Corporate Governance

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The corporate governance of YAMATO HOLDINGS CO., LTD. (the "Company") is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes and Other Basic Information

1. Basic Views

Based on the Yamato Group Corporate Philosophy, the Company and its group companies (the "Group") has been engaging in business activities in line with laws and social norms, and promoting management in conformity with compliance.
Moreover, positioning the effective use of the Group's business resources to maximize its corporate value as one of utmost management priorities, the Group has been implementing the effort to enhance its management structure and take steps as an approach to corporate governance.

[Reasons for Non-compliance with the Principles of the Japan's Corporate Governance Code]

The Company complies with all principles of Japan's Corporate Governance Code.

[Disclosure Based on the Principles of the Japan's Corporate Governance Code] [Updated]

Initiatives of Yamato Holdings for corporate governance have been described in this report as well as the Corporate Governance Guidelines, the Notices of the General Meeting of Shareholders, Japanese securities reports and Integrated Reports prepared by the Company and its website, so please refer to these reports and website.
Details of disclosure items based on the principles of the Japan's Corporate Governance Code are as follows.

[Principle 1-4 Cross-Shareholdings]
Policy on cross-shareholdings
The Company maintains a policy of owning stocks that are deemed meaningful, based on a comprehensive consideration, from a medium- to long-term perspective, of the relationship with the Group's businesses, the profitability of the Company, and the possibility of creating business opportunities, among other factors.
A decision is made every year at the Board of Directors Meeting concerning whether to continue holding the stocks, based on quantitative and qualitative consideration regarding primarily the benefits and risks associated with holding the stocks, in light of various factors including the business track record with the Company, and the market price of the shares. If it is decided, as a result of the consideration, that there is little significance of holding stocks, the Company reduces the stocks held.

Exercise of voting rights
The Company maintains a policy of making decisions on supporting or opposing agenda items on a case-by-case basis, and exercises the voting rights, with consideration given to the issuing company raising its corporate value, the issuing company's compliance framework, and the possibility that the issue will have a negative impact on the Group's business, among other factors.

[Principle 1-7 Transactions among Related Parties]
The Company has provided that the Board of Directors shall make decisions with respect to matters such as officers with interests in competing businesses and conflict-of-interest transactions, in accordance with the Board of Directors Regulations and other regulations.
Also, the Company has established a framework to enable the persons giving approval to make sure that, if the Company or a Group company engages in business transactions with key shareholders or other related parties, the interests of shareholders and the Company are not harmed, taking into consideration the importance and nature of the business transaction in question, in accordance with internal regulations.

[Principle 2-6 Roles as Asset Owners of Corporate Pension Plan]
The Yamato Group Corporate Pension Fund manages the reserves for the Company's corporate pension plan.
The Company facilitates the professional development of said Fund's staff mainly by allocating personnel with expertise at the Fund's secretariat, and by sending staff members to external seminars.
The Fund's management policies are decided by the board of representatives, taking into consideration the deliberations of the Pension Assets Management Committee. Personnel with the appropriate qualities are assigned to the Pension Assets Management Committee and the board of representatives, and a labor union official is assigned as a representative for the beneficiaries.

[Principle 3-1 Enhancement of Disclosure]
(i) Company objectives (e.g., Management Philosophy), management strategies and management plans
The Company formulates the medium-term management plan based on the Management Philosophy for the purpose of increasing the overall corporate value while having respect for all stakeholders, and publishes this plan on its website and other media.

(ii) Basic views and basic policies on corporate governance
The Company Precepts form the origin of the corporate spirit of the Company. Recognizing that its Management Philosophy based on the Company Precepts represents what we aim to be, the Company seeks to continually enhance its corporate value. To this end, the Company aims to improve the satisfaction of all customers, shareholders, society and employees and pursues effective corporate governance by ensuring management transparency, fairness and swiftness.

(iii) The Board of Directors' policies and procedures in determining the compensation of the senior managements and Directors
These are described in "Disclosure of Policy for Determining Compensation Amounts or Calculation Methods Thereof" under II. 1. [Director Compensation].

(iv) The Board of Directors' policies and procedures in the appointment and dismissal of the senior management and the nomination of candidates for Director and Audit & Supervisory Board Member
Nominations are made following deliberations on the appointment and dismissal of the senior management by the Nomination and Compensation Committee, more than half of whose members are Outside Directors, under the policy of appointing a person who has abundant experience and considerable insight relating to corporate management and business promotion, has a sense of humanity from observing and evaluating from diverse perspectives, is able to grasp the essence of the issues facing the Company, and has capabilities that will enhance its management structure.

