



YAMATO
HOLDINGS

Yamato Group IR Presentation Material

< 3rd Quarter of Fiscal year ending March 2023 >

February 6, 2023

Yamato Holdings Co., Ltd.



1. Summary of consolidated earnings (3rd Quarter October - December)

【3rd Quarter (Oct-Dec) earnings】

Operating revenue: 512.2 bn yen (+11.9bn yen YoY*) → 1.3959 trillion yen for the first 3 Quarters (+46.5 bn yen YoY*)

Operating profit: 48.3 bn yen (+1.4 bn yen YoY*) → 66.4 bn yen for the first 3 Quarters ((13.6) bn yen YoY*)

※Excluding the impact of removing Yamato Home Convenience Co., Ltd. from scope of consolidation

◆Highlights of 3rd Quarter (Oct-Dec) (Growth in both revenue and profit)

【Operating revenue (Year on year)】

- Although demand was weaker than our conservative forecast due to factors such as sluggish domestic consumption, we achieved revenue growth, thanks to steady progress in value provision to corporate clients etc.

【Operating profit (Year on year)】

- Used EC logistics network (cost flexibility based on workload) to cater to the growing EC parcel demand
- For the existing network, we focused on optimizing operating costs, through the allocation of internal resources based on forecasted workload, as well as thoroughly controlling the ordering for external resources, etc.
- Achieved growth in profit, despite the difficult management environment, including the rise in costs due to external factors, such as hourly wages, fuel unit prices and electricity costs, as well as the unstable weather

2. Consolidated earnings forecast (Key metrics)

- Made adjustments based on the significant change in the environment surrounding our management, including 3Q earnings, the current tough business environment as well as sluggish demand trends

※Excluding the impact of removing Yamato Home Convenience Co., Ltd. from scope of consolidation

(Billions of Yen)	Fiscal Year ended March 31, 2022 Actual	Fiscal Year ending March 31, 2023 Forecast	Forecast Change		YoY Change		YoY Change (*1)	
			Amount	[%]	Amount	[%]	Amount	[%]
			Operating revenue	1,793.6	1,809.0	(26.0)	(1.4)	+15.3
Operating expenses	1,716.4	1,748.0	(12.0)	(0.7)	+31.5	+1.8	+62.2	+3.7
Operating profit	77.1	61.0	(14.0)	(18.7)	(16.1)	(21.0)	(15.7)	(20.5)
Profit margin [%]	4.3	3.4	(0.7)	—	(0.9)	—	(1.0)	—
Ordinary profit	84.3	58.0	(14.0)	(19.4)	(26.3)	(31.2)	(25.7)	(30.7)
Profit attributable to owners of Parent	55.9	45.0	0.0	0.0	(10.9)	(19.6)	(12.2)	(21.4)
ROE [%]	9.6	7.5	0.0	—	(2.1)	—		

3. Pricing Strategy (Revision of reported fares etc.)

- Promote sustainable initiatives towards pricing optimization, by reflecting in a timely and suitable manner the effect from changes in the external environment surrounding the Yamato Group and our transportation & delivery partners
- Reported fares etc.* will be reviewed each fiscal year, and negotiations will be held with each corporate client

*Fares that notified to the Ministry of Land, Infrastructure, Transport and Tourism by Yamato Transport, and service charges

Background

Changes in the external environment

- Rise in salaries and hourly wages due to factors such as the decline in working population
- Rise in raw material and energy prices due to global affairs, the weak yen, etc.
- Preparation for the “Year 2024 problem”:
Improve work environment of transportation & delivery partners

< Challenge faced by the logistics industry >

- Time lag between the rise in costs due to changes in the external environment, and the reflection on prices charged by logistics operators for their services

Initiative

Pricing optimization

- **Revision of reported fares etc. (FY2024/3)**

Subject of revision: TA-Q-BIN, TA-Q-BIN Compact, EAZY, International TA-Q-BIN (applied from Apr. 3, 2023)

Rate of price revision: **approx. 10%***

※Calculated based on size of parcels, pricing for each region, and anticipated volume

- **Review of contracts (Corporate clients)**

Will negotiate based on factors such as the annual revision of reported fares, status of business with each client, and the level of applicable pricing

- **Reported fares etc. will be reviewed every fiscal year**

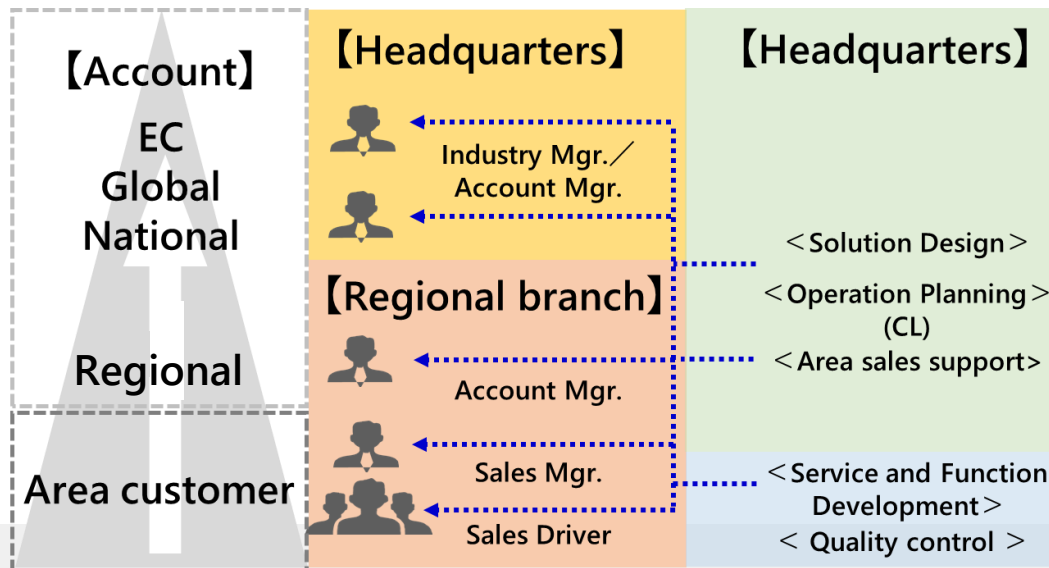
→By reflecting the effect from changes in the external environment in a timely and suitable manner to the reported fares etc., which forms the base of the contracts with corporate clients, we will promote sustainable initiatives towards pricing optimization, and continue our efforts to maintain and strengthen the transportation & delivery network, as well as establish an environment to provide even better services to our customers

4. Overview of the Medium-term Management Plan "One YAMATO 2023" Structural Reforms (From 1Q Financial Results Meeting)

- Established the "One YAMATO" structure, bringing together the Group's management resources (FY2021~)
 - Reviewing the construct of the Group's management (structure & organization), while promoting reforms on both revenue and cost structure
 - Promoting comprehensive value provision on an "End To End" basis, from the upstream to downstream of corporate clients' businesses, by positioning as opportunities the expansion of e-commerce in all industries as well as changes in the supply chain
 - Developing an integrated last-mile network, strengthening account management, and promoting the reinforcement and expansion of CL·FWD*
- * CL: Contract Logistics FWD: Forwarding

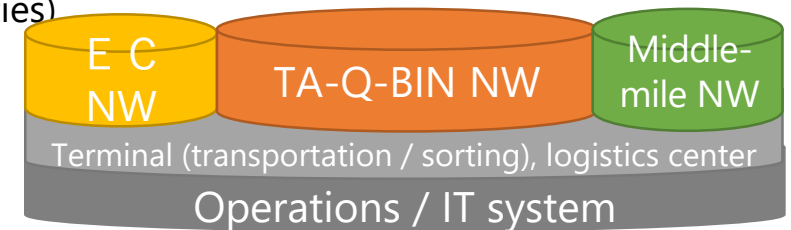
【Value provision to corporate clients】

- Grow revenue from TA-Q-BIN by making + α proposals to area customers based on our wide-ranging client platform
- Revenue expansion through comprehensive value provision to the business supply chain of account clients



