YAMATO GROUP

CONSOLIDATED FINANCIAL SUMMARY

for the First Nine Months of the Fiscal Year Ending March 31, 2019

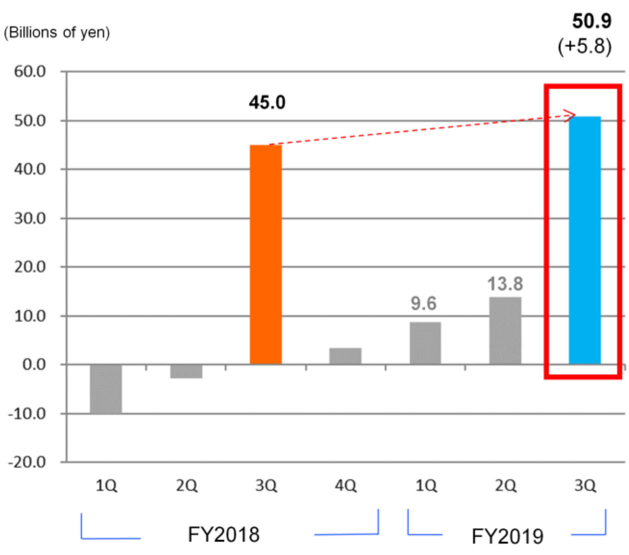
YAMATO HOLDINGS CO., LTD.

January 31, 2019

1. Highlight (Nine Months Ended December 31, 2018)

Operating revenue: ¥1,257.6 billion (Growth ↑ 7.3%) ☞ **Revenue increased (YoY ↑ 85.8 b)**
Operating profit: ¥74.3 billion (Growth ↑ 131.4%) ☞ **Profit increased (YoY ↑ 42.2 b)**

Operating profit (Quarterly Trends)



Operating revenue (Breakdown)

(Billions of Yen)	Nine months ended December 31, 2017 Actual	Nine months ended December 31, 2018 Actual	YoY Change	
			Amount	[%]
Delivery	921.8	1,006.7	+84.9	+9.2
Non-Delivery	249.9	250.8	+0.8	+0.4
Total	1,171.7	1,257.6	+85.8	+7.3

Ordinary profit / Profit

(Billions of Yen)		Nine months ended December 31, 2017 Actual	Nine months ended December 31, 2018 Actual	YoY Change	
				Amount	[%]
Ordinary profit		32.3	73.6	+41.2	+127.5
	[Profit margin]	2.8%	5.9%	-	-
Profit attributable to owners of parent		17.4	43.1	+25.7	+147.8
	[Profit margin]	1.5%	3.4%	-	-

[Highlight (Nine months ended December 31, 2018)]

Operating revenue: ¥1,257.6 billion (YoY ↑ ¥85.8 b / Growth ↑ 7.3%)
Operating profit: ¥74.3 billion (YoY ↑ ¥42.2 b / Growth ↑ 131.4%)

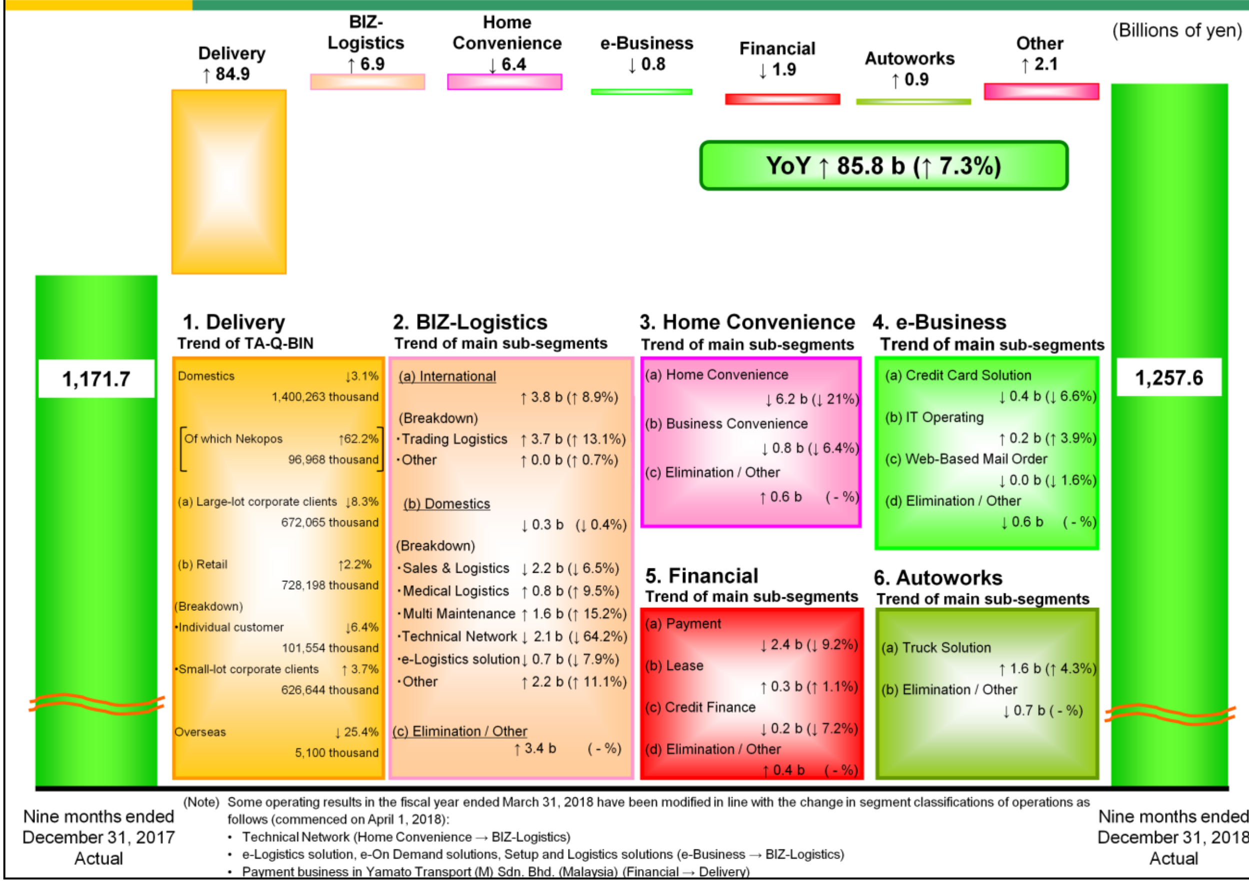
<<Delivery Business>>

- We continued to promote our initiatives to rebuild our 'last mile' network that include enhancement of collection and delivery systems while continuing adequate pricing initiatives in order to strike a balance between regaining profitability and expanding collection and delivery capacity.
- Financial performance was firm largely due to a rise in TA-Q-BIN unit price, despite increasing expenses related to "structural reforms in the Delivery Business." (Revenue and profit increased)

