



YAMATO
HOLDINGS

Yamato Group IR Presentation Material

< 2nd Quarter of the Fiscal year ending March 2024 >

November 1, 2023

Yamato Holdings Co., Ltd.

1. Summary of consolidated earnings (1st Half of FY 2024/3)

【Operating revenues】 866.5bn yen ((17.1)bn yen YoY, (6.4)bn yen VS forecast)

【Operating profit】 12.3bn yen ((5.6)bn yen YoY, (600)mm yen VS forecast)

【Profit attributable to owners of parent】 5.3bn yen ((4.9)bn yen YoY, +900mm yen VS forecast)

◆ Overview

【Operating revenues】

- In the 2nd quarter (July-Sep.) of FY 2024/3, parcel delivery pricing continued to rise, as a result of efforts to continue the optimization of pricing. However, parcel delivery volume declined further, due to factors including EC demand being more sluggish than expected, with consumers returning to offline spending as well as inflation
- Although progress is being made in initiatives to enhance value provision on an “End to End” basis to the supply chain, operating revenues for the 1st half of FY 2024/3 was below expectations, mainly due to the decline in parcel delivery revenue, as well as the negative trend continuing for international transportation

【Operating profit and profit attributable to owners of parent】

- Together with the above, cost increases due to changes in the external environment continued, including hourly wages, outsourcing and fuel costs. However, due to factors including our efforts to optimize operating costs, in accordance with the further declining volume, operating profit (for the 1st half of FY 2024/3) was roughly in line with expectations
- Profit attributable to owners of parent for the 1st half of FY 2024/3 was also in line with expectations

2. Background and Objective of Business Structure Reforms

Realizing sustainable corporate value enhancement through “Helping to enrich our society”

Changes in the business environment

- ✓ Diversification of customer “expectations” and “needs”
- ✓ Expansion of e-commerce in all industries
- ✓ Decline in total population and from the regional areas of Japan
- ✓ Decline in labor population
- ✓ Climate change becoming a more serious issue (global warming)

Creating new innovations

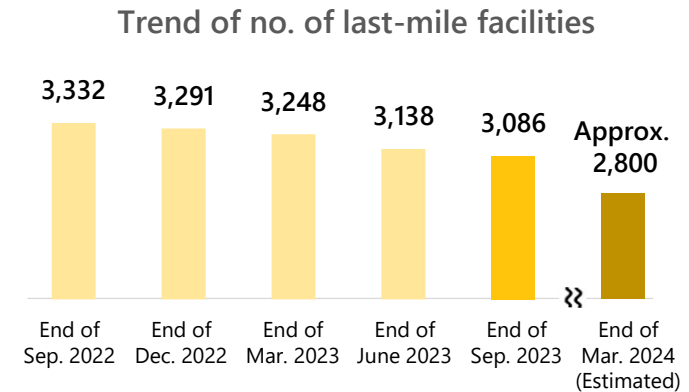
- ✓ Providing various ways of receiving parcels, and creating new services
- ✓ Expansion of value provided on an “End to End” basis to the supply chain
- ✓ Solving social issues through collaboration and innovation
- ✓ Establishing a labor environment that is easier to work in and more motivating
~ Promote digitalization and automation
- ✓ Promote sustainable management, including green logistics

3. Reinforcement of existing network (Base domain) ①

- While ensuring and enhancing safety, quality as well as the work environment and motivation of our employees and partners, promote the reinforcement of our existing network, in order to flexibly address changes in customer needs
 - Progress being made in consolidation and enlargement of last-mile pickup & delivery facilities, and the review of workflows and operational structures in terminals

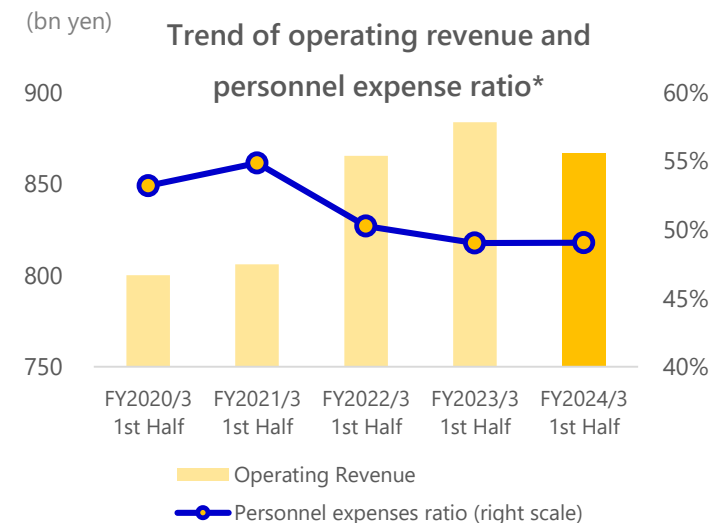
1. Consolidation and enlargement of last-mile pickup & delivery facilities

- Promoting the consolidation of outdated and small facilities and the opening of new facilities including large last-mile pickup & delivery facilities mainly in the Tokyo and Kanto region
 - Create a work environment that provides better safety, comfort and well as ease of work
 - Promote staff reallocation, in accordance with the decline in head count linked to facility
- ※Expect approx. 2,800 facilities at the end of FY 2024/3 and approx. 1,800 facilities by the end of the next Mid-term Management Plan



2. Reviewing workflows and operational structures in terminals

- Review job descriptions, and standardize staff composition (full-timers, part-timers, day workers, temp staff)
 - Promoting initiatives to achieve flexible resource allocation based on workload
- Introducing system to consolidate the management of temp staff, starting from the Tokyo and Kanto region
 - Ease the work burden at terminals, while optimizing administration costs



*Personnel expense ratio[%] = Personnel expense/ operating revenue

4. Reinforcement of existing network (Base domain) ②

- Start the introduction of system* to support operations in accordance with capacity, and resource allocation based on the workload, in the second half of the year and onwards
 - In conjunction with thoroughly defining the roles of Sales Drivers (SD), accelerate reforms of last-mile operations, thereby establish a good working environment ~ Promote the optimization of operating costs
- *Support decisions and actions based on data

1. Challenges and countermeasures

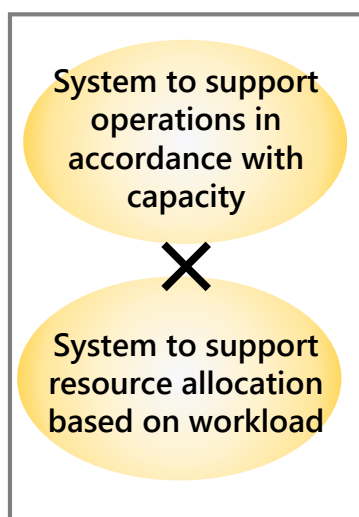
Challenges

- ✓ Coping with fluctuating workload thanks to ingenuity at the front lines
 - Analog and manual/personalized operations leads to higher burden

Countermeasures

- ✓ Operations in accordance with capacity through the system (visualization)
- ✓ Resource allocation based on the workload through the system
 - Establish a good working environment ~ Promote the optimization of operating costs

2. Overview of measures

	Initiatives	Value created	Deployment
<div style="text-align: center;">  </div>	Visualize real-time capacity and workload Makes possible preparations for anticipated workload, as well as adjust volume exceeding delivery capacity at the upstream process	【Yamato】 <ul style="list-style-type: none"> Ensure and enhance safety, quality, and work environment → Optimize operation cost 	<ul style="list-style-type: none"> Start deploying in sales offices and terminals in Tokyo, and Kanagawa, Saitama Chiba (Oct. 2023~)
	Flexible, speedy changes in delivery route Flexibly and speedily change (optimize) delivery route, depending on the arriving volume	【Customers】 <ul style="list-style-type: none"> On-time delivery 【Yamato】 <ul style="list-style-type: none"> Adapt to changes in arriving volume Improve delivery productivity by optimizing work shifts 	<ul style="list-style-type: none"> Start trials in some of the large last-mile facilities (Oct. 2023~) Start deploying step by step in large last-mile facilities at which the roles of SDs have been thoroughly defined (Jan. 2024~)

5. Expansion of corporate business domain (Connection with Environmental Strategy)

- Based on risks and opportunities arising from climate change, promote measures to reduce GHG emissions, and expand the corporate business domain by helping to establish supply chains with low environmental burden
 - Progress made in initiatives in energy management using EVs, solar power generation equipment etc., as well as visualizing GHG emissions of clients~ Collaborate with partners to make the logistics industry and society at large more green

Challenges faced by the logistics industry

Introduction of EVs, develop charging infrastructure

- Overlap of operating hours and charging hours of commercial vehicles
- Increased capex burden of EVs and charging infrastructure

Development of renewable energy-derived electricity


- Shortage of renewable energy-based power generation
- Shortage in grid capacity




Yamato Group's initiatives

Promote measures to reduce GHG emissions


- Start introduction of approx. 900 2-ton EV trucks (Sep. 2023~)
- Start trials with Honda using replaceable battery EVs (Nov. 2023~)
- Begin full-fledged operation of model facility for energy management, which only uses EVs, and has solar power generation equipment (Oct. 2023~)



New model of "eCanter" by Mitsubishi Fuso Truck and Bus Corp.