【Structural reform of network operations】

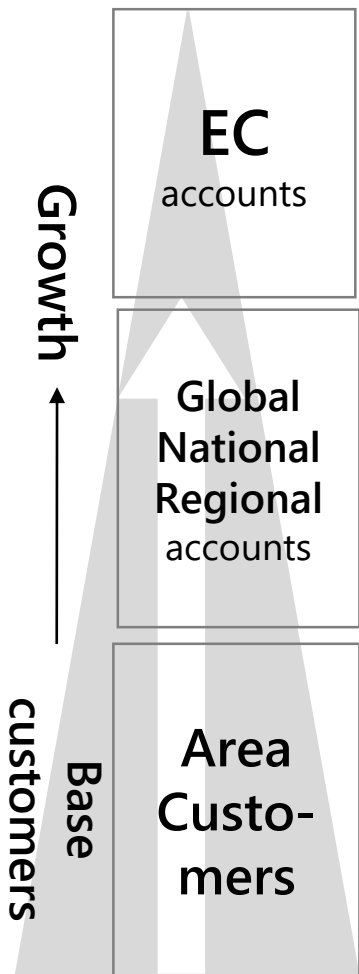
- Establishing a designated last-mile network, mainly in the urban areas, to cater to the growing e-commerce, corporate domains and temperature-controlled deliveries
- Optimizing TA-Q-BIN network considering the capacity of the new last-mile network (consolidating and enlarging facilities)



- ① Establish and deploy e-commerce logistics network
- ② Build middle-mile network
- ③ Launch facilities designated for temperature-controlled deliveries
- ④ Consolidation and enlargement of facilities (TA-Q-BIN network)
- ⑤ Operational reform and building of IT system

5. Value Provision to Corporate Clients

- **Accounts:** Made steady progress in providing value to clients' entire supply chain
 - **Area Customers:** Promoted value provision through collaboration between Sales Drivers and regional offices / headquarters
- Although demand was weaker than the conservative forecast, due to the global economic slowdown and sluggish domestic consumption, we achieved revenue growth for the overall corporate clients (Accounts + Area Customers)



➤ EC accounts

- Made maximum use of expanded capacity, to expand not only the downstream (last-mile deliveries) by also the upstream of retail logistics and the returns of merchandise

➤ Global, National and Regional accounts

- Growth in international logistics slowed down, due to the global economic weakness etc.
- Decline in peak season gift demand, due to sluggish domestic consumption (part of gift demand shifted to EC)
- Captured clients' trends such as sales of merchandise becoming omni-channel, the expansion of "room temperature + temperature controlled" merchandise distribution, heightening the sustainability of supply chains, etc., and made further progress in value provision to the entire supply chain by optimizing logistics and inventory management

(Reference: Signing of Logistics Partner Contract with Apparel Client (p.23), Example of DtoC Distribution Scheme for Food Product Company (p.24))

➤ Area Customers

- Promoted value provision of "TA-Q-BIN + α ", through collaboration between Sales Drivers and regional offices and headquarters
 - Slowdown in the flow of parcels, due to sluggish domestic consumption etc.
- Continue to focus on managing each client, and strengthening collaboration between sales people and Sales Drivers

Approx. 10% of total 3Q revenue (+8% YoY)

└ 1st half +12%
3 Quarters +10%

Approx. 20% of total 3Q revenue ((3)% YoY)

└ 1st half +7%
3 Quarters +4%

Approx. 45% of total 3Q revenue (+1% YoY)

└ 1st half +2%
3 Quarters +2%

6. Structural reforms of network operations (Challenges and Initiatives)

【Changes in demand】

- Volume growth from large corporate clients
- Spread of EC, and changes in customer needs and distribution structure

【Challenges】

- Handling of parcels with different timeframes and operations (resolving mismatch ~ focusing on growth areas)
- Establish network and operation structure that can adapt more flexibly to fluctuations in workload (annual, weekly, daily) (reduction of fixed costs, shifting to more variable costs)

【Initiatives】

Establish and deploy EC logistics network

- Steadily capture growing EC demand (flexible capacity)
- Simplify operation process (reduce operating cost)
- Collaboration with external partners (asset-light, variable costs)

Rebuilding of existing (TA-Q-BIN) network

- Consolidate and enlarge facilities
- Review the functions of Terminals
 - Consolidation of TA-Q-BIN Offices, separation of dispatch and arrival operations, etc.
- Review of each operation and job responsibility (optimization of transportation, sorting, pick-up and delivery, and administration costs)
 - Review of operations and job responsibilities that take place in each Terminal
 - Define job description of drivers , review administrative operations

7. Structural reforms of network operations (Promotion process)

Current Mid-term Management Plan (April 2021~March 2024)

Next Mid-term Management Plan

Establish and deploy EC logistics network (lower cost level)

Establish and deploy EC logistics network

- Formation of EAZY CREW : 1Q of FY March 2021~ (Completed)
- Set up EC Sorting Centers : 2Q~4Q of FY March 2022 (Completed)
- Deploy EC Delivery Centers : 3Q of FY March 2022~ → 17 Centers as of end of March 2023, 40 Centers by end of March 2024

Rebuilding of existing (TA-Q-BIN) network

Rebuilding of existing (TA-Q-BIN) network

Consolidation and enlargement of facilities
Redefine Terminal functions

Review of each operation and job responsibility

- ✓ Accelerate consolidation of existing Offices 1Q of FY March 2023 ~ 3,350 Offices as of end of March 2023 → 3,000 as of end of March 2024
- ✓ Full-fledged operation of large-scale facilities 3Q of FY March 2023 ~ 8 facilities as of end of March 2024 ~ steady roll-out
- ✓ Review the functions of Terminals 3Q of FY March 2023 ~ steady roll-out
- ✓ Define job description of drivers 1Q of FY March 2024 ~ steady roll-out in major urban areas
- ✓ Review administrative operations (standardize and improve productivity of operations, headcount optimization)

Approx. 2,000 Offices as of end of March 2027

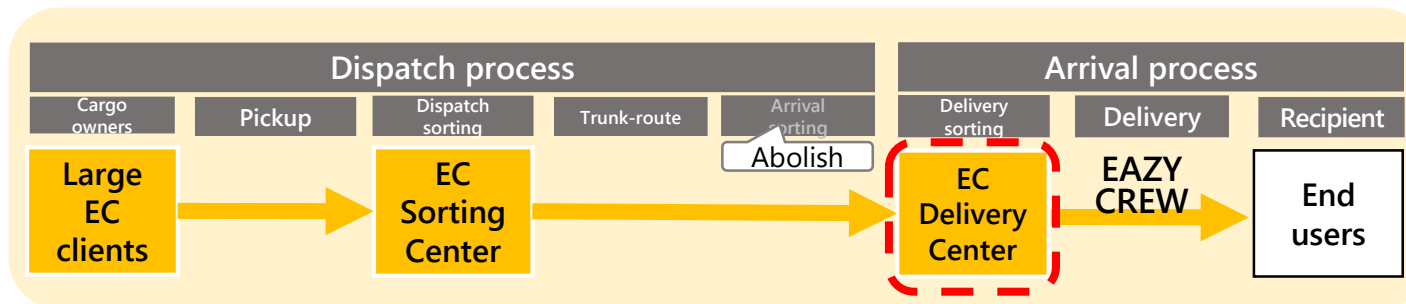
Review and reorganize operations and job responsibilities on a firm-wide basis

8. Structural reforms of network operations (Status of progress ①)

Making steady progress in establishment of EC logistics network that addresses growing demand, and consolidating & enlarging facilities in the existing network

➤ Deployment of EC Delivery Centers (total of 14 facilities)

- 7 additional facilities began operations in 3rd quarter (17 facilities in total by the end of March 2023)



➤ Consolidation and enlargement of facilities

- Made preparations and steady roll-out of enlarged and consolidated facilities
- Progress made in consolidation of TA-Q-BIN Sales offices

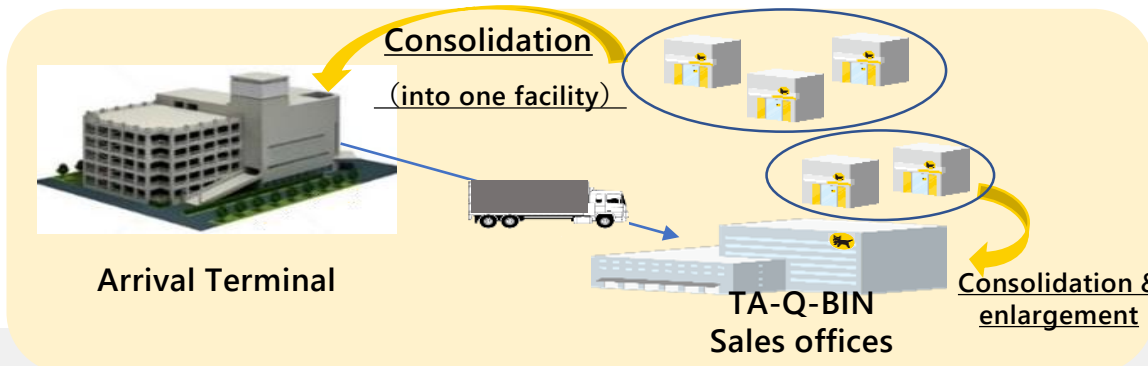
【Consolidated and enlarged facilities*】

*Signed contracts for 6 properties (as of end of Dec. 2022)

- Enlarged TA-Q-BIN Sales office: Kanagawa, Hyogo
- Consolidation of TA-Q-BIN Sales office and Terminal: Shizuoka, Aichi
- Re-defined Terminal function: Fukuoka
- Cool TA-Q-BIN facility: Tokyo

【No. of TA-Q-BIN Sales offices】

3,371 as of end of Dec. 2022 (reduction of 130 facilities from the end of Mar. 2022)



9. Structural reform of network operations (Status of progress ②)

- **EC logistics network:** Capture growing EC parcel demand using EC logistics network (cost flexibility depending on workload)
- **Existing (TA-Q-BIN) network:** Thoroughly optimize internal resource allocation based on forecasted workload and use of external resources (transportation partners, outsourcing partners) → Establish network operation structure that can adjust more flexibly to change in workload

➤ Transportation

(Trunk-route and regional transportation, operations in Terminals)

- Cost per parcel declined YoY in 3Q (Oct-Dec), thanks to progress made in cost optimization initiatives, but did not reach the forecast as of 2Q

Focus on cost optimization, by consolidating and enlarging facilities, and reviewing Terminal functions, operations and job responsibilities etc.