<<Non-delivery Businesses>>

BIZ-Logistics	Revenue increased but profit decreased mainly as a result of having incurred upfront expenses to achieve business growth, and despite our having expanded sales of trading logistics services as well as maintenance and recall services, and having made progress in providing industry-specific solutions.
Home Convenience	Revenue and profit decreased mainly as a result of having factored in an estimated effect, based on investigation results, of a situation involving inappropriate billing for moving-related services provided to our corporate clients (¥3.1 billion), and also as a result of having stopped taking new orders with respect to all moving-related services, including those involving individual customers.
e-Business	Revenue decreased but profit increased mainly due to firm results with respect to use of our highly profitable existing services, and despite effects of a decrease in the number of projects involving system processing for customers stemming from a decrease in TA-Q-BIN delivery volume.
Financial	Revenue and profit decreased mainly due to a decrease in "TA-Q-BIN Collect" delivery volume largely stemming from a shrinking market for cash-on-delivery brought about by changing payment settlement needs, and despite increases in the use of our "Kuroneko Web Collect" and "Kuroneko Pay After Delivery Services."
Autoworks	Revenue and profit increased mainly due to an increase in the number of vehicles serviced, and also due to progress made in streamlining business processes, particularly in terms of standardizing and enabling visual monitoring of business operations by introducing production methods of manufacturers.

2. YoY Analysis of Consolidated Operating Revenue (Nine Months Ended December 31, 2018)



[YoY analysis of consolidated operating revenue (Nine months ended December 31, 2018)]

(1) Delivery Business (Revenue increase)

Positive: TA-Q-BIN delivery volume: ↓ 3.1%, unit price ↑ 14.1%

Negative: Kuroneko DM-Bin delivery volume: ↓ 16.7%, unit price ↑ 7.1%

(2) BIZ-Logistics Business (Revenue increase)

Positive: Firm results from Trading Logistics, Medical Logistics, Multi Maintenance, etc.

(3) Home Convenience Business (Revenue decrease)

Negative: Factored in an estimated effect, based on investigation results, of a situation involving inappropriate billing for moving-related services provided to our corporate clients (¥3.1 billion), and also stopped taking new orders with respect to all moving-related services, including those involving individual customers

(4) e-Business (Revenue decrease)

Positive: Increased sales of the "Certified Web Retrieval Service" and captured more system configuration business as a result of enhanced sales activities for our existing customers

Negative: Decrease in the number of projects involving system processing for customers stemming from a decrease in TA-Q-BIN delivery volume

(5) Financial Business (Revenue decrease)

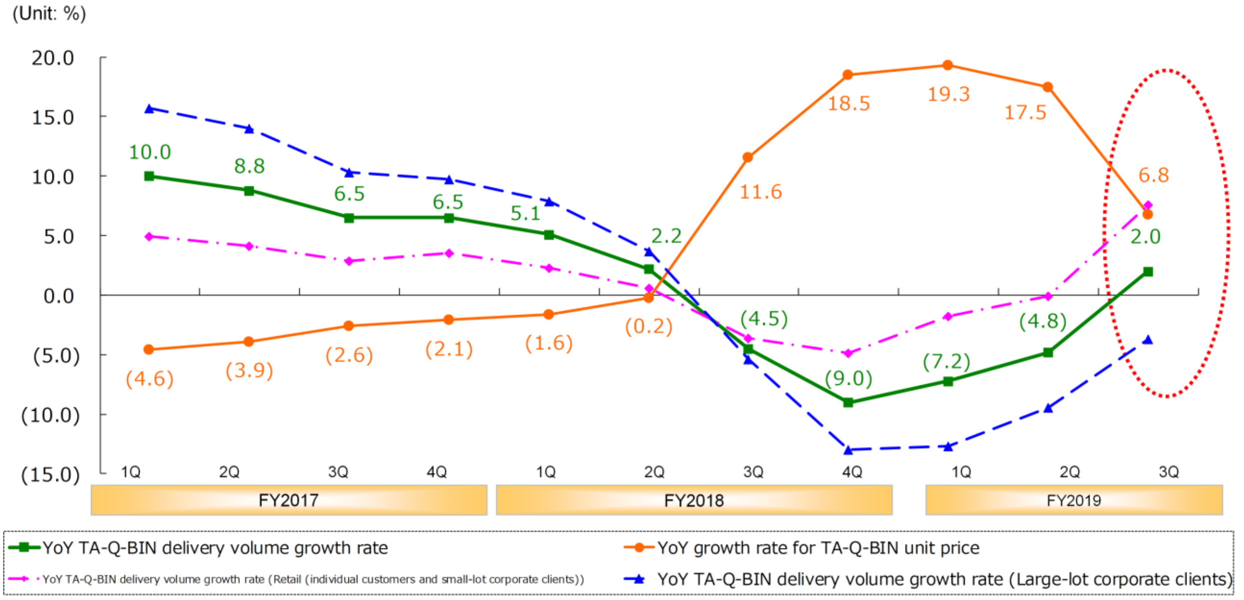
Negative: Decrease in "TA-Q-BIN Collect" delivery volume in the Payment business largely stemming from a shrinking market for cash-on-delivery

(6) Autoworks Business (Revenue increase)

Positive: Increase in business involving vehicle maintenance

3. Quarterly YoY Trends of TA-Q-BIN Delivery (Third Quarter Ended December 31, 2018)

Both TA-Q-BIN delivery volume and unit price increased.
(Volume: YoY ↑ 2.0%, unit price: YoY ↑ 6.8%)



(Note)
Figures for TA-Q-BIN delivery volume include delivery volumes of the TA-Q-BIN Compact and Nekopos services.

