



YAMATO
HOLDINGS

Yamato Group IR Presentation Material

< 2nd Quarter of Fiscal year ending March 2023 >

November 7, 2022

Yamato Holdings Co., Ltd.



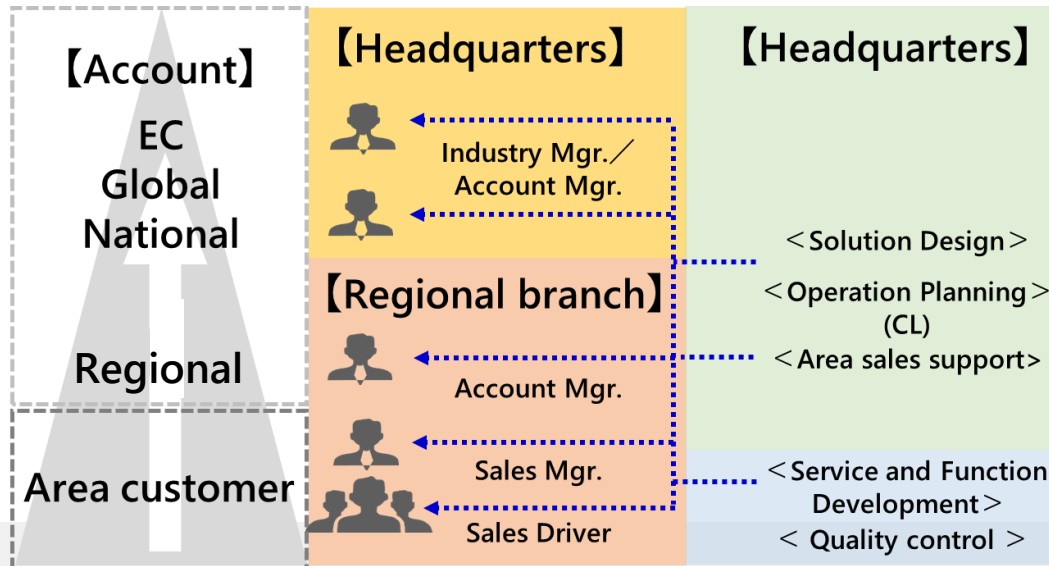
1. Overview of the Medium-term Management Plan “One YAMATO 2023” Structural Reforms

(From 1Q Financial Results Meeting)

- Established the “One YAMATO” structure, bringing together the Group’s management resources (FY2021~)
 - Reviewing the construct of the Group’s management (structure & organization), while promoting reforms on both revenue and cost structure
 - Promoting comprehensive value provision on an “End To End” basis, from the upstream to downstream of corporate clients’ businesses, by positioning as opportunities the expansion of e-commerce in all industries as well as changes in the supply chain
 - Developing an integrated last-mile network, strengthening account management, and promoting the reinforcement and expansion of CL・FWD*
- * CL: Contract Logistics FWD: Forwarding

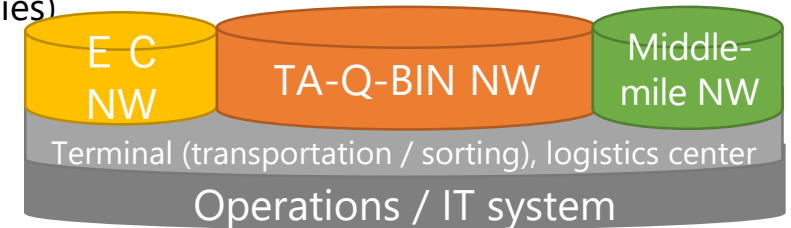
【Value provision to corporate clients】

- Grow revenue from TA-Q-BIN by making + α proposals to area customers based on our wide-ranging client platform
- Revenue expansion through comprehensive value provision to the business supply chain of account clients



【Structural reform of network operations】

- Establishing a designated last-mile network, mainly in the urban areas, to cater to the growing e-commerce, corporate domains and temperature-controlled deliveries
- Optimizing TA-Q-BIN network considering the capacity of the new last-mile network (consolidating and enlarging facilities)



- ① Establish and deploy e-commerce logistics network
- ② Build middle-mile network
- ③ Launch facilities designated for temperature-controlled deliveries
- ④ Consolidation and enlargement of facilities (TA-Q-BIN network)
- ⑤ Operational reform and building of IT system

2. Progress of Structural Reforms

Value provision to corporate clients

- Steady progress in Growth domain (Account business)
- Improvements made in the more challenged Base domain (Area Customers)

Structural reforms of network operations

- Made steady progress in establishing EC logistics network, while consolidating & enlarging facilities in existing network
- Yamato made full-fledged efforts in “Structural reforms of network operations” during the 2nd half of last fiscal year and the 1st half of this fiscal year, which led to higher expenses. However, profit is expected to grow from the 2nd half of this fiscal year, thanks to the progress in optimization of network operations

3. Value provision to corporate clients ①

Progress made in providing value in Growth domain (EC, Global, National and Regional accounts), to enhance sales opportunities, offer better end user experiences, innovate supply chains and optimize logistics and inventory control



➤ **EC accounts**

- Make full use of enhanced capacity, and cater to growing demand
- Expansion of business in the upstream of the EC supply chain (procurement logistics, fulfillment services) and the returns of merchandise

Approx. 11% of 1st half revenue (+12% YoY)

➤ **Global, National and Regional accounts**

- Progress made in solutions that cover the entire supply chain that optimize logistics and inventory control, such as services for clients intending to make their sales channels omni-channel, or expanding distribution of "regular temperature + chilled merchandise"

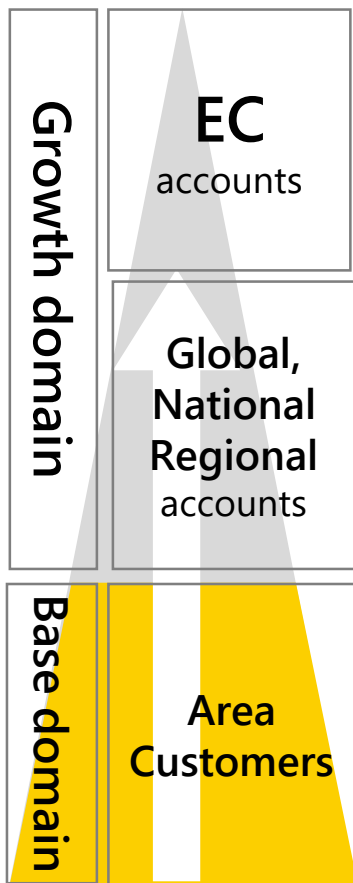
Approx. 20% of 1st half revenue (+7% YoY)

(Example)

- Signed Lead Logistics Partner contract: Covers the upstream part of the global supply chain, and supports the optimization of logistics and inventory control
- Promoted establishment of DtoC (Direct to Consumer) distribution scheme and supply chain optimization spanning 3 temperature zones (regular, chilled and frozen) for the food product industry

