



YAMATO
HOLDINGS

Yamato Group IR Presentation Material

< 1st Quarter of Fiscal year ending March 2023 >

August 8, 2022

Yamato Holdings Co., Ltd.

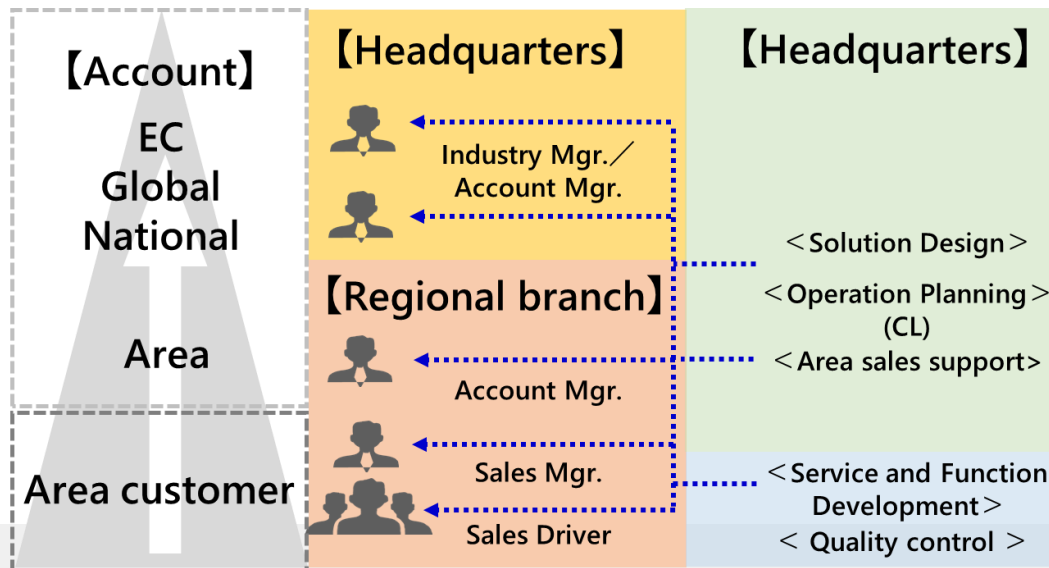


1. Overview of the Medium-term Management Plan “One YAMATO 2023” Structural Reforms

- Established the “One YAMATO” structure, bringing together the Group’s management resources (FY2021~)
 - Reviewing the construct of the Group’s management (structure & organization), while promoting reforms on both revenue and cost structure
 - Promoting comprehensive value provision on an “End To End” basis, from the upstream to downstream of corporate clients’ businesses, by positioning as opportunities the expansion of e-commerce in all industries as well as changes in the supply chain
 - Developing an integrated last-mile network, strengthening account management, and promoting the reinforcement and expansion of CL・FWD*
- * CL: Contract Logistics FWD: Forwarding

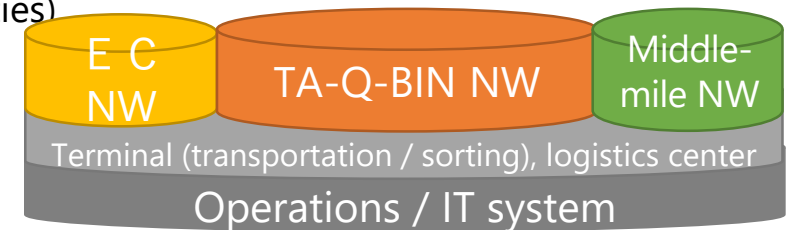
【Value provision to corporate clients】

- Grow revenue from TA-Q-BIN by making + α proposals to area customers based on our wide-ranging client platform
- Revenue expansion through comprehensive value provision to the business supply chain of account clients



【Structural reform of network operations】

- Establishing a designated last-mile network, mainly in the urban areas, to cater to the growing e-commerce, corporate domains and temperature-controlled deliveries
- Optimizing TA-Q-BIN network considering the capacity of the new last-mile network (consolidating and enlarging facilities)



- ① Establish and deploy e-commerce logistics network
- ② Build middle-mile network
- ③ Launch facilities designated for temperature-controlled deliveries
- ④ Consolidation and enlargement of facilities (TA-Q-BIN network)
- ⑤ Operational reform and building of IT system

2. Providing Value to Corporate Clients

- Promote comprehensive value provision “End To End” to clients’ business supply chains (operating revenue expansion)
- Provide optimal last-mile network and operations at reasonable cost (operating profit improvement)

		Clients		sales representatives	Value provision	Management resources
Growth area	Account	EC	Major EC platformers	Account manager	Provide value that supports the expansion of sales opportunities, such as diverse and simple services ways to receive and send (return) parcels, that are preferred by end users, simplifying the sorting process when shipping items and extending the cut-off time, and providing fulfilment services to EC merchants/retailers	<u>Last-mile network</u> •TA-Q-BIN •EAZY •Middle-mile <u>Facilities</u> •TA-Q-BIN centers •Terminals •Logistics centers <u>International transportation</u> •Global FWD* •Asia cross-border land transport
		Global / national area	Healthcare, automotives, fashion, electronic appliances, food, etc.		Provide value that leads to reforming clients’ supply chains and business processes, such as by optimizing logistics and inventory control on an “End To End” basis, covering the upstream to downstream of clients’ supply chains →Fully utilize parcel delivery, route pick-up & delivery, CL and FWD* functions in Japan and overseas	
Base area	Area customer	All industries	Corporate sales & Sales Drivers	Provide “TA-Q-BIN + α” value through thorough services and proposals, made possible by the collaboration between corporate sales and Sales Drivers		

*CL: Contract Logistics FWD: Forwarding

3. Structural Reforms of Network Operations

Outline of Structural Reform

- ① Establish and deploy EC logistics network (urban areas only)
 - Set up EC sorting centers
 - Deploy EC delivery centers
- ② Establish middle-mile network (urban areas only)
 - Establish route pick-up and delivery functions
→ Functions including on-demand deliveries in an appropriate transport mode, from large to small lots, and delivering the exact amount needed when they are needed
- ③ Launch facilities designated for temperature-controlled deliveries (urban areas only)
 - Set up 2 large-scale integrated facilities mainly in Tokyo and the 3 surrounding prefectures
 - Minimize cost overlap by reallocating facilities and human resources in parallel
- ④ Consolidation and enlargement of facilities (TA-Q-BIN network)
 - Consolidation of small TA-Q-BIN centers that were spread out in multiple locations
 - Integration of TA-Q-BIN centers with terminals
 - Redefining the functions of our terminals
- ⑤ Operational reform and rebuilding of IT system
 - Establish mechanism to allocate and utilize resources in accordance with workload and to adjust operations in line with capacity

