

**Settlement of Accounts Meeting  
for the First Half of Fiscal Year Ending  
March 31, 2014**



**October 31, 2013**

**YAMATO HOLDINGS CO., LTD.**

**Disclaimer:**

This material is intended for informational purposes and is not a solicitation or offer to buy or sell securities or related financial instruments. Ultimately it is the responsibility of investors to select and buy securities and the Company assumes no responsibility for investors who act on the basis of this material.

I am Makoto Kigawa, Representative Director and President of Yamato Holdings Co., Ltd.

I will now provide an explanation in line with the presentation material.

### First Half FY2014 Results Main Points

1. No major changes in trends for operating revenue or operating income, with both ending higher YoY.
2. In 2Q as well as 1Q, in TA-Q-BIN there was a large increase in the number of shipments from large-lot mail-order customers. Volume was also firm in the retail market.
3. The non-delivery businesses performed as expected overall despite weakness in BIZ-Logistics Business.

#### Trends of Delivery Business

- Looking at the TA-Q-BIN delivery volume for 1st Half FY 2014, there was a large increase in mail-order-related freight in 2Q as well as 1Q. Volume was also firm in the retail market. The only reason for the fall in unit price is the changing freight product mix.
- Kuroneko Mail delivery volume for 1st Half FY 2014 was level YoY despite the impact of stricter parcel acceptance policies and intensification of competition. Unit price was stable.

#### Trends of Non-Delivery Business

- **BIZ-Logistics Business**      Operating income ended within expectations despite a YoY decline as it was factored into the plan.
- **Home Convenience Business**      The household effects delivery business and household equipment delivery service performed strongly with an operating revenue increase of ¥1.4 billion yen. Although ending with operating loss of ¥0.6 billion, the loss is less than a year ago.
- **e-Business**      Due to strong results for e-money services and mail-order services, operating revenue and income increased YoY.
- **Financial Business**      TA-Q-BIN Collect's performance was firm, and operating revenue and income increased YoY.
- **Autoworks Business**      Vehicle maintenance volume increased steadily, and operating revenue and income increased YoY.

I will now give a summary for the first half of fiscal year 2014 ended September 30, 2013.

As the detailed figures are on slide 2, please look at this slide as well.

- (1) In the first half FY 2014, operating revenue rose in all segments. Operating revenue increased ¥38.5 billion YoY and operating income increased ¥5.3 billion YoY.
- (2) Comparing this against the forecast for the first half at the time of the announcement of the results of 1Q, operating revenue is ¥7.8 billion higher and operating income is ¥0.8 billion higher.
- (3) An increase in mail-order related freight in the Delivery Business led to strong growth in our mainstay TA-Q-BIN, contributing to this significant rise in operating revenue.
- (4) I will now briefly mention of the recent trends in the Non-Delivery Business.

#### 1) BIZ-Logistics Business

There has not been any significant deviation from the segment's outlook at the beginning of FY 2014 and there were no changes in business trends to make special note of.

In the sub-segment Trading Logistics, although operating revenue increased by ¥1.0 billion YoY for the first half FY 2014, this reflects the impact of the foreign exchange rate. A difficult situation continues for the freight movement of air freight forwarding (exports).

#### 2) Home Convenience Business

Owing to firm performance in the household effects delivery business, the deficit was further narrowed to show an improving trend YoY.

#### 3) e-Business, Financial Business, and Autoworks Business

Operating revenue and income grew stably in these segments, ending within expectations.

## 2. Overview of Operating Results

(Billions of Yen)

	First Half FY2014 (Actual)	First Half FY2013 (Actual)	First Half FY2014 (July Forecast)	YoY		YoY	
				Amount	[%]	Amount	[%]
<b>Operating revenues</b>							
Delivery	524.5	495.3	-	29.1	5.9	-	-
Non-Delivery	131.2	121.9	-	9.3	7.7	-	-
Total	655.8	617.2	648.0	38.5	6.2	7.8	1.2
<b>Operating income</b>	23.3	18.0	22.5	5.3	29.5	0.8	3.8
[Profit margin]	3.6%	2.9%	3.5%	-	-	-	-
<b>Ordinary income</b>	23.9	18.9	23.0	4.9	26.3	0.9	4.0
[Profit margin]	3.6%	3.1%	3.5%	-	-	-	-
<b>Net income</b>	12.3	8.0	11.5	4.2	53.1	0.8	7.6
[Profit margin]	1.9%	1.3%	1.8%	-	-	-	-