4. Value provision to corporate clients ②

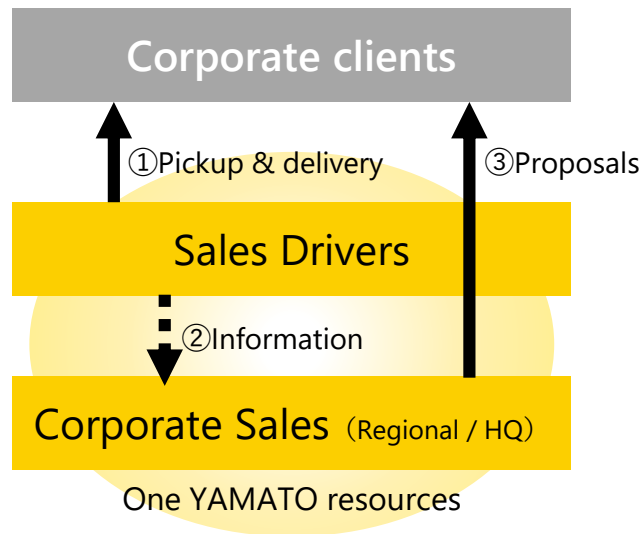
Gradual progress in value provision through “TA-Q-BIN + α ” in the base domain (Area Customers) → Based on findings and insights from Sales Drivers, Corporate Sales team promotes proposal sales



➤ Area Customers

- Thoroughly utilize corporate sales framework, through the collaboration between Sales Drivers and regional office / HQ, to raise the level of sales activities in each region

Approx. 40% of 1st half revenue
 (+2% YoY)
 1Q : +1.1%
 2Q : +2.7%



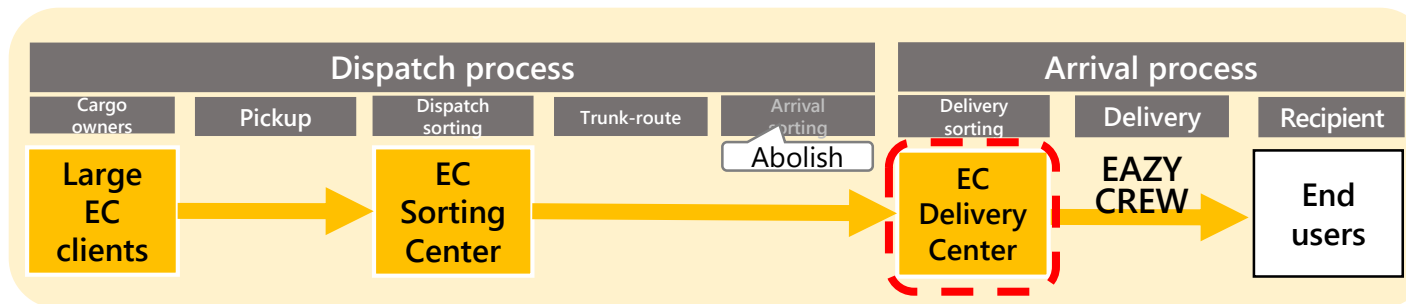
- ① Sales Driver visits customer for pickup/delivery
- ② Sharing information captured through visit
- ③ Corporate Sales team promptly approaches customer based on the information, and proposes “TA-Q-BIN + α ” addressing the customer’s issue/challenge

5. Structural reforms of network operations ①

Making steady progress in establishment of EC logistics network that addresses growing demand, and consolidating & enlarging facilities in the existing network

➤ Deployment of EC Delivery Centers (total of 7 facilities)

- 2 additional facilities began operations in 2nd quarter

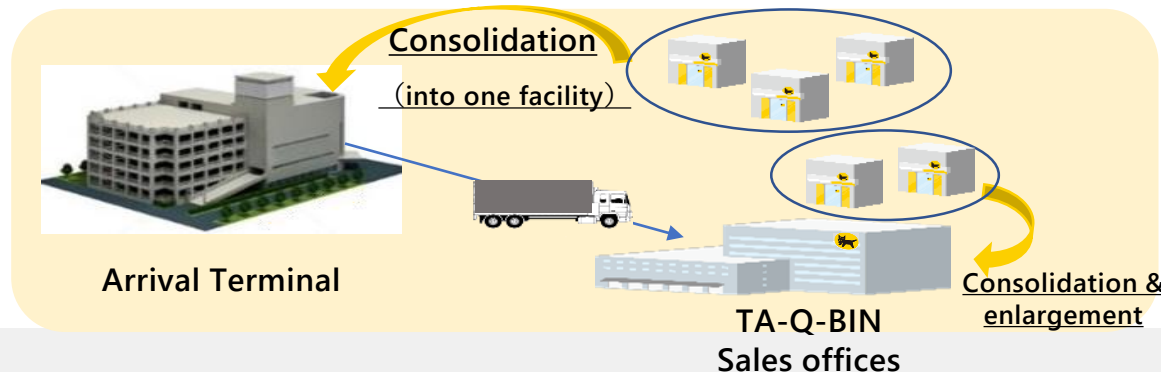


【Objective of EC logistics network】

- Capture growing EC demand (flexible capacity)
- Simplified operation process (lower operating cost)
- Alliance with external partners (Asset-light)

➤ Consolidation and enlargement of facilities

- Made preparations to start operation of enlarged and consolidated facilities
- Progress made in consolidation of TA-Q-BIN Sales offices



【Consolidated and enlarged facilities*】

*Signed contracts for 3 properties (as of end of Sep. 2022)

- Shizuoka: Consolidation of TA-Q-BIN Sales office and Terminal
- Fukuoka: Re-defined Terminal functions
- Tokyo: Cool TA-Q-BIN facility

【No. of TA-Q-BIN Sales offices】

3,416 as of end of Sep. 2022 (reduction of 85 facilities from the end of Mar. 2022)

6. Structural reforms of network operations ②

Promoted measures to optimize existing network, such as by reviewing scope of operations of Yamato and external partners in “Intra-region transportation” and “Operations in Terminals”

➤ “Trunk-route transportation”

- Making better use of resources depending on workload in “Trunk-route transportation* “. Will strengthen alliance with external partners to prepare for future business environment etc.

*Existing Terminal(Dispatch / Arrival) ⇔ Existing Terminal(Dispatch / Arrival) / EC Sorting Center(Dispatch) ⇒ Existing Terminal(Arrival)

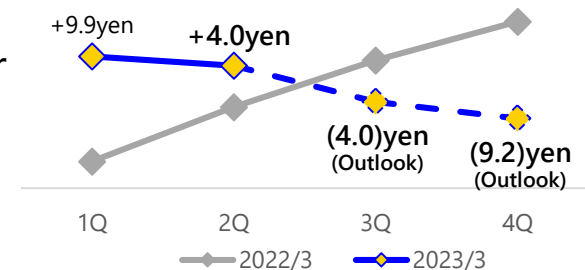
➤ “Intra-region transportation” and “Operations in Terminals”

- For “Intra-region transportation*“, improving productivity through optimal allocation and effective use (transportation + pick-up/delivery) of Yamato’s resources , and enhancing the precision of external resource usage based on workload

*Existing Terminal(Dispatch / Arrival) ⇔ TA-Q-BIN Sales offices(Dispatch / Arrival)/ EC Sorting Center(Dispatch) ⇒ EC Delivery Center(Arrival)/ Large-lot pickup

- For “Operations in Terminals”, promoting the standardization of the work process, and outsourcing at appropriate pricing, and seeking further optimization by fundamentally reviewing (redefining) the scope of operations of Yamato and external partners in each Terminal

【Quarterly trends of outsourcing expenses for sorting and transportation (per parcel)】