(v) Explanation of the individual appointment and dismissal of the senior management and the nominations of candidates for the positions as Director and Audit & Supervisory Board Member by the Board of Directors based on (iv) above
Individual backgrounds and reasons for election of candidates for Director and Audit & Supervisory Board Member have been described in Notices of the General Meeting of Shareholders.

[Supplementary Principle 4-1-1 Determination and Disclosure of Scope of Matters Delegated to Management]
The Board of Directors Meeting is held at least once a month to deliberate on and decide the basic policies for business management.
On the other hand, the Company has set up the executive officer system in order to realize the efficiency of the management and the clarification of responsibility through the clear separation of management decision-making, supervision and execution. The scope of responsibility of each executive officer that is decided by the Board of Directors is disclosed, and executive officers execute business in accordance with internal regulations.

[Principle 4-9 Criteria for Determining Independence and Qualification for Independent Outside Directors]
As policies for independence from the Company to elect Outside Directors and Outside Audit & Supervisory Board Members, the Company has established its own criteria for determining independence as follows based on the criteria for determining independence presented by the Tokyo Stock Exchange.
The Company has appointed all of the Outside Directors and Outside Audit & Supervisory Board Members as independent officers provided for under the provisions of that exchange and registered the individuals as such with the exchange.

<Criteria for determining independence>
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.

- 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;
- 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;
- A consultant, accounting professional or legal professional who receives substantial monetary consideration and/or other economic benefits from the Company besides officer remuneration;
- 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;
- 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;
- A recipient of donations from the Company or a person who executes business thereof;
- 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;
- A close relative of a Director, Audit & Supervisory Board Member, Executive Officer or employee of the Company;
- A close relative of a person (excluding inconsequential persons) with respect to whom any of the aforementioned apply.

[Supplementary Principle 4-11-1 Views on Total Balance of Knowledge, Diversity and Size of the Board of Directors]
The Company’s Board of Directors shall consist of Directors and Audit & Supervisory Board Members, the number of Directors shall be 12 or less, and the number of Audit & Supervisory Board Members shall be four or less. The Board of Directors shall comprise diverse officers with different backgrounds including professional expertise, experience, gender and global awareness, such as a Director possessing deep insight in the Group’s businesses and an Outside Audit & Supervisory Board Member who exercises supervision from an independent and objective standpoint.
The election of Directors is decided by the Board of Directors, following deliberations by the Nomination and Compensation Committee, more than half of whose members are Outside Directors,

based on evaluation of performance, a sense of humanity and other factors from diverse perspectives.

[Supplementary Principle 4-11-2 Concurrent Positions Held by Outside Officers]
The status of Outside Directors or Outside Audit & Supervisory Board Members having concurrent positions with other organizations is disclosed annually in the Notice of the General Meeting of Shareholders, the Japanese securities report and other materials.

[Supplementary Principle 4-11-3 Analysis and Evaluation of Effectiveness of the Board of Directors]
In order to verify the effectiveness of the Board of Directors, the Company conducts a questionnaire survey relating to the composition and management conditions of the Board of Directors annually for all Directors and all Audit & Supervisory Board Members and based on the result of the said survey, the Company evaluates the effectiveness of the Board of Directors' management conditions, deliberation conditions, etc.
In the effectiveness evaluation for the fiscal year ended March 31, 2019, the Company received an evaluation that the composition, management conditions and deliberation conditions of the Board of Directors were largely appropriate as a system where the Board of Directors serves the oversight function, and that the culture where attendees actively speak up and engage in unrestricted discussions at the Board of Directors Meeting had taken hold.
Based on these situations, the Company has confirmed that the Board of Directors has been able to display effectiveness that contributes to securing sound management and achieving prompt and accurate decision-making and business execution, which are the Company's basic policies for corporate governance.

The Company is taking very seriously the finding that the case of inappropriate billing at Yamato Home Convenience Co., Ltd., which was identified in July 2018, was caused by insufficient administration and oversight of the group companies by the Company. The Company has internally established the "Group Governance Project" for the purpose of fundamentally and comprehensively restructuring the Group's overall governance as a measure to prevent recurrence across the entire Yamato Group. The Group Governance Project promotes reforms to the administrative and oversight structures of the Company and each company of the Yamato Group and conducts periodic monitoring of the progress.

Going forward, the Company will continuously work to strengthen the administrative and oversight structures of the Company and its group companies in order to enhance sound management of the entire Yamato Group while maintaining and improving the effectiveness of the Board of Directors for the execution of the growth strategies for NEXT100, the next 100 years to follow the first 100 years since foundation, the anniversary of which shall be celebrated in November this year.

