



YAMATO  
HOLDINGS

# Yamato Group IR Presentation Material

< 1st Quarter of the Fiscal year ending March 2024 >

August 3, 2023

Yamato Holdings Co., Ltd.

# 1. Summary of consolidated earnings (1st Quarter of FY 2024/3)

**【Operating revenues】 420.2 bn yen ((3.9) bn yen YoY)**

**【Operating profit】 1.5 bn yen ((0.8) bn yen YoY)**

## 【Operating revenues】

- Parcel delivery volume declined, due to factors including sluggish EC demand resulting from consumers returning to offline spending
- Rise in parcel delivery pricing, as a result of price optimization reflecting changes in the external environment
- With inflationary trends continuing globally, such as energy prices remaining high and the surge in raw material prices due to instability in global affairs, demand for international transportation declined, but progress was made in providing value to the entire supply chain of clients

## 【Operating profit】

- Despite the decline in operating revenues, as well as continuous cost increases in hourly wages, unit price of fuel and electricity due to changes in the external environment, operating profit was almost flat from the previous fiscal period, thanks to factors including progress made in optimizing operating costs
  - Utilized EC logistics network (variable cost in accordance with workload) for EC, while focusing on cost control based on the capacity (utilization) of the entire network
  - For the existing network, promoted our strategy of consolidating and enlarging facilities, while thoroughly managing the optimal allocation of our own resources based on workload forecasts, as well as precise and flexible ordering of external resources

# 2. Progress of Business Structure Reforms ①

## Establish and expand designated network (Growth domain)

- Steady progress in establishing and expanding designated network optimized for diverse logistics needs
  - Began operating large last-mile facility designated for temperature-controlled operations, to address the expansion of EC in food distribution

### ① EC logistics network

- Opening and operating EC Delivery Centers in the urban areas (linked to workload)
  - Opened 6 facilities in Q1 of FY 2024/3 (cumulative total of 20 facilities)

### ② Network designated for temperature-controlled operations

- Opened “Low Temperature Transportation and Delivery Center (South Tokyo Area)”, Yamato’s first large last-mile facility designated for temperature-controlled operations (June 2023) → Began from Minato Ward of Tokyo, expand coverage step by step in the south of Tokyo

【Low temperature transportation and delivery center (South Tokyo area)】



#### 【Overview】

Location: Tokyo Rail Gate EAST, 3-3-6 Yashio, Shinagawa Ward, Tokyo  
 Rented area: approx. 44,150m<sup>2</sup>  
 Access: Approx. 1.3km from “Oi-minami IC” on the Bay Shore Route, and approx. 2km from “Heiwajima IC” on the Route 1 (Haneda Line), of the Tokyo Metropolitan Expressway

### Network designated for temperature-controlled operations

Market/client	• Expansion of EC in food distribution
Feature	• Expand capacity for BtoC temperature-controlled deliveries, and address BtoB temperature-controlled deliveries
Initiative	• Began operating 2 large-scale consolidated facilities, to cover mainly Tokyo, Kanagawa, Saitama and Chiba Prefectures
Value provided	<p>【To food makers and sellers】</p> <ul style="list-style-type: none"> <li>• Expansion of sales opportunities</li> <li>• Decline in total logistics cost, by optimizing the entire supply chain</li> </ul>

### ③ Network designated for corporate clients

- Reallocation and standardization of resources for the corporate business (in the commercial and industrial areas of major cities)

# 3. Progress of Business Structure Reforms ②

## Reinforcement of existing network(Base domain)

- In conjunction with the establishment and expansion of designated networks, promoting the consolidation and enlargement of the existing last-mile facilities
  - Together with opening large last-mile facilities, promote preparations for the introduction of system to flexibly determine delivery areas and courses to accommodate workload fluctuations, and for assignment of delivery-only drivers (DDs)

### ① Established large last-mile facilities

- Establishing new facilities : In order to accelerate speed of deployment, standardized the process from launching to operating the facility, as well as making the sorting process more efficient
- Utilizing existing facilities : Expansion to other existing large facilities, based on trial at "Oji Building" in Tokyo
- ※ In addition, promoting consolidation and enlargement of existing small offices in accordance with the workload

### ② Establish system to flexibly set delivery area and course

- Developing system (Last-mile Management System) to flexibly and dynamically set the delivery area and course, based on daily fluctuations in workload (to be introduced in the second half of the year)
  - Renewing workstyle and structure of Sales Drivers, through measures such as assigning delivery-only drivers (DDs), in the major urban areas, thereby maximizing the consolidation effect (Q4 onwards)

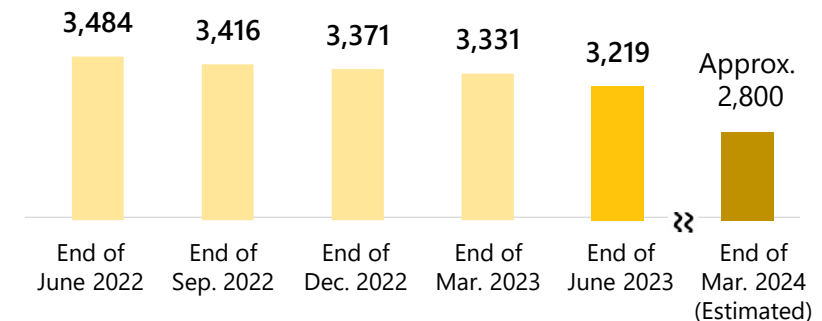
### Operation of large last-mile facilities

FY 2024/3 (Estimated)

**15** facilities

(Consolidation of approx. **270** facilities)

### Trend of no. of facilities



# 4. Progress of Business Structure Reforms ③

## Basic Agreement with Japan Post Group

- While pursuing business growth by improving the convenience for customers and enhancing the productivity of our network operations, Yamato will contribute to initiatives to solve social issues, such as the “2024 Problem” faced by the logistics industry, and carbon neutrality
  - By consigning the transportation and delivery operations of Kuroneko DM-Bin and Nekopos (postbox delivery domain) to Japan Post (“JP”), promote optimization that will lead to enhancing the productivity of our network operations (Please see Reference-6)

< Consignment schedule (plan) >

	2023			2024												2025		
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Nekopos	1st phase			2nd phase			3rd phase			4th phase						5th phase		
	Start																	100%
DM-Bin					100%													

