



YAMATO  
HOLDINGS

# Yamato Group IR Presentation Material

< Fiscal year ended March 2023 >

May 10, 2023

Yamato Holdings Co., Ltd.



# 1. Summary of consolidated earnings (full-year)

## 【Results for the fiscal year ended March 2023】

Operating revenue	1.8006 tn yen (+38bn yen YoY*)	404.7 bn yen for the 4 <sup>th</sup> quarter (Jan.-March) ((8.4)bn yen YoY*)
Operating profit	60 bn yen ((16.6)bn yen YoY*)	(6.3)bn yen for the 4 <sup>th</sup> quarter (Jan.-March) ((3)bn yen YoY*)
Profit attributable to owners of parent	45.8 bn yen ((11.3)bn yen YoY*)	

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

## ◆ Highlights of full year ended March 2023: Revenue growth, decline in profit

### 【Operating revenue (Year on year)】

- Although demand in the 4<sup>th</sup> quarter continued to be weaker than our conservative forecast due to factors such as sluggish domestic consumption, as well as the weakness in e-commerce ("EC") due to consumer spending shifting from online to real stores, 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.
- **Profit declined** due to operating revenue being lower than expected, as well as the rise in costs due to external factors, such as hourly wages, fuel unit prices and electricity costs affecting full-year operating profit

### 【Profit attributable to owners of parent (Year on year)】

- Secured 45.8 billion yen, despite operating revenue and operating profit being below expectations, due to the reduction in tax expenses as a result of the resolution to liquidate overseas consolidated subsidiaries, etc.

## 2. Progress of Medium-term Management Plan “One YAMATO 2023” (Achievements and challenges)

	Achievements	Challenges
<b>Progress made in structural reform (overview)</b>	<ul style="list-style-type: none"> <li>✓ Established “One YAMATO structure” by bringing together the Group’s management resources (Group management structure reform)</li> </ul>	<ul style="list-style-type: none"> <li>✓ Business structure reform with sales and operations working together as one</li> <li>✓ Continuous reinforcement of management platform that supports business structure reform</li> </ul>
<b>Expansion of corporate business domain</b>	<ul style="list-style-type: none"> <li>✓ Expansion of domains in which Yamato provides value, including sourcing and returns of domestic EC, cross border EC into Japan, 3-temperature zone logistics for a food sales company, LLP (Lead Logistics Partner) projects</li> </ul>	<ul style="list-style-type: none"> <li>✓ Further sales expansion of supply chain solutions               <ul style="list-style-type: none"> <li>• Expansion of value provided, from TA-Q-BIN + α to the global supply chain</li> </ul> </li> </ul>
<b>Structural reform of network operations</b>	<ul style="list-style-type: none"> <li>✓ Progress made in building EC logistics network as a starting point</li> <li>✓ Completed overall design towards reinforcing the existing TA-Q-BIN network, and started initiatives step by step</li> </ul>	<ul style="list-style-type: none"> <li>✓ Complete the reinforcement of existing network</li> <li>✓ Establishment and expansion of dedicated networks optimized to address diverse logistics needs</li> </ul>

### Changes in the external environment

- ✓ Cost hike due to inflation
- ✓ Stagnation of global economy and sluggish domestic consumption

### Policy for the fiscal year ending March 2024

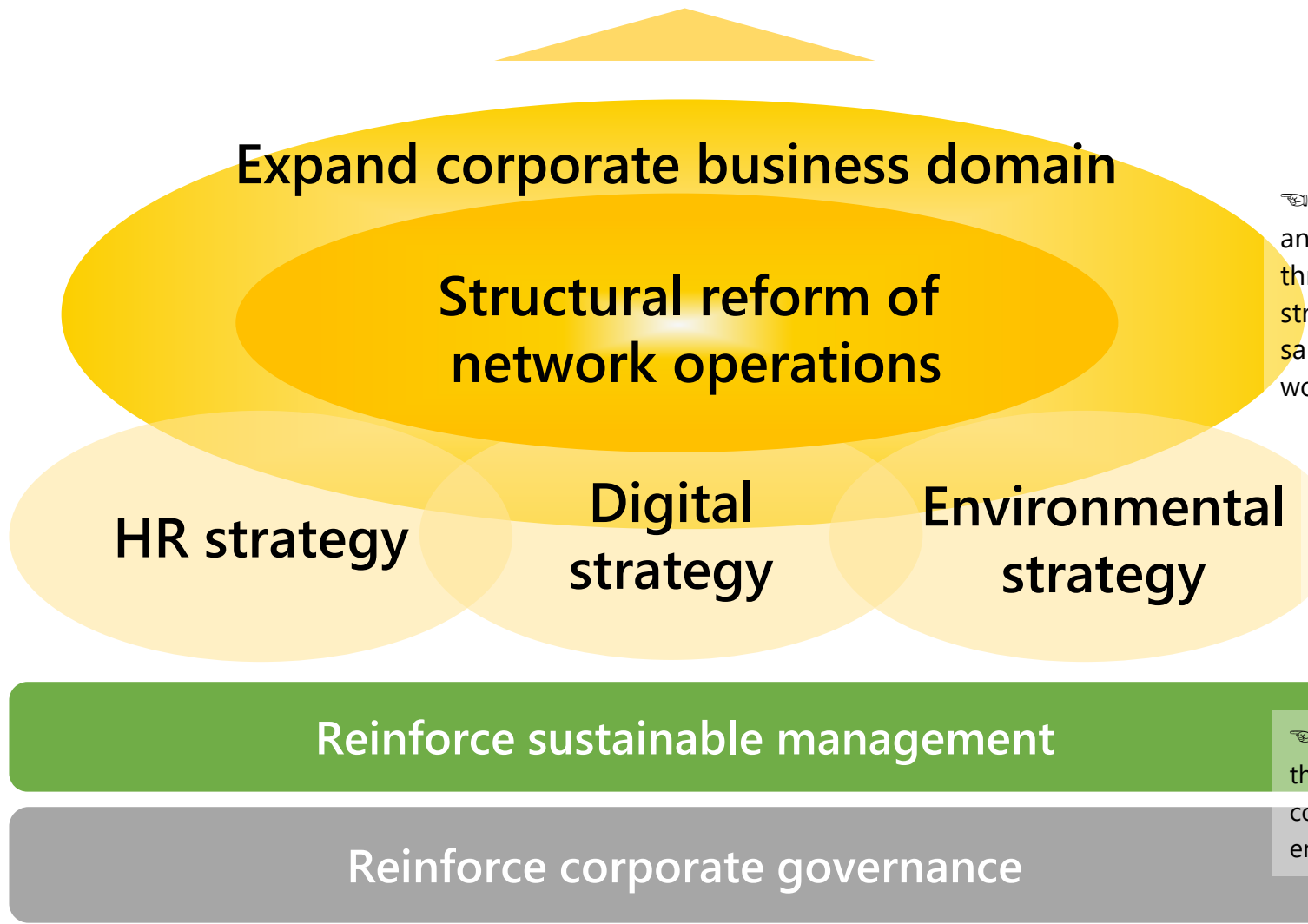
- ✓ Promote business structure reform with sales and operations working together as one
  - ✓ Promote pricing optimization based on changes in external environment
  - ✓ Create environment to maintain and strengthen logistics network, and continue providing better services
- ※In order to achieve sustainable growth, Yamato will execute initiatives that fundamentally reform its business structure

# 3. Direction of mid-to-long term strategy

【Our aspiration】

Expand value provision to the “End to End” of supply chains  
 ~Realize sustainable business growth~

- Management resources brought together under “One YAMATO structure”
- Client base
- Human resources
- Logistics network
- Information
- Financial base
- Energy resources

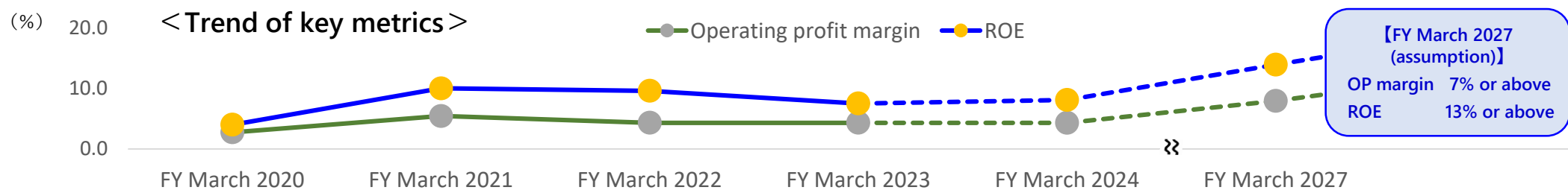
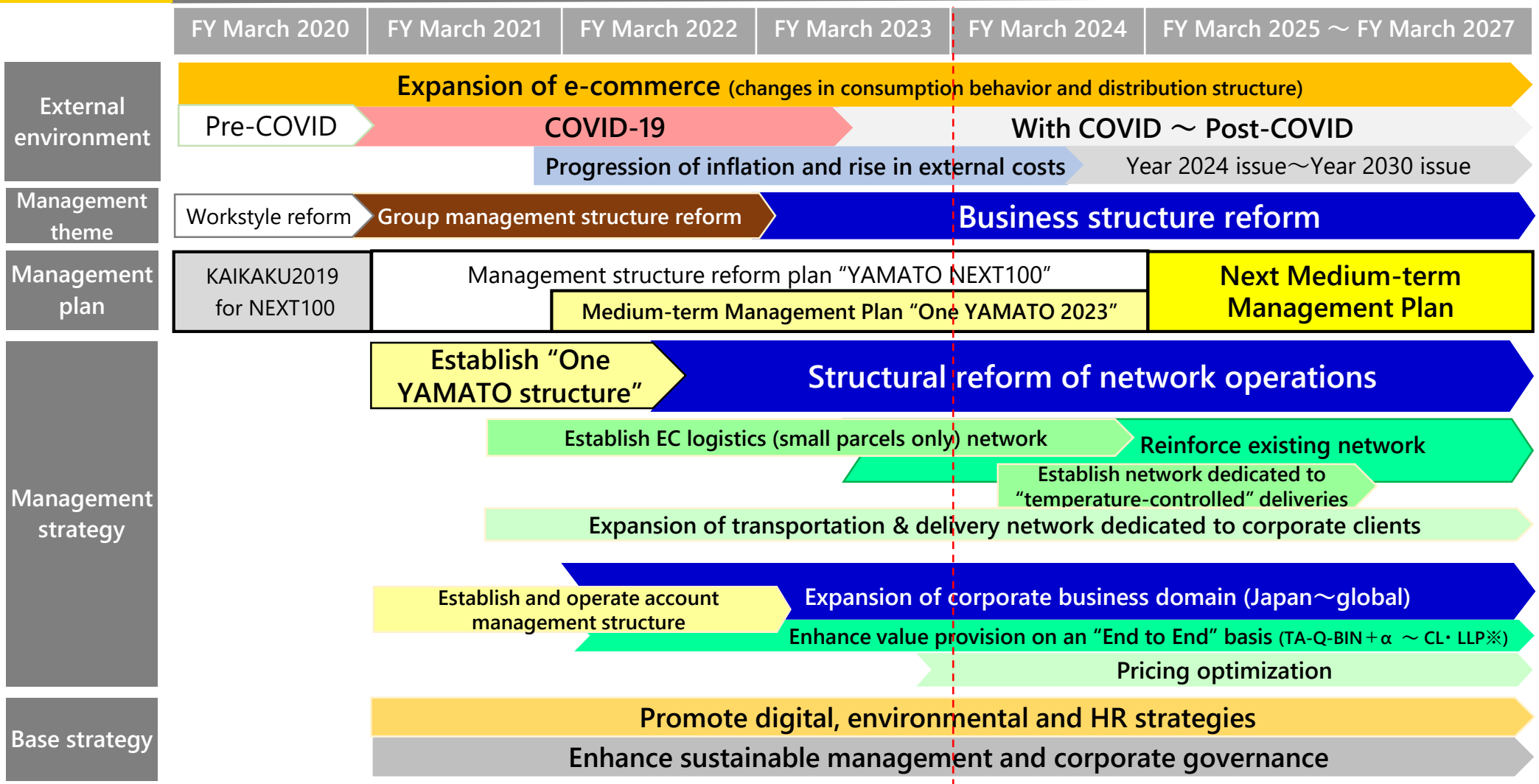


