

YAMATO GROUP

CONSOLIDATED FINANCIAL SUMMARY

for the Fiscal Year Ended March 31, 2019



YAMATO HOLDINGS CO., LTD.

May 7, 2019

1. Financial Results for the Fiscal Year Ended March 31, 2019 (Overview)

(1) Steady progress toward achieving financial performance targets of the medium-term management plan

- Consolidated operating revenue YoY +5.6%
- Consolidated operating profit YoY +63.5%

(2) Profit decreased in the fourth quarter

☞ **TA-Q-BIN delivery volume lower than anticipated**

- Results deviated from forecast for shipments in the realm of large-lot corporate clients
- Results deviated from TA-Q-BIN delivery volume forecast for March
(Spotty moving-related small-lot parcel demand)

☞ **One-time expenses increased** due to necessary framework upgrades geared to expanding collection and delivery capacity, in conjunction with reforming working styles

2. Plan for the Fiscal Year Ending March 31, 2020 (Outline)

- (1) Steady implementation of “[reforming working styles](#)” and “[structural reform](#)” initiatives
- (2) Achievement of [record-high profits \(¥72.0 billion\)](#) while actively [investing in growth](#)
- (3) Continued “[adequate pricing initiatives](#)” and [expansion of TA-Q-BIN delivery volume](#)
- (4) [Strengthening of cost controls](#) by drawing on appropriate estimates of operating volumes
- (5) [Enhancement of solution sales to corporate clients](#) across the Group, drawing on a new “account management” framework (from April 2019)
- (6) [Strengthening of governance of the Group overall](#), spearheaded by the “Group Governance Project”

3. Operating Results for the Fiscal Year Ended March 31, 2019

Revenue and profit increased

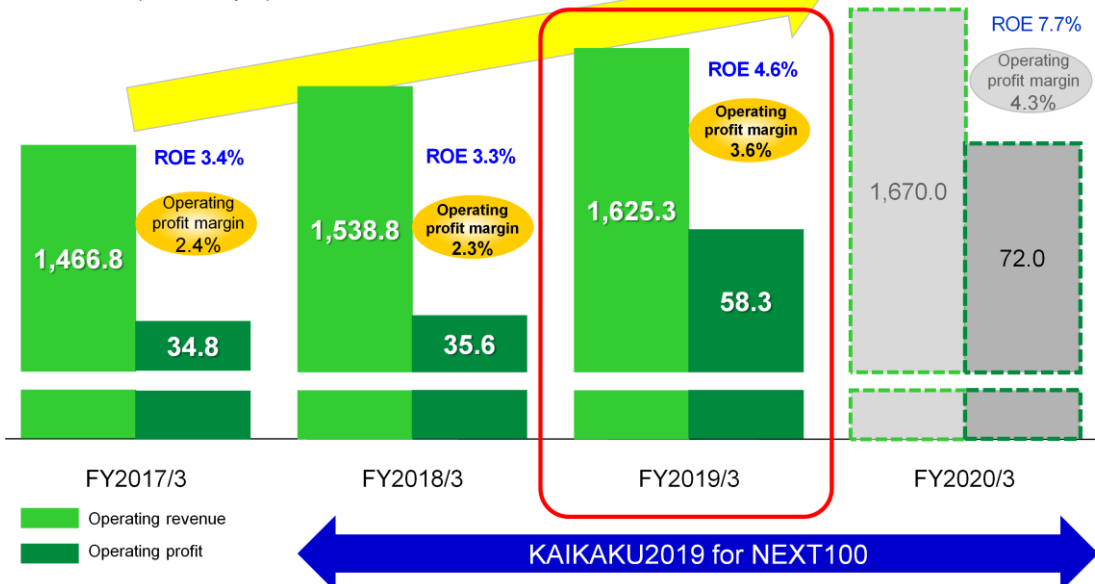
Steady progress toward achieving targets of the medium-term management plan

Operating revenue: ¥1,625.3 billion → Revenue increased ↑ ¥86.5 billion (YoY ↑ 5.6%)

Operating profit: ¥58.3 billion → Profit increased ↑ ¥22.6 billion (YoY ↑ 63.5%)

◆ Profits (Billions of yen)

(Medium-Term Management Plan)

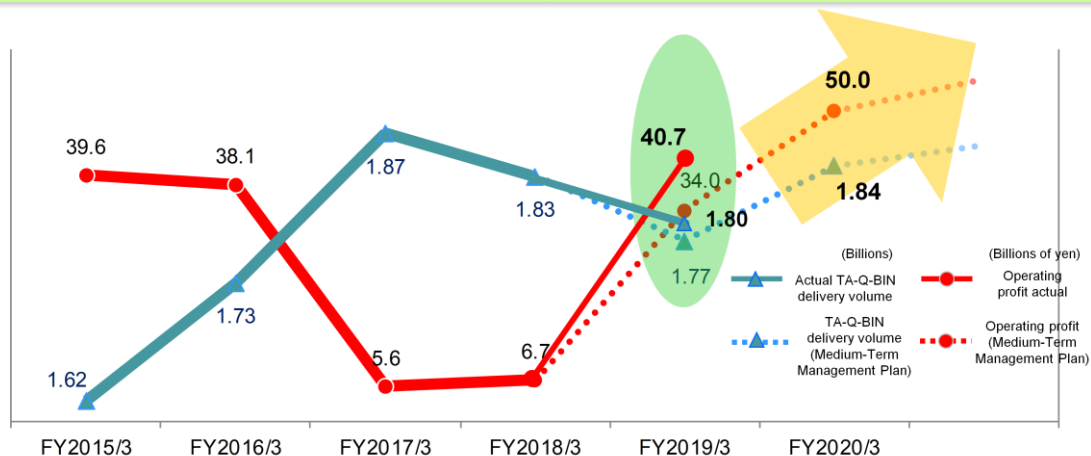


- (1) We are making steady progress toward achieving financial performance targets of the medium-term management plan.
- (2) Expenses have been increasing as we promote reforming working styles and structural reform initiatives. Still, we have achieved ongoing profit increases and improvement in profit margins amid a scenario where those higher expenses have been absorbed by effects of revenue gains.

