Settlement of Accounts Meeting for the Fiscal Year Ended March 31, 2016

May 2, 2016

YAMATO HOLDINGS CO., LTD.

1. Highlight

YAMATO HOLDINGS CO., LTD.

FY2016 Results Main Points

In FY2016, operating revenue increased by ¥19.7 billion YoY due to increases in TA-Q-BIN delivery volume in the Delivery Business and steady growth in the non-delivery businesses.
Although cost controls had the desired effect relative to TA-Q-BIN delivery volume, operating income decreased by ¥0.4 billion YoY for the full year of FY2016, partially because growth achieved by the new TA-Q-BIN services failed to make up for the adverse impact of discontinuing the Kuroneko Mail service.

Trends of Delivery Business

- **As for TA-Q-BIN trends in FY2016, delivery volume was firm with a gain of 6.7% YoY due to increased shipments for mail-order customers, particularly involving large-lot business, and growing delivery volume handled through the new services. On the other hand, unit price decreased by 2.9% YoY amid a shift in the product mix.**
- **Kuroneko DM-Bin volume decreased by 19.2% in comparison with volume of the Kuroneko Mail service in the previous fiscal year. Unit price decreased by 6.6% YoY amid a shift in the product mix.**

Trends of Non-Delivery Business

➢ **BIZ-Logistics Business**	Revenue and income increased due to factors such as progress made in expanding sales for mail-order-related services, and firm results with business involving logistics for medical service providers.
➢ **Home Convenience Business**	Revenue and income increased due to robust performance from office-related services, procurement services and other operations. On the income front, profitability improved due to gains in rates of capacity utilization on weekdays.
➢ **e-Business**	Revenue and income increased due to progress made in expanding sales of e-money settlement system in the amusement industry, along with strong results from setup and logistics services geared toward mobile virtual network operators.
➢ **Financial Business**	Revenue increased amid strong results from the lease business, however, income decreased due to lackluster revenue from the TA-Q-BIN Collect business.
➢ **Autoworks Business**	Revenue and income decreased largely due to the negative effect of lower unit prices on fuel sales.

[Results main points]

(1) In FY 2016, revenues increased but income decreased YoY

Although financial results in the first half were adversely affected substantially by discontinuance of the Kuroneko Mail service and delays in achieving sales of new TA-Q-BIN services, earnings largely rebounded in the second half due to growth in TA-Q-BIN services and the non-delivery businesses, and success with cost controls.

(2) Operating revenue: Increased due to growth in the TA-Q-BIN services and the non-delivery businesses (↑ ¥19.7 billion).

Operating revenue exceeded forecasts as of 3Q.

(3) Operating income: Despite effectiveness of cost controls, operating income decreased because growth achieved by the new TA-Q-BIN services failed to make up for adverse effects of discontinuing the Kuroneko Mail service.

2. Overview of Operating Results

YAMATO HOLDINGS CO., LTD.

(Billions of Yen)	FY2016 (Actual)	FY2015 (Actual)	FY2016 (Jan. 2016 Forecast)	YoY Change		Forecast Change	
				Amount	[%]	Amount	[%]
Operating revenues							
Delivery	1,111.8	1,103.1	1,110.0	8.6	0.8	1.8	0.2
Non-Delivery	304.5	293.5	305.0	11.0	3.8	(0.4)	(0.1)
Total	1,416.4	1,396.7	1,415.0	19.7	1.4	1.4	0.1
Operating income	68.5	68.9	69.0	(0.4)	(0.6)	(0.4)	(0.7)
[Profit margin]	4.8%	4.9%	4.9%	-	-	-	-
Ordinary income	69.4	70.8	70.0	(1.4)	(2.1)	(0.5)	(0.8)
[Profit margin]	4.9%	5.1%	4.9%	-	-	-	-
Profit attributable to owners of parent	39.4	37.5	41.0	1.8	5.0	(1.5)	(3.8)
[Profit margin]	2.8%	2.7%	2.9%	-	-	-	-

[Overview of operating results]

(1) Delivery Business

Despite adverse effects of discontinuing the Kuroneko Mail service, revenues increased overall and achieved forecast levels as of 3Q due to growth of TA-Q-BIN services centered on the new TA-Q-BIN services and e-commerce services.

(2) Non-delivery businesses

Revenues increased primarily with respect to promoting the “Value Networking” design, but we have not reached forecast levels as of 3Q.

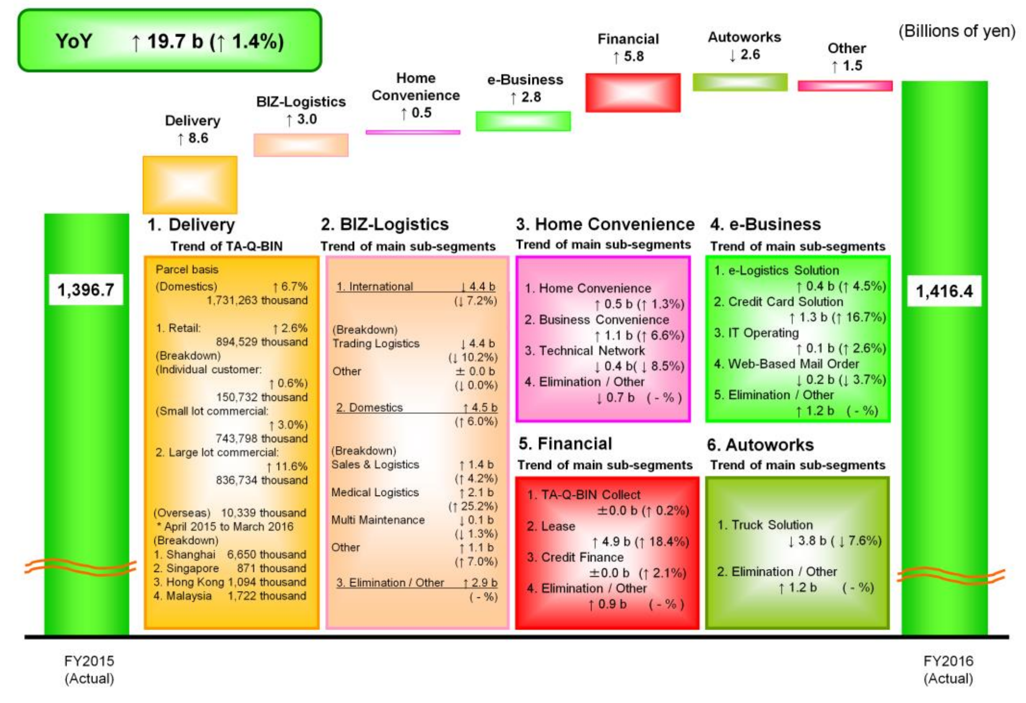
(3) Despite having strengthened cost controls in the Delivery Business, consolidated operating income did not reach the 3Q forecast of ¥0.4 billion.