Honda "MEV-VAN Concept"



Kyoto Yawata Sales Office, Yamato Transport

Challenges faced by corporate clients

Develop a resilient and green supply chain

- Prepare for more frequent and intense abnormal weather and natural disasters
- Cope with natural resource crisis, and rise in energy costs
- Adapt to heightened interest and requests from stakeholders* to reduce GHG emissions throughout the entire supply chain

*End users, business partners, employees, society, shareholders and investors, etc.



Yamato Group's initiatives

Expand value provided to clients

- Initiatives to visualize Scope 3 GHG emissions of clients
 - **Connect Yamato Group's efforts to reduce GHG emissions (introduction of EVs and solar power generation equipment, etc.) to the Scope 3^{*1} reduction of clients**
 - **Propose solutions to optimize logistics and inventory management in the overall supply chain, and to reduce GHG emissions**

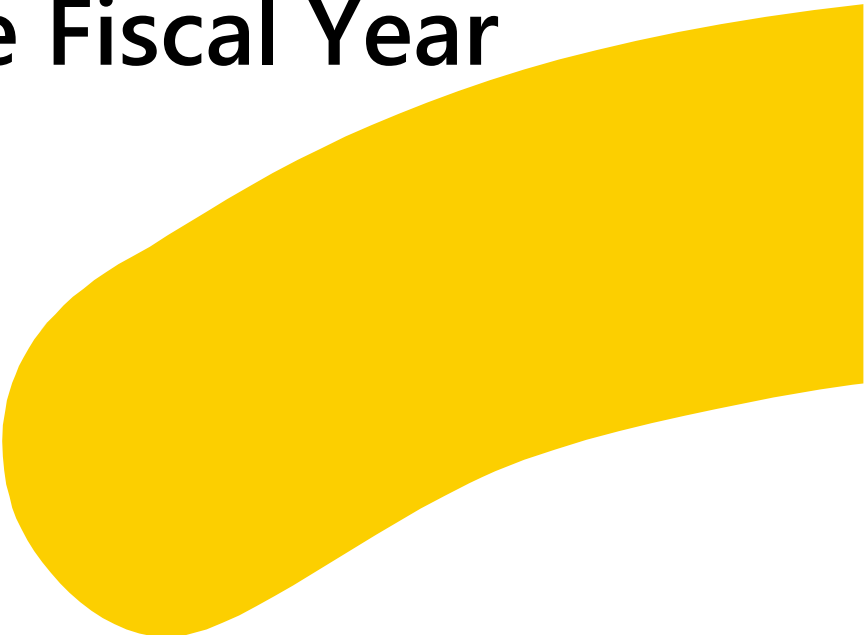
※ Visualization of GHG emissions in conjunction with ISO14083:2023 (global standard) ^{*2}

^{*1} GHG emitted indirectly by companies in the supply chain
^{*2} International standard to calculate transportation-related GHG emissions of logistics companies in general (road, rail, air, sea, rivers, etc.)

6. Consolidated earnings forecast (key metrics)

(Billions of Yen)	Fiscal Year ended March 31, 2023 Actual	Fiscal Year ending March 31, 2024 Forecast	Forecast Change		YoY Change	
			Amount	[%]	Amount	[%]
			Operating revenue	1,800.6	1,785.0	(35.0)
Operating expenses	1,740.5	1,720.0	(20.0)	(1.1)	(20.5)	(1.2)
Operating profit	60.0	65.0	(15.0)	(18.8)	+ 4.9	+ 8.2
Profit margin[%]	3.3	3.6	(0.8)	-	+ 0.3	-
Ordinary profit	58.0	65.0	(15.0)	(18.8)	+ 6.9	+ 11.9
Profit attributable to owners of Parent	45.8	52.0	(6.0)	(10.3)	+ 6.1	+ 13.3
ROE(%)	7.6	8.6	(0.9)	-	+ 1.0	-

Overview of Consolidated Results for the 2nd Quarter of the Fiscal Year Ending March 2024



7. Operating Results for the 1st Half of FY 2024/3

(Billions of Yen)	Fiscal Year ended March 31, 2023 1st Half Actual	Fiscal Year ending March 31, 2024 1st Half Actual	YoY Change	
			Amount	[%]
			Operating revenue	883.7
Operating profit	18.0	12.3	(5.6)	(31.5)
Profit margin [%]	2.0	1.4	(0.6)	-
Ordinary profit	18.2	12.6	(5.6)	(30.8)
Profit margin [%]	2.1	1.5	(0.6)	-
Profit attributable to owners of Parent	10.3	5.3	(4.9)	(48.0)
Profit margin [%]	1.2	0.6	(0.6)	-