4. Progress in Structural Reforms in the Delivery Business

Promotion of adequate pricing initiatives and collection and delivery capacity expansion

👉 Financial performance exceeding targets of the medium-term management plan



◆ Expansion of contact points ~ Heightened efficiency in collection and delivery

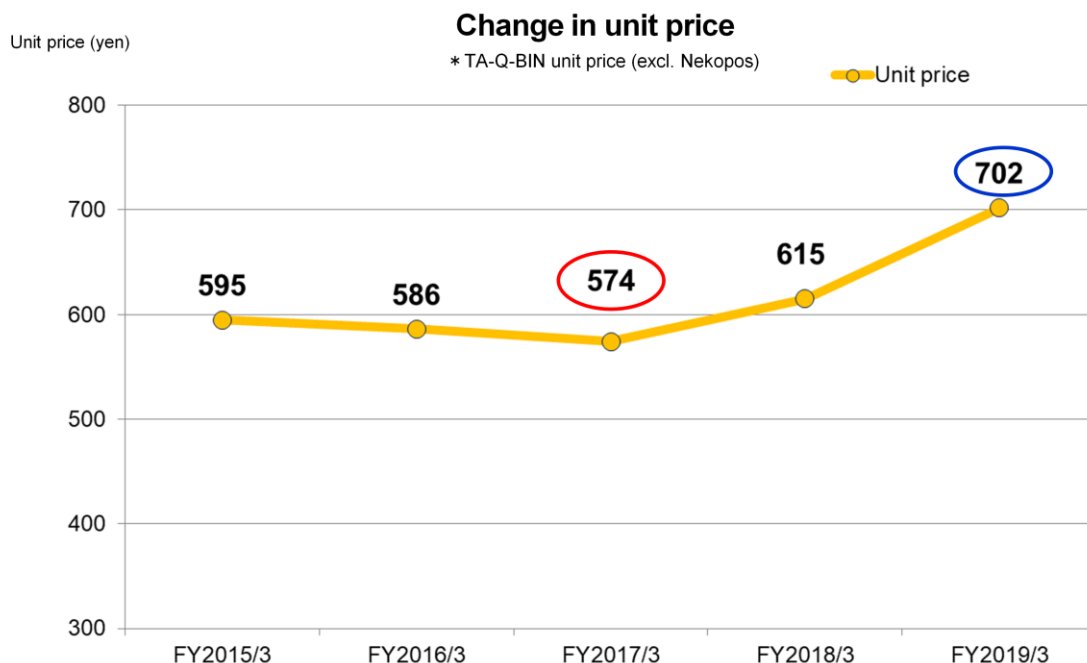
	End of March 2017	End of March 2018	End of March 2019
Deliveries received at non-residential locations	3.8%	4.9%	6.6%
Number of PUDO station units installed	240	2,637	3,913
Number of Kuroneko Members	Approx. 17 million	Approx. 21 million	Approx. 28 million

- (1) In the Delivery Business, we have been steadily building foundations for achieving earnings growth.
- (2) In the fiscal year ended March 31, 2019, we continued with adequate pricing initiatives and focused on expanding collection and delivery capacity through efforts that included employing drivers for early evening and night deliveries .
- (3) As a result, our results exceeded targets of the medium-term management plan.

4. Progress in Structural Reforms in the Delivery Business

Promotion of adequate pricing initiatives continuing from FY2018

TA-Q-BIN unit price increased by ¥128 to ¥702, from ¥574 of the FY2017



- (1) Promoting adequate pricing initiatives from the fiscal year ended March 31, 2018
- (2) As a result, TA-Q-BIN unit price excluding Nekopos (TA-Q-BIN + TA-Q-BIN Compact) increased from ¥574 of the fiscal year ended March 31, 2017 to ¥702 in the fiscal year ended March 31, 2019.
- (3) As we continue pursuing adequate pricing initiatives and striving to increase TA-Q-BIN delivery volume in line with our capacity, we aim to achieve earnings growth in part by heightening productivity particularly in our "last mile" and labor-related operations, and also by appropriately implementing cost controls.

5. Progress in “Reforming Working Styles”

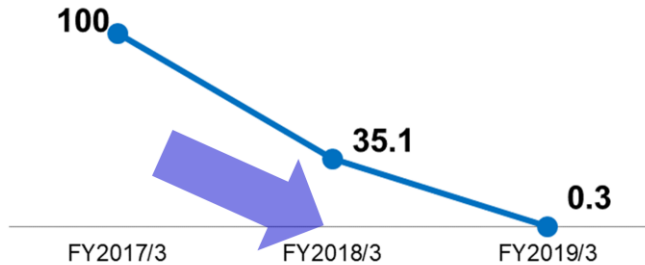
Improving working environments as a company that is employee-friendly with rewarding job opportunities through making improvements with respect to total working hours and encouraging better work-life balance

(1) Drastic improvement in total working hours

⇒ [Substantial improvement over levels prior to making improvements \(FY2017\)](#)

Decrease in number of employees whose overtime hours exceed 80 hours per months*

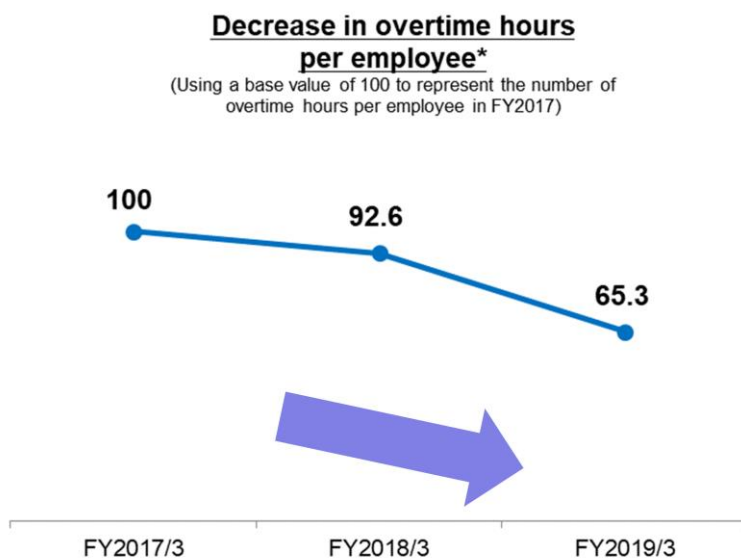
(Using a base value of 100 to represent the number of employees whose overtime exceeded the threshold in FY2017)



* The figures have been calculated by tabulating the total numbers of employees who worked more than 80 overtime hours per month during the respective fiscal years, with overtime referring to hours worked in excess of standard working hours (8 hours per day, 40 hours per week) as stipulated by Japan's Labor Standards Act. The figures stated for FY2018 and FY2019 are comparisons to a base value of 100 for FY2017. (Target group: full-time employees of Yamato Group companies in Japan)

- (1) We have achieved steady progress in terms of implementing thorough controls on working hours and making drastic improvement regarding working hours.
- (2) We have massively reduced the number of employees working excessive overtime (more than 80 hours per month) in comparison with prior to making improvements (fiscal year ended March 31, 2017).