(4) Nothing noteworthy has emerged in terms of extraordinary income and extraordinary loss.

(5) This fiscal year, decreases in effective statutory tax rates had a positive effect on profit attributable to owners of parent.

3. YoY Analysis of Consolidated Operating Revenues

YAMATO HOLDINGS CO., LTD.



[Major changes in revenues by segment and related factors]

Positive: Factors underpinning revenue gains; Negative: Factors underpinning revenue losses

(1) Delivery Business (Revenue increase, income decrease)

Positive: TA-Q-BIN delivery volume of 1,731,263 thousand, ↑ 6.7%
(Retail: ↑ 2.6%; Large lot commercial: ↑ 11.6%)
TA-Q-BIN revenues exceeded ¥1 trillion for the first time ever

Negative: Effect of 19.2% decrease in Kuroneko DM-Bin volume

(2) BIZ-Logistics Business (Revenue and income increase)

Positive: Sales & logistics (robust performance of mail-order services), medical service (robust performance of logistics business involving Johnson & Johnson, etc. started in Jan. 2015)

Negative: Trading logistics (drop in brisk demand for air cargo in response to the U.S. dock strikes in the previous fiscal year)

(3) Home Convenience Business (Revenue and income increase)

Positive: Office-related services, procurement services for sourcing goods

Negative: Decrease in business involving handling of deliveries and installations of large electric equipment due to electric power supply-demand regulations

Operating revenues did not increase substantially, but improvements in profitability due to gains in rates of weekday capacity utilization contributed to higher income

(4) e-Business (Revenue and income increase)

Positive: Growth in e-money services geared toward the amusement industry and setup and logistics services geared toward mobile virtual network operators

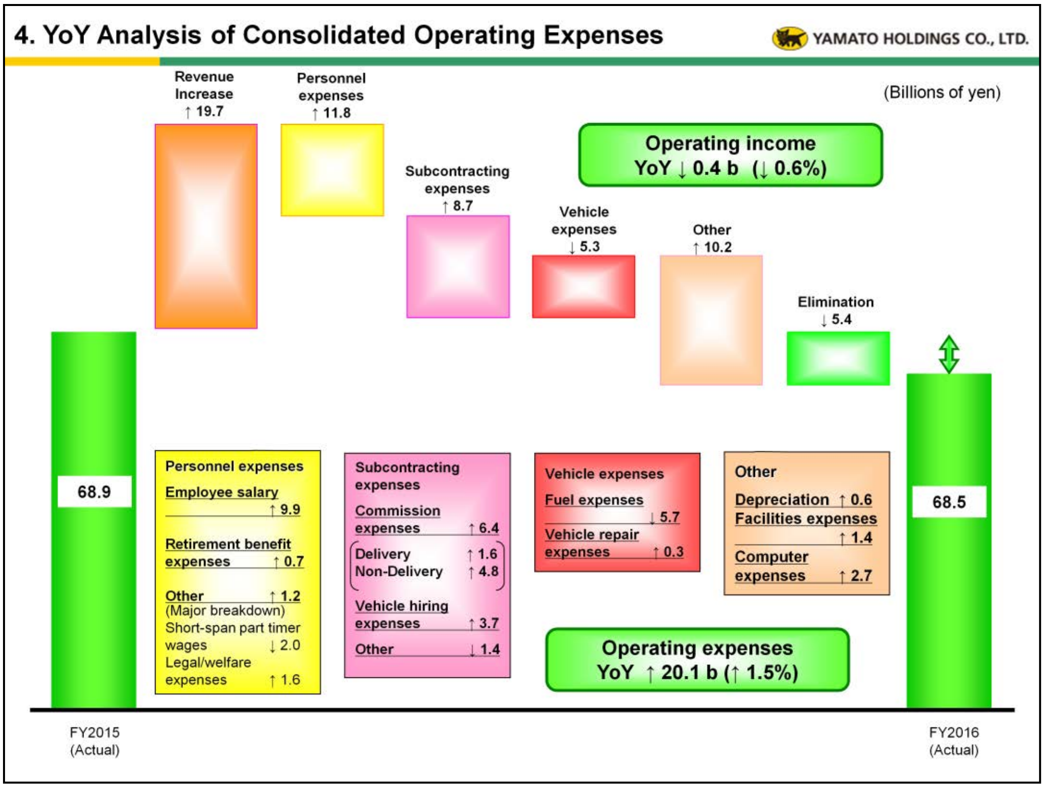
(5) Financial Business (Revenue increase, income decrease)

Positive: Growth in the finance lease business of trucks

Negative: Slowing growth of TA-Q-BIN Collect service due to a shrinking market for cash-on-delivery settlement

(6) Autoworks Business (Revenue and income decrease)

Negative: Impact of lower unit prices on fuel sales



[Major changes in consolidated operating expenses]

(1) Consolidated operating expenses increased by 1.5% YoY to ¥1,347.8 billion.

(2) Company operating in a business environment that is becoming less favorable.

