Settlement of Accounts Meeting for the First Half of Fiscal Year Ending March 31, 2013

November 1, 2012

YAMATO HOLDINGS CO., LTD.

I am Makoto Kigawa, Representative Director and President of Yamato Holdings Co., Ltd.

Thank you for attending today's settlement of accounts meeting.

I will now provide an explanation in line with the presentation material.

1. Overview of Operating Results(1)

YAMATO HOLDINGS CO., LTD.

1st Half FY2013 Results Main Points

1. **Revenue increased by ¥3.7 billion YoY and income decreased by ¥4.6 billion YoY.**
2. **Major reasons for the above were that increased expenses could not be covered because Kuroneko Mail delivery volume declined due to stricter polices on parcel acceptance and TA-Q-BIN delivery volume decreased .**
3. **As per Oct. 18 news release, full-year forecasts announced initially remain unchanged except for net income.**

Delivery Business

- **In 1st Half FY2013, TA-Q-BIN delivery volume was strong in market for large-lot corporate clients but weak in the retail market. The unit price is falling due to the above changing freight product mix. This price trend continues in a stable manner.**

  (Reference-YoY) Delivery volume: 1Q +6.1%, 2Q +2.9%, 1st Half +4.4%

  Unit price : 1Q -1.7%, 2Q -1.2%, 1st Half -1.5%
- **In 1st Half FY2013, Kuroneko Mail delivery volume declined due to stricter policies on parcel acceptance since Autumn 2011, but this effect is slowly bottoming out.**

  (Reference-YoY) Delivery volume: Jul. -7.4%, Aug. -7.5%, Sep. -2.6%, Oct. (est.) +1.1%

  Unit price : 1Q -4.7%, 2Q -3.2%, 1st Half -4.7%
- **As a result, the income targets were not achieved. Additional expenses, such as personnel costs, could not be covered and income declined by ¥2.8 billion YoY.**

Non-Delivery Businesses

• **BIZ-Logistics Business**	**Despite general sluggishness in international trade, trade logistics and retail logistics performed according to plan.**
• **Home Convenience Business**	**Targets not achieved due to decline as a reaction to demand for earthquake recovery occurred last year.**
• **e-Business**	**Due to steady results from e-money services and mail-order services, the results were in line with the plan targets.**
• **Financial Business**	**Although TA-Q-BIN Collect proceeded firmly, results were slightly below the target due to decline as a reaction to demand for earthquake recovery occurred last year.**
• **Truck Maintenance Business**	**Performed to plan due to steady rise in the number of vehicles serviced.**

(1)As mentioned in our release of 10/18 titled “Downward Revision of Second Quarter Results Forecast,” unfortunately neither revenue nor income met earnings forecasts at the beginning of FY2013, resulting in an increase in revenue but a decline in income.
The main factor for the income decline was insufficient revenue from the Delivery Business, which was exacerbated by the heavy impact of stricter parcel acceptance policies in Kuroneko Mail. In addition, the income decline prevented us from offsetting increases in expenses such as personnel costs.

(2) The full-year forecasts for operating revenue, operating income and ordinary income are unchanged from those announced at the beginning of the fiscal year.
Considering recent developments including the economic climate and China-Japan tensions, it is clear that there are downside risks. Even so, do not yet feel the need to revise downward our ¥70.0 billion operating income forecast from April 2012.
We have downwardly revised our forecast for net income by ¥1.0 billion after factoring in the effect of impairment loss on investment securities held by the Company during the second quarter.

(3) Delivery Business
In the core business of TA-Q-BIN, although delivery volume grew steadily for large-lot corporate clients, which mostly consisted of mail order, volume growth in the retail market was irregular.
While we recognize that there has been some impact from the economic climate, we regard the recovery of delivery volume in the retail market as an important issue. Even so, because overall delivery volumes including the large-lot market were firm, we think that there is no reason to be too pessimistic.
Unit prices in TA-Q-BIN were stable.
Looking at the average unit price for small-lot commercial deliveries in the retail market, there was a YoY increase. Unit prices in Kuroneko Mail, for which the monthly trend is shown in the presentation material, are steadily showing signs of having bottomed out.

(4) BIZ-Logistics
Although market trends were not good for international logistics due to the combined effects of Chinese economic slowdown and anti-Japanese demonstrations, our Trade Logistics and domestic Retail Logistics operations performed according to plan.

(5) Home Convenience Business
Since the market environment is more severe than expected and targets have not been achieved, this business continued to have a negative effect on overall earnings in the second quarter.

(6) In e-Business, Financial Business and Truck Maintenance Business, revenue and income progressed mostly according to plan.