5. Progress in “Reforming Working Styles”



* These figures have been calculated on a yearly basis by tabulating overtime hours worked per employee in excess of standard working hours (8 hours per day, 40 hours per week) as stipulated by Japan's Labor Standards Act. The figures for FY2018 and FY2019 are comparisons to a base value of 100 for FY2017.
(Target group: full-time employees of Yamato Group companies in Japan)

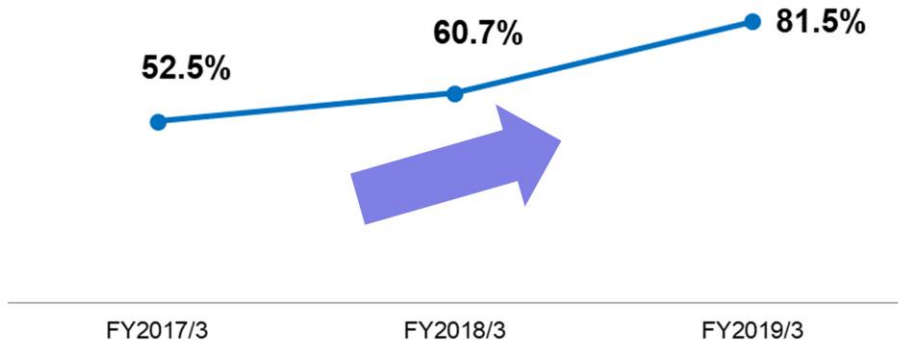
Overtime hours per employee have decreased by 30% or more in comparison with levels prior to making improvements.

5. Progress in “Reforming Working Styles”

(2) Promoting work-life balance

⇒ [Improvement over levels prior to making improvements \(FY2017\)](#)

Percentage of annual paid vacation days taken per employee*

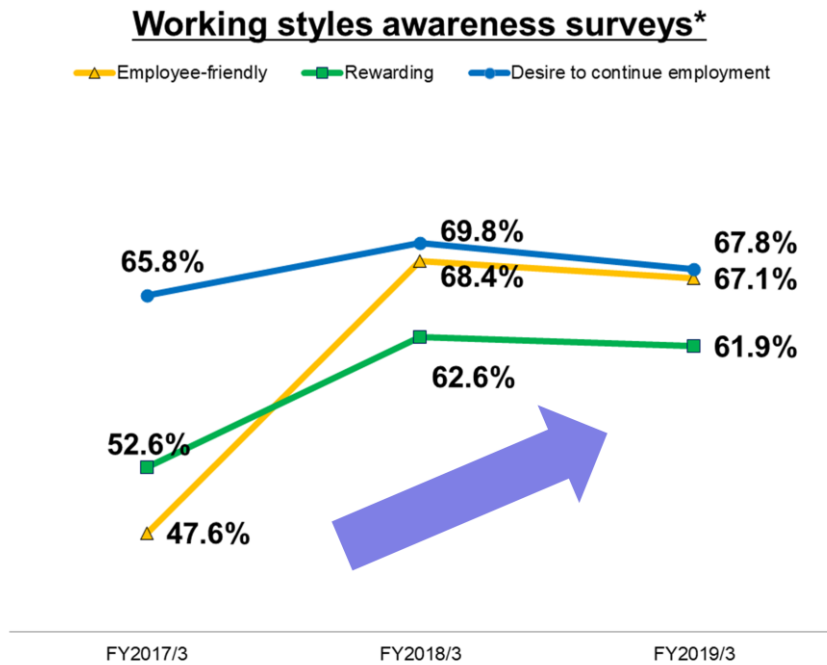


*
$$\frac{\text{Number of days of annual paid vacation taken per employee in respective fiscal years}}{\text{Number of days of annual paid vacation granted per employee in respective fiscal years}} \times 100$$

(Target group: full-time employees of Yamato Group companies in Japan)

- (1) We have been placing focus on improving working conditions through efforts that include encouraging a work-life balance and renovating facilities with the aim of acting as a company that is employee-friendly with rewarding job opportunities.
- (2) We have adopted arrangements for new working styles, such that include a system of scheduling intervals of time-off between shifts and a system allowing transition to permanent employee contracts, and are otherwise encouraging employees to take their days of annual paid vacation. Percentage of annual paid vacation days taken per employee has increased to 81.5%, from 52.5% previously, for instance, thereby indicating that we are making steady progress in this regard.

