



YAMATO  
HOLDINGS

# Yamato Group IR Presentation Material

< 3rd Quarter of the Fiscal year ending March 2024 >

February 5, 2024

Yamato Holdings Co., Ltd.

# 1. Summary of consolidated earnings (Q3 Oct.-Dec.)

## 【Operating Results (Q3 Oct.-Dec.)】

- Operating revenue  
500.2bn yen / (11.9)bn yen YoY → Q3 cumulative: 1,366.8bn yen / (29.1)bn yen YoY
- Operating profit  
38bn yen / (10.3)bn yen YoY → Q3 cumulative: 50.3bn yen / (16)bn yen YoY
- Profit attributable to owners of parent  
41.5bn yen / +12.8bn yen YoY → Q3 cumulative: 46.9bn yen / +7.8bn yen YoY

## 【Operating revenues (YoY)】

- Parcel delivery demand in the peak season (Nov.-Dec.) was sluggish, with actual volume being even lower than the weak projection, due to factors such as consumption shifting back from online to offline, as well as the impact from inflation
- Operating revenue declined, due to factors including the slowdown continuing for international transportation, despite the growth in parcel delivery revenue due to pricing optimization for individual customers and existing corporate clients, as well as the expansion of new business with large corporate clients

## 【Operating profit and profit attributable to owners of parent (YoY)】

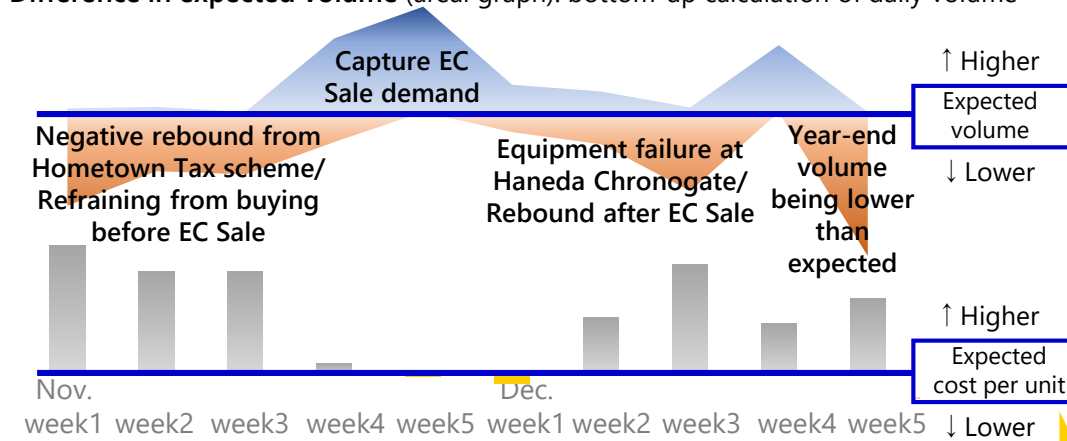
- Operating profit declined, due to the top line situation explained above, as well as the rise in hourly wages and unit costs of outsourcing during the peak season (Nov.-Dec.), as well as volume being lower than expected due to the subdued demand during the periods before and after EC discount sales and the negative rebound following the last-minute demand for the Hometown Tax scheme in Oct. etc.
- Profit attributable to owners of parent increased, due to factors such as the booking of disposal gains for non-current assets

# 2. Structural reform of network operation

With volume being sluggish, Yamato worked to lower operating costs, such as by raising the utilization rate of the existing network, and making flexible use of the EC logistics network. However, last-mile productivity declined, due to the weakness in peak season demand exceeding our expectations  
 → Together with reinforcing the TA-Q-BIN network, work to mitigate the risk of lower-than-expected volume

## Results of operations

Difference in expected volume (areal graph): bottom-up calculation of daily volume



Difference in expected cost per unit (bar chart)

<b>Last-mile domain</b> Difference in expected cost per unit Q3: + 5.7 yen	Lower-than-expected volume led to excess capacity at Yamato and the outsources, resulting in lower productivity
<b>Transportation domain</b> Difference in expected cost per unit Q3: + 3.4 yen	Captured more volume than expected during EC Sales, to grow revenues and maintain last-mile productivity → Rise in unit cost of vehicle hiring, due to increase in ad-hoc orders

## Future measures

1. Enhance operational efficiency through structural reforms of network operations
    - Consolidation and enlargement of last-mile pickup and delivery facilities
    - Reduce long-distance transportation through consolidation of trunk-route transportation by region
    - Enhance and deploy systems to support resource allocation based on volume (promote DX)
    - Standardize the work models of Sales Drivers and delivery partners
  2. Address difference in expected volume
    - Strengthen peak control using seasonal surcharge, and by expanding the use of capacity limits (capacity optimization)
    - Strengthen "bottom control" of volume by revising contract details with large corporates (address downside risks of volume)
- 👉 Seek to maintain and enhance safety and quality, as well as the work environment and motivation of employees and partners, while aiming to generate operating profit in line with operating revenue growth, and improved profitability

# 3. Pricing strategy

- **Revision of Reported fares etc. for FY2024**

→ Based on recent inflationary trends etc., minimize impact to individuals who use TA-Q-BIN based on Reported fares etc.

- **Strengthen pricing towards corporate clients**

→ With corporate clients for which discounted fares are applied (approx. 90% of total volume), optimize the contracts based on the revisions so far, and apply surcharges based on the burden on operations

## Changes in the external environment

- ✓ Inflation is expected to continue gradually, including raw material and energy prices
  - ✓ Salaries and hourly wages will continue to rise, due to factors such as the decline in working population
  - ✓ Addressing the "2024 Problem"
- Key is to maintain and reinforce transportation and delivery network, by improving the work environment of our transportation and delivery partners

- Continuous employee education, regular discussions and support to engage in business suitably with transportation and delivery partners
- Change the way cargo is transported, such as by consolidating trunk-route transportation by region, thereby establish efficient operations, while allowing truck drivers and operational staff to work comfortably

## Pricing optimization

### Individual customers

(approx. 10% of total)

Reported Fares are applied

Price (Apr.-Dec.)

Approx. + **9%** YoY

### Corporate clients

(approx. 90% of total)

Discounted fares based on individual contracts

Price (Apr.-Dec.)

Approx. + **2%** YoY

### Revision of Reported Fares (FY2024)

→ Minimize impact, in response to slowdown in inflation

**Revision rate: approx. + 2%\***

\* based on size, fare by region, and volume etc.