2. Overview of Operating Results (2)

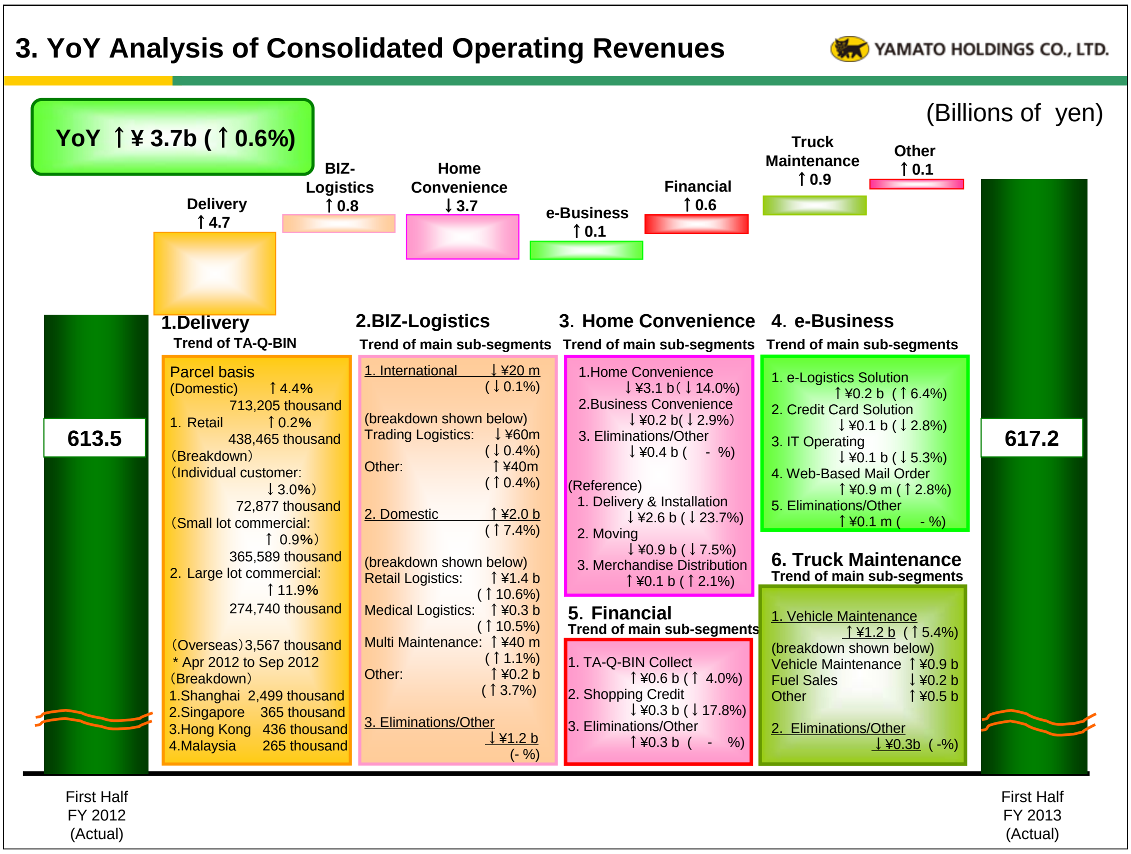
YAMATO HOLDINGS CO., LTD.

(Billions of yen)

	First Half FY2013 (Actual)	First Half FY2012 (Actual)	First Half FY2013 (July 2012 Forecast)	YoY Change		Forecast Change	
				Amount	[%]	Amount	[%]
Operating revenues							
Delivery	495.3	490.6	-	4.7	1.0	-	-
Non-Delivery	121.9	122.8	-	(0.9)	(0.8)	-	-
Total	617.2	613.5	630.0	3.7	0.6	(12.7)	(2.0)
Operating income	18.0	22.6	23.5	(4.6)	(20.5)	(5.4)	(23.3)
[Profit margin]	2.9%	3.7%	3.7%	-	-	-	-
Ordinary income	18.9	23.3	24.0	(4.3)	(18.8)	(5.0)	(21.1)
[Profit margin]	3.1%	3.8%	3.8%	-	-	-	-
Net income	8.0	5.8	12.0	2.2	37.5	(3.9)	(32.6)
[Profit margin]	1.3%	1.0%	1.9%	-	-	-	-

Here we see the operating results.

Operating revenue and operating income are as I previously explained.



Next is the YoY analysis of changes in consolidated operating revenues.
Consolidated operating revenue increased by ¥3.7 billion or 0.6% YoY.
The details are as explained in slide 1.