[Supplementary Principle 4-14-2 Policy on Training of Directors and Audit & Supervisory Board Members]
So that the Directors and Audit & Supervisory Board Members are able to fulfill their various roles and duties, the Company ensures opportunities in a regular and planned manner for them to obtain and improve the necessary knowledge regarding laws and regulations, finance, the management environment that surrounds the Group, new technology, etc.
Furthermore, the Company ensures opportunities to deepen understanding of the Group's management strategy, business activities and conditions, etc., through strategy meetings held with all of the people responsible for business activities in attendance, lively debates at meetings with outside experts, business location inspections, etc.

[Supplementary Principle 5-1 Policy for Constructive Dialogue with Shareholders]
In order to increase corporate value continuously and over the medium to long term through constructive dialogue with shareholders and investors, the Company promotes dialogue by the President and other members of senior management, among other measures.
The basic policies have been provided and disclosed in the Corporate Governance Guidelines developed by the Company.

2. Capital Structure

Foreign Shareholding Ratio	From 20% to less than 30%

[Status of Major Shareholders] [Updated]

Name	Number of Shares Owned (Shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	44,017,300	11.16
Japan Trustee Services Bank, Ltd. (Trust Account)	22,016,100	6.85
JPMorgan Chase Bank, 380055	25,615,071	6.50
Yamato Employees' Shareholding Association	19,589,242	4.97
Nippon Life Insurance Company	14,770,653	3.75
Meiji Yasuda Life Insurance Company	14,314,860	3.63
Mizuho Bank, Ltd.	10,247,442	2.60
SSBTC Client Omnibus Account	9,428,894	2.39
Yamato Trading-Partner Shareholding Association	8,165,469	2.07
Japan Trustee Services Bank, Ltd. (Trust Account 5)	6,515,500	1.65

Controlling Shareholder (except for Parent)	—
Parent (Listed Stock Market)	N/A

Supplementary Explanation

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3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange First Section
Fiscal Year-End	March
Type of Business	Land Transportation
Number of Employees (Consolidated) at End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	¥1 trillion or more
Number of Consolidated Subsidiaries at End of the Previous Fiscal Year	From 10 to less than 50

4. Policy for Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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5. Other Special Circumstances Which May Have Material Impact on Corporate Governance

The Company underwent a business restructuring within the Group to promote Group management, and made the transition to a pure holding company in November 2005.
Furthermore, the Company has strengthened internal control and practiced speedier management by clearly separating Directors who serve the decision-making and oversight function from executive officers who take responsibility for execution of management since April 2006.

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Supervision in Management

1. Organizational Composition and Operation

Organization Form	Company with Audit & Supervisory Board Members

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	12
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Chairman (excluding the case where the person concurrently serves as President)
Number of Directors [Updated]	8
Appointment of Outside Directors	Appointed
Number of Outside Directors	4
Number of Independent Officers Designated from among Outside Directors	4

Outside Directors' Relationship with the Company (1) [Updated]

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Masakatsu Mori	From another company											
Mariko Tokuno	From another company											
Yoichi Kobayashi	From another company											
Shiro Sugata	From another company											

* Categories for "Relationship with the Company"
"○" when the director presently falls or has recently fallen under the category;
"△" when the director fell under the category in the past;
"●" when a close relative of the director presently falls or has recently fallen under the category; and
"▲" when a close relative of the director fell under the category in the past

a. Executive (a person who executes business; hereinafter, the same) of the Company or its subsidiary
b. Non-executive director or executive of the parent of the Company
c. Executive of a fellow subsidiary of the Company
d. Party whose major client or supplier is the Company or an executive thereof
e. Major client or supplier of the Company or an executive thereof
f. Consultant, accounting professional or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director

g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a corporation)
h. Executive of a client or supplier of the Company (which does not correspond to any of d., e., or f.) (the director himself/herself only)
i. Executive of a corporation to which outside officers are mutually appointed (the director himself/herself only)
j. Executive of a corporation that receives a donation from the Company (the director himself/herself only)
k. Other

Outside Directors' Relationship with the Company (2) [Updated]

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Masakatsu Mori	○	—	The Company considers it important for conducting fair and transparent business management to appoint a highly independent Outside Director who has no interests in the Company, in order to receive advice on general management from an independent viewpoint. Mr. Masakatsu Mori possesses abundant experience and considerable insight as a corporate manager. Accordingly, the Company has determined that his advice regarding overall management of the Company will contribute to further enhancing our management structure, and has elected him. <Reasons for appointment as an independent officer> In addition to the above reason, because he is an Outside Director who does not fall under any of the independence standards set forth in the Guidelines concerning Listed Company Compliance, etc. and is unlikely to cause a conflict of interest with general shareholders, he has been considered appropriate for an independent officer and appointed.

