non-consolidated Financial Statements**INDEPENDENT AUDITOR'S REPORT**

May 12, 2022

To the Board of Directors of Yamato Holdings Co., Ltd.

**Deloitte Touche Tohmatsu LLC
Tokyo Office**

Designated Limited Liability Partner Engagement Partner	CPA	Koichi Yano
Designated Limited Liability Partner Engagement Partner	CPA	Yoshihiro Ishida
Designated Limited Liability Partner Engagement Partner	CPA	Shinji Seki

Audit Opinion

Pursuant to Article 436, paragraph (2), item (i) of the Companies Act, we have audited the non-consolidated financial statements, namely, the Non-consolidated Balance Sheet as of March 31, 2022 of Yamato Holdings Co., Ltd. (the "Company"), and the Non-consolidated Statement of Income and Non-consolidated Statement of Changes in Equity for the 157th fiscal year from April 1, 2021 to March 31, 2022, and the Notes to Non-consolidated Financial Statements and the accompanying supplemental schedules (collectively, the "Financial Statements").

In our opinion, the Financial Statements referred to above present fairly, in all material respects, the financial position of Yamato Holdings Co., Ltd. as of March 31, 2022, and the results of its operations for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in Japan, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Information

The other information comprises the business report and its supplemental schedules. Management is responsible for the preparation and disclosure of the other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

The other information is not included in the scope of our opinion on the non-consolidated financial statements, and we do not provide our opinion on the other information.

Our responsibility in auditing the non-consolidated financial statements is to read the other information

and, in the course of reading, consider whether the other information is materially inconsistent with the non-consolidated financial statements or our knowledge obtained in the course of our audit, and pay attention to whether there are any other signs of material errors in the other information in addition to such material inconsistency.

If, based on the work we have performed, we conclude that there is a material error in the other information, we are required to report that fact.

We have nothing to report with respect to the other information.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing whether it is appropriate to prepare the Financial Statements with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the Financial Statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these Financial Statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the Financial Statements, consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the Financial Statements with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the Financial Statements or, if the notes to the Financial Statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the Financial Statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the Financial Statements and notes to the Financial Statements are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the Financial Statements, including the related notes thereto, and whether the Financial Statements fairly present the underlying transactions and accounting events.

We report to the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and to communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

End

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

(TRANSLATION)

Audit Report of the Audit & Supervisory Board

AUDIT REPORT

Regarding the performance of duties by the Directors for the 157th business year from April 1, 2021 to March 31, 2022, the Audit & Supervisory Board hereby submits its audit report, which has been prepared through discussions based on the audit report prepared by each Audit & Supervisory Board Member.

1. Auditing Methods Employed by the Audit & Supervisory Board Members and Audit & Supervisory Board and Details of Such Methods

- (1) The Audit & Supervisory Board established auditing policies, allocation of duties, and other relevant matters, and received reports from Audit & Supervisory Board Members regarding their audits and results thereof, as well as received reports from the Directors, other relevant personnel, and Accounting Auditors regarding performance of their duties, and sought explanations as necessary.
- (2) Each Audit & Supervisory Board Member complied with the auditing standards of Audit & Supervisory Board Members established by the Audit & Supervisory Board, followed the auditing policies, allocation of duties, and other relevant matters, communicated with the Directors, the internal audit division, other employees, and any other relevant personnel, and made efforts to optimize the environment for information collection and audit. We have executed the audit based on the following methods.
 - 1) Each Audit & Supervisory Board Member participated in the Board of Directors Meetings and other important meetings, received reports from the Directors, employees, and other relevant personnel regarding performance of their duties, sought explanations as necessary, examined important authorized documents and associated information, and studied the operations and financial positions. With respect to subsidiaries, we communicated and exchanged information with Directors, Audit & Supervisory Board Members, and other relevant personnel of the subsidiaries, and received business reports from subsidiaries as necessary.
 - 2) We received periodic reports from Directors and employees and sought explanations as necessary on the details of the resolution of the Board of Directors related to the provision of a system described in Article 100, paragraphs (1) and (3) of the Regulation for Enforcement of the Companies Act that not only ensures Directors are carrying out their duties indicated in the business report in compliance with laws and regulations and the Articles of Incorporation, but also ensures the propriety of the work activities of the corporate group consisting of the Company and its subsidiaries. We also received periodic reports from Directors and employees, sought explanations and expressed an opinion as necessary on the status of development and operation of the system (internal control system) put in place in accordance with the aforesaid resolution.
 - 3) Furthermore, we monitored and verified whether the Accounting Auditors maintained their independence and implemented appropriate audits, and we received reports from the Accounting Auditors regarding the performance of their duties and sought explanations as necessary. In addition, we received notice from the Accounting Auditors that “the system for ensuring that duties are performed properly” (matters set forth in each item of Article 131 of the Regulation on Corporate Accounting) is organized in accordance with the “product quality management standards regarding audits” (Business Accounting Council, October 28, 2005) and other relevant standards, and sought explanations as necessary.