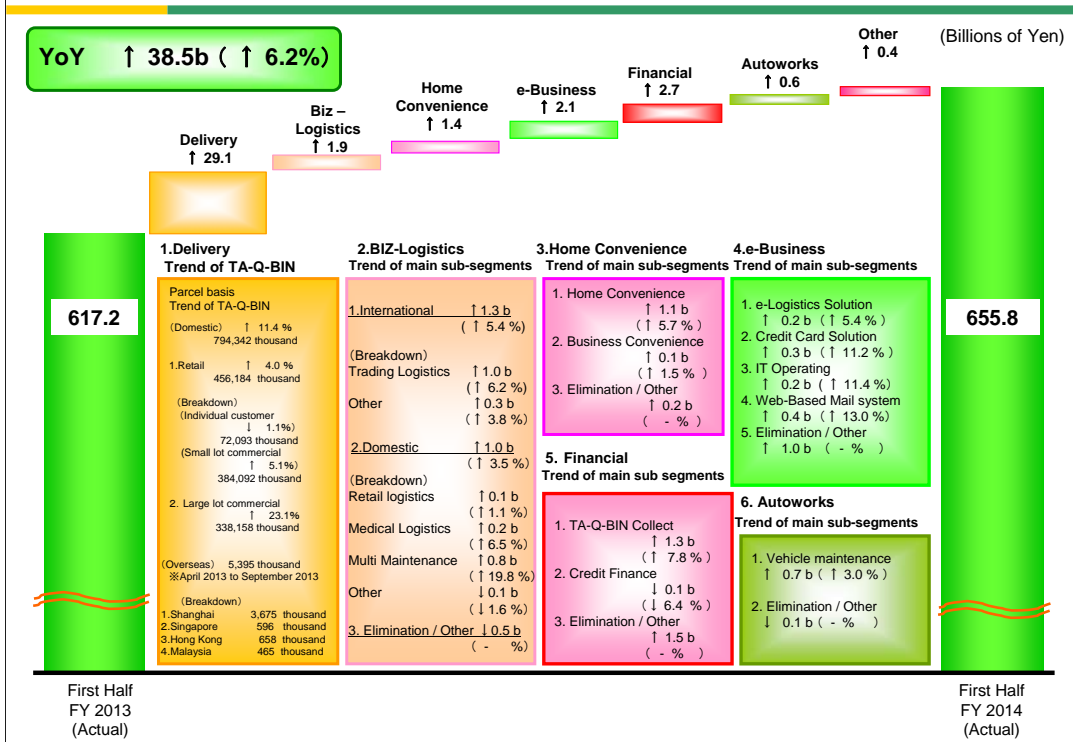
Here we see the operating results.

(1) Operating revenue and operating income are as I explained.

Net income increased ¥4.2 billion YoY.

(2) There was no extraordinary income or loss to make special note of during the first half.

### 3. YoY Analysis of Consolidated Operating Revenues

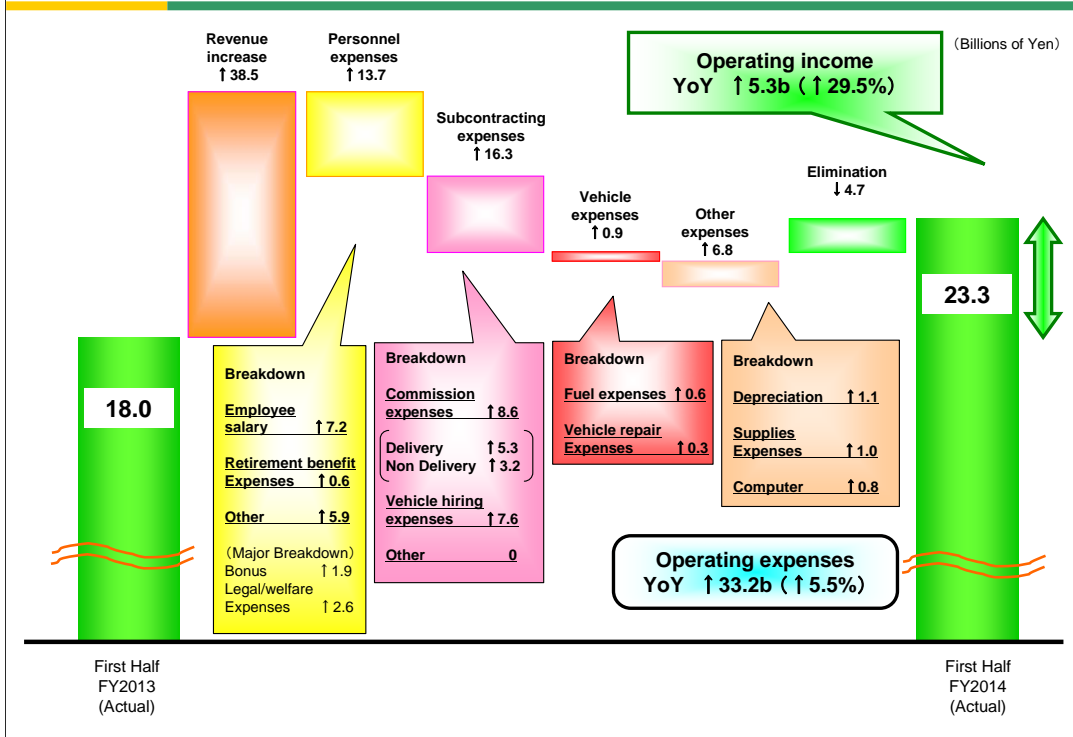


Next is the YoY analysis of changes in consolidated operating revenue.