Aim / Objective

- ✓ Capture EC demand by improving service level
- ✓ Optimize costs by simplifying the operational process, and expand flexible capacity through alliance with partners
- ✓ Provide one-stop value to the client's entire supply chain linking with warehouses, transportation & delivery network (TA-Q-BIN, route pick-up and delivery, etc.), inventory management systems, etc.
- ✓ Capture demand by enhancing capacity for temperature-controlled deliveries, which is a growth area
- ✓ Optimize TA-Q-BIN network (consolidate and enlarge facilities), based on the capacity of the network designated for EC, corporate (large cargo, route pick-up and deliveries, etc.) and temperature-controlled items
- ✓ Enhance safety, quality and work environment and improving productivity of the overall network through measures such as introducing automation equipment to the consolidated and enlarged facilities
- ✓ Enhance effectiveness of Reforms ①~④
- ✓ Cost optimization through operations that are adjusted in line with workload

4. Establish and Deploy EC Logistics Network

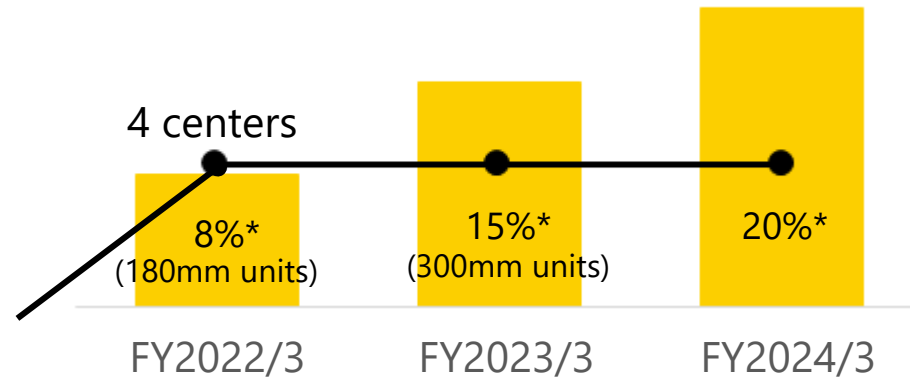
Highlights

- Establish and deploy EC logistics network in urban areas, in order to capture EC demand which continues to grow, and achieve profit growth
 - Promote further efficiencies by directly linking EC sorting center (shipment terminal for EC) to the EC delivery center (last-mile facility for EC) and to the last-mile (EAZY CREW)
- Phase 1 : Establish EC last-mile network (organize EAZY CREW) (1Q-4Q of FY2021/3)
 - Phase 2 : Establish EC sorting center (shipment terminal for EC) (2Q-4Q of FY2022/3)
 - Phase 3 : Deploy EC delivery center (last-mile facilities for EC) (3Q of FY2022/3~)

Expected effect **Operating expenses**
Down 24 bn yen

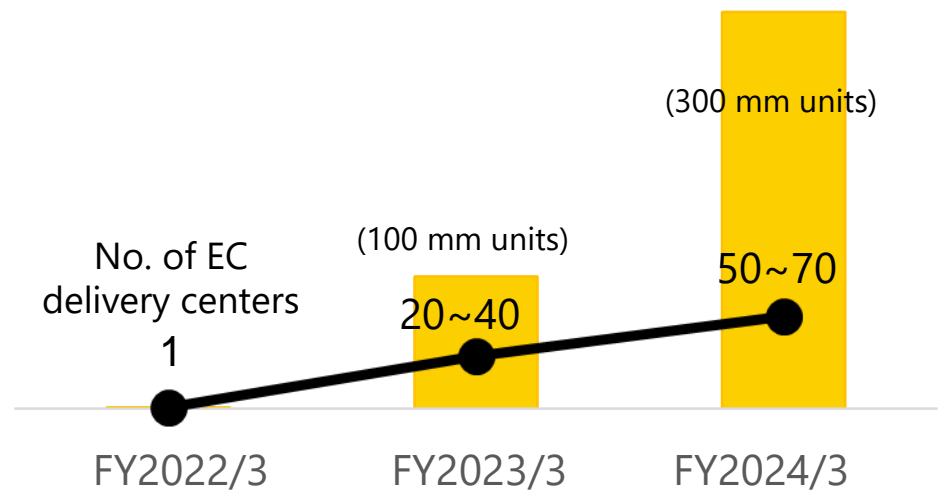
Final year of Medium-term management plan (FY2024/3)

EC sorting center:
Annual handling capacity and no. of locations
 Status of establishment (2Q-4Q of FY2022/3) : 4 centers (completed)



