

Yamato Group Overview of Consolidated Results

(2nd Quarter of Fiscal Year Ending March 2021)



YAMATO HOLDINGS CO., LTD.

November 2, 2020

1. Financial Results for the Second Quarter 2021/3 (Overview)

● Consolidated Results for the First and Second Quarters (Cumulative):

Achieved growth in both revenue and profit

Consolidated operating revenue : 806.0 billion yen (+ 5.9 bn yen, + 0.7% year-on-year)
Consolidated operating profit : 26.9 billion yen (+20.7 bn yen, +333.2% year-on-year)

Reference: Excluding the impact of removing Yamato Lease Co., Ltd. from scope of consolidation

Consolidated operating revenue : 806.0 billion yen (+26.5 bn yen, + 3.4% year-on-year)
Consolidated operating profit : 26.9 billion yen (+21.0 bn yen, +362.1% year-on-year)

< Operating revenue >

With the expansion of e-commerce in various industries, as well as the significant change in business environment due to COVID-19,

1. Focused on promoting "EAZY", the new delivery service for EC operators, as well as on developing and reinforcing the e-commerce delivery network
2. Captured the growing demand by offering solutions that help clients overcome the challenges they face, based on Yamato Group's comprehensive strengths, such as services that add value to the logistics of EC operators, covering the entire process from order intake to shipping and delivery, as well as optimizing logistics for companies, including deliveries to warehouses

< Operating profit >

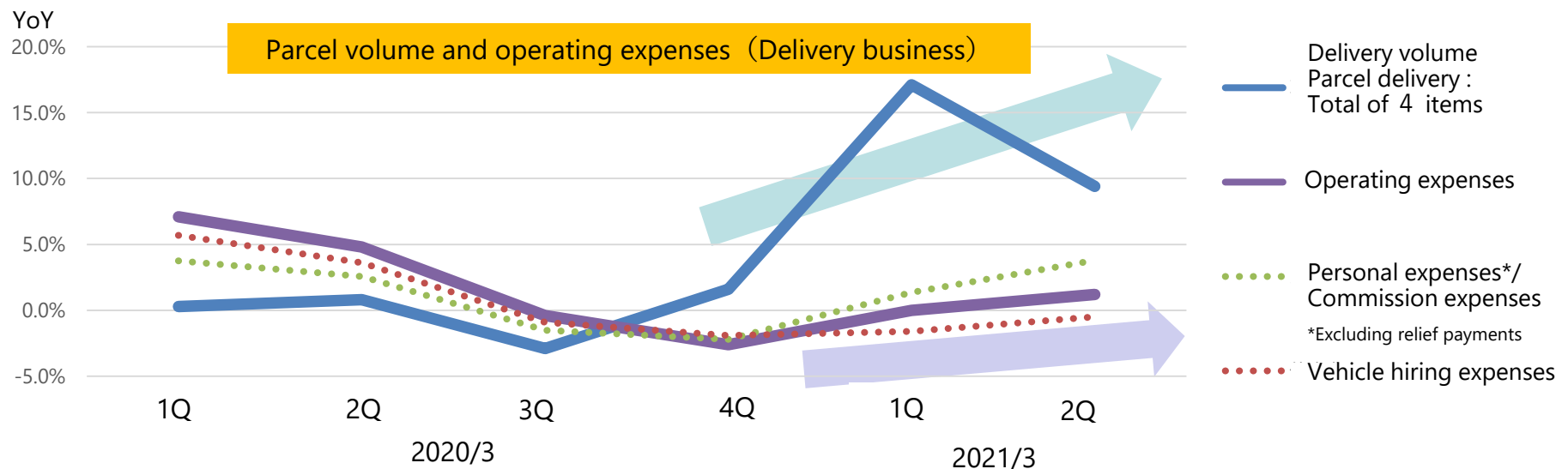
Through the optimal allocation of management resources based on business volume forecasting using data analysis, Yamato improved the efficiency of pick-up and delivery, as well as trunk-route transportation, and controlled the rise in expenses such as personnel, commission and vehicle hiring on a Groupwide basis

2. Financial Results for the Second Quarter 2021/3 (Overview)

Continuing to work on optimizing management structure from a firm-wide perspective, and began management operations towards a “One Yamato”

- ✓ Promoted the optimal allocation of management resources based on business volume forecasting using data analysis
- ✓ With the growth in parcel volume, improved pick-up and delivery efficiency and reduced the existing delivery outsourcing by appropriate allocation of personnel, etc.
- ✓ In the growing EC domain, responded to expanding e-commerce demand by reinforcing the e-commerce delivery network
- ✓ Focused on optimizing the whole network across the Group based on business volume forecasting using data analysis continuously in the appropriate management of vehicle numbers and improvement of loading efficiency

⇒ Progress made in changing the earning structure of the Delivery business



3. Financial Results for the Second Quarter 2021/3 (Overview)

Acquisition of Treasury Stock

- Resolution of the Company Board of Directors Meeting held on January 30, 2020

Type of share to be acquired : Common shares in the Company

Total number of shares to be acquired : 35,000,000 shares (upper limit)

Percentage of total number of issued shares (excluding treasury stock) : 8.88%

Total acquisition cost : 50 billion yen (upper limit)

Acquisition period : February 6, 2020 to September 30, 2020

- September 8, 2020: Completed stock buyback

Total number of shares acquired : 22,764,400

Total acquisition amount : approx. 50 billion yen

- October 13, 2020: Canceled the same number of shares as were acquired

Total number of shares cancelled : 22,764,400

(5.53% of total number of issued shares before cancellation)

Total number of issued shares after cancellation : 388,575,592

4. Progress in Transformation Plan “YAMATO NEXT100”

- **PURPOSE:** Create a new logistics ecosystem that meets the needs of customers and society, and make a sustainable contribution to creating a prosperous society in the next era, while also accelerating profitability improvement

Business

Transformations

1. Digital transformation of TA-Q-BIN

- ✓ Optimal allocation of management resources (operation design and allocation of vehicles, staff, etc) based on data analysis
- ✓ Promote the re-building of transportation and delivery, logistics, administration etc. using technology

2. Establishment of an EC ecosystem

- ✓ Launch of EAZY. Establish and expand EC delivery network
- ✓ Joint value creation with EC operators etc. (with Z Holdings, Duddle)

3. Strengthening of the corporate logistics business

- ✓ Help clients overcome challenges, using the comprehensive strengths of the Group, through better account management

Infrastructure

Transformations

1. Renewal of group management system

- ✓ Started an organizational structure towards a “One Yamato”

2. Shift to data-driven management

- ✓ Focused on building and operating digital organizations and a structure that accelerates open innovation

3. Sustainability initiatives

- ✓ Established “Environmental management systems” and “Safety management systems” for better effectiveness, and worked on creating a structure which can be managed and supervised based on international standards