8. Summary of Operating Revenue for the 1st Half of FY 2024/3

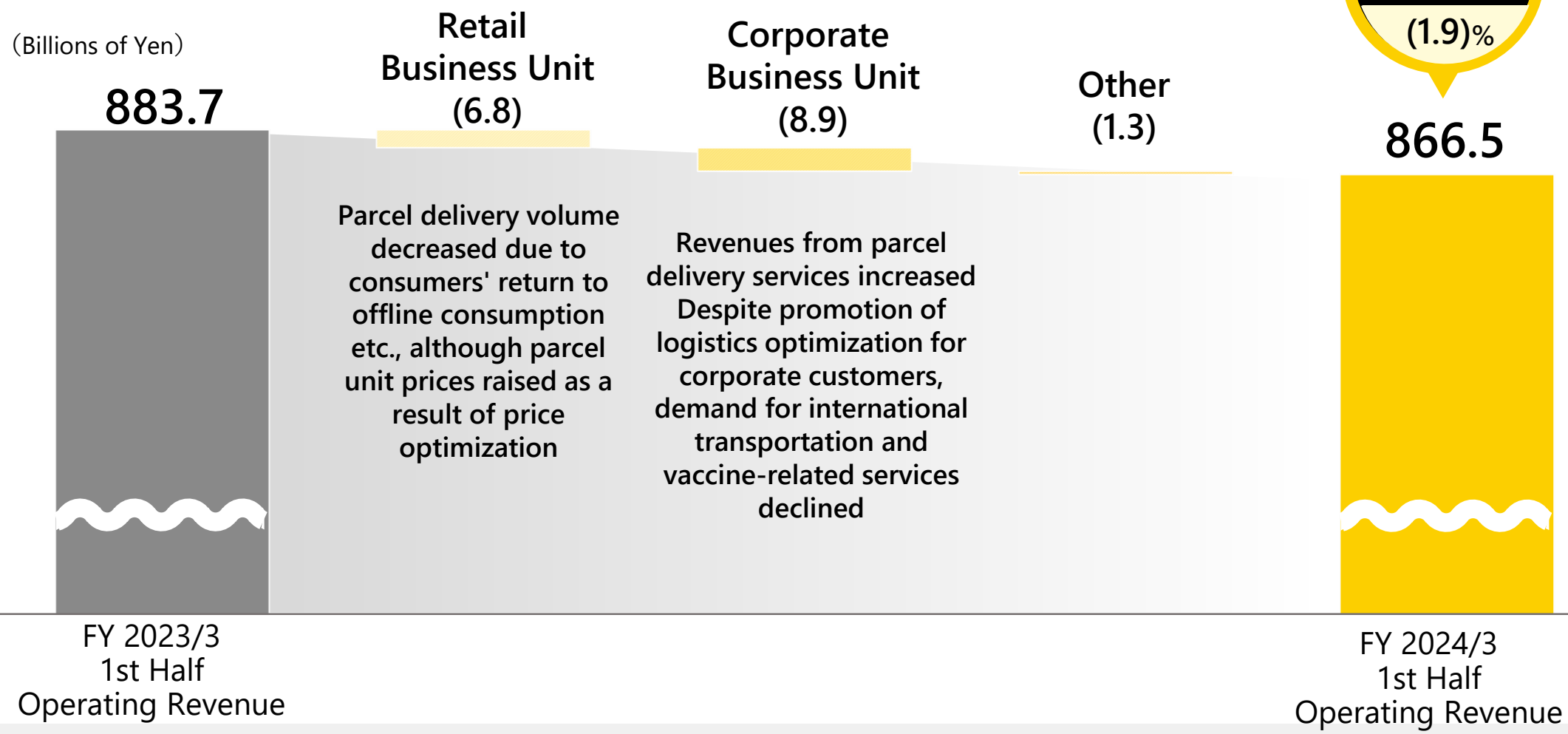
(Billions of Yen)	Fiscal Year ended March 31, 2023 1st Half Actual	Fiscal Year ending March 31, 2024 1st Half Actual	YoY Change	
			Amount	[%]
Retail Business Unit	437.6	430.7	(6.8)	(1.6)
Transportation income	567.6	581.5	+13.8	+2.4
Logistical support income	1.3	1.8	+0.4	+31.8
Others	13.5	14.6	+1.1	+8.5
Eliminations	(144.9)	(167.3)	(22.3)	-
Corporate Business Unit	416.3	407.4	(8.9)	(2.1)
Transportation income	299.2	304.9	+5.7	+1.9
Logistical support income	133.7	115.3	(18.4)	(13.8)
Logistics	65.4	60.9	(4.4)	(6.9)
International logistics	46.8	33.2	(13.5)	(29.0)
Others	21.5	21.1	(0.3)	(1.7)
Others	16.6	15.9	(0.6)	(4.2)
Eliminations	(33.2)	(28.7)	+4.4	-
Other	29.7	28.3	(1.3)	(4.7)
Transportation income	12.1	11.5	(0.5)	(4.6)
Others	77.4	78.1	+0.6	+0.9
Eliminations	(59.9)	(61.3)	(1.4)	-
Total	883.7	866.5	(17.1)	(1.9)

9. YoY Analysis of Operating Revenue (1st Half of FY 2024/3)

Retail Business Unit	
Transportation income	+13.8
Logistical support income	+ 0.4
Eliminations/Others	(21.2)

Corporate Business Unit	
Transportation income	+ 5.7
Logistical support income	(18.4)
Logistics	(4.4)
International logistics	(13.5)
Others	(0.3)
Eliminations/Others	+ 3.8

Other	
Transportation income	(0.5)
Eliminations/Others	(0.8)

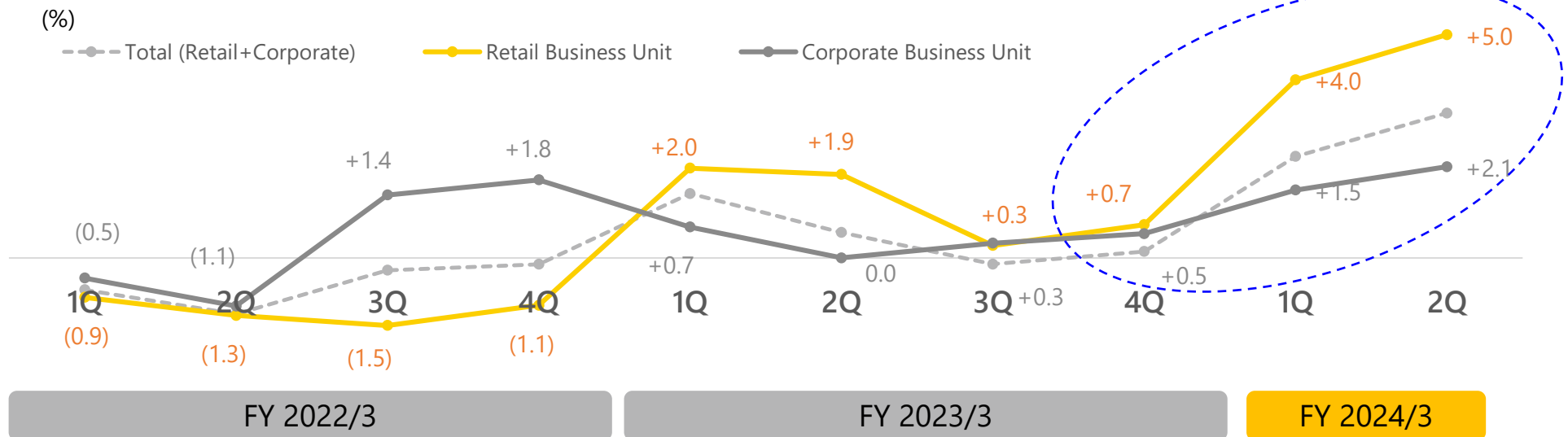


10. Quarterly Trends of Parcel Delivery (TA-Q-BIN, TA-Q-BIN Compact, EAZY)

	FY2022/3				FY2023/3				FY2024/3	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Delivery Volume (Thousands)	444,328	470,100	540,567	435,687	449,504	490,766	552,115	433,950	442,365	469,592
YoY(%)	+3.8	+5.8	+3.6	+6.3	+1.2	+4.4	+2.1	(0.4)	(1.6)	(4.3)
Unit-price (Yen)	687	698	715	696	697	702	714	697	713	725
YoY(%)	(0.7)	(1.3)	(0.3)	(0.1)	+1.5	+0.6	(0.1)	+0.1	+2.3	+3.3

Ref.

Unit price trend (YoY) by Segment



Delivery volume trend (YoY) by Segment

Retail Business Unit : (6.1)%

Corporate Business Unit : (2.7)%

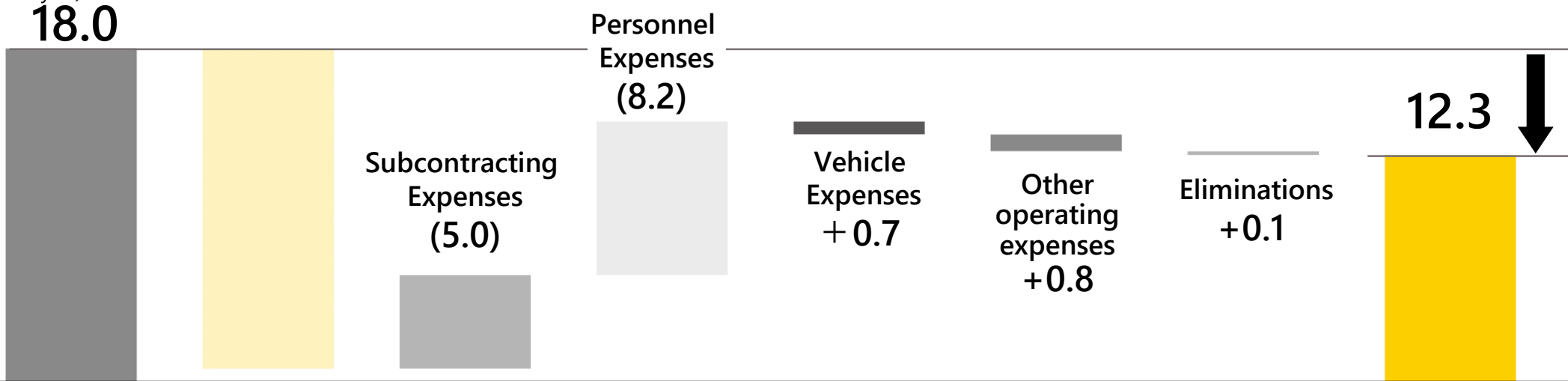
(2Q: July-Sep.)