➤ Last-mile

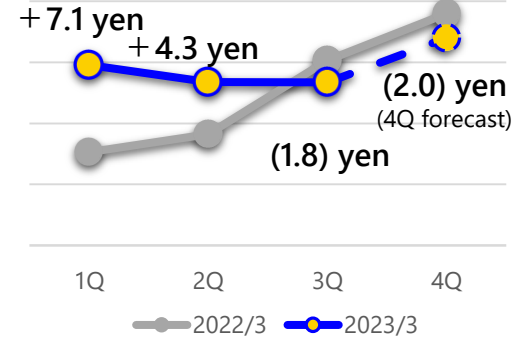
(Pick-up and delivery, operations in TA-Q-BIN Offices)

- Cost per parcel in 3Q (Oct-Dec) was higher than last year, due to higher hourly wages etc., despite productivity improvement measures

Focus on cost optimization by deploying EC Delivery Centers, consolidation and enlargement of TA-Q-BIN Offices, subdividing job responsibility of drivers, etc.

Cost per parcel in transportation operations※ (YoY difference)

※Outsourcing cost and employee salaries for the operations



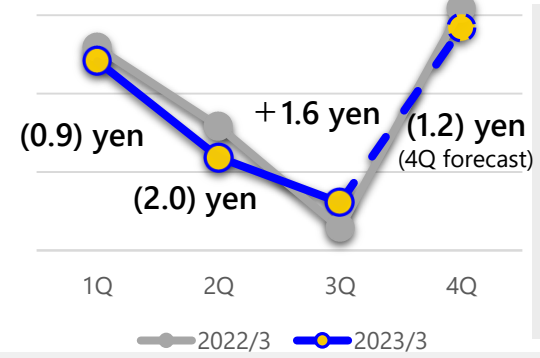
【Main factors in 3Q for YoY difference】

- Rise in hourly wages +0.9 yen
- Rise in cost of transporting empty RBP* due to higher peak/off-peak volatility, lower productivity due to increase in large parcels +0.7 yen
- Cost optimization initiative (2.7) yen
- Others (decline in consigned forwarding costs) (0.7) yen

※RBP (Roll Box Palettes): Handling equipment (trolleys) used in TA-Q-BIN transportation

Cost per parcel in last-mile operations※ (YoY difference)

※Outsourcing cost and employee salaries for the operations



【Main factors in 3Q for YoY difference】

- Rise in hourly wages +3.8 yen
- Lower utilization of Sales Drivers (Oct.) +1.1 yen
- Increase in overtime due to heavy snowfall (Dec.) +0.4 yen
- Productivity improvement measures (3.7) yen

Overview of Consolidated Results for the 3rd Quarter of Fiscal Year Ending March 2023

10. Operating Results (3rd Quarter Cumulative)

(Billions of Yen)	Fiscal Year ended March 31, 2022 3rd Quarter (Cumulative) Actual	Fiscal Year ending March 31, 2023 3rd Quarter (Cumulative) Actual	YoY Change		YoY Change(*1)	
			Amount	[%]	Amount	[%]
			Operating revenue	1,372.3	1,395.9	+23.5
Operating profit	79.1	66.4	(12.7)	(16.1)	(13.6)	(17.0)
Profit margin [%]	5.8	4.8	(1.0)	-	(1.2)	-
Ordinary profit	85.1	64.2	(20.9)	(24.6)	(21.6)	(25.2)
Profit margin [%]	6.2	4.6	(1.6)	-	(1.8)	-
Profit attributable to owners of Parent	47.7	39.0	(8.6)	(18.2)	(10.6)	(21.4)
Profit margin [%]	3.5	2.8	(0.7)	-	(0.9)	-

*1 Excluding the impact of removing Yamato Home Convenience Co., Ltd. from scope of consolidation

11. Operating Results (3rd Quarter October - December)

(Billions of Yen)	Fiscal Year ended March 31, 2022 3rd Quarter Actual	Fiscal Year ending March 31, 2023 3rd Quarter Actual	YoY Change		YoY Change(*1)	
			Amount	[%]	Amount	[%]
			Operating revenue	506.9	512.2	+5.2
Operating profit	47.4	48.3	+0.8	+1.8	+1.4	+3.2
Profit margin [%]	9.4	9.4	+0.1	-	+0.1	-
Ordinary profit	48.2	45.9	(2.3)	(4.8)	(1.6)	(3.5)
Profit margin [%]	9.5	9.0	(0.5)	-	(0.6)	-
Profit attributable to owners of Parent	33.1	28.7	(4.4)	(13.3)	(4.1)	(12.5)
Profit margin [%]	6.5	5.6	(0.9)	-	(1.0)	-

*1 Excluding the impact of removing Yamato Home Convenience Co., Ltd. from scope of consolidation

12. Summary of Consolidated Operating Revenue (3rd Quarter Cumulative)

(Millions of Yen)	Fiscal Year ended March 31, 2022 3rd Quarter (Cumulative) Actual	Fiscal Year ending March 31, 2023				
		3rd Quarter (Cumulative) Actual	YoY Change		YoY Change (*1)	
			Amount	[%]	Amount	[%]
Retail Business Unit	687,910	694,010	+ 6,099	+ 0.9	+ 6,099	+ 0.9
Transportation income	877,403	917,000	+ 39,597	+ 4.5	+ 39,597	+ 4.5
Logistical support income	3,328	2,342	(985)	(29.6)	(985)	(29.6)
Others	21,138	20,886	(251)	(1.2)	(251)	(1.2)
Eliminations	(213,959)	(246,219)	(32,260)	—	(32,260)	—
Corporate Business Unit	619,937	656,967	+ 37,029	+ 6.0	+ 37,029	+ 6.0
Transportation income	468,258	478,217	+ 9,959	+ 2.1	+ 9,959	+ 2.1
Logistical support income	179,120	203,011	+ 23,890	+ 13.3	+ 23,890	+ 13.3
Logistics	94,201	99,931	+ 5,729	+ 6.1	+ 5,729	+ 6.1
International logistics	56,100	70,435	+ 14,335	+ 25.6	+ 14,335	+ 25.6
Others	28,819	32,644	+ 3,825	+ 13.3	+ 3,825	+ 13.3
Others	24,943	25,834	+ 890	+ 3.6	+ 890	+ 3.6
Eliminations	(52,385)	(50,095)	+ 2,289	—	+ 2,289	—
Other	64,538	44,989	(19,548)	(30.3)	+ 3,458	+ 8.3
Transportation income	36,665	18,638	(18,026)	(49.2)	+ 1,152	+ 6.6
Others	136,287	118,288	(17,999)	(13.2)	(11,870)	(9.1)
Eliminations	(108,414)	(91,936)	+ 16,477	—	+ 14,177	—
Total	1,372,386	1,395,967	+ 23,580	+ 1.7	+ 46,587	+ 3.5

*1 Excluding the impact of removing Yamato Home Convenience Co., Ltd. from scope of consolidation