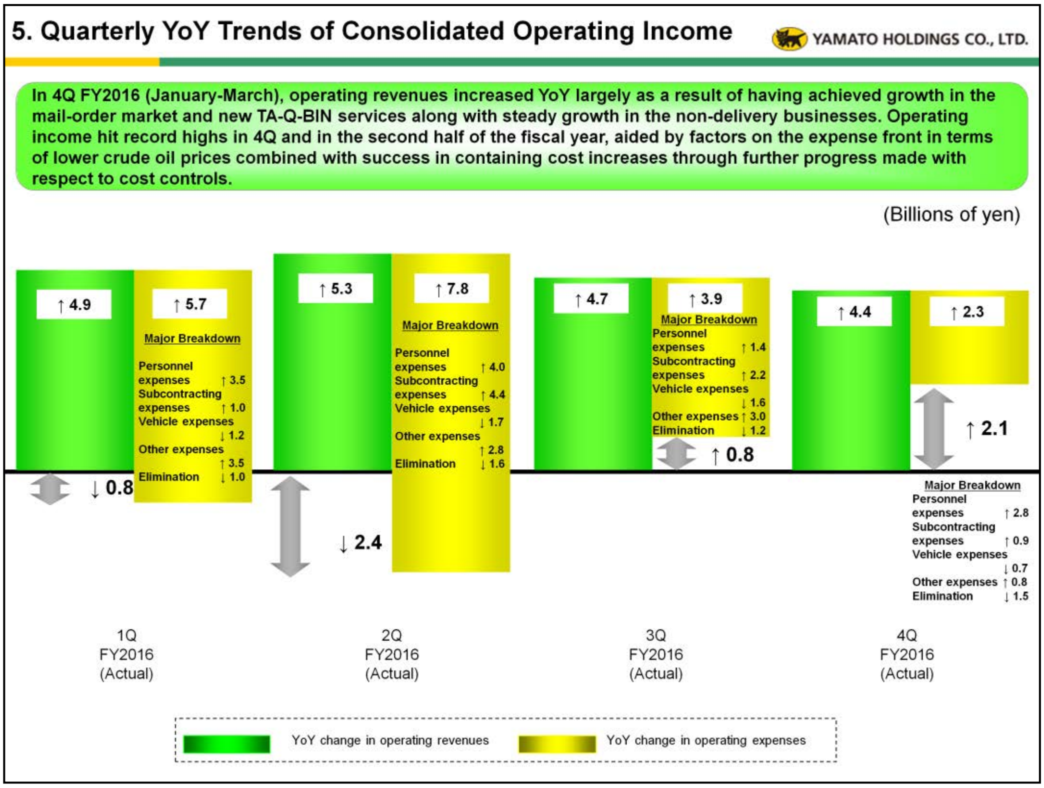
Tax increases in size-based enterprise tax → Increase of taxes and dues

Tightening labor market → Increases in personnel expenses and vehicle hiring expenses

(3) Lower crude oil prices → Fuel expenses decreased by ¥5.7 billion YoY

(4) We will persist in implementing continued initiatives to boost productivity and thorough cost controls.

(5) Specifics are covered in Slide 13 which provides an analysis of changes in consolidated operating expenses, and also with Slide 14 which provides an analysis of changes in operating expenses of the Delivery Business.



[Quarterly trends of operating income]

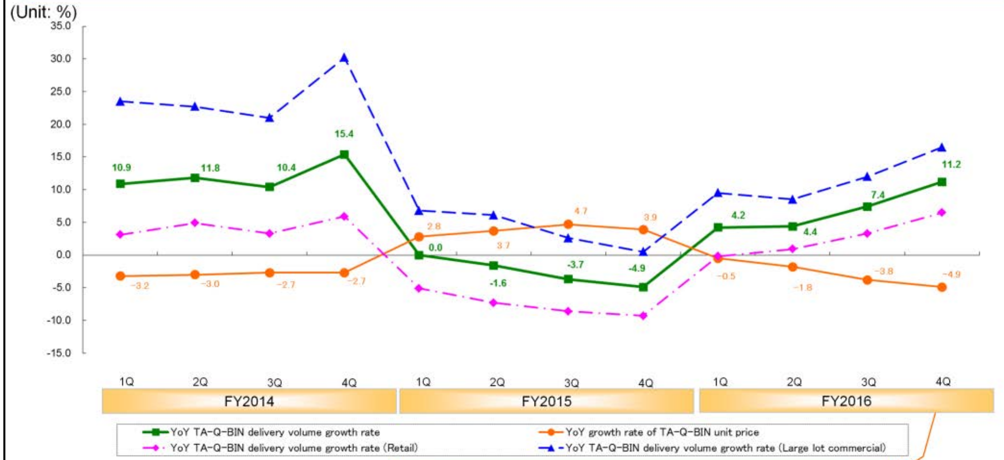
(1) Revenues increased due to an expanding mail-order market and growth in new TA-Q-BIN services, along with steady growth in the non-delivery businesses.

(2) We achieved our highest ever operating income for the second half of the fiscal year and for the three months of 4Q, as a result of having implemented further cost controls in order to curtail adverse effects of Kuroneko Mail service discontinuance beginning in 3Q.

6. Quarterly YoY Trends of TA-Q-BIN Delivery and Unit Price

YAMATO HOLDINGS CO., LTD.

**TA-Q-BIN delivery volume in 4Q FY2016 (January-March) increased by 11.2% YoY due to firm results stemming from growth in the mail-order market and an increase in volume handled through the new services.
Moreover, unit price decreased by 4.9% YoY due to a shifting product mix as a result of this growth.**



4Q FY2016 unit price growth rate by market (YoY)
Retail: ↓ 3.5% Large lot commercial: ↓ 4.0%

(Note)
Starting with FY2016, figures for TA-Q-BIN delivery volume include delivery volumes of the TA-Q-BIN Compact and Nekopos services.

[Trends of TA-Q-BIN]

(1) Unit prices were somewhat lower than anticipated, but revenue was largely in line with expectations due to higher-than-expected delivery volume.

(2) TA-Q-BIN delivery volume up 6.7% YoY, 0.1% higher than anticipated as of 3Q.

- Business involving large-lot mail-order customers continued to grow substantially
- Shipments for small-lot commercial rebounded in the second half and have been heading higher

(3) The unit price is down 2.9% YoY, 0.1% lower than anticipated as of 3Q.