5. Progress in “Reforming Working Styles”

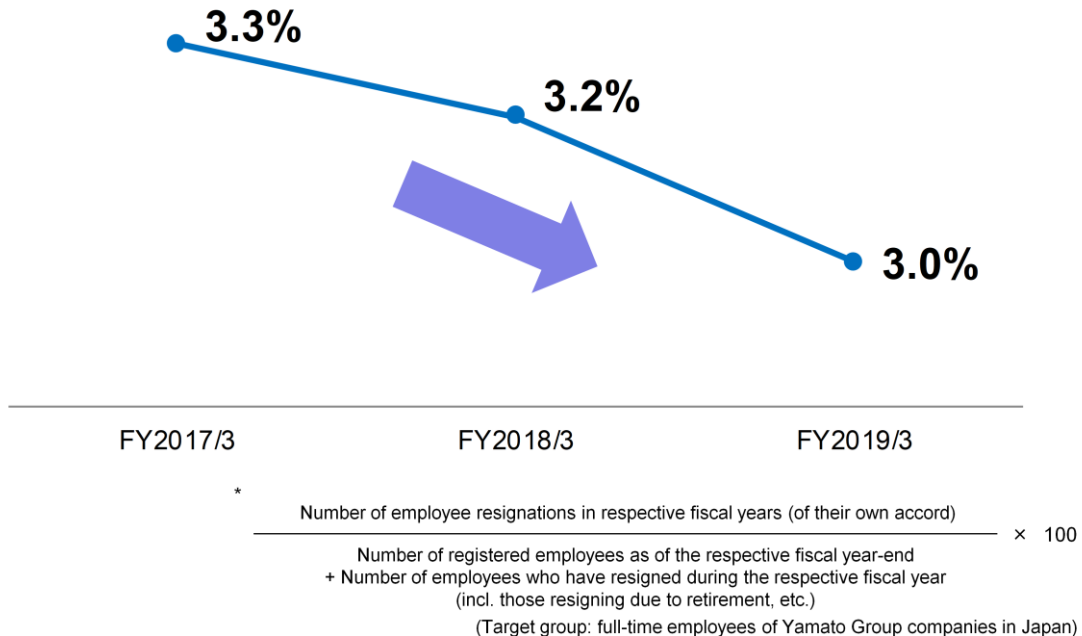


* We administer awareness surveys regarding working styles on an annual basis in order to come up with more effective “reforming working styles” initiatives centered on management.
(Target group: full-time and part-time employees of Yamato Group companies in Japan)

- (1) Employee satisfaction has improved in comparison with levels prior to making improvements, according to findings of our periodic working styles awareness surveys. The survey indicators suggest that improvement has been achieved on average, particularly with respect to the “employee-friendly” benchmark which has increased substantially to 67.1%, from 47.6% previously.
- (2) Going forward, we will seek improvement in areas that are below average in certain respects.

5. Progress in “Reforming Working Styles”

Rate of resignations*



- (1) The percentage of employees who resign has been decreasing due to “Reforming Working Styles” initiatives centered on management.
- (2) We are continuing to improve working conditions with the aim of acting as a company that is employee-friendly with rewarding job opportunities.

6. Progress in “Reforming Group Governance”

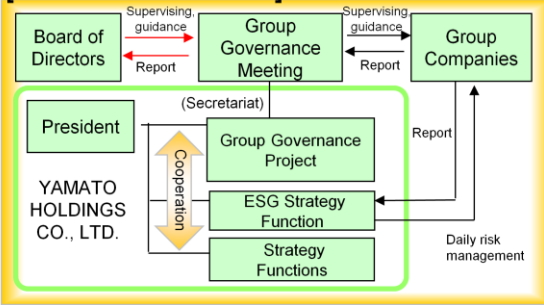
Strengthening corporate governance on a group-wide basis promoted mainly by the Group Governance Project

◆ Overview of “Reforming Group Governance”

[Goals]

- Earning the trust of each and every one of our stakeholders as a company that people continually turn to
- Each Yamato Group company aspires to build mechanisms and frameworks capable of appropriately taking on the task of risk management

[Governance framework]



◆ Initiatives

<Fiscal year ended March 31, 2019>

- 1. Commencement of comprehensive inspections of products and services**
 - Inspections targeting products and services of respective Group companies in Japan, particularly with respect to legal and regulatory compliance, maintenance of requisite documents, and matters of inadequate billing
- 2. Revamping operations of the whistle-blower system**
 - We are revamping specific Group-wide action plans, handling methods, and risk assessment criteria, particularly so that we will be able to swiftly detect and take action with respect to violations of laws, regulations and in-house rules
 - We will provide training to those handling matters involving whistle-blowing involving respective Group companies
- 3. Implementation education on our management philosophy and ethics**
 - Our executives have completed ethics training which we provide in order to instill awareness of our management philosophy based on ethical principles

<Fiscal year ending March 31, 2020>

- 1. Develop a more sophisticated approach to gaining information on risks**
 - Gather and analyze information through partner companies, employee surveys and other such means
- 2. Forge a robust corporate culture underpinned by ethical principles**
 - Keep providing ethics education to 220,000 employees of the Group
- 3. Appropriately provide services and establish risk management practices**
 - Formulate plan-do-check-act (PDCA) cycle practices in relation to product and service inspections

Given that governance underpins robust corporate management, we will strive to further strengthen governance of the Group overall. This will involve building mechanisms and frameworks capable of appropriately taking on the task of risk management, spearheaded by the Group Governance Project which was established in light of Yamato Home Convenience’s involvement in inappropriate billing incidents.

7. Operating Results Forecast for the Fiscal Year Ending March 31, 2020

KAIKAKU 2019 for NEXT100						
(Billions of Yen)	Fiscal year ended March 31, 2017 Actual	Fiscal year ended March 31, 2018 Actual	Fiscal year ended March 31, 2019 Actual	Fiscal year ending March 31, 2020 Forecast	YoY Change	
					Amount	[%]
Operating revenue	1,466.8	1,538.8	1,625.3	1,695.0	+69.6	+4.3
Operating profit	34.8	35.6	58.3	72.0	+13.6	+23.4
Ordinary profit	34.8	36.0	54.2	72.0	+17.7	+32.7
Profit attributable to owners of parent	18.0	18.2	25.6	40.0	+14.3	+55.7
Operating profit margin	2.4%	2.3%	3.6%	4.2%	+0.6%	+16.7
Capital expenditure	59.5	71.5	83.5	85.0	+1.4	+1.8
Depreciation	46.1	46.4	51.3	56.0	+4.6	+9.1

For the last fiscal year of medium-term management plan, although we expect to incur an increased level of expenses in structural reform and growth initiatives, we will enlist the efforts of the entire Group to establish the strong foundations needed for achieving sustainable earnings growth for NEXT100.

8. Capital Management Policy

Growth investment geared to achieving earnings growth over the medium- to long-term
Consistent dividends and flexible shareholder returns

Capital Management Policy

Growth potential: Operating revenue

Fortify the revenue base by expanding into other areas of business and augmenting functional capabilities

Profitability: Operating profit margin

Increase profit margin by reforming delivery business structures and fortifying the non-delivery businesses