Scope of revision :

TA-Q-BIN (size 180·200), Cool TA-Q-BIN (additional charge), Golf TA-Q-BIN (caddy bag)

Revision date : April 1, 2024

### Revision of individual contracts

- Promote optimization, based on business relations with each client, the rate currently applied, as well as status of past revisions
- Apply surcharges based on operational burden

**Enhance value provision and optimize pricing based on value provided**

## 4. Consolidated earnings forecast (key metrics)

Revised down the forecast, due to revenue from parcel delivery and international transportation being lower than expected and, although Yamato will continue to focus on optimizing operating costs, operating expenses are expected to be higher than anticipated, due to factors such as the rise in per-unit cost of subcontracting expenses, mainly outsourcing expenses

(Billions of Yen)	FY2023/3 Actual	FY2024/3 Forecast	Forecast Change		YoY Change	
			Amount	[%]	Amount	[%]
			Operating revenue	1,800.6	1,765.0	(20.0)
Operating expenses	1,740.5	1,725.0	+5.0	+0.3	(15.5)	(0.9)
Operating profit	60.0	40.0	(25.0)	(38.5)	(20.0)	(33.4)
Profit margin [%]	3.3	2.3	(1.4)	-	(1.1)	-
Ordinary profit	58.0	40.0	(25.0)	(38.5)	(18.0)	(31.1)
Profit attributable to owners of Parent	45.8	36.0	(16.0)	(30.8)	(9.8)	(21.6)
ROE [%]	7.6	6.0	(2.6)	-	(1.6)	-

# 5. Differentiation through “Carbon Neutral Delivery”

- Made Carbon Neutrality Claim in accordance with international standard ISO 14068-1:2023 for “TA-Q-BIN”, “TA-Q-BIN Compact” and “EAZY”
- Differentiation through “Carbon Neutral Delivery” for a sustainable future to promote the use of the delivery services

## Carbon Neutrality Claim

In FY2022, achieved carbon neutrality that is in accordance with international standard ISO 14068-1:2023 (reduction of GHG emissions through Yamato’s own efforts, while offsetting unabated emissions (2.46million t-CO<sub>2</sub>e) by retiring carbon credits)

Yamato stands by its commitment to achieve carbon neutrality by FY2050 for the below services, by engaging in the reduction of its own GHG emissions from business activities, such as by introducing EVs and solar power generation equipment

### Services

TA-Q-BIN (incl. Cool TA-Q-BIN)  
TA-Q-BIN Compact  
EAZY



### Period

Base year : April 1, 2021~March 31, 2022 (FY2021)  
Achievement period : April 1, 2022~March 31, 2023 (FY2022)  
Commitment period : FY2022~FY2050

\* Please refer to the Carbon Neutrality Report for details on GHG emission reductions in FY2022, and plans for achieving carbon neutrality for the 3 TA-Q-BIN services by FY2050

## Corporate value enhancement through addressing climate change (capturing opportunities)

The Yamato Group will, based on the business risks and opportunities that arise from climate change, work to reduce GHG emissions through measures such as the introduction of EVs and solar power generation equipment, while seeking revenue growth by providing value to address environmental needs of individuals and corporates, thereby achieving sustainable corporate value enhancement

### Risks and opportunities

#### Heightened environmental awareness among customers and consumers


- Revenue decline if unable to address environmental needs
- Revenue growth by providing value that addresses environmental needs

### Initiatives

#### Provide “climate responsible” transportation services

- Promote usage by individuals and corporates through differentiation
- Leads to Yamato offering supply chain solutions that address environmental needs

# Overview of Consolidated Results for the 3rd Quarter of the Fiscal Year Ending March 2024



## 6. Operating Results (Q3 Cumulative of FY 2024/3)

- Operating revenues decreased due to a continued decline in international cargo, although parcel delivery revenues increased as a result of pricing optimization in the face of continued sluggish demand for parcel delivery
- Operating profit decreased due to higher hourly wage and outsourcing unit prices, as well as a lower-than-expected volume of work in the peak season (Nov.-Dec)

(Billions of Yen)	FY2023/3 Q3 (Cumulative) Actual	FY2024/3 Q3 (Cumulative) Actual	YoY Change	
			Amount	[%]
Operating revenue	1,395.9	1,366.8	(29.1)	(2.1)
Operating profit	66.4	50.3	(16.0)	(24.2)
Profit margin [%]	4.8	3.7	(1.1)	-
Ordinary profit	64.2	50.6	(13.6)	(21.2)
Profit margin [%]	4.6	3.7	(0.9)	-
Profit attributable to owners of Parent	39.0	46.9	+ 7.8	+ 20.1
Profit margin [%]	2.8	3.4	+ 0.6	-



## 7. Operating Results (Q3 Oct.-Dec.)

(Billions of Yen)	FY2023/3 Q3 Actual	FY2024/3 Q3 Actual	YoY Change	
			Amount	[%]
			Operating revenue	512.2
Operating profit	48.3	38.0	(10.3)	(21.4)
Profit margin [%]	9.4	7.6	(1.8)	-
Ordinary profit	45.9	37.9	(7.9)	(17.4)
Profit margin [%]	9.0	7.6	(1.4)	-
Profit attributable to owners of Parent	28.7	41.5	+12.8	+44.6
Profit margin [%]	5.6	8.3	+2.7	-

## 8. Summary of Operating Revenue (Q3 Cumulative of FY 2024/3)

- **Retail BU:** Revenues decreased due to lower volume, despite a rise in unit prices
- **Corporate BU:** Revenues decreased mainly due to the continued downward trend in international transportation, despite an increase in parcel delivery revenues due to the expansion of new transactions

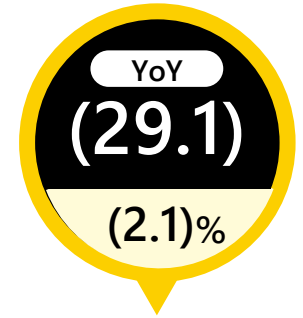
(Billions of Yen)	FY2023/3 Q3 (Cumulative) Actual	FY2024/3 Q3 (Cumulative) Actual	YoY Change	
			Amount	[%]
<b>Retail Business Unit</b>	694.0	683.4	(10.5)	(1.5)
Transportation income	917.0	922.3	+ 5.3	+ 0.6
Logistical support income	2.3	2.7	+ 0.3	+ 16.3
Others	20.8	22.0	+ 1.1	+ 5.7
Eliminations	(246.2)	(263.7)	(17.4)	-
<b>Corporate Business Unit</b>	656.9	640.6	(16.3)	(2.5)
Transportation income	478.2	488.8	+ 10.6	+ 2.2
Logistical support income	203.0	173.5	(29.4)	(14.5)
Logistics	99.9	89.6	(10.2)	(10.3)
International logistics	70.4	51.9	(18.4)	(26.2)
Others	32.6	31.9	(0.7)	(2.2)
Others	25.8	24.5	(1.3)	(5.1)
Eliminations	(50.0)	(46.2)	+ 3.8	-
<b>Other</b>	44.9	42.7	(2.2)	(5.0)
Transportation income	18.6	17.5	(1.0)	(5.6)
Others	118.2	111.3	(6.8)	(5.8)
Eliminations	(91.9)	(86.2)	+ 5.7	-
<b>Total</b>	1,395.9	1,366.8	(29.1)	(2.1)

