

**Main Questions and Answers**  
**The Financial Results Meeting**  
**for the first quarter of the fiscal year ending March 31, 2020**  
**held on July 31, 2019**

**Q1 Please explain background factors of the decrease in profits for the first quarter and outlook for the second quarter onwards.**

- Factors weighing on operating profit included lower-than-anticipated delivery volume among large-lot corporate clients, in addition to an increase in labor costs associated with building collection and delivery structure and one-time expenses mainly encompassing repair expenses associated with improving working environment persisting from the fourth quarter of the previous fiscal year.
- As we will keep moving forward in expanding collection and delivery capacity while promoting our adequate pricing initiatives, we will also strengthen cost controls based on the current lower-than-anticipated delivery volume among large-lot corporate clients.
- We will provide new forms of value to our customers and work toward achieving earnings growth going forward by strengthening our account management and accelerating solution sales tailored to corporate clients.

**Q2 Please update the current progress on recruitment of Anchor Casts<sup>(\*)</sup> and outlook for the second quarter onwards.**

- Approximately 6,300 personnel were recruited as Anchor Casts as of June 30, 2019, which is on par with our plan.
- Although we have been aiming at recruitment of 10,000 Anchor Casts during this fiscal year in line with our medium-term management plan, we will determine recruitment as appropriate while closely monitoring TA-Q-BIN delivery volume trends ahead.

<sup>(\*)</sup> Anchor Casts: Drivers for early evening and night deliveries

**Q3 Please explain background information regarding the lower-than-anticipated delivery volume among large-lot corporate clients and outlook for the second quarter onwards.**

- We understand that the volume was lower than expected partly because customers have been sending multiple parcels combined into one, and also due to effects of the prevailing customer sales trends.
- Based on a potential risk of lowering delivery volume among large-lot corporate clients, we will continue to promote our adequate pricing initiatives, make efforts to increase our delivery volume as appropriate according to our collection and delivery capacity, and endeavor to control the associated costs.