< Expected impact on Yamato’s future earnings >

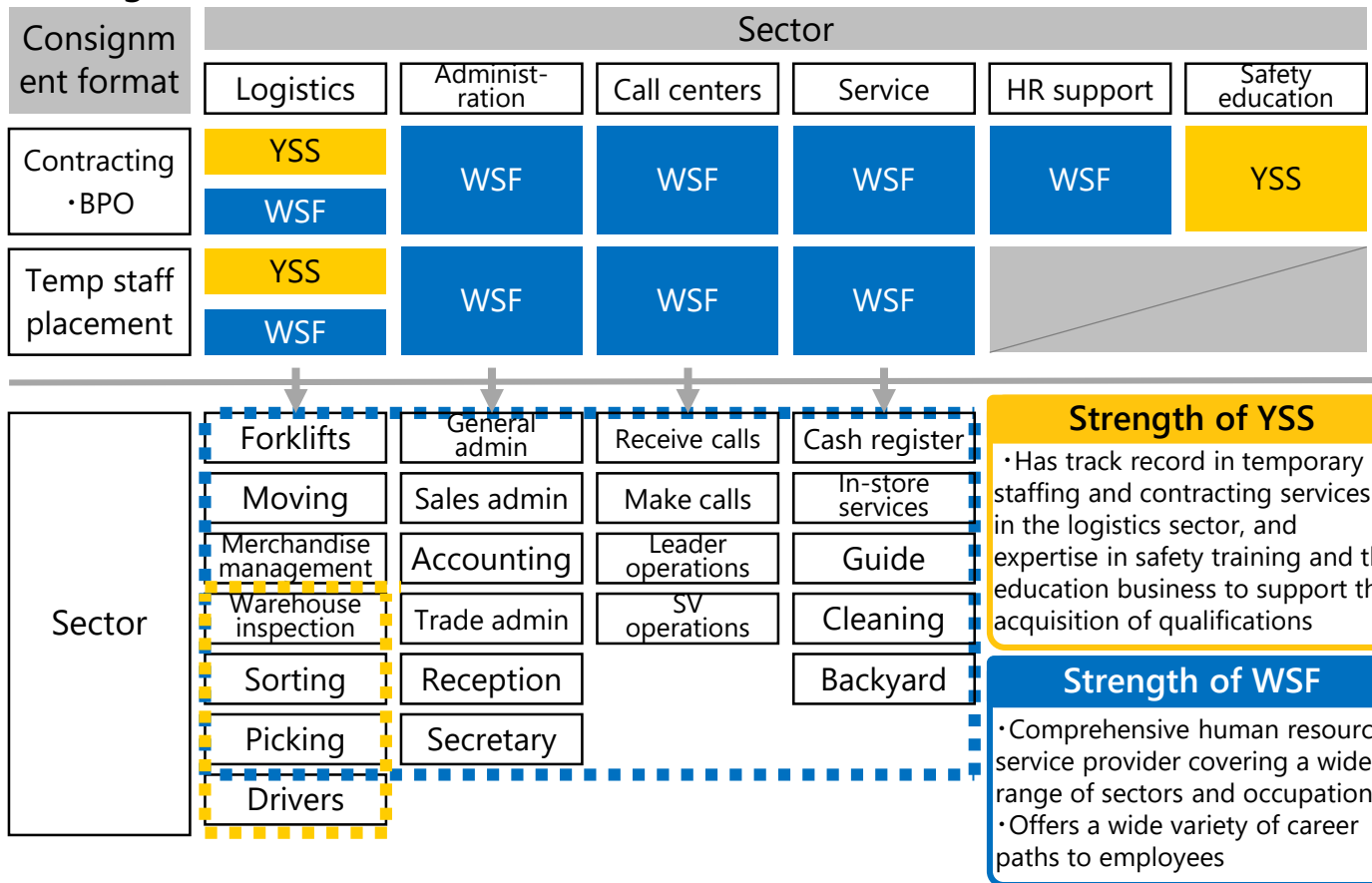
- 【Nekopos】 Begin consignment from October 2023, and gradually expand in accordance with JP’s capacity  
Plan to consign entire volume by the end of March 2025
- 【Kuroneko DM-Bin】 Plan to consign entire volume in February 2024
- ※ Promote flexibly, while monitoring status of optimization of inhouse and external resources
  - Offset the consignment fee to JP, which will be paid based on the number of mail/items consigned

# 5. Progress of Business Structure Reforms ④

## Business Alliance with World Holdings

- Make effective use of the management resources of World Holdings (WHD) Group and the Yamato Group and provide outsourced contracting and temporary staffing services needed by our clients and partner companies, thereby securing revenue opportunities as well as future competitiveness
- Create more "ways for people to play a role in society" and contribute to the sustainable development of Japanese society as well as to "enriching our society", by mutually utilizing the expertise and resources of Yamato Staff Supply (YSS) and World Staffing (WSF)

### Strengths of YSS and WSF



### Benefit of business alliance and share transfer

#### YSS

Providing a wider range of career paths with more job options and reskilling  
 → **Evolve into a comprehensive human resource services company**

#### WSF

Expansion of service offering in the logistics sector  
 → **Accelerate growth of core logistics outsourcing business**

※Please visit the websites of YSS and WHD/WSF for company profiles

YSS <https://www.y-staff-supply.co.jp/> JP


WHD <https://en.world-hd.co.jp/>

WSF <https://www.wsff.co.jp/> JP

## 6. Consolidated earnings forecast (key metrics)

(Billions of Yen)	Fiscal Year ended March 31, 2023 Actual	Fiscal Year ending March 31, 2024 Forecast	Forecast Change		YoY Change	
			Amount	[%]	Amount	[%]
			Operating revenue	1,800.6	1,820.0	(40.0)
Operating expenses	1,740.5	1,740.0	(40.0)	(2.2)	(0.5)	(0.0)
Operating profit	60.0	80.0	0.0	0.0	+ 19.9	+ 33.1
Profit margin[%]	3.3	4.4	+0.1	-	+ 1.1	-
Ordinary profit	58.0	80.0	(1.0)	(1.2)	+ 21.9	+ 37.8
Profit attributable to owners of Parent	45.8	58.0	+8.0	+16.0	+ 12.1	+ 26.4
ROE(%)	7.6	9.5	+ 1.2	-	+ 1.9	-

# Overview of Consolidated Results for the 1st Quarter of the Fiscal Year Ending March 2024





# 7. Operating Results for the 1st Quarter of FY 2024/3

(Billions of Yen)	Fiscal Year ended March 31, 2023 1st Quarter Actual	Fiscal Year ending March 31, 2024 1st Quarter Actual	YoY Change	
			Amount	[%]
Operating revenue	424.1	420.2	(3.9)	(0.9)
Operating profit	2.4	1.5	(0.8)	(33.9)
Profit margin [%]	0.6	0.4	(0.2)	-
Ordinary profit	2.4	1.8	(0.6)	(26.3)
Profit margin [%]	0.6	0.4	(0.2)	-
Profit attributable to owners of Parent	0.3	(0.1)	(0.4)	-
Profit margin [%]	0.1	(0.0)	(0.1)	-

## 8. Summary of Operating Revenue for the 1st Quarter of FY 2024/3

(Billions of Yen)	Fiscal Year ended March 31, 2023 1st Quarter Actual	Fiscal Year ending March 31, 2024 1st Quarter Actual	YoY Change	
			Amount	[%]
			Retail Business Unit	211.0
Transportation income	273.1	281.3	+8.2	+3.0
Logistical support income	0.7	0.9	+0.1	+25.0
Others	6.1	7.4	+1.3	+22.1
Eliminations	(68.9)	(81.4)	(12.5)	-
Corporate Business Unit	198.2	197.9	(0.2)	(0.1)
Transportation income	140.3	146.3	+5.9	+4.3
Logistical support income	65.2	57.8	(7.3)	(11.3)
Logistics	33.0	30.9	(2.1)	(6.4)
International logistics	21.4	16.3	(5.1)	(23.9)
Others	10.7	10.6	(0.1)	(1.1)
Others	8.6	8.2	(0.4)	(5.6)
Eliminations	(16.0)	(14.4)	+1.5	-
Other	14.8	13.9	(0.8)	(5.9)
Transportation income	6.0	5.8	(0.2)	(3.7)
Others	38.5	38.7	+0.2	+0.6
Eliminations	(29.7)	(30.6)	(0.9)	-
<b>Total</b>	<b>424.1</b>	<b>420.2</b>	<b>(3.9)</b>	<b>(0.9)</b>