*Ratio of EC logistics network out of total volume

EC delivery center:
Annual handling capacity and no. of locations



5. Consolidation and Enlargement of Facilities (TA-Q-BIN Network)

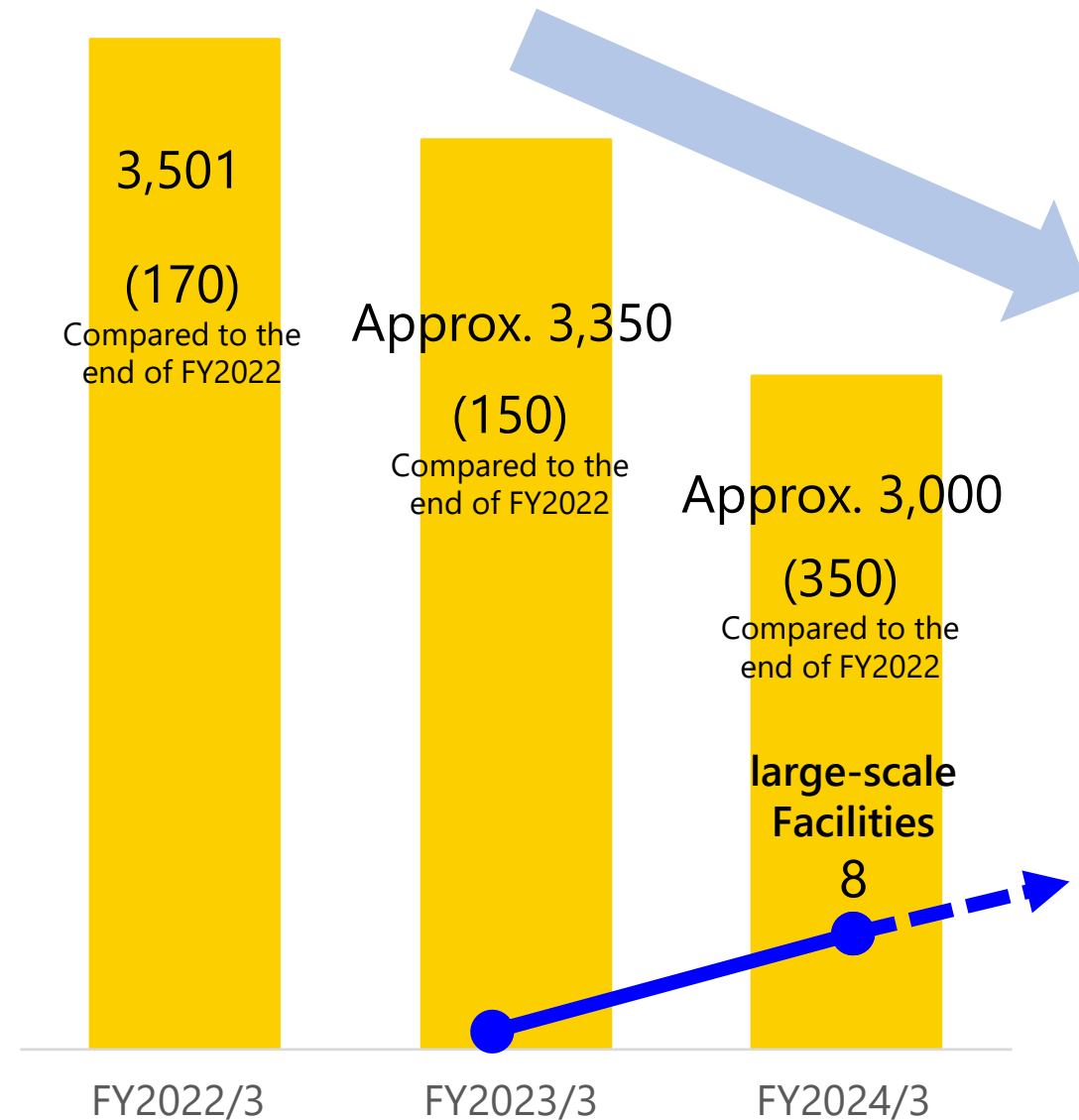
Highlights

- Link with the separation of EC deliveries and corporate deliveries, and rebuild existing TA-Q-BIN network
- Consolidate and enlarge the small-scale, multi-location TA-Q-BIN Centers (last-mile facilities)
 - ✓ Prioritizing urban locations where there are many small facilities
 - ✓ Threshold is 100 shifts per facility (Around 10 times the current average size)
- Redefine and consolidate terminal functions into large-scale facilities

Expected effect **Operating expenses**
Down 8 bn yen

Final year of Medium-term management plan (FY2024/3)

No. of last-mile facilities



Overview of Consolidated Results for the 1st Quarter of Fiscal Year Ending March 2023

6. Operating Results in the 1st Quarter of the Fiscal Year Ending March 31, 2023

(Billions of Yen)	Fiscal Year ended March 31, 2022 1st Quarter Actual	Fiscal Year ending March 31, 2023 1st Quarter Actual	YoY Change		YoY Change(*1)	
			Amount	[%]	Amount	[%]
			Operating revenue	419.8	424.1	+4.3
Operating profit	12.7	2.4	(10.3)	(81.0)	(10.8)	(81.7)
Profit margin [%]	3.0	0.6	(2.5)	-	(2.6)	-
Ordinary profit	16.2	2.4	(13.7)	(84.7)	(14.0)	(84.9)
Profit margin [%]	3.9	0.6	(3.3)	-	(3.4)	-
Profit attributable to owners of Parent	11.7	0.3	(11.3)	(97.3)	(11.7)	(97.3)
Profit margin [%]	2.8	0.1	(2.7)	-	(2.8)	-

*1 Excluding the impact of removing Yamato Home Convenience Co., Ltd. from scope of consolidation

7. Summary of Consolidated Operating Revenue (1st Quarter of FY2023/3)

(Millions of Yen)	Fiscal Year ended March 31, 2022 1st Quarter Actual	Fiscal Year ending March 31, 2023 1st Quarter Actual	YoY Change		YoY Change (*1)	
			Amount	[%]	Amount	[%]
			Retail Business Unit	207,002	211,090	+ 4,087
Transportation income	261,737	273,116	+ 11,379	+ 4.3	+ 11,379	+ 4.3
Logistical support income	1,820	754	(1,065)	(58.6)	(1,065)	(58.6)
Others	6,745	6,132	(612)	(9.1)	(612)	(9.1)
Eliminations	(63,300)	(68,913)	(5,612)	—	(5,612)	—
Corporate Business Unit	190,355	198,254	+ 7,899	+ 4.1	+ 7,899	+ 4.1
Transportation income	142,195	140,379	(1,815)	(1.3)	(1,815)	(1.3)
Logistical support income	58,117	65,230	+ 7,113	+ 12.2	+ 7,113	+ 12.2
Logistics	30,677	33,034	+ 2,356	+ 7.7	+ 2,356	+ 7.7
International logistics	16,217	21,473	+ 5,256	+ 32.4	+ 5,256	+ 32.4
Others	11,223	10,723	(499)	(4.5)	(499)	(4.5)
Others	7,616	8,694	+ 1,078	+ 14.2	+ 1,078	+ 14.2
Eliminations	(17,574)	(16,050)	+ 1,523	—	+ 1,523	—
Other	22,483	14,814	(7,668)	(34.1)	+ 84	+ 0.6
Transportation income	12,214	6,059	(6,154)	(50.4)	+ 565	+ 10.3
Others	44,684	38,537	(6,147)	(13.8)	(3,988)	(9.4)
Eliminations	(34,415)	(29,782)	+ 4,633	—	+ 3,507	—
Total	419,841	424,159	+ 4,317	+ 1.0	+ 12,071	+ 2.9

*1 Excluding the impact of removing Yamato Home Convenience Co., Ltd. from scope of consolidation