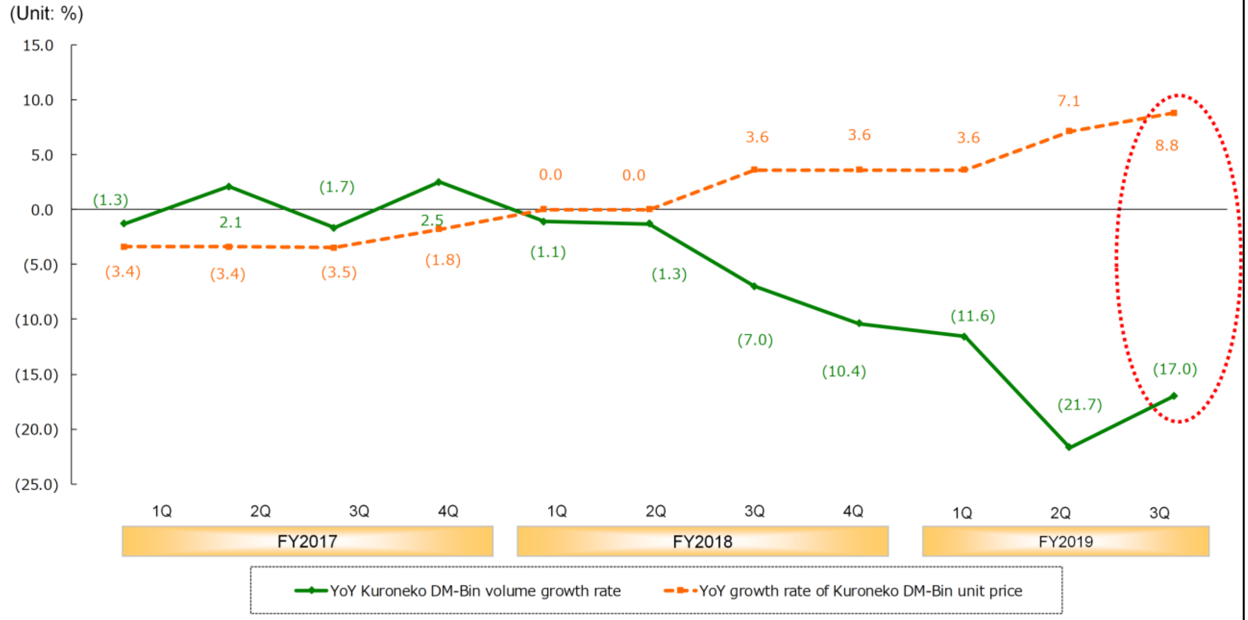
Unit price growth rate by market (Third quarter of FY2019)
Retail (individual customers and small-lot corporate clients) ↓ 0.4%
Large-lot corporate clients ↑16.5%

[Quarterly YoY Trends of TA-Q-BIN Delivery (Third quarter ended December 31, 2018)]

TA-Q-BIN delivery volume:	YoY ↑ 2.0 %
Growth rate of unit price:	YoY ↑ 6.8 %

4. Quarterly YoY Trends of Kuroneko DM-Bin (Third Quarter Ended December 31, 2018)

Kuroneko DM-BIN delivery volume decreased but unit price increased.
(Volume: YoY ↓17.0%, unit price: YoY ↑8.8%)



Shipment volume by market (Third quarter of FY2019)
From TA-Q-BIN Centers: ↓16.9%
From corporate sales branch offices: ↓ 17.1%

Shipment unit price by market (Third quarter of FY2019)
From TA-Q-BIN Centers: ↑ 1.0%
From corporate sales branch offices: ↑ 11.4%

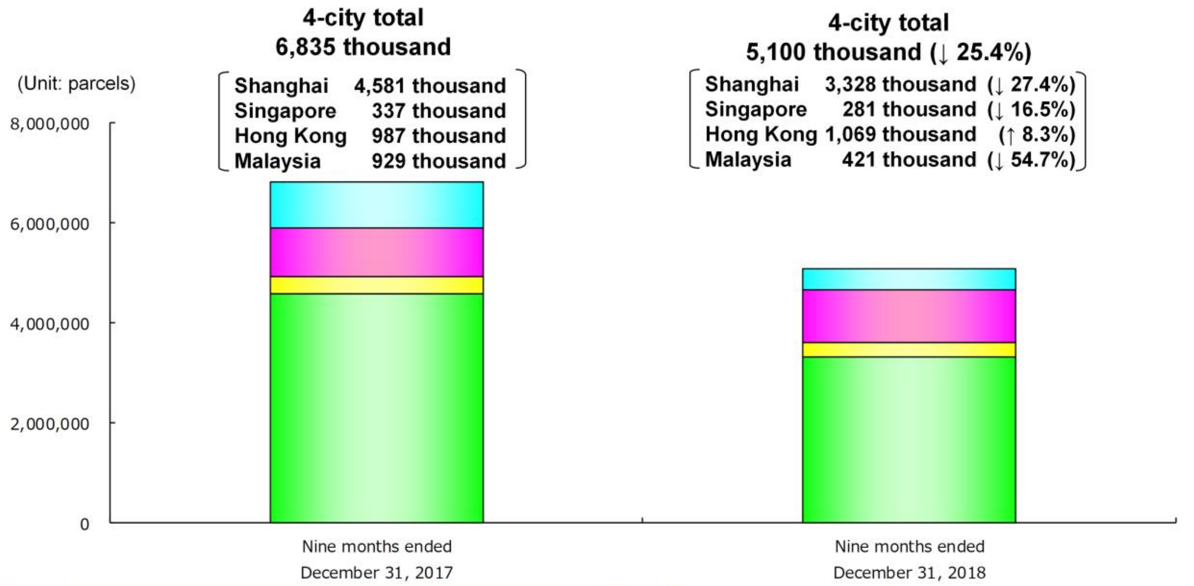
[Quarterly YoY trends of Kuroneko DM-Bin (Third quarter ended December 31, 2018)]

Kuroneko DM-Bin delivery volume:	YoY ↓ 17.0 %
Growth rate of unit price:	YoY ↑ 8.8 %

5. YoY Trends of TA-Q-BIN Business Overseas (Nine Months Ended December 31, 2018)

Delivery volume at [four overseas cities (under direct control of Yamato Group)]