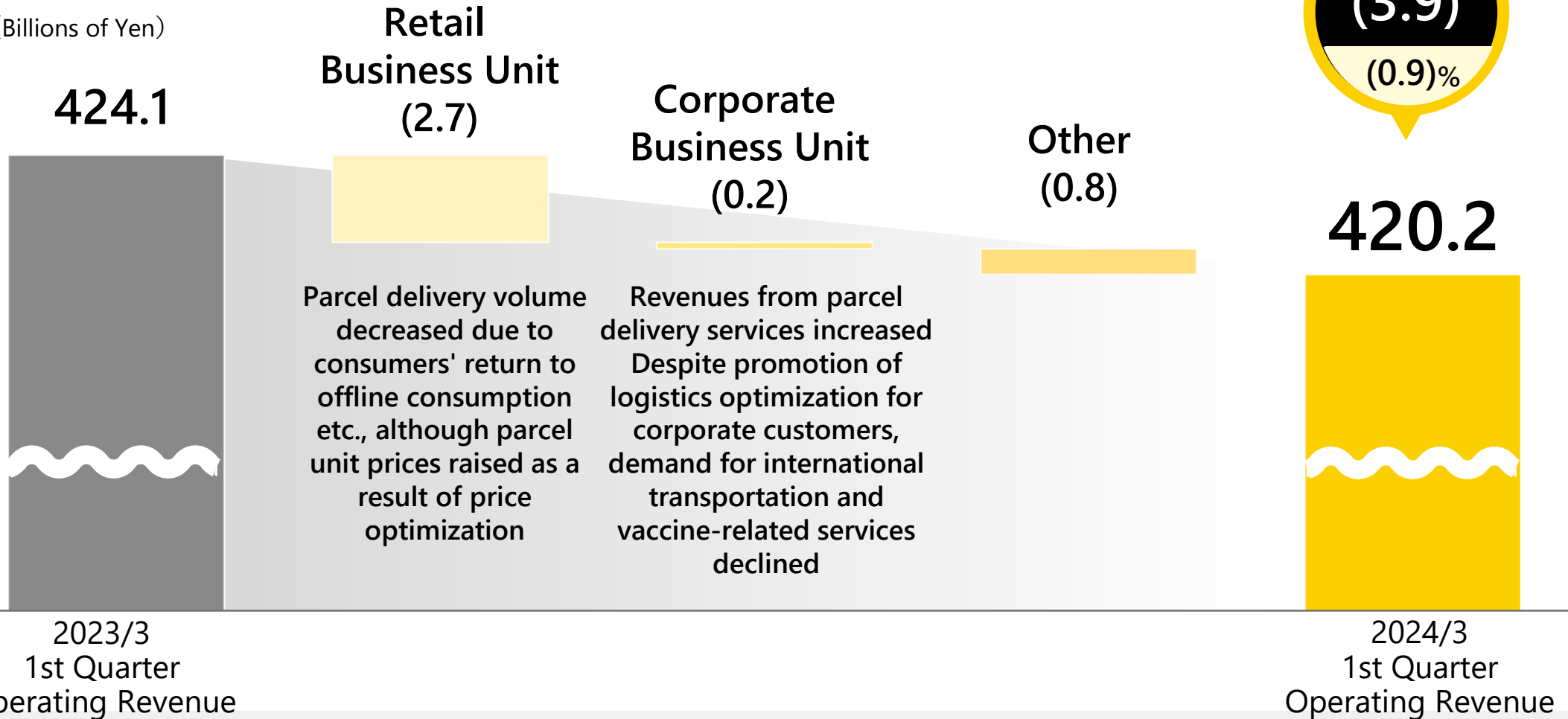
# 9. YoY Analysis of Operating Revenue (1st Quarter of FY 2024/3)

Retail Business Unit	
Transportation income	+8.2
Logistical support income	+ 0.1
Eliminations/Others	(11.2)

Corporate Business Unit	
Transportation income	+ 5.9
Logistical support income	(7.3)
Logistics	(2.1)
International logistics	(5.1)
Others	(0.1)
Eliminations/Others	+ 1.0

Other	
Transportation income	(0.2)
Eliminations/Others	(0.6)

(Billions of Yen)

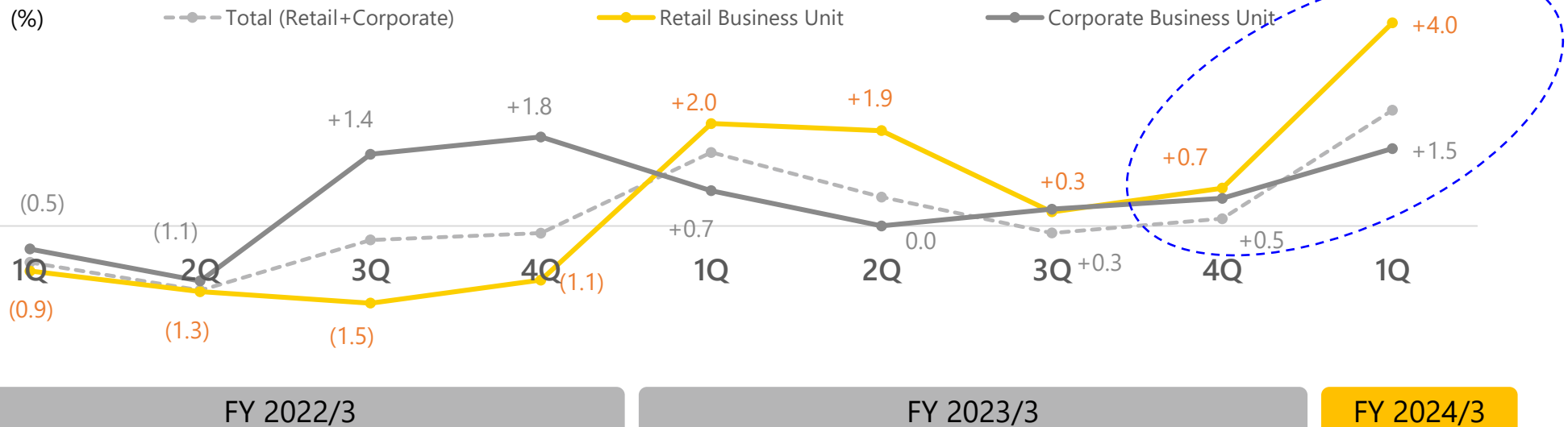


# 10. Quarterly Trends of Parcel Delivery (TA-Q-BIN, TA-Q-BIN Compact, EAZY)

	FY2022/3				FY2023/3				FY2024/3
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Delivery Volume (Thousands)	444,328	470,100	540,567	435,687	449,504	490,766	552,115	433,950	442,365
YoY(%)	+3.8	+5.8	+3.6	+6.3	+1.2	+4.4	+2.1	(0.4)	(1.6)
Unit-price (Yen)	687	698	715	696	697	702	714	697	713
YoY(%)	(0.7)	(1.3)	(0.3)	(0.1)	+1.5	+0.6	(0.1)	+0.1	+2.3

Ref.