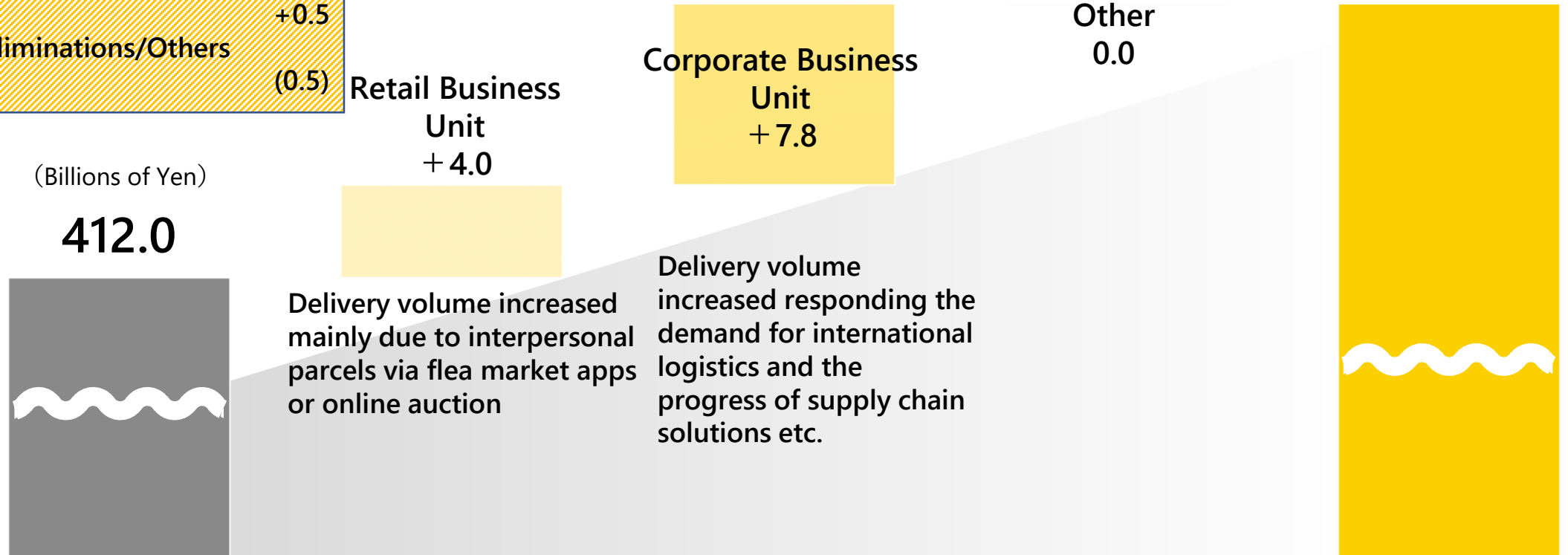
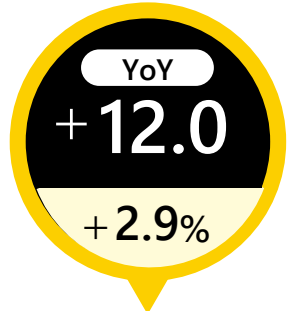
8. YoY Analysis of Consolidated Operating Revenue (1st Quarter of FY2023/3)

*Excluding the impact of removing Yamato Home Convenience Co., Ltd. from scope of consolidation

Retail Business Unit	
Transportation income	+11.3
Logistical support income	(1.0)
Eliminations/Others	(6.3)

Corporate Business Unit	
Transportation income	(1.8)
Logistical support income	+7.1
Logistics	+2.3
International logistics	+5.2
Other	(0.4)
Eliminations/Others	+2.5

Other	
Transportation income	+0.5
Eliminations/Others	(0.5)



Delivery volume increased mainly due to interpersonal parcels via flea market apps or online auction

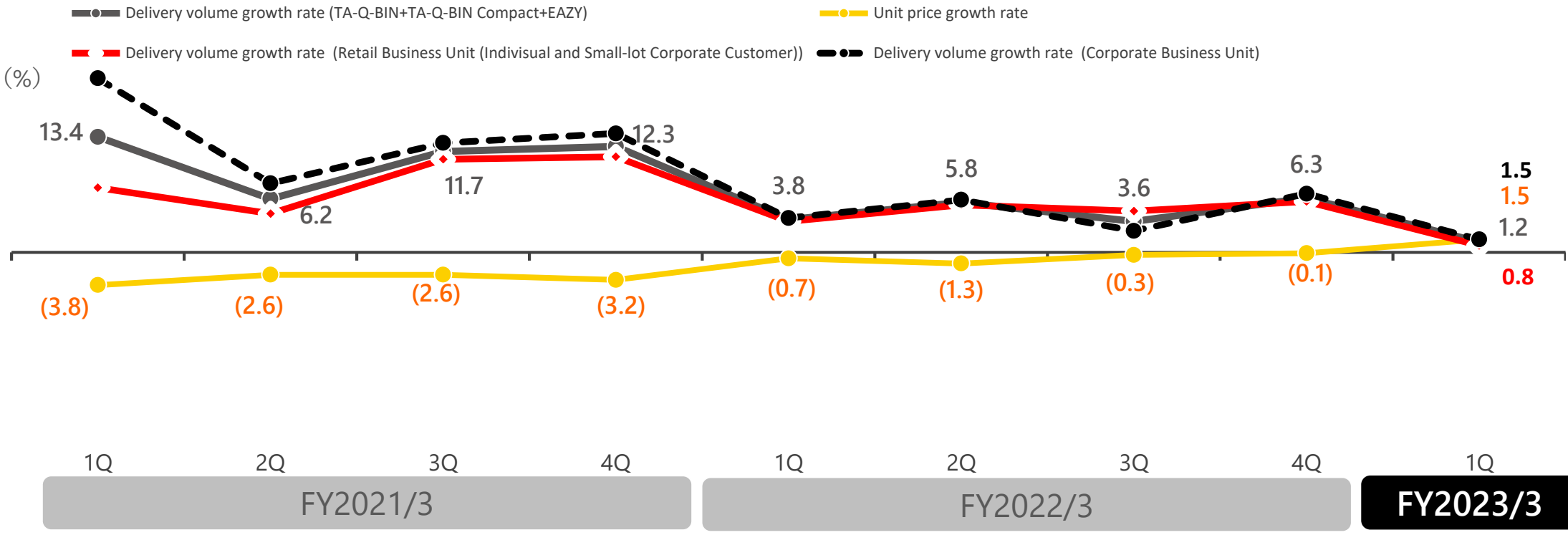
Delivery volume increased responding the demand for international logistics and the progress of supply chain solutions etc.

2022/3
1st Quarter
Operating
Revenue

2023/3
1st Quarter
Operating
Revenue

9. Quarterly YoY Trends of Parcel Delivery (TA-Q-BIN, TA-Q-BIN Compact, EAZY) (1st Quarter April - June)

Although the delivery volume increased mainly in EC compared to the 1st Quarter of FY2022/3, the growth rate shrank due to the factors such as the decline in demand with staying home due to the COVID-19 and deterioration in consumption trends



* Since the fiscal year ended March 2022, the aggregation method has been changed due to the transfer of customers between segments. However, as the effect is minor, the data before the fiscal year ended March 2021 has not been reclassified.