【Headcount】

1st half actual (Sep. end 2022)	214,444 (2,429 decline from end of previous period)
Full-year outlook (Mar. end 2023)	210,700 (3,900 decline from previous forecast: 900 full-time, 3,000 part-time)

7. Capital expenditure (progress and outlook)

- Utilize multi-tenant facilities for TA-Q-BIN Sales offices and consolidated & enlarged Terminals (lease contracts)
- For material handling (sorting equipment) in Terminals, introduce simple unit-type equipment → Less investment needed compared to initial expectation (heavy automatic sorting machines), and shorten time before starting to operate Terminals
- Assess nature of digital investments, and select projects that directly lead to profit generation

(Billions of Yen)	Fiscal Year ended March 31,2022 1st half Actual	Fiscal Year ending March 31,2023 1st half Actual	YoY Change	Fiscal Year ending March 31,2023 May 2022 Forecast	Fiscal Year ending March 31,2023 New Forecast	Forecast Change
Vehicles	6.5	3.5	(2.9)	15.0	12.0	(3.0)
Offices/buildings and accompanying facilities	6.3	10.2	+ 3.8	30.0	19.0	(11.0)
Automatic sorting equipment etc.	2.7	1.0	(1.6)	10.0	6.0	(4.0)
Other hardware, office equipment, etc	2.7	2.1	(0.5)	10.0	8.0	(2.0)
Digital investments	12.6	6.7	(5.8)	35.0	25.0	(10.0)
Increasing value provided to customers	3.6	2.3	(1.3)	12.0	8.0	(4.0)
Improved efficiency of transportation and delivery operations	3.3	3.4	1.0	17.0	13.0	(4.0)
Digital infrastructure construction and development	5.5	0.8	(4.7)	4.0	3.0	(1.0)
Others	0.2	0.2	0.0	2.0	1.0	(1.0)
Total	31.0	23.7	(7.2)	100.0	70.0	(30.0)


8. Consolidated earnings forecast (key metrics)

- Revised consolidated earnings forecast, based on 1st half performance, current business environment and demand trends, the rise in external costs, etc.
- Revision of volume outlook: Focus on optimal allocation of resources based on a declined workload forecast, and solidify “Base of profit growth” during the peak season of Nov.-Dec. and the bottom season of Jan.-Mar. by accelerating structural reform initiatives both revenues as well as expenses

(Billions of Yen)	Fiscal Year ended March 31, 2022 Actual	Fiscal Year ending March 31, 2023 Forecast	Forecast Change		YoY Change		YoY Change (*1)	
			Amount	[%]	Amount	[%]	Amount	[%]
			Operating revenue	1,793.6	1,835.0	+ 15.0	+ 0.8	+ 41.3
Operating expenses	1,716.4	1,760.0	+ 31.0	+ 1.8	+ 43.5	+ 2.5	+ 74.2	+ 4.4
Operating profit	77.1	75.0	(16.0)	(17.6)	(2.1)	(2.8)	(1.7)	(2.3)
Profit margin [%]	4.3	4.1	(0.9)	-	(0.2)	-	(0.3)	-
Ordinary profit	84.3	72.0	(19.0)	(20.9)	(12.3)	(14.6)	(11.7)	(14.0)
Profit attributable to owners of Parent	55.9	45.0	(12.0)	(21.1)	(10.9)	(19.6)	(12.2)	(21.4)
ROE [%]	9.6	7.5	(1.9)	-	(2.1)	-		

*1 Excluding the impact of removing Yamato Home Convenience Co., Ltd. from scope of consolidation

Overview of Consolidated Results for the 2nd Quarter of Fiscal Year Ending March 2023



9. Operating Results in the 1st half of the Fiscal Year Ending March 31, 2023

(Billions of Yen)	Fiscal Year ended March 31, 2022 1st Half Actual	Fiscal Year ending March 31, 2023 1st Half Actual	YoY Change		YoY Change(*1)	
			Amount	[%]	Amount	[%]
			Operating revenue	865.4	883.7	+18.2
Operating profit	31.6	18.0	(13.6)	(43.0)	(15.1)	(45.6)
Profit margin [%]	3.7	2.0	(1.6)	-	(1.9)	-
Ordinary profit	36.9	18.2	(18.6)	(50.5)	(19.9)	(52.2)
Profit margin [%]	4.3	2.1	(2.2)	-	(2.4)	-
Profit attributable to owners of Parent	14.6	10.3	(4.2)	(29.2)	(6.5)	(38.6)
Profit margin [%]	1.7	1.2	(0.5)	-	(0.8)	-

*1 Excluding the impact of removing Yamato Home Convenience Co., Ltd. from scope of consolidation

10. Summary of Consolidated Operating Revenue (1st half of FY2023/3)

(Millions of Yen)	Fiscal Year ended March 31, 2022 1st Half Actual	Fiscal Year ending March 31, 2023 1st Half Actual	YoY Change		YoY Change (*1)	
			Amount	[%]	Amount	[%]
			Retail Business Unit	429,379	437,653	+ 8,274
Transportation income	543,076	567,698	+ 24,621	+ 4.5	+ 24,621	+ 4.5
Logistical support income	3,091	1,394	(1,697)	(54.9)	(1,697)	(54.9)
Others	13,989	13,518	(470)	(3.4)	(470)	(3.4)
Eliminations	(130,778)	(144,957)	(14,179)	—	(14,179)	—
Corporate Business Unit	392,158	416,363	+ 24,204	+ 6.2	+ 24,204	+ 6.2
Transportation income	291,726	299,212	+ 7,485	+ 2.6	+ 7,485	+ 2.6
Logistical support income	117,930	133,795	+ 15,865	+ 13.5	+ 15,865	+ 13.5
Logistics	61,344	65,450	+ 4,105	+ 6.7	+ 4,105	+ 6.7
International logistics	34,614	46,838	+ 12,224	+ 35.3	+ 12,224	+ 35.3
Others	21,971	21,506	(464)	(2.1)	(464)	(2.1)
Others	15,914	16,629	+ 714	+ 4.5	+ 714	+ 4.5
Eliminations	(33,413)	(33,275)	+ 138	—	+ 138	—
Other	43,932	29,738	(14,193)	(32.3)	+ 2,196	+ 8.0
Transportation income	24,158	12,152	(12,005)	(49.7)	+ 978	+ 8.8
Others	91,508	77,488	(14,019)	(15.3)	(8,594)	(10.0)
Eliminations	(71,734)	(59,902)	+ 11,832	—	+ 9,813	—
Total	865,470	883,755	+ 18,285	+ 2.1	+ 34,675	+ 4.1

*1 Excluding the impact of removing Yamato Home Convenience Co., Ltd. from scope of consolidation

