

**Main Questions and Answers**

**Meeting for The Financial Results for the Second Quarter of the fiscal year ending March 31, 2021 held on November 2, 2020**

**Q 1 Please explain outlook of operating expenses of this fiscal year.**

- In order to respond to the growing e-commerce domain, we will focus on creation and expansion of the e-commerce delivery network, commission expenses related to the network increase in linear. On the other hand, we will continue to reduce and adjust the conventional outsourcing deliveries.
- Amid the growth in delivery volume, we will continue to control increase of vehicle hiring expenses by streamlining loading and trunk-route transportation across the Group with further accuracy improvement of business volume forecasting using data analysis.
- In responding to the COVID-19 infection, personnel expenses include relief payments of 7 billion yen and more and are expected to increase in purchasing hygiene products to prevent infection, etc.
- In other operating expenses, data analysis expense and expense related to organizational restructuring, which are the basis for optimal allocation of management resources, are expected to increase mainly.

**Q 2 Please explain background on the forecast of the volume and unit price of parcel delivery.**

- Delivery volume is expected to increase from the previous fiscal year continuously in order to capture growing demand in the e-commerce domain, etc.
- Unit price is affected by changes in the product composition breakdown due to increased shipments from large-lot corporate clients such as EC operators, volume increase in small parcel and decrease in Golf TA-Q-BIN or Airport TA-Q-BIN, etc. Unit price is expected to decline from the previous fiscal year, however, we will work to secure an appropriate level of profit.