Financial health: Cash and cash equivalents, equity ratio

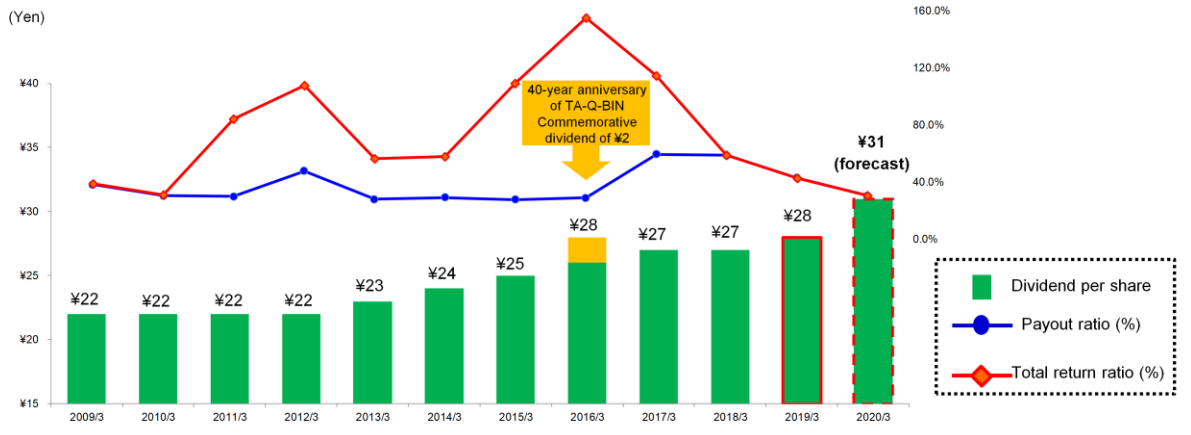
Equity ratio of approximately 50%

Capital efficiency: ROE, cost of capital

Investment recovery effect, ROE improvements

Shareholder returns: Payout ratio, total return ratio

Targeting payout ratio of 30% while focusing on total return ratio of 50%



- (1) We will provide flexible shareholder returns while placing emphasis on providing consistent dividends.
We forecast dividends for the fiscal year ending March 31, 2020 of ¥31 per share.
- (2) We are focusing on growth investment geared to achieving earnings growth over the medium- to long-term.

9. Consolidated Financial Results for the Fiscal Year Ended March 2019

(Billions of Yen)	Fiscal year ended March 31, 2018 Actual	Fiscal year ended March 31, 2019 Actual	YoY Change	
			Amount	[%]
Operating revenue				
Delivery	1,201.7	1,297.2	+95.4	+7.9
Non-Delivery, others	337.0	328.0	(8.9)	(2.7)
Total	1,538.8	1,625.3	+86.5	+5.6
Operating profit	35.6	58.3	+22.6	+63.5
[Profit margin]	2.3%	3.6%	-	-
Ordinary profit	36.0	54.2	+18.1	+50.4
[Profit margin]	2.3%	3.3%	-	-
Profit attributable to owners of parent	18.2	25.6	+7.4	+40.9
[Profit margin]	1.2%	1.6%	-	-

[Consolidated Financial Results for the Fiscal Year Ended March 2019]

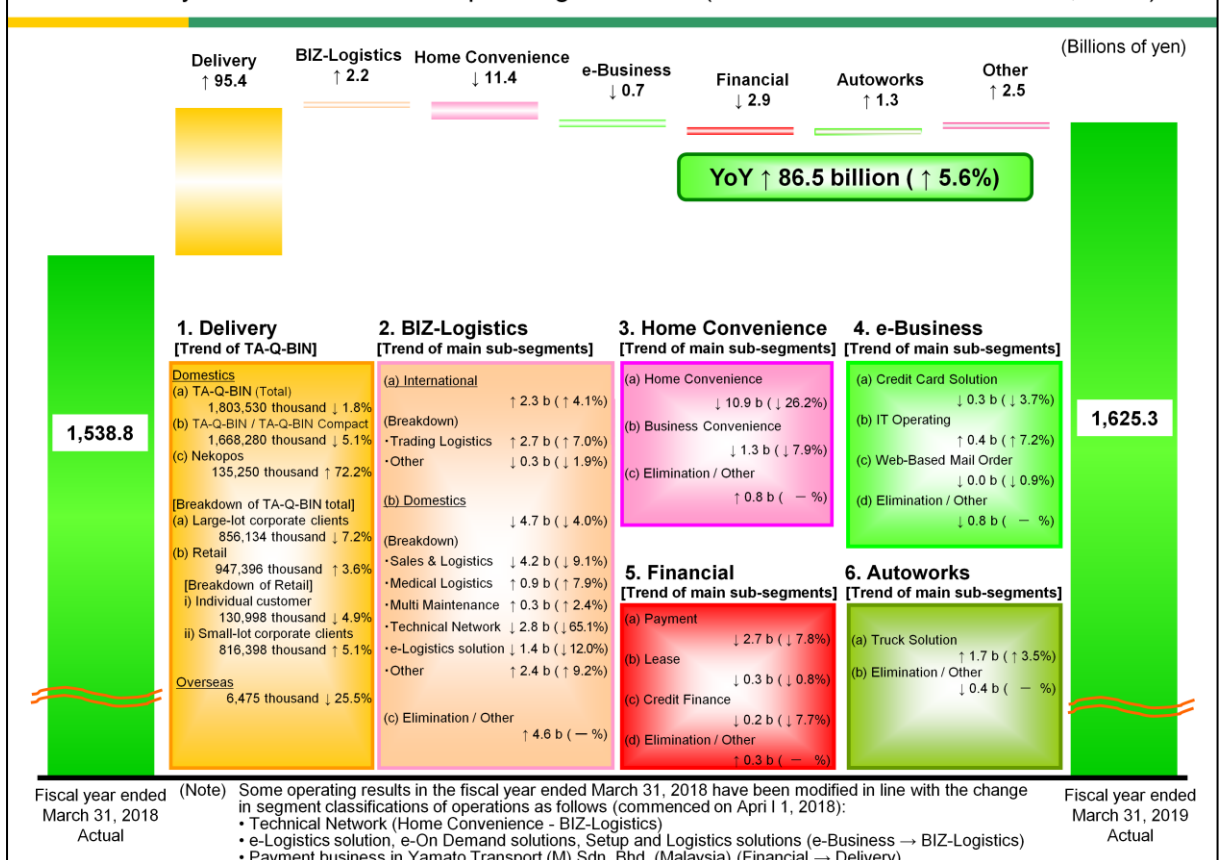
Non-operating income and loss ↓ ¥4.0 billion