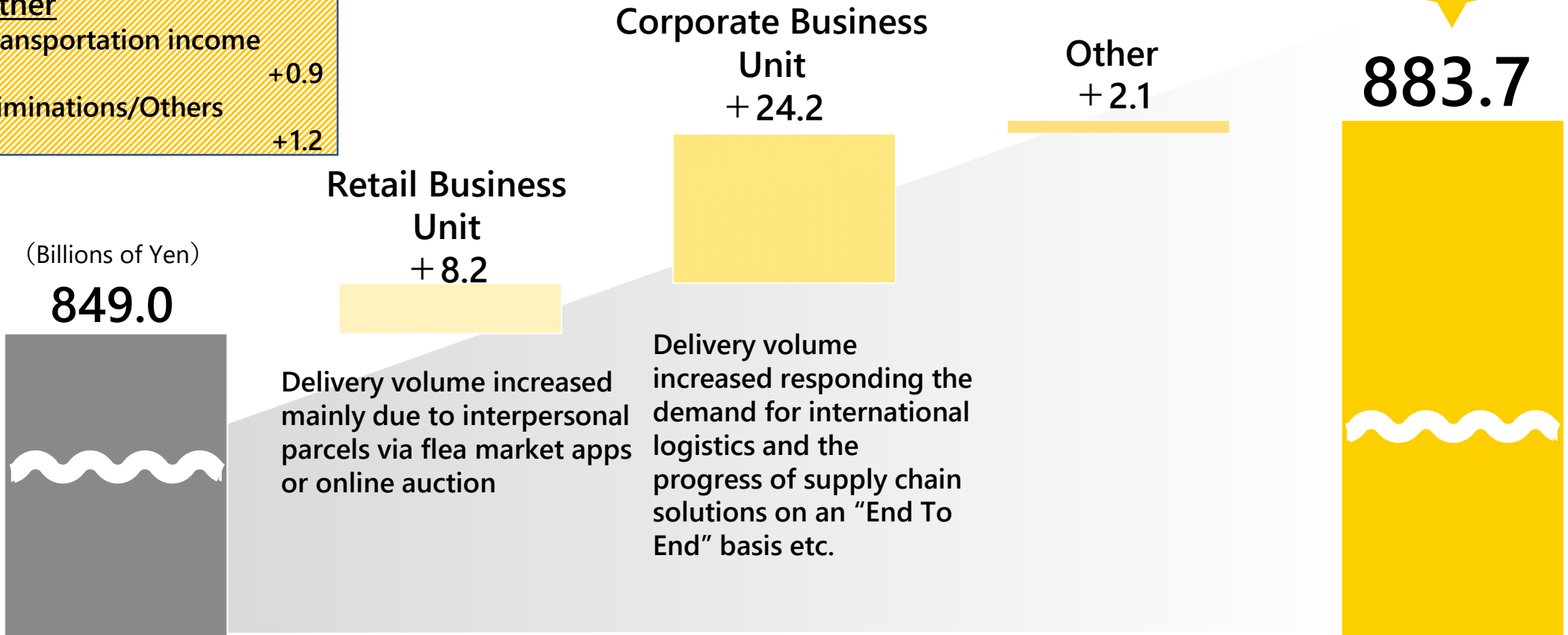
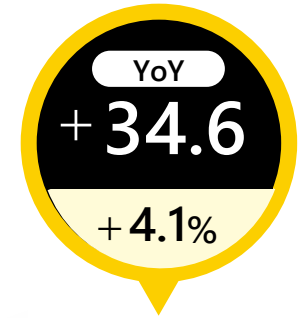
11. YoY Analysis of Consolidated Operating Revenue (1st half of FY2023/3)

*Excluding the impact of removing Yamato Home Convenience Co., Ltd. from scope of consolidation

Retail Business Unit	
Transportation income	+24.6
Logistical support income	(1.6)
Eliminations/Others	(14.6)

Corporate Business Unit	
Transportation income	+7.4
Logistical support income	+15.8
Logistics	+4.1
International logistics	+12.2
Other	(0.4)
Eliminations/Others	+0.8

Other	
Transportation income	+0.9
Eliminations/Others	+1.2



1st half
2022/3
Operating
Revenue

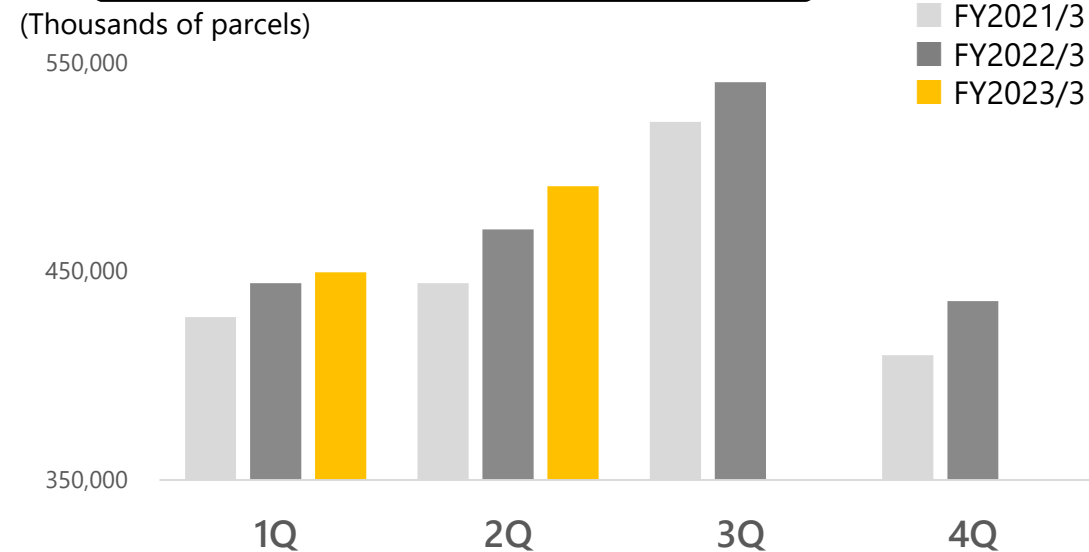
1st half
2023/3
Operating
Revenue

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

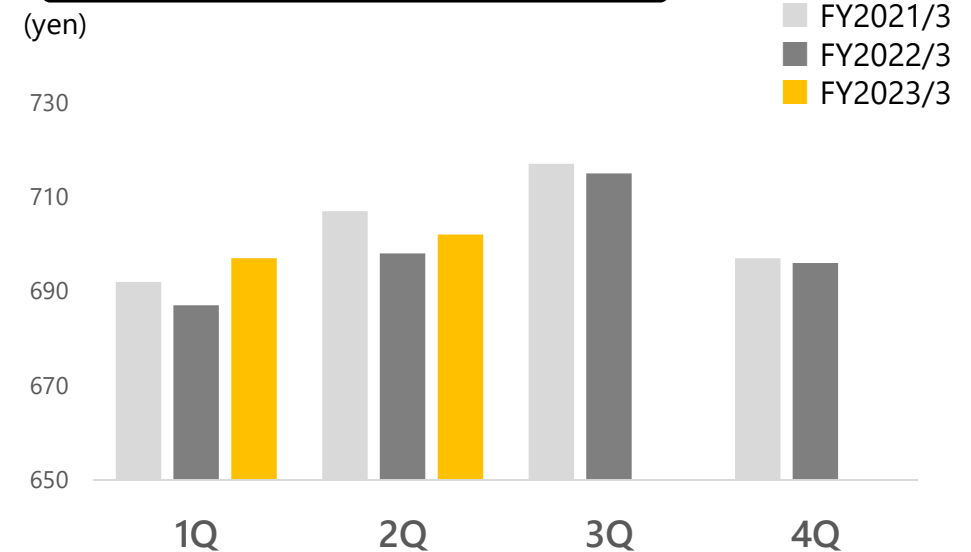
(2nd Quarter July – September)

	FY2021/3				FY2022/3				FY2023/3	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Delivery Volume (Thousands)	428,032	444,213	521,607	409,822	444,328	470,100	540,567	435,687	449,504	490,766
YoY(%)	+13.4	+6.2	+11.7	+12.3	+3.8	+5.8	+3.6	+6.3	+1.2	+4.4
Unit-price (Yen)	692	707	717	697	687	698	715	696	697	702
YoY(%)	(3.8)	(2.6)	(2.6)	(3.2)	(0.7)	(1.3)	(0.3)	(0.1)	+1.5	+0.6

Delivery volume trend by Quarter



Unit price trend by Quarter



* Since the fiscal year ended March 2022, the aggregation method has been changed due to the transfer of customers between segments. However, as the effect is minor, the data before the fiscal year ended March 2021 has not been reclassified.