11. Summary of Operating Expenses (1st Half of FY 2024/3)

(Billions of Yen)	Fiscal Year ended March 31, 2023 1st Half Actual	Fiscal Year ending March 31, 2024 1st Half Actual	YoY Change	
			Amount	[%]
Operating revenue	883.7	866.5	(17.1)	(1.9)
Subcontracting expenses	324.9	319.9	(5.0)	(1.5)
Commission expenses	171.8	178.4	+ 6.5	+ 3.8
Delivery commission	46.1	47.1	+ 0.9	+ 2.0
Operating outsource	17.7	21.0	+ 3.2	+ 18.3
Other commission expenses	107.9	110.2	+ 2.3	+ 2.2
EC logistics network	22.0	22.4	+ 0.3	+ 1.5
Other	85.8	87.8	+ 1.9	+ 2.3
Vehicle hiring expenses	102.2	103.3	+ 1.1	+ 1.1
Other subcontracting expenses	50.7	38.1	(12.6)	(24.9)
Personnel expenses	433.3	425.0	(8.2)	(1.9)
Employee salary	292.5	288.5	(3.9)	(1.4)
Legal welfare expenses	53.0	53.3	+ 0.2	+ 0.5
Retirement benefit expenses	12.2	12.6	+ 0.3	+ 3.2
Bonus/Other personnel expenses	75.4	70.4	(4.9)	(6.6)
Vehicle expenses	26.5	27.2	+ 0.7	+ 2.8
Fuel expenses	13.7	13.9	+ 0.1	+ 1.4
Other operating expenses	177.0	177.9	+ 0.8	+ 0.5
Depreciation	20.6	21.5	+ 0.9	+ 4.5
System expenses	26.5	28.7	+ 2.2	+ 8.4
Other	129.8	127.6	(2.2)	(1.8)
Facilities expenses	40.7	42.6	+ 1.8	+ 4.6
Other	89.1	84.9	(4.1)	(4.7)
Total	961.9	950.2	(11.6)	(1.2)
Eliminations	(96.2)	(96.0)	+ 0.1	-
Operating expenses	865.7	854.2	(11.4)	(1.3)
Operating profit	18.0	12.3	(5.6)	(31.5)

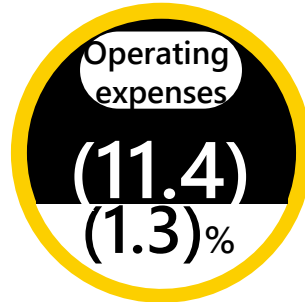
12. YoY Analysis of Operating Expenses (1st Half of FY 2024/3)

(Billions of yen)



FY 2023/3
1st Half
Operating profit
Actual

Operating
Revenue
(17.1)



FY 2024/3
1st Half
Operating profit
Actual

Subcontracting expenses	
Commission expenses	+ 6.5
Delivery commission	+ 0.9
Operating outsource	+ 3.2
EC logistics network	+ 0.3
Other	+ 1.9
Vehicle hiring expenses	+ 1.1
Other subcontracting expenses	(12.6)

Personnel expenses	
Employee salary	(3.9)
Legal welfare expenses	+ 0.2
Retirement benefit expenses	+ 0.3
Bonus/Other personnel expenses	(4.9)

Vehicle expenses	
Vehicle repairing expenses	+ 0.5

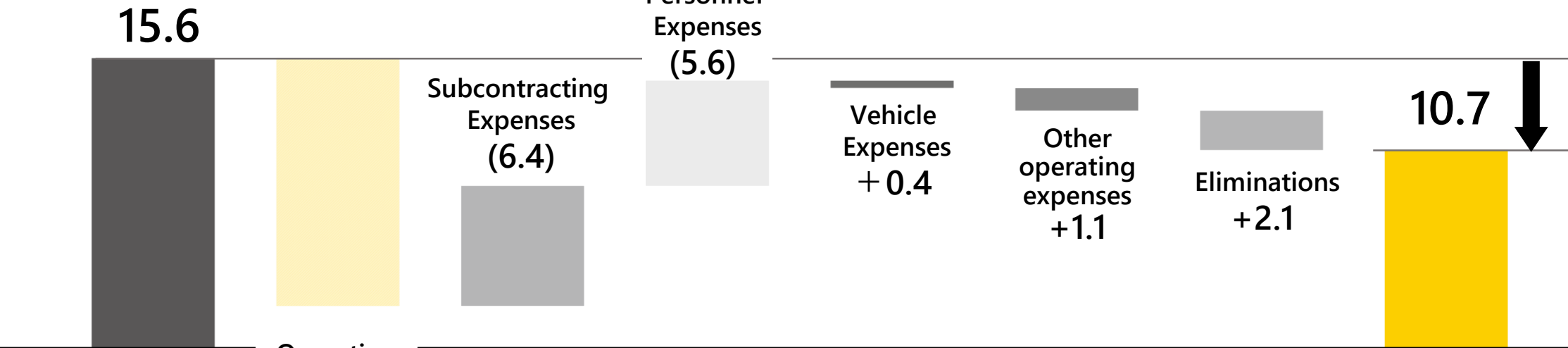
Other operating expenses	
Depreciation	+ 0.9
System expenses	+ 2.2
Facilities expenses	+ 1.8
Other	(4.1)

13. Summary of Operating Expenses (2nd Quarter: July – Sep.)

(Billions of Yen)	Fiscal Year ended March 31, 2023 2nd Quarter Actual	Fiscal Year ending March 31, 2024 2nd Quarter Actual	YoY Change	
			Amount	[%]
Operating revenue	459.5	446.3	(13.2)	(2.9)
Subcontracting expenses	167.9	161.5	(6.4)	(3.8)
Commission expenses	89.7	90.0	+0.2	+ 0.3
Delivery commission	24.1	23.9	(0.2)	(0.9)
Operating outsource	9.0	10.5	+1.4	+ 16.5
Other commission expenses	56.5	55.6	(0.9)	(1.7)
EC logistics network	12.0	11.1	(0.8)	(7.0)
Other	44.5	44.4	(0.1)	(0.3)
Vehicle hiring expenses	51.9	52.4	+0.5	+ 1.0
Other subcontracting expenses	26.2	19.0	(7.2)	(27.5)
Personnel expenses	221.3	215.6	(5.6)	(2.6)
Employee salary	148.0	145.6	(2.3)	(1.6)
Legal welfare expenses	27.5	27.0	(0.5)	(2.1)
Retirement benefit expenses	6.2	6.3	+0.1	+ 2.3
Bonus/Other personnel expenses	39.4	36.6	(2.8)	(7.3)
Vehicle expenses	13.8	14.2	+0.4	+ 2.9
Fuel expenses	7.4	7.6	+0.1	+ 2.1
Other operating expenses	90.1	91.3	+1.1	+ 1.3
Depreciation	10.4	11.0	+0.5	+ 5.4
System expenses	13.3	14.4	+1.0	+ 8.2
Other	66.3	65.8	(0.4)	(0.7)
Facilities expenses	20.5	21.5	+1.0	+ 4.9
Other	45.8	44.3	(1.4)	(3.2)
Total	493.2	482.7	(10.4)	(2.1)
Eliminations	(49.2)	(47.1)	+2.1	-
Operating expenses	443.9	435.6	(8.3)	(1.9)
Operating profit	15.6	10.7	(4.8)	(31.2)

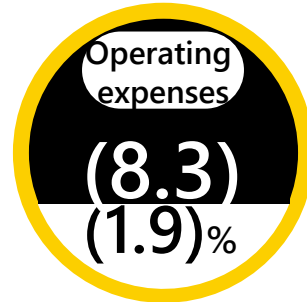
14. YoY Analysis of Operating Expenses (2nd Quarter: July – Sep.)

