

Questions and Answers (Digest)
The Financial Results Meeting
for the first nine months of the fiscal year ending March 31, 2019
held on January 31, 2019

Q1 Please update us on the current situation regarding your efforts to recruit drivers for early evening and night deliveries with the aim of expanding your collection and delivery capacity.

- We currently have approximately 4,000 such drivers, and expect to have approximately 5,000 as of March 31, 2019.
- We are also carefully making progress in developing operational framework looking toward expanding our collection and delivery capacity in line with the distinctive characteristics of the respective geographic areas.

Q2 Please go over factors underpinning increases in expenses to be incurred in the fourth quarter (January to March).

- We are carefully making progress in developing operational frameworks of drivers for early evening and night deliveries with the aim of expanding our collection and delivery capacity, which results in deferring costs. Also, concentration of costs particularly for facility repairs geared to improving the working environment is expected. Consequently, we expect our expenses to increase.
- Meanwhile, the cost increases incurred as a result of reforming working styles and structural reforms are in line with our initial assumptions for the full year, and such cost increases primarily constitute one-time expenses.

Q3 Please give us your outlook with respect to TA-Q-BIN delivery volume and unit price.

- In the fourth quarter, we anticipate an increase in delivery volume primarily due to increases with respect to Nekopos and TA-Q-BIN Compact. Moreover, a moderate rate of growth in the TA-Q-BIN unit price stemming from increases with respect to Nekopos and TA-Q-BIN Compact also seems likely.
- We will keep promoting our adequate pricing initiatives while taking into consideration the circumstances involving status of our business with customers and the cost environment.