

**YAMATO GROUP**

**CONSOLIDATED FINANCIAL SUMMARY**

**for the First Quarter of the Fiscal Year**

**Ending March 31, 2021**



**YAMATO HOLDINGS CO., LTD.**

**July 31, 2020**

# 1. Financial Results for the First Quarter 2021/3 (Overview)

## ● Achieved growth in both revenue and profit

Consolidated operating revenue : 392.0 billion yen (+10.2 bn yen, or +2.7% year-on-year)

Consolidated operating profit : 9.9 billion yen (+16.0 bn yen year-on-year)

### ① Background for revenue growth:

With the State of Emergency being declared, there was a significant increase in parcel amount. Under these circumstances, Yamato continued its logistics services while making the safety of our customers, employees and partners our highest priority. We are adapting to the diversifying needs of our customers, such as by starting to provide a new delivery service for the fast-growing area of e-commerce. We also brought together the capabilities of the entire Yamato Group to help solve new challenges faced by our customers in this changing environment.

### ② Background for profit growth:

Gains from Yamato's focus on cost control, by making use of digital data, such as optimizing management resources to improve productivity in our collection and delivery, as well as making the trunk-route transportation between our sorting terminals more efficient, were more than enough to offset Covid-19-related expenses, such as relief payments made to employees.

## 2. Financial Results for the First Quarter 2021/3 (Overview)

### ③ Made progress in changing profitability of the Delivery business

⇒ Started a new management structure towards a “One Yamato”, and reforming Yamato’s management structure from a firm-wide perspective

#### 【Expenses related to collection and delivery】

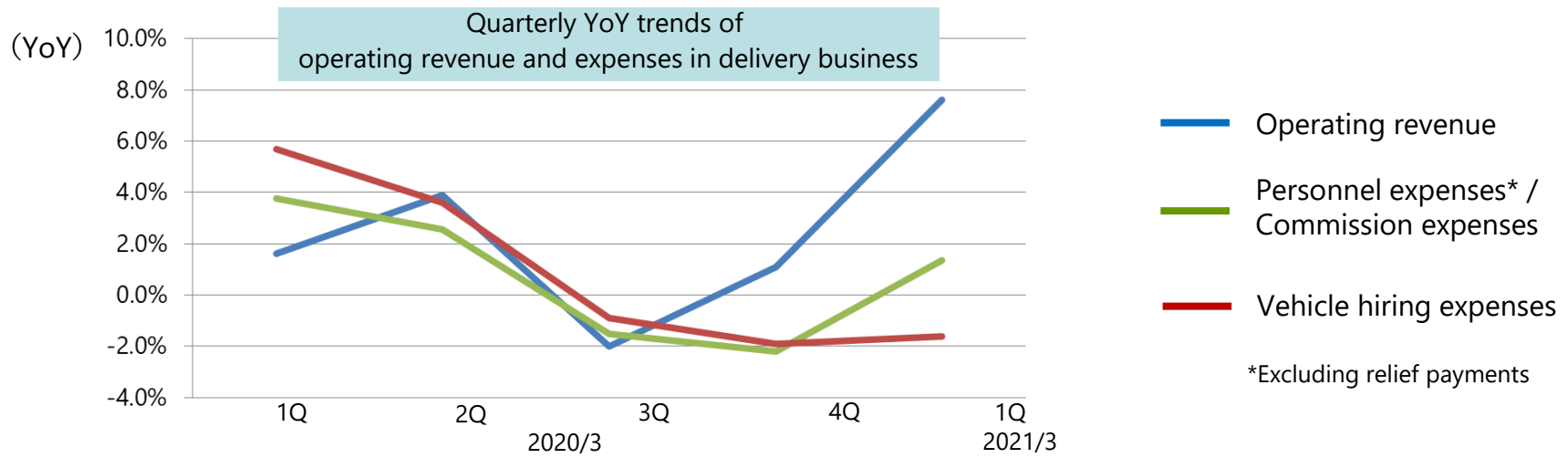
• By making use of digital data to optimize the allocation of management resources, controlled the rise in personnel and commission expenses, despite the rise in workload

• In response to the expansion of e-commerce in all industries, set up a division to manage e-commerce related operations, and created a new logistics service

⇒ In anticipation of the ever-faster growth of e-commerce in April onwards, brought forward the timing of introducing “EAZY”, the new deliver service for e-commerce operators. Yamato is in the process of building a new e-commerce delivery network, starting from the densely populated areas.