(Billions of yen)



FY 2023/3
2nd Quarter
(July – Sep.)
Operating profit
Actual

Operating
Revenue
(13.2)



FY 2024/3
2nd Quarter
(July – Sep.)
Operating profit
Actual

Subcontracting expenses

Commission expenses	+ 0.2
Delivery commission	(0.2)
Operating outsource	+ 1.4
EC logistics network	(0.8)
Other	(0.1)
Vehicle hiring expenses	+ 0.5
Other subcontracting expenses	(7.2)

Personnel expenses

Employee salary	(2.3)
Legal welfare expenses	(0.5)
Retirement benefit expenses	+ 0.1
Bonus/Other personnel expenses	(2.8)

Vehicle expenses

Vehicle repairing expenses	+ 0.2
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Other operating expenses

Depreciation	+ 0.5
System expenses	+ 1.0
Facilities expenses	+ 1.0
Other	(1.4)

15. Operating Expenses (Quarterly / YoY change)

(Billions of Yen)	FY 2023/3											FY 2024/3						
	1st Quarter Actual	YoY Change		2nd Quarter Actual	YoY Change		3rd Quarter Actual	YoY Change		4th Quarter Actual	YoY Change		1st Quarter Actual	YoY Change		2nd Quarter Actual	YoY Change	
		Amount*	[%]*		Amount*	[%]*		Amount*	[%]*		Amount*	[%]*		Amount*	[%]*		Amount	[%]
Operating revenue	424.1	+12.0	+2.9	459.5	+22.6	+5.2	512.2	+11.9	+2.4	404.7	(8.4)	(2.1)	420.2	(3.9)	(0.9)	446.3	(13.2)	(2.9)
Subcontracting expenses	157.0	+11.7	+8.1	167.9	+14.5	+9.5	181.4	+5.4	+3.1	151.0	(5.5)	(3.5)	158.4	+1.3	+0.9	161.5	(6.4)	(3.8)
Commission expenses	82.0	+10.9	+15.5	89.7	+12.3	+16.0	98.7	+6.3	+6.9	81.6	(0.0)	(0.1)	88.3	+6.2	+7.6	90.0	+0.2	+0.3
Delivery commission	22.0	+0.5	+2.3	24.1	+2.9	+14.1	27.7	+2.9	+11.8	21.3	(0.0)	(0.4)	23.1	+1.1	+5.2	23.9	(0.2)	(0.9)
Operating outsource	8.7	+0.6	+8.3	9.0	+0.2	+3.1	11.0	(0.6)	(5.4)	8.4	+0.0	+0.2	10.5	+1.7	+20.2	10.5	+1.4	+16.5
Other commission expenses	51.3	+9.8	+23.7	56.5	+9.1	+19.3	60.0	+4.0	+7.2	51.8	(0.0)	(0.0)	54.6	+3.3	+6.4	55.6	(0.9)	(1.7)
EC Logistics network	10.0	+8.9	+820.2	12.0	+7.7	+178.8	13.3	+2.9	+28.1	11.0	+1.1	+11.2	11.2	+1.1	+11.7	11.1	(0.8)	(7.0)
Other	41.2	+0.8	+2.2	44.5	+1.4	+3.3	46.6	+1.1	+2.4	40.8	(1.1)	(2.7)	43.4	+2.1	+5.2	44.4	(0.1)	(0.3)
Vehicle hiring expenses	50.3	(1.0)	(2.0)	51.9	(1.1)	(2.1)	56.6	+0.5	+1.0	49.7	+0.4	+0.9	50.9	+0.5	+1.2	52.4	+0.5	+1.0
Other subcontracting expenses	24.5	+1.7	+7.5	26.2	+3.2	+14.2	26.0	(1.4)	(5.4)	19.7	(5.9)	(23.1)	19.1	(5.4)	(22.1)	19.0	(7.2)	(27.5)
Personnel expenses	212.0	+2.7	+1.3	221.3	+5.1	+2.4	225.3	+2.1	+1.0	207.3	+0.9	+0.5	209.3	(2.6)	(1.2)	215.6	(5.6)	(2.6)
Employee salary	144.4	+2.0	+1.5	148.0	+2.6	+1.8	153.2	+1.5	+1.0	143.7	+1.5	+1.1	142.8	(1.6)	(1.1)	145.6	(2.3)	(1.6)
Legal welfare expenses	25.4	(0.7)	(3.0)	27.5	+0.3	+1.4	27.3	+0.3	+1.4	26.4	(0.0)	(0.1)	26.3	+0.8	+3.4	27.0	(0.5)	(2.1)
Retirement benefit expenses	6.0	+2.1	+55.3	6.2	+2.0	+48.6	6.3	+0.7	+12.7	6.4	+0.5	+9.3	6.3	+0.2	+4.0	6.3	+0.1	+2.3
Bonus/Other personnel expenses	35.9	(0.6)	(1.8)	39.4	+0.0	+0.2	38.2	(0.5)	(1.4)	30.7	(1.0)	(3.4)	33.8	(2.1)	(5.8)	36.6	(2.8)	(7.3)
Vehicle expenses	12.7	+0.5	+4.9	13.8	+0.8	+6.7	14.1	+0.8	+6.0	10.5	+0.1	+1.4	13.0	+0.3	+2.6	14.2	+0.4	+2.9
Fuel expenses	6.2	+0.6	+12.6	7.4	+0.7	+11.7	6.9	+0.3	+4.5	5.8	+0.0	+1.2	6.2	+0.0	+0.6	7.6	+0.1	+2.1
Other operating expenses	86.9	+2.9	+3.5	90.1	+1.4	+1.6	93.8	+2.1	+2.3	85.8	(5.1)	(5.7)	86.6	(0.2)	(0.3)	91.3	+1.1	+1.3
Depreciation	10.1	+1.8	+22.6	10.4	+2.1	+25.2	10.5	+1.6	+18.2	10.4	+0.7	+7.7	10.5	+0.3	+3.6	11.0	+0.5	+5.4
System expenses	13.2	+0.3	+2.7	13.3	+0.2	+1.6	13.5	(0.8)	(5.8)	13.0	(1.0)	(7.4)	14.3	+1.1	+8.6	14.4	+1.0	+8.2
Other	63.5	+0.7	+1.2	66.3	(0.9)	(1.3)	69.8	+1.3	+2.0	62.4	(4.8)	(7.3)	61.7	(1.7)	(2.8)	65.8	(0.4)	(0.7)
Facilities expenses	20.2	+1.3	+7.4	20.5	+1.1	+5.8	21.5	+1.1	+5.9	20.5	+0.0	+0.4	21.0	+0.8	+4.4	21.5	+1.0	+4.9
Other	43.3	(0.6)	(1.4)	45.8	(2.0)	(4.2)	48.3	+0.1	+0.3	41.9	(4.9)	(10.6)	40.6	(2.6)	(6.2)	44.3	(1.4)	(3.2)
Total	468.6	+18.0	+4.0	493.2	+21.9	+4.7	514.8	+10.5	+2.1	454.8	(9.5)	(2.1)	467.4	(1.2)	(0.3)	482.7	(10.4)	(2.1)
Eliminations	(46.9)	+4.8	-	(49.2)	+4.9	-	(51.0)	(0.0)	-	(43.8)	+4.1	-	(48.8)	(1.9)	-	(47.1)	+2.1	-
Operating expenses	421.7	+22.8	+5.7	443.9	+26.9	+6.5	463.8	+10.4	+2.3	411.0	(5.4)	(1.3)	418.6	(3.1)	(0.7)	435.6	(8.3)	(1.9)
Operating profits	2.4	(10.8)	(81.7)	15.6	(4.3)	(21.6)	48.3	+1.4	+3.2	(6.3)	(3.0)	-	1.5	(0.8)	(33.9)	10.7	(4.8)	(31.2)

* From the FY 2023/3, internal transactions between Yamato Transport Co., Ltd. and the former group companies that were integrated into Yamato Transport Co., Ltd. in the FY 2022/3, have been reclassified.

Figures for the fiscal year ended March 2022 have been revised to reflect this. In addition, they have been excluded the impact of removing Yamato Home Convenience Co., Ltd. from scope of consolidation.