5. Operating Results Forecast for the Fiscal Year Ending March 31, 2021

(Billions of Yen)	Fiscal Year ended March 31, 2020 Actual	Fiscal Year ending March 31, 2021 July 2020 Forecast A	Fiscal Year ending March 31, 2021 New Forecast B	Forecast Change (B-A)		YoY Change		YoY Change *1	
				Amount	[%]	Amount	[%]	Amount	[%]
				Operating revenue	1,630.1	1,638.0	1,646.0	+ 8.0	+ 0.5
Operating profit	44.7	64.0	68.0	+ 4.0	+ 6.3	+ 23.2	+ 52.1	+ 23.8	+ 54.2
[Profit margin]	2.7%	3.9%	4.1%	-	-	-	-	-	-
Ordinary profit	40.6	63.0	68.0	+ 5.0	+ 7.9	+ 27.3	+ 67.4	+ 27.9	+ 69.9
[Profit margin]	2.5%	3.8%	4.1%	-	-	-	-	-	-
Profit attributable to owners of Parent	22.3	33.0	35.0	+ 2.0	+ 6.1	+ 12.6	+ 56.8	+ 12.8	+ 58.3
[Profit margin]	1.4%	2.0%	2.1%	-	-	-	-	-	-
Dividends (Yen)	Second quarter	15	16	16	+0	-	+1	-	
	Fiscal year-end	*2 26	16	16	+0	-	(10)	-	
	Total	41	32	32	+0	-	(9)	-	

*1 Excluding effects of change in scope of consolidation (Yamato Lease Co.,LTD.)

*2 Including commemorative dividend of ¥10 per share for the 100-year anniversary of the Company foundation

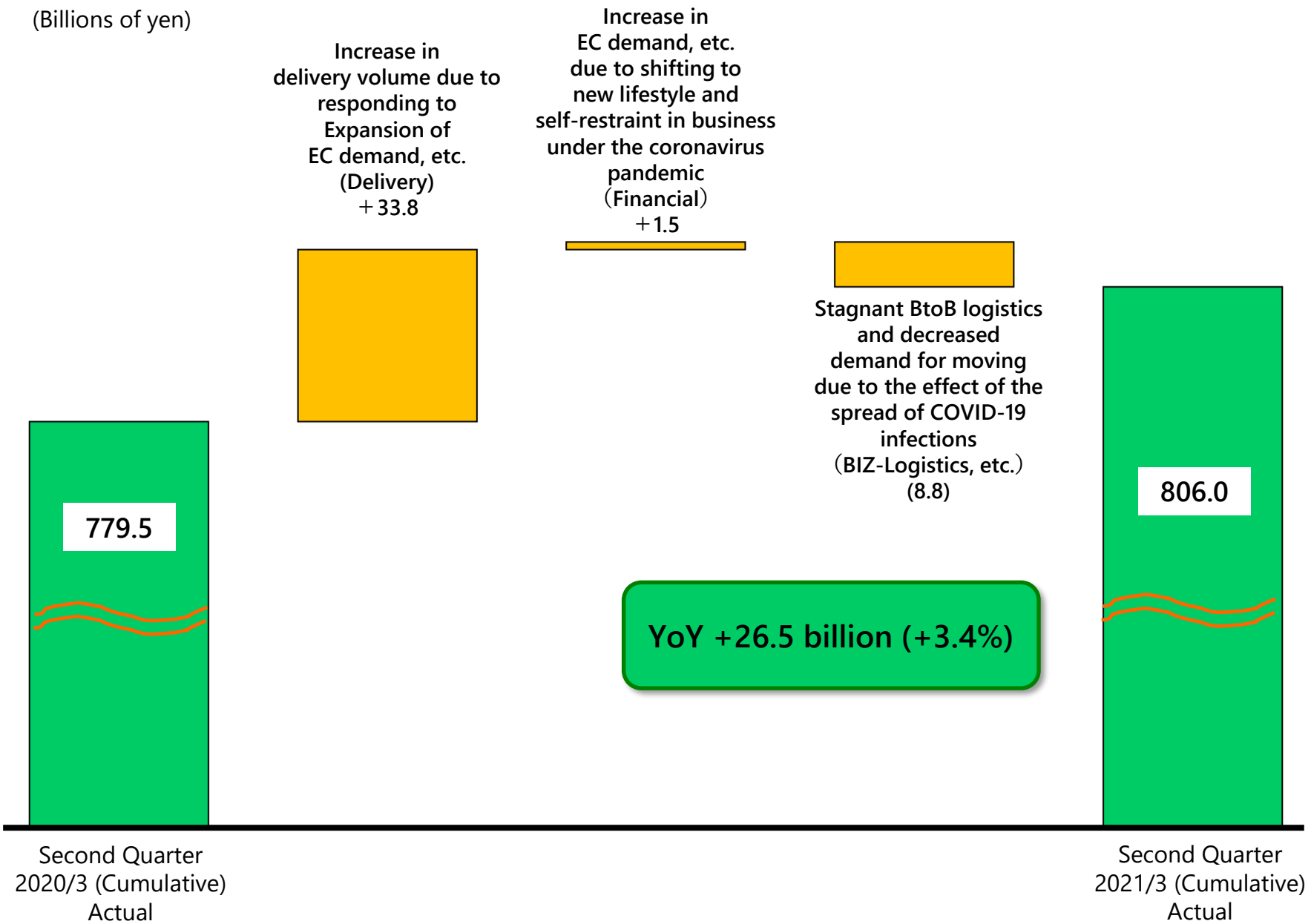
6. Consolidated Operating Results in the First and Second Quarters of the Fiscal Year Ending March 31, 2021

(Billions of Yen)	Second Quarter 2020/3 Actual	Second Quarter 2021/3 Actual	YoY Change		YoY Change*	
			Amount	[%]	Amount	[%]
			Operating revenue	800.1	806.0	+5.9
Operating profit	6.2	26.9	+20.7	+333.2	+21.0	+362.1
[Profit margin]	0.8%	3.3%	-	-	-	-
Ordinary profit	2.7	27.9	+25.2	+923.0	+25.5	+1,093.4
[Profit margin]	0.3%	3.5%	-	-	-	-
Profit attributable to owners of Parent	(3.4)	14.1	+17.6	-	+17.8	-
[Profit margin]	(0.4)%	1.8%	-	-	-	-

* Excluding effects of change in scope of consolidation (Yamato Lease Co.,LTD.)