#### 【Transportation-related expenses】

• Further optimized our network from a Groupwide perspective, set up a new organization in charge of transportation functions, improved the load ratio of each vehicle based on effective use of long distance trunk-routes and vehicles through digital data, and vehicle hiring expenses decreased despite the rising amount of parcels



### 3. Financial Results for the First Quarter 2021/3 (Overview)

④ In order to establish “Sustainability Management” which also covers environmental and social issues, Yamato is strengthening its organization, such as by setting up the “Environment Committee”, and establishing an “Environment Management System” and “Safety Management System” to ensure effectiveness, thereby building a framework to allow management and supervision based on international standards. We will outline key initiatives and KPIs to be used for each materiality, and further promote initiatives in this area

#### ⑤ Acquisition of Treasury Stock

Resolution of the Company Board of Directors Meeting held on January 30, 2020

Type of stock to be acquired : Common shares in the Company

Total number of shares to be acquired : 35,000,000 shares (upper limit)

[Percentage of total number of issued shares (excluding treasury stock) : 8.88%]

Total acquisition cost : 50 billion yen (upper limit)

Acquisition period : February 6, 2020 to September 30, 2020

Cumulative total of treasury stock acquired (as of June 30, 2020), based on the resolution of the aforementioned Board of Directors Meeting

Total number of shares acquired : 16,204,600 shares

Total acquisition cost : Approx. 32 billion yen

## 4. Operating Results Forecast for the Fiscal Year Ending March 31, 2021

(Billions of Yen)		Fiscal Year ended March 31, 2020 Actual	Fiscal Year ending March 31, 2021 Forecast	YoY Change	
				Amount	[%]
Operating revenue		1,630.1	1,638.0	+ 7.8	+ 0.5
Operating profit		44.7	64.0	+ 19.2	+ 43.2
	[Profit margin]	2.7%	3.9%	-	-
Ordinary profit		40.6	63.0	+ 22.3	+ 55.1
	[Profit margin]	2.5%	3.8%	-	-
Profit attributable to owners of Parent		22.3	33.0	+ 10.6	+ 47.8
	[Profit margin]	1.4%	2.0%	-	-
Dividends (Yen)	Second quarter	15	16	+ 1	
	Fiscal year-end	* 26	16	(10)	
	Total	41	32	(9)	

\*Including commemorative dividends ¥10 per share for the 100-year anniversary of the Company's founding

## 5. Consolidated Operating Results in the First Quarter of the Fiscal Year Ending March 31, 2021

(Billions of Yen)	First Quarter 2020/3 Actual	First Quarter 2021/3 Actual	YoY Change	
			Amount	[%]
			Operating revenue	<b>381.7</b>
Operating profit	<b>(6.1)</b>	<b>9.9</b>	<b>+16.0</b>	-
[Profit margin]	<b>(1.6)%</b>	<b>2.5%</b>	-	-
Ordinary profit	<b>(9.3)</b>	<b>10.5</b>	<b>+19.8</b>	-
[Profit margin]	<b>(2.4)%</b>	<b>2.7%</b>	-	-
Profit attributable to owners of Parent	<b>(9.7)</b>	<b>3.4</b>	<b>+13.2</b>	-
[Profit margin]	<b>(2.6)%</b>	<b>0.9%</b>	-	-

# 6. YoY Analysis of Consolidated Operating Revenue (First Quarter)

(Billions of yen)

Increase in delivery amount due to responding to expansion of e-commerce demand, etc.  
(Delivery)  
+ 23.1

Change in scope of consolidation due to partial transfer of shares of YAMATO LEASE CO.LTD., etc.  
(Financial)  
(9.1)

Stagnant BtoB logistics and decreased demand for moving due to the effect of the spread of COVID-19 infections (BIZ-Logistics, etc.)  
(3.6)

YoY +10.2 billion (+2.7%)



