

Main Questions and Answers

Meeting for The Financial Results for the 2nd Quarter of the fiscal year ending March 31, 2022 held on November 15, 2021

Q1 In terms of your 1st half results, please explain why you outperformed your previous forecast for both operating revenues and profit, as well as how you view the comparison with the 1st half of last year.

- Operating revenues outperformed the previous forecast due to factors such as the increase in parcel volume, driven by us strengthening our coverage of the EC domain in which growth is accelerating, as well as our focus on optimizing logistics for corporate clients.
- In terms of profit, we made progress in the 2nd quarter in optimizing subcontracting expenses, mainly the delivery commission, thanks to our efforts to deploy EAZY CREW and to optimize the TA-Q-BIN network. As a result, we succeeded in controlling the growth of operating expenses at below the growth in operating revenue, which led to operating profit outperforming our previous forecast.
- In the 1st half of last year, there was dramatic growth in demand driven by the spread of COVID-19 infections, and we were still in the early stages of our structural reform, so we mainly used our existing management resources to address the incremental demand. With factors such as productivity improvements thanks to more people being at home, we achieved a high level of profit.
- In the 1st half of this year, we promoted strategies such as establishing a new “EC logistics Network”, while catering to customer demand in areas such as EC, which continued to grow. We are still in the transitional phase of the ongoing structural reforms, and initial expenses are on the rise, but we will continue to work on the strategies outlined in the Medium-term Management Plan in pursuit of sustainable growth.

Q2 In your operating results forecast, please explain why you kept the amount of operating profit unchanged from the previous forecast.

- We kept the previously forecasted amount, because aside from the rise in vehicle hiring expenses resulting from increased volume of parcel, as well as the rise in fuel prices, we are expecting additional expenses related to structural reform, such as for building the “EC Logistics Network”.

Q3 Please explain why you reduced your capital expenditure for this year by 40 billion yen from the previous forecast.

- The strategies based on our medium-term management plan “One YAMATO 2023” are progressing according to plan for the most part. There were cases of changes being made when considering the investments, such as expensing some of the investments to our own facilities and equipment as we collaborate with external partners in building the “EC Logistics Network”. There were also cases where the timing of investment was pushed back due to external factors.