## Unit price trend (YoY) by Segment



## Delivery volume trend (YoY) by Segment

Retail Business Unit : (4.5)%

Corporate Business Unit : +1.2%

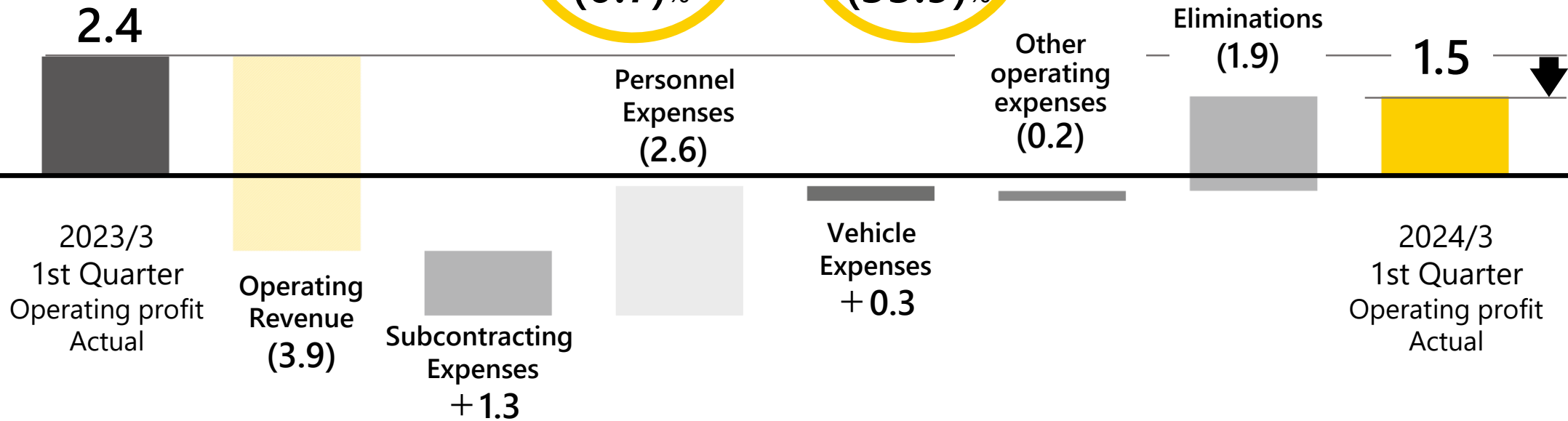
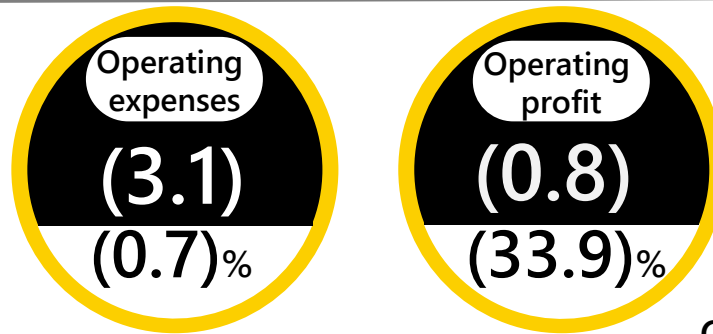
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# 11. Summary of Operating Expenses (1st Quarter of FY 2024/3)

(Billions of Yen)	Fiscal Year ended March 31, 2023 1st Quarter Actual	Fiscal Year ending March 31, 2024 1st Quarter Actual	YoY Change	
			Amount	[%]
<b>Operating revenue</b>	424.1	420.2	(3.9)	(0.9)
<b>Subcontracting expenses</b>	157.0	158.4	+1.3	+ 0.9
Commission expenses	82.0	88.3	+6.2	+ 7.6
Delivery commission	22.0	23.1	+1.1	+ 5.2
Operating outsource	8.7	10.5	+1.7	+ 20.2
Other commission expenses	51.3	54.6	+3.3	+ 6.4
EC logistics network	10.0	11.2	+1.1	+ 11.7
Other	41.2	43.4	+2.1	+ 5.2
Vehicle hiring expenses	50.3	50.9	+0.5	+ 1.2
Other subcontracting expenses	24.5	19.1	(5.4)	(22.1)
<b>Personnel expenses</b>	212.0	209.3	(2.6)	(1.2)
Employee salary	144.4	142.8	(1.6)	(1.1)
Legal welfare expenses	25.4	26.3	+0.8	+ 3.4
Retirement benefit expenses	6.0	6.3	+0.2	+ 4.0
Bonus/Other personnel expenses	35.9	33.8	(2.1)	(5.8)
<b>Vehicle expenses</b>	12.7	13.0	+0.3	+ 2.6
Fuel expenses	6.2	6.2	+ 0.0	+ 0.6
<b>Other operating expenses</b>	86.9	86.6	(0.2)	(0.3)
Depreciation	10.1	10.5	+0.3	+ 3.6
System expenses	13.2	14.3	+1.1	+ 8.6
Other	63.5	61.7	(1.7)	(2.8)
Facilities expenses	20.2	21.0	+0.8	+ 4.4
Other	43.3	40.6	(2.6)	(6.2)
<b>Total</b>	468.6	467.4	(1.2)	(0.3)
<b>Eliminations</b>	(46.9)	(48.8)	(1.9)	-
<b>Operating expenses</b>	421.7	418.6	(3.1)	(0.7)
<b>Operating profit</b>	2.4	1.5	(0.8)	(33.9)

# 12. YoY Analysis of Operating Expenses (1st Quarter of FY 2024/3)

(Billions of yen)



Subcontracting expenses	
Commission expenses	+ 6.2
Delivery commission	+ 1.1
Operating outsource	+ 1.7
EC logistics network	+ 1.1
Other	+ 2.1
Vehicle hiring expenses	+ 0.5
Other subcontracting expenses	(5.4)

Personnel expenses	
Employee salary	(1.6)
Legal welfare expenses	+ 0.8
Retirement benefit expenses	+ 0.2
Bonus/Other personnel expenses	(2.1)

Vehicle expenses	
Vehicle repairing expenses	+ 0.2

Other operating expenses	
Depreciation	+ 0.3
System expenses	+ 1.1
Facilities expenses	+ 0.8
Other	(2.6)