First Quarter  
2020/3  
Actual

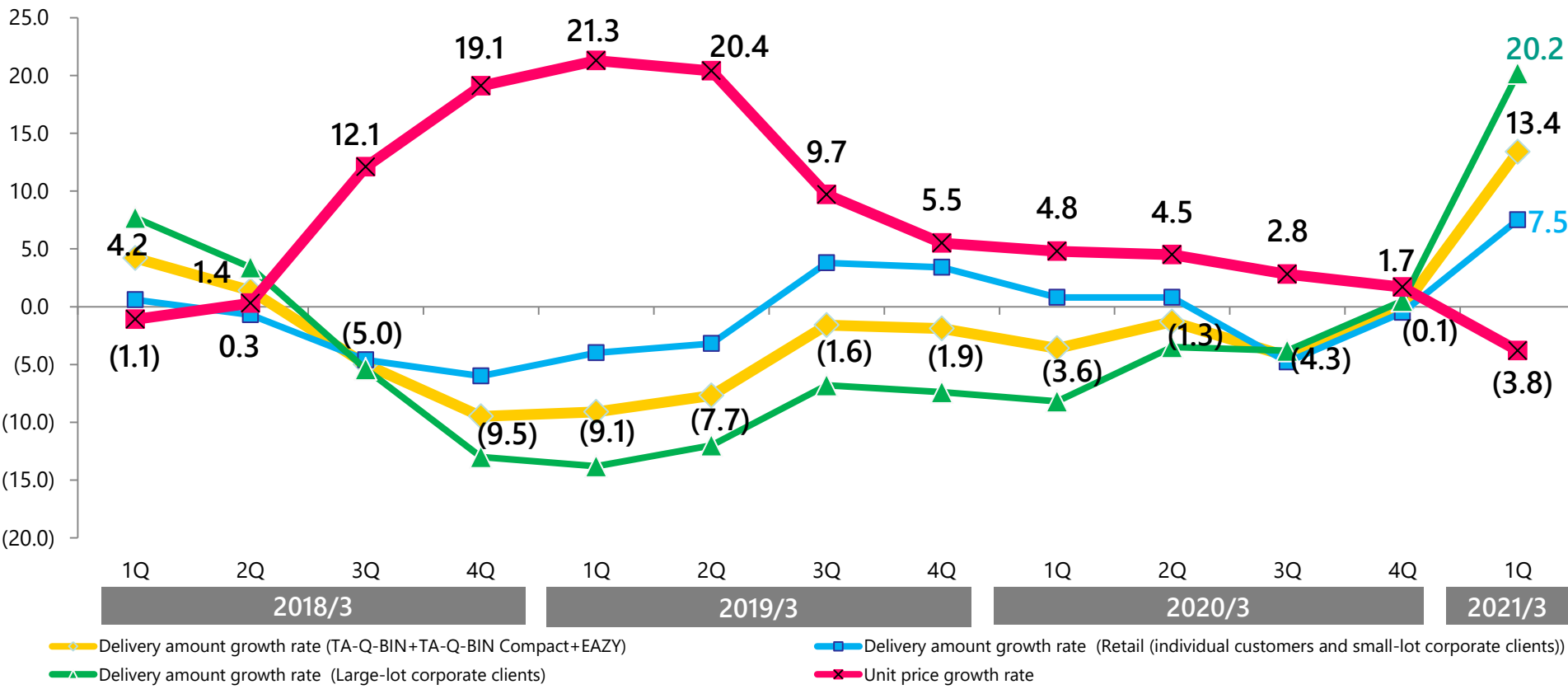
First Quarter  
2021/3  
Actual

# 7. Quarterly YoY Trends of Parcel Delivery (First Quarter) (TA-Q-BIN, TA-Q-BIN Compact, EAZY\*)

Delivery amount increased due to responding to expansion of e-commerce demand with placing top priority on the safety of our customers, employees and partners amid the spread of COVID-19 infections

Delivery amount : YoY +13.4%      Unit price : YoY (3.8)%

(%) \*EAZY : New delivery service for EC market, launched in June 24, 2020  
 (For details, refer to 'Launch of "EAZY" ,a New Delivery Service for EC Market ' in the reference materials.)