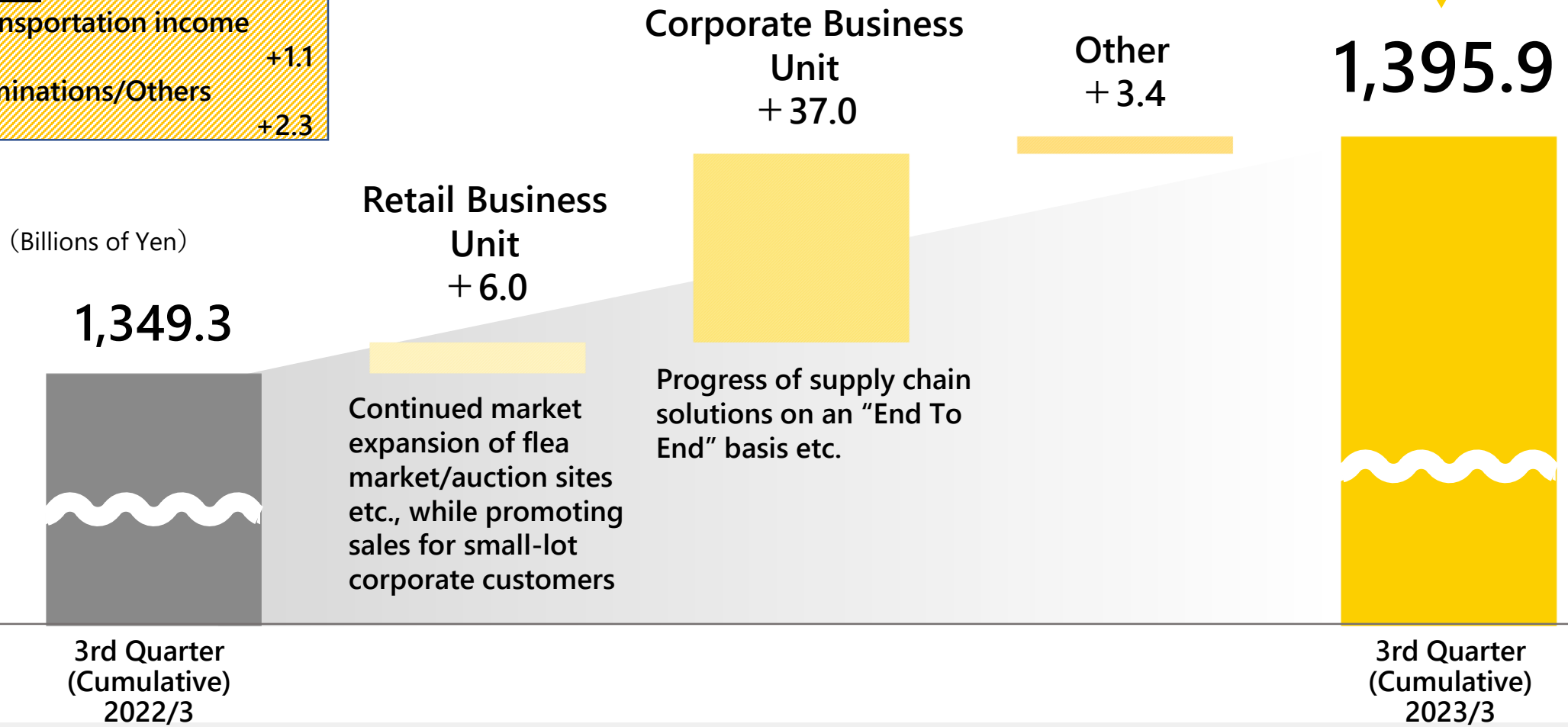
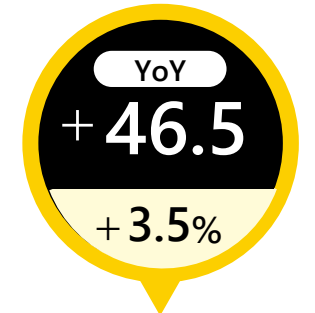
13. YoY Analysis of Consolidated Operating Revenue (3rd Quarter Cumulative)

*Excluding the impact of removing Yamato Home Convenience Co., Ltd. from scope of consolidation

Retail Business Unit	
Transportation income	+39.5
Logistical support income	(0.9)
Eliminations/Others	(32.5)

Corporate Business Unit	
Transportation income	+9.9
Logistical support income	+23.8
Logistics	+5.7
International logistics	+14.3
Others	+3.8
Eliminations/Others	+3.1

Other	
Transportation income	+1.1
Eliminations/Others	+2.3



Operating Revenue

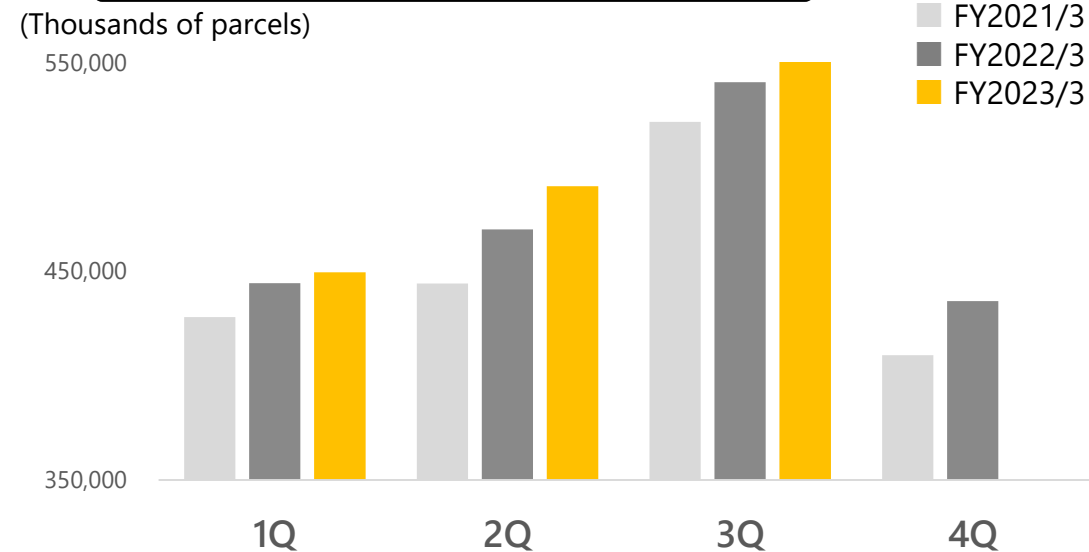
Operating Revenue 13

14. Quarterly Trends of Parcel Delivery (TA-Q-BIN, TA-Q-BIN Compact, EAZY)

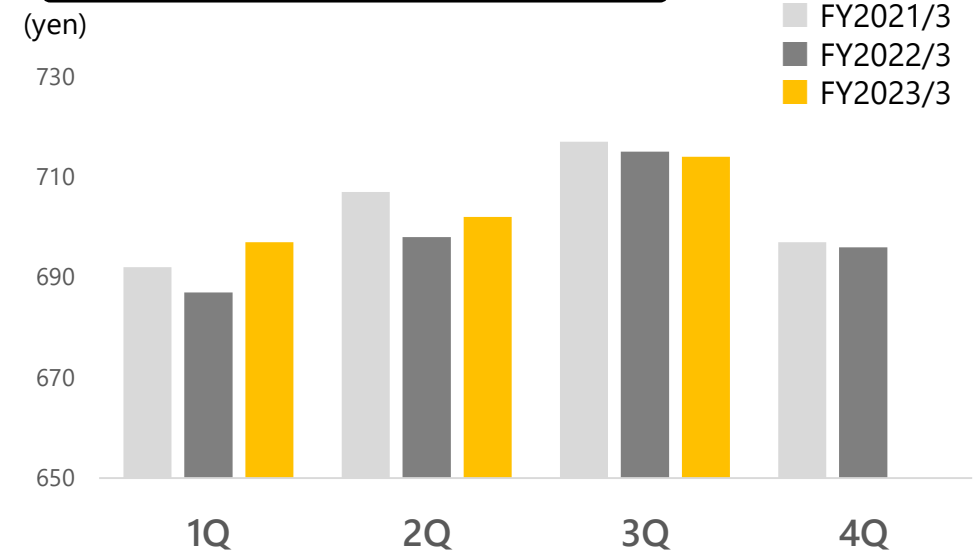
(3rd Quarter October - December)

	FY2021/3				FY2022/3				FY2023/3		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Delivery Volume (Thousands)	428,032	444,213	521,607	409,822	444,328	470,100	540,567	435,687	449,504	490,766	552,115
YoY(%)	+13.4	+6.2	+11.7	+12.3	+3.8	+5.8	+3.6	+6.3	+1.2	+4.4	+2.1
Unit-price (Yen)	692	707	717	697	687	698	715	696	697	702	714
YoY(%)	(3.8)	(2.6)	(2.6)	(3.2)	(0.7)	(1.3)	(0.3)	(0.1)	+1.5	+0.6	(0.1)

Delivery volume trend by Quarter



Unit price trend by Quarter



* Since the fiscal year ended March 2022, the aggregation method has been changed due to the transfer of customers between segments. However, as the effect is minor, the data before the fiscal year ended March 2021 has not been reclassified.