# 13. Operating Expenses (Quarterly / YoY change)

(Billions of Yen)	2023/3												2024/3		
	1st Quarter Actual	YoY Change		2nd Quarter Actual	YoY Change		3rd Quarter Actual	YoY Change		4th Quarter Actual	YoY Change		1st Quarter Actual	YoY Change	
		Amount*	[%]*		Amount*	[%]*		Amount*	[%]*		Amount*	[%]*		Amount	[%]
<b>Operating revenue</b>	424.1	+12.0	+2.9	459.5	+22.6	+5.2	512.2	+11.9	+2.4	404.7	(8.4)	(2.1)	<b>420.2</b>	(3.9)	(0.9)
<b>Subcontracting expenses</b>	157.0	+11.7	+8.1	167.9	+14.5	+9.5	181.4	+5.4	+3.1	151.0	(5.5)	(3.5)	<b>158.4</b>	+1.3	+0.9
Commission expenses	82.0	+10.9	+15.5	89.7	+12.3	+16.0	98.7	+6.3	+6.9	81.6	(0.0)	(0.1)	<b>88.3</b>	+6.2	+7.6
Delivery commission	22.0	+0.5	+2.3	24.1	+2.9	+14.1	27.7	+2.9	+11.8	21.3	(0.0)	(0.4)	<b>23.1</b>	+1.1	+5.2
Operating outsource	8.7	+0.6	+8.3	9.0	+0.2	+3.1	11.0	(0.6)	(5.4)	8.4	+0.0	+0.2	<b>10.5</b>	+1.7	+20.2
Other commission expenses	51.3	+9.8	+23.7	56.5	+9.1	+19.3	60.0	+4.0	+7.2	51.8	(0.0)	(0.0)	<b>54.6</b>	+3.3	+6.4
EC Logistics network	10.0	+8.9	+820.2	12.0	+7.7	+178.8	13.3	+2.9	+28.1	11.0	+1.1	+11.2	<b>11.2</b>	+1.1	+11.7
Other	41.2	+0.8	+2.2	44.5	+1.4	+3.3	46.6	+1.1	+2.4	40.8	(1.1)	(2.7)	<b>43.4</b>	+2.1	+5.2
Vehicle hiring expenses	50.3	(1.0)	(2.0)	51.9	(1.1)	(2.1)	56.6	+0.5	+1.0	49.7	+0.4	+0.9	<b>50.9</b>	+0.5	+1.2
Other subcontracting expenses	24.5	+1.7	+7.5	26.2	+3.2	+14.2	26.0	(1.4)	(5.4)	19.7	(5.9)	(23.1)	<b>19.1</b>	(5.4)	(22.1)
<b>Personnel expenses</b>	212.0	+2.7	+1.3	221.3	+5.1	+2.4	225.3	+2.1	+1.0	207.3	+0.9	+0.5	<b>209.3</b>	(2.6)	(1.2)
Employee salary	144.4	+2.0	+1.5	148.0	+2.6	+1.8	153.2	+1.5	+1.0	143.7	+1.5	+1.1	<b>142.8</b>	(1.6)	(1.1)
Legal welfare expenses	25.4	(0.7)	(3.0)	27.5	+0.3	+1.4	27.3	+0.3	+1.4	26.4	(0.0)	(0.1)	<b>26.3</b>	+0.8	+3.4
Retirement benefit expenses	6.0	+2.1	+55.3	6.2	+2.0	+48.6	6.3	+0.7	+12.7	6.4	+0.5	+9.3	<b>6.3</b>	+0.2	+4.0
Bonus/Other personnel expenses	35.9	(0.6)	(1.8)	39.4	+0.0	+0.2	38.2	(0.5)	(1.4)	30.7	(1.0)	(3.4)	<b>33.8</b>	(2.1)	(5.8)
<b>Vehicle expenses</b>	12.7	+0.5	+4.9	13.8	+0.8	+6.7	14.1	+0.8	+6.0	10.5	+0.1	+1.4	<b>13.0</b>	+0.3	+2.6
Fuel expenses	6.2	+0.6	+12.6	7.4	+0.7	+11.7	6.9	+0.3	+4.5	5.8	+0.0	+1.2	<b>6.2</b>	+0.0	+0.6
<b>Other operating expenses</b>	86.9	+2.9	+3.5	90.1	+1.4	+1.6	93.8	+2.1	+2.3	85.8	(5.1)	(5.7)	<b>86.6</b>	(0.2)	(0.3)
Depreciation	10.1	+1.8	+22.6	10.4	+2.1	+25.2	10.5	+1.6	+18.2	10.4	+0.7	+7.7	<b>10.5</b>	+0.3	+3.6
System expenses	13.2	+0.3	+2.7	13.3	+0.2	+1.6	13.5	(0.8)	(5.8)	13.0	(1.0)	(7.4)	<b>14.3</b>	+1.1	+8.6
Other	63.5	+0.7	+1.2	66.3	(0.9)	(1.3)	69.8	+1.3	+2.0	62.4	(4.8)	(7.3)	<b>61.7</b>	(1.7)	(2.8)
Facilities expenses	20.2	+1.3	+7.4	20.5	+1.1	+5.8	21.5	+1.1	+5.9	20.5	+0.0	+0.4	<b>21.0</b>	+0.8	+4.4
Other	43.3	(0.6)	(1.4)	45.8	(2.0)	(4.2)	48.3	+0.1	+0.3	41.9	(4.9)	(10.6)	<b>40.6</b>	(2.6)	(6.2)
<b>Total</b>	468.6	+18.0	+4.0	493.2	+21.9	+4.7	514.8	+10.5	+2.1	454.8	(9.5)	(2.1)	<b>467.4</b>	(1.2)	(0.3)
<b>Eliminations</b>	(46.9)	+4.8	-	(49.2)	+4.9	-	(51.0)	(0.0)	-	(43.8)	+4.1	-	<b>(48.8)</b>	(1.9)	-
<b>Operating expenses</b>	421.7	+22.8	+5.7	443.9	+26.9	+6.5	463.8	+10.4	+2.3	411.0	(5.4)	(1.3)	<b>418.6</b>	(3.1)	(0.7)
<b>Operating profits</b>	2.4	(10.8)	(81.7)	15.6	(4.3)	(21.6)	48.3	+1.4	+3.2	(6.3)	(3.0)	-	<b>1.5</b>	(0.8)	(33.9)

\* From the fiscal year ended March 31, 2023, internal transactions between Yamato Transport Co., Ltd. and the former group companies that were integrated into Yamato Transport Co., Ltd. in the fiscal year ended March 31, 2022, have been reclassified. Figures for the fiscal year ended March 2022 have been revised to reflect this. In addition, they have been excluded the impact of removing Yamato Home Convenience Co., Ltd. from scope of consolidation.

# 14. Operating Results Forecast for the Fiscal Year Ending March 2024



(Billions of Yen)	Fiscal Year ended March 31, 2023 Actual	Fiscal Year ending March 31, 2024 May 2023 Forecast	Fiscal Year ending March 31, 2024 New Forecast	Forecast Change		YoY Change	
				Amount	[%]	Amount	[%]
				Operating revenue	1,800.6	1,860.0	1,820.0
Operating profit	60.0	80.0	80.0	0.0	0.0	+19.9	+33.1
[Profit margin]	3.3	4.3	4.4	+0.1	-	+1.1	-
Ordinary profit	58.0	81.0	80.0	(1.0)	(1.2)	+21.9	+37.8
Profit attributable to owners of Parent	45.8	50.0	58.0	+8.0	+16.0	+12.1	+26.4

Volume (Thousands of Units)	TA-Q-BIN/ TA-Q-BIN Compact/EAZY	1,926,338	1,947,400	1,900,200	(47,200)	(2.4)	(26,138)	(1.4)
	EAZY	493,731	510,400	509,100	(1,300)	(0.3)	+15,368	+3.1
	Nekopos	413,372	393,200	425,200	+32,000	+8.1	+11,827	+2.9
	Kuroneko DM-Bin	800,526	758,900	711,900	(47,000)	(6.2)	(88,626)	(11.1)
Unit Price (Yen)	TA-Q-BIN/ TA-Q-BIN Compact/EAZY	703	736	736	0	0.0	+33	+4.7
	Nekopos	189	191	191	0	0.0	+2	+1.1
	Kuroneko DM-Bin	67	67	67	0	0.0	0	0.0



