

**Main Questions and Answers**  
**Meeting for the Financial Results for the Third Quarter of**  
**the Fiscal Year Ending March 31, 2023**

Q 1 Please explain the background, objective and process of revising the reported fares etc.

- The objective of the announced revision of the reported fares etc. is to reflect the impact of changes in the external environment, such as the price hike for natural resources, energy and raw materials, as well as the rise in salaries and hourly wages due to the decline in labor supply, in our fares and service prices in a timely and suitable manner, thereby maintaining and strengthening the transportation and delivery network and continuing to provide even better services to our customers.
- With further cost hikes expected, including the “Year 2024 Problem” facing the transportation and logistics industry, we plan to review the reported fares etc. every fiscal year going forward. By reflecting the effect of changes in the external environment to our fares etc. in a timely and suitable manner, we will promote sustained efforts to optimize pricing and improve the working environment for our employees and logistics partners while continuing efforts to maintain and strengthen our transportation and delivery network and build an environment that allows us to continue providing better service to our customers.
- Based on the reported fares etc., we will explain with care to corporate clients with which we have individual contracts, and negotiate so that we can charge the suitable level of fares.

Q 2 Please explain the progress of structural reforms of the network operations, as well as future initiatives.

- The Yamato Group has been adapting to the growth of e-commerce, as well as changes in customer needs and the distribution structure, and promoting structural reforms to establish a network and operational structure that can be adjusted more flexibly to volatility in the workload.
- We are continuing to work on structural reform initiatives that we explained at the 1st Quarter results announcement, including the utilization of EC logistics network to adapt flexibly and efficiently to the growing EC demand, the consolidation and enlargement of the TA-Q-BIN Sales Offices which had been operated in small-scale and in large numbers

until now, as well as the redefining of our Terminal operations in which we had until now been conducting both dispatch/shipment and arrival/receiving operations within the same Terminals.

- We are developing operating models including operation systems, work layout, organizational structure and workstyles that are more suitable for larger facilities, in our Terminals where TA-Q-BIN Sales Offices have been consolidated ahead of others. We will apply the model built through this process to our facilities step by step from the next fiscal year onwards, and plan to complete the rebuilding of our network operations by the final year of the next Mid-term Management Plan period (fiscal year ending March 2027).
- In consolidating and enlarging our facilities, we are renting and making use of multi-tenant facilities, and for new Terminals, we are introducing more simplified and modular material handling equipment, thereby controlling the capital expenditure compared our initial plans, and maintaining and/or improving productivity. We will also assess our digital investment plans, and prioritize projects that have a direct impact on profit generation.