# 9. YoY Analysis of Operating Revenue (Q3 Cumulative of FY2024/3)

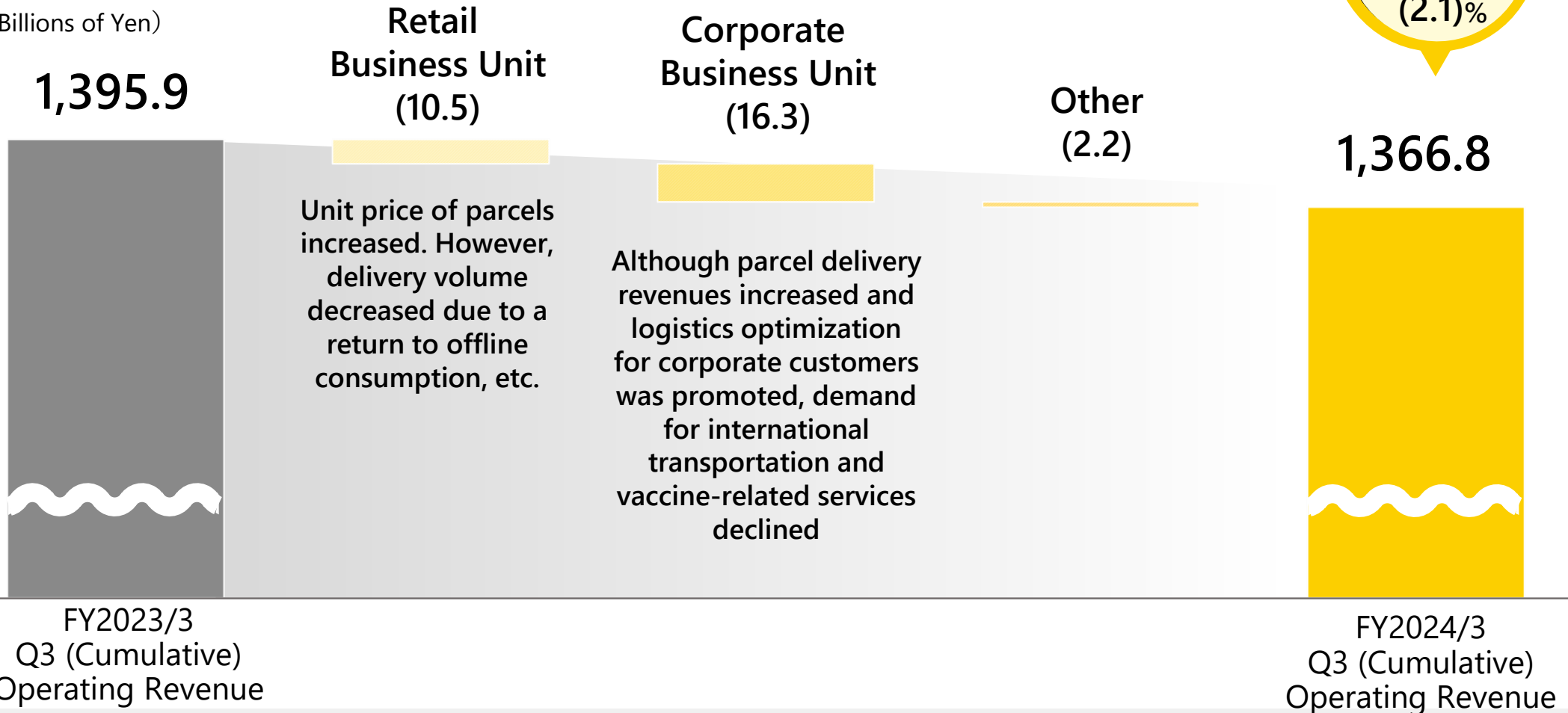
Retail Business Unit	
Transportation income	+5.3
Logistical support income	+ 0.3
Eliminations/Others	(16.3)

Corporate Business Unit	
Transportation income	+ 10.6
Logistical support income	(29.4)
Logistics	(10.2)
International logistics	(18.4)
Others	(0.7)
Eliminations/Others	+ 2.5

Other	
Transportation income	(1.0)
Eliminations/Others	(1.1)



(Billions of Yen)

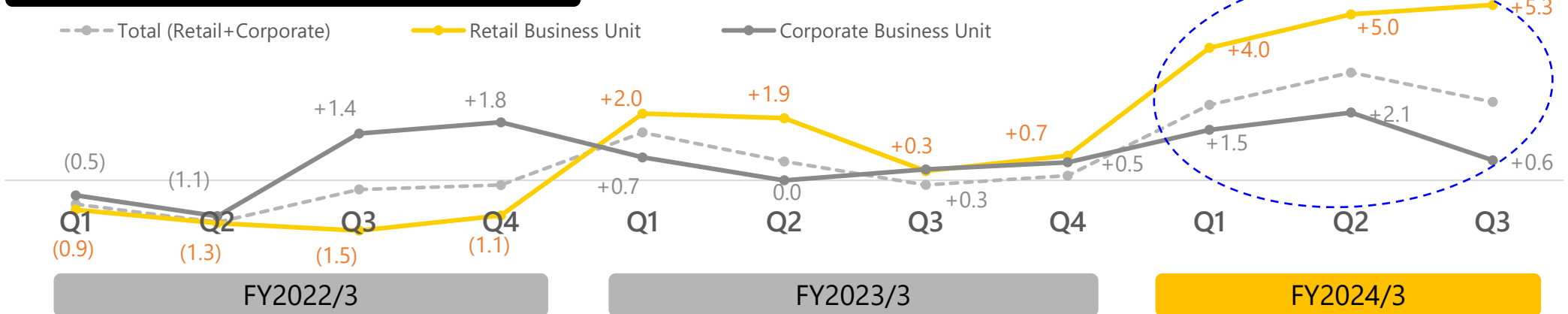


# 10. Quarterly Trends of Parcel Delivery

- **Volume:** Expanded new transactions with large corporate clients amid continued weakness in parcel delivery demand
- **Unit price:** These new transactions and other factors slowed the unit price increase (YoY)

	FY2022/3				FY2023/3				FY2024/3		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Delivery Volume (Thousands)	444,328	470,100	540,567	435,687	449,504	490,766	552,115	433,950	442,365	469,592	546,202
YoY(%)	+3.8	+5.8	+3.6	+6.3	+1.2	+4.4	+2.1	(0.4)	(1.6)	(4.3)	(1.1)
Unit-price (Yen)	687	698	715	696	697	702	714	697	713	725	731
YoY(%)	(0.7)	(1.3)	(0.3)	(0.1)	+1.5	+0.6	(0.1)	+0.1	+2.3	+3.3	+2.4

## Unit price trend (YoY) by Segment (%)



## Delivery volume trend (YoY) by Segment

Retail Business Unit : **(5.7)%**

Corporate Business Unit : **+3.4%** (Q3 Oct. – Dec.)

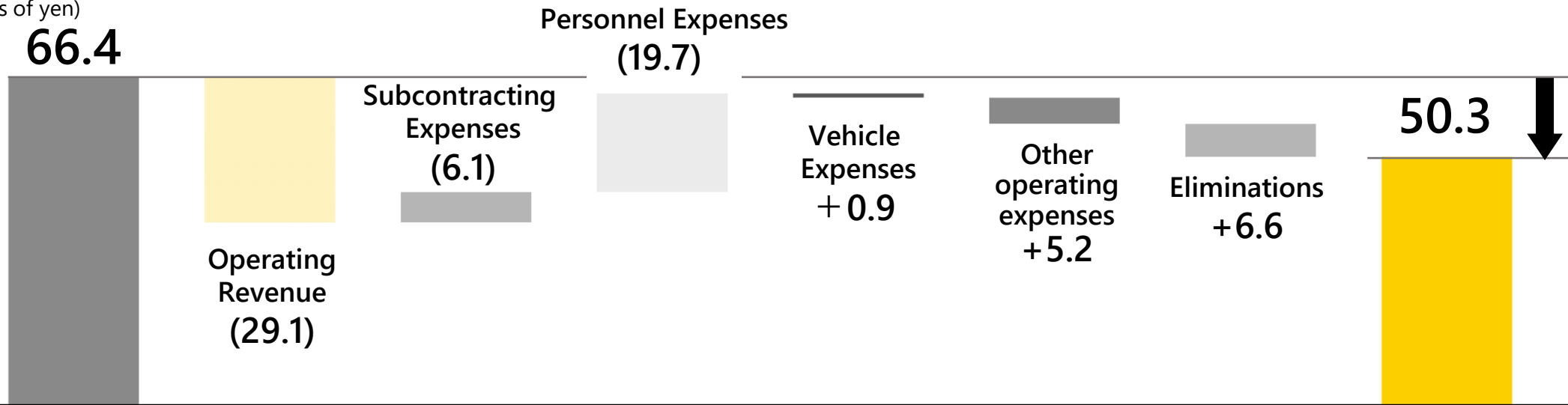
# 11. Summary of Operating Expenses (Q3 Cumulative of FY2024/3)

- Progress in reducing labor costs by optimizing personnel to strengthen TA-Q-BIN network amid continued increases in wages, outsourcing unit prices, etc.