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Mariko Tokuno	○	—	The Company considers it important for conducting fair and transparent business management to appoint a highly independent Outside Director who has no interests in the Company, in order to receive advice on general management from an independent viewpoint. Ms. Mariko Tokuno possesses abundant experience and considerable insight as a corporate manager. Accordingly, the Company has determined that her advice regarding overall management of the Company will contribute to further enhancing our management structure, and has elected her. <Reasons for appointment as an independent officer> In addition to the above reason, because she is an Outside Director who does not fall under any of the independence standards set forth in the Guidelines concerning Listed Company Compliance, etc. and is unlikely to cause a conflict of interest with general shareholders, she has been considered appropriate for an independent officer and appointed.

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Yoichi Kobayashi	○	—	The Company considers it important for conducting fair and transparent business management to appoint a highly independent Outside Director who has no interests in the Company, in order to receive advice on general management from an independent viewpoint. Mr. Yoichi Kobayashi possesses abundant experience and considerable insight as a corporate manager. Accordingly, the Company has determined that his advice regarding overall management of the Company will contribute to further enhancing our management structure, and has elected him. <Reasons for appointment as an independent officer> In addition to the above reason, because he is an Outside Director who does not fall under any of the independence standards set forth in the Guidelines concerning Listed Company Compliance, etc. and is unlikely to cause a conflict of interest with general shareholders, he has been considered appropriate for an independent officer and appointed.

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Shiro Sugata	○	—	The Company considers it important for conducting fair and transparent business management to appoint a highly independent Outside Director who has no interests in the Company, in order to receive advice on general management from an independent viewpoint. Mr. Shiro Sugata possesses abundant experience and considerable insight as a corporate manager. Accordingly, the Company has determined that his advice regarding overall management of the Company will contribute to further enhancing our management structure, and has elected him. <Reasons for appointment as an independent officer> In addition to the above reason, because he is an Outside Director who does not fall under any of the independence standards set forth in the Guidelines concerning Listed Company Compliance, etc. and is unlikely to cause a conflict of interest with general shareholders, he has been considered appropriate for an independent officer and appointed.

Voluntary Establishment of Committee(s) Equivalent to Nominating Committee or Compensation Committee	Established

Committee's Name, Composition, and Chairperson's Attributes [Updated]

	Committee Equivalent to Nominating Committee	Committee Equivalent to Compensation Committee
Committee's Name	Nomination and Compensation Committee	Nomination and Compensation Committee
Total Committee Members	6	6
Full-time Members	0	0
Inside Directors	2	2
Outside Directors	4	4
Outside Experts	0	0
Other	0	0
Chairperson	Outside Director	Outside Director

Supplementary Explanation [Updated]

The committee comprises six members, who consist of two internal Directors and four Outside Directors. An Outside Director serves as chairperson.

[Audit & Supervisory Board Members]

Establishment of Audit & Supervisory Board	Established
Maximum Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation	4
Number of Audit & Supervisory Board Members	4

Cooperation among Audit & Supervisory Board Members, Accounting Auditor and Internal Audit Division

As for cooperation between Audit & Supervisory Board Members and the Accounting Auditor, they hold Liaison Meetings regularly and conduct effective audits.
As for cooperation between Audit & Supervisory Board Members and the Internal Audit Division, Internal Audit Department carries out audits on effectiveness of internal control, and a framework where results of the audits are reported to Audit & Supervisory Board Members has been established.

Appointment of Outside Audit & Supervisory Board Members	Appointed
Number of Outside Audit & Supervisory Board Members	2
Number of Independent Officers Designated from among Outside Audit & Supervisory Board Members	2

Outside Audit & Supervisory Board Members' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Hiroyuki Kanae	Attorney at law													
Takashi Yamashita	CPA													

* Categories for "Relationship with the Company"
"○" when the audit & supervisory board member presently falls or has recently fallen under the category;
"△" when the audit & supervisory board member fell under the category in the past;
"●" when a close relative of the audit & supervisory board member presently falls or has recently fallen under the category; and
"▲" when a close relative of the audit & supervisory board member fell under the category in the past

a. Executive (a person who executes business; hereinafter, the same) of the Company or its subsidiary
b. Non-executive director or accounting advisor of the Company or its subsidiary
c. Executive or Non-executive director of the parent of the Company

d. Audit & supervisory board member of the parent of the Company
e. Executive of a fellow subsidiary of the Company
f. Party whose major client or supplier is the Company or an executive thereof
g. Major client or supplier of the Company or an executive thereof
h. Consultant, accounting professional or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as an audit & supervisory board member
i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a corporation)
j. Executive of a client or supplier of the Company (which does not correspond to any of f., g., or h.) (the audit & supervisory board member himself/herself only)
k. Executive of a corporation to which outside officers are mutually appointed (the audit & supervisory board member himself/herself only)
l. Executive of a corporation that receives a donation from the Company (the audit & supervisory board member himself/herself only)
m. Other