Delivery volume trend (YoY) by Segment (2Q: July–Sep.)

Retail Business Unit : +1.1%
Corporate Business Unit : +7.7%

Unit price trend (YoY) by Segment (2Q: July–Sep.)

Retail Business Unit : +1.9%
Corporate Business Unit : 0.0%

13. Summary of Consolidated Operating Expenses (1st half)

(Millions of Yen)	Fiscal Year ended March 31, 2022 1st Half Actual (*1)	Fiscal Year ending March 31, 2023 1st Half Actual	YoY Change		YoY Change (*2)	
			Amount	[%]	Amount	[%]
Operating revenue	865,470	883,755	+ 18,285	+ 2.1	+ 34,675	+ 4.1
Subcontracting expenses	304,765	324,955	+ 20,190	+ 6.6	+ 26,257	+ 8.8
Commission expenses	151,282	171,878	+ 20,595	+ 13.6	+ 23,399	+ 15.8
Delivery commission	42,691	46,174	+ 3,483	+ 8.2	+ 3,483	+ 8.2
Operating outsource	16,842	17,785	+ 943	+ 5.6	+ 943	+ 5.6
Other commission expenses	91,749	107,919	+ 16,170	+ 17.6	+ 18,973	+ 21.3
EC Logistics network	5,406	22,070	+ 16,664	+ 308.3	+ 16,664	+ 308.3
Other	86,343	85,849	(494)	(0.6)	+ 2,309	+ 2.8
Vehicle hiring expenses	106,454	102,278	(4,176)	(3.9)	(2,113)	(2.0)
Other subcontracting expenses	47,027	50,799	+ 3,771	+ 8.0	+ 4,971	+ 10.8
Personnel expenses	435,039	433,349	(1,689)	(0.4)	+ 7,919	+ 1.9
Employee salary	294,429	292,511	(1,917)	(0.7)	+ 4,736	+ 1.6
Legal welfare expenses	54,732	53,080	(1,651)	(3.0)	(418)	(0.8)
Retirement benefit expenses	8,224	12,299	+ 4,074	+ 49.5	+ 4,198	+ 51.8
Bonus/Other personnel expenses	77,652	75,457	(2,195)	(2.8)	(596)	(0.8)
Vehicle expenses	25,447	26,548	+ 1,101	+ 4.3	+ 1,458	+ 5.8
Fuel expenses	12,447	13,706	+ 1,259	+ 10.1	+ 1,481	+ 12.1
Other operating expenses	176,890	177,066	+ 175	+ 0.1	+ 4,386	+ 2.5
Depreciation	16,855	20,629	+ 3,773	+ 22.4	+ 3,978	+ 23.9
System expenses	26,289	26,550	+ 261	+ 1.0	+ 554	+ 2.1
Other	133,745	129,886	(3,858)	(2.9)	(146)	(0.1)
Facilities expenses	39,755	40,757	+ 1,001	+ 2.5	+ 2,517	+ 6.6
Other	93,990	89,129	(4,860)	(5.2)	(2,663)	(2.9)
Total	942,141	961,920	+ 19,778	+ 2.1	+ 40,022	+ 4.3
Eliminations	(108,362)	(96,214)	+ 12,147	-	+ 9,761	-
Operating expenses	833,779	865,706	+ 31,926	+ 3.8	+ 49,784	+ 6.1
Operating profit	31,690	18,048	(13,641)	(43.0)	(15,108)	(45.6)

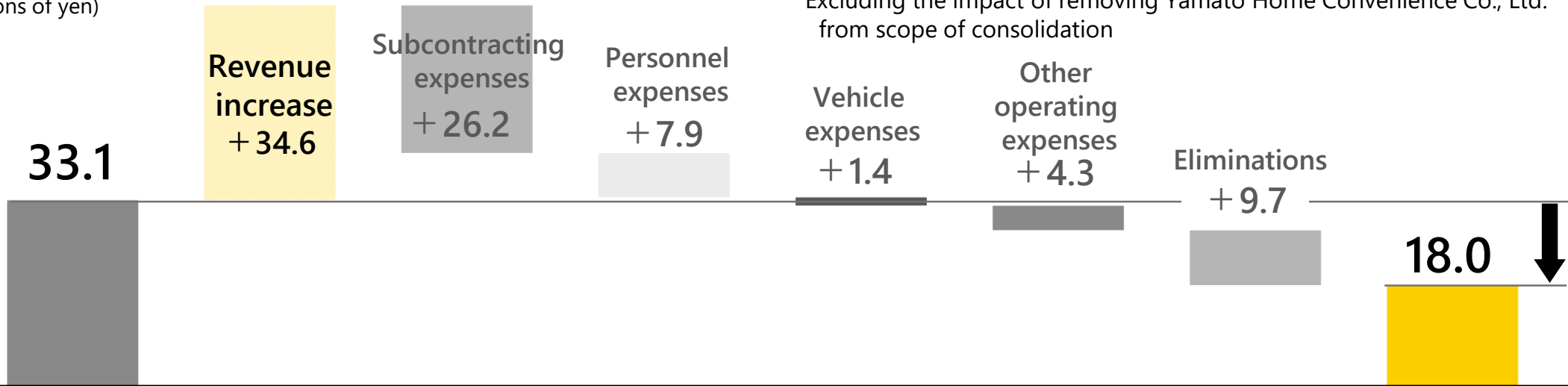
*1 From the fiscal year ending March 31, 2023, internal transactions between Yamato Transport Co., Ltd. and the former group companies that were integrated into Yamato Transport Co., Ltd. in the fiscal year ended March 31, 2022, have been reclassified. Figures for the fiscal year ended March 2022 have been revised to reflect this.

*2 Excluding the impact of removing Yamato Home Convenience Co., Ltd. from scope of consolidation.