- The decrease is associated with an increase in shipments for large-lot mail-order customers and increasing sales of new services

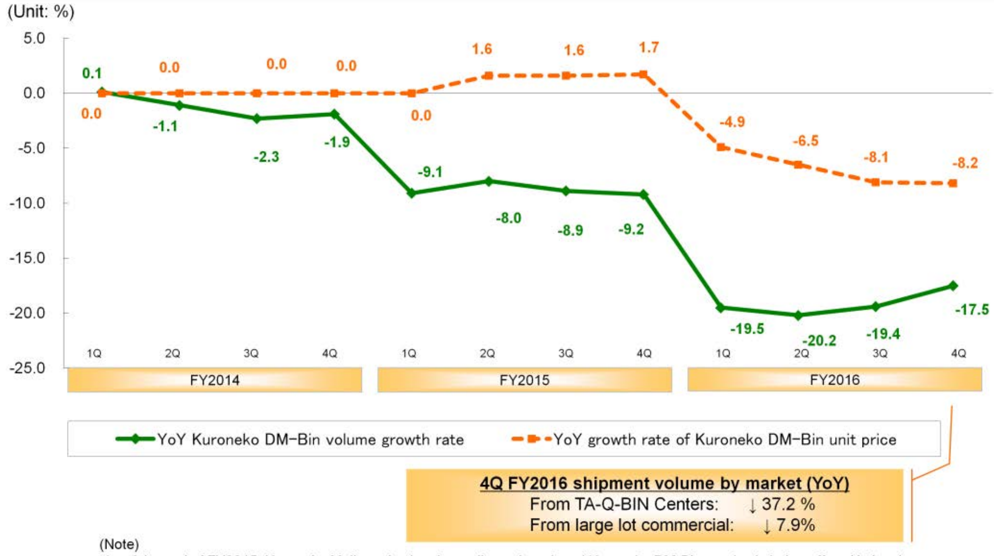
(4) Trends with new TA-Q-BIN services

- We further expanded our range of new TA-Q-BIN services in 4Q
- We started offering parcel deliveries that can be picked up at some convenience stores when request is made via certain mobile applications and websites that Yamato Transport Co., Ltd. has teamed up with.

7. Quarterly YoY Trends of Kuroneko DM-Bin Volume and Unit Price

YAMATO HOLDINGS CO., LTD.

Kuroneko DM-Bin volume in 4Q FY2016 (January-March) decreased by 17.5% in comparison with volume of the Kuroneko Mail service in the previous fiscal year. Unit price decreased by 8.2% YoY amid a shift in the product mix.

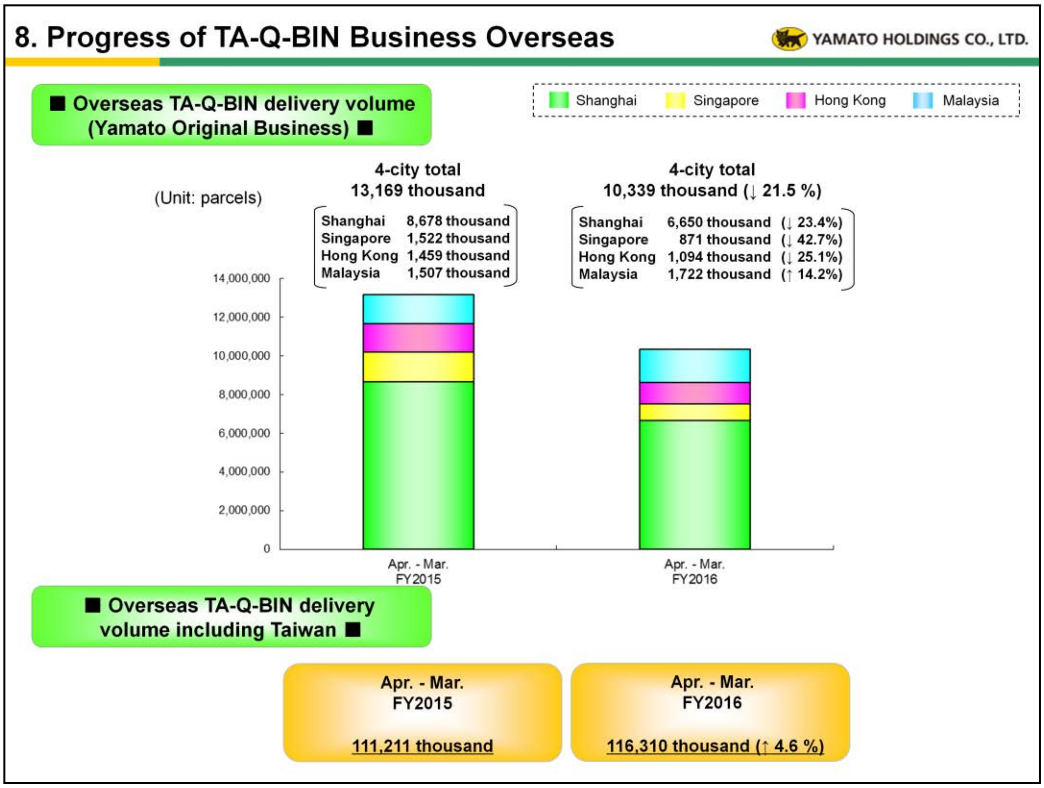


(Note)
As of the end of FY2015, Kuroneko Mail service has been discontinued, and Kuroneko DM-Bin service is being offered in its place.