7. YoY Analysis of Consolidated Operating Revenue (Second Quarter-Cumulative)

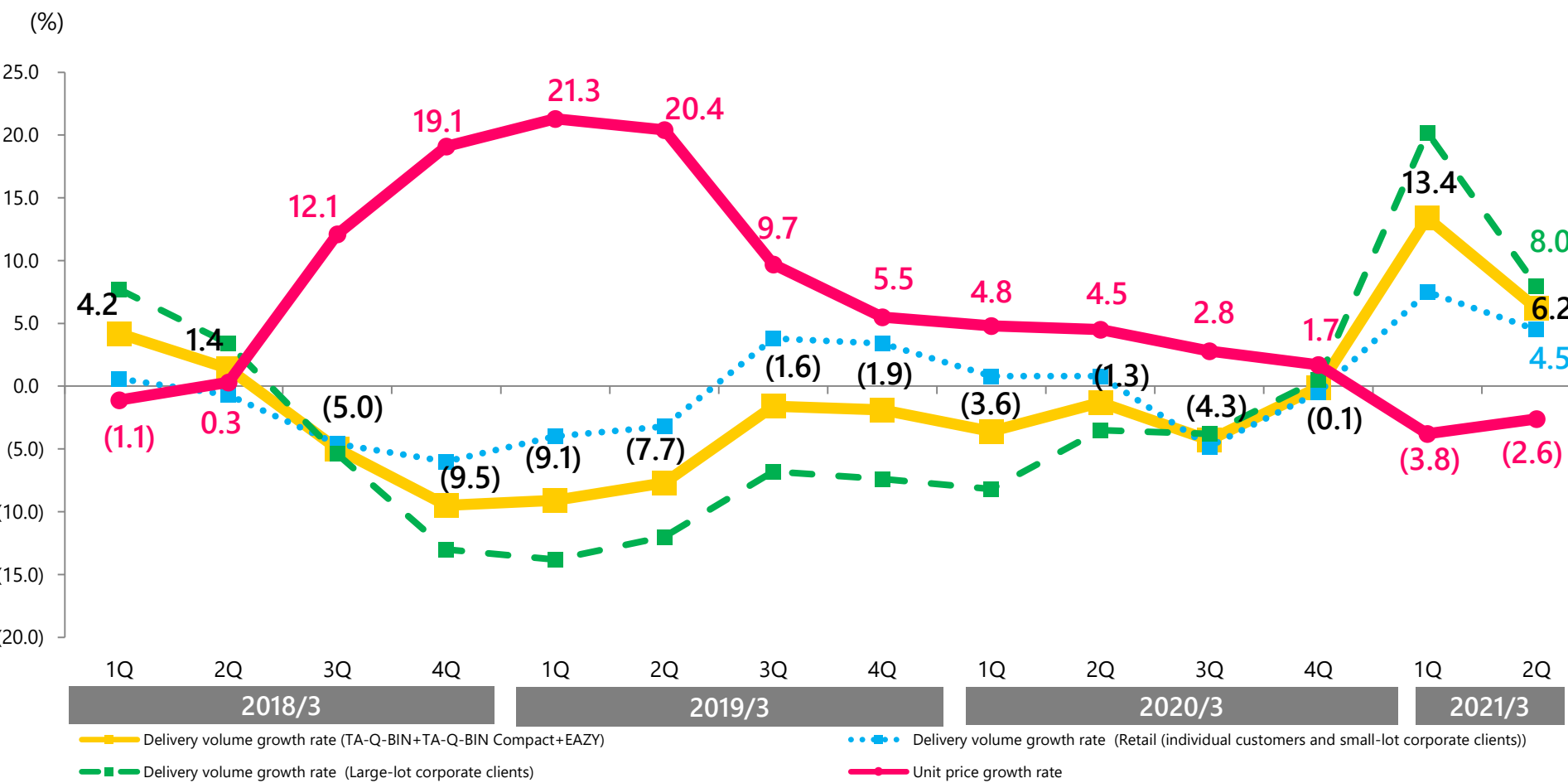
(Billions of yen)



Excluding effects of change in scope of consolidation (Yamato Lease Co.,LTD.)

8. Quarterly YoY Trends of Parcel Delivery (TA-Q-BIN, TA-Q-BIN Compact, EAZY) (Second Quarter July-September)

Delivery volume increased due to capturing growing e-commerce demand, etc.
Delivery volume : YoY +6.2% **Unit price : YoY (2.6)%**

