

## Main Questions and Answers

### Meeting for The Financial Results for the First Quarter of the fiscal year ending March 31, 2021 held on July 31, 2020

#### **Q1 Please explain outlook of business performance of this fiscal year.**

- In the first quarter, we were able to restrain the increase in costs amid workload was increasing. This is because we were able to improve delivery productivity by optimizing the allocation of management resources using digital data, as part of the efforts of the management structure reforms that we implemented ahead of the next medium-term management plan.
- We expect upward trend of delivery amount in this fiscal year as demand in the EC area expands. We will continue to accelerate management structure reforms and pursue improving profitability with a view to the next fiscal year and beyond.
- Expenses include the increased commission expenses for the development of the EC distribution network, expenses related to the management structure reform, and expenses related to the COVID-19 infections, including relief payments made to employees in the first quarter.
- Currently, we are promoting optimal allocation of management resources by using digital data. In the second half of this fiscal year, we will further accelerate preparation processes for the management structural reform, and we expect that investments and costs related to this will incur in the next fiscal year and beyond.
- At present, it is difficult to predict impact of the spread of COVID-19 infection on BtoB markets and trading logistics, and impact of natural disasters on business performance. We will provide our business forecasts in a timely and appropriate manner, taking into account changes in business performance and environment.

#### **Q2 Please explain the trend of "EAZY" which is new delivery service for EC business and outlook onward.**

- With regard to "EAZY", we established an organization to oversee the EC business in March 2020 in order to respond to "the expansion of e-commerce in all industries". We started this service ahead of schedule in June in response to the acceleration of growth in the EC area from April as part of our efforts to promote the creation of new logistics service.
- We receive a favorable reputation from customers who receive parcels in terms of the convenience of the service and the service is utilized steadily. We will introduce services that further enhance the convenience of them.
- We will respond to further growth in demand by thoroughly controlling costs based on digital data under the leadership of the head office, and ensure appropriate profitability even in the face of increased workload.