[Trends of Kuroneko DM-Bin]

(1) Kuroneko DM-Bin volume in FY2016 decreased by 19.2% YoY, 0.2% lower than anticipated as of 3Q.
- Service for individual customers was halted as a consequence of discontinuing the Kuroneko Mail service
- Shrinking market

(2) Kuroneko DM-Bin unit price for FY2016 decreased by 6.6% YoY, 1.4% lower than anticipated as of 3Q.
- Shift in the product mix

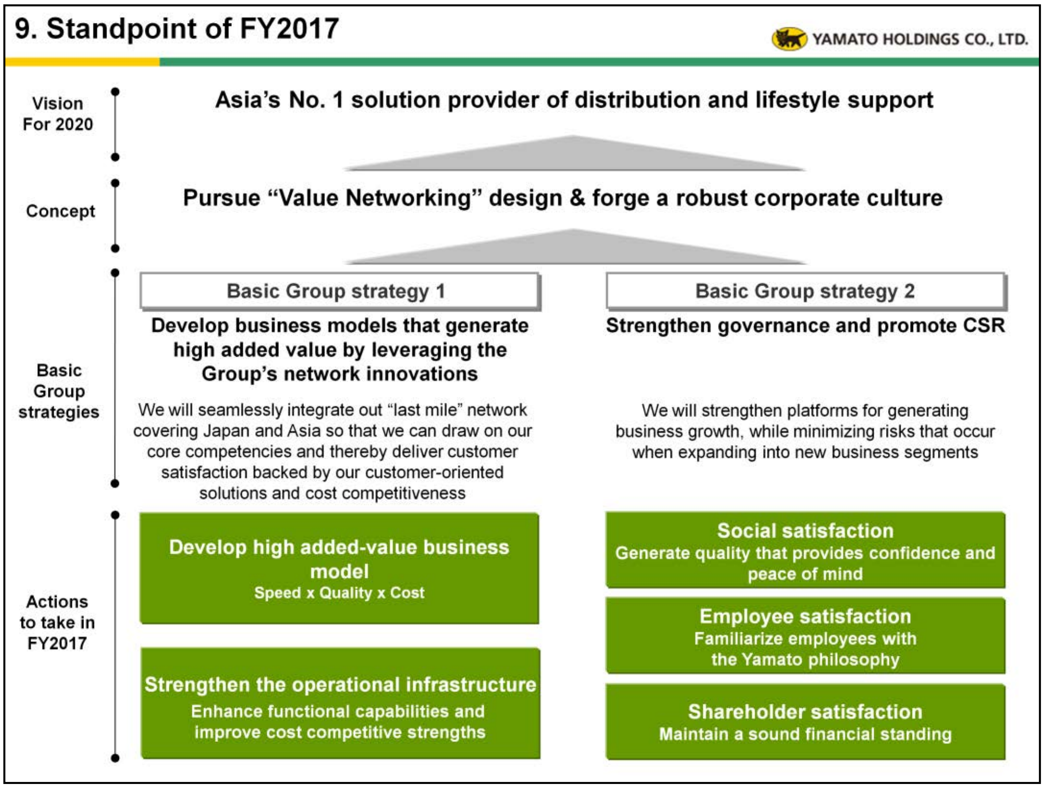


[Progress achieved by the TA-Q-BIN business overseas]

(1) With the exception of Malaysia, delivery volume decreased in overseas regions as a result of efforts to review unprofitable transactions.

(2) Operating income increased as a result.

(3) We intend to expand the TA-Q-BIN business in Malaysia as a core market of Asia expansion through a capital alliance with GD Express Carrier Bhd. (GDEX).



[Standpoint of FY2017]

(1) Over the final year of the Medium-Term Management Plan, we will continue promoting the "Value Networking" design and forging a robust corporate culture.

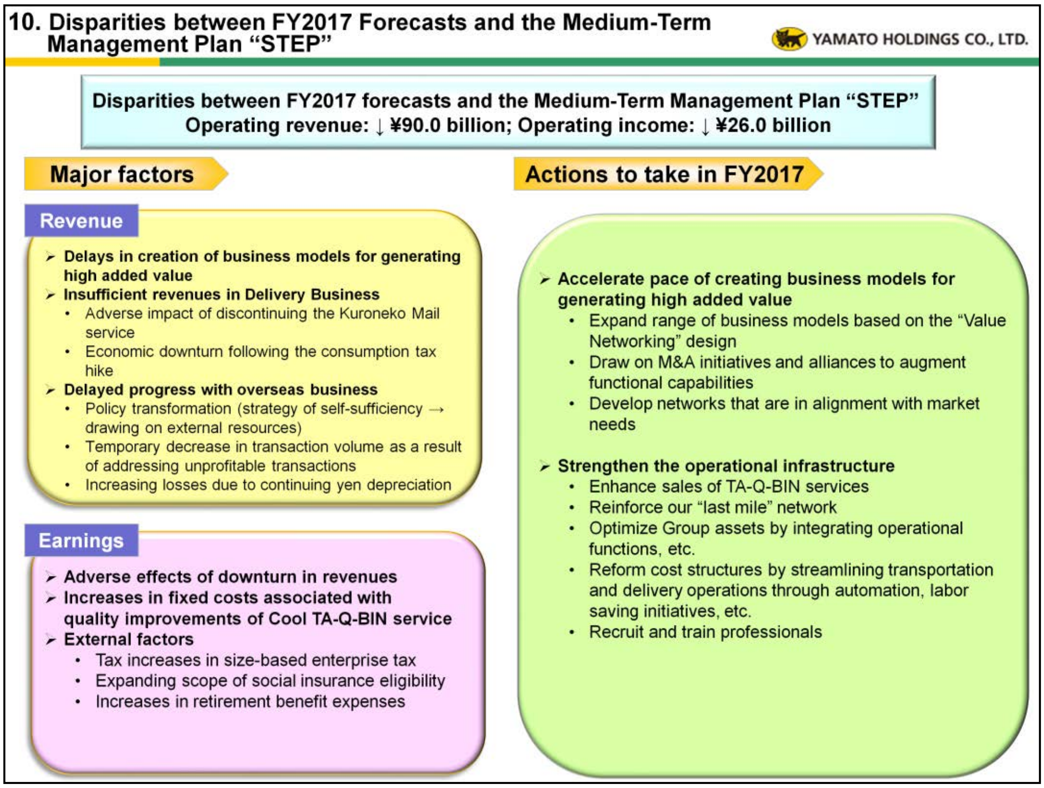
(2) Pursue "Value Networking" design

- Develop high added-value business model
- Strengthen the operational infrastructure

→ FY2017 is positioned as a year for establishing solid footing to achieve growth under the next Medium-Term Management Plan "JUMP"

(3) Forge a robust corporate culture

- Seek satisfaction of each and every stakeholder by providing quality that instills confidence