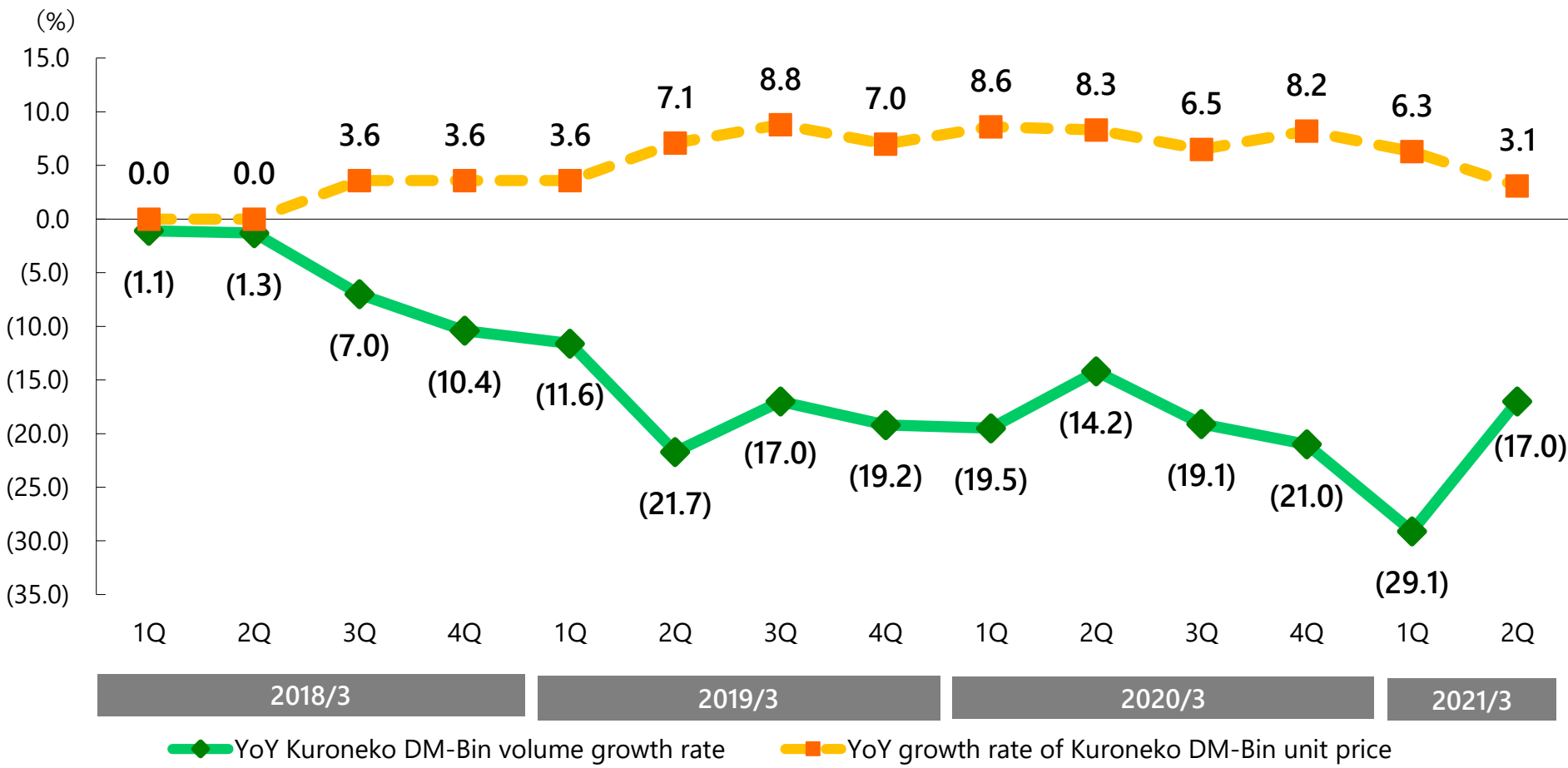


Unit price trend by market
 Retail (individual customers and small-lot corporate clients) (2.6)% Large-lot corporate clients (1.5)%

9. Quarterly YoY Trends of Kuroneko DM-Bin (Second Quarter July-September)

Delivery volume decreased due to cancellation of events or self-restraint in business caused by the spread of COVID-19 infections under the DM market downward trend

Delivery volume : YoY (17.0%) Unit price : YoY +3.1%



<p>Shipment volume by market</p> <p>From TA-Q-BIN Centers: (7.7)%</p> <p>From corporate sales branch offices: (20.4)%</p>	<p>Shipment unit price by market</p> <p>From TA-Q-BIN Centers: +1.1%</p> <p>From corporate sales branch offices: +1.6%</p>
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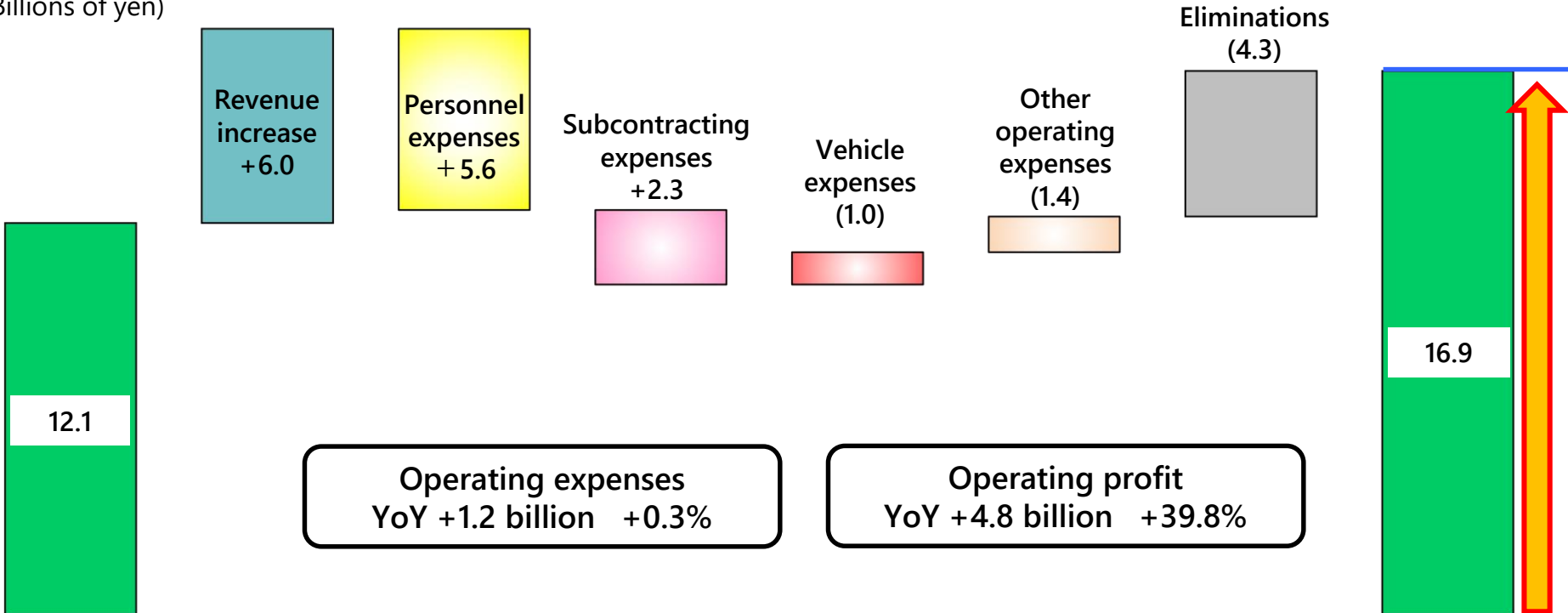
10. Summary of Consolidated Operating Expenses (Second Quarter July-September)

(Millions of Yen)	Second Quarter 2020/3 Actual	Second Quarter 2021/3 Actual	YoY Change		YoY Change *	
			Amount	[%]	Amount	[%]
			Operating revenue	418,399	414,052	(4,347)
Operating expenses	406,084	397,089	(8,994)	(2.2)	+1,225	+0.3
Personnel expenses	218,164	223,499	+5,334	+2.4	+5,603	+2.6
Employee salary	148,152	148,174	+21	+0.0	+197	+0.1
Other personnel expenses	70,012	75,325	+5,312	+7.6	+5,405	+7.7
Subcontracting expenses	152,927	146,448	(6,479)	(4.2)	+2,383	+1.7
Commission expenses	60,072	63,609	+3,537	+5.9	+3,557	+5.9
Vehicle hiring expenses	51,238	49,993	(1,245)	(2.4)	(1,245)	(2.4)
Other subcontracting expenses	41,616	32,845	(8,770)	(21.1)	+71	+0.2
Vehicle expenses	12,550	11,522	(1,028)	(8.2)	(1,025)	(8.2)
Fuel expenses	6,426	5,385	(1,041)	(16.2)	(1,039)	(16.2)
Other operating expenses	90,406	87,329	(3,077)	(3.4)	(1,424)	(1.6)
Depreciation	13,262	11,683	(1,578)	(11.9)	(668)	(5.4)
Elimination	(67,964)	(71,709)	(3,744)	-	(4,310)	-
Operating profits	12,314	16,962	+4,647	+37.7	+4,826	+39.8

*Excluding effects of change in scope of consolidation (Yamato Lease Co.,LTD.)