☞ Enhance profitability and growth potential through business structure reform with sales and operations working together as one

☞ Promote foundational strategies that support business structure reform



☞ Strengthen platform that supports sustainable corporate value enhancement

# 4. Mid-to-long term roadmap



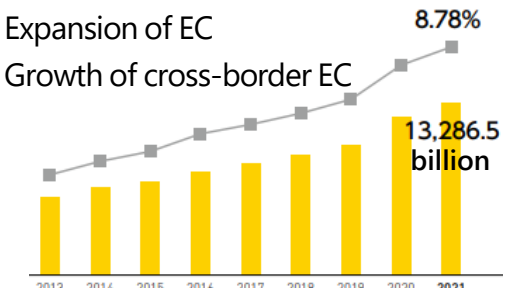
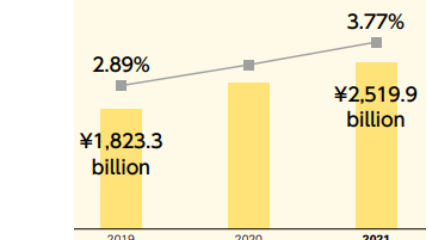
# 5. Structural reform of network operations (overview)

- Establish and expand dedicated network (growth domain) and reinforce existing network (base domain) → Strengthen response to diverse range of needs for logistics, while improving quality and efficiency (profitability) of the overall network

	Initiative	Effect
Growth domain	<p><u>Establish and expand dedicated network optimized (customized) to accommodate diverse range of logistics needs</u></p>	<ul style="list-style-type: none"> <li>✓ Enhance value provided based on customer needs</li> <li>✓ Set appropriate pricing based on value provided</li> <li>✓ Optimize operating cost</li> <li>✓ Higher satisfaction from work</li> <li>✓ Maintain and improve safety, quality and work environment</li> </ul> <div style="border: 2px solid blue; padding: 5px; margin-top: 10px;"> <p> <b>Improve profitability and growth potential</b></p> </div>
	<ul style="list-style-type: none"> <li>Establish EC logistics (small parcels only) network</li> <li>Establish network designated to temperature-controlled deliveries (to C+ to B)</li> <li>Expansion of transportation &amp; delivery network dedicated to corporate clients</li> </ul>	
Base domain	<p><u>Reinforce existing network, in conjunction with establishing dedicated network</u></p>	
	<ul style="list-style-type: none"> <li>✓ Consolidate and enlarge facilities</li> <li>✓ Review terminal functions</li> </ul> <div style="text-align: center; margin: 10px 0;">  </div> <ul style="list-style-type: none"> <li>✓ Renew workstyle and operational structure</li> </ul>	

# 6. Establishment and expansion of designated networks (Growth domain)

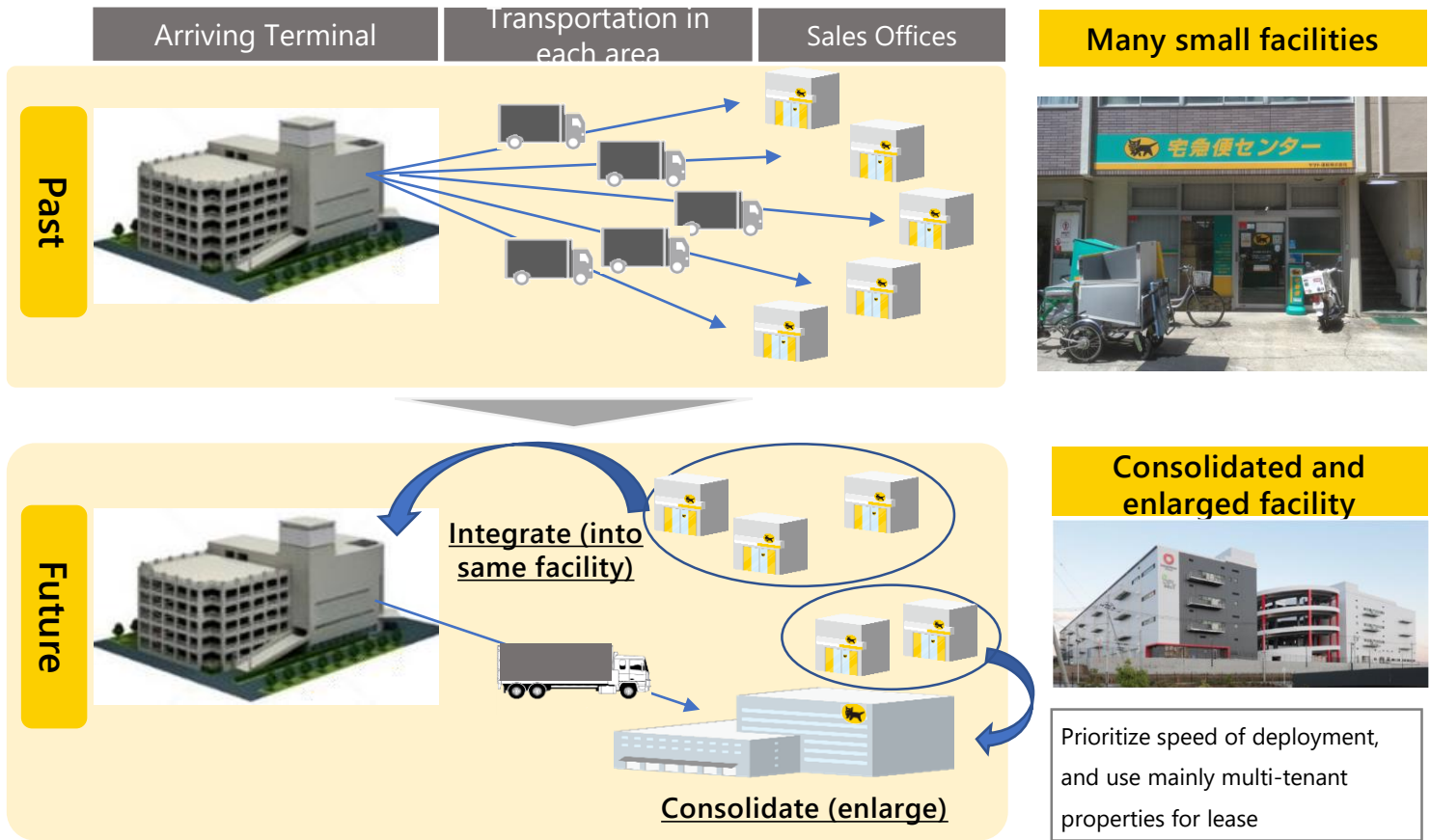
- Establish and expand designated networks, each optimized to address a certain need among a diverse range of logistics needs → Achieve higher growth potential and profitability by expanding value provision that addresses clients' needs, and setting the right pricing in accordance with the value provided

	EC logistics network	"Temperature-controlled only" network	Transportation & delivery network designated for corporates
Market / client	<ul style="list-style-type: none"> <li>Expansion of EC</li> <li>Growth of cross-border EC</li> </ul>  <p>BtoC EC Market and Rate of Shift to EC (Source: Ministry of Economy, Trade and Industry, Market Research on E-commerce)</p>	<ul style="list-style-type: none"> <li>Growth of EC in food distribution</li> </ul>  <p>Growth Trend of the EC Market for Food, Beverages, and Alcohol (Source: Ministry of Economy, Trade and Industry, Market Research on E-commerce)</p>	<ul style="list-style-type: none"> <li>Heightened risks in the supply chain → Changes in consumption trends and industry structure, decline in working population, countries forming political and economic blocs, addressing climate change and environmental issues, etc.</li> </ul>
Key features	<ul style="list-style-type: none"> <li>Handling EC parcels, which differ from the traditional TA-Q-BIN in terms of timeline, method of receipt, pricing etc.</li> </ul>	<ul style="list-style-type: none"> <li>Grow capacity of BtoC temperature-controlled deliveries, as well as handle BtoB temperature-controlled deliveries</li> </ul>	<ul style="list-style-type: none"> <li>Cover transportation &amp; delivery of cargo that exceeds TA-Q-BIN criteria, through "standardized" operations (Transportation by pallets etc.)</li> </ul>
Initiative	<ul style="list-style-type: none"> <li>Build flexible capacity through alliance with external partners</li> </ul>	<ul style="list-style-type: none"> <li>Launch 2 large-scale integrated facilities, mainly in the Tokyo metropolitan area</li> </ul>	<ul style="list-style-type: none"> <li>Reallocate Group resources, and strengthen alliance with external partners</li> </ul>
Value provided	<p><b>【EC merchants】</b></p> <ul style="list-style-type: none"> <li>More sales opportunities, better customer experience</li> </ul> <p><b>【EC users】</b></p> <ul style="list-style-type: none"> <li>Shorter lead-time from order to receipt</li> <li>Better user experience thanks to real-time communication, and multiple options of how to receive parcels</li> </ul>	<p><b>【Makers and retailers of food products】</b></p> <ul style="list-style-type: none"> <li>More sales opportunities</li> <li>Reduce total logistics cost by optimizing the entire supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Reduce total logistics cost by optimizing the entire supply chain</li> <li>Reduce clients' GHG emissions, by optimizing logistics and inventory</li> </ul>

# 7. Reinforcement of existing network ① (Base domain)

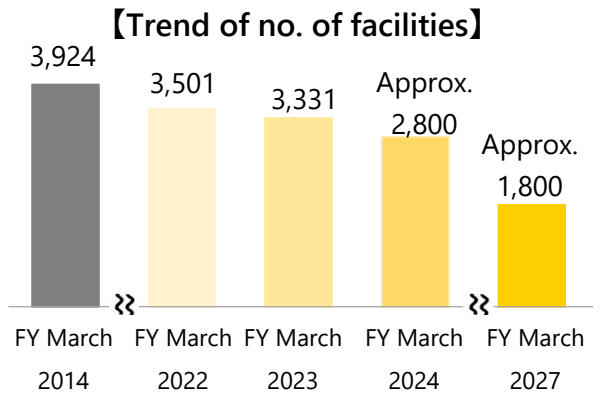
## ➤ Consolidation and enlargement of facilities

- Consolidate and enlarge TA-Q-BIN Sales Offices, mainly in the urban areas, shifting away from strategy of having many small facilities → Optimize transportation, parcel handling, administration and management costs of each facility, and improve safety, quality and work environment
- Redefine functions of existing terminals, and optimize transportation and operation cost by integrating with TA-Q-BIN Sales Offices, and separating dispatch and arrival operations  
(Please see next page for details)