[Major factors attributable to disparities between FY2017 forecasts and the Medium-Term Management Plan "STEP"]

(1) Revenue

- Delays in creation of business models for generating high added value
- Insufficient revenues in Delivery Business
  → Due to discontinuing the Kuroneko Mail service and economic downturn following the consumption tax hike
- Delayed progress with overseas business

(2) Earnings

- Lower earnings associated with downturn in revenues
- Also, increase in expenses due to quality improvements of Cool TA-Q-BIN service and external factors (¥10.0 billion effect on earnings)

(3) Priority initiatives this fiscal year linking to the next Medium-Term Management Plan "JUMP"

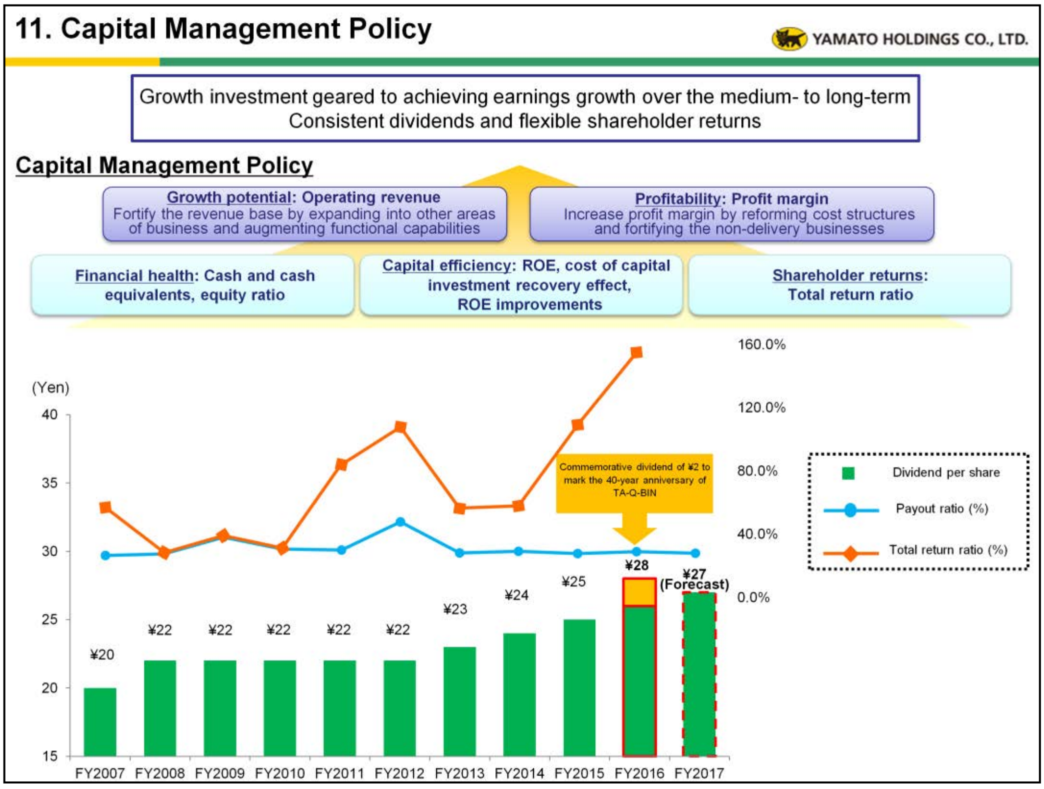
Accelerate pace of creating business models for generating high added value

- Expand range of business models
- Fortify overseas business through M&A initiatives and alliances

(4) Strengthen the operational infrastructure

- Build a new service infrastructure by utilizing convenience stores and facilities such as open-type parcel lockers that can be used in conjunction with other delivery companies
- Optimize Group assets by integrating operational functions
- Streamline transportation and delivery operations through automation, labor saving initiatives, etc. → Gateway concept

(5) Steadily implement the priority initiatives to bring about growth during the phase of the next Medium-Term Management Plan "JUMP."



[Capital management policy]

(1) Return to the heart of Yamato Group's capital management policy and focus on earnings growth.

Carry out a policy of actively engaging in growth investment looking toward the next Medium-Term Management Plan "JUMP."

(2) For FY2016, provide dividends of ¥28, which includes commemorative dividends of ¥2 to mark the 40-year anniversary of TA-Q-BIN.

Purchase and retire ¥50.0 billion worth of treasury shares

ROE: 7.1% (YoY ↑ 0.4%)

(3) The policy on shareholder returns remains unchanged.

(4) Promote initiatives to achieve higher profit margins with sights set on the ROE target.

12. Forecast of FY2017 Operating Results (1)

YAMATO HOLDINGS CO., LTD.

(Billions of Yen)		FY2017 Forecast	FY2016 Actual	YoY Change	
				Amount	[%]
Operating revenues		1,460.0	1,416.4	43.5	3.1
Operating income		64.0	68.5	(4.5)	(6.6)
	[Profit margin]	4.4%	4.8%	-	-
Ordinary income		64.5	69.4	(4.9)	(7.1)
	[Profit margin]	4.4%	4.9%	-	-
Profit attributable to owners of parent		38.5	39.4	(0.9)	(2.3)
	[Profit margin]	2.6%	2.8%	-	-

[Forecast of FY2017 operating results]

(1) Operating revenue: The forecast for upward revenue momentum remains unchanged

YoY ↑ ¥43.5 billion, ↑ 3.1%

(2) Operating income: Operating income is expected to decrease partially due to external factors such as an increase in taxes with respect to the size-based enterprise tax

YoY ↓ ¥4.5 billion, ↓ 6.6%

Assuming an actual value of ¥72.0 billion, excluding external factors (¥8.0 billion)
YoY ↑ ¥3.5 billion, ↑ 5.0%; Profitability: 4.9% (increase of 0.1% YoY)

(3) The forecast for lower operating income takes into account external factors and growth investment to be made looking toward the next Medium-Term Management Plan “JUMP,” and is also being made out of consideration for ensuring that the markets regard it as a reliable forecast.