(Billions of Yen)	FY2023/3 Q3 (Cumulative) Actual	FY2024/3 Q3 (Cumulative) Actual	YoY Change	
			Amount	[%]
			Operating revenue	1,395.9
<b>Subcontracting expenses</b>	506.4	500.3	(6.1)	(1.2)
Commission expenses	270.6	280.1	+9.4	+3.5
Delivery commission	73.8	76.1	+2.2	+3.1
Operating outsource	28.8	34.0	+5.2	+18.2
Other commission expenses	167.9	169.9	+1.9	+1.2
EC logistics network	35.4	34.4	(1.0)	(2.9)
Other	132.4	135.5	+3.0	+2.3
Vehicle hiring expenses	158.9	161.5	+2.6	+1.6
Other subcontracting expenses	76.8	58.6	(18.2)	(23.7)
<b>Personnel expenses</b>	658.6	638.9	(19.7)	(3.0)
Employee salary	445.7	433.2	(12.5)	(2.8)
Legal welfare expenses	80.4	79.8	(0.5)	(0.7)
Retirement benefit expenses	18.6	19.0	+0.3	+1.7
Bonus/Other personnel expenses	113.7	106.8	(6.9)	(6.1)
<b>Vehicle expenses</b>	40.7	41.6	+0.9	+2.3
Vehicle repair expenses	20.0	20.9	+0.8	+4.4
Fuel expenses	20.6	20.6	+0.0	+0.2
<b>Other operating expenses</b>	270.9	276.2	+5.2	+1.9
Depreciation	31.1	32.8	+1.7	+5.5
System expenses	40.0	43.7	+3.7	+9.3
Other	199.7	199.5	(0.1)	(0.1)
Facilities expenses	62.2	65.4	+3.2	+5.2
Other	137.4	134.0	(3.4)	(2.5)
<b>Total</b>	1,476.7	1,457.0	(19.7)	(1.3)
<b>Eliminations</b>	(147.2)	(140.6)	+6.6	-
<b>Operating expenses</b>	1,329.5	1,316.4	(13.1)	(1.0)
<b>Operating profit</b>	66.4	50.3	(16.0)	(24.2)

# 12. YoY Analysis of Operating Expenses (Q3 Cumulative of FY 2024/3)

(Billions of yen)



FY2023/3  
Q3 (cumulative)  
Operating profit  
Actual



FY2024/3  
Q3 (cumulative)  
Operating profit  
Actual

Subcontracting expenses	
Commission expenses	+9.4
Delivery commission	+2.2
Operating outsource	+5.2
EC logistics network	(1.0)
Other	+3.0
Vehicle hiring expenses	+2.6
Other subcontracting expenses	(18.2)

Personnel expenses	
Employee salary	(12.5)
Legal welfare expenses	(0.5)
Retirement benefit expenses	+0.3
Bonus/Other personnel expenses	(6.9)

Vehicle expenses	
Vehicle repairing expenses	+0.8
Fuel expenses	+0.0

Other operating expenses	
Depreciation	+1.7
System expenses	+3.7
Facilities expenses	+3.2
Other	(3.4)

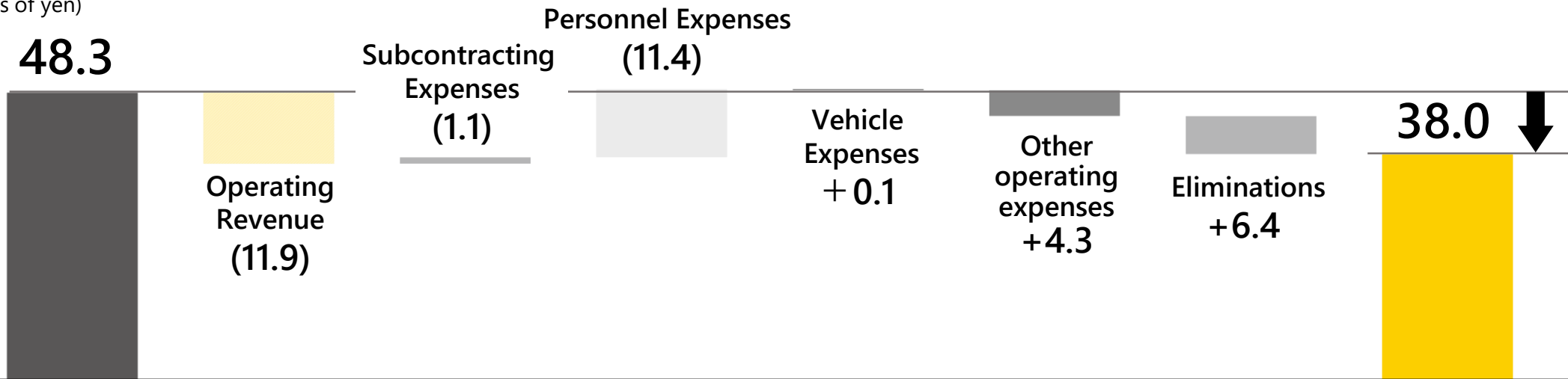
# 13. Summary of Operating Expenses (Q3 October - December)

- Eliminations decreased due to the impact of exclusion of Yamato Staff Supply Co., Ltd. from the scope of consolidation

(Billions of Yen)	FY2023/3 Q3 (Cumulative) Actual	FY2024/3 Q3 (Cumulative) Actual	YoY Change	
			Amount	[%]
<b>Operating revenue</b>	512.2	500.2	(11.9)	(2.3)
<b>Subcontracting expenses</b>	181.4	180.3	(1.1)	(0.6)
Commission expenses	98.7	101.7	+2.9	+3.0
Delivery commission	27.7	29.0	+1.3	+4.8
Operating outsource	11.0	13.0	+1.9	+17.9
Other commission expenses	60.0	59.6	(0.3)	(0.6)
EC logistics network	13.3	12.0	(1.3)	(10.2)
Other	46.6	47.6	+1.0	+2.2
Vehicle hiring expenses	56.6	58.1	+1.4	+2.6
Other subcontracting expenses	26.0	20.4	(5.5)	(21.4)
<b>Personnel expenses</b>	225.3	213.8	(11.4)	(5.1)
Employee salary	153.2	144.6	(8.5)	(5.6)
Legal welfare expenses	27.3	26.4	(0.8)	(3.2)
Retirement benefit expenses	6.3	6.3	(0.0)	(1.3)
Bonus/Other personnel expenses	38.2	36.3	(1.9)	(5.1)
<b>Vehicle expenses</b>	14.1	14.3	+0.1	+1.4
Vehicle repair expenses	7.2	7.5	+0.3	+4.9
Fuel expenses	6.9	6.7	(0.1)	(2.3)
<b>Other operating expenses</b>	93.8	98.2	+4.3	+4.6
Depreciation	10.5	11.3	+0.7	+7.5
System expenses	13.5	14.9	+1.4	+11.0
Other	69.8	71.9	+2.0	+3.0
Facilities expenses	21.5	22.8	+1.3	+6.2
Other	48.3	49.0	+0.7	+1.6
<b>Total</b>	514.8	506.8	(8.0)	(1.6)
<b>Eliminations</b>	(51.0)	(44.5)	+6.4	-
<b>Operating expenses</b>	463.8	462.2	(1.6)	(0.3)
<b>Operating profit</b>	48.3	38.0	(10.3)	(21.4)