16. Operating Results Forecast for the Fiscal Year Ending March 2024



(Billions of Yen)	Fiscal Year ended March 31, 2023 Actual	Fiscal Year ending March 31, 2024 August 2023 Forecast	Fiscal Year ending March 31, 2024 New Forecast	Forecast Change		YoY Change	
				Amount	[%]	Amount	[%]
				Operating revenue	1,800.6	1,820.0	1,785.0
Operating profit	60.0	80.0	65.0	(15.0)	(18.8)	+4.9	+8.2
[Profit margin]	3.3	4.4	3.6	(0.8)	-	+0.3	-
Ordinary profit	58.0	80.0	65.0	(15.0)	(18.8)	+6.9	+11.9
Profit attributable to owners of Parent	45.8	58.0	52.0	(6.0)	(10.3)	+6.1	+13.3

Volume (Thousands of Units)	TA-Q-BIN/ TA-Q-BIN Compact/EAZY	1,926,338	1,900,200	1,885,800	(14,400)	(0.8)	(40,538)	(2.1)
	EAZY	493,731	509,100	487,900	(21,200)	(4.2)	(5,831)	(1.2)
	Nekopos	413,372	425,200	415,400	(9,800)	(2.3)	+2,027	+0.5
	Kuroneko DM-Bin	800,526	711,900	703,800	(8,100)	(1.1)	(96,726)	(12.1)
Unit Price (Yen)	TA-Q-BIN/ TA-Q-BIN Compact/EAZY	703	736	726	(10)	(1.4)	+23	+3.3
	Nekopos	189	191	188	(3)	(1.6)	(1)	(0.5)
	Kuroneko DM-Bin	67	67	67	0	0.0	0	0.0

17. Operating Results Forecast for the Fiscal Year Ending March 2024 (Breakdown of Operating Expenses and others)



(Billions of Yen)	Fiscal Year ended March 31, 2023 Actual	Fiscal Year ending March 31, 2024 August 2023 Forecast	Fiscal Year ending March 31, 2024 New Forecast	Forecast Change		YoY Change	
				Amount	[%]	Amount	[%]
				Operating revenue	1,800.6	1,820.0	1,785.0
Subcontracting expenses	657.5	653.0	644.8	(8.2)	(1.3)	(12.7)	(1.9)
Commission expenses	352.2	360.4	358.0	(2.4)	(0.7)	+ 5.7	+ 1.6
Delivery commission	95.1	84.3	84.7	+ 0.4	+ 0.5	(10.4)	(11.0)
Operating outsource	37.3	37.0	41.7	+ 4.7	+ 12.7	+ 4.3	+ 11.6
Other commission expenses	219.7	239.1	231.6	(7.5)	(3.1)	+ 11.8	+ 5.4
EC Logistics network	46.4	46.7	43.0	(3.7)	(7.9)	(3.4)	(7.4)
Other	173.2	192.4	188.6	(3.8)	(2.0)	+ 15.3	+ 8.8
Vehicle hiring expenses	208.6	209.7	208.3	(1.4)	(0.7)	(0.3)	(0.2)
Other subcontracting expenses	96.5	82.9	78.5	(4.4)	(5.3)	(18.0)	(18.7)
Personnel expenses	866.0	846.9	840.6	(6.3)	(0.7)	(25.4)	(2.9)
Employee salary	589.4	573.8	570.3	(3.5)	(0.6)	(19.1)	(3.3)
Legal welfare expenses	106.8	107.7	107.0	(0.7)	(0.6)	+ 0.1	+ 0.1
Retirement benefit expenses	25.1	25.9	25.4	(0.5)	(1.9)	+ 0.2	+ 1.0
Bonus/Other personnel expenses	144.4	139.5	137.9	(1.6)	(1.1)	(6.5)	(4.6)
Vehicle expenses	51.2	51.9	52.2	+ 0.3	+ 0.6	+ 0.9	+ 1.8
Fuel expenses	26.5	26.6	26.7	+ 0.1	+ 0.4	+ 0.1	+ 0.7
Other operating expenses	356.8	373.8	367.2	(6.6)	(1.8)	+ 10.3	+ 2.9
Depreciation	41.5	46.6	44.2	(2.4)	(5.2)	+ 2.6	+ 6.4
System expenses	53.0	59.4	59.7	+ 0.3	+ 0.5	+ 6.6	+ 12.5
Other	262.1	267.8	263.3	(4.5)	(1.7)	+ 1.1	+ 0.4
Facilities expenses	82.8	89.5	88.0	(1.5)	(1.7)	+ 5.1	+ 6.3
Other	179.3	178.3	175.3	(3.0)	(1.7)	(4.0)	(2.3)
Total	1,931.6	1,925.6	1,904.8	(20.8)	(1.1)	(26.8)	(1.4)
Eliminations	(191.0)	(185.6)	(184.8)	+ 0.8	-	+ 6.2	-
Operating expenses	1,740.5	1,740.0	1,720.0	(20.0)	(1.1)	(20.5)	(1.2)
Operating profit	60.0	80.0	65.0	(15.0)	(18.8)	+ 4.9	+ 8.2
Total number of employees (Persons)	210,197	※ 181,000	※ 182,400	+ 1,400	+ 0.8	(27,797)	(13.2)
Full-time	92,727	91,600	90,800	(800)	(0.9)	(1,927)	(2.1)
Part-time	117,470	89,400	91,600	+ 2,200	+ 2.5	(25,870)	(22.0)
Capital expenditure (Billions of Yen)	46.9	120.0	85.0	(35.0)	(29.2)	+ 38.0	+ 81.2

* Yamato Staff Supply Co., Ltd. became an equity-method affiliate and the number of its employees was excluded from the scope of consolidation from the 2nd quarter of FY 2024/3.

Because of the change, total number of employees declined (14,055) in total: (282) Full-times and (13,773) Part-times, vs the end of FY 2023/3.

Direction of mid-to-long term strategy

【Our aspiration】

Expand value provision to the “End to End” of supply chains
 ~Realize sustainable business growth~

Expand corporate business domain

Structural reform of
 network operations

HR strategy

Digital
 strategy

Environmental
 strategy

Reinforce sustainable management

Reinforce corporate governance

Management
 resources brought
 together under
 “One YAMATO
 structure”