- TA-Q-BIN
- TA-Q-BIN Compact
- EAZY

YoY
+1.2%
Volume

YoY
+1.5%
Unit price

Unit price trend by Segment

Retail Business Unit : +2.0%

Corporate Business Unit : +0.7%

10. Summary of Consolidated Operating Expenses (1st Quarter April- June)

(Millions of Yen)	Fiscal Year ended March 31, 2022 1st Quarter Actual (*1)	Fiscal Year ending March 31, 2023 1st Quarter Actual	YoY Change		YoY Change (*2)	
			Amount	[%]	Amount	[%]
			Operating revenue	419,841	424,159	+ 4,317
Subcontracting expenses	148,221	157,018	+ 8,797	+ 5.9	+ 11,700	+ 8.1
Commission expenses	72,415	82,096	+ 9,680	+ 13.4	+ 10,999	+ 15.5
Delivery commission	21,520	22,023	+ 503	+ 2.3	+ 503	+ 2.3
Operating outsource	8,079	8,749	+ 670	+ 8.3	+ 670	+ 8.3
Other	42,816	51,324	+ 8,508	+ 19.9	+ 9,827	+ 23.7
Vehicle hiring expenses	52,344	50,356	(1,988)	(3.8)	(1,005)	(2.0)
Other subcontracting expenses	23,461	24,566	+ 1,105	+ 4.7	+ 1,706	+ 7.5
Personnel expenses	213,819	212,023	(1,795)	(0.8)	+ 2,789	+ 1.3
Employee salary	145,619	144,490	(1,129)	(0.8)	+ 2,092	+ 1.5
Legal welfare expenses	26,879	25,484	(1,395)	(5.2)	(788)	(3.0)
Retirement benefit expenses	3,964	6,068	+ 2,104	+ 53.1	+ 2,161	+ 55.3
Bonus/Other personnel expenses	37,355	35,979	(1,375)	(3.7)	(675)	(1.8)
Vehicle expenses	12,308	12,724	+ 415	+ 3.4	+ 592	+ 4.9
Fuel expenses	5,646	6,236	+ 589	+ 10.4	+ 698	+ 12.6
Other operating expenses	85,836	86,925	+ 1,088	+ 1.3	+ 2,979	+ 3.5
Depreciation	8,386	10,156	+ 1,769	+ 21.1	+ 1,871	+ 22.6
System expenses	13,029	13,231	+ 202	+ 1.6	+ 348	+ 2.7
Other	64,420	63,536	(883)	(1.4)	+ 758	+ 1.2
Total	460,186	468,691	+ 8,505	+ 1.8	+ 18,062	+ 4.0
Eliminations	(53,078)	(46,948)	+ 6,130	-	+ 4,813	-
Operating expenses	407,107	421,742	+ 14,635	+ 3.6	+ 22,875	+ 5.7
Operating profits	12,734	2,416	(10,317)	(81.0)	(10,804)	(81.7)

*1 From the fiscal year ending March 31, 2023, internal transactions between Yamato Transport Co., Ltd. and the former group companies that were integrated into Yamato Transport Co., Ltd. in the fiscal year ended March 31, 2022, have been reclassified. Figures for the fiscal year ended March 2022 have been revised to reflect this.

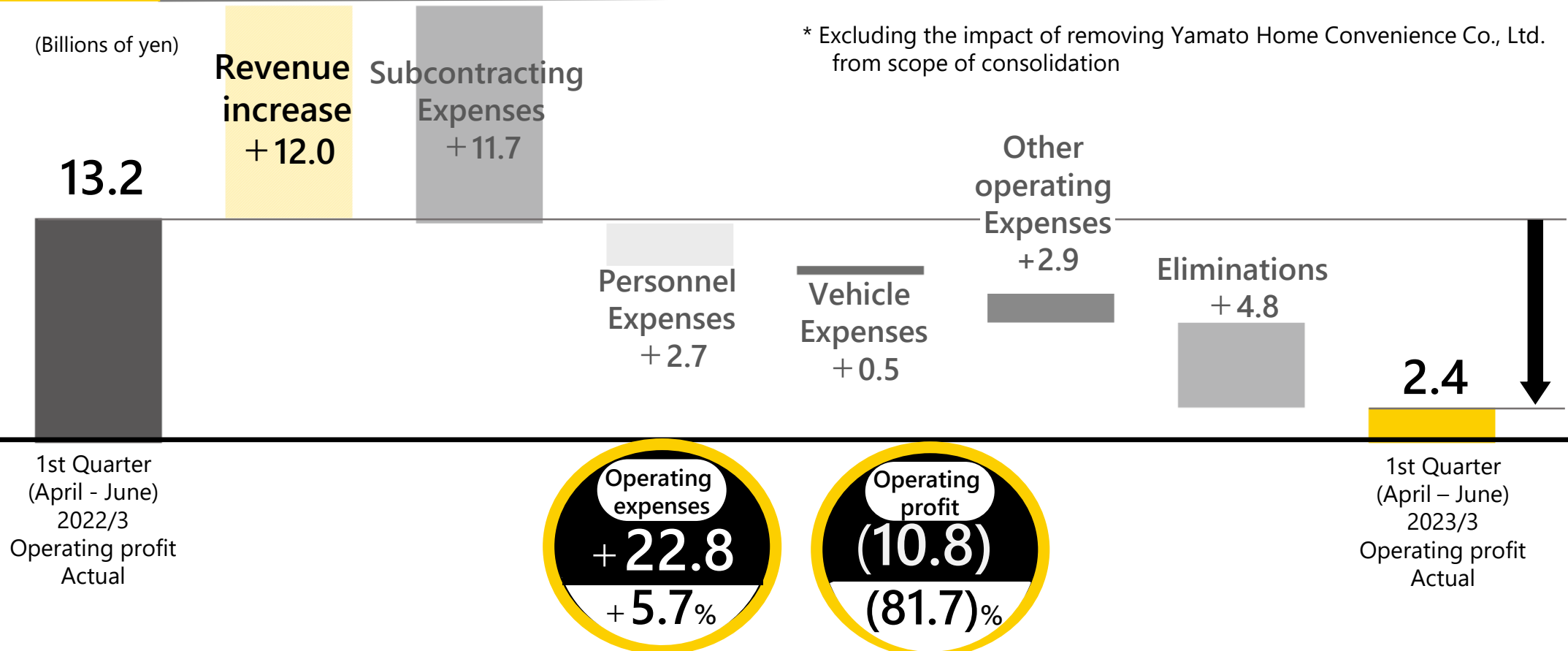
*2 Excluding the impact of removing Yamato Home Convenience Co., Ltd. from scope of consolidation

11. YoY Analysis of Consolidated Operating Expenses

(1st Quarter April - June)

(Billions of yen)

* Excluding the impact of removing Yamato Home Convenience Co., Ltd. from scope of consolidation



Subcontracting expenses	
Commission expenses	+10.9
Delivery commission	+0.5
Operating outsource	+0.6
Other	+9.8
Vehicle hiring expenses	(1.0)
Other subcontracting Expenses	+1.7

Personnel expenses	
Employee salary	+2.0
Legal welfare expenses	(0.7)
Retirement benefit Expenses	+2.1
Bonus/Other personnel expenses	(0.6)

Vehicle expenses	
Fuel expenses	+0.6
Vehicle repair expenses	(0.1)

Other operating expenses	
Depreciation	+1.8
System expenses	+0.3
Facilities expenses	+1.3