Outside Audit & Supervisory Board Members' Relationship with the Company (2)

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Hiroyuki Kanae	○	—	The Company considers it important for conducting fair and transparent business management to appoint a highly independent Outside Audit & Supervisory Board Member who has no interests in the Company, in order to receive advice on general management from an independent viewpoint. The Company has elected Mr. Hiroyuki Kanae in order to draw on his sophisticated expertise as an international attorney at law with respect to the audit structure of the Company, which will promote overseas business expansion. <Reasons for appointment as an independent officer> In addition to the above reason, because he does not fall under any of the independence standards set forth in the Guidelines concerning Listed Company Compliance, etc. He is unlikely to cause a conflict of interest with general shareholders, he has been considered appropriate for an independent officer and appointed.

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Takashi Yamashita	○	—	The Company considers it important for conducting fair and transparent business management to appoint a highly independent Outside Audit & Supervisory Board Member who has no interests in the Company, in order to receive advice on general management from an independent viewpoint. The Company has elected Mr. Takashi Yamashita in order to draw on his expertise related to finance and accounting as a certified public accountant with respect to the Company's audit structure. <Reasons for appointment as an independent officer> In addition to the above reason, because he does not fall under any of the independence standards set forth in the Guidelines concerning Listed Company Compliance, etc. He is unlikely to cause a conflict of interest with general shareholders, he has been considered appropriate for an independent officer and appointed.

[Independent Officers]

Number of Independent Officers [Updated]	6

Matters relating to Independent Officers

The Company appoints and registers all Outside Directors and Outside Audit & Supervisory Board Members as independent officers.

[Incentives]

Implementation of Measures to Provide Incentives to Directors	Performance-linked remuneration

Supplementary Explanation

The Company has unified remuneration systems into annual compensation commensurate with annual performance and achievements since the retirement benefits plan for officers was terminated at the Ordinary General Meeting of Shareholders in 2004.

Recipients of Share Options	

Supplementary Explanation

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[Director Compensation]

Disclosure of Individual Directors' Compensation	No individual disclosure

Supplementary Explanation

The total amount for all Directors has been disclosed.

Policy for Determining Compensation Amounts or Calculation Methods Thereof [Updated]	Established

Disclosure of Policy for Determining Compensation Amounts or Calculation Methods Thereof

In order to ensure objectivity and transparency, the Company's policy for determining compensation for officers and other matters shall be deliberated on by the Nomination and Compensation Committee, more than half of whose members are Outside Directors, and determined by the Board of Directors in light of recommendations by the committee.
The date of the resolution at the General Meeting of Shareholders related to the compensation, etc. of the Company's officers was June 28, 2018, where the amount of compensation to be provided to Directors was determined to be a monthly amount of up to 45 million yen (of which up to 6 million yen is allocated to Outside Directors).
The compensation of Directors of the Company comprises a fixed compensation taking outside levels of compensation, etc. into consideration, as well as compensation linked to operating performance. A certain part of the compensation is used to acquire shares of the Company through the Officers and Executives' Shareholding Association.
The indicator for performance-linked compensation is operating profit, which was selected to strengthen the connection to company performance and improve transparency and objectivity. The total amount of performance-linked compensation paid shall be determined by the level of achievement of the consolidated operating profit target and the individual compensation amounts paid shall be the sum of the amount determined by the Director's rank and title and the amount determined by a multifaceted evaluation of achievement of individual-specific performance targets. Note that the target for the consolidated operating profit serving as the indicator related to performance-linked compensation for the fiscal year ended March 31, 2019 was 58,000 million yen and the actual result was 58,345 million yen.
In addition, the compensation of Audit & Supervisory Board Members and Outside Officers is a fixed compensation only due to the nature of their function.

[Supporting System for Outside Directors and/or Audit & Supervisory Board Members]

In the operation of the Nomination and Compensation Committee by Outside Directors, the Company's Human Resources Department provides support.
For Outside Audit & Supervisory Board Members, the Company's Internal Audit Department provides support.