(1) As these have been mentioned in slide 1, I will omit discussing them again, but all segments achieved revenue increases, the most notable of which was in the Delivery Business.

#### 4. YoY Analysis of Consolidated Operating Expenses

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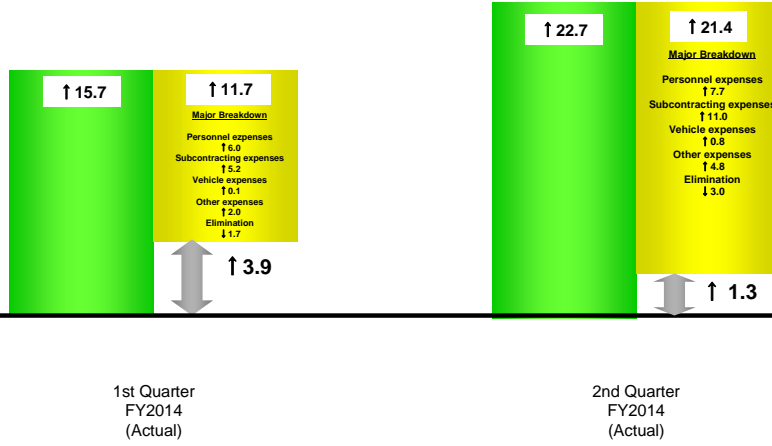
Now for the analysis of changes in consolidated operating expenses.

- (1) During the first half, in comparison with a 6.2% YoY increase in consolidated operating revenue, consolidated operating expenses increased 5.5% YoY.
- (2) The details of changes in operating expenses for the first half are as stated.
- (3) I can imagine that some of you may think there is something odd in relation to the operating income yield, particularly for 2Q FY 2014 (July to September 2013), considering the current growth in TA-Q-BIN delivery volume. This is best understood by looking at slide 5 which shows the quarterly YoY trends of consolidated operating income.
- (4) The reason for the smaller yield is because during the 2Q from July to September 2013, in addition to the regular busy season, there was also an increase in TA-Q-BIN delivery volume on account of the expanding E-commerce market. Taking this into consideration, we strengthened our system to ensure that quality and service levels did not drop, hence the increased cost of pickup and delivery, mainly in personnel expenses and commission expenses.
- (5) Regarding the medium- to long-term growth potential of TA-Q-BIN, while its growth will continue to be considerably boosted by the e-commerce market, we also expect its growth to continue, supported by the increase in shipments from customers outside the e-commerce market as well.
- (6) On the other hand, the effective ratio of job vacancies to job applicants is gradually rising, which is a sign that the employment environment is improving. As we expect increased costs to recruit personnel in certain regions, we made it a priority to strengthen our pickup and delivery system at the current stage, based on the standpoints of both quality and employment.
- (7) There were no significant changes in other, fuel expenses, and other expenses.

## 5. Quarterly YoY Trends of Consolidated Operating Income

In 2Q FY 2014 (Jul. to Sep.), although costs rose in line with a rise in TA-Q-BIN delivery volume, operating income rose ¥1.3 billion YoY owing to strong revenue performance.

(Billions of Yen)

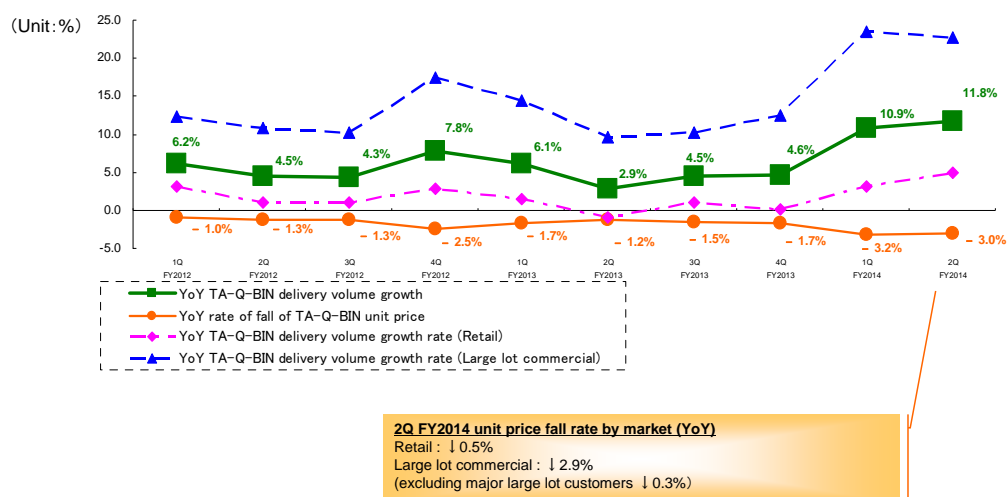


Now we come to quarterly YoY trends of consolidated operating income.

(1) As this has been explained this in slide 4, I will omit discussing them here.

