Conducted on May 11, 2023
Yamato Holdings Co., Ltd.

Main Questions and Answers (summary) Meeting for the Financial Results for the the Fiscal Year Ended March 31, 2023

Q 1 Please explain how you were able to control your operating expenses, mainly subcontracting expenses, in the 4th quarter of FY March 2023, despite TA-Q-BIN volume being lower than expected.

- Our initiatives to optimize costs are progressing for the EC logistics network and the existing network as a whole, including the establishment of operations that respond to demand fluctuations (increase/decrease in parcel volume).
- We will seek to further control expenses, by optimizing operations based on workload forecasting which take into account customer trends and other factors, in the current fiscal year (FY March 2024)

Q 2 The average unit price of the parcel delivery (TA-Q-BIN, TA-Q-BIN Compact, EAZY) is expected to rise 4.7% in FY March 2024 from the previous year. Please explain your assumptions for this.

- We revised the Reported Fares from April 3, 2023, in response to factors such as the rise in salaries and hourly wages caused by the decline in the working population, the rise in raw material and energy prices due to global affairs and the weak yen, as well as our response to the "2024 issue" faced by the logistics industry.
- Moreover, we have begun negotiations with corporate clients with which we do business based on individual contracts, based on the business relationship, current contract, etc.
- Under these circumstances, the pricing assumptions in FY March 2024 for our parcel delivery (TA-Q-BIN, TA-Q-BIN Compact, EAZY) have been set based on the changes in the external environment surrounding the logistics industry, taking into account the reaction of customers since February 2023, when this revision was announced.
- Because the renewal timing of individual contracts differs by client, the average pricing is expected to rise gradually, based on progress made in the negotiations, as well as the contract renewals timings.

Q 3 Please explain your thinking behind the share buyback announced on May 10, 2023.

- The underlying thinking behind our capital policy is to achieve shareholder value enhancement through timely and appropriate capital strategies, considering factors such as growth potential (operating revenue) and profitability (operating profit margin), financial soundness (status of cash generation, cash & deposits held, capital ratio), progress made in our investments, capital efficiency, etc., while positioning the payout of stable dividends as the basic policy (in consideration of DOE). The benchmarks will be ROE of 10% or more, a dividend payout ratio of 30% or more, and a total return ratio of 50% or more (cumulative for the period from the FY March 2021 to the FY March 2024), in the current medium-term management plan.
- This share buyback is based on our total return ratio benchmark (cumulative over 4 years), in consideration of the earnings forecast for FY March 2024, the outlook on cashflow, capital efficiency, etc.
- Based on the mid-to-long term strategic direction we explained in today's results announcement presentation, we will continue to make the growth investments necessary to achieve sustainable growth, and manage the group while being mindful of capital efficiency.