(1) Non-operating profit ¥2.3 billion

(2) Non-operating expenses ¥6.4 billion

- Investment loss in entities accounted for using equity method ¥4.8 billion

10. YoY Analysis of Consolidated Operating Revenue (Fiscal Year Ended March 31, 2019)

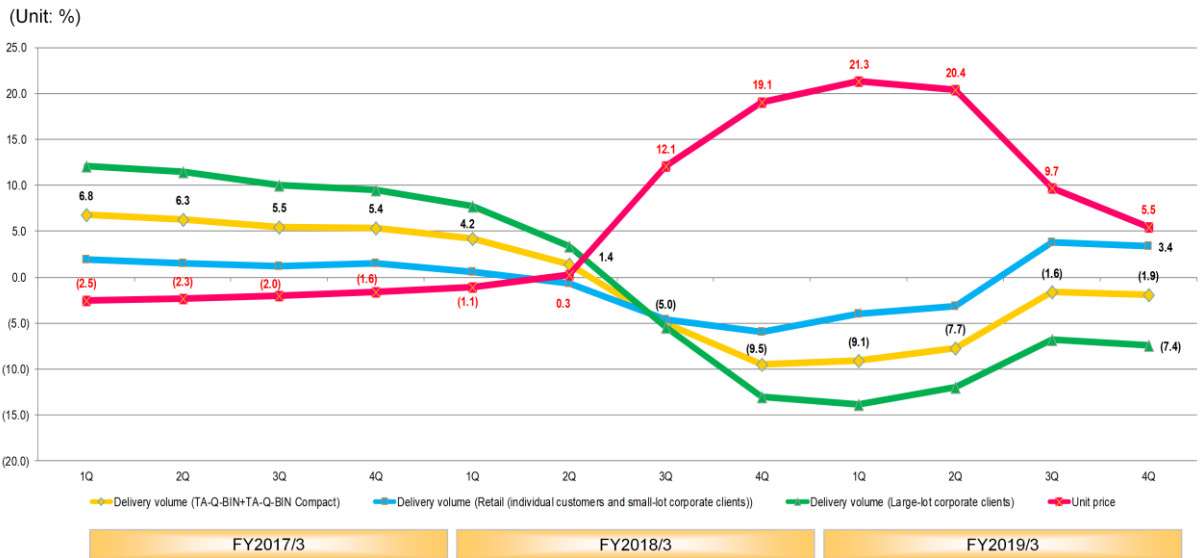


[YoY analysis of consolidated operating revenue (Fiscal year ended March 2019)]

- (1) Delivery Business (Revenue increase)
 - Positive: TA-Q-BIN total delivery volume: ↓ 1.8%, unit price ↑ 11.2%
 - [TA-Q-BIN / TA-Q-BIN Compact delivery volume: ↓ 5.1% , unit price ↑ 14.1%]
 - [Nekopos delivery volume ↑ 72.2% , unit price ↑ 5.5%]
 - Negative: Kuroneko DM-Bin delivery volume: ↓ 17.3% , 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, of a situation involving inappropriate billing for moving-related services provided to our corporate clients (¥2.0 billion), and also stopped all moving-related services
- (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

11. Quarterly YoY Trends of TA-Q-BIN Delivery Volume (excl. Nekopos)
 (Fourth quarter ended March 31, 2019)

TA-Q-BIN (excl. Nekopos) delivery volume decreased but unit price increased.
 (Volume: YoY ↓ 1.9% Unit price: YoY ↑ 5.5%)



Unit price growth rate by market (Fourth quarter of FY2019/3)

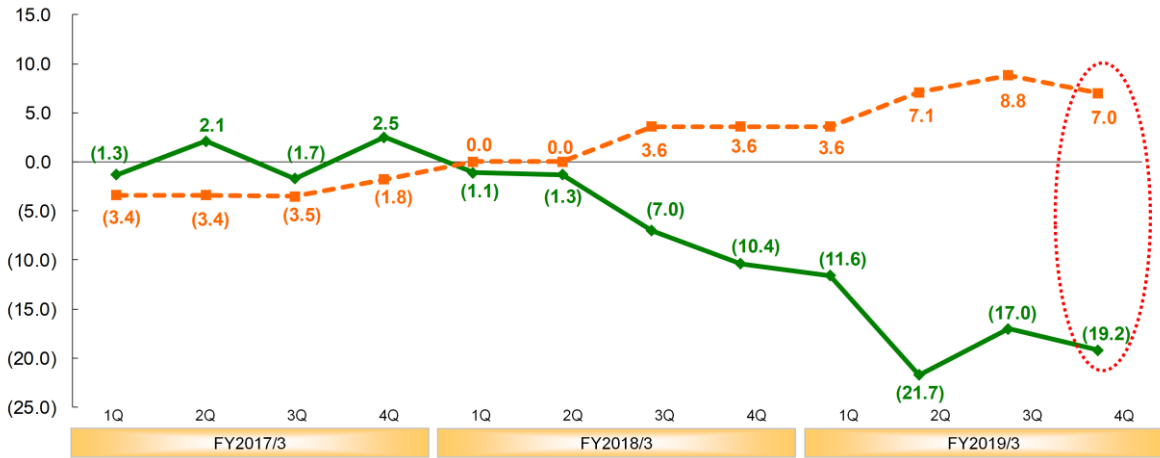
Retail (individual customers and small-lot corporate clients) ↑ 1.2%
 Large-lot corporate clients ↑ 9.7%

12. Quarterly YoY trends of Kuroneko DM-Bin (Fourth quarter ended March 31, 2019)

Kuroneko DM-BIN delivery volume decreased but unit price increased

(Volume: YoY ↓ 19.2% Unit price: YoY ↑ 7.0%)

(Unit: %)