## Unit price trend by market (First Quarter)

Retail (individual customers and small-lot corporate clients) (2.5)%

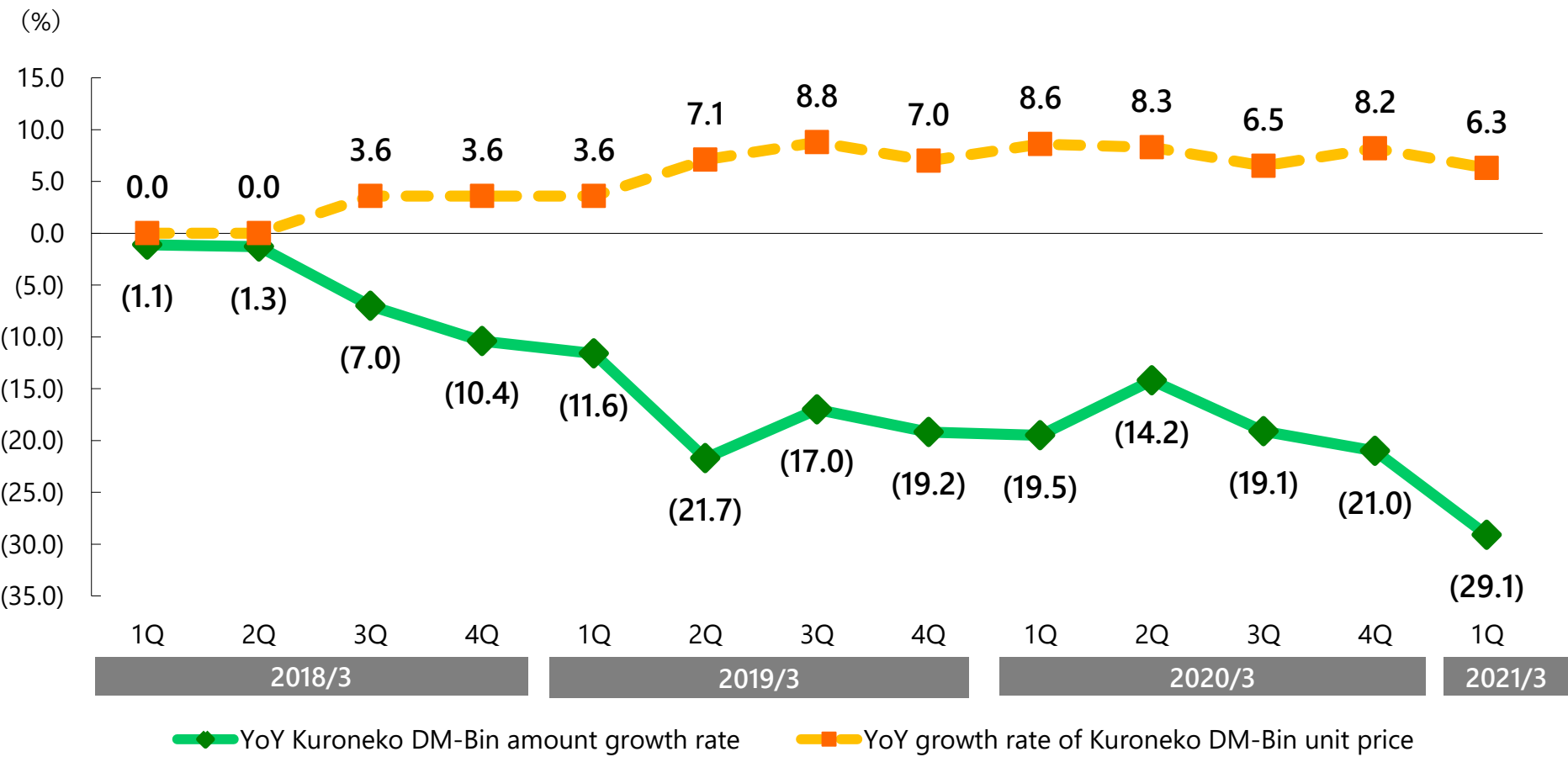
Large-lot corporate clients (2.5)%



# 8. Quarterly YoY Trends of Kuroneko DM-Bin (First Quarter)

Delivery amount decreased due to cancellation of events or self-restraint in business caused by the spread of COVID-19 infections under the DM market downward trend