# 14. YoY Analysis of Operating Expenses (Q3 October - December)

(Billions of yen)



FY 2023/3  
Q3 (Oct. – Dec.)  
Operating profit  
Actual



FY 2024/3  
Q3 (Oct. – Dec.)  
Operating profit  
Actual

## Subcontracting expenses

Commission expenses	+2.9
Delivery commission	+1.3
Operating outsource	+1.9
EC logistics network	(1.3)
Other	+1.0
Vehicle hiring expenses	+1.4
Other subcontracting expenses	(5.5)

## Personnel expenses

Employee salary	(8.5)
Legal welfare expenses	(0.8)
Retirement benefit expenses	(0.0)
Bonus/Other personnel expenses	(1.9)

## Vehicle expenses

Vehicle repairing expenses	+0.3
Fuel expenses	(0.1)

## Other operating expenses

Depreciation	+0.7
System expenses	+1.4
Facilities expenses	+1.3
Other	+0.7



# 15. Operating Expenses (Quarterly / YoY change)

(Billions of Yen)	FY2023/3												FY2024/3										
	Q1 Apr.- June	YoY Change		Q2 July- Sep.	YoY Change		Q3 Oct.- Dec.	YoY Change		Q4 Jan.- Mar.	YoY Change		Q1 Apr.- June	YoY Change		Q2 July- Sep.	YoY Change		Q3 Oct.- Dec.	YoY Change			
		Amount*	[%]*		Amount*	[%]*		Amount*	[%]*		Amount*	[%]*		Amount*	[%]*		Amount	[%]		Amount	[%]	Amount	[%]
<b>Operating revenue</b>	424.1	+12.0	+2.9	459.5	+22.6	+5.2	512.2	+11.9	+2.4	404.7	(8.4)	(2.1)	420.2	(3.9)	(0.9)	446.3	(13.2)	(2.9)	500.2	(11.9)	(2.3)		
<b>Subcontracting expenses</b>	157.0	+11.7	+8.1	167.9	+14.5	+9.5	181.4	+5.4	+3.1	151.0	(5.5)	(3.5)	158.4	+1.3	+0.9	161.5	(6.4)	(3.8)	180.3	(1.1)	(0.6)		
Commission expenses	82.0	+10.9	+15.5	89.7	+12.3	+16.0	98.7	+6.3	+6.9	81.6	(0.0)	(0.1)	88.3	+6.2	+7.6	90.0	+0.2	+0.3	101.7	+2.9	+3.0		
Delivery commission	22.0	+0.5	+2.3	24.1	+2.9	+14.1	27.7	+2.9	+11.8	21.3	(0.0)	(0.4)	23.1	+1.1	+5.2	23.9	(0.2)	(0.9)	29.0	+1.3	+4.8		
Operating outsource	8.7	+0.6	+8.3	9.0	+0.2	+3.1	11.0	(0.6)	(5.4)	8.4	+0.0	+0.2	10.5	+1.7	+20.2	10.5	+1.4	+16.5	13.0	+1.9	+17.9		
Other commission expenses	51.3	+9.8	+23.7	56.5	+9.1	+19.3	60.0	+4.0	+7.2	51.8	(0.0)	(0.0)	54.6	+3.3	+6.4	55.6	(0.9)	(1.7)	59.6	(0.3)	(0.6)		
EC Logistics network	10.0	+8.9	+820.2	12.0	+7.7	+178.8	13.3	+2.9	+28.1	11.0	+1.1	+11.2	11.2	+1.1	+11.7	11.1	(0.8)	(7.0)	12.0	(1.3)	(10.2)		
Other	41.2	+0.8	+2.2	44.5	+1.4	+3.3	46.6	+1.1	+2.4	40.8	(1.1)	(2.7)	43.4	+2.1	+5.2	44.4	(0.1)	(0.3)	47.6	+1.0	+2.2		
Vehicle hiring expenses	50.3	(1.0)	(2.0)	51.9	(1.1)	(2.1)	56.6	+0.5	+1.0	49.7	+0.4	+0.9	50.9	+0.5	+1.2	52.4	+0.5	+1.0	58.1	+1.4	+2.6		
Other subcontracting expenses	24.5	+1.7	+7.5	26.2	+3.2	+14.2	26.0	(1.4)	(5.4)	19.7	(5.9)	(23.1)	19.1	(5.4)	(22.1)	19.0	(7.2)	(27.5)	20.4	(5.5)	(21.4)		
<b>Personnel expenses</b>	212.0	+2.7	+1.3	221.3	+5.1	+2.4	225.3	+2.1	+1.0	207.3	+0.9	+0.5	209.3	(2.6)	(1.2)	215.6	(5.6)	(2.6)	213.8	(11.4)	(5.1)		
Employee salary	144.4	+2.0	+1.5	148.0	+2.6	+1.8	153.2	+1.5	+1.0	143.7	+1.5	+1.1	142.8	(1.6)	(1.1)	145.6	(2.3)	(1.6)	144.6	(8.5)	(5.6)		
Legal welfare expenses	25.4	(0.7)	(3.0)	27.5	+0.3	+1.4	27.3	+0.3	+1.4	26.4	(0.0)	(0.1)	26.3	+0.8	+3.4	27.0	(0.5)	(2.1)	26.4	(0.8)	(3.2)		
Retirement benefit expenses	6.0	+2.1	+55.3	6.2	+2.0	+48.6	6.3	+0.7	+12.7	6.4	+0.5	+9.3	6.3	+0.2	+4.0	6.3	+0.1	+2.3	6.3	(0.0)	(1.3)		
Bonus/Other personnel expenses	35.9	(0.6)	(1.8)	39.4	+0.0	+0.2	38.2	(0.5)	(1.4)	30.7	(1.0)	(3.4)	33.8	(2.1)	(5.8)	36.6	(2.8)	(7.3)	36.3	(1.9)	(5.1)		
<b>Vehicle expenses</b>	12.7	+0.5	+4.9	13.8	+0.8	+6.7	14.1	+0.8	+6.0	10.5	+0.1	+1.4	13.0	+0.3	+2.6	14.2	+0.4	+2.9	14.3	+0.1	+1.4		
Vehicle repair expenses	6.4	(0.1)	(1.6)	6.3	+0.0	+1.3	7.2	+0.5	+7.5	4.7	+0.0	+1.7	6.7	+0.2	+4.5	6.6	+0.2	+3.9	7.5	+0.3	+4.9		
Fuel expenses	6.2	+0.6	+12.6	7.4	+0.7	+11.7	6.9	+0.3	+4.5	5.8	+0.0	+1.2	6.2	+0.0	+0.6	7.6	+0.1	+2.1	6.7	(0.1)	(2.3)		
<b>Other operating expenses</b>	86.9	+2.9	+3.5	90.1	+1.4	+1.6	93.8	+2.1	+2.3	85.8	(5.1)	(5.7)	86.6	(0.2)	(0.3)	91.3	+1.1	+1.3	98.2	+4.3	+4.6		
Depreciation	10.1	+1.8	+22.6	10.4	+2.1	+25.2	10.5	+1.6	+18.2	10.4	+0.7	+7.7	10.5	+0.3	+3.6	11.0	+0.5	+5.4	11.3	+0.7	+7.5		
System expenses	13.2	+0.3	+2.7	13.3	+0.2	+1.6	13.5	(0.8)	(5.8)	13.0	(1.0)	(7.4)	14.3	+1.1	+8.6	14.4	+1.0	+8.2	14.9	+1.4	+11.0		
Other	63.5	+0.7	+1.2	66.3	(0.9)	(1.3)	69.8	+1.3	+2.0	62.4	(4.8)	(7.3)	61.7	(1.7)	(2.8)	65.8	(0.4)	(0.7)	71.9	+2.0	+3.0		
Facilities expenses	20.2	+1.3	+7.4	20.5	+1.1	+5.8	21.5	+1.1	+5.9	20.5	+0.0	+0.4	21.0	+0.8	+4.4	21.5	+1.0	+4.9	22.8	+1.3	+6.2		
Other	43.3	(0.6)	(1.4)	45.8	(2.0)	(4.2)	48.3	+0.1	+0.3	41.9	(4.9)	(10.6)	40.6	(2.6)	(6.2)	44.3	(1.4)	(3.2)	49.0	+0.7	+1.6		
<b>Total</b>	468.6	+18.0	+4.0	493.2	+21.9	+4.7	514.8	+10.5	+2.1	454.8	(9.5)	(2.1)	467.4	(1.2)	(0.3)	482.7	(10.4)	(2.1)	506.8	(8.0)	(1.6)		
<b>Eliminations</b>	(46.9)	+4.8	-	(49.2)	+4.9	-	(51.0)	(0.0)	-	(43.8)	+4.1	-	(48.8)	(1.9)	-	(47.1)	+2.1	-	(44.5)	+6.4	-		
<b>Operating expenses</b>	421.7	+22.8	+5.7	443.9	+26.9	+6.5	463.8	+10.4	+2.3	411.0	(5.4)	(1.3)	418.6	(3.1)	(0.7)	435.6	(8.3)	(1.9)	462.2	(1.6)	(0.3)		
<b>Operating profits</b>	2.4	(10.8)	(81.7)	15.6	(4.3)	(21.6)	48.3	+1.4	+3.2	(6.3)	(3.0)	-	1.5	(0.8)	(33.9)	10.7	(4.8)	(31.2)	38.0	(10.3)	(21.4)		