## 6. Quarterly YoY Trends of TA-Q-BIN Delivery and unit price

Concerning TA-Q-BIN delivery volume, mail-order related freight in the large-lot corporate client market increased strongly which is a continuing trend from 1Q. Retail market was also strong. The only reason for the fall in unit price is the changing freight product mix.



Next, we will move on to quarterly YoY trends of TA-Q-BIN delivery volume and unit price.

- (1) The competitive environment in the TA-Q-BIN market remained stable.  
 The TA-Q-BIN delivery volume grew firmly, mainly in the corporate client market as a result of the expanding e-commerce market. It grew more than 10% YoY in both 1Q and 2Q.
- (2) The TA-Q-BIN unit price also remained stable.  
 The YoY difference in the rate of fall of unit price was about minus 3.0% for both 1Q and 2Q due to a substantial increase in freight for large-lot corporate clients using volume discounts.
- (3) Breaking down the rate of fall of unit price by market, the YoY difference in 2Q, as the material shows, was minus 0.5% for the retail market, and minus 2.9% for the corporate client market.
- (4) The retail market can be grouped into the small-lot commercial market and the individual customer (C2C) market. Looking at unit prices in the small-lot commercial market only, they were roughly unchanged YoY.

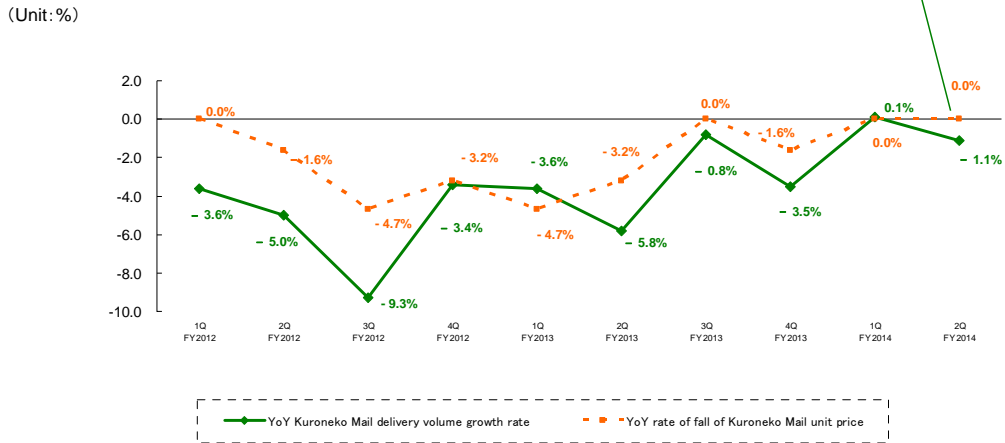
7. Quarterly YoY Trends of Kuroneko Mail Delivery Volume and unit price

**Kuroneko Mail delivery volume was level YoY despite the impact of stricter parcel acceptance policies and intensification of competition. Unit price is stable.**

**2Q FY2014 shipment volume by market (YoY)**

From TA-Q-BIN Centers: ↓ 3.4%

From large lot commercial: ↑ 0.1%

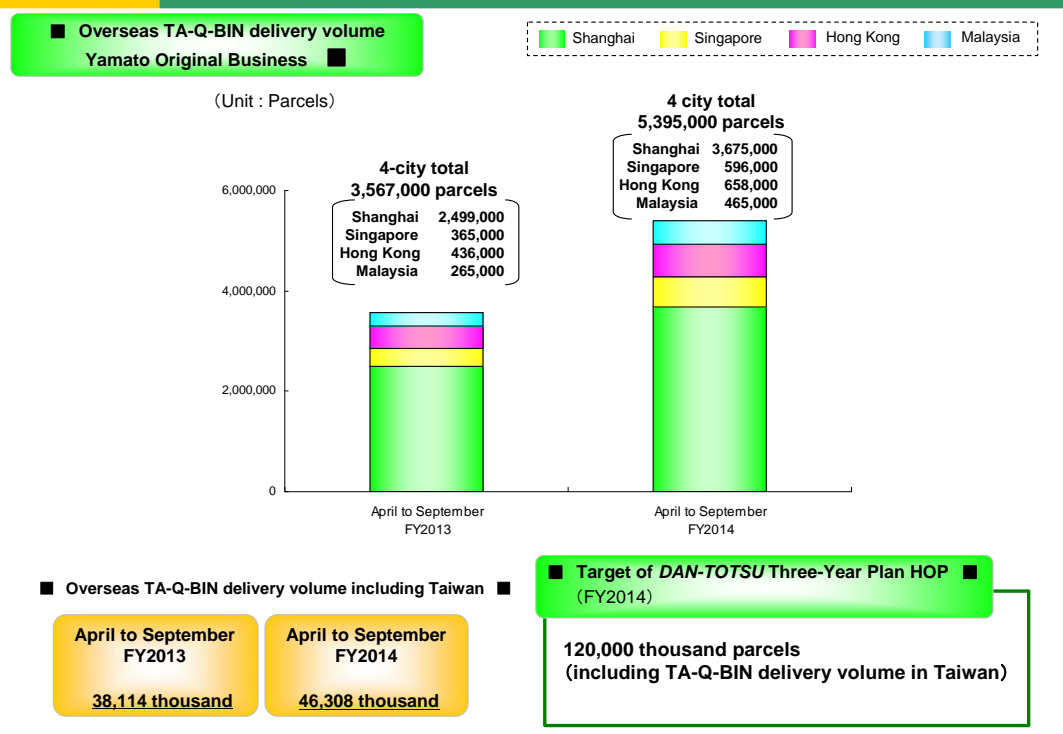


This shows the quarterly YoY trends of Kuroneko Mail delivery volume and unit price.