Delivery amount : YoY (29.1%)      Unit price : YoY +6.3%



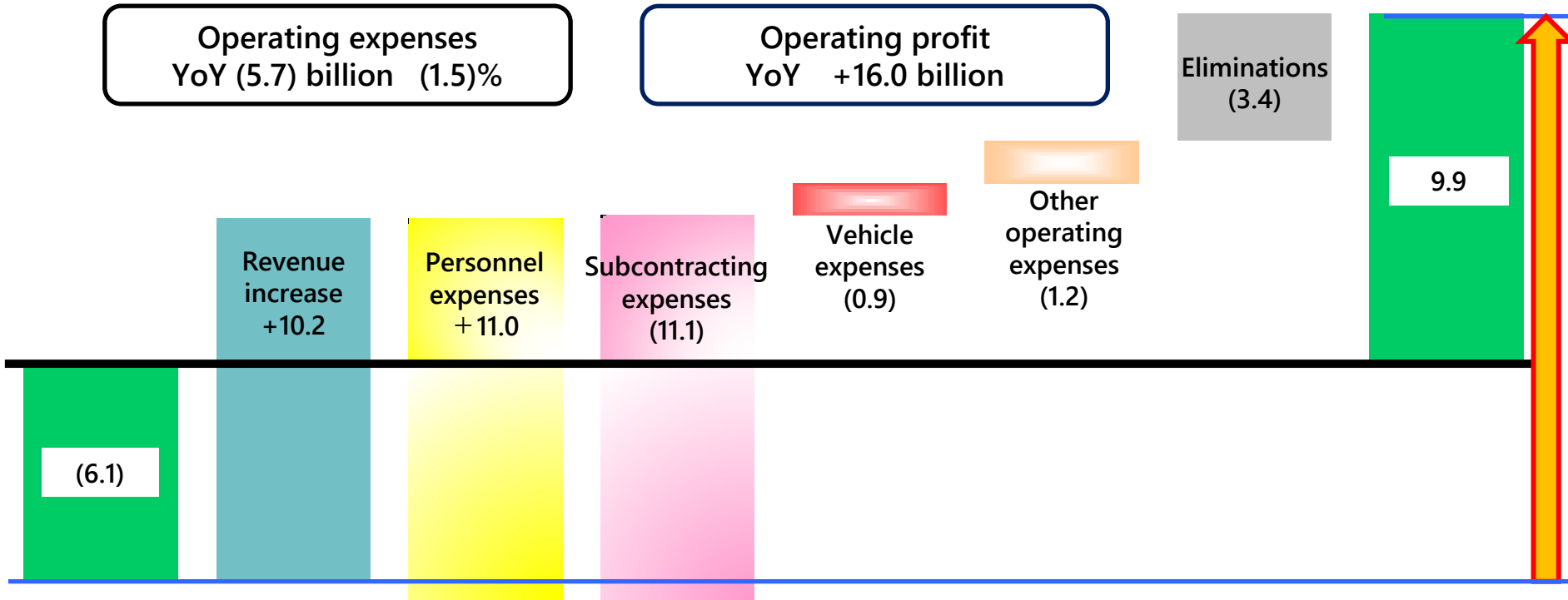
<p><b>Shipment amount by market (First quarter)</b></p> <p>From TA-Q-BIN Centers: (14.0)%</p> <p>From corporate sales branch offices: (34.2)%</p>	<p><b>Shipment unit price by market (First quarter)</b></p> <p>From TA-Q-BIN Centers: +4.2%</p> <p>From corporate sales branch offices: +5.2%</p>
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# 9. Consolidated Operating Expenses (Quarterly)

(Millions of Yen)	First Quarter 2020/3			Second Quarter 2020/3			Third Quarter 2020/3			Fourth Quarter 2020/3			First Quarter 2021/3		
	Actual	YoY Change		Actual	YoY Change		Actual	YoY Change		Actual	YoY Change		Actual	YoY Change	
		Amount	[%]		Amount	[%]		Amount	[%]		Amount	[%]		Amount	[%]
Operating revenue	381,726	+1,036	+0.3	418,399	+9,958	+2.4	457,597	(10,881)	(2.3)	372,422	+4,718	+1.3	392,015	+10,288	+2.7
Operating expenses	387,827	+16,715	+4.5	406,084	+11,500	+2.9	413,734	(3,836)	(0.9)	377,798	(5,903)	(1.5)	382,062	(5,765)	(1.5)
Personnel expenses	207,581	+10,854	+5.5	218,164	+9,174	+4.4	219,393	+4,535	+2.1	203,898	+2,758	+1.4	218,632	+11,050	+5.3
Employee salary	142,450	+6,598	+4.9	148,152	+6,931	+4.9	154,346	+8,162	+5.6	144,236	+3,114	+2.2	144,202	+1,752	+1.2
Other personnel expenses	65,131	+4,255	+7.0	70,012	+2,243	+3.3	65,047	(3,627)	(5.3)	59,661	(356)	(0.6)	74,430	+9,298	+14.3
Subcontracting expenses	147,740	(4,831)	(3.2)	152,927	(3,840)	(2.4)	160,469	(12,509)	(7.2)	140,695	(6,630)	(4.5)	136,564	(11,176)	(7.6)
Commission expenses	57,562	(5,358)	(8.5)	60,072	(3,870)	(6.1)	63,062	(7,735)	(10.9)	53,349	(5,806)	(9.8)	58,019	+456	+0.8
Vehicle hiring expenses	49,847	+2,116	+4.4	51,238	+1,639	+3.3	54,127	(414)	(0.8)	48,116	(1,388)	(2.8)	48,269	(1,578)	(3.2)
Other subcontracting expenses	40,330	(1,589)	(3.8)	41,616	(1,609)	(3.7)	43,280	(4,359)	(9.2)	39,229	+565	+1.5	30,275	(10,055)	(24.9)
Vehicle expenses	11,961	+612	+5.4	12,550	+35	+0.3	12,889	(132)	(1.0)	10,276	+505	+5.2	10,998	(962)	(8.0)
Fuel expenses	5,777	+173	+3.1	6,426	(343)	(5.1)	6,006	(459)	(7.1)	5,423	+281	+5.5	4,455	(1,321)	(22.9)
Other operating expenses	85,755	+6,184	+7.8	90,406	+6,544	+7.8	95,472	+5,005	+5.5	85,927	(2,774)	(3.1)	84,492	(1,263)	(1.5)
Depreciation	12,265	+1,564	+14.6	13,262	+1,453	+12.3	14,156	+557	+4.1	15,398	+161	+1.1	10,740	(1,524)	(12.4)
Elimination	(65,212)	+3,896	-	(67,964)	(413)	-	(74,490)	(735)	-	(62,998)	+236	-	(68,625)	(3,413)	-
Operating profits	(6,100)	(15,679)	-	12,314	(1,541)	(11.1)	43,863	(7,044)	(13.8)	(5,375)	+10,621	-	9,953	+16,054	-