4. YoY Analysis of Consolidated Operating Expenses

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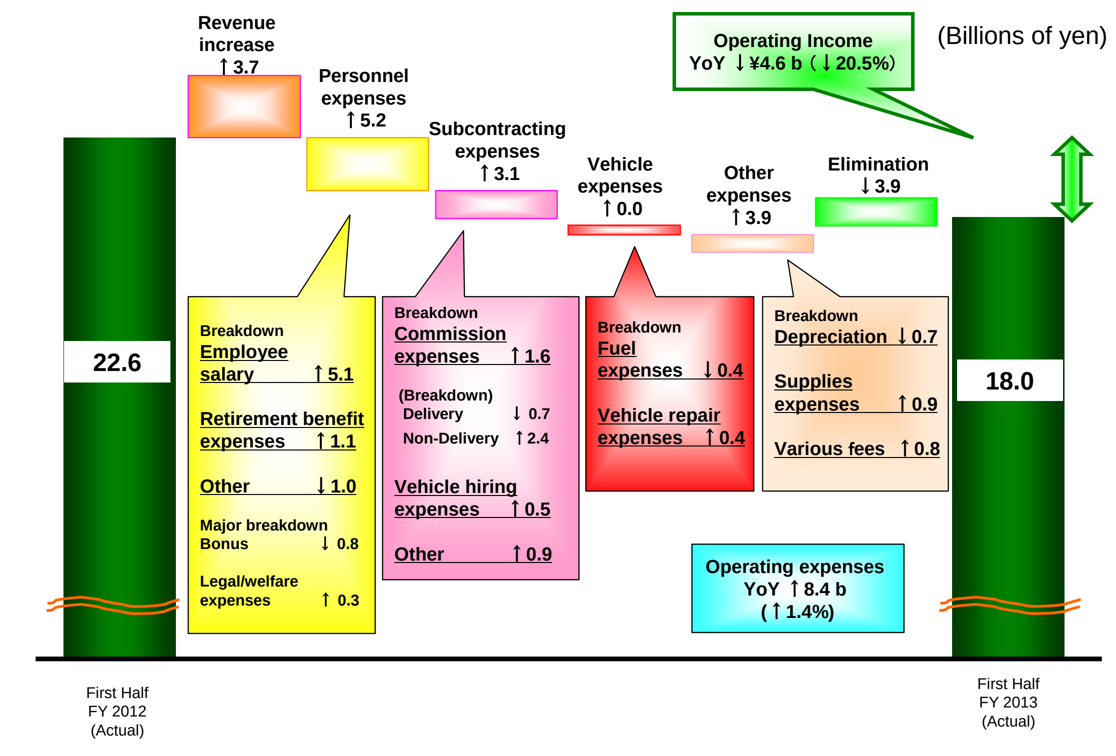
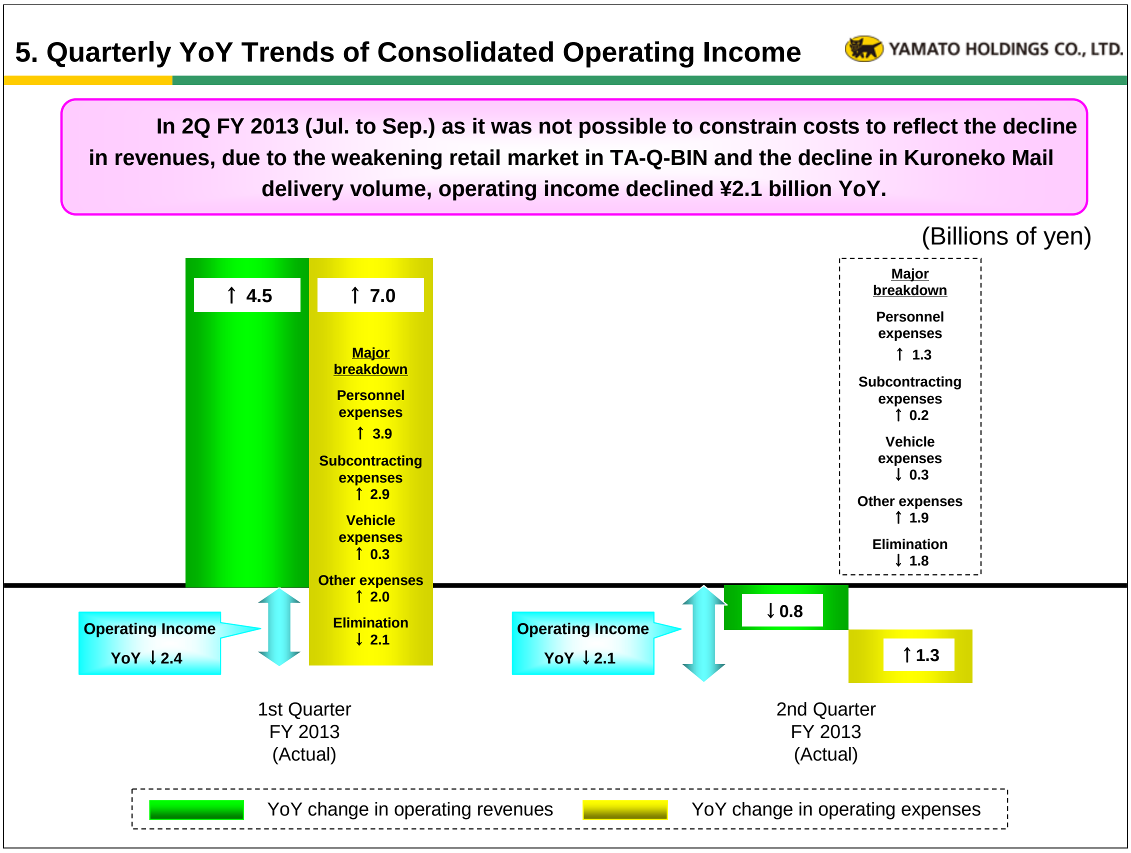


This is the analysis of changes in consolidated operating expenses.

(1) The breakdowns of consolidated operating expenses and operating expenses in the Delivery Business are as shown on slides 11 and 12. This will be explained by Managing Executive Officer Shibasaki later.

(2) As you can see, there has been a large increase in personnel expenses. Of the ¥5.2 billion increase on a consolidated basis, the majority is the result of a ¥4.4 billion increase in the Delivery Business.
There are still some issues with cost control in the Delivery Business.

This is because we employed part-time workers such as the Field Casts from the beginning of the fiscal year for pickup and delivery reform intended to boost pickup and delivery efficiency and improve service. Although we implemented the pickup and delivery reform while paying attention to supply and demand conditions, revenues in both TA-Q-BIN and Kuroneko Mail were below expectations, and as a result the personnel expense increase put downward pressure on income.

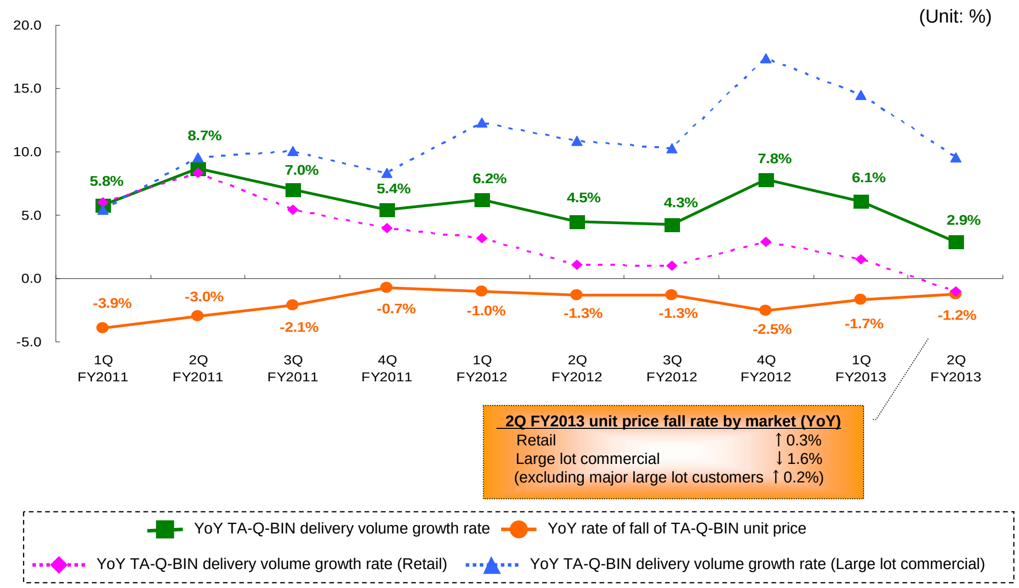


Now we come to quarterly YoY trends of consolidated operating income.