Based on the above methods, we examined the business report and supplemental schedules, non-consolidated financial statements (Non-consolidated Balance Sheet, Non-consolidated Statement of Income, Non-consolidated Statement of Changes in Equity, and Notes to the Non-consolidated Financial Statement) and supplemental schedules, as well as consolidated financial statements (Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Changes in Equity, and Notes to the Consolidated Financial Statements) related to the relevant business year.

2. Audit Results

- (1) Results of Audit of Business Report and Other Reference Documents
- 1) In our opinion, the business report and supplemental schedules are in accordance with the related laws and regulations and Articles of Incorporation, and fairly represent the Company's condition.
 - 2) With regard to the performance of duties by the Directors, we have found no evidence of wrongful action or material violation of related laws and regulations, nor of any violation with respect to the Articles of Incorporation.
 - 3) In our opinion, the contents of the resolutions of the Board of Directors regarding the internal control system are fair and reasonable. In addition, we have found no matters on which to remark in regard to the performance of duties of the Directors regarding the internal control system.
- (2) Results of Audit of Non-consolidated Financial Statements and Supporting Schedules
In our opinion, the methods and results employed and rendered by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are fair and reasonable.
- (3) Results of Audit of Consolidated Financial Statements
In our opinion, the methods and results employed and rendered by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are fair and reasonable.

May 13, 2022

Audit & Supervisory Board, Yamato Holdings Co., Ltd.

Full-time Audit & Supervisory Board Member	Yoshihiro Kawasaki	(seal)
Full-time Audit & Supervisory Board Member	Mamoru Matsuno	(seal)
Outside Audit & Supervisory Board Member	Takashi Yamashita	(seal)
Outside Audit & Supervisory Board Member	Ryuji Matsuda	(seal)
Outside Audit & Supervisory Board Member	Yoshihide Shimoyama	(seal)

Access to the Venue

Date and time: Thursday, June 23, 2022, 10:00 a.m. (The reception desk will open at 9:00 a.m.)

Meeting venue: B1F Hall, Belle Salle Shiodome
Sumitomo Realty & Development Shiodome Hamarikyu Building 21-1, Ginza 8-chome, Chuo-ku, Tokyo

TEL: 03-3541-4141

JR Line:

From Shimbashi Station (Shiodome Exit or Karasumori Exit) 15 minute walk

Toei Asakusa Line

From the Exit for JR Shimbashi Station and Shiodome district 15 minute walk

Tokyo Metro Ginza Line

From Shimbashi Station (Exit 4) 15 minute walk

Toei Oedo Line

From the Exit for JR Shimbashi Station 10 minute walk

* Vehicle parking will not be available at the meeting venue.

- In order to prevent the spread of COVID-19 infection, shareholders are urged to refrain from coming to the venue on the date of the meeting, and encouraged to exercise your voting rights prior to the meeting by means such as mail or the Internet, if at all possible.
- To prevent the spread of COVID-19, seats will be arranged taking into account the distance between each shareholder. Therefore, please understand that if a large number of shareholders are present, the Company may limit the number of shareholders admitted to enter the venue.
- The Company will livestream the General Meeting of Shareholders over the Internet so that shareholders may view it from home. The Company also asks that you consider utilizing this method. For details regarding how to view the livestream, etc., please refer to page 5 of this notice.
- If future developments such as the situation regarding the spread of COVID-19 and announcements by the government ahead of the General Meeting of Shareholders necessitate a major change in the holding of the meeting or in the way the meeting will be run, the Company will revise the information at its website below as needed.
<https://www.yamato-hd.co.jp/investors/stock/meeting/>