**【Change in no. of facilities】**

	2023/3	2027/3
<b>TA-Q-BIN Sales Offices</b>	3,331	→ Approx. 1,800※
(*out of which, approx. 200 large Offices)		
<b>Terminals</b>	76	→ Approx. 70※
(*Total of dispatch only, arrival only and dispatch & arrival terminals)		



Prioritize speed of deployment, and use mainly multi-tenant properties for lease

※Estimates used for FY March 2024 and FY March 2027



# 8. Reinforcement of existing network ② (Base domain)

## ➤ Innovate workstyle and operational structure in each Terminal

By reviewing the functions, operations and employees' roles in each Terminal, renew workstyle and operational structure → Aim to maintain and enhance safety, quality, work environment and job satisfaction in Terminals, as well as control operating costs at more appropriate levels

### Back-ground

- Disparity in volume sent from and received in each Terminal, due to the increase in parcel volume from large corporate clients, and the disparity in region from which parcels are shipped (concentrated in Tokyo and the 3 surrounding prefectures)
- Change in operation schedule within Terminals (overlap in hours between dispatch & arrival operations)
- Labor shortage intensifying, and fixed costs rising as a result of keeping operations inhouse

### Initiatives

- Separation of dispatch & arrival operations ※Integrate facilities with large TA-Q-BIN Sales Offices in parallel
- Redefine roles and standardize mix of staff (full-time, part-timers, hourly workers, temp staff)
- Switch part of Terminal operations to external partners (outsourcing), and reallocate Yamato's own workforce

Select and implement optimal method based on characteristics of each Terminal

### Expected effects

- Realize smooth operations by levelling out workload in each time of the day = Maintain and enhance safety, quality and work environment
- Improve job satisfaction through autonomous operations based on defined roles
- Making operating cost (transportation, operations, administration and management cost) appropriate (reduce fixed costs and shift to variable cost)

### Deployment (schedule)

- Nov. 2022~ Began initiative at Fukuoka Sasaguri Terminal (new facility)
- FY March 2024 Establish and deploy role model in existing Terminals



# 9. Reinforcement of existing network ③ (Base domain)

## ➤ Innovate workstyle and operational structure of Sales Drivers (SD)

Innovate workstyle and operational structure of Sales Drivers (currently multi-tasking, and the same everywhere in Japan) → Maintain and improve quality, work environment and job satisfaction, better address the diversifying needs of customers, and bring down operating cost by improving delivery productivity

Back-ground	<ul style="list-style-type: none"> <li>• Change in balance of SD's workload between pick up and delivery, due to increase in ratio of shipments from large corporate clients (Pick up &lt; Delivery)</li> <li>• Increase in burden of multi-tasking, due to demands in each operation (sales, pick up, parcel handling, customer services, etc.) becoming more sophisticated</li> <li>• Consolidation and enlargement of the many small TA-Q-BIN Sales Offices</li> </ul>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> SD (Sales Driver) : Specialized for sales  DD (Delivery Driver) : Specialized for delivery  PD (Pick up Driver) : Specialized for pick up </div> <div style="text-align: center;"> <p>Headcount mix Estimates used for March 2027</p> </div>	<p style="text-align: center;"><b>【Drivers (last-mile)】</b></p> <ul style="list-style-type: none"> <li>• Maintain structure with approx. 60,000 drivers and nationwide coverage</li> <li>• Improve productivity through specialization and systemization</li> </ul>															
Initiatives	<ul style="list-style-type: none"> <li>• Break down and specialize role of SD into "Sales", "Delivery", "Pick up", etc., based on the characteristics of each region</li> <li>• Design workstyle and compensation based on role (clarify responsibility)</li> </ul>		<p>〈In the past〉</p> <ul style="list-style-type: none"> <li>• Nationwide : SD</li> </ul> <table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th></th> <th>Sales</th> <th>Delivery</th> <th>Pick up</th> </tr> </thead> <tbody> <tr> <th>SD</th> <td>○</td> <td>○</td> <td>○</td> </tr> </tbody> </table>		Sales	Delivery	Pick up	SD	○	○	○							
	Sales	Delivery	Pick up															
SD	○	○	○															
Expected effects	<ul style="list-style-type: none"> <li>• Improve work environment and job satisfaction (thorough PDCA cycle for each role)</li> <li>• Higher specialization and service quality</li> <li>• Optimize operating cost (subcontracting and personnel expenses related to delivery and pick-up parcels) through higher delivery productivity</li> <li>• Strengthen pick up and sales capability, and enhance value provision to customers as well as grow operating revenue</li> </ul>	<div style="text-align: center;"> <p>〈In the future〉</p> <ul style="list-style-type: none"> <li>• Major cities※: SD+DD+PD</li> </ul> <p>※Also allocate drivers (Yamato employees) who focus on temperature-controlled deliveries, and EAZY CREW (external partners) in certain areas</p> </div> <table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th></th> <th>Sales</th> <th>Delivery</th> <th>Pick up</th> </tr> </thead> <tbody> <tr> <th>SD</th> <td>◎</td> <td>△</td> <td>△</td> </tr> <tr> <th>DD</th> <td>—</td> <td>◎</td> <td>—</td> </tr> <tr> <th>PD</th> <td>△</td> <td>—</td> <td>◎</td> </tr> </tbody> </table>		Sales	Delivery	Pick up	SD	◎	△	△	DD	—	◎	—	PD	△	—	◎
	Sales	Delivery	Pick up															
SD	◎	△	△															
DD	—	◎	—															
PD	△	—	◎															
Deployment (schedule)	<ul style="list-style-type: none"> <li>• Feb. 2023~ Began trials in parts of Tokyo</li> <li>• Jan. 2024~ Deploy first in major cities (Tokyo and its 3 neighboring prefectures, Nagoya and Hanshin area)</li> </ul>																	

# 10. Expansion of corporate business domain

- Based on Yamato's extensive client base built up so far through TA-Q-BIN, sales and operations will work together to seek to enhance value provision while optimizing pricing
- Address clients' supply chains which are linked globally from Japan, by bringing together our facilities and transportation & delivery network in Japan and overseas, contract logistics and international forwarding, in order to enhance value provision

## Growth domain (provide supply chain solutions)

- Growth in LLP projects in Japan and overseas
- "End to End" coverage of supply chains, and strengthening EC-related capabilities including cross border transactions
- Sophisticate operational functions covering the "End to End" of supply chains → Expansion of BtoC/DtoC/BtoB store delivery projects in the food-related domain (Providing new value using temperature-controlled network in the Greater Tokyo area)
- Strengthen alliances (including M&A) to expand business domain in Japan and globally

## Base domain (grow TA-Q-BIN revenue through "+α" proposals)

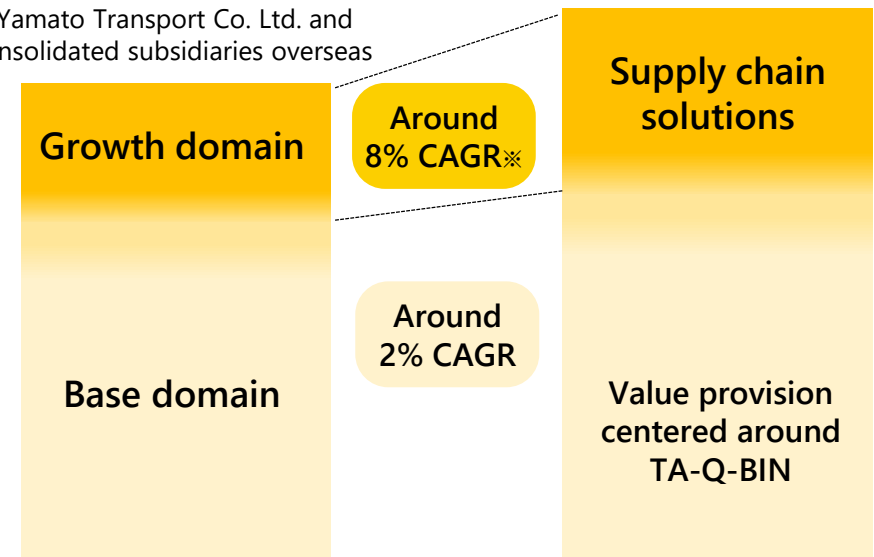
- Specify and clarify the roles of salespeople allocated to each region
- Value provision by client segmentation, based on the size and potential of the business
  - Strengthen sales activities as One Team to address each client's issue, based on what Sales Drivers realized/noticed when facing clients

## For both base and growth domains

- Optimize pricing
  - Annual revision of reported fares based on impact of changes in external environment, and continuous negotiations with each client

### < Growth image of operating revenue※ >

※Yamato Transport Co. Ltd. and consolidated subsidiaries overseas



FY March 2023

FY March 2027

※CAGR: Compound Annual Growth Rate 10

# 11. Digital strategy

- Enhance the Group's organizational capabilities, as well as its technology, quality and governance regarding digital technologies
  - Support the expansion of value provided to customers, as well as better operational efficiency, thereby maximizing profit

## Strengthen organizational structure

### Review development and operational structure, and strengthen governance

FY March 2022~ Establish and enhance step by step

- Establish structure that promotes initiatives with "Business and Digital" working hand in hand
  - Review development and management structure which had been concentrated to the IT system subsidiary, as a result of Group reorganization
- Initiatives to further strengthen development and management structure
  - Review HR policy, strengthen hiring, establish process to enhance technological capabilities, etc.
- Lower the dependence on development vendors (strengthen technological control by "Technology Governance Team")
- Enhance governance on Group-wide digital investments
  - Maintain and improve development quality and speed, while making development and management costs more appropriate

## Use of digital technologies

### Establishment of new digital platform (YDP※) and developing data infrastructure ※ Yamato Digital Platform

FY March 2022 Close to complete

- Complete the establishment of "New Digital Platform (YDP)", making it possible to grasp all information in real-time, and connect to within and outside of Yamato

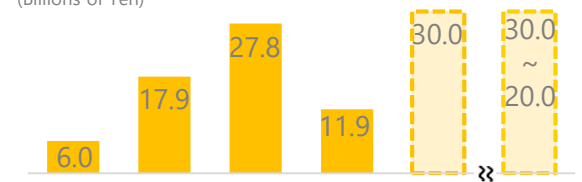
### Examples of value creation using YDP

FY March 2021~ Deploy step by step

- Enhancement of fulfillment services: reduce illiquid inventory and shorten lead-time (provide superior customer experience) by connecting order data on a real-time basis
- Establish EC logistics network: Achieve efficient operations through external partners
- Reinforce existing network: Establish structure to dynamically utilize facilities and pick-up & delivery resources based on workload fluctuation (Full-fledged implementation from FY March 2023)

## Digital investments※

(Billions of Yen)



2020/3 2021/3 2022/3 2023/3 2024/3 2027/3  
 ※Investments to establish digital platform have been almost completed in FY March 2021~FY March 2022, and in FY March 2023 onwards will **prioritize investments** in projects that directly lead to profit generation

※Estimates used for FY March 2024 and FY March 2027

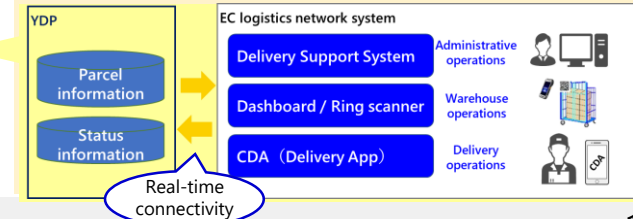
## Digital talent

KPI	2023/3	2027/3
Number of Digital-focused talent※1	560	900
Digital training attendance※2	350	1,000