Expense Analysis

Assumptions of Forecasts

13. YoY Analysis of Consolidated Operating Expenses

YAMATO HOLDINGS CO., LTD.

(Millions of Yen)	FY2016 Actual	FY2015 Actual	FY2016 (Jan. 2016 Forecast)	YoY Change		Forecast Change	
				Amount	[%]	Amount	[%]
Operating revenues	1,416,413	1,396,708	1,415,000	19,704	1.4	1,413	0.1
Operating expenses	1,347,872	1,327,761	1,346,000	20,111	1.5	1,872	0.1
Personnel expenses	718,980	707,163	721,000	11,817	1.7	(2,019)	(0.3)
Employee salary	499,660	489,752	500,000	9,908	2.0	(339)	(0.1)
Retirement benefit expenses	13,404	12,629	14,000	774	6.1	(595)	(4.3)
Other personnel expenses	205,915	204,780	207,000	1,134	0.6	(1,084)	(0.5)
Subcontracting expenses	550,188	541,439	548,000	8,748	1.6	2,188	0.4
Commission expenses	217,524	211,116	216,000	6,407	3.0	1,524	0.7
Vehicle hiring expenses	176,885	173,167	176,000	3,717	2.1	885	0.5
Other subcontracting expenses	155,778	157,155	156,000	(1,377)	(0.9)	(221)	(0.1)
Vehicle expenses	40,924	46,265	42,000	(5,341)	(11.5)	(1,075)	(2.6)
Fuel expenses	20,987	26,699	22,000	(5,711)	(21.4)	(1,012)	(4.6)
Other operating expenses	299,296	289,005	300,000	10,291	3.6	(703)	(0.2)
Depreciation	46,739	46,058	46,000	680	1.5	739	1.6
Elimination	(261,517)	(256,112)	(265,000)	(5,404)	2.1	3,482	(1.3)

[Major changes in consolidated operating expenses]

(1) Operating expenses increased by 1.5% YoY against a 1.4% YoY increase in operating revenues.

(2) Increases in personnel expenses and subcontracting expenses were curtailed through efforts to keep such expenses appropriately under control relative to TA-Q-BIN delivery volume increases.

(3) Personnel expenses: YoY ↑ ¥11.8 billion (↑1.7%)

Other personnel expenses: YoY ↑ ¥1.1 billion

- Short-span part timer wages..........YoY ↓ ¥2.0 billion

(4) Subcontracting expenses: YoY ↑ ¥8.7 billion (↑1.6%)

Commission expenses: YoY ↑ ¥6.4 billion (↑3.0%)

- Delivery Business..........YoY ↑ ¥1.6 billion
  (increase of ¥0.5 billion for Yamato Transport on a non-consolidated basis)

  Commission expenses for Kuroneko Mates (persons consigned to perform Kuroneko DM-Bin deliveries) decreased, but commission expenses increased overall due to an increase in TA-Q-BIN business and higher revenues in the Other Business segment.
- Non-delivery businesses.........YoY ↑ ¥4.8 billion

  There was increased use of subcontracting, temporary staffing and other services associated with higher revenues generated through increased business primarily in the BIZ-Logistics Business and e-Business segments.

Vehicle hiring expenses: YoY ↑ ¥3.7 billion (↑2.1%)

→ Kept appropriately under control relative to growth in delivery volume

Other subcontracting expenses: YoY ↓ ¥1.3 billion

→ Costs of sales increased due to robust performance in the lease business, but costs of purchases decreased due to lower crude oil prices

(5) Vehicle expenses: YoY ↓ ¥5.3 billion (↓11.5%) Substantial impact from lower crude oil prices

(6) Other operating expenses: YoY ↑ ¥10.2 billion (↑3.6%)

- Advertising expenses......... ↑ ¥1.2 billion (in relation to new services)
- Size-based enterprise tax......... ↑ ¥1.8 billion
  (Of which, effect of change in tax rate amounts to increase of ¥1.4 billion)
- Depreciation......... ↑ ¥0.6 billion

(7) As a result, operating income for the second half of the fiscal year amounted to a record high of ¥50.5 billion, which is fairly close to the ¥51.0 billion anticipated as of 2Q.

14. YoY Analysis of Operating Expenses in Delivery Business

YAMATO HOLDINGS CO., LTD.

(Millions of Yen)	FY2016 Actual	FY2015 Actual	YoY Change	
			Amount	[%]
Operating revenues	1,111,867	1,103,188	8,678	0.8
Operating expenses	1,073,676	1,063,584	10,092	0.9
Personnel expenses	622,521	612,937	9,584	1.6
Employee salary	432,340	423,487	8,852	2.1
Retirement benefit expenses	11,103	10,432	671	6.4
Other personnel expenses	179,078	179,017	60	0.0
Subcontracting expenses	320,538	315,510	5,028	1.6
Commission expenses	116,291	114,622	1,669	1.5
Vehicle hiring expenses	168,255	164,840	3,414	2.1
Other subcontracting expenses	35,991	36,046	(54)	(0.2)
Vehicle expenses	35,732	39,903	(4,170)	(10.5)
Fuel expenses	17,209	21,742	(4,532)	(20.8)
Other operating expenses	213,656	209,979	3,676	1.8
Depreciation	32,781	33,582	(800)	(2.4)
Elimination	(118,773)	(114,746)	(4,027)	3.5

(Notes)
1. Starting with FY2016, Yamato Staff Supply, which was previously included in Other segment, has been shifted to Delivery Business segment. With this change between the segments, FY2015 results for Delivery Business segment and Other segment have been modified to meet the current structure.
2. The figures above include operating expenses related to overseas TA-Q-BIN services.

[Analysis of operating expenses in Delivery Business]

15. Forecast of FY2017 Operating Results (2)

YAMATO HOLDINGS CO., LTD.