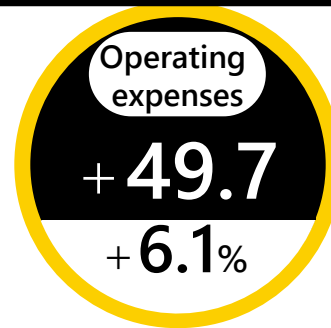
14. YoY Analysis of Consolidated Operating Expenses (1st half)

(Billions of yen)

* Excluding the impact of removing Yamato Home Convenience Co., Ltd. from scope of consolidation



1st half 2021/3
Operating profit
Actual



1st half 2022/3
Operating profit
Actual

Subcontracting expenses

Commission expenses	+23.3
Delivery commission	+3.4
Operating outsource	+0.9
Other	+18.9
Vehicle hiring expenses	(2.1)
Other subcontracting expenses	+4.9

Personnel expenses

Employee salary	+4.7
Legal welfare expenses	(0.4)
Retirement benefit Expenses	+4.1
Bonus/Other personnel expenses	(0.5)

Vehicle expenses

Fuel expenses	+1.4
Vehicle repair expenses	(0.0)

Other operating expenses

Depreciation	+3.9
System expenses	+0.5
Facilities expenses	+2.5

15. Summary of Consolidated Operating Expenses (2nd Quarter July – September)

(Millions of Yen)	Fiscal Year ended March 31, 2022 2nd Quarter Actual (*1)	Fiscal Year ending March 31, 2023 2nd Quarter Actual	YoY Change		YoY Change (*2)	
			Amount	[%]	Amount	[%]
			Operating revenue	445,628	459,596	+ 13,967
Subcontracting expenses	156,543	167,937	+ 11,393	+ 7.3	+ 14,556	+9.5
Commission expenses	78,866	89,782	+ 10,915	+ 13.8	+ 12,399	+16.0
Delivery commission	21,171	24,151	+ 2,980	+ 14.1	+ 2,980	+14.1
Operating outsource	8,763	9,036	+ 273	+ 3.1	+ 273	+3.1
Other commission expenses	48,933	56,595	+ 7,662	+ 15.7	+ 9,146	+19.3
EC Logistics network	4,315	12,031	+ 7,716	+ 178.8	+ 7,716	+178.8
Other	44,618	44,564	(54)	(0.1)	+ 1,430	+3.3
Vehicle hiring expenses	54,110	51,921	(2,188)	(4.0)	(1,107)	(2.1)
Other subcontracting expenses	23,566	26,232	+ 2,666	+ 11.3	+ 3,264	+14.2
Personnel expenses	221,220	221,326	+ 106	+ 0.0	+ 5,130	+2.4
Employee salary	148,810	148,021	(788)	(0.5)	+ 2,643	+1.8
Legal welfare expenses	27,852	27,596	(255)	(0.9)	+ 369	+1.4
Retirement benefit expenses	4,259	6,230	+ 1,970	+ 46.3	+ 2,036	+48.6
Bonus/Other personnel expenses	40,297	39,478	(819)	(2.0)	+ 79	+0.2
Vehicle expenses	13,138	13,824	+ 686	+ 5.2	+ 866	+6.7
Fuel expenses	6,800	7,470	+ 670	+ 9.9	+ 783	+11.7
Other operating expenses	91,053	90,141	(912)	(1.0)	+ 1,407	+1.6
Depreciation	8,468	10,472	+ 2,004	+ 23.7	+ 2,106	+25.2
System expenses	13,259	13,318	+ 59	+ 0.4	+ 205	+1.6
Other	69,325	66,349	(2,975)	(4.3)	(905)	(1.3)
Facilities expenses	20,424	20,546	+ 122	+ 0.6	+ 1,121	+5.8
Other	48,901	45,803	(3,097)	(6.3)	(2,027)	(4.2)
Total	481,955	493,229	+ 11,273	+ 2.3	+ 21,960	+4.7
Eliminations	(55,283)	(49,265)	+ 6,017	-	+ 4,947	-
Operating expenses	426,672	443,963	+ 17,291	+ 4.1	+ 26,908	+6.5
Operating profit	18,956	15,632	(3,324)	(17.5)	(4,304)	(21.6)

*1 From the fiscal year ending 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.

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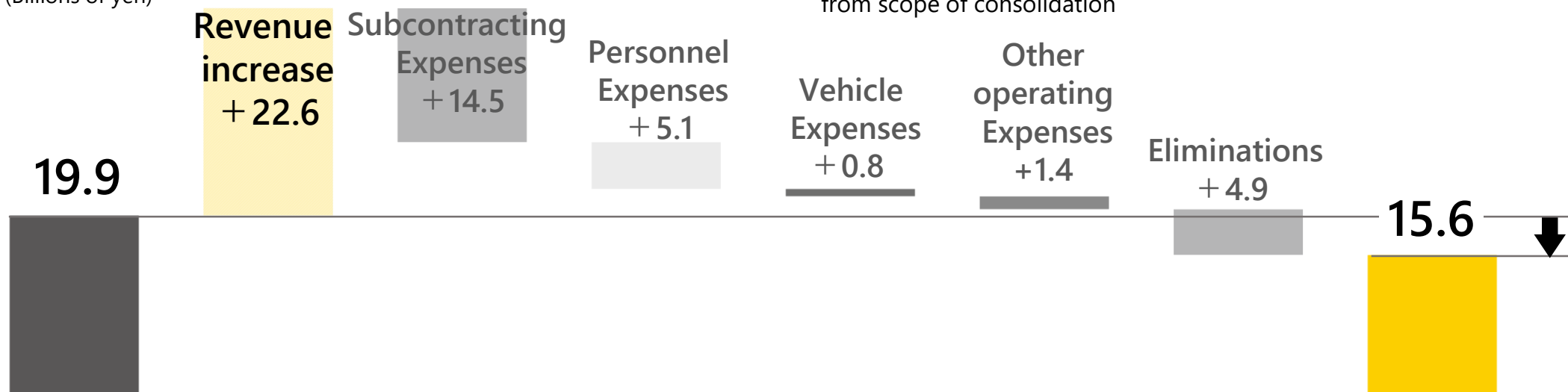
16. YoY Analysis of Consolidated Operating Expenses

(2nd Quarter July – September)

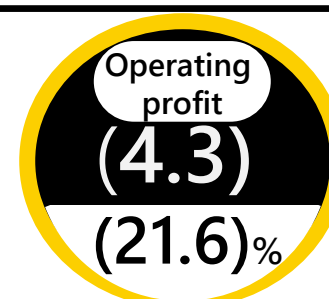
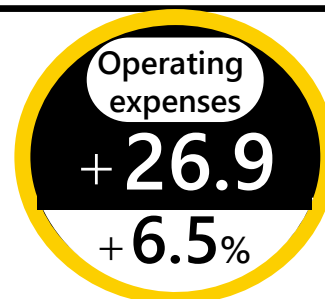


(Billions of yen)

* Excluding the impact of removing Yamato Home Convenience Co., Ltd. from scope of consolidation



2nd Quarter
(July – September)
2022/3
Operating profit
Actual



2nd Quarter
(July – September)
2023/3
Operating profit
Actual

Subcontracting expenses

Commission expenses	+12.3
Delivery commission	+2.9
Operating outsource	+0.2
Other	+9.1
Vehicle hiring expenses	(1.1)
Other subcontracting Expenses	+3.2

Personnel expenses

Employee salary	+2.6
Legal welfare expenses	+0.3
Retirement benefit Expenses	+2.0
Bonus/Other personnel expenses	+0.0