# 10. YoY Analysis of Consolidated Operating Expenses (First Quarter)

(Billions of yen)



First Quarter 2020/3  
Operating profit Actual

Personnel expenses (Breakdown)	
Employee salary	+1.7
Other	+9.2
(Breakdown of other personnel expenses)	
• Bonus	(0.3)
• Legal welfare expenses	+8.5
• Welfare expenses	

Subcontracting expenses (Breakdown)	
Commission expenses	+0.4
Vehicle hiring expenses	(1.5)
Other	(10.0)

Vehicle expenses (Breakdown)	
Fuel expenses	(1.3)
Vehicle repair expenses	+0.3

Other operating expenses (Major breakdown)	
Depreciation	(1.5)
Computer expenses	+1.2
Facilities expenses	+0.7
Repair expenses	(1.4)

First Quarter 2021/3  
Operating profit Actual

# 11. Summary of Consolidated Operating Expenses (First Quarter)

(Millions of Yen)	First Quarter 2020/3 Actual	First Quarter 2021/3 Actual	YoY Change	
			Amount	[%]
			Operating revenue	381,726
Operating expenses	387,827	382,062	(5,765)	(1.5)
Personnel expenses	207,581	218,632	+11,050	+5.3
Employee salary	142,450	144,202	+1,752	+1.2
Other personnel expenses	65,131	74,430	+9,298	+14.3
Subcontracting expenses	147,740	136,564	(11,176)	(7.6)
Commission expenses	57,562	58,019	+456	+0.8
Vehicle hiring expenses	49,847	48,269	(1,578)	(3.2)
Other subcontracting expenses	40,330	30,275	(10,055)	(24.9)
Vehicle expenses	11,961	10,998	(962)	(8.0)
Fuel expenses	5,777	4,455	(1,321)	(22.9)
Other operating expenses	85,755	84,492	(1,263)	(1.5)
Depreciation	12,265	10,740	(1,524)	(12.4)
Elimination	(65,212)	(68,625)	(3,413)	-
Operating profits	(6,100)	9,953	+16,054	-

## 12. Operating Results Forecast for the Fiscal Year Ending March 31,2021 (Breakdown by Business Segment)

(Millions of Yen)		Fiscal year ended March 31, 2020 Actual	Fiscal year ending March 31, 2021 Forecast	YoY Change	
				Amount	[%]
<b>Operating revenue</b>					
	Delivery	1,310,067	1,361,000	+50,932	+3.9
	BIZ-Logistics	143,934	140,500	(3,434)	(2.4)
	Home Convenience	27,805	28,500	+694	+2.5
	e-Business	30,579	30,500	(79)	(0.3)
	Financial	77,072	38,000	(39,072)	(50.7)
	Autoworks	24,922	24,500	(422)	(1.7)
	Other	15,763	15,000	(763)	(4.8)
	<b>Total</b>	<b>1,630,146</b>	<b>1,638,000</b>	<b>+7,853</b>	<b>+0.5</b>
<b>Operating profit</b>					
	Delivery	27,249	51,000	+23,750	+87.2
	BIZ-Logistics	4,975	3,000	(1,975)	(39.7)
	Home Convenience	(10,061)	(5,000)	+5,061	-
	e-Business	10,668	10,000	(668)	(6.3)
	Financial	6,322	5,000	(1,322)	(20.9)
	Autoworks	4,295	4,000	(295)	(6.9)
	Other	36,045	26,400	(9,645)	(26.8)
	Subtotal	79,495	94,400	+14,904	+18.7
	Eliminations	(34,794)	(30,400)	+4,394	-
	<b>Total</b>	<b>44,701</b>	<b>64,000</b>	<b>+19,298</b>	<b>+43.2</b>
<b>Ordinary profit</b>		<b>40,625</b>	<b>63,000</b>	<b>+22,374</b>	<b>+55.1</b>
	[Profit margin]	2.5%	3.8%	-	-
<b>Profit attributable to owners of Parent</b>		<b>22,324</b>	<b>33,000</b>	<b>+10,675</b>	<b>+47.8</b>
	[Profit margin]	1.4%	2.0%	-	-
<b>Amount (Thousands of Units)</b>	Parcel delivery (TA-Q-BIN/ TA-Q-BIN Compact/EAZY)	1,627,332	1,749,000	+121,667	+7.5
	Nekopos	172,589	247,000	+74,410	+43.1
	Kuroneko DM-Bin	987,242	785,000	(202,242)	(20.5)
<b>Unit Price (Yen)</b>	Parcel delivery (TA-Q-BIN/ TA-Q-BIN Compact/EAZY)	726	706	(20)	(2.8)
	Nekopos	201	196	(5)	(2.5)
	Kuroneko DM-Bin	65	66	+1	+1.5