(Millions of Yen)	FY2017 Forecast	FY2016 Actual	YoY Change Amount	YoY Change [%]
Operating revenues				
Delivery	1,146,000	1,111,867	34,132	3.1
BIZ-Logistics	109,000	106,822	2,177	2.0
Home Convenience	49,500	48,981	518	1.1
e-Business	46,500	43,357	3,142	7.2
Financial	75,000	72,455	2,544	3.5
Autoworks	25,000	24,458	541	2.2
Other	9,000	8,470	529	6.3
Total	1,460,000	1,416,413	43,586	3.1
Operating income				
Delivery	35,000	38,190	(3,190)	(8.4)
BIZ-Logistics	5,800	4,905	894	18.2
Home Convenience	1,500	1,146	353	30.8
e-Business	8,800	9,009	(209)	(2.3)
Financial	8,800	8,685	114	1.3
Autoworks	3,600	3,372	227	6.7
Other	34,500	26,515	7,984	30.1
Subtotal	98,000	91,825	6,174	6.7
Elimination	(34,000)	(23,285)	(10,714)	46.0
Total	64,000	68,540	(4,540)	(6.6)
[Profit margin]	4.4%	4.8%	-	-
Ordinary income	64,500	69,426	(4,926)	(7.1)
[Profit margin]	4.4%	4.9%	-	-
Profit attributable to owners of parent	38,500	39,424	(924)	(2.3)
[Profit margin]	2.6%	2.8%	-	-

TA-Q-BIN and Kuroneko DM-Bin forecasts

Delivery Business
- TA-Q-BIN parcels (forecast) 1,850,000 thousand (YoY ↑ 6.9%)
- TA-Q-BIN unit price (forecast) ¥557 (YoY ↓ 3.6%)
- Kuroneko DM-Bin units (forecast) 1,450,000 thousand (YoY ↓ 5.6%)
- Kuroneko DM-Bin unit price (forecast) ¥55 (YoY ↓ 3.5%)

[Operating results forecast by business segment]

(1) Consolidated operating revenue

We anticipate continuing increases in operating revenue amid gains in TA-Q-BIN delivery volume and growth in non-delivery businesses.

(2) Consolidated operating income

- Despite the likelihood of lower operating income due to higher expenses mainly attributable to external factors (¥8.0 billion), operating income excluding external factors is likely to amount to a record high of around ¥72.0 billion.
- The first half forecast is somewhat optimistic, the second half forecast is conservative.

→ Due to repercussions of the leap year and likelihood of increases in fuel expenses (second half of the fiscal year)

Increase of external factors (first half forecast: ¥2.5 billion; second half forecast: ¥5.5 billion)

(3) Delivery Business

- With respect to TA-Q-BIN services, TA-Q-BIN parcel delivery volume is likely to increase as a result of having more new services and a greater number of shipments involving mail-order customers, mainly to large-lot clients, while the unit price is likely to decrease due to a shifting product mix.
- With respect to Kuroneko DM-Bin services, delivery volume is likely to decrease largely because of a shrinking direct mail market, and the unit price is likely to fall due to a shifting product mix.
- Revenues are likely to increase overall due to increasing TA-Q-BIN delivery volume.
- Earnings are likely to decrease due to substantial effects of increased costs attributable to external factors resulting from expanded eligibility for social insurance and higher taxes incurred with respect to the size-based enterprise tax, given the large size of our workforce and our many business locations.

(4) Non-delivery businesses

- Revenues and income are likely to increase in the non-delivery businesses overall as we promote business models that generate high added value while pursuing reforms on the cost front.
- We will invest in research and development involving new technologies centered on the e-Business segment.

16. Forecast of FY2017 Operating Results (3)

YAMATO HOLDINGS CO., LTD.

(Millions of Yen)	FY2017 Forecast	FY2016 Actual	YoY Change Amount	YoY Change [%]
Operating revenues	1,460,000	1,416,413	43,586	3.1
Operating expenses	1,396,000	1,347,872	48,127	3.6
Personnel expenses	748,000	718,980	29,019	4.0
Employee salary	515,000	499,660	15,339	3.1
Retirement benefit expenses	17,500	13,404	4,095	30.6
Other personnel expenses	215,500	205,915	9,584	4.7
Subcontracting expenses	566,000	550,188	15,811	2.9
Commission expenses	222,000	217,524	4,475	2.1
Vehicle hiring expenses	182,000	176,885	5,114	2.9
Other subcontracting expenses	162,000	155,778	6,221	4.0
Vehicle expenses	42,000	40,924	1,075	2.6
Fuel expenses	22,000	20,987	1,012	4.8
Other operating expenses	315,000	299,296	15,703	5.2
Depreciation	47,000	46,739	260	0.6
Elimination	(275,000)	(261,517)	(13,482)	5.2

Assumptions of forecasts

Personnel expenses

・Employee salary
(consolidated; forecast)
Total 202,000 persons
(YoY ↑ 5,418 / ↑ 2.8%)
Full-time 90,800 persons
(YoY ↑ 1,688 / ↑ 1.9%)
Part-time 111,200 persons
(YoY ↑ 3,730 / ↑ 3.5%)

・Other personnel expenses
Increase due to expanded scope of social insurance eligibility, etc.

Capital expenditure

Capital expenditure
(Millions of Yen, forecast) ¥ 65,000

[Forecast of operating expenses]

(1) Increase in revenues by 3.1% YoY

Operating expenses are expected to increase by 3.6% (however, the increase excluding external factors will likely hold at 3.0% YoY).

(2) Personnel expenses

- This figure reflects increase in the number of employees and hikes in base pay.
- The increase in retirement benefit expenses is attributable to a lower discount rate associated with negative interest rates (¥3.0 billion).
- The increase in “other personnel expenses” is attributable to the expanded scope of social insurance eligibility (welfare-related expenses of ¥2.0 billion).

(3) Subcontracting expenses

- Subcontracting expenses will be adequately controlled with respect to increasing TA-Q-BIN delivery volume.

(4) Vehicle expenses

- This figure assumes slightly increasing crude oil prices heading into the second half of the fiscal year.

(5) Other operating expenses

- This figure includes the effects of an increase in taxation with respect to the size-based enterprise tax (Taxes and dues of ¥3.0 billion).

(6) Capital expenditure

- This figure represents capital expenditure relating to ordinary business operations.

These presentation materials (with explanatory notes) and the minutes of the financial results meeting Q&A are posted in PDF format on the Company's website in the Investor Relations section.