\* From the FY2023/3, internal transactions between Yamato Transport Co., Ltd. and the former group companies that were integrated into Yamato Transport Co., Ltd. in the FY2022/3, have been reclassified. Figures for FY2022/3 have been revised to reflect this. In addition, they have been excluded the impact of removing Yamato Home Convenience Co., Ltd. from scope of consolidation.

# 16. Operating Results Forecast for FY 2024/3

- Parcel volume is revised upward due to the acquisition of new customers, but operating revenue is revised downward based on the assumption that parcel delivery revenues will be less than expected
- Operating profit is revised downward due to a lower operating revenue and higher-than-expected operating expenses due to higher unit prices for subcontracting expenses, mainly commission expenses

(Billions of Yen)		FY2023/3 Actual	FY2024/3 Forecast as of Aug. 2023	FY2024/3 New Forecast	Forecast Change		YoY Change	
					Amount	[%]	Amount	[%]
Operating revenue		1,800.6	1,785.0	1,765.0	(20.0)	(1.1)	(35.6)	(2.0)
Operating profit		60.0	65.0	40.0	(25.0)	(38.5)	(20.0)	(33.4)
[Profit margin]		3.3	3.6	2.3	(1.4)	-	(1.1)	-
Ordinary profit		58.0	65.0	40.0	(25.0)	(38.5)	(18.0)	(31.1)
Profit attributable to owners of Parent		45.8	52.0	36.0	(16.0)	(30.8)	(9.8)	(21.6)
Volume (Thousands of Units)	TA-Q-BIN/ TA-Q-BIN Compact/ EAZY	1,926,338	1,885,800	1,891,300	+ 5,500	+ 0.3	(35,038)	(1.8)
	EAZY	493,731	487,900	481,500	(6,400)	(1.3)	(12,231)	(2.5)
	Nekopos/ Kuroneko Yu-Packet	413,372	415,400	408,500	(6,900)	(1.7)	(4,872)	(1.2)
	Kuroneko DM-Bin/ Kuroneko Yu-Mail	800,526	703,800	688,200	(15,600)	(2.2)	(112,326)	(14.0)
Unit Price (Yen)	TA-Q-BIN/ TA-Q-BIN Compact/ EAZY	703	726	721	(5)	(0.7)	+ 18	+ 2.6
	Nekopos/ Kuroneko Yu-Packet	189	188	190	+ 2	+ 1.1	+ 1	+ 0.5
	Kuroneko DM-Bin/ Kuroneko Yu-Mail	67	67	68	+ 1	+ 1.5	+ 1	+ 1.5

# 17. Operating Results Forecast for FY2024/3 (Breakdown of Operating Expenses and others)

Despite progress in reducing personnel expenses by optimizing the headcount, overall operating expenses is revised upward from the previous forecast due to higher unit prices for subcontracting expenses, mainly commission expenses, etc.

(Billions of Yen)	FY2023/3 Actual	FY2024/3 Forecast as of Aug. 2023	FY2024/3 New Forecast	Forecast Change		YoY Change	
				Amount	[%]	Amount	[%]
<b>Operating revenue</b>	1,800.6	1,785.0	1,765.0	(20.0)	(1.1)	(35.6)	(2.0)
<b>Subcontracting expenses</b>	657.5	644.8	652.5	+7.7	+1.2	(5.0)	(0.8)
Commission expenses	352.2	358.0	366.2	+8.2	+2.3	+13.9	+3.9
Delivery commission	95.1	84.7	94.4	+9.7	+11.5	(0.7)	(0.8)
Operating outsource	37.3	41.7	43.6	+1.9	+4.6	+6.2	+16.7
Other commission expenses	219.7	231.6	228.2	(3.4)	(1.5)	+8.4	+3.8
EC Logistics network	46.4	43.0	43.2	+0.2	+0.5	(3.2)	(7.0)
Other	173.2	188.6	185.0	(3.6)	(1.9)	+11.7	+6.8
Vehicle hiring expenses	208.6	208.3	209.7	+1.4	+0.7	+1.0	+0.5
Other subcontracting expenses	96.5	78.5	76.6	(1.9)	(2.4)	(19.9)	(20.7)
<b>Personnel expenses</b>	866.0	840.6	834.9	(5.7)	(0.7)	(31.1)	(3.6)
Employee salary	589.4	570.3	567.0	(3.3)	(0.6)	(22.4)	(3.8)
Legal welfare expenses	106.8	107.0	105.4	(1.6)	(1.5)	(1.4)	(1.4)
Retirement benefit expenses	25.1	25.4	25.4	0.0	0.0	+0.2	+1.0
Bonus/Other personnel expenses	144.4	137.9	137.1	(0.8)	(0.6)	(7.3)	(5.1)
<b>Vehicle expenses</b>	51.2	52.2	52.5	+0.3	+0.6	+1.2	+2.4
Vehicle repair expenses	24.7	25.5	25.8	+0.3	+1.2	+1.0	+4.2
Fuel expenses	26.5	26.7	26.7	0.0	0.0	+0.1	+0.7
<b>Other operating expenses</b>	356.8	367.2	367.7	+0.5	+0.1	+10.8	+3.1
Depreciation	41.5	44.2	44.1	(0.1)	(0.2)	+2.5	+6.1
System expenses	53.0	59.7	59.1	(0.6)	(1.0)	+6.0	+11.3
Other	262.1	263.3	264.5	+1.2	+0.5	+2.3	+0.9
Facilities expenses	82.8	88.0	88.1	+0.1	+0.1	+5.2	+6.4
Other	179.3	175.3	176.4	+1.1	+0.6	(2.9)	(1.7)
<b>Total</b>	1,931.6	1,904.8	1,907.6	+2.8	+0.1	(24.0)	(1.2)
<b>Eliminations</b>	(191.0)	(184.8)	(182.6)	+2.2	-	+8.4	-
<b>Operating expenses</b>	1,740.5	1,720.0	1,725.0	+5.0	+0.3	(15.5)	(0.9)
<b>Operating profit</b>	60.0	65.0	40.0	(25.0)	(38.5)	(20.0)	(33.4)
<b>Total number of employees (Persons)</b>	210,197	※ 182,400	※ 179,600	(2,800)	(1.5)	(30,597)	(14.6)
Full-time	92,727	90,800	89,700	(1,100)	(1.2)	(3,027)	(3.3)
Part-time	117,470	91,600	89,900	(1,700)	(1.9)	(27,570)	(23.5)
<b>Capital expenditure (Billions of Yen)</b>	46.9	85.0	70.0	(15.0)	(17.6)	+23.0	+49.2