Shanghai Singapore Hong Kong Malaysia



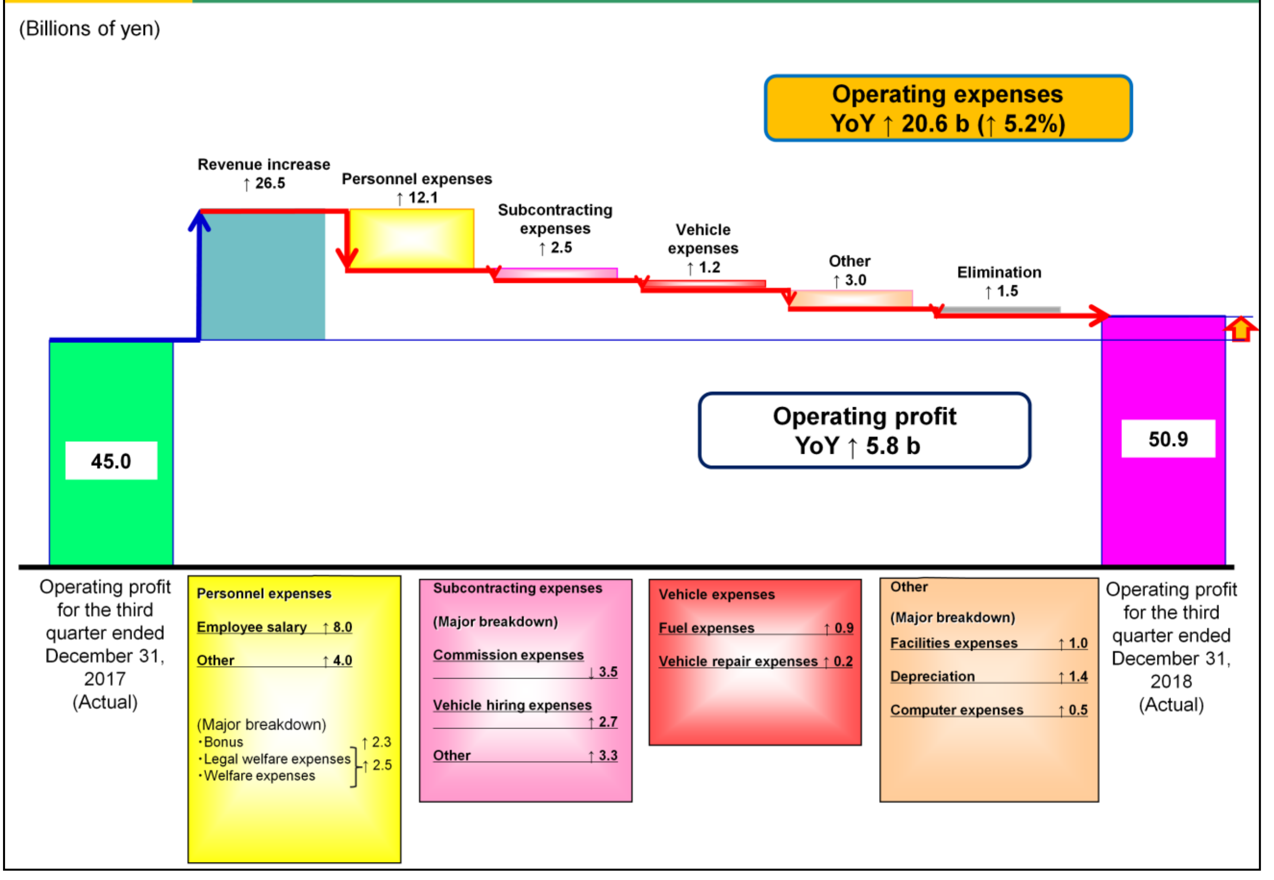
Delivery volume at [four overseas cities＋Taiwan]

Nine months ended December 31, 2017 (Actual)	Nine months ended December 31, 2018 (Actual)
93,369 thousand	84,465 thousand (↓ 9.5 %)

[YoY trends of TA-Q-BIN Business overseas (Nine months ended December 31, 2018)]

- Delivery volume decreased due to our review of unprofitable transactions, etc.
- We have been promoting efforts to build a cross-border platform that provides substantial added value, through leveraging cold chain network.

6. YoY Analysis of Consolidated Operating Expenses (Third Quarter Ended December 31, 2018)



[YoY analysis of consolidated operating expenses (Third quarter ended December 31, 2018)]

(1) Operating revenue increased by 6.0% YoY while operating expenses increased by 5.2% YoY.

(2) Cost environment

i) Personnel expenses increased by ¥12.1 billion (↑ 6.0%) mainly as a result of having increased the workforce to build collection and delivery systems.

ii) Commission expenses incurred for collection and delivery decreased by ¥3.5 billion (↓ 4.8%) in line with the building of collection and delivery systems as well as a decrease in Kuroneko DM-Bin.