[Status of Persons Who Have Retired from a Position Such as Representative Director and President]

Retired Representative Director and Presidents, etc. Holding Advisory or Any Other Position in the Company [Updated]

Name	Title/Position	Responsibilities	Working Form and Conditions (Full-time/ Part-time, Paid/Unpaid, etc.)	Date of Retirement from Position Such as President	Term of Office
Kaoru Seto	Special Adviser	Implementing social contribution activities, and serving as an officer for an industry group or public institution and an outside director, etc. for other companies, which the Company approves [Outside officer, etc. at other major organizations] Adviser of National Logistics Network General Incorporated Association Outside Director of RICOH LEASING COMPANY, LTD. Outside Director of NEC Corporation	Part-time Paid	March 31, 2011	1 year
Makoto Kigawa	Special Adviser	Implementing social contribution activities, and serving as an officer for an industry group or public institution and an outside director, etc. for other companies, which the Company approves [Outside officer, etc. at other major organizations] Chairman of Yamato Group Research Institute Vice Chairman of Japan Association of Corporate Executives Outside Director of Komatsu Ltd. Outside Director of Seven Bank, Ltd. Outside Director of Oki Electric Industry Co., Ltd.	Part-time Paid	March 31, 2015	1 year

Total Number of Retired Representative Director and Presidents, etc. Holding Advisory or Any Other Position in the Company	2

Other Matters [Updated]

- A person with experience as Representative Director and President of the Company, etc. may serve as a Special Adviser for the purpose of implementing social contribution activities and assuming the position of an officer for an industry group or public institution and an outside director, etc. for other companies, or other purposes.

- The system for Special Advisers has been instituted as regulations, and appointment/retirement, compensation, treatment and other matters regarding Special Advisers are determined by the Nomination and Compensation Committee.
- Special Advisers take no part in decision-making on oversight of management, execution of operations and others. Therefore, the Company judges that this does not pose any problem in governance.
- The Company thinks that making use of knowledge of a person with experience as its Representative Director and President, etc. in the business community or the welfare field will lead to social contribution, and continues the Special Adviser system. On June 28, 2018, the Advisor system was abolished.

* The Group made the shift to the pure holding company system in November 2005, and the date of retirement as President of the Company (Yamato Holdings Co., Ltd.) is shown in date of retirement from position such as president above.

2. Matters on Functions of Business Execution, Audit and Supervision, Nomination and Compensation Decisions (Overview of Current Corporate Governance System) [Updated]

(1) Overview of current corporate governance framework

The Company has set up the Board of Directors, which comprises eight members including four Outside Directors, and the Audit & Supervisory Board, which comprises four members including two Outside Audit & Supervisory Board Members, and enhanced the oversight function for execution of operations. Moreover, the Company has established the management committee and the executive conference and organized the management structure that enables prompt and accurate decision-making on important matters. In addition, management transparency is raised through deliberations on matters related to the election of candidates for Directors and compensation that Directors receive and verification of the validity of such decisions by the Nomination and Compensation Committee, which mainly consists of Outside Directors.

With regard to Audit & Supervisory Board Members, the Company believes that the full-time system for Audit & Supervisory Board Members is inevitable to strengthen not only post audits but also preventive audits, and the Audit & Supervisory Board has appointed two full-time Audit & Supervisory Board Members, who also attend important meetings as well as the Board of Directors Meetings and audit the execution of duties by Directors.

(2) Measures to enhance the function of Audit & Supervisory Board Members

The Company has appointed two disinterested and highly independent Outside Audit & Supervisory Board Members, both of whom have knowledge on finance and accounting. Furthermore, the Company has established the structure that enables Audit & Supervisory Board Members to smoothly conduct audit work by assigning one staff member who assists Audit & Supervisory Board Members, and been working to enhance the function of Audit & Supervisory Board Members.

3. Reasons for Adoption of Current Corporate Governance Framework

As described in 2. above, the Company thinks that the Company's Board of Directors and Audit & Supervisory Board fully serve the function and the current corporate governance framework is the best for the Company, and has employed that system.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Energize General Meetings of Shareholders and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Meeting of Shareholders	The Notice of General Meeting of Shareholders is sent to shareholders at least three weeks before each General Meeting of Shareholders.
Scheduling General Meeting of Shareholders Avoiding the Peak Day	Since 2006, when possible, the Company has avoided holding a General Meeting of Shareholders on a peak day.
Allowing Electronic or Magnetic Exercise of Voting Rights	The Company has made it possible for shareholders to exercise their voting rights through a computer or a mobile phone.
Participation in Electronic Voting Platform and Other Efforts to Enhance the Voting Environment for Institutional Investors	The Company has made it possible for shareholders to exercise their voting rights using an electronic platform for exercising voting rights.
Providing Convocation Notice in English (Translated Fully or Partially)	The Company prepares English translations of the convocation notices and makes them available on its website.