\* Yamato Staff Supply Co., Ltd. became an equity-method affiliate and the number of its employees was excluded from the scope of consolidation from Q2 of FY2024/3. Because of the change, the number of employees declined (14,055) in total: (282) Full-times and (13,773) Part-times, vs the end of FY2023/3.

# 18. Capital expenditure

- Promoting investments to establish large-scale consolidated facilities
- In terms of digitalization, we will continue to focus on system developments to enhance efficiency of our transportation and delivery operations
  - By reforming the way cargo is transported as well as the workstyle using technologies, we will enhance the work environment and safety, while optimizing the costs related to transportation between facilities as well as costs related to the pickup, operations and administrative work in each facility

(Billions of Yen)	FY2023/3 Q3	FY2024/3 Q3	YoY Change		FY2024/3	FY2024/3	Forecast Change
	(Cumulative)	(Cumulative)			Aug. 2023	New Forecast	
	Actual	Actual	Amount	[%]	Forecast		
Vehicles*	6.1	1.0	(5.1)	(82.8)	8.0	6.0	(2.0)
Offices/buildings and accompanying facilities	12.6	24.4	+11.8	+94.1	45.0	40.0	(5.0)
Automatic sorting equipment etc.	2.0	2.2	+0.2	+12.8	8.0	6.0	(2.0)
Other hardware, office equipment, etc.	3.0	3.8	+0.7	+25.6	7.0	5.0	(2.0)
Digital investments	9.4	8.3	(1.0)	(11.1)	17.0	13.0	(4.0)
Increasing value provided to customers	3.1	2.1	(1.0)	(32.3)	4.0	3.5	(0.5)
Improved efficiency of transportation and delivery operations	5.0	3.4	(1.6)	(32.0)	7.0	5.0	(2.0)
Digital infrastructure construction and development	0.9	2.4	+1.5	+166.7	4.0	3.5	(0.5)
Others	0.4	0.4	0.0	0.0	2.0	1.0	(1.0)
Total	33.2	40.0	+6.7	+20.3	85.0	70.0	(15.0)

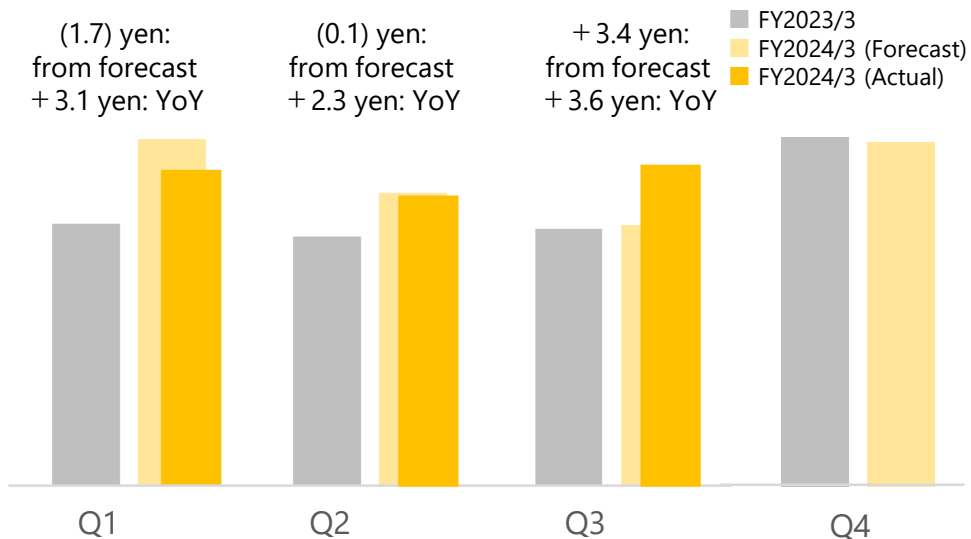
\* Together with the above investments in vehicles, we will introduce EVs using operating leases (1,064 EVs in Q3(Cumulative) / 1,200 EVs in Full year plan)

# Operating Results Forecast for FY2024/3 Q4 (Jan.-Mar.)

(Billions of Yen)	FY2023/3 Q4 Actual	FY2023/3 Q4 Forecast	YoY Change	
			Amount	[%]
			<b>Operating revenue</b>	404.7
<b>Subcontracting expenses</b>	151.0	152.1	+1.1	+0.7
Commission expenses	81.6	86.0	+4.4	+5.4
Delivery commission	21.3	18.2	(3.0)	(14.4)
Operating outsource	8.4	9.5	+1.0	+11.9
Other commission expenses	51.8	58.2	+6.4	+12.5
EC Logistics network	11.0	8.7	(2.2)	(20.2)
Other	40.8	49.4	+8.6	+21.3
Vehicle hiring expenses	49.7	48.1	(1.5)	(3.1)
Other subcontracting expenses	19.7	17.9	(1.7)	(8.9)
<b>Personnel expenses</b>	207.3	195.9	(11.3)	(5.5)
Employee salary	143.7	133.7	(9.9)	(6.9)
Legal welfare expenses	26.4	25.5	(0.9)	(3.4)
Retirement benefit expenses	6.4	6.3	(0.0)	(0.9)
Bonus/Other personnel expenses	30.7	30.2	(0.4)	(1.5)
<b>Vehicle expenses</b>	10.5	10.8	+0.2	+2.8
Vehicle repair expenses	4.7	4.8	+0.1	+3.0
Fuel expenses	5.8	6.0	+0.1	+2.7
<b>Other operating expenses</b>	85.8	91.4	+5.6	+6.6
Depreciation	10.4	11.2	+0.8	+7.9
System expenses	13.0	15.3	+2.2	+17.6
Other	62.4	64.9	+2.5	+4.0
Facilities expenses	20.5	22.6	+2.0	+10.2
Other	41.9	42.3	+0.4	+1.0
<b>Total</b>	454.8	450.5	(4.3)	(0.9)
<b>Eliminations</b>	(43.8)	(41.9)	+1.8	-
<b>Operating expenses</b>	411.0	408.5	(2.4)	(0.6)
<b>Operating profit</b>	(6.3)	(10.3)	(4.0)	-