11. YoY Analysis of Consolidated Operating Expenses (Second Quarter July-September)

(Billions of yen)



Second Quarter 2020/3 (July-September) Operating profit Actual

Personnel expenses (Breakdown)	
Employee salary	+0.1
Other	+5.4
(Breakdown of other personnel expenses)	
• Bonus	+2.1
• Legal welfare expenses	+2.1
• Welfare expenses	

Subcontracting expenses (Breakdown)	
Commission expenses	+3.5
Vehicle hiring expenses	(1.2)
Other	+0.0

Vehicle expenses (Breakdown)	
Fuel expenses	(1.0)
Vehicle repair expenses	+0.0

Other operating expenses (Major breakdown)	
Depreciation	(0.6)
Computer expenses	+1.1
Facilities expenses	+0.5
Repair expenses	(0.6)

Second Quarter 2021/3 (July-September) Operating profit Actual

Excluding effects of change in scope of consolidation (Yamato Lease Co.,LTD.)

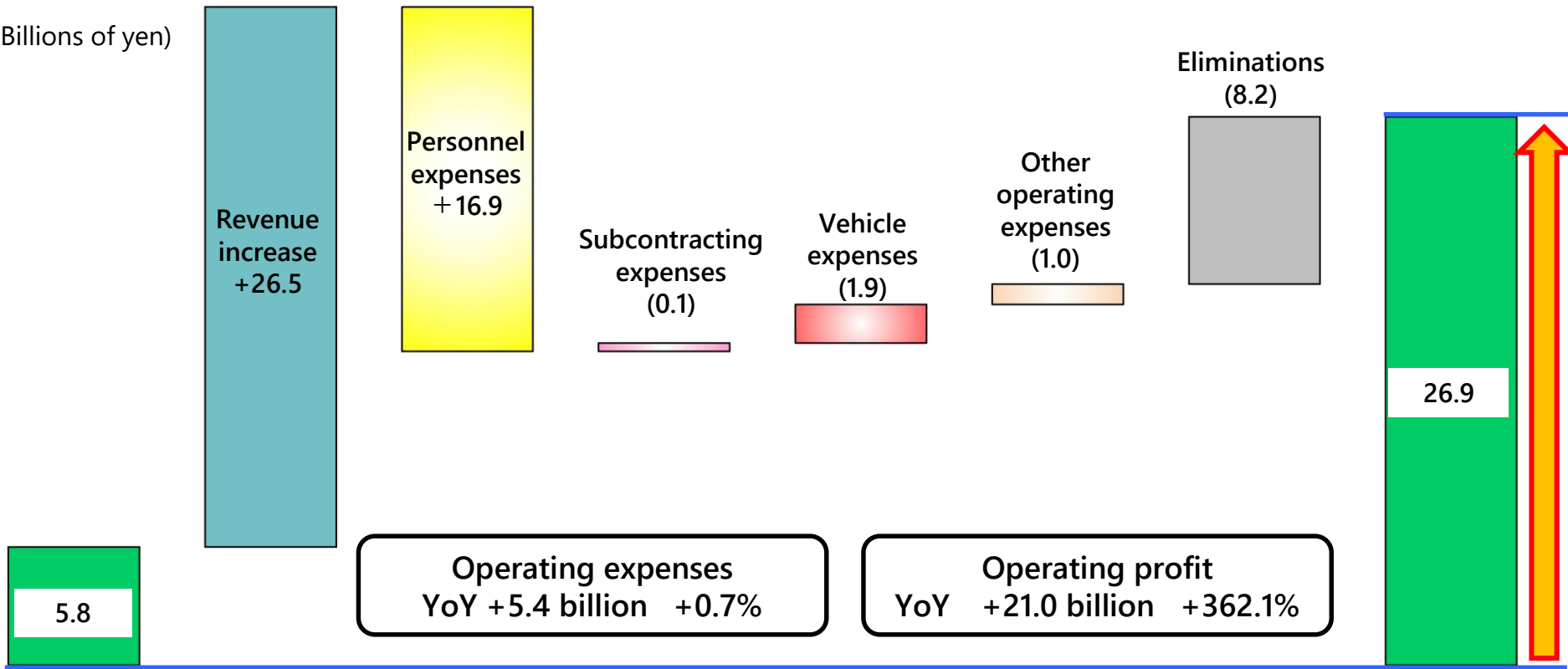
12. Summary of Consolidated Operating Expenses (Second Quarter Cumulative)

(Millions of Yen)	Second Quarter 2020/3 Actual	Second Quarter 2021/3 Actual	YoY Change		YoY Change *	
			Amount	[%]	Amount	[%]
			Operating revenues	800,126	806,067	+ 5,941
Operating expenses	793,912	779,152	(14,760)	(1.9)	+ 5,436	+ 0.7
Personnel expenses	425,746	442,131	+ 16,385	+ 3.8	+ 16,920	+ 4.0
Employee salary	290,602	292,376	+ 1,773	+ 0.6	+ 2,118	+ 0.7
Other personnel expenses	135,144	149,755	+ 14,611	+ 10.8	+ 14,802	+ 11.0
Subcontracting expenses	300,668	283,012	(17,656)	(5.9)	(185)	(0.1)
Commission expenses	117,634	121,628	+ 3,993	+ 3.4	+ 4,042	+ 3.4
Vehicle hiring expenses	101,086	98,262	(2,824)	(2.8)	(2,824)	(2.8)
Other subcontracting expenses	81,946	63,121	(18,825)	(23.0)	(1,403)	(2.2)
Vehicle expenses	24,511	22,520	(1,990)	(8.1)	(1,986)	(8.1)
Fuel expenses	12,204	9,840	(2,363)	(19.4)	(2,358)	(19.3)
Other operating expenses	176,162	171,821	(4,341)	(2.5)	(1,055)	(0.6)
Depreciation	25,527	22,423	(3,103)	(12.2)	(1,128)	(4.8)
Elimination	(133,176)	(140,334)	(7,157)	-	(8,257)	-
Operating Profit	6,213	26,915	+ 20,701	+ 333.2	+ 21,090	+ 362.1

*Excluding effects of change in scope of consolidation (Yamato Lease Co.,LTD.)

13. YoY Analysis of Consolidated Operating Expenses (Second Quarter Cumulative)

(Billions of yen)



Second Quarter
2020/3
(Cumulative)
Operating profit
Actual

Personnel expenses (Breakdown)	
Employee salary	+2.1
Other	+14.8
(Breakdown of other personnel expenses)	
• Bonus	+1.8
• Legal welfare expenses	+10.7
• Welfare expenses	

Subcontracting expenses (Breakdown)	
Commission expenses	+4.0
Vehicle hiring expenses	(2.8)
Other	(1.4)

Vehicle expenses (Breakdown)	
Fuel expenses	(2.3)
Vehicle repair expenses	+0.3

Other operating expenses (Major breakdown)	
Depreciation	(1.1)
Computer expenses	+2.4
Facilities expenses	+1.2
Repair expenses	(2.0)

Second Quarter
2021/3
(Cumulative)
Operating profit
Actual

Excluding effects of change in scope of consolidation (Yamato Lease Co.,LTD.)