# 15. Operating Results Forecast for the Fiscal Year Ending March 2024 (Breakdown of Operating Expenses and others)



(Billions of Yen)	Fiscal Year ended March 31, 2023 Actual	Fiscal Year ending March 31, 2024 May 2023 Forecast	Fiscal Year ending March 31, 2024 New Forecast	Forecast Change		YoY Change	
				Amount	[%]	Amount	[%]
				<b>Operating revenue</b>	1,800.6	1,860.0	1,820.0
<b>Subcontracting expenses</b>	657.5	662.7	653.0	(9.7)	(1.5)	(4.5)	(0.7)
Commission expenses	352.2	363.2	360.4	(2.8)	(0.8)	+ 8.1	+ 2.3
Delivery commission	95.1	86.6	84.3	(2.3)	(2.7)	(10.8)	(11.4)
Operating outsource	37.3	37.0	37.0	0.0	0.0	(0.3)	(0.9)
Other commission expenses	219.7	239.6	239.1	(0.5)	(0.2)	+ 19.3	+ 8.8
EC Logistics network	46.4	53.7	46.7	(7.0)	(13.0)	+ 0.2	+ 0.5
Other	173.2	185.9	192.4	+ 6.5	+ 3.5	+ 19.1	+ 11.0
Vehicle hiring expenses	208.6	205.5	209.7	+ 4.2	+ 2.0	+ 1.0	+ 0.5
Other subcontracting expenses	96.5	94.0	82.9	(11.1)	(11.8)	(13.6)	(14.2)
<b>Personnel expenses</b>	866.0	880.4	846.9	(33.5)	(3.8)	(19.1)	(2.2)
Employee salary	589.4	598.7	573.8	(24.9)	(4.2)	(15.6)	(2.7)
Legal welfare expenses	106.8	110.6	107.7	(2.9)	(2.6)	+ 0.8	+ 0.8
Retirement benefit expenses	25.1	25.3	25.9	+ 0.6	+ 2.4	+ 0.7	+ 3.0
Bonus/Other personnel expenses	144.4	145.8	139.5	(6.3)	(4.3)	(4.9)	(3.5)
<b>Vehicle expenses</b>	51.2	52.4	51.9	(0.5)	(1.0)	+ 0.6	+ 1.2
Fuel expenses	26.5	27.0	26.6	(0.4)	(1.5)	+ 0.0	+ 0.3
<b>Other operating expenses</b>	356.8	386.2	373.8	(12.4)	(3.2)	+ 16.9	+ 4.8
Depreciation	41.5	46.1	46.6	+ 0.5	+ 1.1	+ 5.0	+ 12.1
System expenses	53.0	56.3	59.4	+ 3.1	+ 5.5	+ 6.3	+ 11.9
Other	262.1	283.8	267.8	(16.0)	(5.6)	+ 5.6	+ 2.1
Facilities expenses	82.8	87.9	89.5	+ 1.6	+ 1.8	+ 6.6	+ 8.1
Other	179.3	195.9	178.3	(17.6)	(9.0)	(1.0)	(0.6)
<b>Total</b>	1,931.6	1,981.7	1,925.6	(56.1)	(2.8)	(6.0)	(0.3)
<b>Eliminations</b>	(191.0)	(201.7)	(185.6)	+ 16.1	-	+ 5.4	-
<b>Operating expenses</b>	1,740.5	1,780.0	1,740.0	(40.0)	(2.2)	(0.5)	(0.0)
<b>Operating profit</b>	60.0	80.0	80.0	0.0	0.0	+ 19.9	+ 33.1
<b>Total number of employees (Persons)</b>	210,197	200,700	181,000	(19,700)	(9.8)	(29,197)	(13.9)
Full-time	92,727	92,000	91,600	(400)	(0.4)	(1,127)	(1.2)
Part-time	117,470	108,700	89,400	(19,300)	(17.8)	(28,070)	(23.9)
<b>Capital expenditure (Billions of Yen)</b>	46.9	120.0	120.0	0.0	0.0	+ 73.0	+ 155.8

# Direction of mid-to-long term strategy

【Our aspiration】

Expand value provision to the “End to End” of supply chains  
 ~Realize sustainable business growth~

Expand corporate business domain

Structural reform of  
 network operations

HR strategy

Digital  
 strategy

Environmental  
 strategy

Reinforce sustainable management

Reinforce corporate governance

Management resources brought together under “One YAMATO structure”

Client base

Human resources

Logistics network

Information

Financial base

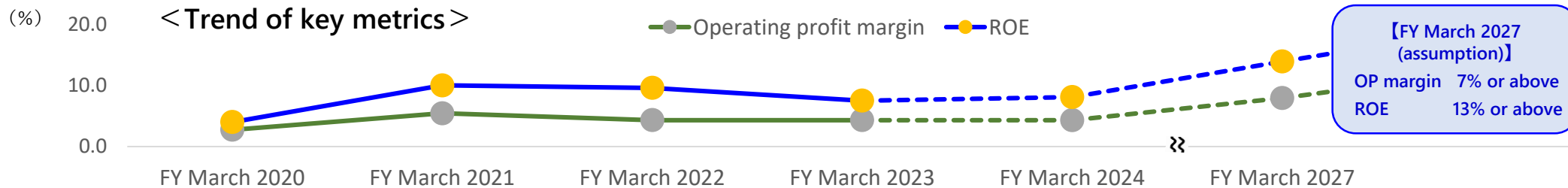
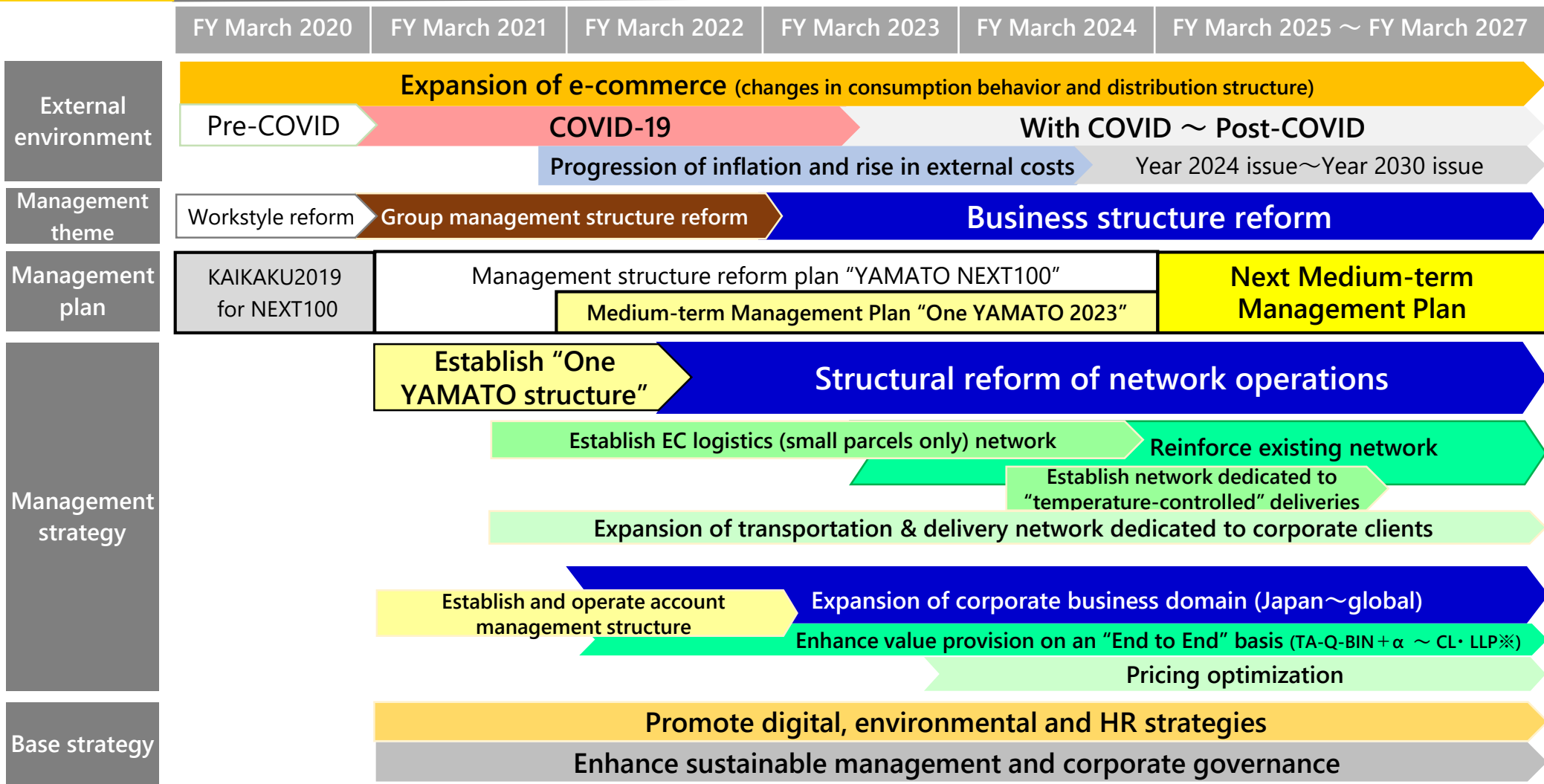
Energy resources