12. Status of Optimizing Overall Network and Operations

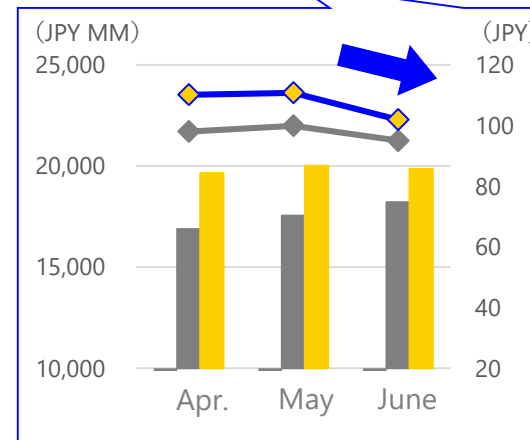
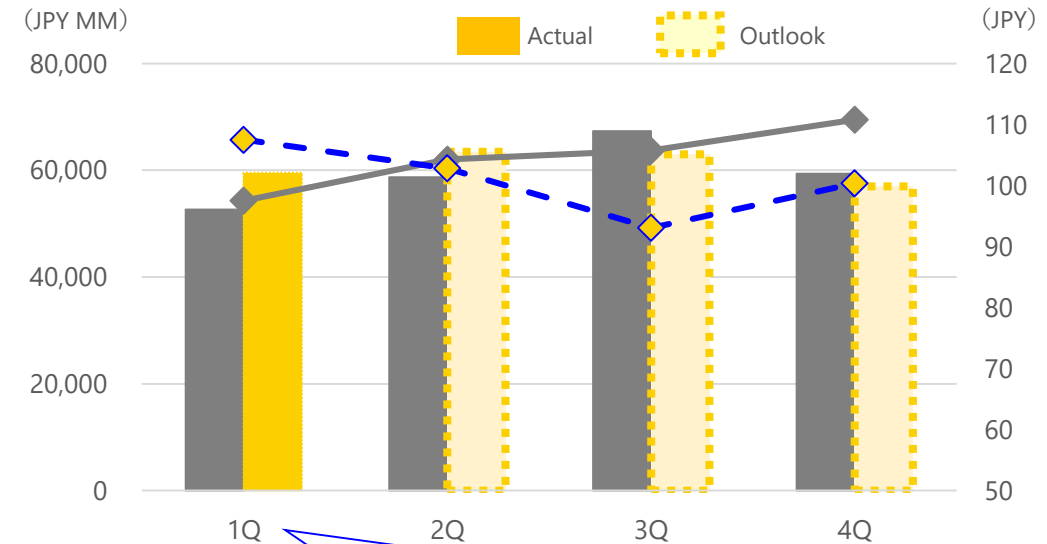
- Promoting initiatives to optimize the overall network and operation
 - Transportation-related costs in Q1 increased from the same period last year, which was before the full-fledged start of the EC logistics network, but progress was made in reviewing operations in accordance with workload

Optimization initiatives

- Change method for ordering vehicles in the existing network, from ordering based on the discretion of the regional branch, to ordering based on workload forecasts. Headquarters and the regions will work together to monitor the daily workload and costs
- Made progress in reviewing operations based on workload in June onwards
- Will take further steps* in Q2 onwards to review resource allocation and operations based on the workload, thereby optimizing transportation-related costs

* Consolidate shipping operations at about 30% of terminals and centers during periods and times of low workload.

【FY2023/3】 Outlook for outsourcing costs for sorting and transportation*1 (As of Q1)



*1 Calculated sorting and transportation expenses for Yamato Transport's TA-Q-BIN operations, out of the total labor outsourcing, other outsourcing and vehicle hire expenses

*2 Outsourcing costs for sorting and transportation / TA-Q-BIN volume handled (incl. Nekopos)

13. Consolidated Operating Expenses (Quarterly / YoY change)



(Millions of Yen)	2022/3												2023/3		
	First Quarter Actual (Apr-Jun)	YoY Change		Second Quarter Actual (Jul-Sep)	YoY Change		Third Quarter Actual (Oct-Dec)	YoY Change		Forth Quarter Actual (Jan-Mar)	YoY Change		First Quarter Actual (Apr-Jun)	YoY Change	
		Amount	[%]		Amount	[%]		Amount	[%]		Amount	[%]		Amount	[%]
Operating revenue	419,841	+ 27,825	+ 7.1	445,628	+ 31,576	+ 7.6	506,916	+ 17,308	+ 3.5	421,231	+ 21,040	+ 5.3	424,159	+ 4,317	+ 1.0
Subcontracting expenses	167,522	+ 30,958	+ 22.7	176,708	+ 30,260	+ 20.7	200,443	+ 28,323	+ 16.5	178,287	+ 21,415	+ 13.7	157,018	+ 8,797	+ 5.9
Commission expenses	81,663	+ 23,643	+ 40.8	87,464	+ 23,855	+ 37.5	102,467	+ 25,692	+ 33.5	92,280	+ 21,916	+ 31.1	82,096	+ 9,680	+ 13.4
Delivery commission	21,529	+ 11,599	+ 116.8	21,184	+ 7,092	+ 50.3	24,798	+ 4,966	+ 25.0	21,405	+ 2,835	+ 15.3	22,023	+ 503	+ 2.3
Operating outsource	8,082	+ 1,037	+ 14.7	8,768	+ 1,962	+ 28.8	11,702	+ 2,239	+ 23.7	8,486	+ 1,539	+ 22.2	8,749	+ 670	+ 8.3
Other	52,052	+ 11,008	+ 26.8	57,513	+ 14,802	+ 34.7	65,968	+ 18,487	+ 38.9	62,389	+ 17,543	+ 39.1	51,324	+ 8,508	+ 19.9
Vehicle hiring expenses	52,344	+ 4,074	+ 8.4	54,110	+ 4,117	+ 8.2	56,961	+ 1,241	+ 2.2	50,237	(179)	(0.4)	50,356	(1,988)	(3.8)
Other subcontracting expenses	33,514	+ 3,239	+ 10.7	35,132	+ 2,286	+ 7.0	41,014	+ 1,390	+ 3.5	35,769	(320)	(0.9)	24,566	+ 1,105	+ 4.7
Personnel expenses	213,820	(4,811)	(2.2)	221,276	(2,222)	(1.0)	227,292	+ 863	+ 0.4	209,976	+ 751	+ 0.4	212,023	(1,795)	(0.8)
Employee salary	145,619	+ 1,417	+ 1.0	148,810	+ 636	+ 0.4	154,457	(363)	(0.2)	144,543	+ 1,660	+ 1.2	144,490	(1,129)	(0.8)
Legal welfare expenses	26,879	+ 128	+ 0.5	27,852	(410)	(1.5)	27,566	+ 62	+ 0.2	26,947	+ 313	+ 1.2	25,484	(1,395)	(5.2)
Retirement benefit expenses	3,964	(1,069)	(21.2)	4,259	(739)	(14.8)	5,757	+ 723	+ 14.4	5,971	+ 872	+ 17.1	6,068	+ 2,104	+ 53.1
Bonus/Other personnel expenses	37,357	(5,287)	(12.4)	40,354	(1,708)	(4.1)	39,510	+ 440	+ 1.1	32,513	(2,095)	(6.1)	35,979	(1,375)	(3.7)
Vehicle expenses	12,308	+ 1,310	+ 11.9	13,138	+ 1,615	+ 14.0	13,584	+ 1,673	+ 14.1	10,555	+ 1,013	+ 10.6	12,724	+ 415	+ 3.4
Fuel expenses	5,646	+ 1,191	+ 26.7	6,800	+ 1,415	+ 26.3	6,778	+ 1,598	+ 30.9	5,866	+ 1,054	+ 21.9	6,236	+ 589	+ 10.4
Other operating expenses	87,391	+ 2,899	+ 3.4	92,824	+ 5,495	+ 6.3	96,302	+ 213	+ 0.2	90,763	(4,857)	(5.1)	86,925	+ 1,088	+ 1.3
Depreciation	8,386	(2,353)	(21.9)	8,468	(3,214)	(27.5)	8,984	(4,120)	(31.4)	9,684	(3,648)	(27.4)	10,156	+ 1,769	+ 21.1
System expenses	13,033	+ 2,002	+ 18.1	13,266	+ 1,730	+ 15.0	14,495	+ 1,817	+ 14.3	14,248	+ 1,587	+ 12.5	13,231	+ 202	+ 1.6
Other	65,970	+ 3,250	+ 5.2	71,090	+ 6,979	+ 10.9	72,822	+ 2,516	+ 3.6	66,831	(2,796)	(4.0)	63,536	(883)	(1.4)
Total	481,043	+ 30,356	+ 6.7	503,948	+ 35,148	+ 7.5	537,623	+ 31,074	+ 6.1	489,582	+ 18,323	+ 3.9	468,691	+ 8,505	+ 1.8
Eliminations	(73,936)	(5,311)	-	(77,275)	(5,566)	-	(78,189)	+ 1,583	-	(66,378)	+ 7,063	-	(46,948)	+ 6,130	-
Operating expenses	407,107	+ 25,044	+ 6.6	426,672	+ 29,582	+ 7.4	459,433	+ 32,657	+ 7.7	423,204	+ 25,387	+ 6.4	421,742	+ 14,635	+ 3.6
Operating profits	12,734	+ 2,780	+ 27.9	18,956	+ 1,993	+ 11.8	47,482	(15,349)	(24.4)	(1,973)	(4,347)	-	2,416	(10,317)	(81.0)

