

Main Questions and Answers

Meeting for The Financial Results for the fiscal year ended March 31, 2020 held on May 18, 2020

Q1 Please tell us the impact of the spread of COVID-19 infections.

- We can see positive effects such as an increase in the consumption from staying at home of sanitary goods or foods, and productivity improvement due to a decrease in the rate of absence. On the other hand, there are negative effects such as a decline in handling of TA-Q-BIN mainly in B2B and logistics services, and a decrease in demand for moving service, etc.
- The spread of COVID-19 infections have disrupted a supply chain globally and brought about major changes in lifestyles and business forms. We assume that recovery takes certain time and will pay close attention to the situation going forward.
- We continue to prioritize the safety of our customers and employees and to provide our logistics services, including TA-Q-BIN, while assessing potential various effects. In addition to this, we will take initiatives in responding to new needs, such as the rapid adoption of e-commerce in conjunction with lifestyle changes in the phase of coping with COVID-19.

Q2 Please update the current progress on cost controls.

- We have been working to shift to a "data-driven management" and got a positive response in an effect of cost controls, including the optimal allocation of management resources based on data, since the third quarter of fiscal year ended March 31, 2020. As a result, operating profit for the fourth quarter exceeded our previous forecast.
- Against a backdrop of increasing TA-Q-BIN delivery amount, we have been working to control costs by optimizing the allocation of management resources with the highest priority given to the safety of employees and partners in order to flexibly respond to changes in demand.

Q3 Please let us know if there will be any additional costs due to changes in the method of restructuring the Group management structure.

- Changes in the method of restructuring the Group's management structure will not incur additional expenses that will have a significant impact on business results.
- Our objectives remain unchanged. We will implement management structural reforms steadily, while facing with customers, transforming the organization into one that is optimal for the entire Group, and aiming to accelerate management speed.