### 13. Operating Results Forecast for the Fiscal Year Ending March 31,2021 (Breakdown of Operating Expenses and others)

(Millions of Yen)		Fiscal year ended March 31, 2020 Actual	Fiscal year ended March 31, 2021 Forecast	YoY Change	
				Amount	[%]
Operating revenue		1,630,146	1,638,000	+7,853	+0.5
Operating expenses		1,585,445	1,574,000	(11,445)	(0.7)
Personnel expenses		849,038	871,000	+21,961	+2.6
Employee salary		589,185	593,000	+3,814	+0.6
Other personnel expenses		259,853	278,000	+18,146	+7.0
Subcontracting expenses		601,833	573,000	(28,833)	(4.8)
Commission expenses		234,046	245,000	+10,953	+4.7
Vehicle hiring expenses		203,330	199,000	(4,330)	(2.1)
Other subcontracting expenses		164,456	129,000	(35,456)	(21.6)
Vehicle expenses		47,676	46,000	(1,676)	(3.5)
Fuel expenses		23,634	21,000	(2,634)	(11.1)
Other operating expenses		357,561	359,000	+1,438	+0.4
Depreciation		55,083	51,000	(4,083)	(7.4)
Elimination		(270,665)	(275,000)	(4,334)	-
Operating profits		44,701	64,000	+19,298	+43.2
Total number of employees (Persons)		224,945	219,000	(5,945)	(2.6)
Full-time		98,744	98,000	(744)	(0.8)
Part-time		126,201	121,000	(5,201)	(4.1)
Capital expenditure (Millions of Yen)		64,739	60,000	(4,739)	(7.3)
Dividends (Yen)	Second quarter	15	+16	+1	
	Fiscal year-end	* 26	+16	(10)	
	Total	41	+32	(9)	

\*Including commemorative dividends ¥10 per share for the 100-year anniversary of the Company's founding



# Reference Material

# 【Reference】 YoY Analysis of Consolidated Operating Revenue (First Quarter)

(Billions of yen)

Delivery  
+23.1

BIZ-  
Logistics  
(1.0)

Home  
Convenience  
(0.8)

e-Business  
(0.1)

Financial  
(9.1)

YoY +¥10.2 billion (+2.7%)

Autoworks  
(0.8)

Other  
(0.8)

381.7

## 1. Delivery

[Trend of parcel delivery amount]

### Domestics

(a) Parcel delivery (Total of 4 items)  
491,212 thousand +17.1%

(b) TA-Q-BIN/TA-Q-BIN Compact  
/EAZY  
428,032 thousand +13.4%

(c) Nekopos  
63,179 thousand +50.5%

[Breakdown of Parcel delivery  
(Total of 4 items)]

(a) Large-lot corporate clients  
231,915 thousand +20.4%

(b) Retail  
259,296 thousand +14.3%

[Breakdown of Retail]

i) Individual customer  
36,149 thousand +19.6%

ii) Small-lot corporate clients  
223,147 thousand +13.5%

## 2. BIZ-Logistics

[Trend of main sub-segments]

### (1) International

(0.5) b (3.9%)  
(Breakdown)

• Trading logistics service  
+0.3 b +3.7%

• Others  
(0.9) b (19.1%)

### (2) Domestics \*1

+0.2 b +0.9%

### (3) Eliminations / Other

(0.7) b - %

## 3. Home Convenience

[Trend of main sub-segments]

