Conducted on November 6, 2024
Yamato Holdings Co., Ltd.

Main Questions and Answers (summary) at Financial Results Briefing for the 2nd Quarter of the Fiscal Year Ending March 31, 2025

Q1. Please explain your view on current demand trends as well as your outlook in the Retail domain.

- In the Express business, the Retail domain, which handles parcels for individual and small corporate customers, is handled by sales drivers belonging to sales offices. However, consumption remains sluggish due to inflation and other factors, and demand is expected to decline in the medium term due to the decline in domestic population.
- Therefore, we are not expecting significant market growth in the Retail domain, but instead believe it is important to secure stable income by providing added value, and we believe we can continue to demonstrate the strengths of Yamato's TA-Q-BIN network and differentiate ourselves from our competitors in this domain.
- We will maintain and grow revenue by expanding our service lineup to meet diverse needs, enhancing the value of customer experience through the Kuroneko Members membership service for individuals, strengthening sales activities by Sales Drivers, and developing touch points that are easy for individual customers to use, together with other measures.

Q2. You are expecting the average unit price for the three parcel delivery services to improve in the second half of the year, compared to the first half, on a year-on-year basis. Please explain why.

- Due to cost increases resulting from changes in the external environment, Yamato is proceeding with pricing optimization based on the value we provide to clients. In particular, we are promoting one-on-one negotiations with clients to whom we have been offering large discount rates in the Corporate domain. In the second half of the current fiscal year, we will focus on negotiations to optimize pricing with approximately 1,800 low-margin clients with no potential for business in the upstream domain of their supply chain, and are also working to negotiate with certain clients to apply seasonal surcharges during the peak season in December.
- We are also in the process of applying the revised Cool TA-Q-BIN rate to corporate customers, including customers in the Retail domain. We have begun applying the

new rates to over 70% of user clients since October, and we plan to apply them to all clients by the end of March 2025.

Q3. What are the factors that led to higher operating costs in the Transportation domain?

- Unit payment costs increased due to the rise in wages and the support we provide to our transportation partners against the backdrop of labor shortages and the "2024 problem" in logistics. In addition, operating costs in the Transportation domain increased due to lower transportation and loading efficiency at each terminal.
- There were issues with vehicle dispatch planning and performance management at each terminal in accordance to fluctuations in cargo volume, size, and inter-regional cargo flow, due to changes in the client mix. In response, we have strengthened our execution structure since October, and will control operating costs in the Transportation domain by optimizing loading efficiency, maximizing in-house vehicle utilization, and optimizing the overall dispatch of vehicles by coordinating between terminals.

Q4. What are the challenges and future plans for the freighter (cargo freighter) business?

- Although we are cultivating new demand by switching from truck transportation and offering speedy transportation to capture business opportunities, triggered by the "2024 problem" and other factors, revenue from clients has been lower than initially expected.
- We started operating at Haneda Airport since August 2024, and are further reviewing our flight routes to accommodate client needs. Going forward, we will accelerate securing revenue from clients by clarifying targets through analysis of success cases, and strengthening our corporate sales structure.
- At the same time, we will strive to improve profitability by enhancing productivity and optimizing operating costs, taking into account factors such as fluctuations in foreign exchange rates and fuel prices.

Q5. What synergies do you expect from the acquisition of Nakano Shokai Co., Ltd.?

- We expect revenue synergies such as an increase in sales opportunities by leveraging the client bases of both companies, which cover different sectors and domains, as well as by winning mandates by proposing comprehensive solutions from upstream to downstream of the supply chain.

- We also anticipate cost synergies through the utilization of Nakano Shokai's resources and know-how, including the application of their highly profitable and efficient warehouse management model, as well as its transportation network with high vehicle turnover, to Yamato Group's operations.

Q6. What are your thoughts regarding the announced share buyback (up to 50 billion yen)?

- With a view to improving capital efficiency, we decided to buy back 50 billion yen of our own shares.
- As we proceed with restructuring our network and other initiatives, we will consider how to utilize and hold assets, particularly real estate, and strengthen balance sheet management.
- We will return to shareholders while prioritizing growth investments, by generating cash through these initiatives, as well as the effective use of debt.
- Through growth investments, we will improve our base business domains, while growing our businesses in the growth and new domains to achieve the return on capital target outlined in our Medium-term Management Plan, and enhance our corporate value over the medium to long term.