Delivery volume trend (YoY) by Segment (3Q: Oct.-Dec.)

Retail Business Unit : **(0.4)%**
 Corporate Business Unit : **+4.7%**

Unit price trend (YoY) by Segment (3Q: Oct.-Dec.)

Retail Business Unit : **+0.3%**
 Corporate Business Unit : **+0.3%**

15. Summary of Consolidated Operating Expenses (3rd Quarter Cumulative)

(Millions of Yen)	Fiscal Year ended March 31, 2022 3rd Quarter (Cumulative) Actual (*1)	Fiscal Year ending March 31, 2023 3rd Quarter (Cumulative) Actual	YoY Change		YoY Change (*2)	
			Amount	[%]	Amount	[%]
Operating revenue	1,372,386	1,395,967	+ 23,580	+ 1.7	+ 46,587	+ 3.5
Subcontracting expenses	482,648	506,442	+ 23,794	+ 4.9	+ 31,687	+ 6.7
Commission expenses	244,671	270,672	+ 26,000	+ 10.6	+ 29,739	+ 12.3
Delivery commission	67,477	73,882	+ 6,405	+ 9.5	+ 6,405	+ 9.5
Operating outsource	28,538	28,853	+ 315	+ 1.1	+ 315	+ 1.1
Other commission expenses	148,656	167,937	+ 19,281	+ 13.0	+ 23,019	+ 15.9
EC logistics network	15,844	35,443	+ 19,599	+ 123.7	+ 19,599	+ 123.7
Other	132,812	132,494	(318)	(0.2)	+ 3,420	+ 2.6
Vehicle hiring expenses	163,415	158,930	(4,485)	(2.7)	(1,538)	(1.0)
Other subcontracting expenses	74,561	76,839	+ 2,278	+ 3.1	+ 3,485	+ 4.8
Personnel expenses	662,261	658,667	(3,593)	(0.5)	+ 10,042	+ 1.5
Employee salary	448,887	445,775	(3,112)	(0.7)	+ 6,311	+ 1.4
Legal welfare expenses	82,298	80,444	(1,853)	(2.3)	(40)	(0.1)
Retirement benefit expenses	13,981	18,694	+ 4,712	+ 33.7	+ 4,918	+ 35.7
Bonus/Other personnel expenses	117,094	113,753	(3,340)	(2.9)	(1,146)	(1.0)
Vehicle expenses	39,031	40,733	+ 1,701	+ 4.4	+ 2,266	+ 5.9
Fuel expenses	19,225	20,665	+ 1,439	+ 7.5	+ 1,783	+ 9.4
Other operating expenses	270,527	270,952	+ 425	+ 0.2	+ 6,532	+ 2.5
Depreciation	25,840	31,157	+ 5,317	+ 20.6	+ 5,603	+ 21.9
System expenses	40,769	40,056	(713)	(1.7)	(278)	(0.7)
Other	203,917	199,738	(4,179)	(2.0)	+ 1,208	+ 0.6
Facilities expenses	60,590	62,274	+ 1,683	+ 2.8	+ 3,708	+ 6.3
Other	143,327	137,464	(5,862)	(4.1)	(2,500)	(1.8)
Total	1,454,468	1,476,796	+ 22,327	+ 1.5	+ 50,529	+ 3.5
Eliminations	(161,255)	(147,229)	+ 14,025	-	+ 9,688	-
Operating expenses	1,293,213	1,329,566	+ 36,353	+ 2.8	+ 60,217	+ 4.7
Operating profit	79,172	66,400	(12,772)	(16.1)	(13,630)	(17.0)

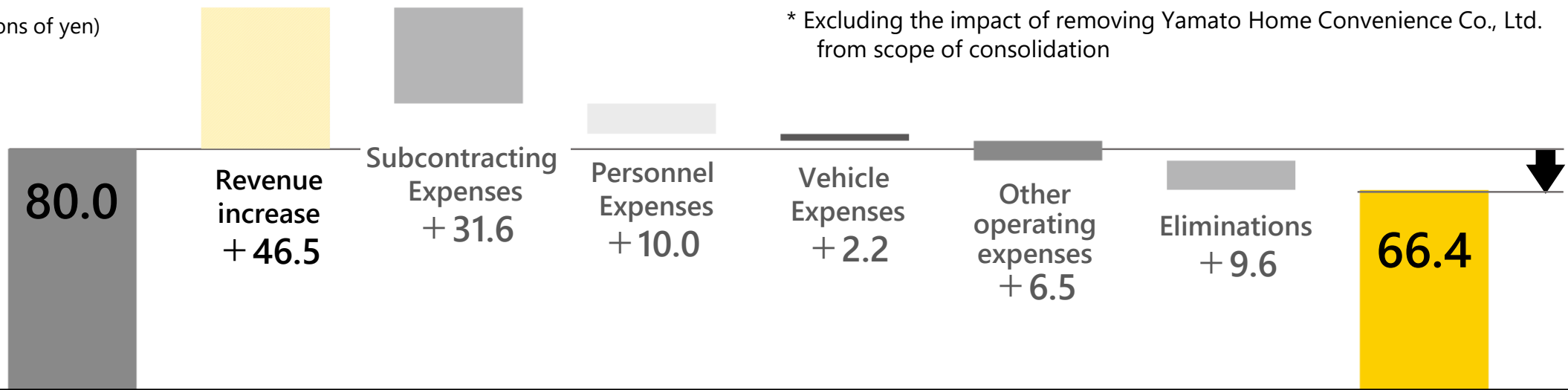
*1 From the fiscal year ending March 31, 2023, internal transactions between Yamato Transport Co., Ltd. and the former group companies that were integrated into Yamato Transport Co., Ltd. in the fiscal year ended March 31, 2022, have been reclassified. Figures for the fiscal year ended March 2022 have been revised to reflect this.

*2 Excluding the impact of removing Yamato Home Convenience Co., Ltd. from scope of consolidation.

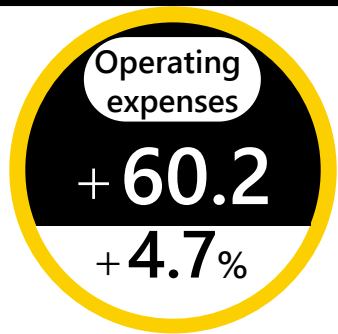
16. YoY Analysis of Consolidated Operating Expenses (3rd Quarter Cumulative)

(Billions of yen)

* Excluding the impact of removing Yamato Home Convenience Co., Ltd. from scope of consolidation



3rd Quarter (Cumulative) 2022/3
Operating profit Actual



3rd Quarter (Cumulative) 2023/3
Operating profit Actual

Subcontracting expenses	
Commission expenses	+29.7
Delivery commission	+6.4
Operating outsource	+0.3
EC logistics network	+19.5
Other	+3.4
Vehicle hiring expenses	(1.5)
Other subcontracting expenses	+3.4

Personnel expenses	
Employee salary	+6.3
Legal welfare expenses	(0.0)
Retirement benefit expenses	+4.9
Bonus/Other personnel expenses	(1.1)

Vehicle expenses	
Fuel expenses	+1.7
Vehicle repair expenses	+0.4

Other operating expenses	
Depreciation	+5.6
System expenses	(0.2)
Facilities expenses	+3.7

