

Questions and Answers (Digest)

**The Financial Results Meeting
for the first nine months of the fiscal year ending March 31, 2013
held on February 1, 2013**

Q1

In the forecast for the fiscal year ending March 31, 2013, the forecast for TA-Q-BIN delivery volume has been lowered. However, considering that new consignors were acquired in the third quarter, has this not had an effect on the delivery volume forecast?

A1

- For large-lot corporate customers, we expect delivery consignments to be roughly the same as the forecasted amount.
- On the other hand, for small-lot commercial market, as the initial forecasts were projected on the high side, performance is deviating from the forecast. From mid-November economic conditions began weakening and the delivery volume for one company has fallen. In response we are continuing with ongoing sales activities.

Q2

Price competition is becoming fiercer in the mail order market. Is this placing pressure on Yamato?

A2

- There is always pressure on Yamato with or without the trend towards free shipping throughout the entire industry. However, Yamato provides other value-added services apart from simply delivery, and we are proposing solutions to lower our customers' total costs.

Q3

Regarding Kuroneko Mail, how do you envisage the future state of competition with competitors?

A3

- Yamato provides added value to large-lot corporate clients, and we believe delivery volume can expand in the future.
- On the other hand, we also envisage ongoing competition in the small-lot commercial market. To this market, we plan on expanding delivery volume by proposing services that Yamato is in a unique position to provide such as envelope filling and sealing services.

Q4

With respect to revenues and costs in the next fiscal year, are there any factors expected to provide a considerable increase compared with the current year?

A4

- Concerning costs, we are expecting an increase in depreciation when operation begins at our large-scale logistics terminals, Haneda Chronogate and Atsugi Gateway.
- As for revenues, while boosting our sales power for TA-Q-BIN and Kuroneko Mail, we will maximize our utilization of the Yamato Group through Haneda Chronogate and Atsugi Gateway, etc. Moreover, by adding non-freight added value to freight income, we expect to raise the bottom.

Q5

Looking to the future, how do you envisage the team pickup/delivery project that uses part-timers (Field Cast Project) will evolve?

A5

- Although the first half of the current fiscal year was a time of forward-looking investment, the fruit of this investment began to emerge in the third quarter. As the Field Cast Project progresses, we are benefitting from not only improved labor productivity but also improved quality on the service side.
- Looking ahead, we will identify those areas yielding maximum effect and decide upon an order of priority, and we will gradually expand the project, area by area.

Q6

In the next fiscal year (ending March 31, 2014), how much will capital investment be?

A6

- The plan has not been formulated but it is not the case that the ¥21.0 billion portion unused in the current fiscal year's full-term forecast will be entirely carried over to the next fiscal year.

Q7

How does Yamato expect to be affected by the trend of mail-order companies expanding their own delivery services?

A7

- If we base judgment on only the current information, then it would appear to be a difficult situation, but even if that is the case, this is our core business and we do not consider it to be a direct threat to our delivery business, which delivers an unspecified large number of freight items over a nationwide network. Conversely, there is also the opportunity to consider establishing joint measures to develop strategies to deliver at a low-cost inside limited delivery areas, and we believe in responding to this environment flexibly and prudently.