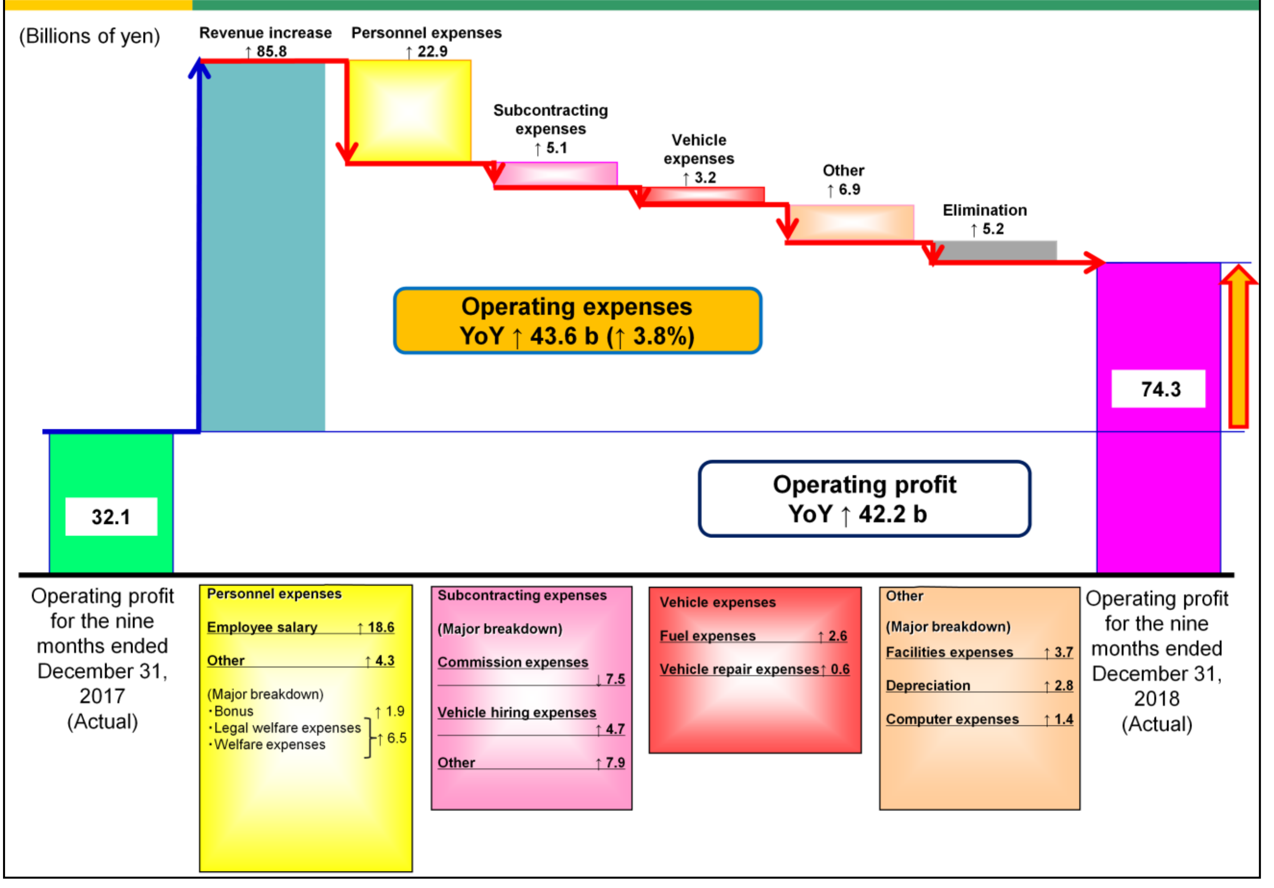
iii) Fuel expenses increased by ¥0.9 billion (↑ 18.3%) due to a higher unit price of fuel.

Vehicle hiring expenses increased by ¥2.7 billion (↑ 5.4%) mainly due to an increase in TA-Q-BIN delivery volume and higher per-vehicle hiring rates.

iv) Other operating expenses increased by ¥3.0 billion (↑ 3.5%) in line with structural reform initiatives and efforts to promote existing businesses.

- Facilities expenses: ↑ ¥1.0 billion (Nagareyama Base and fees for use of parcel lockers, etc.)
- Depreciation: ↑ ¥1.4 billion (mainly vehicles, machinery and equipment)
- Computer expenses: ↑ ¥0.5 billion (mainly expenses related to Eighth NEKO System)

7. YoY Analysis of Consolidated Operating Expenses (Nine Months Ended December 31, 2018)



[YoY analysis of consolidated operating expenses (Nine months ended December 31, 2018)]

(1) Operating revenue increased by 7.3% YoY while operating expenses increased by 3.8% YoY.

(2) Cost environment

i) Personnel expenses increased by ¥22.9 billion (↑ 3.8%) mainly as a result of having increased the workforce to build collection and delivery systems.

Commission expenses incurred for collection and delivery decreased by ¥7.5 billion (↓ 3.7%) due to building of collection and delivery systems and controls placed on TA-Q-BIN delivery volume.

ii) Fuel expenses increased by ¥2.6 billion (↑ 16.2%) due to a higher unit price of fuel.

Vehicle hiring expenses also increased by ¥4.7 billion (↑ 3.2%) mainly due to higher per-vehicle hiring rates.

iii) Other operating expenses also increased by ¥6.9 billion (↑ 2.8%) in line with structural reform initiatives and efforts to promote existing businesses.

- Facilities expenses: ↑ ¥3.7 billion (Kansai Gateway, Nagareyama Base and fees for use of parcel lockers, etc.)
- Depreciation: ↑ ¥2.8 billion (mainly vehicles, machinery and equipment)
- Computer expenses: ↑ ¥1.4 billion (mainly expenses related to Eighth NEKO System)

8. Operating Results Forecast (Full-Year)

(Billions of Yen)	Fiscal year ended March 31, 2018 Actual	Fiscal year ending March 31, 2019 (October 2018 Forecast) A	Fiscal year ending March 31, 2019 (New Forecast) B	Forecast Change (B-A)		YoY Change	
				Amount	[%]	Amount	[%]
Operating revenues							
Delivery	1,201.7	1,285.0	1,295.0	+10.0	+0.8	+93.2	+7.8
Non-Delivery	337.0	335.0	335.0	0	0.0	(2.0)	(0.6)
Total	1,538.8	1,620.0	1,630.0	+10.0	+0.6	+91.1	+5.9
Operating profit	35.6	66.0	67.0	+1.0	+1.5	+31.3	+87.8
[Profit margin]	2.3%	4.1%	4.1%	-	-	-	-
Ordinary profit	36.0	66.0	67.0	+1.0	+1.5	+30.9	+85.7
[Profit margin]	2.3%	4.1%	4.1%	-	-	-	-
Profit attributable to owners of parent	18.2	37.0	37.0	0	0.0	+18.7	+102.9
[Profit margin]	1.2%	2.3%	2.3%	-	-	-	-

Operating revenue

- Consolidated operating revenue: ¥1,630.0 billion (higher than previously forecast: YoY ↑ ¥10.0 billion)
- Increase in TA-Q-BIN delivery volume in comparison with previous forecast amid an outlook for gains in TA-Q-BIN centered on Nekopos (higher than previously forecast: YoY ↑ 13.5 million)
- TA-Q-BIN unit price remains unchanged from previous forecast.
- Ongoing promotion of adequate pricing initiatives

Operating expenses

- Consolidated operating expenses: ¥1,563.0 billion (higher than previously forecast: YoY ↑ ¥9.0 billion)
- Ongoing promotion of initiatives for “improving and developing working conditions”
- Personnel expenses and other costs will be postponed largely amid careful progress being made to build operational frameworks of drivers for early evening and night deliveries with the aim of “expanding collection and delivery capacity.”

