

Questions and Answers (Digest)

**The Financial Results Meeting
for the first nine months of the fiscal year ending March 31, 2016
held on January 29, 2016**

Q1 Please go over potential developments that could have an impact on earnings next fiscal year.

- Growth of the non-delivery businesses could have a positive impact on earnings. As such, we are forging ahead with efforts centered on the BIZ-Logistics Business to increase sales of services that provide high added value in terms of profit margins, on the basis of the “Value Networking” design.
- In the Delivery Business, we get the sense that our new TA-Q-BIN services are bound to achieve growth. In particular, we are making progress in teaming up with various customers of our Nekopos (mailbox posting service) which contributes greatly to our earnings in terms of our cost structure, and accordingly anticipate a further increase in sales in that regard.
- We expect the increase in size-based enterprise tax and extended applicability of the social insurance program to have a negative impact on earnings.
- As for personnel expenses, we think it will be possible to control such costs in line with delivery volume growth, but we will continue keeping a close eye on those costs going forward given perceived risks involving a tightening labor market and a rise in crude oil prices.

Q2 Please provide us with your analysis regarding why TA-Q-BIN unit prices are decreasing.

- Based on our analysis, TA-Q-BIN unit prices are declining due to a shift in the product mix resulting from increasing sales of our new services and more deliveries for large-lot customers primarily involving mail order.
- We do not engage in business that simply involves offering low prices to either new or existing customers.

Q3 Please provide us with details on the current situation regarding Kuroneko DM-Bin.

- The decrease in Kuroneko DM-Bin delivery volumes is mainly attributable to medium- and small-lot customers shifting over from the Kuroneko Mail service at a slower pace than had been expected. In that regard, we have been implementing measures that include marketing with a focus on medium- and small-lot customers.
- Going forward, we plan to engage in marketing that focuses on getting medium- and small-lot customers to switch over to the new TA-Q-BIN services.
- We will also continue to actively engage in marketing geared toward the many large-lot customers who continue to use the Kuroneko DM-Bin service.

Q4 Please explain why you decided to purchase 30.0 billion yen in treasury shares and also fill us in on your capital management policy going forward.

- Our earnings next fiscal year will be adversely affected by developments that include increased size-based enterprise tax and extended applicability of the social insurance program. With the year being the final year of our Medium-Term Management Plan we recognize our ROE targets, and decided that purchase and retirement of treasury shares on the scale of 30.0 billion yen would be feasible under our capital management policy, given our financial standing.
- We place top priority on efforts to improve profitability as we work to increase ROE, while at the same time reviewing our capital management policy along with our aim of delivering a total return ratio of 50%.