— YoY Kuroneko DM-Bin volume growth rate

- - - YoY growth rate of Kuroneko DM-Bin unit price

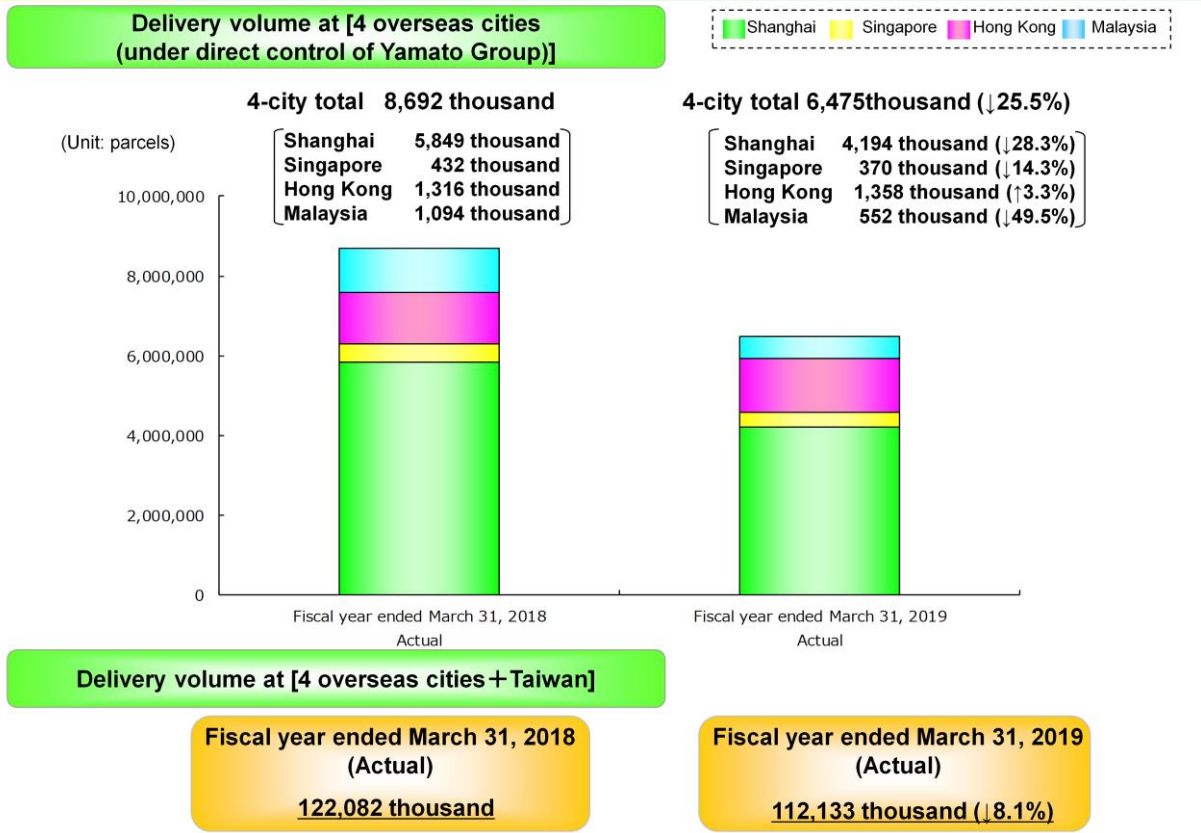
Shipment volume by market (Fourth quarter of FY2019/3)

From TA-Q-BIN Centers: ↓21.6%
From corporate sales branch offices: ↓18.4%

Shipment unit price by market (Fourth quarter of FY2019/3)

From TA-Q-BIN Centers: ↑2.7%
From corporate sales branch offices: ↑10.5%

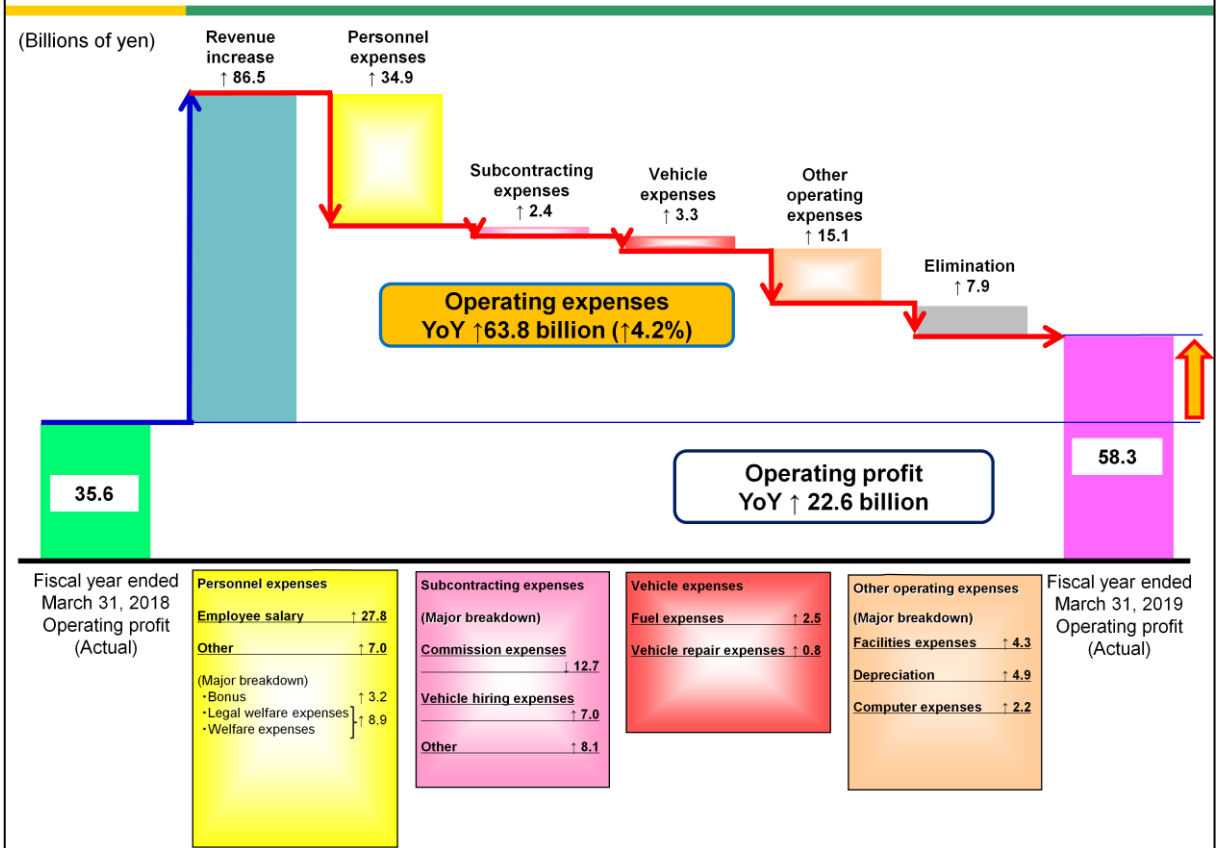
13. YoY Trends of TA-Q-BIN Business Overseas (Full Year)



[YoY Trends of TA-Q-BIN Business Overseas (Full Year)]

- Delivery volume decreased due to our review of unprofitable transactions, etc.