- (1) Overall, Kuroneko Mail delivery volume did not significantly change in 1Q and 2Q, and it decreased 0.5% YoY for the first half.
- (2) As this material shows, the delivery volume was down 1.1% in 2Q. In the large-lot corporate client market, which mostly consisted of direct mail, delivery volume increased 0.1%, while in the small-lot commercial market, for which deliveries are dispatched from TA-Q-BIN centers at higher-than-average unit price, it decreased 3.4%.
- (3) The Kuroneko Mail unit price remained stable YoY at ¥61 for both 1Q and 2Q.



## 8. Progress of TA-Q-BIN Business overseas

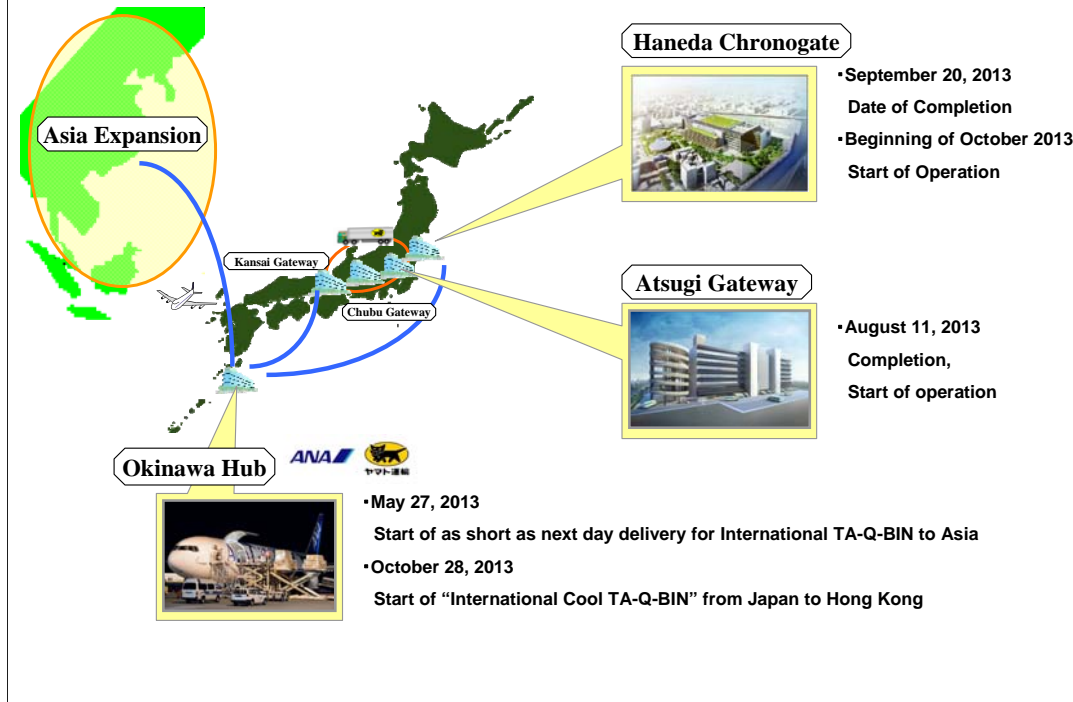


Here is a progress report of the TA-Q-BIN business overseas.

- (1) As stated here, the delivery volume is growing steadily.  
The figures reported here include the delivery volume of Taiwan.

## 9. Progress of “Value Networking” Design

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Next shows our progress of the “value networking” design.

- (1) We completed Atsugi Gateway on August 11, and Haneda Chronogate on September 20.
- (2) Utilizing the Okinawa International Logistics Hub, we have started international Cool TA-Q-BIN on October 28, in addition to as short as next-day delivery for international TA-Q-BIN to Asia, which was launched earlier this year.

## 10. Forecasts of FY 2014 Operating Results (1)

(Billions of Yen)

	FY2014 Forecast	FY2013 Forecast	YoY	
			Amount	[%]
<b>Operating revenue</b>	<b>1,345.0</b>	<b>1,282.3</b>	<b>62.6</b>	<b>4.9</b>
<b>Operating income</b>	<b>71.0</b>	<b>66.2</b>	<b>4.7</b>	<b>7.2</b>
(Profit margin)	<b>5.3%</b>	<b>5.2%</b>	-	-
<b>Ordinary income</b>	<b>72.0</b>	<b>67.9</b>	<b>4.0</b>	<b>5.9</b>
(Profit margin)	<b>5.4%</b>	<b>5.3%</b>	-	-
<b>Net income</b>	<b>40.5</b>	<b>35.1</b>	<b>5.3</b>	<b>15.2</b>
(Profit margin)	<b>3.0%</b>	<b>2.7%</b>	-	-

Here are our full-year operating forecasts for FY 2014.