(1) Although in the first quarter revenue increased while income declined,
in the second quarter both revenue and income declined.
Operating income in the second quarter was ¥12.9 billion, making the level of income the lowest for the past ten years.

6. Quarterly YoY Trends of TA-Q-BIN Delivery Volume and Unit Price

TA-Q-BIN delivery volume performed firmly mainly led by strong performance in market for large-lot corporate clients .
Although the unit price fell due to the change in the freight product mix, the trend was stable.
It remains a future challenge to address the declining volume in the retail market.



Next, we will move on to quarterly YoY trends of TA-Q-BIN delivery volume and unit price.

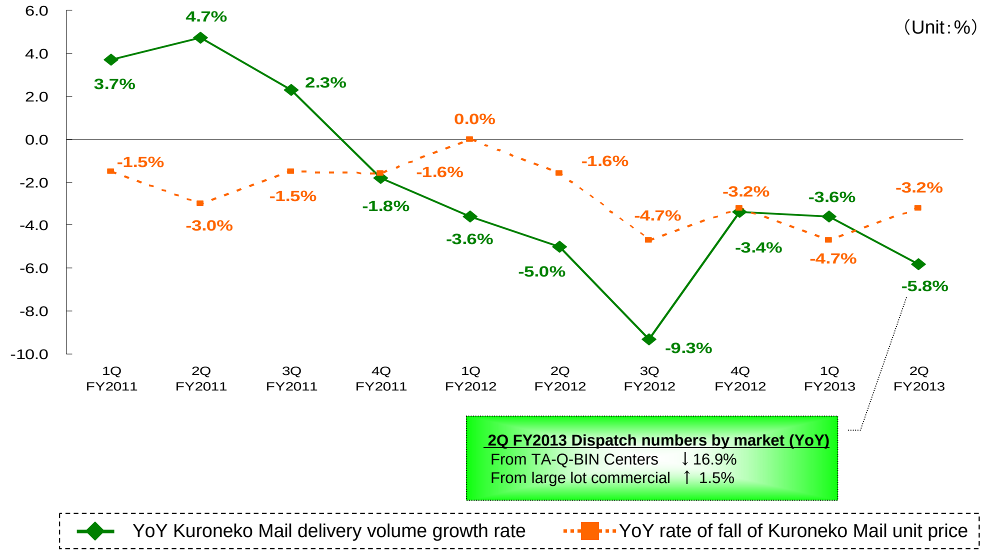
(1) Delivery volume in TA-Q-BIN performed firmly, particularly for large-lot corporate clients, in line with accelerating mail-order market growth.
On the other hand, since small-lot commercial delivery volume was a minus figure for the first time in twelve quarters, looking at overall delivery volume, the chart shows a slight decline.

(2) The YoY difference in the rate of fall of unit price in the second quarter was “minus 1.2%.”
Breaking it down by market, the difference is “plus 0.3%” for the retail market and “minus 1.6%” for the large-lot corporate client market.

7. Quarterly YoY Trends of Kuroneko Mail Delivery Volume and Unit Price

YAMATO HOLDINGS CO., LTD.

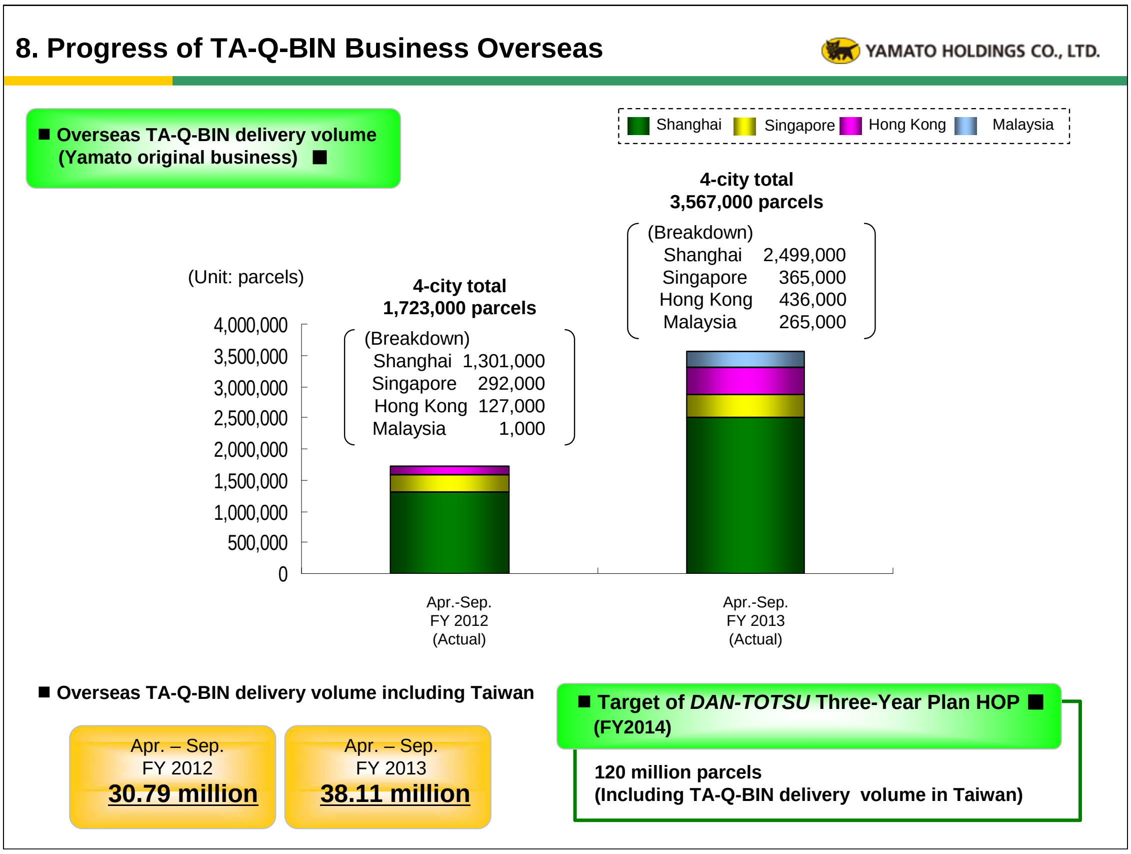
Delivery volume of Kuroneko Mail dispatched from TA-Q-BIN Centers declined substantially owing to continued stricter policies on parcel acceptance.
Market for large-lot corporate clients proceeded firmly, particularly direct mail.
The rate of fall in the unit price grew slightly due to the change in the freight product mix.