14. Consolidated Operating Results Forecast for the Fiscal Year Ending March 31, 2023

(Millions of Yen)	Fiscal Year ended March 31, 2022 Actual	Fiscal Year ending March 31, 2023 May 2022 Forecast	Fiscal Year ending March 31, 2023 New Forecast	Forecast Change		YoY Change		YoY Change (*1)	
				Amount	[%]	Amount	[%]	Amount	[%]
				Operating revenue	1,793,618	1,820,000	1,820,000	0	0.0
Operating profit	77,199	91,000	91,000	0	0.0	+13,800	+17.9	+14,229	+18.5
Ordinary profit	84,330	91,000	91,000	0	0.0	+6,669	+7.9	+7,270	+8.7
[Profit margin]	4.7	5.0	5.0	0.0	-	+0.3	-	+0.2	-
Profit attributable to owners of Parent	55,956	57,000	57,000	0	0.0	+1,043	+1.9	(236)	(0.4)
[Profit margin]	3.1	3.1	3.1	0.0	-	+0.0	-	(0.1)	-

Volume (Thousands of Units)	Parcel delivery (TA-Q-BIN/ TA-Q-BIN Compact/EAZY)	1,890,682	2,001,000	2,001,000	0	0.0	+110,317	+5.8
	EAZY	464,860	499,000	499,000	0	0.0	+34,139	+7.3
	Nekopos	384,941	415,000	415,000	0	0.0	+30,058	+7.8
	Kuroneko DM-Bin	824,383	739,000	739,000	0	0.0	(85,383)	(10.4)
Unit Price (Yen)	Parcel delivery (TA-Q-BIN/ TA-Q-BIN Compact/EAZY)	700	700	700	0	0.0	0	0.0
	Nekopos	190	190	190	0	0.0	0	0.0
	Kuroneko DM-Bin	67	68	68	0	0.0	+1	+1.5

※1 Excluding the impact of removing Yamato Home Convenience Co., Ltd. from scope of consolidation

15. Consolidated Operating Results Forecast for the Fiscal Year Ending March 31, 2023 (Breakdown of Operating Expenses and others)



(Millions of Yen)	Fiscal Year ended March 31, 2022 Actual (*1)	Fiscal Year ending March 31, 2023 May 2022 Forecast (*1)	Fiscal Year ending March 31, 2023 New Forecast	Forecast Change		YoY Change		YoY Change (*2)	
				Amount	[%]	Amount	[%]	Amount	[%]
Operating revenue	1,793,618	1,820,000	1,820,000	0	0.0	+ 26,381	+ 1.5	+ 57,431	+ 3.3
Subcontracting expenses	642,171	638,000	643,000	+ 5,000	+ 0.8	+ 828	+ 0.1	+ 11,634	+ 1.8
Commission expenses	328,287	332,000	337,000	+ 5,000	+ 1.5	+ 8,712	+ 2.7	+ 14,361	+ 4.5
Delivery commission	88,872	99,000	89,000	(10,000)	(10.1)	+ 128	+ 0.1	+ 128	+ 0.1
Operating outsource	37,019	32,000	34,000	+ 2,000	+ 6.3	(3,019)	(8.2)	(3,019)	(8.2)
Other	202,396	201,000	214,000	+ 13,000	+ 6.5	+ 11,604	+ 5.7	+ 17,252	+ 8.8
Vehicle hiring expenses	213,653	205,000	202,000	(3,000)	(1.5)	(11,653)	(5.5)	(7,719)	(3.7)
Other subcontracting expenses	100,231	101,000	104,000	+ 3,000	+ 3.0	+ 3,768	+ 3.8	+ 4,991	+ 5.0
Personnel expenses	872,128	871,000	870,000	(1,000)	(0.1)	(2,128)	(0.2)	+ 15,002	+ 1.8
Employee salary	593,430	588,000	589,000	+ 1,000	+ 0.2	(4,430)	(0.7)	+ 7,376	+ 1.3
Legal welfare expenses	109,246	108,000	110,000	+ 2,000	+ 1.9	+ 753	+ 0.7	+ 3,028	+ 2.8
Retirement benefit expenses	19,953	22,000	25,000	+ 3,000	+ 13.6	+ 5,046	+ 25.3	+ 5,318	+ 27.0
Bonus/Other personnel expenses	149,498	153,000	146,000	(7,000)	(4.6)	(3,498)	(2.3)	(721)	(0.5)
Vehicle expenses	49,587	51,000	51,000	0	0.0	+ 1,412	+ 2.8	+ 2,135	+ 4.4
Fuel expenses	25,091	26,000	27,000	+ 1,000	+ 3.8	+ 1,908	+ 7.6	+ 2,343	+ 9.5
Other operating expenses	363,288	382,000	378,000	(4,000)	(1.0)	+ 14,711	+ 4.0	+ 22,532	+ 6.3
Depreciation	35,524	45,000	45,000	0	0.0	+ 9,475	+ 26.7	+ 9,749	+ 27.7
System expenses	55,011	71,000	63,000	(8,000)	(11.3)	+ 7,988	+ 14.5	+ 8,592	+ 15.8
Other	272,752	266,000	270,000	+ 4,000	+ 1.5	(2,752)	(1.0)	+ 4,190	+ 1.6
Total	1,927,175	1,942,000	1,942,000	0	0.0	+ 14,824	+ 0.8	+ 51,305	+ 2.7
Eliminations	(210,757)	(213,000)	(213,000)	0	-	(2,242)	-	(8,103)	-
Operating expenses	1,716,418	1,729,000	1,729,000	0	0.0	+ 12,581	+ 0.7	+ 43,201	+ 2.6
Operating profit	77,199	91,000	91,000	0	0.0	+ 13,800	+ 17.9	+ 14,229	+ 18.5
Total number of employees (Persons) (*3)	216,873	216,800	214,600	(2,200)	(1.0)	(2,273)	(1.0)		
Full-time	94,473	94,700	94,700	0	0.0	+ 227	+ 0.2		
Part-time	122,400	122,100	119,900	(2,200)	(1.8)	(2,500)	(2.0)		
Capital expenditure (Millions of Yen)	73,271	100,000	100,000	0	0.0	+ 26,728	+ 36.5		