- (1) Our forecast for operating revenue remain unchanged from the figures at the time of the announcement of the results of 1Q.
- (2) Managing Executive Officer Shibasaki will later report on the operating forecasts for each segment and explain the cost assumptions of these forecasts.

That concludes my explanation.

## **Expense Analysis Assumptions of Forecasts**

I am Kenichi Shibasaki, and I am in charge of Finance and Accounting and Investor Relations.

Thank you for participating in today's Settlement of Accounts Meeting.

I shall provide an explanation of the details of the settlement of accounts.

## 11.YoY Analysis of Consolidated Operating Expenses



(Millions of Yen)

	First Half FY2014 (Actual)	First Half FY2013 (Actual)	YoY	
			Amount	[%]
Operating revenues	655,818	617,298	38,520	6.2
Operating expenses	632,468	599,263	33,204	5.5
Personnel expenses	346,380	332,647	13,732	4.1
Employee Salary	236,316	229,101	7,214	3.1
Retirement benefit expenses	7,349	6,740	609	9.0
Other personnel expenses	102,714	96,805	5,909	6.1
Subcontracting expenses	250,067	233,704	16,363	7.0
Commission expenses	99,543	90,899	8,643	9.5
Vehicle hiring expenses	79,183	71,552	7,631	10.7
Other subcontracting expenses	71,340	71,252	88	0.1
Vehicle expenses	23,060	22,080	979	4.4
Fuel expenses	13,827	13,173	654	5.0
Other Operating expenses	131,502	124,608	6,893	5.5
Depreciation	18,486	17,309	1,177	6.8
Elimination	(118,541)	(113,777)	(4,764)	4.2

This slide shows the statement of consolidated operating expenses for the first half FY 2014.

As slide 12 shows the statement of operating expenses for the Delivery Business, please look at that slide together with this slide.

- (1) Like for 1Q, the changes in accounting standards and the changes in account items do not impact the consolidated operating expenses.
- (2) Here I will add supplementary details for the expense items.  
Personnel expenses rose ¥13.7 billion YoY. Employee salary and the retirement benefit expenses are as stated. Other personnel expenses rose ¥5.9 billion YoY. The breakdown of this is as follows:
  - 1) Legal/welfare expenses           ↑ ¥2.6 billion
  - 2) Bonus                                ↑ ¥1.9 billion
  - 3) Day laborer wages                ↑ ¥1.3 billion
- (3) Subcontracting expenses rose ¥16.3 billion YoY.  
There was an ¥8.6 billion increase in commission expenses. ¥5.3 billion of that corresponded to an increase in the Delivery Business and the remaining ¥3.2 billion corresponded to an increase in non-delivery businesses such as the BIZ-Logistics Business and Financial Business.  
There was a ¥7.6 billion increase in vehicle hiring expenses. ¥7.0 billion of that corresponded to an increase in the Delivery Business.  
Other subcontracting expenses was about the same YoY with a ¥80 million increase. The breakdown of this is as follows:
  - 1) Mixed freightage expenses       ↓ ¥0.1 billion
  - 2) Purchase costs, etc.               ↑ ¥0.18 billion
- (4) Vehicle expenses rose ¥0.9 billion YoY. The breakdown of this is as follows:
  - 1) Fuel expenses                       ↑ ¥0.6 billion
  - 2) Vehicle repair expenses           ↑ ¥0.3 billion
- (5) Other expenses increased ¥6.8 billion YoY. Of this, depreciation increased by ¥1.1 billion.  
Looking at the breakdown of other expenses excluding depreciation, an increase of ¥1.0 billion YoY corresponds to facility expenses accompanying business expansion in the BIZ-Logistics business and an increase of ¥0.9 billion corresponds to computer expenses for boosting the data processing volume accompanying an increase in TA-Q-BIN delivery volume.  
Furthermore, various other items are tending to increase.

## 12.YoY Analysis of Delivery Business Expenses

(Millions of Yen)

	First Half FY2014 (Actual)	First Half FY2013 (Actual)	YoY	
			Amount	[%]
Operating revenues	524,531	495,366	29,165	5.9
Operating expenses	513,081	487,794	25,287	5.2
Personnel expenses	293,386	281,545	11,840	4.2
Employee Salary	197,710	191,709	6,000	3.1
Retirement benefit expenses	5,987	5,356	630	11.8
Other personnel expenses	89,688	84,479	5,209	6.2
Subcontracting expenses	149,572	138,971	10,601	7.6
Commission expenses	54,615	49,233	5,382	10.9
Vehicle hiring expenses	75,791	68,767	7,023	10.2
Other subcontracting expenses	19,166	20,970	(1,804)	(8.6)
Vehicle expenses	19,768	18,918	849	4.5
Fuel expenses	11,228	10,714	513	4.8
Other Operating expenses	95,978	90,290	5,687	6.3
Depreciation	13,441	12,442	998	8.0
Elimination	(45,624)	(41,932)	(3,692)	8.8

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

This slide shows the statement of operating expenses for the Delivery Business.