2. IR Activities

	Supplementary Explanations	Explanation by Representative
Preparation and Publication of Disclosure Policy	The Company has prepared Disclosure Policy and made them available on its website.	
Regular Investor Briefings for Analysts and Institutional Investors	The Company regularly holds Financial Results Meetings and other briefings.	Yes
Regular Investor Briefings for Overseas Investors	The Company regularly visits overseas investors in North America, Europe and Asia for briefings of its management policies.	Yes
Posting of IR Materials on Website	Financial information including Financial Results, Japanese securities reports and Financial Results Meeting Materials, as well as other materials such as Notice of General Meeting of Shareholders, Notice of Resolutions and the voting results, Integrated Report, are posted on the Company’s website.	
Establishment of Department and/or Manager in Charge of IR	Investor Relations Department (IR Department)	

3. Measures to Ensure Due Respect for Stakeholders [Updated]

	Supplementary Explanations
Provisions to Ensure Due Respect for Stakeholders in Internal Rules, etc.	As prescribed in the Corporate Stance of the Group Corporate Philosophy, “the Yamato Group realizes co-existence and co-prosperity through extensive communication with all stakeholders, while respecting human rights in all of its business activities, and this is stated on the Company’s website.
Implementation of Environmental Conservation Initiatives, CSR Activities, etc.	In consideration of the Yamato Group’s business characteristics and the effect on society, these activities are deployed mainly in the fields of “Safety,” “Environment,” and “Society.”
Formulation of Policies for Information Provision to Stakeholders	As prescribed in the Corporate Stance of the Group Corporate Philosophy, “the Yamato Group is working to accurately and fairly disclose corporate information while thoroughly ensuring administration and protection of company assets with the aim of becoming a corporation trusted by the public,” and this is stated on the Company’s website.

IV. Matters Related to Internal Control System

1. Basic Views on Internal Control System and Progress of System Development

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

i. 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

a) 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 these two directives are fully understood by directors of the Company and each Group company. At the same time, directors shall perform their businesses in accordance with these directives.

b) 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 framework 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.

c) 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.

d) In the “Corporate Stance” of the “Group Corporate Philosophy,” the Company shall declare its policy to thoroughly block any kind of relationship with antisocial forces and organizations that pose a threat to the order and safety of civil life, and shall station employees to perform related businesses in the CSR Department of the Company and each Group company. The CSR Department 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.

ii. 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 organization management regulations and prepare, store and manage the material documents in relation to the execution of duties by directors and minutes of each meeting.

iii. Policy and framework for managing risks of loss of the Company and its subsidiaries

a) The Company shall assign an executive officer (to serve concurrently as an executive officer in charge of overall compliance management) to oversee Group-wide risk management. Employees shall be stationed to perform related businesses in the CSR Department of the Company and each Group company.

b) 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.

c) A key business segment representative company which shall play the primary role in the Group companies, and large companies under the Companies Act, shall establish a division in charge of risk management, and assign an officer in charge of the same. The CSR Department of the Company shall oversee this, and monitor and manage risk status at each Group company in a timely manner.

d) 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.

iv. Framework ensuring the efficiency of execution of duties by directors of the Company and its subsidiaries

a) 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.

b) 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 full-time directors, executive officers, and full-time audit & supervisory board members.
c) 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.

v. 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
a) To realize management in conformity with compliance at the Company and each Group company, the Company and each Group company shall formulate "Corporate Stance" and "Employee Credo of Conduct" as directives applicable to all employees. The documents shall be distributed and training implemented.
b) A key business segment representative company which shall play the primary role in the Group companies, and large companies under the Companies Act, shall establish a division in charge of compliance promotion, and assign an officer in charge of the same. The CSR Department of the Company shall oversee this, and monitor and manage compliance promotion status at each Group company in a timely manner.
c) 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.
d) 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.
e) The Company shall establish a whistle-blower system for the Group to develop an environment in which compliance violations are promptly reported.

vi. Framework ensuring the proper business operation of the corporate group consisting of the Company and its subsidiaries
a) 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.
b) 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.
c) 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.
d) 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.

vii. 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.

viii. 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.

ix. 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

a) 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.

- Material violations of laws and regulations and the Articles of Incorporation as well as misconduct, by directors or employees
- Crucial information obtained through whistle blowing
- Other facts that threaten to cause significant losses to the Company and each Group company

b) 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.

x. 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.

xi. Framework ensuring the effectiveness of auditing by audit & supervisory board members of the Company

a) 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.

b) The Company shall establish regular meetings between audit & supervisory board members and the representative director to exchange opinions.

c) 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.

d) 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.

e) 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.

f) 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. Basic Views on Eliminating Anti-Social Forces and Progress of Related Efforts

To be a corporate group widely trusted by society, in the "Corporate Stance" of the "Group Corporate Philosophy," the Group declares its policy to thoroughly block any kind of relationship with antisocial forces and organizations that pose a threat to the order and safety of civil life, and has established specialized division within the Group. The division 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.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not adopted

Supplementary Explanation

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2. Other Matters Concerning Corporate Governance System

Overview of Timely Disclosure System

1. Corporate stance for timely disclosure

The Group has established the “Group Corporate Philosophy,” and works to make timely and appropriate information disclosure, recognizing that it has a social responsibility to various stakeholders.

