

**Main Questions and Answers of the Financial Results Meeting**  
**for FY 2012 Second Quarter (ended Sept 30, 2011) (Digest)**

Q1

What is your future outlook for the mail-order shopping market?

A1

The mail-order shopping market is expected to expand further in the future and we don't expect the market to soften. Because the purchasing style of individuals is shifting to a Web-based mail-order style of purchasing, we forecast that deliveries will continue to flow from retail shops to the mail-order shopping market.

Q2

What is your outlook for the Takkyubin unit price?

A2

As the share occupied by large-lot commercial continues to increase, we expect to see the unit price continue to fall overall. However, if we look at each market individually, the unit price of small-lot commercial is higher than that of the year-ago period and we expect a solid unit price to be maintained in the future. Furthermore, the fall of the unit price for mail-order related corporate clients correlates with a shortening of transportation distance and there is no large cost involved. Accordingly, even if the unit price continues to fall in the current manner, we do not expect it to put pressure on profits.

Q3

What is the reason for the revenue decline of Kuroneko Mail?

A3

In Kuroneko Mail, conditions for consignments have become stricter due to a resolute approach to not handling invoice slips from September 2011 onwards. As a result, there was a decline in delivery volumes and this led to a decline in revenue. We expect the impact from this to continue until August 2012.

Q4

Growth of the Takkyubin business in China appears to be strong. What measures have you planned to achieve further growth in the future?

A4

We intend to expand the business areas to include the southern China region and meet customers' transportation needs that extend beyond Shanghai city. In addition we plan to strengthen refrigerated distribution (Cool Takkyubin) and product-shipment distribution. We plan to work in the logistics sector such as in the area of product shipment distribution to establish systems that involve the cooperation of local corporations and implement other comprehensive strategies that are not limited to Takkyubin.

Q5

What is the size of the deficit in the operating results and the full-year forecasts for the overseas Takkyubin business?

A5

The deficit in the combined operating results for Shanghai, Singapore, and Hong Kong was 1.0 billion yen and the deficit in the combined full-year forecast is 2.0 billion yen.

Q6

What is the reason for the increase in other personnel expenses?

A6

In the first half of the fiscal year ended March 31, 2011 there was a decrease in profits but in the first half of the fiscal year ended March 31, 2012 the operating results are favorable and the provision for bonuses has increased compared with that of the year-ago period. Next, the reason for the increase in day laborer salary is that there is an effort to reduce the use of employees for base operations and increase the use of day laborers. Although day laborer salary has increased, the salaries of part-time and regular employees assigned to operations have decreased. Finally, as we have mentioned previously, the rate of the social insurance premiums has changed, and this has affected the legal welfare expenses.

Q7

In the full-year forecast of costs, what is the reason for the increase of 4.0 billion yen in other expenses in the second half of the fiscal year?

A7

In the Delivery Business, we are budgeting for additional computer expenses in correlation with an increase in Takkyubin parcel volume as well as an increase in intra-group transactions of 1.0 billion yen. Also taking into account an increase in other miscellaneous expenses, we are budgeting totally for an increase of 2.0 billion yen in Delivery Business expenses. In the non-delivery business expenses, 1.0 billion yen has been added through new additions to the scope of consolidation and a further 1.0 billion yen has been added due to new businesses.

Q8

Concerning the improvement in labor productivity, what is the current progress in using the Field Cast? Also, what management index is labor productivity based on?

A8

The reform of the pickup and delivery operations, which includes the use of the Field Cast, is progressing steadily. As a result, even though the handling volume increased, it was possible to control the growth of employee salaries by improving productivity. These measures are still at an intermediate stage and we think further effects of these reforms will continue to be realized in the future. The internal company management index for productivity is management by number of parcels per hour picked up or delivered by a Sales Driver.

Q9

What measures do you plan on taking to achieve the ROE target of 8.5% for the fiscal year ending March 31, 2014 as outlined in the medium-term management plan?

A9

We mainly plan on achieving this target by improving the profit rate. More specifically, while improving the profit rate of the Delivery Business, we will improve the weighting of non-delivery businesses, which have higher profit rates. Our key focus for improving the profit rate in the delivery business is the evolution of the network. By evolving the network, we aim improve the profit rate by realizing high-frequency transportation, improved productivity and expansion of same-day delivery

areas. With respect to improving the weighting of non-delivery businesses, we expect Haneda Chronogate, which is currently under construction, to play a large role. At present, we have no plans to change the current target.