※1 If hiring does not progress as expected, due to tightness in the labor market, promote initiatives through alliances with external partners

※2 Refers to training to enhance skills of digital-focused talent, as well as to improve digital literacy and skills of employees including staff on the business side

※Estimates used for FY March 2027



# 12. HR strategy

- Plan and deploy HR initiatives based on the “Human Resources Management Policy” which connects the growth of employees to the growth of the Group
  - Hire, train, appoint, set targets, evaluate and feedback based on the clarified “Definition of Roles”
  - Strengthen engagement and enhance human resource productivity through initiatives linked to business structure reform

Basic initiative

## Set and promote HR strategy that supports management strategy

Planning and design almost complete in FY March 2023

- Set “Human Resources Management Policy” that connects the growth of employees to the growth of the Group, and planning and deployment of HR initiatives
- Clarify “Definition of Roles” linked to management strategy, and set plan for hiring, training and appointments on a firmwide basis based on “Definition of Roles”
- Establish cycle of target-setting, evaluation and feedback based on “Definition of Roles”

Value creation

## Improve work environment and motivation of diverse range of employees

Continuing initiatives in under Sustainable Medium-term Management Plan, since FY March 2022

- Promote Health and Productivity Management
- Promote active participation of female employees, support employment of non-Japanese employees
- Create work environment with no harassment and violations of human rights

## Build optimal talent portfolio to create value-add

① Full-scale promotion from FY March 2023  
② Full-scale promotion from FY March 2024

- Hire specialized talent for each domain (corporate sales, logistics operations, digital etc.), and train specialized and core talent by enhancing education
- Optimal allocation of talent in conjunction with consolidation and enlargement of facilities, as well as workstyle reform  
(More detailed specification of the definition of roles for Sales Drivers, reallocation of administrative and operational staff, etc.)

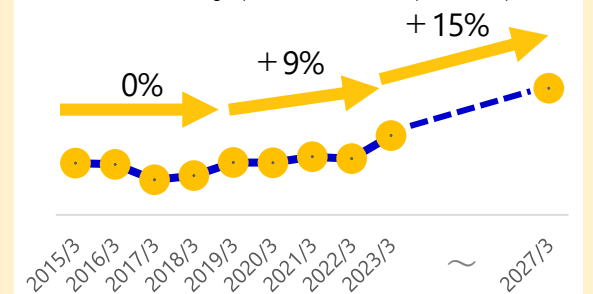
## Strengthen engagement

KPI	Record so far	2023/3	2027/3
Employee-friendly	72%	66%	
Rewarding	68%	61%	
Desire to continue employment	75%	70%	Level higher than record so far※
Feel their own growth	72%	67%	※Since FY2017/3
Feel they are contributing to the company	74%	68%	

## Enhance “Human resource productivity”※

KPI	Growth rate
2023/3→2027/3 (4 years)	+ 15%
2019/3→2023/3 (4 years)	+ 9%
2015/3→2019/3 (4 years)	0%

※Human resource productivity = (Consolidated operating revenue – consolidated subcontracting expense) / consolidated personnel expense



※Estimates used for FY March 2023 and FY March 2027

# 13. Environmental strategy

- Promote initiatives to reduce GHG emissions, based on risks and opportunities posed by climate change → Moreover, expand the corporate business domain by helping clients build environment-friendly supply chains

Basic initiative

## • Reduction of own emissions through green innovations

→ Introduction of EV, PV and LED, as well as using less dry ice etc., based on facilities strategy that is part of the structural reform of network operations, together with utilizing electricity generated from renewable energy sources, thereby continuously and steadily reducing GHG emissions

Full-fledged promotion from FY March 2022

< FY2022/3~FY2031/3 >  
 No. of EV's 20,000  
 Solar power (PV) facilities 810  
 Usage of dry ice Zero

Value creation

## • Making GHG emissions visible

→ Start development of emission visualization tool in line with ISO 14083:2023 international standards for GHG emission calculation in the logistics industry

Full-fledged promotion from FY March 2023

## • Enhance value provision to clients (help build environment-friendly supply chains)

→ Reform clients' entire supply chains, optimize logistics and inventory management, thereby contributing to GHG emission reduction

Full-fledged promotion from FY March 2023

## 【Environmental Vision】

“Connect. Deliver the future via green logistics.”

## 【Long-term environmental target】

Achieve carbon neutrality and virtually zero GHG emissions\* by 2050

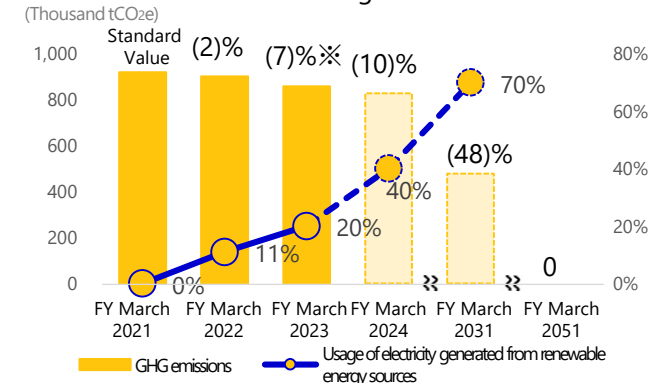
\*Own emissions (Scope1 and Scope2)

## ■ GHG (greenhouse gases) emission

Mid-term target (FY2031/3) : 48% reduction※  
 Short-term target (FY2024/3): 10% reduction※  
 ※ VS March 2021

## ■ Usage of electricity generated from renewable energy sources

Mid-term target (FY2031/3): 70% of total usage  
 Short-term target (FY2024/3): 40% of total usage※  
 ※ Added 10% to initial target of 30%, towards achieving GHG emission reduction target



※GHG emissions for FY 2023 are estimates

# 14. Consolidated earnings forecast (key metrics)

- Adjust pricing based on changes in the external environment, and reform business structure to achieve sustainable growth
  - While addressing the issues faced by the logistics industry, maintain and enhance the logistics network, and create an environment to continue providing services at even higher quality
- Based on price inflation and sluggish consumption trends, we have changed the targets for the final year of the Medium-term Management Plan

(Billions of Yen)	Fiscal Year ended March 31, 2023 Actual	Fiscal Year ending March 31, 2024 Forecast	YoY Change	
			Amount	[%]
			Operating revenue	1,800.6
Operating expenses	1,740.5	1,780.0	+ 39.4	+ 2.3
Operating profit	60.0	80.0	+ 19.9	+ 33.1
Profit margin[%]	3.3	4.3	+ 1.0	-
Ordinary profit	58.0	81.0	+ 22.9	+ 39.5
Profit attributable to owners of Parent	45.8	50.0	+ 4.1	+ 8.9
ROE(%)	7.6	8.3	+ 0.7	-

# 15. Capital expenditure

- Accelerate investments to complete the structural reform of our network operations, including the deployment of large-scale integrated facilities, in order to achieve mid-to-long term growth, while also investing in our environmental strategy (solar power generation equipment, LED etc.), better safety (standardizing berth height in Terminals, etc.), and improving the workplace environment
- In terms of digital technologies, we will prioritize investments that enhance value provision to customers and/or make our operations more efficient

(Billions of Yen)	FY 2022/3 Actual	FY 2023/3 Actual	YoY Change		FY 2024/3 Forecast	YoY Change		Note
			Amount	[%]		Amount	[%]	
Vehicles	14.9	10.4	(4.4)	(29.9)	12.0	+1.5	+14.5	Internal combustion vehicles, etc. (In addition, EVs will be introduced on lease)
Offices/buildings and accompanying facilities	11.5	17.1	+5.5	+48.2	58.0	+40.8	+237.8	Investment in 21 large facilities. Repair & maintenance, and improvement of environment friendliness, safety and work environment of existing facilities
Automatic sorting equipment etc.	10.1	3.1	(7.0)	(68.8)	10.0	+6.8	+215.2	Equipment related to the enlargement and consolidation of facilities, etc.
Other hardware, office equipment, etc.	8.7	4.1	(4.5)	(52.3)	10.0	+5.8	+140.7	Equipment related to the enlargement and consolidation of facilities, etc.
Digital investments	27.8	11.9	(15.9)	(57.1)	30.0	+18.0	+151.3	
Increasing value provided to customers	8.0	4.7	(3.3)	(41.3)	9.0	+4.3	+91.5	Related to building solution models, etc.
Improved efficiency of transportation and delivery operations	6.2	5.2	(1.0)	(16.1)	14.0	+8.8	+169.2	Related to the reinforcement of existing network, etc.
Digital infrastructure construction and development	11.8	1.5	(10.3)	(87.3)	5.0	+3.5	+233.3	Upgrading the accounting system, etc.
Others	1.8	0.5	(1.3)	(72.2)	2.0	+1.5	+300.0	
Total	73.2	46.9	(26.3)	(36.0)	120.0	+73.0	+155.8	

**Environmental investments expected in FY March 2024: 32 billion yen** (Investments above plus lease)

Solar power generation equipment, LED lighting, EV charging equipment, etc. (capital expenditure) + 1,200 EVs (operating lease scheme)



# 16. Capital policy & shareholder return

## 1 Basic policy

Enhance shareholder value with a focus on stable dividends (in consideration of DOE※1), through a timely and appropriate capital policy, based on the **growth rate (operating revenue) and profitability (operating profit margin), financial soundness (cash generation, cash & deposit balance, level of shareholders' equity), progress of investments, capital efficiency, etc.**, ※1 Dividend on equity ratio

## 2 Benchmarks for capital policy (key metrics)

ROE : 10% or above  
 Dividend Payout ratio : 30% or above  
 Total payout ratio : 50% or above ※2

※2 cumulative figure for FY March 2021~FY March 2024

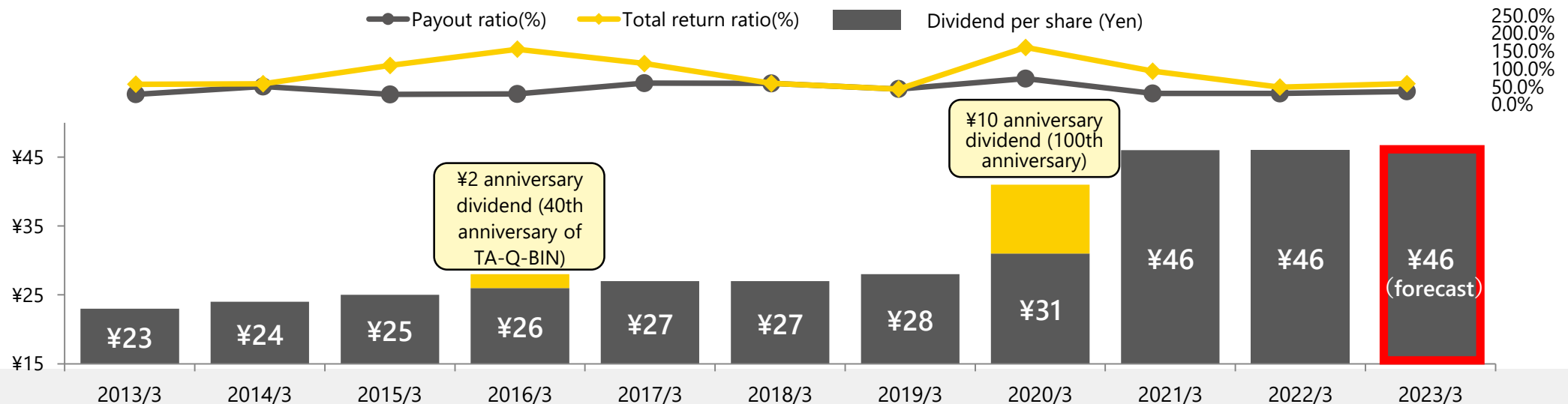
## 3 Buybacks of own shares

(announced on May 10, 2023)