17. Summary of Consolidated Operating Expenses (3rd Quarter October - December)

(Millions of Yen)	Fiscal Year ended March 31, 2022 3rd Quarter Actual (*1)	Fiscal Year ending March 31, 2023 3rd Quarter Actual	YoY Change		YoY Change (*2)	
			Amount	[%]	Amount	[%]
			Operating revenue	506,916	512,212	+ 5,295
Subcontracting expenses	177,882	181,486	+ 3,603	+ 2.0	+ 5,430	+ 3.1
Commission expenses	93,388	98,793	+ 5,405	+ 5.8	+ 6,340	+ 6.9
Delivery commission	24,786	27,708	+ 2,922	+ 11.8	+ 2,922	+ 11.8
Operating outsource	11,696	11,068	(628)	(5.4)	(628)	(5.4)
Other commission expenses	56,907	60,018	+ 3,111	+ 5.5	+ 4,046	+ 7.2
EC logistics network	10,438	13,373	+ 2,935	+ 28.1	+ 2,935	+ 28.1
Other	46,469	46,645	+ 176	+ 0.4	+ 1,111	+ 2.4
Vehicle hiring expenses	56,961	56,652	(308)	(0.5)	+ 575	+ 1.0
Other subcontracting expenses	27,533	26,040	(1,492)	(5.4)	(1,485)	(5.4)
Personnel expenses	227,222	225,317	(1,904)	(0.8)	+ 2,123	+ 1.0
Employee salary	154,457	153,263	(1,194)	(0.8)	+ 1,575	+ 1.0
Legal welfare expenses	27,566	27,363	(202)	(0.7)	+ 377	+ 1.4
Retirement benefit expenses	5,757	6,395	+ 637	+ 11.1	+ 720	+ 12.7
Bonus/Other personnel expenses	39,441	38,295	(1,145)	(2.9)	(550)	(1.4)
Vehicle expenses	13,584	14,184	+ 599	+ 4.4	+ 807	+ 6.0
Fuel expenses	6,778	6,958	+ 180	+ 2.7	+ 301	+ 4.5
Other operating expenses	93,636	93,886	+ 249	+ 0.3	+ 2,145	+ 2.3
Depreciation	8,984	10,528	+ 1,544	+ 17.2	+ 1,624	+ 18.2
System expenses	14,480	13,506	(974)	(6.7)	(833)	(5.8)
Other	70,171	69,851	(320)	(0.5)	+ 1,354	+ 2.0
Facilities expenses	20,834	21,517	+ 682	+ 3.3	+ 1,191	+ 5.9
Other	49,337	48,334	(1,002)	(2.0)	+ 163	+ 0.3
Total	512,326	514,875	+ 2,548	+ 0.5	+ 10,506	+ 2.1
Eliminations	(52,892)	(51,014)	+ 1,878	-	(72)	-
Operating expenses	459,433	463,860	+ 4,426	+ 1.0	+ 10,433	+ 2.3
Operating profit	47,482	48,351	+ 869	+ 1.8	+ 1,478	+ 3.2

*1 From the fiscal year ending March 31, 2023, internal transactions between Yamato Transport Co., Ltd. and the former group companies that were integrated into Yamato Transport Co., Ltd. in the fiscal year ended March 31, 2022, have been reclassified. Figures for the fiscal year ended March 2022 have been revised to reflect this.

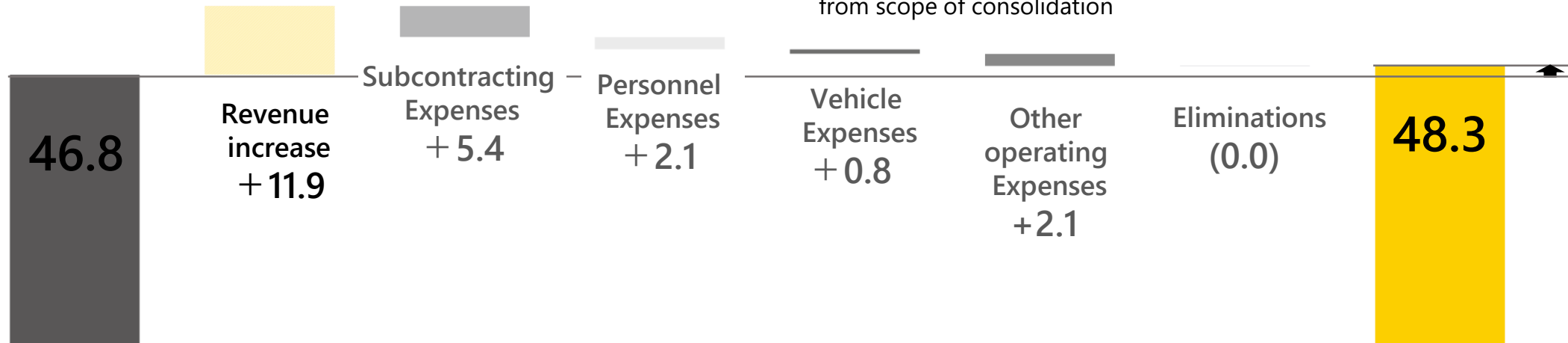
*2 Excluding the impact of removing Yamato Home Convenience Co., Ltd. from scope of consolidation.

18. YoY Analysis of Consolidated Operating Expenses

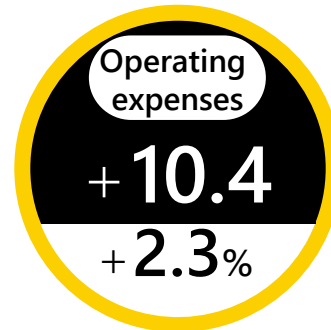
(3rd Quarter October - December)

(Billions of yen)

* Excluding the impact of removing Yamato Home Convenience Co., Ltd. from scope of consolidation



3rd Quarter
(October - December)
2022/3
Operating profit
Actual



3rd Quarter
(October - December)
2023/3
Operating profit
Actual

Subcontracting expenses

Commission expenses	+6.3
Delivery commission	+2.9
Operating outsource	(0.6)
EC logistics network	+2.9
Other	+1.1
Vehicle hiring expenses	+0.5
Other subcontracting expenses	(1.4)

Personnel expenses

Employee salary	+1.5
Legal welfare expenses	+0.3
Retirement benefit expenses	+0.7
Bonus/Other personnel expenses	(0.5)

Vehicle expenses

Fuel expenses	+0.3
Vehicle repair expenses	+0.5

Other operating expenses

Depreciation	+1.6
System expenses	(0.8)
Facilities expenses	+1.1

19. Consolidated Operating Results Forecast for the Fiscal Year Ending March 2023

(Millions of Yen)	Fiscal Year ended March 31, 2022 Actual	Fiscal Year ending March 31, 2023 November 2022 Forecast	Fiscal Year ending March 31, 2023 New Forecast	Forecast Change		YoY Change		YoY Change (*1)	
				Amount	[%]	Amount	[%]	Amount	[%]
				Operating revenue	1,793,618	1,835,000	1,809,000	(26,000)	(1.4)
Operating profit	77,199	75,000	61,000	(14,000)	(18.7)	(16,199)	(21.0)	(15,770)	(20.5)
[Profit margin]	4.3	4.1	3.4	(0.7)	-	(0.9)	-	(1.0)	-
Ordinary profit	84,330	72,000	58,000	(14,000)	(19.4)	(26,330)	(31.2)	(25,729)	(30.7)
Profit attributable to owners of Parent	55,956	45,000	45,000	0	0.0	(10,956)	(19.6)	(12,236)	(21.4)

Volume (Thousands of Units)	TA-Q-BIN/ TA-Q-BIN Compact/EAZY	1,890,682	1,940,800	1,935,400	(5,400)	(0.3)	+ 44,717	+ 2.4
	EAZY	464,860	499,500	499,000	(500)	(0.1)	+ 34,139	+ 7.3
	Nekopos	384,941	424,300	414,000	(10,300)	(2.4)	+ 29,058	+ 7.5
	Kuroneko DM-Bin	824,383	804,300	803,200	(1,100)	(0.1)	(21,183)	(2.6)
Unit Price (Yen)	TA-Q-BIN/ TA-Q-BIN Compact/EAZY	700	706	702	(4)	(0.6)	+ 2	+ 0.3
	Nekopos	190	189	189	0	0.0	(1)	(0.5)
	Kuroneko DM-Bin	67	67	67	0	0.0	0	0.0

※1 Excluding the impact of removing Yamato Home Convenience Co., Ltd. from scope of consolidation

20. Consolidated Operating Results Forecast for the Fiscal Year Ending March 2023 (Breakdown of Operating Expenses and others)