9. Summary of Consolidated Operating Expenses (Third Quarter Ended December 31, 2018)

(Millions of Yen)	Third quarter ended December 31, 2017 Actual	Third quarter ended December 31, 2018 Actual	YoY Change	
			Amount	[%]
Operating revenue	441,973	468,478	+26,505	+6.0
Operating expenses	396,954	417,571	+20,616	+5.2
Personnel expenses	202,714	214,858	+12,143	+6.0
Employee salary	138,126	146,183	+8,057	+5.8
Other personnel expenses	64,588	68,675	+4,086	+6.3
Subcontracting expenses	170,449	172,979	+2,529	+1.5
Commission expenses	74,373	70,798	(3,575)	(4.8)
Vehicle hiring expenses	51,744	54,541	+2,797	+5.4
Other subcontracting expenses	44,331	47,639	+3,308	+7.5
Vehicle expenses	11,748	13,021	+1,273	+10.8
Fuel expenses	5,468	6,466	+998	+18.3
Other operating expenses	87,371	90,466	+3,094	+3.5
Depreciation	12,107	13,598	+1,490	+12.3
Elimination	(75,330)	(73,755)	+1,575	-
Operating profit	45,019	50,907	+5,888	+13.1

[Summary of consolidated operating expenses (Third quarter ended December 31, 2018)]

(1) Personnel expenses: YoY ↑ ¥12.1 billion (↑ 6.0%)

Increased mainly as a result of having increased the workforce to build collection and delivery systems

(2) Subcontracting expenses: YoY ↑ ¥2.5 billion (↑ 1.5%)

- Commission expenses: ↓ ¥3.5 billion ～Particularly due to a decrease in commission expenses incurred for collection and delivery in line with the building of collection and delivery systems as well as a decrease in Kuroneko DM-Bin
- Vehicle hiring expenses: ↑ ¥2.7 billion ～Increased largely due to a higher per-vehicle hiring rates resulting from surging fuel prices
- Other subcontracting expenses: ↑ ¥3.3 billion

(3) Vehicle expenses: ↑ ¥1.2 billion (↑ 10.8%)

- Fuel expenses increased by ¥0.9 billion due to a higher unit price of fuel.

(4) Other operating expenses: ↑ ¥3.0 billion (↑ 3.5%)

- Facilities expenses: ↑ ¥1.0 billion (Nagareyama Base and fees for use of parcel lockers, etc.)
- Depreciation: ↑ ¥1.4 billion (mainly vehicles, machinery and equipment)
- Computer expenses: ↑ ¥0.5 billion (mainly expenses related to Eighth NEKO System)

* Some expense items have been reclassified in line with a transfer of operations to BIZ-Logistics.

[Third quarter ended December 31, 2017]
Yamato Home Convenience Co., Ltd. "Subcontracting expenses (commission expenses)" for consigned forwarding
(Third quarter ended December 31, 2018: ¥2.2 billion)
Yamato System Development Co., Ltd. "Other operating expenses (communication and transportation expenses)" for consigned forwarding
(Third quarter ended December 31, 2018: ¥1.3 billion)

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[Third quarter ended December 31, 2018]
Yamato Logistics Co., Ltd.
"Subcontracting expenses (other)"

10. Summary of Operating Expenses in Delivery Business (Third quarter ended December 31, 2018)

(Millions of Yen)	Third quarter ended December 31, 2017 Actual	Third quarter ended December 31, 2018 Actual	YoY Change	
			Amount	[%]
Operating revenues	355,045	383,625	+28,579	+8.0
Operating expenses	318,009	339,178	+21,168	+6.7
Personnel expenses	176,736	187,935	+11,199	+6.3
Employee salary	120,341	127,819	+7,477	+6.2
Other personnel expenses	56,394	60,116	+3,721	+6.6
Subcontracting expenses	103,312	104,590	+1,277	+1.2
Commission expenses	44,847	43,770	(1,076)	(2.4)
Vehicle hiring expenses	49,531	52,423	+2,891	+5.8
Other subcontracting expenses	8,934	8,395	(538)	(6.0)
Vehicle expenses	10,345	11,503	+1,157	+11.2
Fuel expenses	4,461	5,333	+872	+19.6
Other operating expenses	61,140	66,524	+5,383	+8.8
Depreciation	8,518	9,922	+1,404	+16.5
Elimination	(33,525)	(31,375)	+2,150	-
Operating profit	37,036	44,446	+7,410	+20.0

Notes: 1. The figures above include operating expenses related to overseas TA-Q-BIN services.
2. Starting from the fiscal year under review, the payment business of Yamato Transport (M) Sdn. Bhd. (Malaysia), which was previously included in the Financial Business segment, has been shifted to the Delivery Business segment. Accordingly, the figures of the Delivery Business segment in the previous fiscal year have been modified.

11. Summary of Consolidated Operating Expenses (Nine months ended December 31, 2018)

(Millions of Yen)	Nine months ended December 31, 2017 Actual	Nine months ended December 31, 2018 Actual	YoY Change	
			Amount	[%]
Operating revenue	1,171,775	1,257,610	+85,835	+7.3
Operating expenses	1,139,644	1,183,267	+43,623	+3.8
Personnel expenses	597,632	620,576	+22,943	+3.8
Employee salary	404,648	423,255	+18,607	+4.6
Other personnel expenses	192,984	197,320	+4,336	+2.2
Subcontracting expenses	477,161	482,319	+5,158	+1.1
Commission expenses	205,197	197,661	(7,535)	(3.7)
Vehicle hiring expenses	147,097	151,872	+4,774	+3.2
Other subcontracting expenses	124,866	132,785	+7,919	+6.3
Vehicle expenses	33,638	36,885	+3,247	+9.7
Fuel expenses	16,209	18,840	+2,630	+16.2
Other operating expenses	246,900	253,900	+6,999	+2.8
Depreciation	33,272	36,108	+2,836	+8.5
Elimination	(215,688)	(210,414)	+5,274	-
Operating profit	32,131	74,343	+42,211	+131.4

[Summary of consolidated operating expenses (Nine months ended December 31, 2018)]

(1) Personnel expenses: YoY ↑ ¥22.9 billion (↑ 3.8%)

- Increased mainly as a result of having increased the workforce to build collection and delivery systems

(2) Subcontracting expenses: YoY↑ ¥5.1 billion (↑ 1.1%)

- Commission expenses: ↓ ¥7.5 billion ～Particularly due to a decrease in commission expenses incurred for collection and delivery, mainly as a result of controls having been placed on TA-Q-BIN delivery volume
- Vehicle hiring expenses: ↑ ¥4.7 billion ～Increased largely due to a higher per-vehicle hiring rates resulting from surging fuel prices, and despite a decrease in TA-Q-BIN delivery volume
- Other subcontracting expenses: ↑ ¥7.9 billion

(3) Vehicle expenses: ↑ ¥3.2 billion (↑ 9.7%)

- Fuel expenses increased by ¥2.6 billion due to a higher unit price of fuel.