Will buy back shares as follows, based on this year's earnings outlook, cashflow outlook, capital efficiency etc., while also considering our benchmark for total return ratio (cumulative over a 4-year period) :

- Type of stock to be acquired : Yamato Holdings' common stock
- No. of stocks to be acquired : 22,000,000 (maximum)
- Total acquisition amount : 50 billion yen (maximum)  
 → upon acquisition, all shares acquired are to be cancelled
- Acquisition period : May 17, 2023~ Feb. 29, 2024
- Acquisition method : Purchase in the secondary market at the Tokyo Stock Exchange

### Shareholder return



# **Overview of Consolidated Results for the Fiscal Year Ended March 2023**

# 17. Operating Results for the Fiscal Year Ended March 31, 2023

(Billions of Yen)	Fiscal Year ended March 31, 2022 Actual	Fiscal Year ended March 31, 2023 Actual	YoY Change		YoY Change(*)	
			Amount	[%]	Amount	[%]
Operating revenue	1,793.6	1,800.6	+7.0	+0.4	+38.0	+2.2
Operating profit	77.1	60.0	(17.1)	(22.2)	(16.6)	(21.7)
Profit margin [%]	4.3	3.3	(1.0)	-	(1.0)	-
Ordinary profit	84.3	58.0	(26.2)	(31.1)	(25.6)	(30.7)
Profit margin [%]	4.7	3.2	(1.5)	-	(1.5)	-
Profit attributable to owners of Parent	55.9	45.8	(10.0)	(18.0)	(11.3)	(19.8)
Profit margin [%]	3.1	2.5	(0.6)	-	(0.7)	-
ROE [%]	9.6	7.6	(2.0)	-		

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

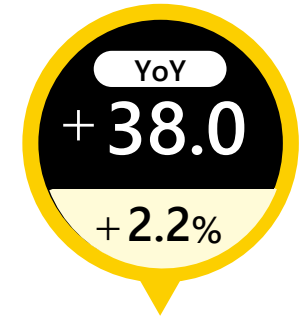
# 18. Summary of Operating Revenue (Fiscal Year Ended March 31, 2023)

(Millions of Yen)	Fiscal Year ended March 31, 2022 Actual	Fiscal Year ended March 31, 2023 Actual	YoY Change		YoY Change (*)	
			Amount	[%]	Amount	[%]
<b>Retail Business Unit</b>	893,396	894,574	+1,177	+0.1	+1,177	+0.1
Transportation income	1,144,359	1,191,264	+46,905	+4.1	+46,905	+4.1
Logistical support income	3,587	3,352	(235)	(6.6)	(235)	(6.6)
Others	28,183	25,858	(2,325)	(8.3)	(2,325)	(8.3)
Eliminations	(282,733)	(325,901)	(43,167)	-	(43,167)	-
<b>Corporate Business Unit</b>	812,185	846,053	+33,867	+4.2	+33,867	+4.2
Transportation income	598,306	617,221	+18,915	+3.2	+18,915	+3.2
Logistical support income	249,637	259,525	+9,887	+4.0	+9,887	+4.0
Logistics	126,136	129,231	+3,095	+2.5	+3,095	+2.5
International logistics	79,215	87,597	+8,382	+10.6	+8,382	+10.6
Others	44,285	42,696	(1,589)	(3.6)	(1,589)	(3.6)
Others	33,022	33,357	+334	+1.0	+334	+1.0
Eliminations	(68,780)	(64,051)	+4,729	-	+4,729	-
<b>Other</b>	88,035	60,040	(27,994)	(31.8)	+3,055	+5.4
Transportation income	50,967	24,616	(26,350)	(51.7)	+854	+3.6
Others	176,558	155,187	(21,370)	(12.1)	(15,107)	(8.9)
Eliminations	(139,490)	(119,763)	+19,726	-	+17,307	-
<b>Total</b>	1,793,618	1,800,668	+7,050	+0.4	+38,099	+2.2

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

# 19. YoY Analysis of Operating Revenue (Fiscal Year Ended March 31, 2023)

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



Retail Business Unit	
Transportation income	+46.9
Logistical support income	(0.2)
Eliminations/Others	(45.4)

Corporate Business Unit	
Transportation income	+18.9
Logistical support income	+9.8
Logistics	+3.0
International logistics	+8.3
Others	(1.5)
Eliminations/Others	+5.0

Other	
Transportation income	+0.8
Eliminations/Others	+2.2

Corporate Business Unit +33.8  
Other +3.0

**1,800.6**

(Billions of Yen)

**1,762.5**

**Retail Business Unit +1.1**

Continued market expansion of flea market/auction sites etc., while promoting sales for small-lot corporate customers

Responding to growing EC demand, and progress of supply chain solutions on an "End To End" basis etc.

2022/3  
Operating Revenue

2023/3  
Operating Revenue

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

	FY2021/3				FY2022/3				FY2023/3			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
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	433,950
YoY(%)	+13.4	+6.2	+11.7	+12.3	+3.8	+5.8	+3.6	+6.3	+1.2	+4.4	+2.1	(0.4)
Unit-price (Yen)	692	707	717	697	687	698	715	696	697	702	714	697
YoY(%)	(3.8)	(2.6)	(2.6)	(3.2)	(0.7)	(1.3)	(0.3)	(0.1)	+1.5	+0.6	(0.1)	+0.1

### Delivery volume trend by Quarter

(Thousands of parcels)

550,000

450,000

350,000

1Q

2Q

3Q

4Q

■ FY2021/3  
■ FY2022/3  
■ FY2023/3

### Unit price trend by Quarter

(yen)

730

710

690

670

650

1Q

2Q

3Q

4Q

■ FY2021/3  
■ FY2022/3  
■ FY2023/3

\* 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 (4Q: Jan.–Mar.)

Retail Business Unit : **(3.1)%**

Corporate Business Unit : **+2.3%**

### Unit price trend (YoY) by Segment (4Q: Jan.–Mar.)

Retail Business Unit : **+0.7%**

Corporate Business Unit : **+0.5%**

## 21. Summary of Operating Expenses (Fiscal Year Ended March 31, 2023)

(Millions of Yen)	Fiscal Year ended March 31, 2022 Actual (*1)	Fiscal Year ended March 31, 2023 Actual	YoY Change		YoY Change (*2)	
			Amount	[%]	Amount	[%]
<b>Operating revenue</b>	1,793,618	<b>1,800,668</b>	+ 7,050	+ 0.4	+ 38,099	+ 2.2
<b>Subcontracting expenses</b>	642,171	<b>657,514</b>	+ 15,343	+ 2.4	+ 26,148	+ 4.1
Commission expenses	328,287	<b>352,298</b>	+ 24,010	+ 7.3	+ 29,659	+ 9.2
Delivery commission	88,872	<b>95,195</b>	+ 6,323	+ 7.1	+ 6,323	+ 7.1
Operating outsource	37,019	<b>37,350</b>	+ 331	+ 0.9	+ 331	+ 0.9
Other commission expenses	202,396	<b>219,753</b>	+ 17,356	+ 8.6	+ 23,005	+ 11.7
EC logistics network	25,750	<b>46,457</b>	+ 20,707	+ 80.4	+ 20,707	+ 80.4
Other	176,646	<b>173,296</b>	(3,350)	(1.9)	+ 2,298	+ 1.3
Vehicle hiring expenses	213,653	<b>208,647</b>	(5,005)	(2.3)	(1,071)	(0.5)
Other subcontracting expenses	100,231	<b>96,568</b>	(3,662)	(3.7)	(2,439)	(2.5)
<b>Personnel expenses</b>	872,128	<b>866,015</b>	(6,112)	(0.7)	+ 11,018	+ 1.3
Employee salary	593,430	<b>589,483</b>	(3,947)	(0.7)	+ 7,860	+ 1.4
Legal welfare expenses	109,246	<b>106,896</b>	(2,349)	(2.2)	(74)	(0.1)
Retirement benefit expenses	19,953	<b>25,150</b>	+ 5,197	+ 26.0	+ 5,469	+ 27.8
Bonus/Other personnel expenses	149,498	<b>144,484</b>	(5,013)	(3.4)	(2,236)	(1.5)
<b>Vehicle expenses</b>	49,587	<b>51,280</b>	+ 1,693	+ 3.4	+ 2,416	+ 4.9
Fuel expenses	25,091	<b>26,511</b>	+ 1,419	+ 5.7	+ 1,854	+ 7.5
<b>Other operating expenses</b>	363,288	<b>356,814</b>	(6,473)	(1.8)	+ 1,347	+ 0.4
Depreciation	35,524	<b>41,557</b>	+ 6,033	+ 17.0	+ 6,350	+ 18.0
System expenses	55,011	<b>53,081</b>	(1,929)	(3.5)	(1,325)	(2.4)
Other	272,752	<b>262,174</b>	(10,578)	(3.9)	(3,678)	(1.4)
Facilities expenses	81,515	<b>82,800</b>	+ 1,285	+ 1.6	+ 3,780	+ 4.8
Other	191,237	<b>179,373</b>	(11,863)	(6.2)	(7,458)	(4.0)
<b>Total</b>	1,927,175	<b>1,931,625</b>	+ 4,450	+ 0.2	+ 40,931	+ 2.2
<b>Eliminations</b>	(210,757)	<b>(191,042)</b>	+ 19,714	-	+ 13,853	-
<b>Operating expenses</b>	1,716,418	<b>1,740,583</b>	+ 24,164	+ 1.4	+ 54,785	+ 3.2
<b>Operating profit</b>	77,199	<b>60,085</b>	(17,114)	(22.2)	(16,685)	(21.7)

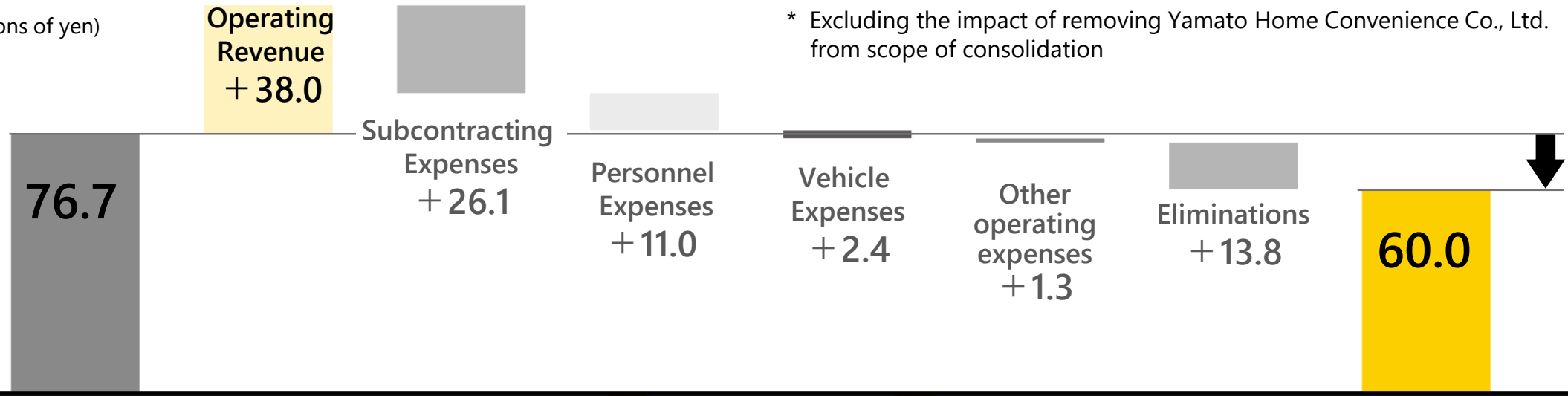
\*1 From the fiscal year ended March 31, 2023, internal transactions between Yamato Transport Co., Ltd. and the former group companies that were integrated into Yamato Transport Co., Ltd. in the fiscal year ended March 31, 2022, have been reclassified. Figures for the fiscal year ended March 2022 have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