14. Consolidated Operating Expenses Transition Table

(Millions of Yen)	2020/3									2021/3					
	First Half Actual	YoY Change		Third Quarter Actual (Oct-Dec)			Forth Quarter Actual (Jan-Mar)			First Quarter Actual (Apr-Jun)	YoY Change		Second Quarter Actual (Jul-Sep)	YoY Change	
		Amount	[%]	Amount	[%]	Amount	[%]	Amount	[%]		Amount	[%]			
														Amount	[%]
Operating revenue	800,126	+10,994	+1.4	457,597	(10,881)	(2.3)	372,422	+4,718	+1.3	392,015	+10,288	+2.7	414,052	(4,347)	(1.0)
Operating expenses	793,912	+28,216	+3.7	413,734	(3,836)	(0.9)	377,798	(5,903)	(1.5)	382,062	(5,765)	(1.5)	397,089	(8,994)	(2.2)
Personnel expenses	425,746	+20,028	+4.9	219,393	+4,535	+2.1	203,898	+2,758	+1.4	218,632	+11,050	+5.3	223,499	+5,334	+2.4
Employee salary	290,602	+13,530	+4.9	154,346	+8,162	+5.6	144,236	+3,114	+2.2	144,202	+1,752	+1.2	148,174	+21	+0.0
Other personnel expenses	135,144	+6,498	+5.1	65,047	(3,627)	(5.3)	59,661	(356)	(0.6)	74,430	+9,298	+14.3	75,325	+5,312	+7.6
Subcontracting expenses	300,668	(8,671)	(2.8)	160,469	(12,509)	(7.2)	140,695	(6,630)	(4.5)	136,564	(11,176)	(7.6)	146,448	(6,479)	(4.2)
Commission expenses	117,634	(9,228)	(7.3)	63,062	(7,735)	(10.9)	53,349	(5,806)	(9.8)	58,019	+456	+0.8	63,609	+3,537	+5.9
Vehicle hiring expenses	101,086	+3,756	+3.9	54,127	(414)	(0.8)	48,116	(1,388)	(2.8)	48,269	(1,578)	(3.2)	49,993	(1,245)	(2.4)
Other subcontracting expenses	81,946	(3,199)	(3.8)	43,280	(4,359)	(9.2)	39,229	+565	+1.5	30,275	(10,055)	(24.9)	32,845	(8,770)	(21.1)
Vehicle expenses	24,511	+647	+2.7	12,889	(132)	(1.0)	10,276	+505	+5.2	10,998	(962)	(8.0)	11,522	(1,028)	(8.2)
Fuel expenses	12,204	(169)	(1.4)	6,006	(459)	(7.1)	5,423	+281	+5.5	4,455	(1,321)	(22.9)	5,385	(1,041)	(16.2)
Other operating expenses	176,162	+12,729	+7.8	95,472	+5,005	+5.5	85,927	(2,774)	(3.1)	84,492	(1,263)	(1.5)	87,329	(3,077)	(3.4)
Depreciation	25,527	+3,017	+13.4	14,156	+557	+4.1	15,398	+161	+1.1	10,740	(1,524)	(12.4)	11,683	(1,578)	(11.9)
Elimination	(133,176)	+3,482	-	(74,490)	(735)	-	(62,998)	+236	-	(68,625)	(3,413)	-	(71,709)	(3,744)	-
Operating profits	6,213	(17,221)	(73.5)	43,863	(7,044)	(13.8)	(5,375)	+10,621	-	9,953	+16,054	-	16,962	+4,647	+37.7

15. Operating Results Forecast for the Fiscal Year Ending March 31, 2021 (Breakdown by Business Segment)

(Millions of Yen)		Fiscal year enEeE March 31, 2020 Actual	Fiscal year ending March 31, 2021 July 2020 Forecast A	Fiscal year ending March 31, 2021 New Forecast B						
				Forecast Change (B-A)		YoY Change		YoY Change *		
				Amount	[%]	Amount	[%]	Amount	[%]	
Operating revenue										
	Delivery	1,310,067	1,361,000	1,370,000	+9,000	+0.7	+59,932	+4.6	+59,932	+4.6
	BIZ-Logistics	143,934	140,500	143,000	+2,500	+1.8	(934)	(0.6)	(934)	(0.6)
	Home Convenience	27,805	28,500	28,500	0	0.0	+694	+2.5	+694	+2.5
	e-Business	30,579	30,500	27,000	(3,500)	(11.5)	(3,579)	(11.7)	(3,579)	(11.7)
	Financial	77,072	38,000	38,000	0	0.0	(39,072)	(50.7)	+1,571	+4.3
	Autoworks	24,922	24,500	24,500	0	0.0	(422)	(1.7)	(422)	(1.7)
	Other	15,763	15,000	15,000	0	0.0	(763)	(4.8)	(763)	(4.8)
	Total	1,630,146	1,638,000	1,646,000	+8,000	+0.5	+15,853	+1.0	+56,497	+3.6
Operating profit										
	Delivery	27,249	51,000	56,000	+5,000	+9.8	+28,750	+105.5	+28,750	+105.5
	BIZ-Logistics	4,975	3,000	4,000	+1,000	+33.3	(975)	(19.6)	(975)	(19.6)
	Home Convenience	(10,061)	(5,000)	(5,000)	0	-	+5,061	-	+5,061	-
	e-Business	10,668	10,000	10,000	0	0.0	(668)	(6.3)	(668)	(6.3)
	Financial	6,322	5,000	5,000	0	0.0	(1,322)	(20.9)	(722)	(12.6)
	Autoworks	4,295	4,000	4,000	0	0.0	(295)	(6.9)	(295)	(6.9)
	Other	36,045	26,400	24,000	(2,400)	(9.1)	(12,045)	(33.4)	(12,045)	(33.4)
	Subtotal	79,495	94,400	98,000	+3,600	+3.8	+18,504	+23.3	+19,104	+24.2
	Eliminations	(34,794)	(30,400)	(30,000)	+400	-	+4,794	-	+4,794	-
	Total	44,701	64,000	68,000	+4,000	+6.3	+23,298	+52.1	+23,898	+54.2
Ordinary profit		40,625	63,000	68,000	+5,000	+7.9	+27,374	+67.4	+27,981	+69.9
	[Profit margin]	2.5%	3.8%	4.1%	-	-	-	-	-	-
Profit attributable to owners of Parent		22,324	33,000	35,000	+2,000	+6.1	+12,675	+56.8	+12,889	+58.3
	[Profit margin]	1.4%	2.0%	2.1%	-	-	-	-	-	-
Amount (Thousands of Units)	Parcel delivery (TA-Q-BIN/ TA-Q-BIN Compact/EAZY)	1,627,332	1,749,000	1,770,000	+21,000	+1.2	+142,667	+8.8		
	Nekopos	172,589	247,000	251,000	+4,000	+1.6	+78,410	+45.4		
	Kuroneko DM-Bin	987,242	785,000	803,000	+18,000	+2.3	(184,242)	(18.7)		
Unit Price (Yen)	Parcel delivery (TA-Q-BIN/ TA-Q-BIN Compact/EAZY)	726	706	703	(3)	(0.4)	(23)	(3.2)		
	Nekopos	201	196	196	0	0.0	(5)	(2.5)		
	Kuroneko DM-Bin	65	66	67	+1	+1.5	+2	+3.1		

*Excluding effects of change in scope of consolidation (Yamato Lease Co.,LTD.)