As the details have already been covered in the explanation for slide 11, I will omit them here.

### 13. Forecast of FY2014 Operating Results (2)



(Millions of Yen)

	FY2014 (New Forecast) A	FY2013 (Actual)	FY2014 (July 2013 Forecast) B	YoY Change		Forecast Change (A-B)	
				Amount	[%]	Amount	[%]
<b>Operating revenues</b>							
Delivery	1,076,000	1,028,219	1,072,000	47,780	4.6	4,000	0.4
BIZ-Logistics	90,000	86,806	94,000	3,193	3.7	(4,000)	(4.3)
Home Convenience	47,500	44,601	48,500	2,898	6.5	(1,000)	(2.1)
e-Business	41,000	37,060	41,000	3,939	10.6	0	0.0
Financial	61,000	56,710	60,000	4,289	7.6	1,000	1.7
Autoworks	23,500	23,228	23,500	271	1.2	0	0.0
Other	6,000	5,746	6,000	253	4.4	0	0.0
Total	1,345,000	1,282,373	1,345,000	62,626	4.9	0	0.0
<b>Operating income</b>							
Delivery	44,500	41,908	44,500	2,591	6.2	0	0.0
BIZ-Logistics	4,100	4,094	4,100	5	0.1	0	0.0
Home Convenience	300	(527)	300	827	-	0	0.0
e-Business	7,400	6,986	7,000	413	5.9	400	5.7
Financial	9,100	8,516	9,100	583	6.9	0	0.0
Autoworks	3,000	2,666	3,100	333	12.5	(100)	(3.2)
Other	25,800	18,762	26,100	7,037	37.5	(300)	(1.1)
Subtotal	94,200	82,407	94,200	11,792	14.3	0	0.0
Elimination	(23,200)	(16,204)	(23,200)	(6,995)	-	0	-
Total	71,000	66,202	71,000	4,797	7.2	0	0.0
[Profit margin]	5.3%	5.2%	5.3%	-	-	-	-
<b>Ordinary income</b>	72,000	67,991	72,000	4,008	5.9	0	0.0
[Profit margin]	5.4%	5.3%	5.4%	-	-	-	-
<b>Net income</b>	40,500	35,144	40,500	5,355	15.2	0	0.0
[Profit margin]	3.0%	2.7%	3.0%	-	-	-	-

The full-year forecasts for operating revenue and operating income by business segment are as follows.

- (1) As stated in this slide, we aim for YoY increases in operating revenue and operating income in all segments.

Please look at this slide together with slide 14 and page 10 onwards in the Supplementary Materials. Here is a simple explanation of the forecast assumptions.

- (2) In the Delivery Business, we aim to increase operating revenue by ¥47.7 billion YoY and operating income by ¥2.5 billion YoY.

In TA-Q-BIN, our mainstay product, an expansion in the e-commerce market has been supporting firm growth in both the retail market and the corporate-client market. We expect this trend to continue in FY 2014.

We expect the delivery volume to increase 9.6% YoY to 1,630 million parcels, and the unit price to drop 3.2% to ¥572.

Compared with the 1Q forecast, this is an upward revision in the delivery volume by 15 million parcels but the forecast for the unit price is unchanged.

Based on current trends, in Kuroneko Mail, we expect the delivery volume to increase 0.3% to 2,120 million units, and the unit price to drop 1.6% to ¥60. Compared with the 1Q forecast, the delivery volume has been revised downwardly by 43 million parcels but the unit price remains unchanged.

Based on our expectations for these mainstay products, compared with the 1Q forecast, we have upwardly revised TA-Q-BIN revenue by ¥8.0 billion and downwardly revised Kuroneko Mail revenue by ¥2.0 billion. In total, operating revenue for the Delivery Business has been upwardly revised by ¥4.0 billion.

Our forecast for operating income for the Delivery Business remains unchanged from the 1Q forecast as we expect an increase in costs, namely, personnel expenses and subcontracting expenses to accompany the increase in delivery volume.

- (3) BIZ-Logistics Business

In the BIZ-Logistics Business overall, we aim to increase operating revenue by ¥3.1 billion YoY and operating income by ¥5 million YoY.

Based on the current revenue trends, we have downwardly revised operating revenue by ¥4.0 billion compared with the 1Q forecast.

As for operating income, as we plan to reduce air freight charges and implement other cost controls in line with the downward revision of revenue, we believe we can secure the initial forecast of ¥4.1 billion.

- (4) Home Convenience Business

In the Home Convenience Business overall, we aim to increase operating revenue by ¥2.8 billion YoY and operating income by ¥0.8 billion YoY.

As our performance for the first half was in line with this target, the forecasts for operating revenue and operating income are unchanged from the 1Q forecast.