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

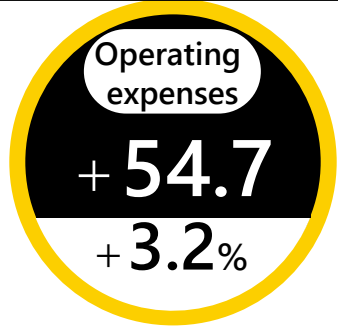
# 22. YoY Analysis of Operating Expenses (Fiscal Year Ended March 31, 2023)

(Billions of yen)

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



2022/3  
Operating profit  
Actual



2023/3  
Operating profit  
Actual

Subcontracting expenses	
Commission expenses	+ 29.6
Delivery commission	+ 6.3
Operating outsource	+ 0.3
EC logistics network	+ 20.7
Other	+ 2.2
Vehicle hiring expenses	(1.0)
Other subcontracting expenses	(2.4)

Personnel expenses	
Employee salary	+ 7.8
Legal welfare expenses	(0.0)
Retirement benefit expenses	+ 5.4
Bonus/Other personnel expenses	(2.2)

Vehicle expenses	
Fuel expenses	+ 1.8
Vehicle repair expenses	+ 0.5

Other operating expenses	
Depreciation	+ 6.3
System expenses	(1.3)
Facilities expenses	+ 3.7



# 23. Operating Expenses (Quarterly / YoY change)

(Billions of Yen)	2022/3			2023/3											
	4th Quarter Actual (Jan.-Mar.)	YoY Change		1st Quarter Actual (Apr.-June)	YoY Change		2nd Quarter Actual (July-Sep.)	YoY Change		3rd Quarter Actual (Oct.-Dec.)	YoY Change		4th Quarter Actual (Jan.-Mar.)	YoY Change	
		Amount	[%]		Amount*	[%]*		Amount†	[%]†		Amount†	[%]†		Amount†	[%]†
<b>Operating revenue</b>	421.2	+21.0	+5.3	424.1	+12.0	+2.9	459.5	+22.6	+5.2	512.2	+11.9	+2.4	<b>404.7</b>	(8.4)	(2.1)
<b>Subcontracting expenses</b>	178.2	+21.4	+13.7	157.0	+11.7	+8.1	167.9	+14.5	+9.5	181.4	+5.4	+3.1	<b>151.0</b>	(5.5)	(3.5)
Commission expenses	92.2	+21.9	+31.1	82.0	+10.9	+15.5	89.7	+12.3	+16.0	98.7	+6.3	+6.9	<b>81.6</b>	(0.0)	(0.1)
Delivery commission	21.4	+2.8	+15.3	22.0	+0.5	+2.3	24.1	+2.9	+14.1	27.7	+2.9	+11.8	<b>21.3</b>	(0.0)	(0.4)
Operating outsource	8.4	+1.5	+22.2	8.7	+0.6	+8.3	9.0	+0.2	+3.1	11.0	(0.6)	(5.4)	<b>8.4</b>	+0.0	+0.2
Other commission expenses	62.3	+17.5	+39.1	51.3	+9.8	+23.7	56.5	+9.1	+19.3	60.0	+4.0	+7.2	<b>51.8</b>	(0.0)	(0.0)
EC Logistics network				10.0	+8.9	+820.2	12.0	+7.7	+178.8	13.3	+2.9	+28.1	<b>11.0</b>	+1.1	+11.2
Other				41.2	+0.8	+2.2	44.5	+1.4	+3.3	46.6	+1.1	+2.4	<b>40.8</b>	(1.1)	(2.7)
Vehicle hiring expenses	50.2	(0.1)	(0.4)	50.3	(1.0)	(2.0)	51.9	(1.1)	(2.1)	56.6	+0.5	+1.0	<b>49.7</b>	+0.4	+0.9
Other subcontracting expenses	35.7	(0.3)	(0.9)	24.5	+1.7	+7.5	26.2	+3.2	+14.2	26.0	(1.4)	(5.4)	<b>19.7</b>	(5.9)	(23.1)
<b>Personnel expenses</b>	209.9	+0.7	+0.4	212.0	+2.7	+1.3	221.3	+5.1	+2.4	225.3	+2.1	+1.0	<b>207.3</b>	+0.9	+0.5
Employee salary	144.5	+1.6	+1.2	144.4	+2.0	+1.5	148.0	+2.6	+1.8	153.2	+1.5	+1.0	<b>143.7</b>	+1.5	+1.1
Legal welfare expenses	26.9	+0.3	+1.2	25.4	(0.7)	(3.0)	27.5	+0.3	+1.4	27.3	+0.3	+1.4	<b>26.4</b>	(0.0)	(0.1)
Retirement benefit expenses	5.9	+0.8	+17.1	6.0	+2.1	+55.3	6.2	+2.0	+48.6	6.3	+0.7	+12.7	<b>6.4</b>	+0.5	+9.3
Bonus/Other personnel expenses	32.5	(2.0)	(6.1)	35.9	(0.6)	(1.8)	39.4	+0.0	+0.2	38.2	(0.5)	(1.4)	<b>30.7</b>	(1.0)	(3.4)
<b>Vehicle expenses</b>	10.5	+1.0	+10.6	12.7	+0.5	+4.9	13.8	+0.8	+6.7	14.1	+0.8	+6.0	<b>10.5</b>	+0.1	+1.4
Fuel expenses	5.8	+1.0	+21.9	6.2	+0.6	+12.6	7.4	+0.7	+11.7	6.9	+0.3	+4.5	<b>5.8</b>	+0.0	+1.2
<b>Other operating expenses</b>	90.7	(4.8)	(5.1)	86.9	+2.9	+3.5	90.1	+1.4	+1.6	93.8	+2.1	+2.3	<b>85.8</b>	(5.1)	(5.7)
Depreciation	9.6	(3.6)	(27.4)	10.1	+1.8	+22.6	10.4	+2.1	+25.2	10.5	+1.6	+18.2	<b>10.4</b>	+0.7	+7.7
System expenses	14.2	+1.5	+12.5	13.2	+0.3	+2.7	13.3	+0.2	+1.6	13.5	(0.8)	(5.8)	<b>13.0</b>	(1.0)	(7.4)
Other	66.8	(2.7)	(4.0)	63.5	+0.7	+1.2	66.3	(0.9)	(1.3)	69.8	+1.3	+2.0	<b>62.4</b>	(4.8)	(7.3)
Facilities expenses				20.2	+1.3	+7.4	20.5	+1.1	+5.8	21.5	+1.1	+5.9	<b>20.5</b>	+0.0	+0.4
Other				43.3	(0.6)	(1.4)	45.8	(2.0)	(4.2)	48.3	+0.1	+0.3	<b>41.9</b>	(4.9)	(10.6)
<b>Total</b>	489.5	+18.3	+3.9	468.6	+18.0	+4.0	493.2	+21.9	+4.7	514.8	+10.5	+2.1	<b>454.8</b>	(9.5)	(2.1)
<b>Eliminations</b>	(66.3)	+7.0	-	(46.9)	+4.8	-	(49.2)	+4.9	-	(51.0)	(0.0)	-	<b>(43.8)</b>	+4.1	-
<b>Operating expenses</b>	423.2	+25.3	+6.4	421.7	+22.8	+5.7	443.9	+26.9	+6.5	463.8	+10.4	+2.3	<b>411.0</b>	(5.4)	(1.3)
<b>Operating profits</b>	(1.9)	(4.3)	-	2.4	(10.8)	(81.7)	15.6	(4.3)	(21.6)	48.3	+1.4	+3.2	<b>(6.3)</b>	(3.0)	-

\* From the fiscal year ended 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. In addition, they have been excluded the impact of removing Yamato Home Convenience Co., Ltd. from scope of consolidation.

# 24. Financial Position and Cash Flows

## 【Consolidated Statement of Financial Position】

(Billions of Yen)	As of March 31, 2022	As of March 31, 2023	
		As of March 31, 2023	YoY Change
Total assets	1,086.8	1,107.5	+20.7
Current assets	480.8	484.6	+3.8
Cash and deposits	182.6	185.3	+2.7
Notes and accounts receivable – trade, and contract assets	218.9	216.2	(2.6)
Fixed assets	606.0	622.9	+16.9
Buildings and structures	157.0	153.4	(3.5)
Investment securities	47.9	42.7	(5.2)
Total liabilities	488.6	491.1	+2.5
Interest-bearing debt	45.8	48.2	+2.3
Total net assets	598.2	616.4	+18.1
Shareholders' equity	578.9	598.1	+19.1
Non-controlling interests	7.6	6.0	(1.6)
Equity Ratio [%]	54.3	55.1	+0.8

## 【Consolidated Statement of Cash Flows】

(Billions of Yen)	Fiscal year ended March 31, 2022 Actual	Fiscal Year ended March 31, 2023	
		Actual	YoY Change
Cash flows from operating activities	52.0	89.9	+37.9
Cash flows from investing activities	(58.9)	(49.4)	+9.5
Free cash flows*	(6.9)	40.5	+47.4
Cash flows from financing activities	(54.4)	(38.6)	+15.8
Cash and cash equivalents at end of year	180.6	183.2	+2.6

\* Free cash flows = Cash flows from operating activities + Cash flows from investing activities

# 25. Operating Results Forecast for the Fiscal Year Ending March 2024

(Millions of Yen)	Fiscal Year ended March 31, 2023 Actual	Fiscal Year ending March 31, 2024 Forecast	YoY Change	
			Amount	[%]
			<b>Operating revenue</b>	1,800,668
<b>Operating profit</b>	60,085	80,000	+ 19,914	+ 33.1
[Profit margin]	3.3	4.3	+1.0	-
<b>Ordinary profit</b>	58,066	81,000	+ 22,933	+ 39.5
<b>Profit attributable to owners of Parent</b>	45,898	50,000	+ 4,101	+ 8.9

Volume (Thousands of Units)	TA-Q-BIN/ TA-Q-BIN Compact/EAZY	1,926,338	1,947,400	+ 21,061	+ 1.1
	EAZY	493,731	510,400	+ 16,668	+ 3.4
	Nekopos	413,372	393,200	(20,172)	(4.9)
	Kuroneko DM-Bin	800,526	758,900	(41,626)	(5.2)
Unit Price (Yen)	TA-Q-BIN/ TA-Q-BIN Compact/EAZY	703	736	+ 33	+ 4.7
	Nekopos	189	191	+ 2	+ 1.1
	Kuroneko DM-Bin	67	67	0	0.0