16. Operating Results Forecast for the Fiscal Year Ending March 31, 2021 (Breakdown of Operating Expenses and others)

(Millions of Yen)	Fiscal year ended March 31, 2020 Actual	Fiscal year ending March 31, 2021 July 2020 Forecast A	Fiscal year ending March 31, 2021 New Forecast B	Forecast Change (B-A)		YoY Change		YoY Change *1	
				Amount	[%]	Amount	[%]	Amount	[%]
				Operating revenue	1,630,146	1,638,000	1,646,000	+8,000	+0.5
Operating expenses	1,585,445	1,574,000	1,578,000	+4,000	+0.3	(7,445)	(0.5)	+32,598	+2.1
Personnel expenses	849,038	871,000	875,000	+4,000	+0.5	+25,961	+3.1	+27,033	+3.2
Employee salary	589,185	593,000	592,000	(1,000)	(0.2)	+2,814	+0.5	+3,509	+0.6
Other personnel expenses	259,853	278,000	283,000	+5,000	+1.8	+23,146	+8.9	+23,523	+9.1
Subcontracting expenses	601,833	573,000	579,000	+6,000	+1.0	(22,833)	(3.8)	+12,019	+2.1
Commission expenses	234,046	245,000	251,000	+6,000	+2.4	+16,953	+7.2	+17,058	+7.3
Vehicle hiring expenses	203,330	199,000	200,000	+1,000	+0.5	(3,330)	(1.6)	(3,330)	(1.6)
Other subcontracting expenses	164,456	129,000	128,000	(1,000)	(0.8)	(36,456)	(22.2)	(1,708)	(1.3)
Vehicle expenses	47,676	46,000	46,000	0	0.0	(1,676)	(3.5)	(1,667)	(3.5)
Fuel expenses	23,634	21,000	21,000	0	0.0	(2,634)	(11.1)	(2,626)	(11.1)
Other operating expenses	357,561	359,000	356,000	(3,000)	(0.8)	(1,561)	(0.4)	+3,711	+1.1
Depreciation	55,083	51,000	50,000	(1,000)	(2.0)	(5,083)	(9.2)	(2,169)	(4.2)
Elimination	(270,665)	(275,000)	(278,000)	(3,000)	-	(7,334)	-	(8,498)	-
Operating profits	44,701	64,000	68,000	+4,000	+6.3	+23,298	+52.1	+23,898	+54.2
Total number of employees (Persons)	224,945	219,000	222,500	+3,500	+1.6	(2,445)	(1.1)	(2,323)	(1.0)
Full-time	98,744	98,000	97,500	(500)	(0.5)	(1,244)	(1.3)	(1,128)	(1.1)
Part-time	126,201	121,000	125,000	+4,000	+3.3	(1,201)	(1.0)	(1,195)	(0.9)
Capital expenditure (Millions of Yen)	64,739	60,000	60,000	0	0.0	(4,739)	(7.3)	+18,831	+45.7
Dividends (Yen)	Second quarter	15	16	16	0	-	+1	-	
	Fiscal year-end	*2 26	16	16	0	-	(10)	-	
	Total	41	32	32	0	-	(9)	-	

*1 Excluding effects of change in scope of consolidation (Yamato Lease Co.,LTD.)

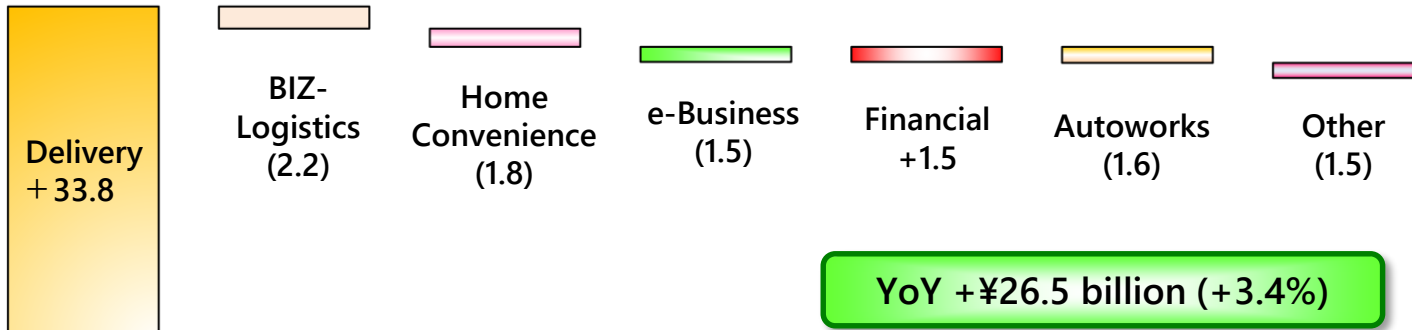
*2 Including commemorative dividend of ¥10 per share for the 100-year anniversary of the Company foundation



Reference Material

【Reference】 YoY Analysis of Consolidated Operating Revenue (Second Quarter Cumulative)

(Billions of yen)