*1 From the fiscal year ending March 31, 2023, internal transactions between Yamato Transport Co., Ltd. and the former group companies that were integrated into Yamato Transport Co., Ltd. in the fiscal year ended March 31, 2022, have been reclassified. Figures for the fiscal year ended March 2022 have been revised to reflect this.

*2 Excluding the impact of removing Yamato Home Convenience Co., Ltd. from scope of consolidation

*3 The number of employees exclude employees of Yamato Home Convenience Co., Ltd.

Signed "Logistics Partnership Agreement" with KUBARA HONKE GROUP to optimize the entire supply chain from raw material procurement to sales. (Jul. 2022)

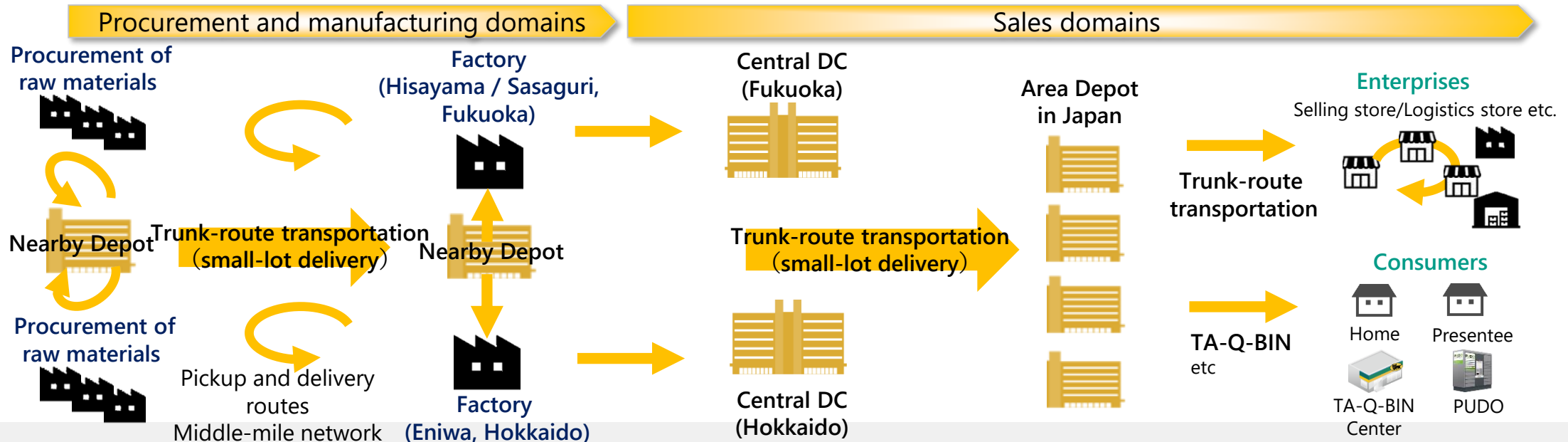
【Contents to be addressed under this agreement】

- Establish an optimal supply chain from the manufacturing site to the entire country, integrating the supply chain, which has been individually optimized for each channel and product
- Centrally manage the inventory of products, raw materials, and merchandises sold at sales outlets, distribution outlets, and e-commerce
In sales logistics, establish a logistics system that liquidates inventories between channels, controls optimal transportation according to demand and conditions using TMS*, and supplies only the necessary amount to each base and store in a timely manner
- Create an efficient scheme for procurement of raw materials for factories by utilizing the middle mile network
- Execute sustainable operations in consideration of the global environment and reduce CO2 emissions from product delivery

< Profile of KUBARA HONKE GROUP >

General food manufacturer with its origins in a soy sauce brewer founded in 1893.
Headquartered in Fukuoka Prefecture, the company sells its products nationwide through distributors, department stores, supermarkets, and other retail outlets, as well as through its official mail-order website.
In July 2022, the company opened a new factory in Hokkaido, from where it procures raw materials.

【What we aim to achieve through this agreement】



- Accelerating efforts to achieve carbon neutral for the sustainable development of the society and the enhancement of corporate value

Recognition of climate-related risks/opportunities

- Tightened GHG(Greenhouse gases) regulation/obligations and increased carbon taxes
- More severe and frequent natural disasters
- Expanding transportation needs with less environmental impact

Target and key initiatives

2030 : 48% reduction in GHG emissions VS FY2021

2050 : Climate neutrality

Scope : Scope 1 & 2 of consolidated companies in Japan and Swan Co., Ltd.

Key initiatives	2023	2030
Introduction of EVs	2,000	20,000
Installation of solar power generation equipment	150	810
Use of renewable energy-based electricity	30%	70%
Reduction of dry ice usage	Reduction	No use

Initiatives in this fiscal year (Topics)

Risk Mitigation

Opportunity Creation

- Completed verification of ultra-low-floor and walk-through EVs and decided to install 500 in phases
- Began studying the practical application of a cartridge-type battery with CJPT*1 to reduce the burden of EV recharging
- Implement large-scale demonstration*2 of EV operation optimization and energy management system development throughout Gunma Prefecture (from this FY)
- Implement joint demonstration*2 with CJPT and others for the introduction of heavy-duty trucks running on fuel cells (from Mar. 2023)

Opportunity Creation

- To visualize GHG emissions throughout the entire supply chain of a company, began studying a common global calculation standard for GHG emissions in logistics with DPD Group (French Company)

*1 Commercial Japan Partnership Technologies Corporation (Commercial vehicle technology development company funded by five automakers)

*2 Projects selected for the "Green Innovation Fund" of national research and development agency (NEDO)



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