## 26. Operating Results Forecast for the Fiscal Year Ending March 2024 (Breakdown of Operating Expenses and others)

(Millions of Yen)	Fiscal Year ended March 31, 2023 Actual	Fiscal Year ending March 31, 2024 Forecast	YoY Change	
			Amount	[%]
			Operating revenue	1,800,668
Subcontracting expenses	657,514	662,700	+ 5,185	+ 0.8
Commission expenses	352,298	363,200	+ 10,901	+ 3.1
Delivery commission	95,195	86,600	(8,595)	(9.0)
Operating outsource	37,350	37,000	(350)	(0.9)
Other commission expenses	219,753	239,600	+ 19,846	+ 9.0
EC Logistics network	46,457	53,700	+ 7,243	+ 15.6
Other	173,296	185,900	+ 12,603	+ 7.3
Vehicle hiring expenses	208,647	205,500	(3,147)	(1.5)
Other subcontracting expenses	96,568	94,000	(2,568)	(2.7)
Personnel expenses	866,015	880,400	+ 14,384	+ 1.7
Employee salary	589,483	598,700	+ 9,216	+ 1.6
Legal welfare expenses	106,896	110,600	+ 3,703	+ 3.5
Retirement benefit expenses	25,150	25,300	+ 149	+ 0.6
Bonus/Other personnel expenses	144,484	145,800	+ 1,315	+ 0.9
Vehicle expenses	51,280	52,400	+ 1,119	+ 2.2
Fuel expenses	26,511	27,000	+ 488	+ 1.8
Other operating expenses	356,814	386,200	+ 29,385	+ 8.2
Depreciation	41,557	46,100	+ 4,542	+ 10.9
System expenses	53,081	56,300	+ 3,218	+ 6.1
Other	262,174	283,800	+ 21,625	+ 8.2
Facilities expenses	82,800	87,900	+ 5,099	+ 6.2
Other	179,373	195,900	+ 16,526	+ 9.2
Total	1,931,625	1,981,700	+ 50,074	+ 2.6
Eliminations	(191,042)	(201,700)	(10,657)	-
Operating expenses	1,740,583	1,780,000	+ 39,416	+ 2.3
Operating profit	60,085	80,000	+ 19,914	+ 33.1
Total number of employees (Persons)	210,197	200,700	(9,497)	(4.5)
Full-time	92,727	92,000	(727)	(0.8)
Part-time	117,470	108,700	(8,770)	(7.5)
Capital expenditure (Millions of Yen)	46,912	120,000	+ 73,087	+ 155.8

- **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)

- The cost per parcel in the 4th quarter (Jan.-March) was higher than our outlook as of the 3rd quarter, as well as year-on-year. Although progress was made in cost optimization, through measures such as integrating operations in the non-peak seasons, we were not able to sufficiently reduce capacity in accordance with the lower-than-expected workload, and there was also the impact of the higher unit cost of labor.

Seek to fundamentally reform our cost structure, through reform initiatives such as consolidating and enlarging facilities, reviewing Terminal functions, and renewing the workstyle and organizational structure within Terminals

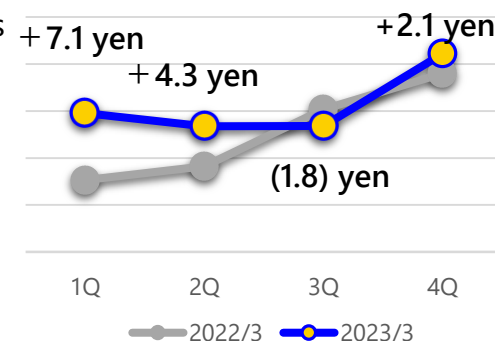
## ➤ Last-mile (Pick-up and delivery, operations in TA-Q-BIN Offices)

- The cost per parcel in the 4th quarter (Jan.-March) was higher than our outlook as of the 3rd quarter, as well as year-on-year. Although our delivery productivity improved through various measures, we were not able to sufficiently reduce capacity in accordance with the lower-than-expected workload, and there was also the impact of the higher unit cost of labor.

Seek to fundamentally reform our cost structure, through initiatives such as the deployment of EC Delivery Centers, consolidating and enlarging TA-Q-BIN Sales Offices, and renewing the workstyle and organizational structure of Sales Drivers

### Cost per parcel in transportation operations※ (YoY difference)

※Outsourcing cost and employee salaries for the operations

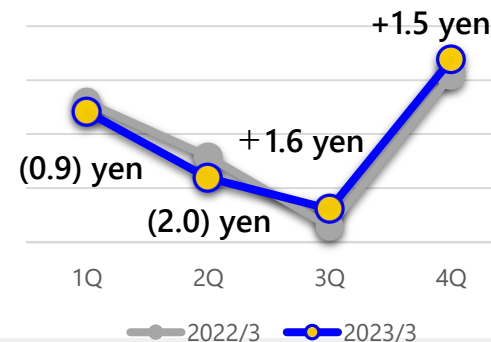


#### 【Main reasons for YoY change in 4Q】

- Mismatch in capacity in relation to workload being lower than expected : +2.4 yen
- Rise in unit cost of labor : +1.3 yen
- Lower productivity due to increase in large cargo etc. : +1.1 yen
- Higher cost of consigned forwarding costs etc. : +0.9 yen
- Cost optimization through various initiatives (integration of operations, etc.) : (3.6) yen

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

※Outsourcing cost and employee salaries for the operations

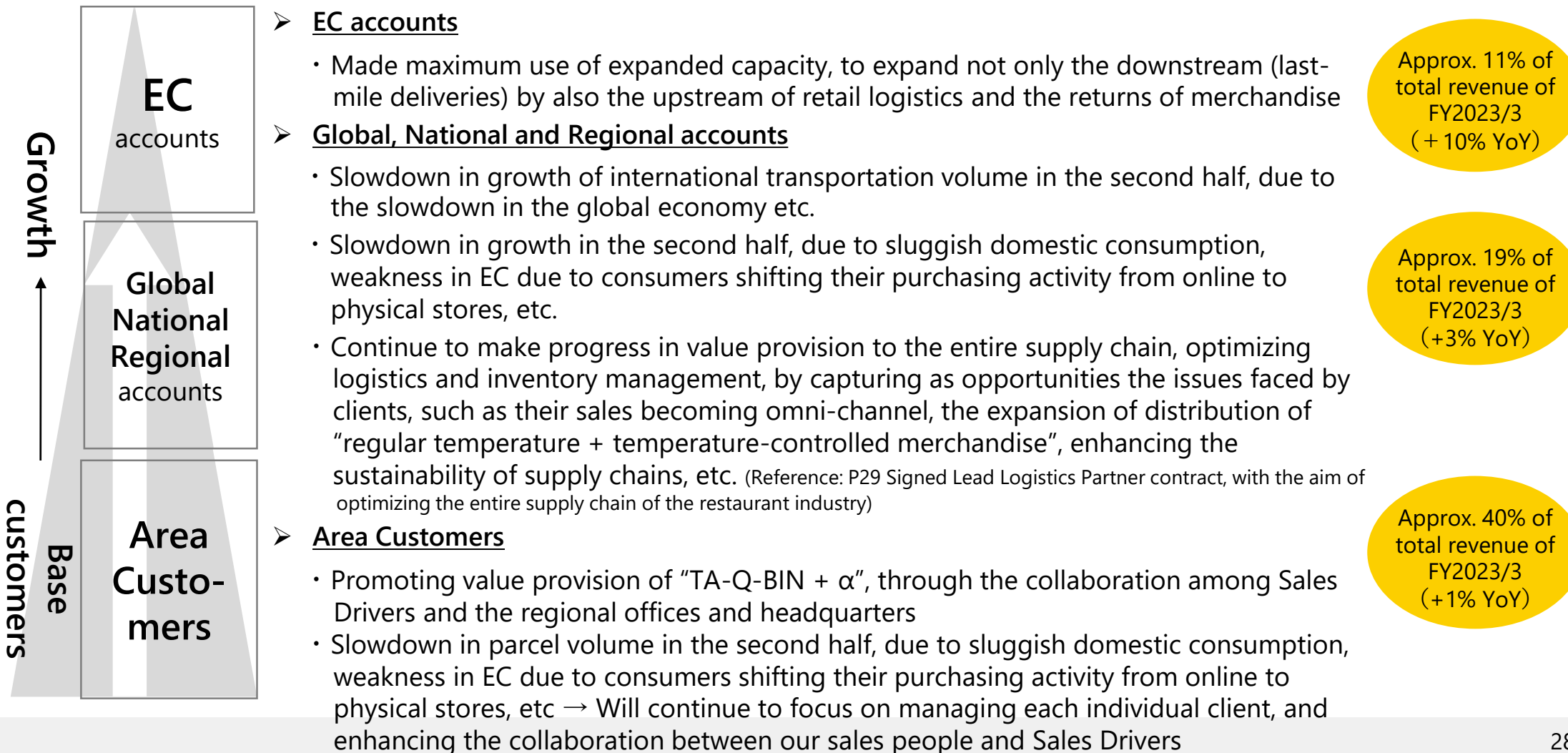


#### 【Main reasons for YoY change in 4Q】

- Rise in unit cost of labor : +5.4 yen
- Mismatch in capacity in relation to workload being lower than expected : +1.9 yen
- Productivity improvement through initiatives (increase in no. of parcels delivered per shift) : (5.8) yen

# Value Provision to Corporate Clients (Status by account category)

- **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)



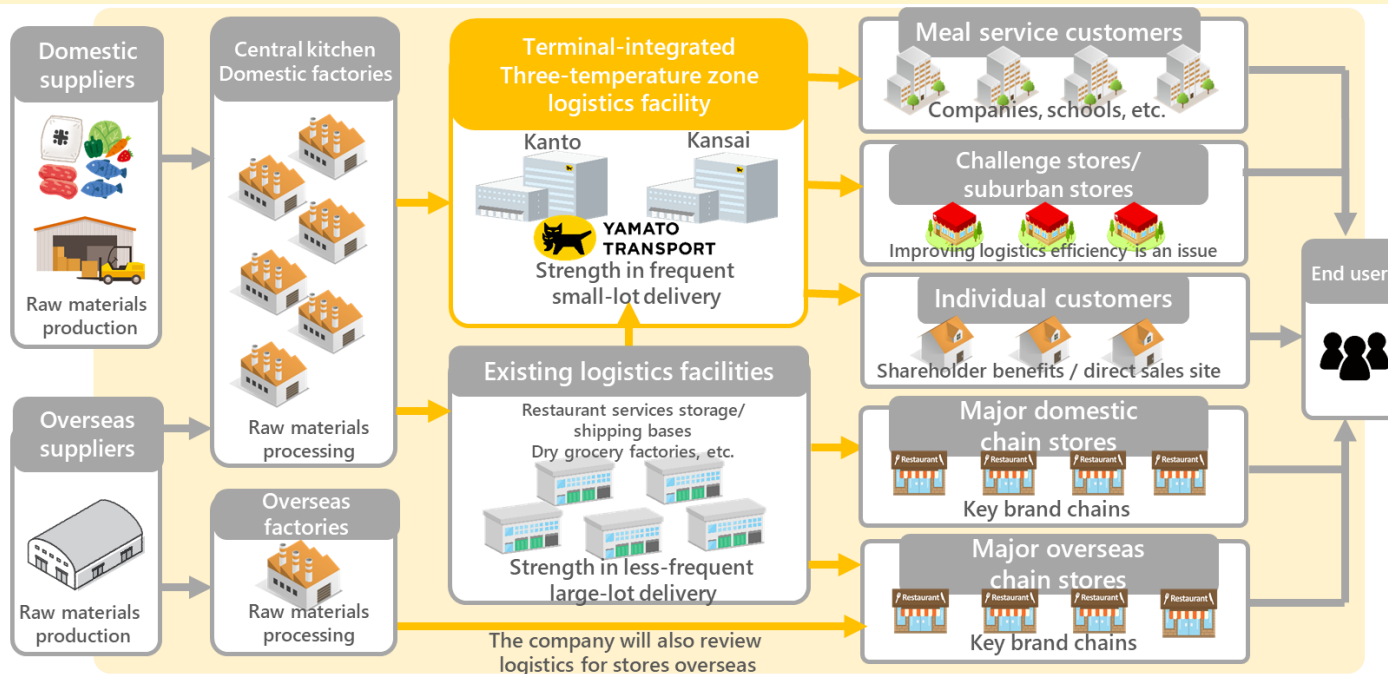
- Colowide MD and Yamato Transport promote the visualization and optimization of the entire supply chain of Colowide Group; Leveraging Yamato's network to build a sustainable, efficient supply chain that contributes to the realization of a recycling-oriented society
- First work on restructuring the supply chain of meal service business—its focus—, from procurement, manufacturing, logistics to sales. Also start operation using facilities that integrate the TA-Q-BIN sorting terminal with 3-temperature zone control functions (regular, chilled and frozen) from the summer of 2023

\*Lead Logistics Partner (LLP): A partner that supports not only logistics operations and management for corporate customers but also supply chain and business process reforms that contribute to customer management.