(4) Other operating expenses: ↑ ¥6.9 billion (↑ 2.8%)

- Facilities expenses: ↑ ¥3.7 billion (Kansai Gateway, Nagareyama Base and fees for use of parcel lockers, etc.)
- Depreciation: ↑ ¥2.8 billion (mainly vehicles, machinery and equipment)
- Computer expenses: ↑ ¥1.4 billion (mainly expenses related to Eighth NEKO System)

* Some expense items have been reclassified in line with a transfer of operations to BIZ-Logistics.

[Nine months ended December 31, 2017]
Yamato Home Convenience Co., Ltd. “Subcontracting expenses (commission expenses)” for consigned forwarding
(Nine months ended December 31, 2018: ¥4.3 billion)
Yamato System Development Co., Ltd. “Other operating expenses (communication and transportation expenses)” for consigned forwarding
(Nine months ended December 31, 2018: ¥3.5 billion)

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[Nine months ended December 31, 2018]
Yamato Logistics Co., Ltd.
“Subcontracting expenses (other)”

12. Summary of Operating Expenses in Delivery Business (Nine months ended December 31, 2018)

(Millions of Yen)	Nine months ended December 31, 2017 Actual	Nine months ended December 31, 2018 Actual	YoY Change	
			Amount	[%]
Operating revenue	921,814	1,006,762	+84,947	+9.2
Operating expenses	912,117	947,334	+35,217	+3.9
Personnel expenses	519,591	539,280	+19,688	+3.8
Employee salary	351,360	367,943	+16,583	+4.7
Other personnel expenses	168,231	171,336	+3,105	+1.8
Subcontracting expenses	288,132	285,072	(3,059)	(1.1)
Commission expenses	121,821	117,113	(4,708)	(3.9)
Vehicle hiring expenses	140,298	144,794	+4,496	+3.2
Other subcontracting expenses	26,012	23,164	(2,848)	(10.9)
Vehicle expenses	29,734	32,651	+2,917	+9.8
Fuel expenses	13,375	15,651	+2,275	+17.0
Other operating expenses	171,498	181,452	+9,954	+5.8
Depreciation	22,616	25,218	+2,602	+11.5
Elimination	(96,838)	(91,121)	+5,716	-
Operating profit	9,696	59,427	+49,730	+512.9

Notes: 1. The figures above include operating expenses related to overseas TA-Q-BIN services.
2. Starting from the fiscal year under review, the payment business of Yamato Transport (M) Sdn. Bhd. (Malaysia), which was previously included in the Financial Business segment, has been shifted to the Delivery Business segment. Accordingly, the figures of the Delivery Business segment in the previous fiscal year have been modified.

13. Operating Results Forecast (Full-Year: Breakdown by Business Segment)

(Millions of Yen)		Fiscal year ended March 31, 2018 Actual	Fiscal year ending March 31, 2019 (October 2018 Forecast) A	Fiscal year ending March 31, 2019 (New Forecast) B	Forecast Change (B-A)		YoY Change	
					Amount	[%]	Amount	[%]
Operating revenues								
	Delivery	1,201,769	1,285,000	1,295,000	+10,000	+0.8	+93,230	+7.8
	BIZ-Logistics	145,148	152,000	152,000	0	0.0	+6,851	+4.7
	Home Convenience	44,868	35,000	35,000	0	0.0	(9,868)	(22.0)
	e-Business	27,303	27,500	27,500	0	0.0	+196	+0.7
	Financial	82,956	81,500	81,500	0	0.0	(1,456)	(1.8)
	Autoworks	24,641	27,000	27,000	0	0.0	+2,358	+9.6
	Other	12,125	12,000	12,000	0	0.0	(125)	(1.0)
	Total	1,538,813	1,620,000	1,630,000	+10,000	+0.6	+91,186	+5.9
Operating profit								
	Delivery	6,756	47,000	48,000	+1,000	+2.1	+41,243	+610.4
	BIZ-Logistics	7,053	6,000	5,000	(1,000)	(16.7)	(2,053)	(29.1)
	Home Convenience	199	(7,000)	(7,000)	0	-	(7,199)	-
	e-Business	7,945	9,000	9,000	0	0.0	+1,054	+13.3
	Financial	7,913	7,000	7,000	0	0.0	(913)	(11.5)
	Autoworks	4,141	5,000	5,000	0	0.0	+858	+20.7
	Other	17,217	18,000	19,000	+1,000	+5.6	+1,782	+10.4
	Subtotal	51,226	85,000	86,000	+1,000	+1.2	+34,773	+67.9
	Elimination	(15,541)	(19,000)	(19,000)	0	-	(3,458)	-
	Total	35,685	66,000	67,000	+1,000	+1.5	+31,314	+87.8
Ordinary profit		**36,085**	**66,000**	**67,000**	**+1,000**	**+1.5**	**+30,914**	**+85.7**
	[Profit margin]	**2.3%**	**4.1%**	**4.1%**	-	-	-	-
Profit attributable to owners of parent		**18,231**	**37,000**	**37,000**	**0**	**0.0**	**+18,768**	**+102.9**
	[Profit margin]	**1.2%**	**2.3%**	**2.3%**	-	-	-	-

(Note) Some operating results in the fiscal year ended March 31, 2018 have been modified in line with the change in segment classifications of operations as follows (commenced on April 1, 2018):
- Technical Network (Home Convenience → BIZ-Logistics)
- e-logistics solution, e-On Demand Solutions and Setup and Logistics solutions (e-Business → BIZ-Logistics)
- Payment business in Yamato Transport (M) Sdn. Bhd. (Malaysia) (Financial → Delivery)