# Structural reform of network operations (Status of cost per parcel)

## ➤ Transportation domain (Trunk-route and intra-regional transportation, Terminal operations)



### Cost\*1 per parcel in transportation domain (Q3)

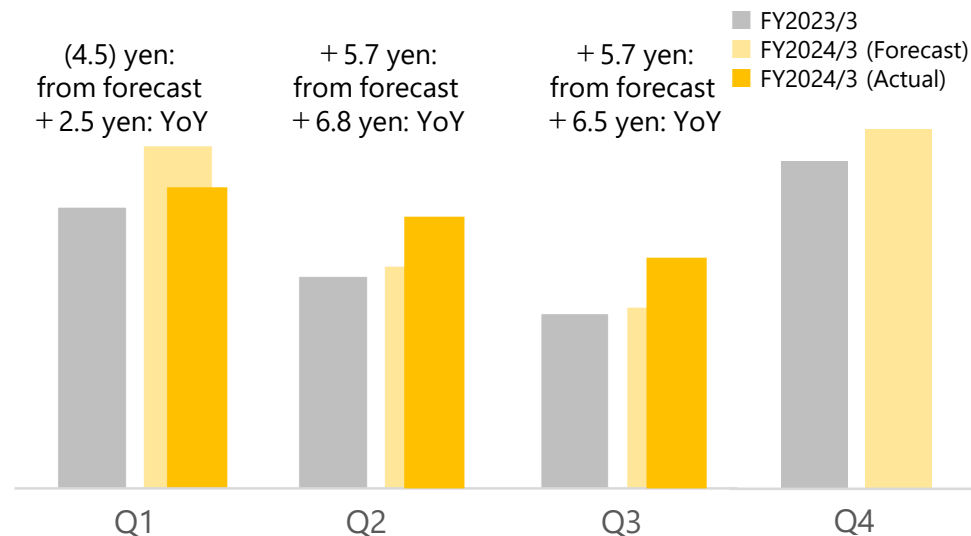
< Main factors for difference from forecast: + 3.4 yen >

- Unmatched capacity for fluctuating workload\*2: +2.8yen
- Increase in labor and partner unit costs: + 1.0 yen
- Cost optimization (consolidation of operations, etc.): (0.4) yen

< Main factors for difference with previous period: + 3.6 yen >

- Unmatched capacity for fluctuating workload\*2: + 2.8 yen
- Lower productivity due to increase in large parcels: + 1.4 yen
- Increase in labor and partner unit costs: + 3.3 yen
- Cost optimization (consolidation of operations, etc.): (3.9)yen

## ➤ Last-mile domain (Pick-up and delivery, operations and admin work in Last-mile Offices)



### Cost\*1 per parcel in last-mile domain (Q3)

< Main factors for difference from forecast: + 5.7yen >

- Unmatched capacity for fluctuating workload\*2: + 4.8 yen
- Increase in labor and partner unit costs: + 1.0 yen
- Productivity improvement and personnel optimization through measures: (0.1) yen

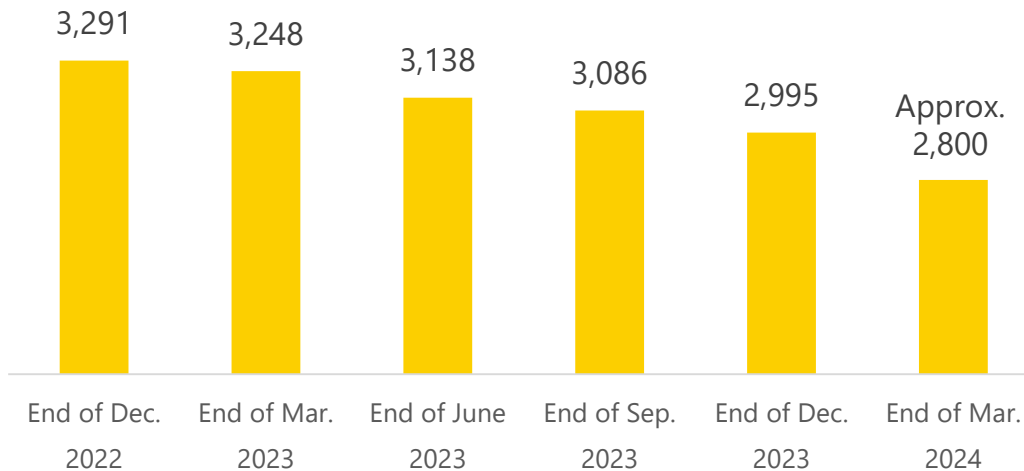
< Main factors for difference with previous period: + 6.5 yen >

- Unmatched capacity for fluctuating workload\*2: + 4.8 yen
- Rise in unit cost of wages and partner expenses: + 6.5yen
- Productivity improvement and personnel optimization through measures: (4.8) yen

\*1 Figures are total of outsourcing expenses and employee wages related to the operations

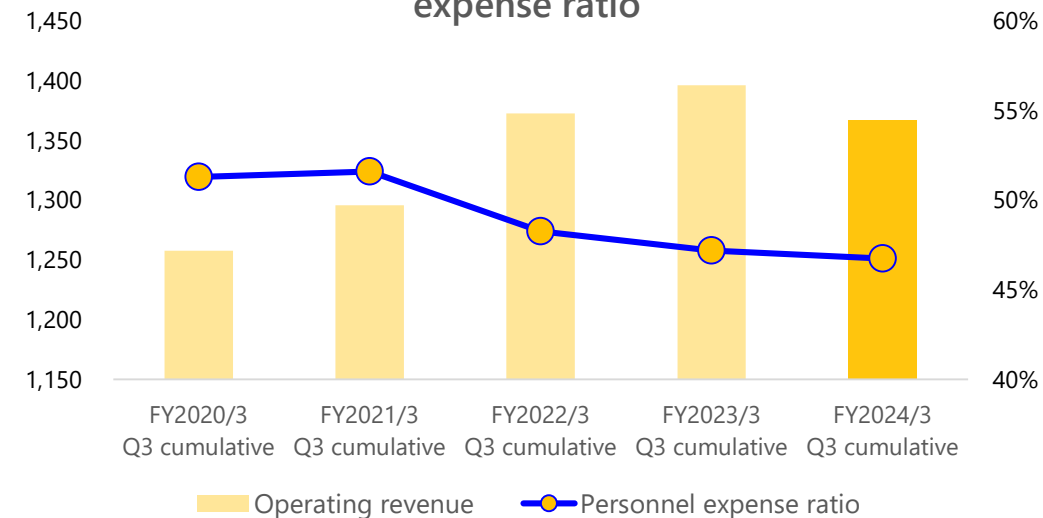
\*2 Includes impact of the breakdown of material handling equipment in Haneda Chronogate

Trend of no. of last-mile facilities



- ✓ Consolidation of existing pickup and delivery facilities is progressing almost in line with plan
- ✓ Will promote further consolidation, in conjunction with the deployment of large-scale delivery facilities

Trend of operating revenue and personnel expense ratio



- ✓ Optimize headcount, through the implementation of the consolidation and enlargement of facilities, the transfer of post-box delivery business to Japan Post, and the business alliance with Word HD (transfer of Yamato Staff Supply shares)
- ✓ Although operating revenues was lower than last year, the ratio of wages in operating revenues declined
- ✓ Will focus mainly on optimizing the headcount of administrative functions, by enhancing operational efficiency



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