Client base

Human
 resources

Logistics
 network

Information

Financial base

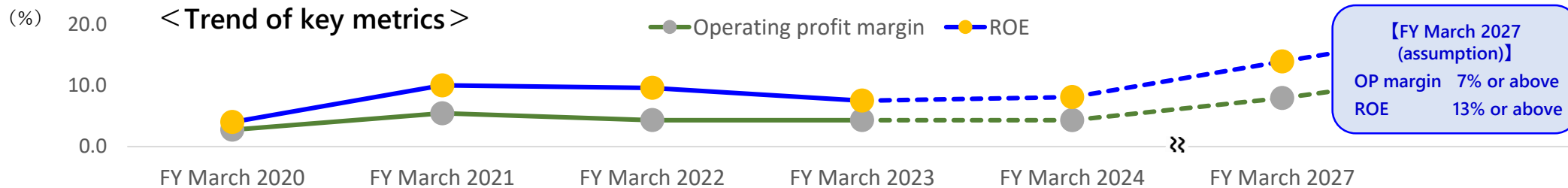
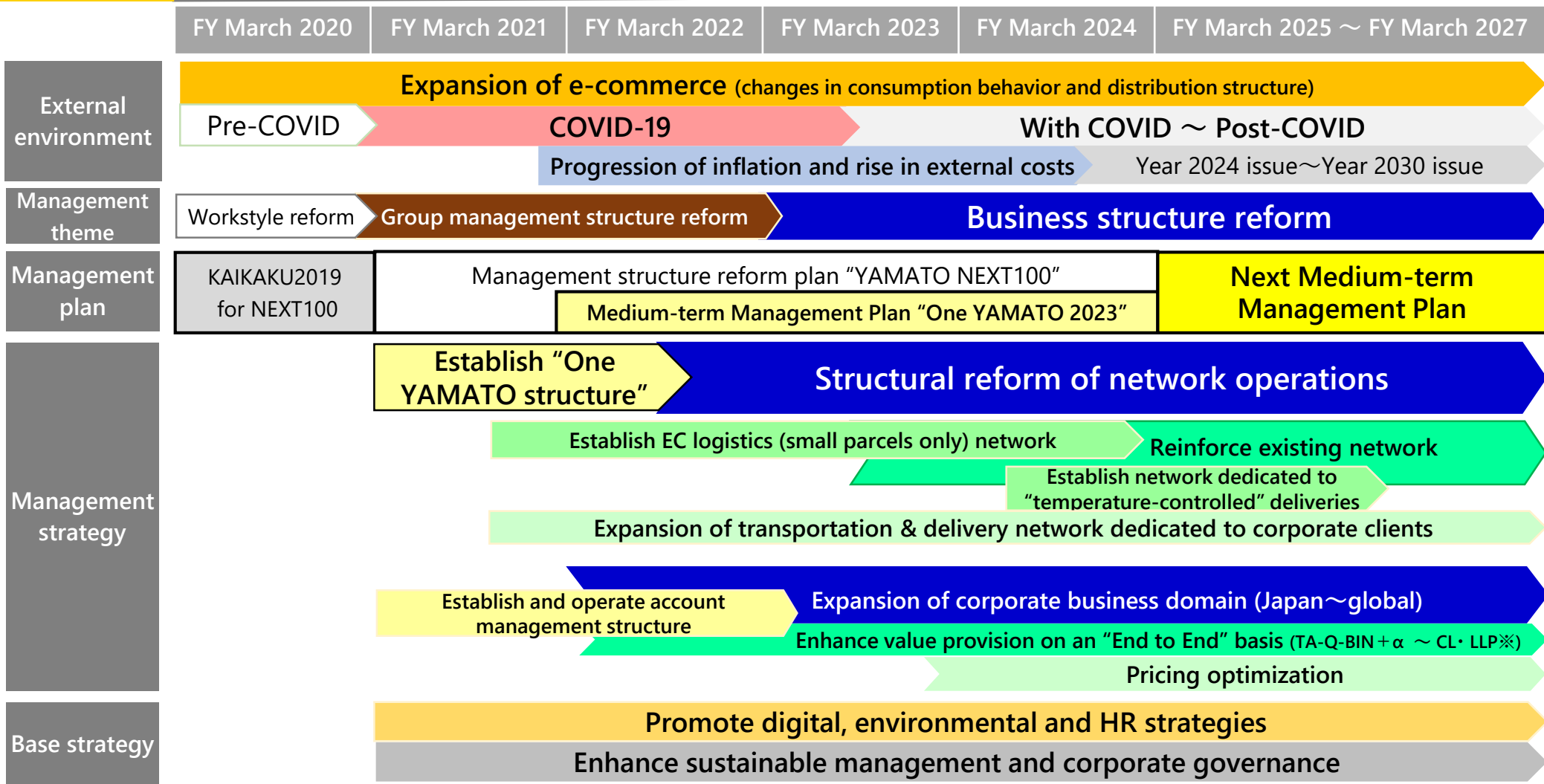
Energy
 resources

☞ Enhance profitability
 and growth potential
 through business
 structure reform with
 sales and operations
 working together as one

☞ Promote
 foundational strategies
 that support business
 structure reform


☞ Strengthen platform
 that supports sustainable
 corporate value
 enhancement

Mid-to-long term roadmap



Structural reform of network operations (overview)

- Establish and expand dedicated network (growth domain) and reinforce existing network (base domain) → Strengthen response to diverse range of needs for logistics, while improving quality and efficiency of the overall network

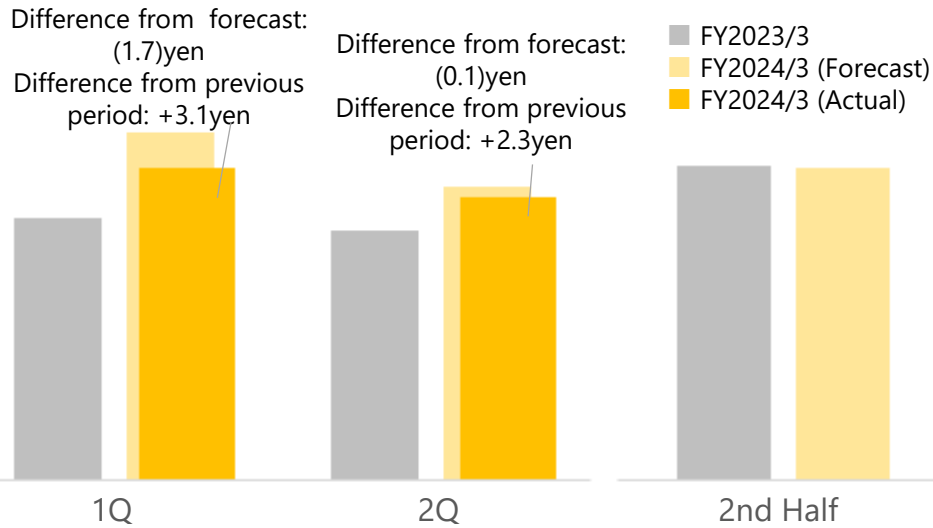
	Initiative	Effect
Growth domain	<p><u>Establish and expand dedicated network optimized (customized) to accommodate diverse range of logistics needs</u></p>	<ul style="list-style-type: none"> ✓ Enhance value provided based on customer needs ✓ Set appropriate pricing based on value provided ✓ Optimize operating cost ✓ Higher satisfaction from work ✓ Maintain and improve safety, quality and work environment
	<ul style="list-style-type: none"> Establish EC logistics (small parcels only) network Establish network designated to temperature-controlled deliveries (to C + to B) Expansion of transportation & delivery network dedicated to corporate clients 	
Base domain	<p><u>Reinforce existing network, in conjunction with establishing dedicated network</u></p>	
	<ul style="list-style-type: none"> ✓ Consolidate and enlarge facilities ✓ Review terminal functions <div style="text-align: center; margin: 10px 0;">  </div> <ul style="list-style-type: none"> ✓ Renew workstyle and operational structure 	

Structural reform of network operations

(Status of cost per parcel)

➤ Transportation domain

(Trunk-route and intra-regional transportation, Terminal operations)



Cost per parcel in transportation domain (2nd Quarter)

< Main factors for difference from forecast: (0.1)yen >

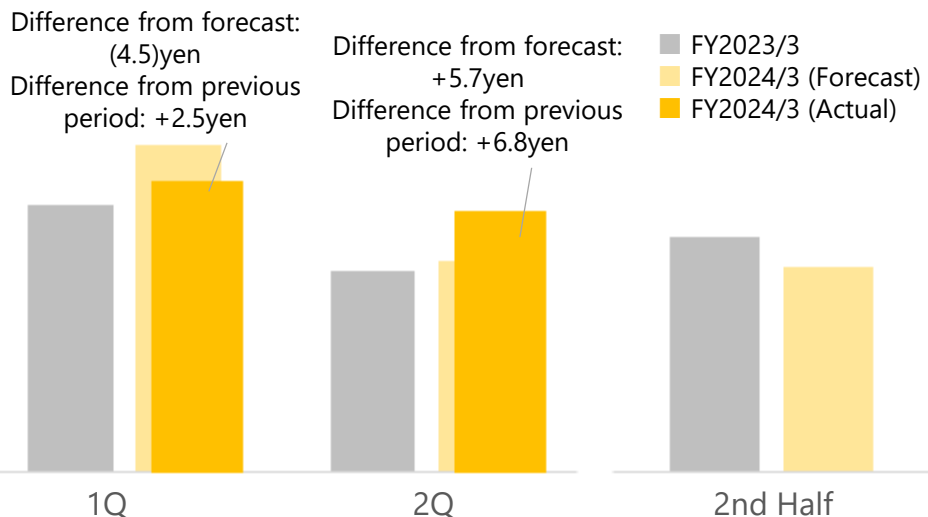
- Mismatch between capacity VS decline in workload: +1.9yen
- Lower productivity due to increase in large parcels: +1.6yen
- Rise in unit cost of wages and partner expenses: +0.1yen
- Cost optimization initiatives (consolidation of operations, etc.): (3.8)yen