Enhance profitability and growth potential through business structure reform with sales and operations working together as one

Promote foundational strategies that support business structure reform

Strengthen platform that supports sustainable corporate value enhancement

# Mid-to-long term roadmap



- Establish and expand dedicated network (growth domain) and reinforce existing network (base domain) → Strengthen response to diverse range of needs for logistics, while improving quality and efficiency of the overall network

	Initiative	Effect
Growth domain	<p><u>Establish and expand dedicated network optimized (customized) to accommodate diverse range of logistics needs</u></p>	<ul style="list-style-type: none"> <li>Establish EC logistics (small parcels only) network</li> <li>Establish network designated to temperature-controlled deliveries (to C + to B)</li> <li>Expansion of transportation &amp; delivery network dedicated to corporate clients</li> </ul>
Base domain	<p><u>Reinforce existing network, in conjunction with establishing dedicated network</u></p>	<ul style="list-style-type: none"> <li>✓ Consolidate and enlarge facilities</li> <li>✓ Review terminal functions</li> </ul> <p style="text-align: center;">▼</p> <ul style="list-style-type: none"> <li>✓ Renew workstyle and operational structure</li> </ul>
		<ul style="list-style-type: none"> <li>✓ Enhance value provided based on customer needs</li> <li>✓ Set appropriate pricing based on value provided</li> <li>✓ Optimize operating cost</li> <li>✓ Higher satisfaction from work</li> <li>✓ Maintain and improve safety, quality and work environment</li> </ul>

# Structural reform of network operations

## (Status of cost per parcel)

※ Figures are total of outsourcing expenses and employee wages related to subject operations

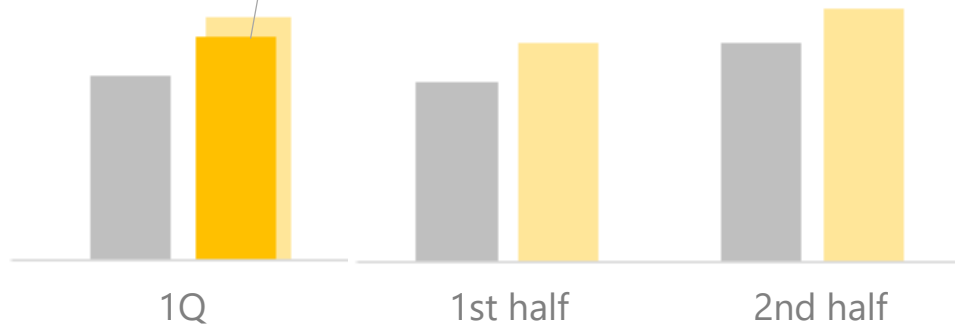
### ➤ Transportation domain

(Trunk-route and intra-regional transportation, Terminal operations)

Difference with forecast: (1.7)yen

Difference with previous period: +3.1yen

■ FY2023/3  
■ FY2024/3 (Forecast)  
■ FY2024/3 (Actual)



**Difference with forecast: (1.7)yen**

**(Difference with previous period: +3.1yen)**

< Main factors for difference with forecast >

- Lower productivity due to increase in large parcels: +0.2yen
- Cost optimization initiatives (consolidation of operations, etc.): (1.9)yen

< Main factors for difference with previous period >

- Rise in unit cost of wages and partner expenses: +1.2yen
- Mismatch between capacity VS decline in workload: +0.3yen
- Lower productivity due to increase in large parcels: +3.7yen
- Cost optimization initiatives (consolidation of operations, etc.): (2.1)yen

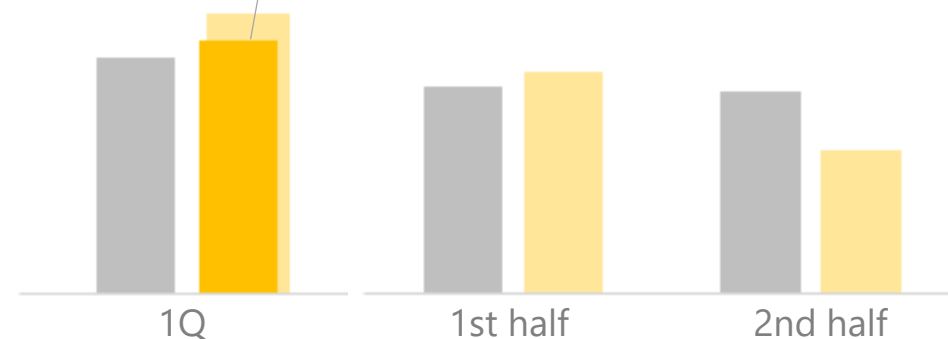
### ➤ Last-mile domain

(Pick-up and delivery, operations and admin work in Last-mile Offices)

Difference with forecast: (4.5)yen

Difference with previous period: +2.5yen

■ FY2023/3  
■ FY2024/3 (Forecast)  
■ FY2024/3 (Actual)