Vehicle expenses

Fuel expenses	+0.7
Vehicle repair expenses	+0.0

Other operating expenses

Depreciation	+2.1
System expenses	+0.2
Facilities expenses	+1.1

17. Consolidated Operating Results Forecast for the Fiscal Year Ending March 2023

(Millions of Yen)	Fiscal Year ended March 31, 2022 Actual	Fiscal Year ending March 31, 2023 August 2022 Forecast	Fiscal Year ending March 31, 2023 New Forecast	Forecast Change		YoY Change		YoY Change (*1)	
				Amount	[%]	Amount	[%]	Amount	[%]
				Operating revenue	1,793,618	1,820,000	1,835,000	+ 15,000	+ 0.8
Operating profit	77,199	91,000	75,000	(16,000)	(17.6)	(2,199)	(2.8)	(1,770)	(2.3)
[Profit margin]	4.3	5.0	4.1	(0.9)	-	(0.2)	-	(0.3)	-
Ordinary profit	84,330	91,000	72,000	(19,000)	(20.9)	(12,330)	(14.6)	(11,729)	(14.0)
Profit attributable to owners of Parent	55,956	57,000	45,000	(12,000)	(21.1)	(10,956)	(19.6)	(12,236)	(21.4)

Volume (Thousands of Units)	TA-Q-BIN/ TA-Q-BIN Compact/EAZY	1,890,682	2,001,000	1,940,800	(60,200)	(3.0)	+ 50,117	+ 2.7
	EAZY	464,860	499,000	499,500	+ 500	+ 0.1	+ 34,639	+ 7.5
	Nekopos	384,941	415,000	424,300	+ 9,300	+ 2.2	+ 39,358	+ 10.2
	Kuroneko DM-Bin	824,383	739,000	804,300	+ 65,300	+ 8.8	(20,083)	(2.4)
Unit Price (Yen)	TA-Q-BIN/ TA-Q-BIN Compact/EAZY	700	700	706	+ 6	+ 0.9	+ 6	+ 0.9
	Nekopos	190	190	189	(1)	(0.5)	(1)	(0.5)
	Kuroneko DM-Bin	67	68	67	(1)	(1.5)	0	0.0

※1 Excluding the impact of removing Yamato Home Convenience Co., Ltd. from scope of consolidation

18. Consolidated Operating Results Forecast for the Fiscal Year Ending March 2023 (Breakdown of Operating Expenses and others)

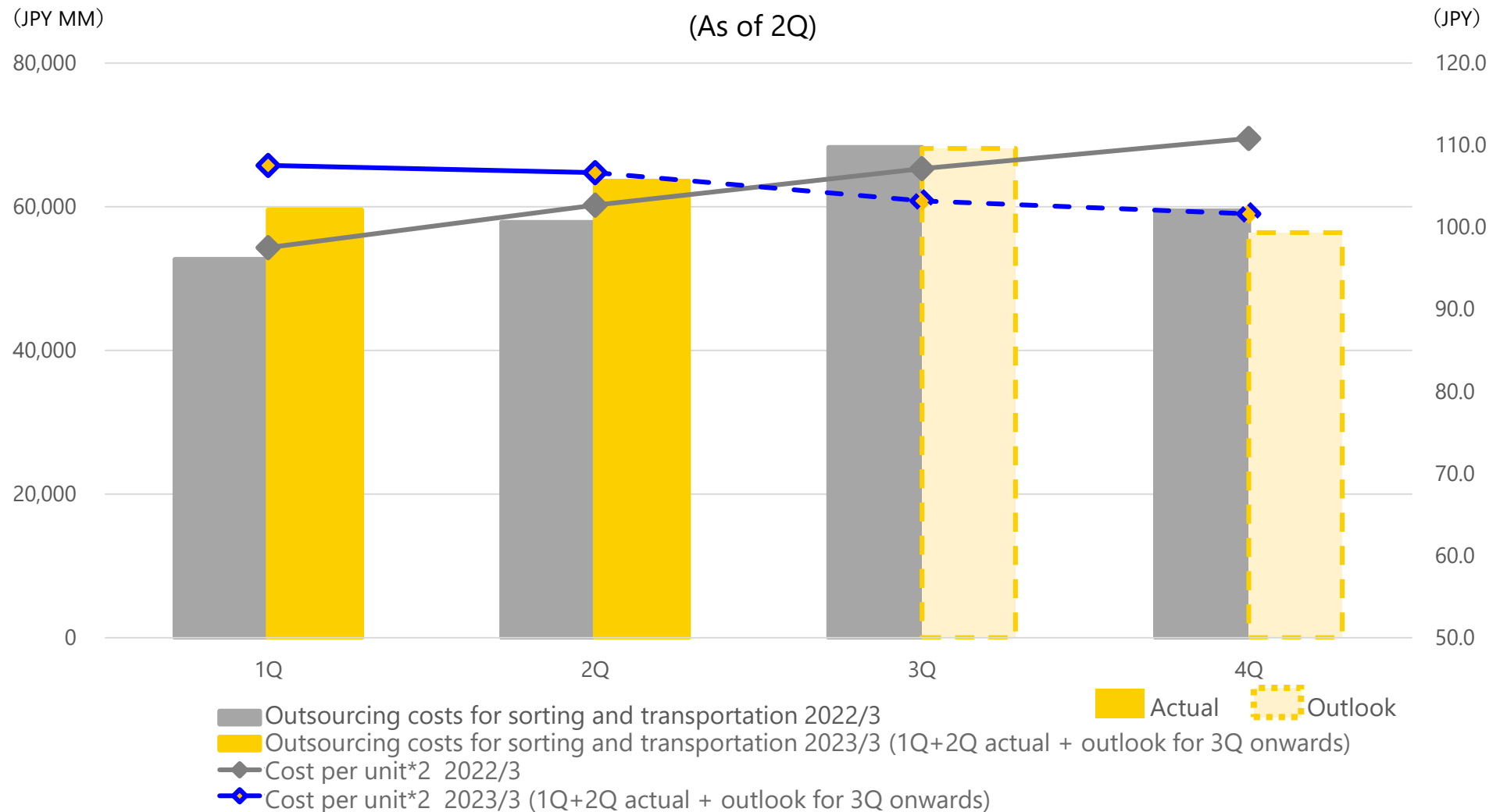
(Millions of Yen)	Fiscal Year ended March 31, 2022 Actual (*1)	Fiscal Year ending March 31, 2023 August 2022 Forecast	Fiscal Year ending March 31, 2023 New Forecast	Forecast Change		YoY Change		YoY Change (*2)	
				Amount	[%]	Amount	[%]	Amount	[%]
Operating revenue	1,793,618	1,820,000	1,835,000	+ 15,000	+ 0.8	+ 41,381	+ 2.3	+ 72,431	+ 4.1
Subcontracting expenses	642,171	643,000	661,100	+ 18,100	+ 2.8	+ 18,928	+ 2.9	+ 29,734	+ 4.7
Commission expenses	328,287	337,000	353,400	+ 16,400	+ 4.9	+ 25,112	+ 7.6	+ 30,761	+ 9.5
Delivery commission	88,872	89,000	94,000	+ 5,000	+ 5.6	+ 5,128	+ 5.8	+ 5,128	+ 5.8
Operating outsource	37,019	34,000	36,600	+ 2,600	+ 7.6	(419)	(1.1)	(419)	(1.1)
Other commission expenses	202,396	214,000	222,800	+ 8,800	+ 4.1	+ 20,404	+ 10.1	+ 26,052	+ 13.2
EC Logistics network	25,750	40,000	44,400	+ 4,400	+ 11.0	+ 18,650	+ 72.4	+ 18,650	+ 72.4
Other	176,646	174,000	178,400	+ 4,400	+ 2.5	+ 1,754	+ 1.0	+ 7,402	+ 4.3
Vehicle hiring expenses	213,653	202,000	204,500	+ 2,500	+ 1.2	(9,153)	(4.3)	(5,219)	(2.5)
Other subcontracting expenses	100,231	104,000	103,200	(800)	(0.8)	+ 2,968	+ 3.0	+ 4,191	+ 4.2
Personnel expenses	872,128	870,000	868,700	(1,300)	(0.1)	(3,428)	(0.4)	+ 13,702	+ 1.6
Employee salary	593,430	589,000	587,500	(1,500)	(0.3)	(5,930)	(1.0)	+ 5,876	+ 1.0
Legal welfare expenses	109,246	110,000	108,300	(1,700)	(1.5)	(946)	(0.9)	+ 1,328	+ 1.2
Retirement benefit expenses	19,953	25,000	25,000	0	0.0	+ 5,046	+ 25.3	+ 5,318	+ 27.0
Bonus/Other personnel expenses	149,498	146,000	147,900	+ 1,900	+ 1.3	(1,598)	(1.1)	+ 1,178	+ 0.8
Vehicle expenses	49,587	51,000	51,000	0	0.0	+ 1,412	+ 2.8	+ 2,135	+ 4.4
Fuel expenses	25,091	27,000	26,800	(200)	(0.7)	+ 1,708	+ 6.8	+ 2,143	+ 8.7
Other operating expenses	363,288	378,000	370,100	(7,900)	(2.1)	+ 6,811	+ 1.9	+ 14,632	+ 4.1
Depreciation	35,524	45,000	43,500	(1,500)	(3.3)	+ 7,975	+ 22.5	+ 8,292	+ 23.6
System expenses	55,011	63,000	57,500	(5,500)	(8.7)	+ 2,488	+ 4.5	+ 3,092	+ 5.7
Other	272,752	270,000	269,100	(900)	(0.3)	(3,652)	(1.3)	+ 3,247	+ 1.2
Facilities expenses	81,515	83,000	83,000	0	0.0	+ 1,484	+ 1.8	+ 3,979	+ 5.0
Other	191,237	187,000	186,100	(900)	(0.5)	(5,137)	(2.7)	(732)	(0.4)
Total	1,927,175	1,942,000	1,950,900	+ 8,900	+ 0.5	+ 23,724	+ 1.2	+ 60,205	+ 3.2
Eliminations	(210,757)	(213,000)	(190,900)	+ 22,100	-	+ 19,857	-	+ 13,996	-
Operating expenses	1,716,418	1,729,000	1,760,000	+ 31,000	+ 1.8	+ 43,581	+ 2.5	+ 74,201	+ 4.4
Operating profit	77,199	91,000	75,000	(16,000)	(17.6)	(2,199)	(2.8)	(1,770)	(2.3)
Total number of employees (Persons) (*3)	216,873	214,600	210,700	(3,900)	(1.8)	(6,173)	(2.8)		
Full-time	94,473	94,700	93,800	(900)	(1.0)	(673)	(0.7)		
Part-time	122,400	119,900	116,900	(3,000)	(2.5)	(5,500)	(4.5)		
Capital expenditure (Millions of Yen)	73,271	100,000	70,000	(30,000)	(30.0)	(3,271)	(4.5)		