< Main factors for difference with previous period +2.3yen >

- Mismatch between capacity VS decline in workload: +3.9yen
- Lower productivity due to increase in large parcels: +3.0yen
- Rise in unit cost of wages and partner expenses: +1.5yen
- Cost optimization initiatives (consolidation of operations, etc.): (6.1)yen

➤ Last-mile domain

(Pick-up and delivery, operations and admin work in Last-mile Offices)



Cost per parcel in last-mile domain (2nd Quarter)

< Main factors for difference with forecast: +5.7yen >

- Mismatch between capacity VS decline in workload: +5.3yen
- Rise in unit cost of wages and partner expenses: +1.1yen
- Productivity improvement initiatives (increase in parcels delivered per shift): (0.7)yen

< Main factors for difference with previous period: +6.8yen >

- Mismatch between capacity VS decline in workload: +6.2yen
- Rise in unit cost of wages and partner expenses: +4.7yen
- Productivity improvement initiatives (increase in parcels delivered per shift): (4.1)yen

*Figures are total of outsourcing expenses and employee wages related to the operations

Expansion of corporate business domain

~Set up 3 Logistics Centers in India~

- In order to expand value provision on an “End to End” basis of the supply chains of clients that do business globally, set up 3 logistics centers in India, where auto production and sales is growing
 - Expand scope of services to the upstream and downstream of supply chains to optimize

1. Background & objective

- Strengthen initiatives to expand corporate business domain (Yamato Group)
 - Optimize the entire supply chain of clients, including international production and sales, instead of just sales in Japan
- Expansion of the auto sales market in India
 - Significant expansion of the auto production and sales market, with the India government promoting the auto industry as one of its focus areas
 - Local and international manufacturers are expanding production capacity of vehicles and auto parts, in order to sell in India, as well as to export to Africa and the Near and Middle East

2. Expand areas to make proposals in the supply chain



By optimizing clients' entire supply chain in India and abroad, contribute to lowering total logistics cost, more efficient production, and lower environmental burden of clients

Environmental strategy



- Promote initiatives to reduce GHG emissions, based on risks and opportunities posed by climate change → Moreover, expand the corporate business domain by helping clients build environment-friendly supply chains

Basic initiative

• Reduction of own emissions through green innovations

→ Introduction of EV, PV and LED, as well as using less dry ice etc., based on facilities strategy that is part of the structural reform of network operations, together with utilizing electricity generated from renewable energy sources, thereby continuously and steadily reducing GHG emissions

Full-fledged promotion from FY March 2022

< FY2022/3 ~ FY2031/3 >
 No. of EV's 20,000
 Solar power (PV) equipment 810
 Usage of dry ice Zero

Value creation

• Making GHG emissions visible

→ Development of emission visualization tool in line with ISO 14083:2023 international standards for GHG emission calculation in the logistics industry

Full-fledged promotion from FY March 2023

• Enhance value provision to clients (help build environment-friendly supply chains)

→ Reform clients' entire supply chains, optimize logistics and inventory management, thereby contributing to GHG emission reduction

Full-fledged promotion from FY March 2023

【Environmental Vision】

“Connect. Deliver the future via green logistics.”

【Long-term environmental target】

Achieve carbon neutrality and virtually zero GHG emissions* by 2050

*Own emissions (Scope1 and Scope2)

■ GHG (greenhouse gases) emission

Mid-term target (FY2031/3) : 48% reduction*

Short-term target (FY2024/3): 10% reduction*

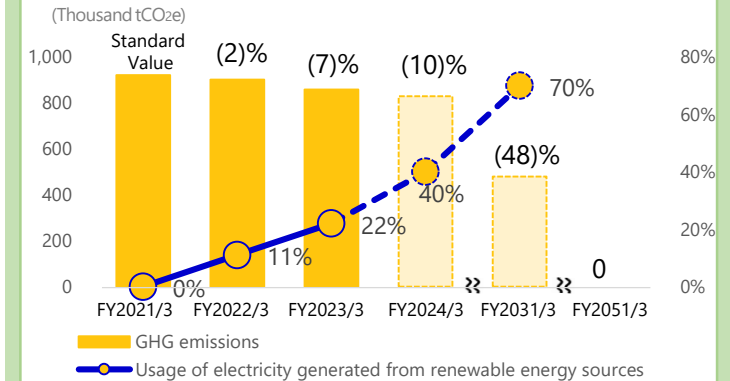
*VS FY2021/3

■ Usage of electricity generated from renewable energy sources

Mid-term target (FY2031/3): 70% of total usage

Short-term target (FY2024/3): 40% of total usage*

*Added 10% to initial target of 30%, towards achieving GHG emission reduction target



Promote Initiatives to Reduce GHG Emissions

Introduction of 900 2-ton EV trucks Sep. 2023~/ Step by step nationwide. First for Yamato to use 2-ton EV trucks



New model of “eCanter” by Mitsubishi Fuso Truck and Bus Corp.

- ✓ Environment-friendly vehicle that does not emit GHG, has less vibration and runs quieter
- ✓ Suitable for pickup & deliveries in urban and residential areas, with considerations for safety and operational efficiency
 - Can accommodate 3 temperature zone deliveries (room temperature, chilled and frozen)
 - Narrow body makes it compact and easy to turn, making it suitable for in-town deliveries
 - Charging port is at the back of the vehicle, making it easy to charge and take in/out parcels

Full-fledged operations of model energy management facility with EV introduction Oct. 2023~/ Yawata City



Yawata Sales Office of Yamato Transport

- ✓ All 32 pickup & delivery vehicles are EVs. All lighting in facility use LEDs
- ✓ Uses solar power generation equipment and storage cells to make use of electricity generated during the day to cover part of* charging EVs and the electricity used in the building
- ✓ Implement energy management by introducing a power leveling system and mitigating peak power usage bias by simultaneously recharging EVs at night, etc.
 - ※Electricity that cannot be covered by solar power generation will be bought in the form of “CO2-free electricity” from The Kansai Electric Power Company

Start experiments with Honda for mini-EVs that use replaceable batteries Nov. 2023~/ Gunma Pref.



Honda「MEV-VAN Concept」



- ✓ Concept model mini-EV that runs on an electric power unit with 8 mobile power packs that use replaceable batteries
- ✓ By using replaceable batteries charged using renewable electricity generated by solar power during the day, contributes to more efficient energy management, such as shorter wait times during charging, and lowering peak demand for electricity

- Accelerate investments to complete the structural reform of our network operations, including the deployment of large-scale integrated facilities, in order to achieve mid-to-long term growth, while also investing in our environmental strategy, better safety and improving the workplace environment
- In digital domain, prioritize investments that enhance value provision to customers and/or make our operations more efficient
 - Prioritizing projects directly related to profit generation, and promoting optimization of development and operation costs (strengthen digital governance)

(Billions of Yen)	FY 2023/3	FY 2024/3	YoY Change		FY 2024/3	FY 2024/3	Forecast Change
	1st Half Actual	1st Half Actual	Amount	[%]	August 2023 Forecast	New Forecast	
Vehicles	3.5	0.4	(3.1)	(87.8)	12.0	8.0	(4.0)
Offices/buildings and accompanying facilities	10.2	9.0	(1.1)	(11.4)	58.0	45.0	(13.0)
Automatic sorting equipment etc.	1.0	1.5	+0.4	+39.1	10.0	8.0	(2.0)
Other hardware, office equipment, etc.	2.1	2.5	+0.4	+19.1	10.0	7.0	(3.0)
Digital investments	6.7	6.1	(0.6)	(9.6)	30.0	17.0	(13.0)
Increasing value provided to customers	2.3	1.9	(0.4)	(17.4)	9.0	4.0	(5.0)
Improved efficiency of transportation and delivery operations	3.4	1.7	(1.7)	(50.0)	14.0	7.0	(7.0)
Digital infrastructure construction and development	0.8	2.2	+1.4	+175.0	5.0	4.0	(1.0)
Others	0.2	0.3	+0.1	+50.0	2.0	2.0	0.0
Total	23.7	19.6	(4.0)	(17.2)	120.0	85.0	(35.0)



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