**Difference with forecast: (4.5)yen**

**(Difference with previous period: +2.5yen)**

< Main factors for difference with forecast >

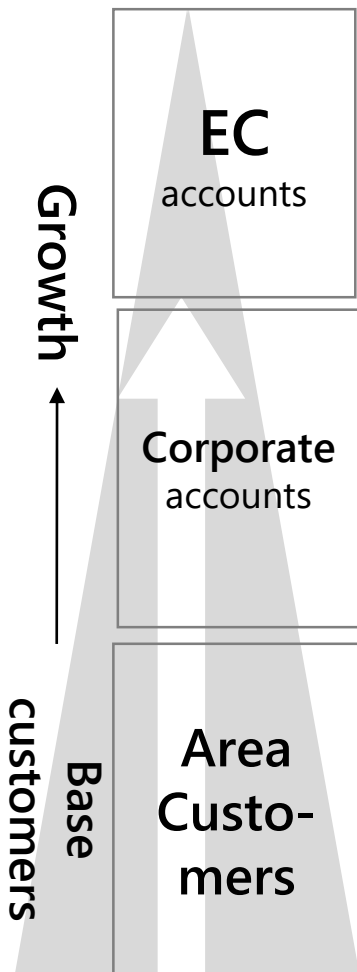
- Rise in unit cost of wages and partner expenses: (1.3)yen
- Productivity improvement initiatives (increase in parcels delivered per shift): (3.2)yen

< Main factors for difference with previous period >

- Rise in unit cost of wages and partner expenses: +5.2yen
- Mismatch between capacity VS decline in workload: +0.6yen
- Productivity improvement initiatives (increase in parcels delivered per shift): (3.3)yen

# Expansion of the Corporate Business domain

- Progress made in providing value to EC accounts (domestic and global) and corporate accounts → Raise base level of operating revenues, by expanding value provision to EC and corporate accounts, promoting sales of solutions to area customers, and continuous initiatives to optimize pricing



## ➤ EC accounts

- Progress made in providing value not only in the downstream domain (last-mile deliveries), but also in the upstream domain (store delivery and fulfillment), the product returns domain, and cross-border EC → Promoting initiatives to optimize pricing

Approx. 12% of total revenue of FY2024/3 Q1 (+ 4% YoY)

## ➤ Corporate accounts

- Made progress in providing value to the entire supply chains of clients (increase in parcel delivery volume)
- Demand for international transportation declined, with global inflationary trends such as energy prices remaining high and the surge in raw material prices, due to instability in global affairs (Progress was made in improving profitability of international forwarding, with better load efficiency)
  - Promoting initiatives to enhance value provided and optimize pricing, such as "standardizing" transportation and delivery services

Approx. 15% of total revenue of FY2024/3 Q1 ((2)% YoY)

## ➤ Area customers

- Negotiations to optimize pricing made better-than-expected progress
- Decline in parcel delivery volume, caused by factors including sluggish EC demand due to consumers returning to offline spending
  - Focusing on expanding sales of solutions in specific areas such as product returns

Approx. 43% of total revenue of FY2024/3 Q1 ((1)% YoY)



# Basic Agreement with Japan Post Group on Promotion of Sustainable Logistics Services



- Promote sustainable logistics by effectively utilizing the management resources of both companies to grow the business through improved convenience for customers and increased productivity in network operations
- Contribute to efforts to solve the "2024 issue" and "carbon neutral" facing the logistics industry

## Strengths of the two Groups

### Yamato Group (Yamato Transport)

**Nationwide network of pick-up and delivery trucks**

→ 2t·4t trucks approx. 35,000\*

\*95%(approx. 33,000 trucks) have temperature-control function

→ Average 2t truck capacity for temperature-controlled parcels: Approx. 2,000 ℓ



### Japan Post Group (Japan Post)

**Nationwide network of pick-up and bikes and mini-vehicles**

→ Bikes Approx. 82,000

Mini vehicles Approx. 30,000

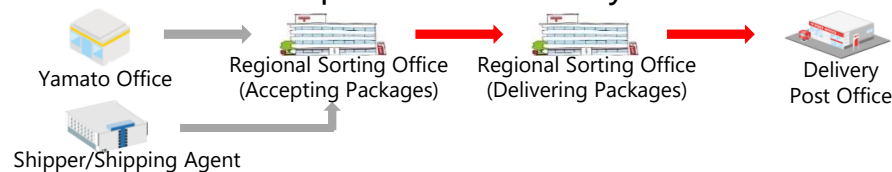


**Utilization of network resources**

## Details of collaboration

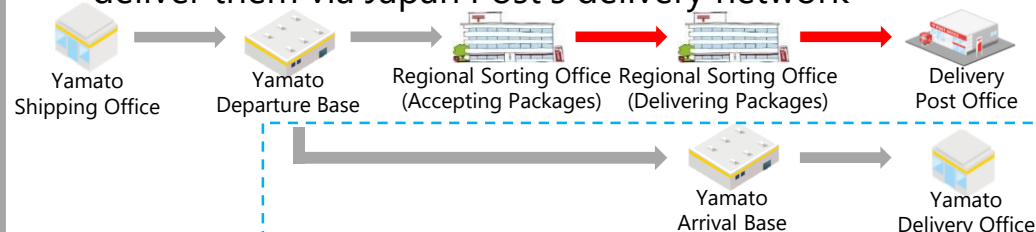
### Direct mail service area from Feb. 2024

- Terminate Kuroneko DM-Bin on Jan. 31, 2024 and launch new service "Kuroneko Yu-Mail (tentative)"
- Yamato will accept packages from customers and deliver them via Japan Post's delivery network



### Small, thin parcels area from Oct. 2023

- Phase out "Nekopos" from Oct. 2023 and launch "Kuroneko Yu-Packet (tentative)"
- Yamato will accept packages from customers and deliver them via Japan Post's delivery network



\* Flows within the dotted line will reduce sequentially due to expansion of new service areas (until end of Mar. 2025)

# Capital expenditure

- Accelerate investments to complete the structural reform of our network operations, including the deployment of large-scale integrated facilities, in order to achieve mid-to-long term growth, while also investing in our environmental strategy (solar power generation equipment, LED etc.), better safety (standardizing berth height in Terminals, etc.), and improving the workplace environment
- In terms of digital technologies, prioritize investments that enhance value provision to customers and/or make our operations more efficient

(Billions of Yen)	FY 2023/3	FY 2024/3	YoY Change		FY 2024/3	YoY Change	
	1st Quarter	1st Quarter			Forecast		
	Actual	Actual	Amount	[%]		Amount	[%]
Vehicles	1.0	0.0	(1.0)	(94.4)	12.0	+1.5	+14.5
Offices/buildings and accompanying facilities	6.4	5.0	(1.4)	(21.6)	58.0	+40.8	+237.8
Automatic sorting equipment etc.	0.2	1.1	+0.8	+304.1	10.0	+6.8	+215.2
Other hardware, office equipment, etc.	0.7	1.0	+0.2	+33.9	10.0	+5.8	+140.7
Digital investments	3.9	3.1	(0.8)	(20.9)	30.0	+18.0	+151.3
Increasing value provided to customers	1.1	0.9	(0.2)	(20.3)	9.0	+4.3	+91.5
Improved efficiency of transportation and delivery	2.0	1.5	(0.5)	(25.0)	14.0	+8.8	+169.2
Digital infrastructure construction and development	0.7	0.6	(0.1)	(17.9)	5.0	+3.5	+233.3
Others	0.1	0.1	(0.0)	(0.0)	2.0	+1.5	+300.0
<b>Total</b>	<b>12.6</b>	<b>10.4</b>	<b>(2.1)</b>	<b>(17.2)</b>	<b>120.0</b>	<b>+73.0</b>	<b>+155.8</b>





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