This shows the quarterly YoY trends of Kuroneko Mail delivery volume and unit price.

(1) Overall, Kuroneko Mail delivery volume for the second quarter decreased 5.8% YoY, as shown in the material.
The large-lot corporate client market, which mostly consisted of direct mail, grew 1.5%. On the other hand, in the small-lot commercial market, which previously included delivery of invoices and for which deliveries are dispatched from the comparatively high-unit-price TA-Q-BIN centers, delivery volume decreased 16.9% YoY.
Overall delivery volume is steadily recovering after bottoming out in August.

(2) The average unit price fell YoY due to changes in the freight product mix resulting from the volume decline in the comparatively high-unit-price small-lot commercial market.



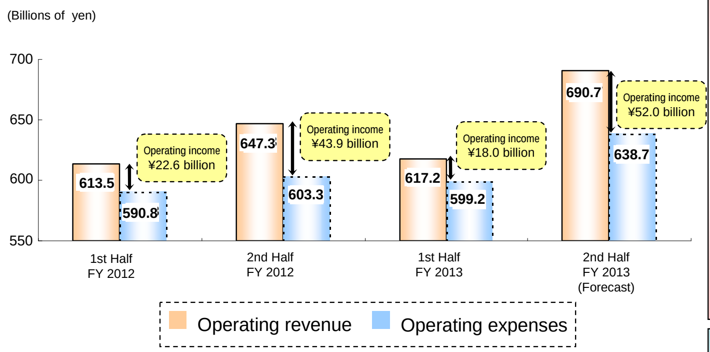
There now follows an explanation of the TA-Q-BIN business overseas.

As shown on the slide, delivery volume steadily grew.
Although the TA-Q-BIN business overseas as a whole is not yet yielding profit, we are making progress with the development of various operations in Shanghai and Singapore, where we started operating in January 2010. By carrying out business at these overseas locations, we are gradually getting on track to push forward with our plans.

9. Objectives for 2nd Half FY 2013

YAMATO HOLDINGS CO., LTD.

Despite macro-economic uncertainty due to the European-debt-caused slowing of the global economy and the continuing strong yen, we expect the expanding mail-order market to continue to grow. We aim to achieve full-year operating income of ¥70.0 billion by securing revenues and cutting costs.



Forecasts of 2nd Half

	(YoY)		(YoY)
Operating revenue	6.7%	Operating expenses	+5.9%
TA-Q-BIN delivery volume	6.0%	Employee salary	+2.0%
Kuroneko Mail delivery volume	4.7%	Vehicle hiring expenses	+4.9%

Tightly manage variable costs to minimize cost increase against revenue increase.

Measures to increase revenue

Delivery Business

- **TA-Q-BIN for Small-lot commercial**
  Gain new consigners and expand share of existing customers
- **TA-Q-BIN for large-lot corporate clients**
  Expand mail order market and expand share
- **Kuroneko mail**
  As effect of stricter parcel acceptance policies bottoms out, strengthen envelope filling services and tracking services

Home Convenience Business

- Strengthen sales of existing products
- Launch new products
- Invigorate sales activities

Measures to constrain costs

- **Labor costs**
  Improve labor capacity management and labor productivity
- **Vehicle expenses**
  Constrain vehicle expenses by making allocation of vehicles more efficient
- **Non-delivery businesses**
  Continue to conduct thorough management of major costs.

I will now explain the measures to be implemented in the second half of FY 2013 to achieve full-year operating income of ¥70.0 billion.

(1) As we have not changed our full-year results forecasts, everything that we didn't achieve in the first half is included in our targets for the second half.
Although there may seem to be a lack of balance between the first half and the second half, our rationale is that the level of profit required is achievable, despite increasing downside risks in the economic environment.

(2) In TA-Q-BIN, we will continue expanding our share of customers by targeting the mail-order market, which is expected to grow faster.
The small-lot commercial market, which previously showed signs of a slowdown, may be affected by the state of business confidence. Nevertheless, we will proactively carry out sales activities in this market not just to expand our share of existing customers but also win new customers.

We are already strengthening our sales capabilities to secure stable shipments from new customers, and these efforts are beginning to bear fruit.

(3) In the Home Convenience Business, we will not only strengthen sales of existing products but also work proactively to sell new products.
Since this business formation is the foundation for our lifetime lifestyle support platform, we intend to build revenue-earning momentum in the business during the second half.

(4) As measures to constrain costs, we will thoroughly manage variable costs and push ahead with cost control in the Delivery Business and other areas.

10. Forecasts of FY 2013 Operating Results (1)

YAMATO HOLDINGS CO., LTD.

(Billions of yen)

	FY2013 (New Forecast) A	FY2012 (Actual)	FY2013 (July 2012 Forecast) B	YoY Change		Forecast Change (A-B)	
				Amount	[%]	Amount	[%]
Operating revenues	1,308.0	1,260.8	1,308.0	47.1	3.7	0.0	0.0
Operating income	70.0	66.6	70.0	3.3	5.0	0.0	0.0
[Profit margin]	5.4%	5.3%	5.4%	-	-	-	-
Ordinary income	71.0	67.9	71.0	3.0	4.6	0.0	0.0
[Profit margin]	5.4%	5.4%	5.4%	-	-	-	-
Net income	38.0	19.7	39.0	18.2	92.0	(1.0)	(2.6)
[Profit margin]	2.9%	1.6%	3.0%	-	-	-	-

I will now explain the full-year forecast of operating results.