TA-Q-BIN forecasts

・Delivery volume (forecast)
1,810,000 thousand (YoY ↓ 1.5%)
・Unit price (forecast)
¥662 (YoY ↑ 10.9%)

Kuroneko DM-Bin forecasts

・Delivery volume (forecast)
1,200,000 thousand (YoY ↓ 18.1%)
・Unit price (forecast)
¥59 (YoY ↑ 4.8%)

[Operating results forecast (breakdown by business segment)]

(1) Operating revenue : ¥1,630.0 billion (YoY ↑ ¥91.1 billion, ↑ ¥10.0 billion compared with the previous forecast)

- Delivery Business (YoY ↑ ¥93.2 billion ↑ ¥10.0 billion compared with the previous forecast)

  Forecasts for TA-Q-BIN and Kuroneko DM-Bin delivery volume have been revised in view of prevailing circumstances

  TA-Q-BIN delivery volume: 1,810 million units (↑ 13.5 million units compared with the previous forecast)
  TA-Q-BIN unit price: ¥662 (unchanged from the previous forecast)
  Kuroneko DM-Bin delivery volume: 1,200 million units (↑ 30 million units compared with the previous forecast)
  Kuroneko DM-Bin unit price: ¥59 (unchanged from the previous forecast)

(2) Operating profit : ¥67.0 billion (YoY ↑ ¥31.3 billion, ↑ ¥1.0 billion compared with the previous forecast)

- Delivery Business (YoY ↑ ¥41.2 billion ↑ ¥1.0 billion compared with the previous forecast)

  YoY: Results of adequate pricing and structural reforms

  Against previous forecast: : ¥1.0 billion higher than previous forecast upon having priced in higher TA-Q-BIN delivery volume

- BIZ-Logistics Business (YoY ↓ ¥2.0 billion ↓ ¥1.0 billion compared with the previous forecast)

  Against previous forecast: ¥1.0 billion lower than previous forecast upon having taken into account the notion of incurring upfront expenses to achieve business growth

- Other Business (YoY ↑ ¥1.7 billion ↑ ¥1.0 billion compared with the previous forecast)

  Against previous forecast: ¥1.0 billion higher than previous forecast upon having taken into account prevailing circumstances

14. Operating Results Forecast (Full-Year: Breakdown of Operating Expenses)

(Millions of Yen)	Fiscal year ended March 31, 2018 Actual	Fiscal year ending March 31, 2019 (October 2018 Forecast) A	Fiscal year ending March 31, 2019 (New Forecast) B	Forecast Change (B-A)		YoY Change	
				Amount	[%]	Amount	[%]
Operating revenues	1,538,813	1,620,000	1,630,000	+10,000	+0.6	+91,186	+5.9
Operating expenses	1,503,127	1,554,000	1,563,000	+9,000	+0.6	+59,872	+4.0
Personnel expenses	786,787	827,000	825,000	(2,000)	(0.2)	+38,212	+4.9
Employee salary	536,488	566,000	565,000	(1,000)	(0.2)	+28,511	+5.3
Other personnel expenses	250,298	261,000	260,000	(1,000)	(0.4)	+9,701	+3.9
Subcontracting expenses	627,207	616,000	625,000	+9,000	+1.5	(2,207)	(0.4)
Commission expenses	269,563	247,000	250,000	+3,000	+1.2	(19,563)	(7.3)
Vehicle hiring expenses	194,338	193,000	197,000	+4,000	+2.1	+2,661	+1.4
Other subcontracting expenses	163,305	176,000	178,000	+2,000	+1.1	+14,694	+9.0
Vehicle expenses	43,275	48,000	49,000	+1,000	+2.1	+5,724	+13.2
Fuel expenses	21,408	26,000	26,000	0	0.0	+4,591	+21.4
Other operating expenses	327,488	343,000	344,000	+1,000	+0.3	+16,511	+5.0
Depreciation	46,423	50,000	50,000	0	0.0	+3,576	+7.7
Elimination	(281,630)	(280,000)	(280,000)	0	-	+1,630	-
Operating profit	35,685	66,000	67,000	+1,000	+1.5	+31,314	+87.8

Assumptions of forecasts

・Number of employees (forecast)

Total	224,700	(YoY ↑ 11,604 (YoY ↑ 5.4%))
Full-time	97,500	(YoY ↑ 3,966 (YoY ↑ 4.2%))
Part-time	127,200	(YoY ↑ 7,638 (YoY ↑ 6.4%))

・Other Cost Increased due to promotion of "reforming working styles," etc.

Capital expenditure (Millions of yen, forecast)
¥80,000

[Operating results forecast (breakdown of operating expenses)] (Changes from the previous forecast)

(1) Overall operating expenses: ↑ ¥9.0 billion compared with the previous forecast (YoY↑ 0.6%)

(2) Major changes from the previous forecast

i) Personnel expenses: ↓ ¥2.0 billion (↓0.2%)

Decreased largely due to a situation where we will postpone expenses incurred in building operational frameworks of drivers for early evening and night deliveries, and despite ongoing efforts to build collection and delivery systems while also improving employee treatment

ii) Subcontracting expenses: ↑ ¥9.0 billion (↑ 1.5%)

・Commission expenses: ↑ ¥3.0 billion (↑ 1.2%)

Increased particularly with respect to commission expenses incurred for sorting terminal operations amid the likelihood of higher TA-Q-BIN delivery volume

・Vehicle hiring expenses: ↑ ¥4.0 billion (↑ 2.1%)

Forecast revised due to higher per-vehicle hiring rates and the likelihood of higher TA-Q-BIN delivery volume

・Other subcontracting expenses: ↑ ¥2.0 billion (↑ 1.1%)

Forecast revised in view of prevailing circumstances

iii) Vehicle expenses: ↑ ¥1.0 billion (↑ 2.1%)

・Vehicle repair expenses: ↑ ¥1.0 billion (↑ 4.5%)

iv) Other operating expenses: ↑ ¥1.0 billion (↑ 0.3%)

Likely to consist primarily of an increase in one-time expenses mainly encompassing repair expenses associated with improving and developing working conditions

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.