(Millions of Yen)	Fiscal Year ended March 31, 2022 Actual (*1)	Fiscal Year ending March 31, 2023 November 2022 Forecast	Fiscal Year ending March 31, 2023 New Forecast	Forecast Change		YoY Change		YoY Change (*2)	
				Amount	[%]	Amount	[%]	Amount	[%]
Operating revenue	1,793,618	1,835,000	1,809,000	(26,000)	(1.4)	+ 15,381	+ 0.9	+ 46,431	+ 2.6
Subcontracting expenses	642,171	661,100	661,700	+ 600	+ 0.1	+ 19,528	+ 3.0	+ 30,334	+ 4.8
Commission expenses	328,287	353,400	356,400	+ 3,000	+ 0.8	+ 28,112	+ 8.6	+ 33,761	+ 10.5
Delivery commission	88,872	94,000	96,500	+ 2,500	+ 2.7	+ 7,628	+ 8.6	+ 7,628	+ 8.6
Operating outsource	37,019	36,600	37,600	+ 1,000	+ 2.7	+ 581	+ 1.6	+ 581	+ 1.6
Other commission expenses	202,396	222,800	222,300	(500)	(0.2)	+ 19,904	+ 9.8	+ 25,552	+ 13.0
EC Logistics network	25,750	44,400	46,900	+ 2,500	+ 5.6	+ 21,150	+ 82.1	+ 21,150	+ 82.1
Other	176,646	178,400	175,400	(3,000)	(1.7)	(1,246)	(0.7)	+ 4,402	+ 2.6
Vehicle hiring expenses	213,653	204,500	207,400	+ 2,900	+ 1.4	(6,253)	(2.9)	(2,319)	(1.1)
Other subcontracting expenses	100,231	103,200	97,900	(5,300)	(5.1)	(2,331)	(2.3)	(1,108)	(1.1)
Personnel expenses	872,128	868,700	866,600	(2,100)	(0.2)	(5,528)	(0.6)	+ 11,602	+ 1.4
Employee salary	593,430	587,500	588,500	+ 1,000	+ 0.2	(4,930)	(0.8)	+ 6,876	+ 1.2
Legal welfare expenses	109,246	108,300	107,000	(1,300)	(1.2)	(2,246)	(2.1)	+ 28	+ 0.0
Retirement benefit expenses	19,953	25,000	25,300	+ 300	+ 1.2	+ 5,346	+ 26.8	+ 5,618	+ 28.5
Bonus/Other personnel expenses	149,498	147,900	145,800	(2,100)	(1.4)	(3,698)	(2.5)	(921)	(0.6)
Vehicle expenses	49,587	51,000	51,300	+ 300	+ 0.6	+ 1,712	+ 3.5	+ 2,435	+ 5.0
Fuel expenses	25,091	26,800	26,500	(300)	(1.1)	+ 1,408	+ 5.6	+ 1,843	+ 7.5
Other operating expenses	363,288	370,100	362,900	(7,200)	(1.9)	(388)	(0.1)	+ 7,432	+ 2.1
Depreciation	35,524	43,500	42,900	(600)	(1.4)	+ 7,375	+ 20.8	+ 7,649	+ 21.7
System expenses	55,011	57,500	53,700	(3,800)	(6.6)	(1,311)	(2.4)	(707)	(1.3)
Other	272,752	269,100	266,300	(2,800)	(1.0)	(6,452)	(2.4)	+ 490	+ 0.2
Facilities expenses	81,515	83,000	83,500	+ 500	+ 0.6	+ 1,984	+ 2.4	+ 4,479	+ 5.7
Other	191,237	186,100	182,800	(3,300)	(1.8)	(8,437)	(4.4)	(3,988)	(2.1)
Total	1,927,175	1,950,900	1,942,500	(8,400)	(0.4)	+ 15,324	+ 0.8	+ 51,805	+ 2.7
Eliminations	(210,757)	(190,900)	(194,500)	(3,600)	-	+ 16,257	-	+ 10,396	-
Operating expenses	1,716,418	1,760,000	1,748,000	(12,000)	(0.7)	+ 31,581	+ 1.8	+ 62,201	+ 3.7
Operating profit	77,199	75,000	61,000	(14,000)	(18.7)	(16,199)	(21.0)	(15,770)	(20.5)
Total number of employees (Persons) (*3)	216,873	210,700	211,700	+ 1,000	+ 0.5	(5,173)	(2.4)		
Full-time	94,473	93,800	93,800	0	0.0	(673)	(0.7)		
Part-time	122,400	116,900	117,900	+ 1,000	+ 0.9	(4,500)	(3.7)		
Capital expenditure (Millions of Yen)	73,271	70,000	55,000	(15,000)	(21.4)	(18,271)	(24.9)		

*1 From the fiscal year ending March 31, 2023, internal transactions between Yamato Transport Co., Ltd. and the former group companies that were integrated into Yamato Transport Co., Ltd. in the fiscal year ended March 31, 2022, have been reclassified. Figures for the fiscal year ended March 2022 have been revised to reflect this.

*2 Excluding the impact of removing Yamato Home Convenience Co., Ltd. from scope of consolidation

*3 The number of employees exclude employees of Yamato Home Convenience Co., Ltd.

21. Capital expenditure (progress and outlook)

- Utilize multi-tenant facilities for TA-Q-BIN Sales offices and consolidated & enlarged Terminals (lease contracts)
- For material handling (sorting equipment) in Terminals, introduce simple unit-type equipment → Less investment needed compared to initial expectation (heavy automatic sorting machines), and shorten time before starting to operate Terminals
- Assess nature of digital investments, and select projects that directly lead to profit generation

(Billions of Yen)	Fiscal Year ended March 31,2022 3rd Quarter (Cumulative) Actual	Fiscal Year ending March 31,2023 3rd Quarter (Cumulative) Actual	YoY Change	Fiscal Year ending March 31,2023 November 2022 Forecast	Fiscal Year ending March 31,2023 New Forecast	Forecast Change
Vehicles	10.9	6.1	(4.8)	12.0	11.0	(1.0)
Offices/buildings and accompanying facilities	8.4	12.6	+ 4.1	19.0	18.0	(1.0)
Automatic sorting equipment etc.	7.1	2.0	(5.1)	6.0	4.0	(2.0)
Other hardware, office equipment, etc.	8.0	3.0	(4.9)	8.0	7.0	(1.0)
Digital investments	19.8	9.4	(10.4)	25.0	15.0	(10.0)
Increasing value provided to customers	6.0	3.1	(2.9)	8.0	5.0	(3.0)
Improved efficiency of transportation and delivery operations	4.8	5.0	+ 2.0	13.0	8.0	(5.0)
Digital infrastructure construction and development	8.0	0.9	(7.1)	3.0	1.5	(1.5)
Others	1.0	0.4	(0.6)	1.0	0.5	(0.5)
Total	54.4	33.2	(21.1)	70.0	55.0	(15.0)

Operating Results Forecast for the Fiscal Year Ending March 31, 2023

(4th Quarter January - March)

(Millions of Yen)	Fiscal Year ended March 31, 2022 4th Quarter Actual (*1)	Fiscal Year ended March 31, 2023 4th Quarter Forecast	YoY Change		YoY Change (*2)	
			Amount	[%]	Amount	[%]
			Operating revenue	421,231	413,032	(8,198)
Subcontracting expenses	159,523	155,257	(4,265)	(2.7)	(1,353)	(0.9)
Commission expenses	83,615	85,727	+ 2,111	+ 2.5	+ 4,021	+ 4.9
Delivery commission	21,395	22,618	+ 1,223	+ 5.7	+ 1,223	+ 5.7
Operating outsource	8,481	8,747	+ 266	+ 3.1	+ 266	+ 3.1
Other commission expenses	53,740	54,363	+ 623	+ 1.2	+ 2,533	+ 4.9
EC Logistics network	9,906	11,457	+ 1,551	+ 15.7	+ 1,551	+ 15.7
Other	43,834	42,906	(928)	(2.1)	+ 982	+ 2.3
Vehicle hiring expenses	50,237	48,469	(1,767)	(3.5)	(781)	(1.6)
Other subcontracting expenses	25,670	21,060	(4,609)	(18.0)	(4,594)	(17.9)
Personnel expenses	209,866	207,932	(1,934)	(0.9)	+ 1,560	+ 0.8
Employee salary	144,543	142,724	(1,818)	(1.3)	+ 564	+ 0.4
Legal welfare expenses	26,947	26,555	(392)	(1.5)	+ 69	+ 0.3
Retirement benefit expenses	5,971	6,605	+ 634	+ 10.6	+ 699	+ 11.8
Bonus/Other personnel expenses	32,404	32,046	(357)	(1.1)	+ 225	+ 0.7
Vehicle expenses	10,555	10,566	+ 11	+ 0.1	+ 169	+ 1.6
Fuel expenses	5,866	5,834	(31)	(0.5)	+ 60	+ 1.0
Other operating expenses	92,760	91,947	(813)	(0.9)	+ 900	+ 1.0
Depreciation	9,684	11,742	+ 2,058	+ 21.3	+ 2,045	+ 21.1
System expenses	14,241	13,643	(597)	(4.2)	(428)	(3.0)
Other	68,835	66,561	(2,273)	(3.3)	(717)	(1.1)
Facilities expenses	20,925	21,225	+ 300	+ 1.4	+ 771	+ 3.8
Other	47,910	45,335	(2,574)	(5.4)	(1,488)	(3.2)
Total	472,706	465,703	(7,002)	(1.5)	+ 1,276	+ 0.3
Eliminations	(49,502)	(47,270)	+ 2,231	-	+ 707	-
Operating expenses	423,204	418,433	(4,771)	(1.1)	+ 1,984	+ 0.5
Operating profit	(1,973)	(5,400)	(3,427)	-	(2,140)	-

*1 From the fiscal year ending March 31, 2023, internal transactions between Yamato Transport Co., Ltd. and the former group companies that were integrated into Yamato Transport Co., Ltd. in the fiscal year ended March 31, 2022, have been reclassified. Figures for the fiscal year ended March 2022 have been revised to reflect this.