(a) Home convenience  
(1.1) b (12.3%)

(b) Eliminations / Others  
+0.3 b - %

## 5. Financial

[Trend of main sub-segments]

(a) Payment  
+1.2 b +17.1%

(b) Credit & Finance  
(0.0) b (11.2%)

(c) Eliminations / Others \*2  
(10.3) b - %

## 4. e-Business

[Trend of main sub-segments]

(a) Credit card solution  
(0.1) b (4.8%)

(b) IT operating  
(0.1) b (8.2%)

(c) Web-based mail order  
solution  
(0.2) b (17.6%)

(d) Eliminations / Others  
+0.3 b - %

## 6. Autoworks

[Trend of main sub-segments]

(a) Truck solution  
(0.9) b (7.4%)

(b) Eliminations / Others  
+0.1 b - %

392.0

First Quarter  
2020/3  
Actual

\*1 The indication has been changed due to a change in the business segment of BIZ-Logistics.  
\*2 This includes the effects of excluding YAMATO LEASE CO.LTD. from the scope of consolidation.

First Quarter  
2021/3  
Actual



# 【Reference】 Launch of "EAZY" ,a New Delivery Service for EC Market – Toward Establishment of EC Ecosystem

**Objective**

- Responding to diverse needs of EC users such as more secure non-face-to-face delivery, etc.
- Enhance convenience at EC users side and improve Customer Satisfaction of EC businesses

**Outline**

- New delivery service for wide variety of designated locations in addition to usual face-to-face delivery
- Launched serving to fashion shopping site "ZOZOTOWN" from June 24, 2020.
- Launched accepting applications from stores that open a online shop on "Yahoo! Shopping" and "PayPay Mall" from June 25, 2020.

- 【 1 】Responding to diversifying non-face-to-face receiving needs
- 【 2 】Providing real-time delivery completion notice to customers
- 【 3 】Receiving location can be changed right up until you receive parcels
- 【 4 】Collaborating with external partners for further efficient delivery

### ▼Example of delivery location



### ▼Notice of delivery completion



## 【Reference】 Summary of Operating Expenses in Delivery Business (First Quarter)

(Millions of Yen)	First Quarter 2020/3 Actual	First Quarter 2021/3 Actual	YoY Change	
			Amount	[%]
			Operating revenue	303,946
Operating expenses	313,764	320,542	+6,777	+2.2
Personnel expenses	180,432	190,902	+10,469	+5.8
Employee salary	123,918	125,979	+2,061	+1.7
Other personnel expenses	56,513	64,922	+8,408	+14.9
Subcontracting expenses	87,578	86,168	(1,409)	(1.6)
Commission expenses	32,929	32,039	(889)	(2.7)
Vehicle hiring expenses	47,645	46,884	(761)	(1.6)
Other subcontracting expenses	7,004	7,244	+240	+3.4
Vehicle expenses	10,700	10,033	(667)	(6.2)
Fuel expenses	4,828	3,784	(1,043)	(21.6)
Other operating expenses	61,847	60,240	(1,607)	(2.6)
Depreciation	8,685	8,134	(551)	(6.3)
Elimination	(26,795)	(26,801)	(6)	-
Operating profits	(9,817)	6,571	+16,389	-

(Note) The above figures include operating expenses related to overseas TA-Q-BIN services.

# 【Reference】 SRI Indexes (As of June 2020)

## •SNAM Sustainability Index

A index which was established by Sompo Asset Management adopting unique evaluation system which utilizes experience and insight of SOMPO Risk Management Inc. (Environment study) and Integrex Inc. (Society and Governance study).



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## •S&P/JPX Carbon Efficient Index

One of the ESG Indexes developed by Japan Exchange Group and S&P Dow Jones Indices.  
A Stock price index that determines adoption ratio of stocks with the emphasis on disclosure status of environmental information and level of carbon efficiency, targeting stocks composing TOPIX.



\*ESG investment index adopted by the GPIF (Government Pension Investment Fund)

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## •FTSE4Good Index Series

A representative index of socially responsible investment, which adopts companies meeting FTSE Russell's criteria based on its ESG survey and evaluation of sustainability, targeting worldwide major companies.



FTSE4Good


## •FTSE Blossom Japan Index (First adopted in June 2020)

A Index designed to measure the performance of Japanese companies that demonstrate strong Environmental, Social and Governance (ESG) practices.



FTSE Blossom  
Japan

\*ESG investment index adopted by the GPIF (Government Pension Investment Fund)



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