- (5) e-Business

In the e-Business overall, we aim to increase operating revenue by ¥3.9 billion YoY and operating income by ¥0.4 billion YoY. Although operating revenue is unchanged from the 1Q forecast, we have upwardly revised operating income by ¥0.4 billion based on performance of the first half FY 2014.

- (6) The forecasts for the Financial Business and the other businesses are as stated in the slide.

Although there are slight adjustments from the 1Q forecast, there are no details of special note to mention.

## 14. Forecasts of FY 2014 Operating Results (3)

### Assumptions of forecast

#### Operating revenues

##### Delivery Business

•TA-Q-BIN parcels  
( thousands; forecast )  
1,630,000 ( YoY ↑ 9.6% )  
•TA-Q-BIN unit price ( forecast )  
¥ 572 ( YoY ↓ 3.2% )  
•Kuroneko Mail units  
( thousands; forecast )  
2,120,000 ( YoY ↑ 0.3% )  
•Kuroneko Mail unit price ( forecast )  
¥ 60 ( YoY ↓ 1.6% )

#### Personnel expenses

•Employee salary, Employees  
( consolidated; forecast )  
Total 195,300  
( YoY ↑ 18,192 / ↑ 10.3% )  
Full-time 87,900  
( YoY ↑ 3,478 / ↑ 4.1% )  
Part-time 107,400  
( YoY ↑ 14,714 / ↑ 15.9% )  
•Other personnel expenses increase  
due to revision of social insurance  
rate

#### Capital Expenditure

Capital Expenditure  
( millions, forecast )  
90,000

(Millions of yen)

	FY2014 (New Forecast) A	FY2013 (Actual)	FY2014 (July 2013 Forecast) B	YoY Change		Forecast Change (A-B)	
				Amount	[%]	Amount	[%]
Operating revenues	1,345,000	1,282,373	1,345,000	62,626	4.9	0	0.0
Operating expenses	1,274,000	1,216,170	1,274,000	57,829	4.8	0	0.0
Personnel expenses	697,000	666,637	694,000	30,362	4.6	3,000	0.4
Employee salary	480,000	458,451	478,000	21,548	4.7	2,000	0.4
Retirement salary	15,000	14,501	15,000	498	3.4	0	0.0
Other personnel expenses	202,000	193,684	201,000	8,315	4.3	1,000	0.5
Subcontracting expenses	508,000	483,326	507,000	24,673	5.1	1,000	0.2
Commission expenses	203,000	189,555	202,000	13,444	7.1	1,000	0.5
Vehicle Hiring expenses	161,000	148,213	158,000	12,786	8.6	3,000	1.9
Other subcontracting expenses	144,000	145,556	147,000	(1,556)	(1.1)	(3,000)	(2.0)
Vehicle expenses	45,500	43,741	45,500	1,758	4.0	0	0.0
Fuel expenses	28,000	25,779	28,000	2,220	8.6	0	0.0
Other operating expenses	271,000	255,436	273,500	15,563	6.1	(2,500)	(0.9)
Depreciation	43,500	37,935	44,500	5,564	14.7	(1,000)	(2.2)
Elimination	(247,500)	(232,970)	(246,000)	(14,529)	-	(1,500)	-

This slide shows our forecasts of consolidated operating expenses.

- (1) The FY2014 forecasts of each operating expense item are as shown in the slide.
- (2) I will provide an explanation for personnel expenses and subcontracting expenses, the two major expense items that have been revised from the 1Q forecast.

#### 1) Personnel expenses

We plan to increase the number of personnel from the number of personnel in the 1Q forecast; namely, we aim to increase both full-time and part-time staff, mainly as part of our pickup and delivery strategy in the Delivery Business.

Accompanying the increase in the number of personnel, we have upwardly revised personnel expenses from the 1Q forecast by ¥3.0 billion to an increase of ¥30.3 billion YoY.

Looking at the breakdown of this increase of ¥3.0 billion, ¥2.0 billion corresponds to an increase in employee salary and ¥1.0 billion corresponds to other personnel expenses, the main component of which being an increase in day laborer wages.

#### 2) Subcontracting expenses

We have upwardly revised subcontracting expenses by ¥1.0 billion compared with the 1Q forecast to a planned increase of ¥24.6 billion YoY.

Looking at the breakdown of this increase of ¥1.0 billion, an increase of ¥1.0 billion corresponds to commission expenses, an increase of ¥3.0 billion corresponds to vehicle hiring expenses while a decrease of ¥3.0 billion corresponds to other subcontracting expenses.

The increases in commission expenses and vehicle hiring expenses mainly correspond to the upward revision in the TA-Q-BIN delivery volume while the decrease in other subcontracting expenses corresponds to a decrease in air freight charges, etc. accompanying the downward revision of operating revenue in the BIZ-Logistics business.

- (3) Lastly, we plan to keep our forecast for capital expenditure unchanged from the 1Q forecast at a total of ¥90.0 billion. Please refer to page 16 of the Supplementary Materials for an itemized account of capital expenditure.

That concludes my explanation.



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