779.5	<h3>1. Delivery</h3> <p>[Trend of parcel delivery volume]</p> <p><u>Domestics</u></p> <p>(a) Parcel delivery (Total of 4 items) 994,750 thousand +13.1%</p> <p>(b) TA-Q-BIN/TA-Q-BIN Compact /EAZY 872,246 thousand +9.6%</p> <p>(c) Nekopos 122,503 thousand +46.0%</p> <p>[Breakdown of Parcel delivery (Total of 4 items)]</p> <p>(a) Large-lot corporate clients 467,503 thousand +14.3%</p> <p>(b) Retail 527,246 thousand +12.0%</p> <p>[Breakdown of Retail]</p> <p>i) Individual customer 70,145 thousand +13.2%</p> <p>ii) Small-lot corporate clients 457,100 thousand +11.8%</p>	<h3>2. BIZ-Logistics</h3> <p>[Trend of main sub-segments]</p> <p><u>(1) International</u></p> <p>(a) International (0.2) b (0.9%) (Breakdown) • Trading logistics service +1.2 b +6.1% • Others (1.4) b (15.2%)</p> <p><u>(2) Domestics</u> (0.3) b (0.6%)</p> <p><u>(3) Eliminations / Other</u> (1.7) b - %</p>	<h3>3. Home Convenience</h3> <p>[Trend of main sub-segments]</p> <p>(a) Home convenience (2.2) b (11.3%)</p> <p>(b) Eliminations / Others +0.4 b - %</p>	<h3>4. e-Business</h3> <p>[Trend of main sub-segments]</p> <p>(a) Credit card solution (0.2) b (4.9%) (b) IT operating (0.0) b (2.4%) (c) Web-based mail order solution (1.1) b (34.3%) (d) Eliminations / Others (0.2) b - %</p>	<h3>5. Financial</h3> <p>[Trend of main sub-segments]</p> <p>(a) Payment +1.9 b +13.2%</p> <p>(b) Credit & Finance (0.1) b (10.4%) (c) Eliminations / Others (0.3) b - %</p>	<h3>6. Autoworks</h3> <p>[Trend of main sub-segments]</p> <p>(a) Truck solution (1.5) b (6.0%) (b) Eliminations / Others (0.1) b - %</p>	806.0
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Second Quarter
2020/3 (Cumulative)
Actual

Excluding effects of change in scope of consolidation (Yamato Lease Co.,LTD.)

Second Quarter
2021/3 (Cumulative)
Actual

【Reference】 Summary of Operating Expenses in Delivery Business (Second Quarter July-September)

(Millions of Yen)	Second Quarter 2020/3 Actual	Second Quarter 2021/3 Actual	YoY Change	
			Amount	[%]
			Operating revenue	336,475
Operating expenses	330,221	334,077	+3,856	+1.2
Personnel expenses	190,588	195,222	+4,633	+2.4
Employee salary	129,759	129,504	(254)	(0.2)
Other personnel expenses	60,829	65,717	+4,887	+8.0
Subcontracting expenses	90,439	94,508	+4,068	+4.5
Commission expenses	34,101	37,995	+3,893	+11.4
Vehicle hiring expenses	49,022	48,785	(237)	(0.5)
Other subcontracting expenses	7,315	7,727	+412	+5.6
Vehicle expenses	11,308	10,496	(812)	(7.2)
Fuel expenses	5,506	4,644	(861)	(15.7)
Other operating expenses	65,609	64,120	(1,488)	(2.3)
Depreciation	9,735	8,884	(850)	(8.7)
Elimination	(27,725)	(30,269)	(2,544)	-
Operating profits	6,254	13,087	+6,832	+109.2

(Note) The figures above include operating expenses related to overseas business.

【Reference】 Summary of Operating Expenses in Delivery Business (Second Quarter Cumulative)

(Millions of Yen)	Second Quarter 2020/3 Actual	Second Quarter 2021/3 Actual	YoY Change	
			Amount	[%]
			Operating revenue	640,422
Operating expenses	643,985	654,620	+10,634	+1.7
Personnel expenses	371,021	386,124	+15,102	+4.1
Employee salary	253,677	255,484	+1,806	+0.7
Other personnel expenses	117,343	130,639	+13,296	+11.3
Subcontracting expenses	178,018	180,676	+2,658	+1.5
Commission expenses	67,031	70,035	+3,003	+4.5
Vehicle hiring expenses	96,667	95,669	(998)	(1.0)
Other subcontracting expenses	14,319	14,972	+653	+4.6
Vehicle expenses	22,009	20,529	(1,479)	(6.7)
Fuel expenses	10,335	8,429	(1,905)	(18.4)
Other operating expenses	127,457	124,360	(3,096)	(2.4)
Depreciation	18,420	17,018	(1,401)	(7.6)
Elimination	(54,520)	(57,071)	(2,550)	-
Operating profits	(3,562)	19,658	+23,221	-

(Note) The figures above include operating expenses related to overseas business.

【Reference】 Initiatives in the EC domain

Promoting the provision of "EAZY"

Promoting the provision of "EAZY", a new delivery service for EC, that can be received at a variety of designated locations

Objective

- Responding to diverse needs of EC users such as more secure non-face-to-face delivery, etc.
- Enhance convenience at EC users side and improve Customer Satisfaction of EC businesses

Features

- Responding to diversifying non-face-to-face receiving needs
- Providing real-time delivery completion notice to customers
- Receiving location can be changed right up until you receive parcels
- Collaborating with external partners for further efficient delivery

Schedule

June 24, 2020	Launched serving to ZOZO, Inc.'s fashion shopping site "ZOZOTOWN"
October 1, 2020	Launched serving to ASKUL Corporation's daily goods shopping site "LOHACO"
Future Plans	Planning to launch serving to Yahoo Japan Corporation's flea market app "PayPay Flea Market" and internet auction platform "YAHUOKU!".

Launch of a new EC product receiving service in collaboration with Duddle

Expanding of receiving points by introduction a service by Duddle Parcel Service Ltd. called "Click & Collect System" to businesses that have introduced "EAZY" and to stores which are pick up points for specified EC businesses. By doing so, promoting a new digitalized receiving services with high convenience.

Merit

EC users : They can receive their parcels on the daily life flows in accordance with a lifestyle.
Stores: Customers who pick up parcels will make additional purchases at the stores and attract new customers.
Immediate service introduction is available without new system investment.

Schedule

August 17, 2020	Began recruiting stores to introduce the "Click & Collect System"
November, 2020 (Planned)	Planning to introduce "Click & Collect System" to stores and start service
March, 2021 (Planned)	To be launched a function for EC products return

【Reference】 SRI Indexes (As of September 2020)

•SNAM Sustainability Index

A index which was established by Sompo Asset Management adopting unique evaluation system which utilizes experience and insight of SOMPO Risk Management Inc. (Environment study) and Integrex Inc. (Society and Governance study).



•S&P/JPX Carbon Efficient Index

One of the ESG Indexes developed by Japan Exchange Group and S&P Dow Jones Indices.

A Stock price index that determines adoption ratio of stocks with the emphasis on disclosure status of environmental information and level of carbon efficiency, targeting stocks composing TOPIX.

*ESG investment index adopted by the GPIF (Government Pension Investment Fund)



•FTSE4Good Index Series

A representative index of socially responsible investment, which adopts companies meeting FTSE Russell's criteria based on its ESG survey and evaluation of sustainability, targeting worldwide major companies.



FTSE4Good


•FTSE Blossom Japan Index (First adopted in June 2020)

A Index designed to measure the performance of Japanese companies that demonstrate strong Environmental, Social and Governance (ESG) practices.

*ESG investment index adopted by the GPIF (Government Pension Investment Fund)



FTSE Blossom
Japan



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