As explained at the beginning of the presentation, the forecasts at the beginning of FY2013 are unchanged, apart from a ¥1.0 billion downward revision in net income due to impairment loss on investment securities held by the Company during the second quarter.

11. New Business Model Utilizing "Okinawa International Logistics Hub" (1)

YAMATO HOLDINGS CO., LTD.

TA-Q-BIN dynamically linking not only Japan with its Asian neighbors, but also other Asian countries with each other by using the Naha Airport Okinawa Freight Hub.

Why Okinawa?

- **Geographical advantage of being in the center of East Asia**
- **ANA Okinawa Hub linking Japan with major Asian cities (Operation started October 2009)**
- **Ability to create "Door-to-door seamless transportation platform for East Asian region" by fully utilizing function and facilities of bonded warehouse in special international logistics zone**

International TA-Q-BIN starts on November 15, 2012.

Deliveries within the East Asian region can be made as early as the next day.

Finally, I will explain the new business model utilizing Okinawa International Logistics Hub as announced in our 10/25 release.

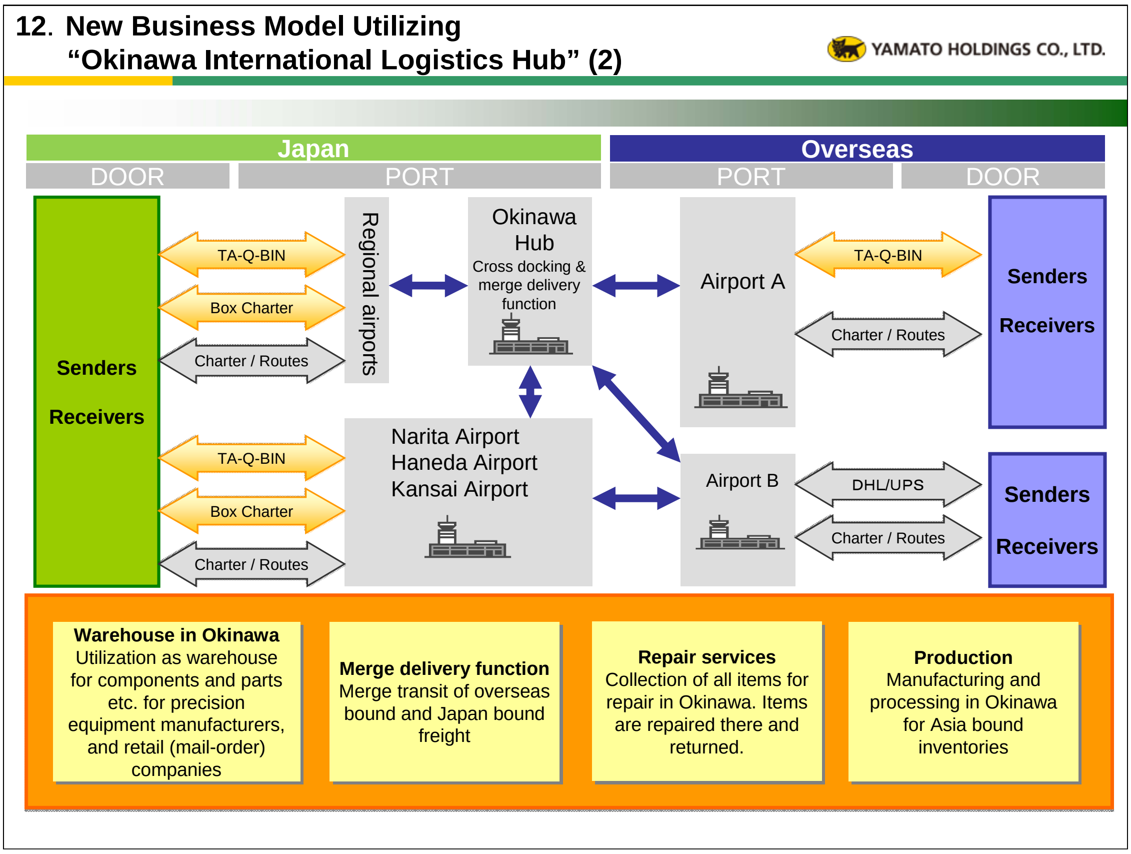
In autumn 2013, Haneda Chronogate will be completed.

In addition, the Yamato Group has steadily constructed a TA-Q-BIN network in the Asian region, with the start of operations in Shanghai and Singapore in January 2010 followed by Hong Kong in February 2011 and Malaysia in September 2011.

As part of these developments, we held discussions with ANA for the introduction of a framework making full-scale next-day delivery possible in international TA-Q-BIN.

Upon the formal agreement of both groups, we will start next-day international TA-Q-BIN delivery services using Okinawa International Logistics Hub from November 15.

After making a start on the service with document deliveries, from next fiscal year we will start deliveries of small parcels. We intend to start deliveries as early as possible, particularly in Cool TA-Q-BIN.



As shown in the slide, we intend to increase convenience for our customers by thoroughly strengthening four functions: (1) Warehouse in Okinawa, (2) Merge delivery function, (3) Repair services, and (4) Production.

In the future, we aim to contribute to job creation in Okinawa and create a new logistics style for Asia.

That concludes my explanation.

YAMATO HOLDINGS CO., LTD.

Overview of First Half FY 2013

Operating Results

I am Kenichi Shibasaki, and I am in charge of Finance and Accounting and Investor Relations.

Thank you for participating in today's Settlement of Accounts Meeting.

I shall provide an explanation of the details of the settlement of accounts.