### ■ Overview of Supply Chain Structure that We Seek

- Stable logistics scheme and efficient, speedy shipping with Yamato's network in meal service, external sales for individuals and challenge areas\* in the restaurant business

\*Small-scale business for the future business expansion and marketing



### COLOWIDE GROUP

Colowide MD oversees merchandising for the Colowide Group, which operates multiple brands such as Gyu-Kaku, Kappa Sushi, and OOTOYA. The company is endeavoring to transform its business portfolio to expanding not only the restaurant business but also the meal service business for the elderly, which demand is expected to remain firm. Based on the Group's basic sustainability policy, the company is reinforcing various initiatives such as the reduction of CO2 emissions across the entire supply chain, the procurement of sustainable raw materials, and the mitigation of food loss to assuage the impact of climate change and create a recycling-oriented society.

Reduction of GHG emissions through visualization and optimization of entire supply chain

【Management philosophy】 Help enrich our society

【Aspiration】 Expand value provision to the “End to End” of supply chains

～Realize sustainable business growth～

## Human Resources Management Policy

Yamato endeavors to create value for the future and further advance itself to continuously help enrich our society.

Yamato recognizes employee's contribution and growth through fair evaluation and feedback, and aims to foster an inclusive work environment where each individual feels actively engaged.

Yamato encourages employees who take ownership with a customer centric perspective and sincerity, and rewards those who constantly strive to be at their best with challenging opportunities and personal growth.

### Company's stance (what the company should aim for)

The company provides the environment and opportunities for all employees, each with diverse characteristics, to do their best based on their uniqueness, through the growth of the company's business

- Pursue value creation with a customer centric perspective as the starting point
- Clarify role and responsibility required of each job type, and allocate the right employees to the right positions
- Understand that the growth of its employees leads to the growth of a company, and provide opportunities for employees to do their best and grow
- Praise employees who outperform their expected roles
- Create a work environment in which employees feel satisfaction in their work

### Employees' stance (what employees should aim for)

Employees should themselves represent the Group's corporate philosophy, and engage in business activities to realize the corporate philosophy by acting first and foremost with client centricity, and proactively with ownership

- Empathize with corporate philosophy, and face stakeholders with integrity to create value, with a customer centric perspective as the starting point
- Understand role and responsibility, and act with ownership to contribute to the company's growth
- Pursue proactive growth through learning, experimenting and taking on challenges, in order to constantly raise the level of value provided
- Focus on results, and accomplish work with passion



# Operating Results (4th Quarter January - March)

(Billions of Yen)	Fiscal Year ended March 31, 2022 4th Quarter Actual	Fiscal Year ended March 31, 2023 4th Quarter Actual	YoY Change		YoY Change(*)	
			Amount	[%]	Amount	[%]
			Operating revenue	421.2	404.7	(16.5)
Operating profit	(1.9)	(6.3)	(4.3)	-	(3.0)	-
Profit margin [%]	-	-	-	-	-	-
Ordinary profit	(0.8)	(6.1)	(5.3)	-	(4.0)	-
Profit margin [%]	-	-	-	-	-	-
Profit attributable to owners of Parent	8.1	6.8	(1.3)	(16.7)	(0.7)	(9.4)
Profit margin [%]	1.9	1.7	(0.3)	-	(0.1)	-

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

# Summary of Operating Expenses (4th Quarter January - March)

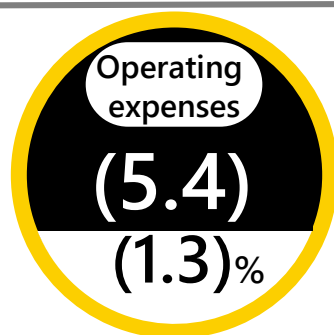
(Millions of Yen)	Fiscal Year ended March 31, 2022 4th Quarter Actual (*1)	Fiscal Year ended March 31, 2023 4th Quarter Actual	YoY Change		YoY Change (*2)	
			Amount	[%]	Amount	[%]
<b>Operating revenue</b>	421,231	<b>404,700</b>	(16,530)	(3.9)	(8,488)	(2.1)
<b>Subcontracting expenses</b>	159,523	<b>151,072</b>	(8,451)	(5.3)	(5,538)	(3.5)
Commission expenses	83,615	<b>81,625</b>	(1,990)	(2.4)	(80)	(0.1)
Delivery commission	21,395	<b>21,313</b>	(82)	(0.4)	(82)	(0.4)
Operating outsource	8,481	<b>8,497</b>	+ 16	+ 0.2	+ 16	+ 0.2
Other commission expenses	53,740	<b>51,816</b>	(1,924)	(3.6)	(13)	(0.0)
EC logistics network	9,906	<b>11,014</b>	+ 1,108	+ 11.2	+ 1,108	+ 11.2
Other	43,834	<b>40,802</b>	(3,032)	(6.9)	(1,121)	(2.7)
Vehicle hiring expenses	50,237	<b>49,717</b>	(520)	(1.0)	+ 466	+ 0.9
Other subcontracting expenses	25,670	<b>19,729</b>	(5,940)	(23.1)	(5,925)	(23.1)
<b>Personnel expenses</b>	209,866	<b>207,347</b>	(2,518)	(1.2)	+ 975	+ 0.5
Employee salary	144,543	<b>143,707</b>	(835)	(0.6)	+ 1,548	+ 1.1
Legal welfare expenses	26,947	<b>26,451</b>	(495)	(1.8)	(33)	(0.1)
Retirement benefit expenses	5,971	<b>6,456</b>	+ 485	+ 8.1	+ 550	+ 9.3
Bonus/Other personnel expenses	32,404	<b>30,731</b>	(1,672)	(5.2)	(1,089)	(3.4)
<b>Vehicle expenses</b>	10,555	<b>10,547</b>	(7)	(0.1)	+ 150	+ 1.4
Fuel expenses	5,866	<b>5,846</b>	(20)	(0.4)	+ 71	+ 1.2
<b>Other operating expenses</b>	92,760	<b>85,861</b>	(6,899)	(7.4)	(5,185)	(5.7)
Depreciation	9,684	<b>10,400</b>	+ 715	+ 7.4	+ 747	+ 7.7
System expenses	14,241	<b>13,025</b>	(1,216)	(8.5)	(1,046)	(7.4)
Other	68,835	<b>62,436</b>	(6,399)	(9.3)	(4,886)	(7.3)
Facilities expenses	20,925	<b>20,526</b>	(398)	(1.9)	+ 72	+ 0.4
Other	47,910	<b>41,909</b>	(6,000)	(12.5)	(4,958)	(10.6)
<b>Total</b>	472,706	<b>454,829</b>	(17,876)	(3.8)	(9,597)	(2.1)
<b>Eliminations</b>	(49,502)	<b>(43,813)</b>	+ 5,688	-	+ 4,164	-
<b>Operating expenses</b>	423,204	<b>411,016</b>	(12,188)	(2.9)	(5,432)	(1.3)
<b>Operating profit</b>	(1,973)	<b>(6,315)</b>	(4,342)	-	(3,055)	-

\*1 From the fiscal year ended 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.

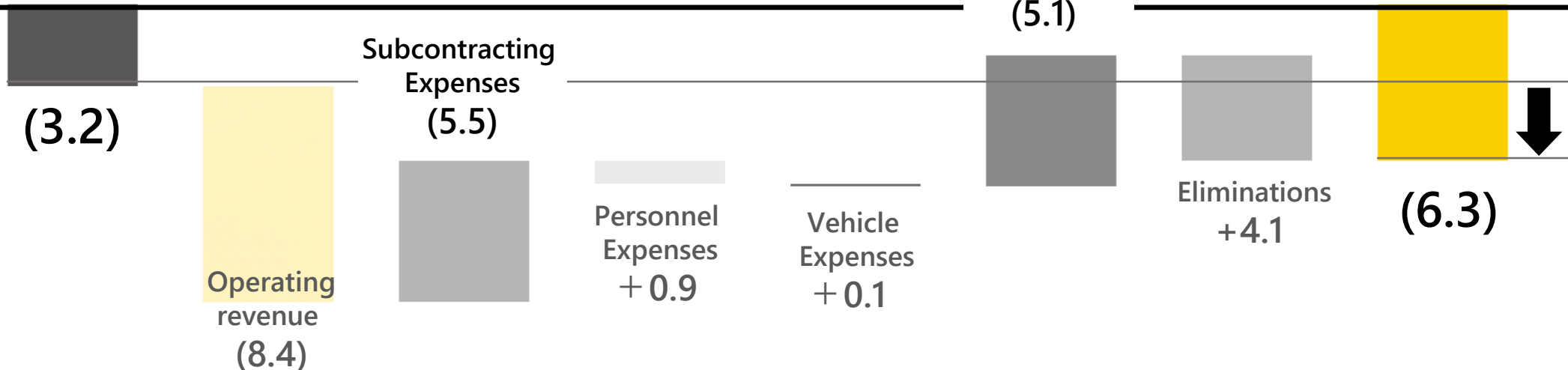
(Billions of yen)

4th Quarter  
(January - March)  
2022/3  
Operating profit  
Actual



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

4th Quarter  
(January - March)  
2023/3  
Operating profit  
Actual



### Subcontracting expenses

Commission expenses	(0.0)
Delivery commission	(0.0)
Operating outsource	+0.0
EC logistics network	+1.1
Other	(1.1)
Vehicle hiring expenses	+0.4
Other subcontracting expenses	(5.9)

### Personnel expenses

Employee salary	+1.5
Legal welfare expenses	(0.0)
Retirement benefit expenses	+0.5
Bonus/Other personnel expenses	(1.0)

### Vehicle expenses

Fuel expenses	+0.0
Vehicle repair expenses	+0.0

### Other operating expenses

Depreciation	+0.7
System expenses	(1.0)
Facilities expenses	+0.0



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