Main Questions and Answers (summary)
Meeting for the Financial Results for
the First Quarter of the Fiscal Year Ending March 31, 2024

Q 1　The average price for parcel delivery (TA-Q-BIN, TA-Q-BIN Compact, EAZY) is expected to rise 4.7% in FY March 2024 from the previous year. Please explain the progress of pricing optimization.

● We revised the Reported Fares from April 3, 2023, in response to factors such as the rise in salaries and hourly wages caused by the decline in the working population, the rise in raw material and energy prices due to global affairs and the weak yen, as well as our response to the "2024 issue" faced by the logistics industry.

● Moreover, we have begun negotiations with corporate clients with which we do business based on individual contracts, based on the business relationship, current contract, etc.

● The average price for parcel delivery (TA-Q-BIN, TA-Q-BIN Compact, EAZY) in this first quarter was 2.3% higher than the previous period. By segment, the Retail Business Unit pricing was 4.0% higher, while the Corporate Business Unit pricing was 1.5% higher than the previous period.

● Average price went up first for the Retail Business Unit, but we are making steady progress in negotiations with Corporate Business Unit clients, too. The average pricing overall will continue to rise gradually, as we renew contracts with corporate clients in the second quarter onwards.

Q 2　Please explain how you controlled operating expenses in the first quarter of FY March 2024, despite the volume of parcel delivery being lower than expected.

● The flexible operations that adapts to demand fluctuations (volume fluctuations) is beginning to work, in the overall EC logistics network and the existing network.

● In this first quarter, while the volume of parcel delivery was low, we promoted the optimization of operating costs by flexibly using the EC logistics network, while improving the utilization of the existing network, in accordance with the expected workload.

● We will continue to focus on realizing appropriate operations, to accommodate expected workload based on customer trends etc., while promoting initiatives to reinforce the existing network, such as consolidation and enlargement of Sales Offices, reviewing terminal functions, and renewing workstyles and operational structures.