13.YoY Analysis of Consolidated Operating Expenses

YAMATO HOLDINGS CO., LTD.

(Millions of yen)

	First Half FY2013	First Half FY2012	YoY Change	
	Actual	Actual	Amount	[%]
Operating revenues	617,298	613,526	3,771	0.6
Operating expenses	599,263	590,850	8,413	1.4
Personnel expenses	332,647	327,361	5,285	1.6
Employee salary	229,101	223,915	5,185	2.3
Retirement benefit expenses	6,740	5,615	1,124	20.0
Other personnel expenses	96,805	97,830	(1,025)	(1.0)
Subcontracting expenses	233,704	230,536	3,167	1.4
Commission expenses	90,899	89,214	1,685	1.9
Vehicle hiring expenses	71,552	71,027	524	0.7
Other subcontracting expenses	71,252	70,293	958	1.4
Vehicle expenses	22,080	22,062	18	0.1
Fuel expenses	13,173	13,574	(401)	(3.0)
Other operating expenses	124,608	120,694	3,914	3.2
Depreciation	17,309	18,076	(766)	(4.2)
Eliminations	(113,777)	(109,804)	(3,973)	3.6

This slide shows the statement of consolidated operating expenses.

(1) In the previous fiscal year and earlier, there were changes in reported items. However, there is nothing to mention for the current first half.

President Kigawa has already provided an explanation of personnel expenses. I will provide a supplementary comment on the breakdown of “Other personnel expenses.”

In “Other personnel expenses,” there was a YoY decline of 1 billion yen.

Breakdown: 1) Welfare/Legal expenses +¥0.3 billion
2) Bonuses and day laborer wages －¥1.3 billion

(3) Subcontracting expenses rose ¥3.1 billion YoY. Looking at the breakdown of this, although commission expenses rose ¥1.6 billion YoY, the Delivery Business was not the reason for the increase. It was additional expense corresponding to an increase in revenues in the Non-Delivery Businesses such as BIZ Logistics and the Truck Maintenance Business.

Vehicle hiring expense rose ¥0.5 billion YoY.

Looking at the main breakdown by business, in the Delivery Business, it rose ¥2.3 billion YoY while in the Non-Delivery Businesses, mostly the Home Convenience Business, it fell ¥1.8 billion.

In “Other subcontracting expenses” there was an increase of ¥0.9 billion YoY.

Breakdown: (1) Mixed freightage expenses －¥0.3 billion
(2) Purchase costs +¥1.1 billion

The reason for the increase in purchase costs was increased revenues in the Non-Delivery businesses such as the Truck Maintenance Business.

(4) Vehicle expenses were on par YoY.

Breakdown: (1) Fuel expenses －¥0.4 billion
(2) Vehicle repair expenses +¥0.4 billion

(5) Other expenses increased ¥3.9 billion YoY. Looking at the breakdown of this, although depreciation decreased by 0.7 billion, various other items included in other expenses such as allowance for doubtful accounts and supplies expenses are tending to increase. There was not substantial change that requires special mention.

14.YoY Analysis of Delivery Business Expenses

YAMATO HOLDINGS CO., LTD.

(Millions of yen)

	First Half FY2013	First Half FY2012	YoY Change	
	Actual	Actual	Amount	[%]
Operating revenues	495,366	490,637	4,728	1.0
Operating expenses	487,794	480,172	7,622	1.6
Personnel expenses	281,545	277,066	4,479	1.6
Employee salary	191,709	187,036	4,673	2.5
Retirement benefit expenses	5,356	4,450	905	20.4
Other personnel expences	84,479	85,579	(1,100)	(1.3)
Subcontracting expenses	138,971	137,325	1,645	1.2
Commission expenses	49,233	49,966	(733)	(1.5)
Vehicle hiring expenses	68,767	66,425	2,341	3.5
Other subcontracting expenses	20,970	20,933	37	0.2
Vehicle expenses	18,918	18,851	66	0.4
Fuel expenses	10,714	11,081	(366)	(3.3)
Other operating expenses	90,290	88,334	1,955	2.2
Depreciation	12,442	13,580	(1,137)	(8.4)
Eliminations	(41,932)	(41,406)	(525)	1.3

（Note）The figures above include operating expenses related to overseas TA-Q-BIN services.

This slide shows the statement of operating expenses for the Delivery Business.

As I mentioned on the previous page, our management challenge is to concentrate on control of personnel expenses and vehicle hiring costs.

15.Forecast of FY2013 Operating Results (2)

YAMATO HOLDINGS CO., LTD.

(Millions of yen)

	FY2013 (New Forecast) A	FY2012 (Actual)	FY2013 (July 2012 Forecast) B	YoY Change		Forecast Change (A-B)	
				Amount	[%]	Amount	[%]
Operating revenues							
Delivery	1,044,000	1,014,564	1,044,000	29,435	2.9	0	0.0
BIZ-Logistics	89,000	82,478	89,000	6,521	7.9	0	0.0
Home Convenience	49,500	47,715	49,500	1,784	3.7	0	0.0
e-Business	38,500	35,504	38,500	2,995	8.4	0	0.0
Financial	59,000	54,114	59,000	4,885	9.0	0	0.0
Truck Maintenance	23,000	21,188	23,000	1,811	8.5	0	0.0
Other	5,000	5,267	5,000	(267)	(5.1)	0	0.0
Total	1,308,000	1,260,832	1,308,000	47,167	3.7	0	0.0
Operating income							
Delivery	44,000	40,964	44,000	3,035	7.4	0	0.0
BIZ-Logistics	3,800	3,662	3,800	137	3.7	0	0.0
Home Convenience	500	(43)	500	543	-	0	0.0
e-Business	7,500	6,703	7,500	796	11.9	0	0.0
Financial	10,000	9,938	10,000	61	0.6	0	0.0
Truck Maintenance	3,000	2,513	3,000	486	19.3	0	0.0
Other	18,600	11,876	18,600	6,723	56.6	0	0.0
Subtotal	87,400	75,615	87,400	11,784	15.6	0	0.0
Elimination	(17,400)	(8,965)	(17,400)	(8,434)	94.1	0	0.0
Total	70,000	66,650	70,000	3,349	5.0	0	0.0
[Profit margin]	5.4%	5.3%	5.4%	-	-	-	-
Ordinary income	71,000	67,902	71,000	3,097	4.6	0	0.0
[Profit margin]	5.4%	5.4%	5.4%	-	-	-	-
Net income	38,000	19,786	39,000	18,213	92.0	(1,000)	(2.6)
[Profit margin]	2.9%	1.6%	3.0%	-	-	-	-

The full-year operating forecasts by business segment are as follows.

