

Main Questions and Answers (summary)
at Financial Results Briefing for the 3rd Quarter of
the Fiscal Year Ending March 31, 2025

Q1. Please share the outlook on the average pricing of the 3 parcel delivery products.

- We have been promoting the optimization of pricing, based on the value provided, and in light of cost hikes due to changes in the external environment.
- In the Retail domain, the volume from small corporates has turned to an increase. However, due to the impact of inflation and other factors, the volume from individual customers, who typically have a relatively higher unit price, has weakened, resulting in a slowdown in the rate of unit price growth. Going forward, we will monitor trends in inflation, wages and consumption to implement timely revisions of the reported fares etc. At the same time, by strengthening reception functions in accordance with the demand in each region, we aim to secure volume from individual customers, thereby raising unit prices and growing operating revenue.
- In the Corporate domain, we are strengthening rate negotiations with each of our clients to whom we offer large rate discounts, and with whom we cannot anticipate business opportunities in the upstream areas of the supply chain. Unit pricing has already started to improve from the third quarter of this fiscal year. We will continue enhancing unit pricing and grow operating revenues, by allocating our TA-Q-BIN network capacity to clients who pay the appropriate prices, and by enhancing proposals that address the entire supply chain.

Q2. Please explain why operating costs in the Transportation domain were higher than expected.

- Wages and unit prices for transportation partners continued to rise against the backdrop of labor shortages, rising prices, and the “2024 Problem” in logistics etc. Unit prices are expected to continue to rise, although the pace of increase may become more moderate in the future.
- From October 2024, we have been working to optimize costs in the entire Transportation domain by reviewing the vehicle dispatch planning and performance management processes at each of our terminals, in accordance with changes in shipment volume, parcel sizes, and inter-regional cargo flows caused by shifts in client mix. As a result, the cost per parcel in the Transportation domain in the third

quarter (Oct. to Dec.) improved to a level below that of the previous fiscal period.

- On the other hand, during the December peak season, there were operational slow downs in certain areas, leading to higher recovery costs, and transportation costs did not reach the targeted levels. Based on these circumstances, we will review the methods of long- and short-distance trunk route transportation, as well as the role played by consolidated facilities. We will strive to further optimize operating costs by building a more efficient and stable transportation network.

Q3. Please explain your current thinking regarding the growth drivers to push up operating profit in the next fiscal year.

- Under the Medium-Term Management Plan "Sustainability Transformation 2030 ~1st Stage~", Yamato is working to grow profit by transforming our business portfolio.
- We are organically integrating the Corporate Branches of the Express Business, which face large corporate clients of TA-Q-BIN, with the Contract Logistics and Global Businesses, and leveraging the expertise and resources of Nakano Shokai Co., Ltd., our newly consolidated subsidiary, to strengthen proposals covering the entire supply chain of corporate clients, thereby aiming for significant growth in our Corporate business.
- Additionally, we will implement the necessary measures to realize the effects in the next fiscal year, in relation to stabilizing the profitability of the TA-Q-BIN business and addressing the optimization of operating costs in the Transportation domain, which is our current priority.
- We are currently considering presenting the details of our plans for next fiscal year at the time of the full-year results announcement.