*1 From the fiscal year ending 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.

*2 Excluding the impact of removing Yamato Home Convenience Co., Ltd. from scope of consolidation

*3 The number of employees exclude employees of Yamato Home Convenience Co., Ltd.

Outlook for outsourcing costs for sorting and transportation*1



*1 Calculated sorting and transportation expenses for Yamato Transport's TA-Q-BIN operations, out of the total labor outsourcing, other outsourcing and vehicle hire expenses

*2 Outsourcing costs for sorting and transportation / TA-Q-BIN volume handled (incl. Nekopos)

As Lead Logistics Partner that achieves the sustainable growth of corporate clients, Yamato Group is supporting supply chain innovation and optimization of logistics operation globally, contributing to better management for clients

→ By innovating the overall supply chain and optimizing logistics and inventory control, Michelin and Yamato will collaborate and aim to lower total logistics cost, enhance Michelin's value proposition to its customers, and realize sustainable and environment-friendly logistics by visualizing and reducing GHG emissions

※ Sep. 2022 : Begin partial operations
Jan. 2023 : Full-fledged operations (plan)

【Achievements expected with Yamato managing the entire logistics structure of Michelin】

➤ Consolidate the approx. 20 warehouses into 5, and visualize & optimize inventory control in each facility

Resolve the uneven distribution of inventory, and reduce transportation between facilities, while making use of the middle-mile network for corporate clients etc. to achieve shorter and more stable delivery lead times and lower GHG emissions (Michelin's Scope 3 emissions)

➤ Use Warehouse Management System to track the production year of all tires in the inventory, thereby minimizing waste loss

By managing the production year of each and every tire in the inventory, and shipping out tires that are closer to the expiration date first, minimize waste loss due to expiration (lower the environmental burden)

➤ Track orders using the Transport Management System

Visualize the delivery status of each client's order, and provide prompt responses through the Michelin Call Center, as well as merge (bundle) separate products in the transportation process at Yamato Group's facilities and on its Transportation and Delivery network, thereby enhancing the value proposition to Michelin's customers

→ The scope of the project will be expanded to the more up-stream parts of the supply chain, not only in Japan but globally, thereby supporting the optimization of Michelin's logistics and inventory control, including production management and shipment coordination overseas



Under its corporate vision of "100% Sustainable", Michelin values People, Profit & the Planet, and has committed to manufacture tires with 100% sustainable materials by 2050. Michelin is working on decarbonization initiatives globally, including promoting the use of sailing cargo ships on the Atlantic, plantation of natural rubber in Southeast Asia, and the optimization of forest preservation management.

Supply Chain Solutions for the food product industry

Utilize facilities that integrate the TA-Q-BIN sorting terminal with 3-temperature zone control functions (regular, chilled and frozen), thereby establishing a distribution scheme for DtoC, where demand is growing, and optimizing the supply chain

MOS FOOD SERVICES, INC.

With the launch of its direct sales site, establish a new distribution scheme for individual customers using its existing store delivery network

- ✓ By utilizing logistics facilities that integrate the sorting terminal with 3-temperature zone control functions, realize the offering of a wide range of merchandise
- ✓ Minimize inventory dispersion with the main warehouse of MOS FOOD SERVICES
- ✓ Use the Digital Assort System etc. to ship various food products together in a short time

YOSHINOYA CO.,LTD.

Expand shipment capacity, by integrating and optimizing the traditional supply chain for direct sales and wholesale

- ✓ Expand shipment capacity by consolidating operations from the storage of merchandise to shipment and improving operational efficiency
- ✓ Reduce GHG emissions from the entire supply chain, as well as the loss of excess food and materials

Kewpie Corporation

With the launch of its direct sales site for food products, establish a distribution scheme to deliver original products and salads while fresh

- ✓ By only introducing functions necessary for launching the direct sales site, fasten the process while minimizing investment to establish the distribution scheme
- ✓ Shorten lead time from production to delivery, make possible a diverse offering of merchandise, while minimizing food loss of short expiry products



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