(1) The rationale of the full-year operating forecasts was previously explained by President Kikawa. Other than net income, no change has been made to the forecast announced at the beginning of the fiscal year.

(2) The same applies to operating revenue and operating income by segment.

To achieve the planned ¥52.0 billion operating income in the second half, a YoY increase of ¥8.0 billion is required. Breaking down this amount, the Delivery Business must achieve a YoY increase of ¥6.0 billion and the Non-Delivery Businesses must achieve ¥2.0 billion.

Therefore, it is the Delivery Business that is the key segment for achieving this rise.

(3) To reiterate, what was mentioned before: the downside risk is not zero and there is still an element of doubt. However, we aim to achieve the operating forecasts by carrying out the three measures to increase revenues explained earlier, while strictly controlling cost constraint measures, mainly in the areas of personnel expenses and subcontracting expenses.

16. Forecasts of FY 2013 Operating Results (3)

YAMATO HOLDINGS CO., LTD.

(Millions of yen)

	FY2013 (New Forecast) A	FY2012 (Actual)	FY2013 (July 2012 Forecast) B	YoY Change		Forecast Change (A-B)	
				Amount	[%]	Amount	[%]
Operating revenues	1,308,000	1,260,832	1,308,000	47,167	3.7	0	0.0
Operating expenses	1,238,000	1,194,181	1,238,000	43,818	3.7	0	0.0
Personnel expenses	678,000	656,604	680,000	21,395	3.3	(2,000)	(0.3)
Employee salary	460,000	450,313	461,000	9,686	2.2	(1,000)	(0.2)
Retirement benefit expenses	14,000	11,280	14,000	2,719	24.1	0	0.0
Other personnel expenses	204,000	195,011	205,000	8,988	4.6	(1,000)	(0.5)
Subcontracting expenses	491,000	471,636	492,000	19,363	4.1	(1,000)	(0.2)
Commission expenses	193,000	183,712	194,000	9,287	5.1	(1,000)	(0.5)
Vehicle hiring expenses	149,000	144,892	149,000	4,107	2.8	0	0.0
Other subcontracting expenses	149,000	143,030	149,000	5,969	4.2	0	0.0
Vehicle expenses	45,000	43,315	45,000	1,684	3.9	0	0.0
Fuel expenses	26,500	25,967	26,500	532	2.1	0	0.0
Other expenses	260,000	248,649	261,000	11,350	4.6	(1,000)	(0.4)
Depreciation	40,000	38,682	41,000	1,317	3.4	(1,000)	(2.4)
Elimination	(236,000)	(226,023)	(240,000)	(9,976)	-	4,000	-

Assumptions of forecasts

Operating Revenues

Delivery Business
- TA-Q-BIN parcels (thousands; forecast) 1,498,000 (YoY ↑ 5.2%)
- TA-Q-BIN unit price (forecast) ¥592 (YoY ↓ 1.3%)
- Kuroneko Mail units (thousands; forecast) 2,188,000 (YoY±0.0%)
- Kuroneko Mail unit price (forecast) ¥62 (YoY±0.0%)

Personnel expenses

- Employee salary, Employees (consolidated; forecast)
  Total 179,800 (YoY ↑ 2,499, ↑ 1.4%)
  Full-time 85,300 (YoY ↑ 1,007, ↑ 1.2%)
  Part-time 94,500 (YoY ↑ 1,492, ↑ 1.6%)
- Retirement benefit expenses
  Increase in amortization of actuarial gains and losses
- Other personnel expenses
  Increase due to revision to the rate of social insurance

This slide shows our forecasts of consolidated operating expenses.

(1) Concerning operating expenses, although we have not made changes to the total of consolidated operating expenses, after considering the current situation, we have made slight adjustments to particular expense items.

(2) We decreased the forecast for personnel expenses by ¥2.0 billion, decreasing employee salary by ¥1.0 billion and other personnel expenses by ¥1.0 billion.

As the slide shows, with respect to employee salary, the forecast of the consolidated number of employees was downwardly revised by 2,000 persons from 181,800 persons in the 1Q forecast to 179,800 persons in the 2Q forecast.

Concerning the full-year forecast of the number of employees by segment, as mentioned on page 15 of the Supplementary Materials,1,800 persons of the consolidated decrease of 2,000 persons are employees in the Delivery Business.

(3) Concerning subcontracting expenses, a downward revision of ¥1.0 billion was made to commission expenses.

(4) No changes were made to the total of vehicle expenses.

(5) Concerning other expenses, a downward revision of ¥1.0 billion was made to depreciation.

(6) Concerning elimination, fewer inter-segment expenses are now expected to occur that was expected in the 1Q forecast. As a result, elimination has been downwardly revised by ¥4.0 billion.

(7) Concerning our rationale concerning cost constraint measures for the second half, we shall strictly manage variable costs.

(8) One particular risk with respect to the operating forecasts is the risk of not achieving the operating revenues because of a slowdown in the economy.

Currently, as the indicators such as private consumption are showing slightly weak figures, we will need to continue to closely monitor the economic situation.

That concludes my explanation.

This presentation material is posted on the Company's website in the Investor Relations section in PDF format.