2. Information aggregation

At the Company, the Public Relations Department and the Finance and IR Department aggregate information on decisions resolved and material events in all Group companies and on financial information, respectively, as the division responsible for information management.

3. Timely and appropriate disclosure of information

In principle, the Company discloses corporate information that meets the disclosure standards set forth by the Securities Listing Regulations upon approval of the Board of Directors. In case of emergency, however, information is disclosed at the discretion of a Representative Director. In information disclosure, information on decisions resolved and material events is disclosed by the Public Relations Department, and financial information is disclosed by the Finance and IR Department.

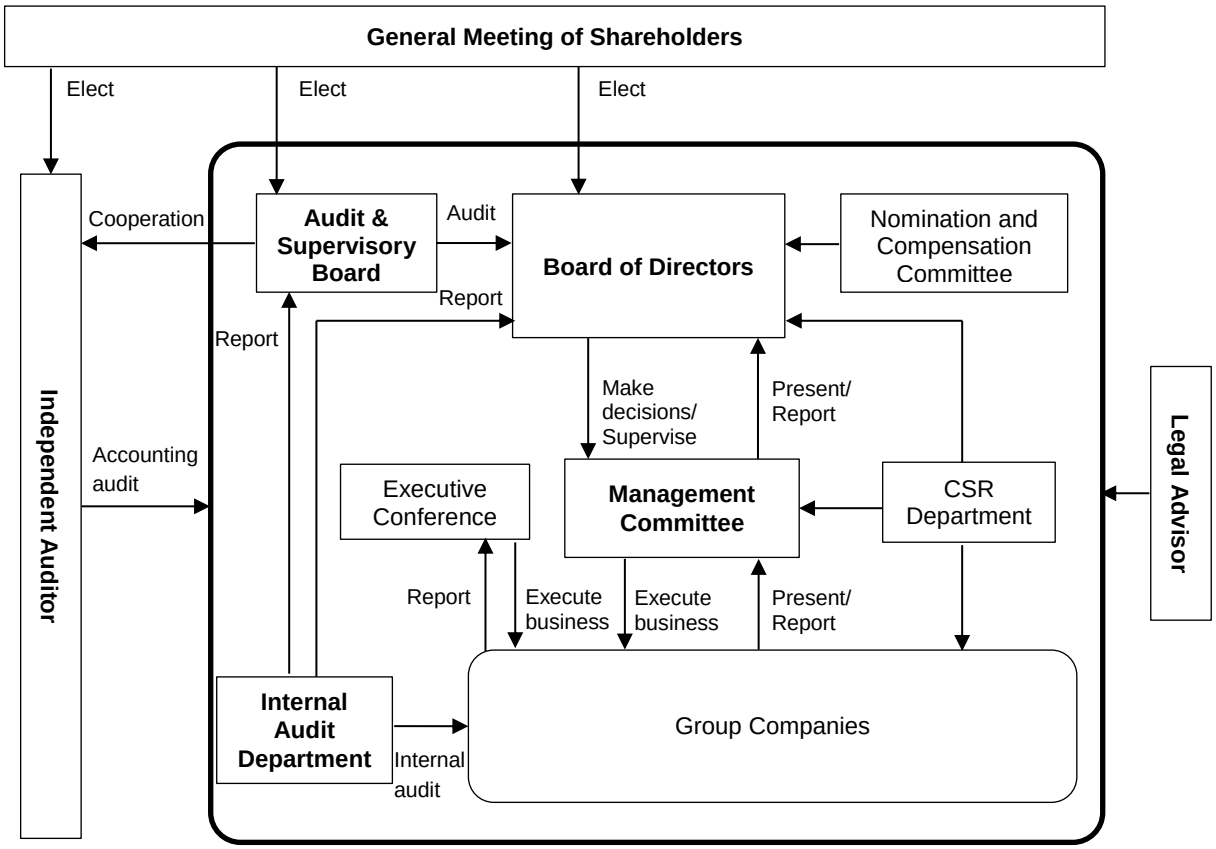
4. Checking function for the internal structure

(1) Internal audit function

The Company has established a structure where appropriateness and effectiveness of the internal management structure are verified through its Internal Audit Department and Internal Audit Department of the Group companies and recommendations are made on remediation and correction of problems as needed, and the verification results are reported to Representative Directors.

(2) Compliance and Risk Committee

The Group positions compliance as one of highest priority issues in business management, and has set up the Compliance and Risk Committee and the CSR Department to examine whether compliance is implemented. This committee has built a structure where if any issue to be corrected arises, the committee provides guidance and advice to the person responsible for the division in question and reports the findings to Representative Directors as needed.



Disclosure System