*2 Excluding the impact of removing Yamato Home Convenience Co., Ltd. from scope of consolidation.

Signed “Lead Logistics Partner” Contract with Adastria

Yamato Transport signed logistics partnership contract, to make Adastria’s supply chain more sustainable

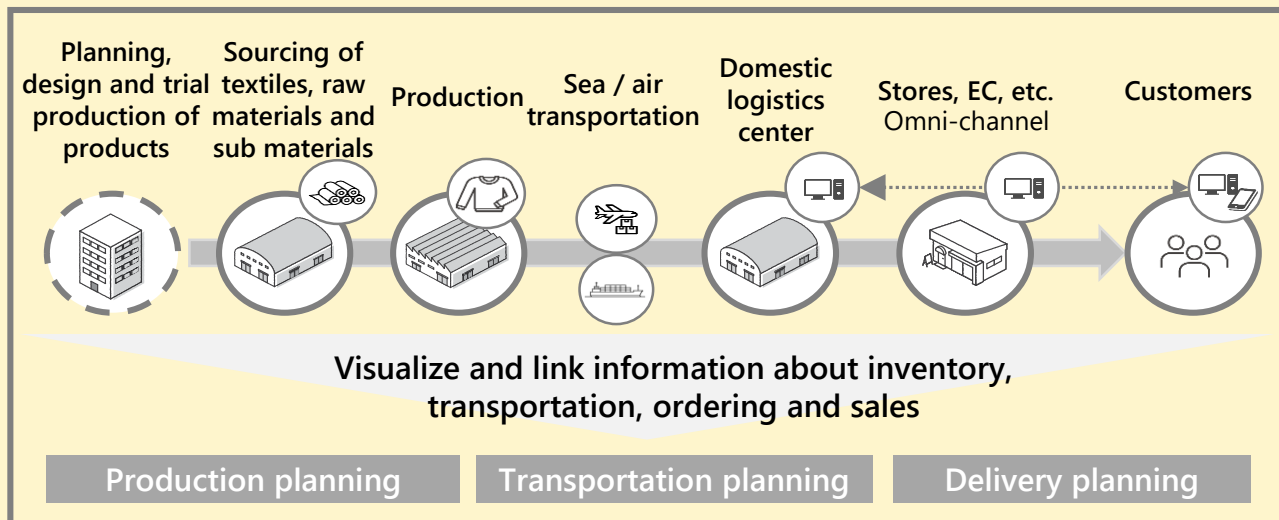
→By reviewing the logistics and inventory operations in Adastria’s supply chain both in Japan and overseas, from the sourcing of raw materials to production and omni-channel sales, reduce GHG emissions and establish a logistics structure that is more effective for management (1st step)

→Utilize Adastria’s expertise on fashion supply chains, and Yamato Transport’s logistics infrastructure and expertise in Japan and overseas, and collaborate with other companies to realize and expand Sustainable Fashion*

*Initiative to become sustainable now and in the future, in the process covering the production, wearing and disposal of clothing, and paying consideration to the earth’s environment including the ecosystem, and the people and society involved

【Initiatives to achieve Sustainable Fashion】

- Establish production and logistics structure that matches the demand
- Sustainable operation reform, GHG emission reduction, etc.



A D A S T R I A

Play fashion!

Adastria’s mission is “Play fashion!”, seeking to make more enjoyable the lives of everyone through fashion. Adastria aims to create an open community of people and information, and become a “Good Community Co-Creation Company” that brings new values.

Based on its sustainability policy of “Bring the joy of fashion to the future”, the company is engaged in various initiatives, including inventory control and reuse to bring to zero waste incineration of apparel inventory, and establishing fair and ethical procurement activities.

Providing supply chain solutions to the food industry

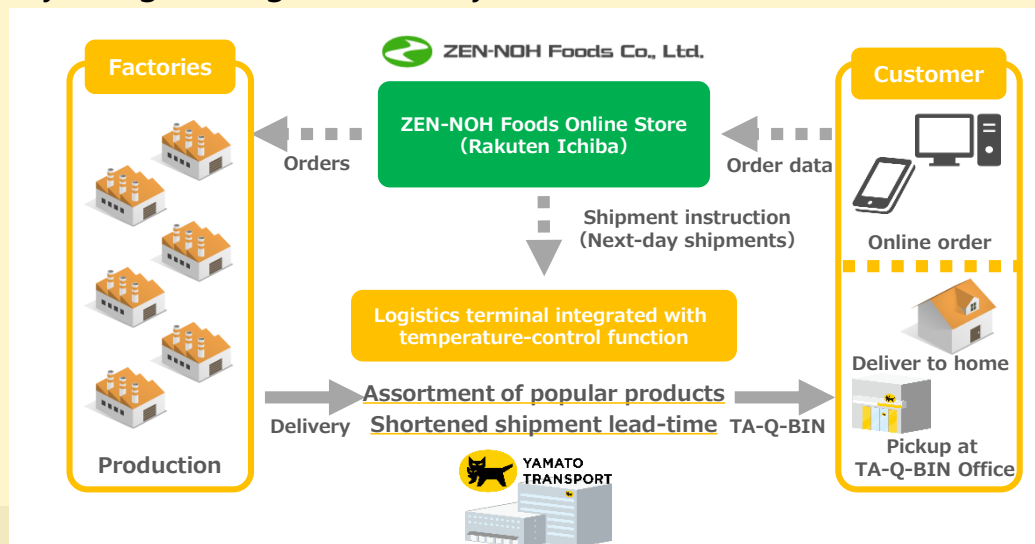
Established DtoC distribution scheme of frozen foods sold on the ZEN-NOH Foods Online Store

~ Made it possible to sell popular products in assortments, together with shorter shipment lead-times

- Established DtoC distribution scheme using Yamato Transport's facilities that integrate the sorting terminal and temperature-control functions
Made it possible for ZEN-NOH to sell in assortments, combining popular products, as well as in small volumes, while shortening the shipment lead-time
- Going forward, the lineup and sales channels of items sold including assortments will be enhanced based on user needs, and we will consider reforming the supply chain in the BtoB domain, from sourcing and manufacturing, to delivery logistics to sales and distribution outlets

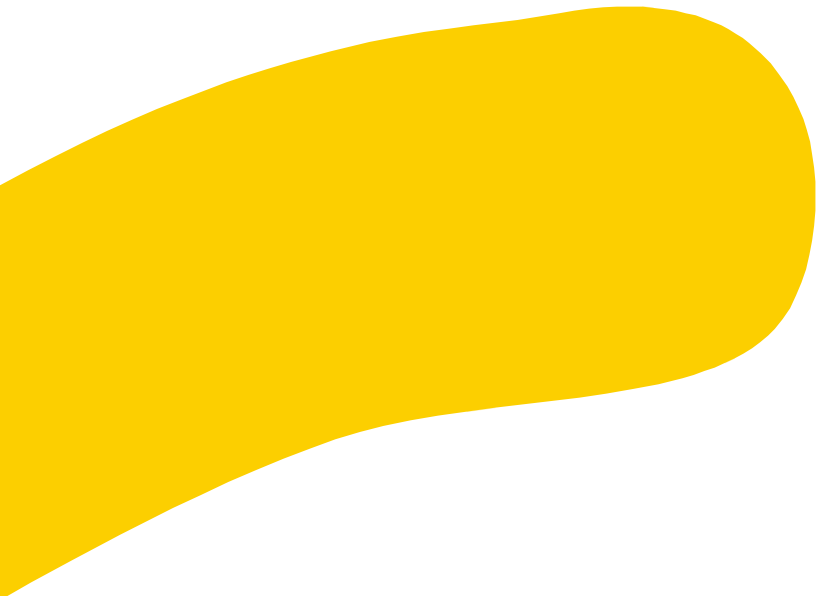
■ DtoC distribution scheme

- By utilizing Yamato Transport's logistics facilities that integrate Terminals with temperature-control functions, established DtoC distribution scheme for frozen foods in a short period of time and with minimal investment
- Can assort multiple products quickly, and can provide next-day shipments for some orders, by using the digital assort system and other functions



ZEN-NOH Foods is the food sales company of JA ZEN-NOH Group, serving as the bridge that links producers and consumers in Japan with peace of mind.

With its mission of contributing to Japan's agriculture and local communities, the company connects customers with production areas, and is engaged in mail-order deliveries and sales to restaurants, providing safe and reliable rice, fruit and other agricultural and livestock products which are the blessings of nature, as well as fresh joy to its customers.



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