14. YoY Analysis of Consolidated Operating Expenses (Full Year)



[YoY Analysis of Consolidated Operating Expenses (Full Year)]

- (1) Personnel expenses increased by ¥34.9 billion (↑ 4.4%): mainly as a result of having increased the workforce to build collection and delivery systems
Employee salary ↑ ¥27.8 billion, Bonus ↑ ¥3.2 billion, Welfare expenses and legal welfare expenses ↑ ¥8.9 billion
- (2) Subcontracting expenses ↑ ¥2.4 billion (↑ 0.4%)
 - 1) Commission expenses ↓ ¥12.7 billion (↓ 4.7%): decreased in comparison with the previous fiscal year despite progress made regarding collection and delivery systems
 - 2) Vehicle hiring expenses ↑ ¥7.0 billion (↑ 3.6%): mainly due to higher per-vehicle hiring rates
 - 3) Other subcontracting expenses: ↑ ¥8.1 billion (15.0%)
- (3) Vehicle expenses ↑ ¥3.3 billion (↑ 7.8%)
 - 1) Fuel expenses ↑ ¥2.5 billion (↑ 12.0%): mainly due to a higher unit price of fuel
- (4) Other operating expenses ↑ ¥15.1 billion (↑ 4.6%)
 - 1) Facilities expenses ↑ ¥4.3 billion (↑ 6.7%): Kansai Gateway, Nagareyama Base and fees for use of parcel lockers, etc.
 - 2) Depreciation ↑ ¥4.9 billion (↑ 10.6%): mainly vehicles, machinery and equipment
 - 3) Computer expenses ¥2.2 billion (↑ 6.3%): mainly expenses related to Eighth NEKO System

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

[Fiscal year ended March 31, 2018]
Yamato Home Convenience Co., Ltd.
"Subcontracting expenses (commission expenses)" for consigned forwarding
(Fiscal year ended March 31, 2019: ¥4.4 billion)
Yamato System Development Co., Ltd.
"Other operating expenses (communication and transportation expenses)" for consigned forwarding
(Fiscal year ended March 31, 2019: ¥4.7 billion)

[Fiscal year ended March 31, 2019]
Yamato Logistics Co., Ltd.
Other subcontracting expenses: ¥9.2 billion

15. Summary of Consolidated Operating Expenses (Full Year)

(Millions of Yen)	Fiscal year ended March 31, 2018 Actual	Fiscal year ended March 31, 2019 Actual	YoY Change	
			Amount	[%]
			Operating revenue	1,538,813
Operating expenses	1,503,127	1,566,969	+63,841	+4.2
Personnel expenses	786,787	821,715	+34,928	+4.4
Employee salary	536,488	564,377	+27,888	+5.2
Other personnel expenses	250,298	257,338	+7,040	+2.8
Subcontracting expenses	627,207	629,645	+2,437	+0.4
Commission expenses	269,563	256,817	(12,745)	(4.7)
Vehicle hiring expenses	194,338	201,377	+7,039	+3.6
Other subcontracting expenses	163,305	171,449	+8,144	+5.0
Vehicle expenses	43,275	46,656	+3,380	+7.8
Fuel expenses	21,408	23,981	+2,573	+12.0
Other operating expenses	327,488	342,602	+15,114	+4.6
Depreciation	46,423	51,346	+4,923	+10.6
Elimination	(281,630)	(273,649)	+7,981	-
Operating profit	35,685	58,345	+22,659	+63.5

16. Summary of Operating Expenses in Delivery Business (Full Year)

(Millions of Yen)	Fiscal year ended March 31, 2018 Actual	Fiscal year ended March 31, 2019 Actual	YoY Change	
			Amount	[%]
Operating revenue	1,201,769	1,297,222	+95,452	+7.9
Operating expenses	1,195,013	1,256,435	+61,422	+5.1
Personnel expenses	682,563	714,381	+31,818	+4.7
Employee salary	465,455	491,417	+25,961	+5.6
Other personnel expenses	217,107	222,964	+5,856	+2.7
Subcontracting expenses	375,159	373,330	(1,828)	(0.5)
Commission expenses	157,215	151,475	(5,740)	(3.7)
Vehicle hiring expenses	184,568	191,969	+7,401	+4.0
Other subcontracting expenses	33,375	29,886	(3,489)	(10.5)
Vehicle expenses	38,002	41,165	+3,162	+8.3
Fuel expenses	17,553	19,855	+2,301	+13.1
Other operating expenses	225,287	245,364	+20,076	+8.9
Depreciation	31,821	36,203	+4,381	+13.8
Elimination	(125,999)	(117,806)	+8,192	-
Operating profit	6,756	40,787	+34,030	+503.6

- 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.

17. Summary of Consolidated Operating Expenses (Fourth Quarter Ended March 31, 2019)

(Millions of Yen)	Fourth quarter ended March 31, 2018 Actual	Fourth quarter ended March 31, 2019 Actual	YoY Change	
			Amount	[%]
Operating revenue	367,037	367,704	+666	+0.2
Operating expenses	363,483	383,701	+20,218	+5.6
Personnel expenses	189,154	201,139	+11,984	+6.3
Employee salary	131,840	141,121	+9,281	+7.0
Other personnel expenses	57,314	60,017	+2,703	+4.7
Subcontracting expenses	150,046	147,325	(2,720)	(1.8)
Commission expenses	64,366	59,156	(5,210)	(8.1)
Vehicle hiring expenses	47,240	49,505	+2,265	+4.8
Other subcontracting expenses	38,439	38,664	+224	+0.6
Vehicle expenses	9,637	9,770	+132	+1.4
Fuel expenses	5,198	5,141	(57)	(1.1)
Other operating expenses	80,587	88,701	+8,114	+10.1
Depreciation	13,150	15,237	+2,086	+15.9
Elimination	(65,942)	(63,235)	+2,707	-
Operating profit	3,553	(15,997)	(19,551)	-

[Summary of Consolidated Operating Expenses (Fourth Quarter Ended March 31, 2019)]

- (1) Personnel expenses increased by ¥11.9 billion (↑7.0%): mainly as a result of having increased the workforce to build collection and delivery systems
- (2) Subcontracting expenses ↓ ¥2.7 billion (↓1.8%)
 - 1) Commission expenses ↓ ¥5.2 billion (↓ 8.1%)
 - 2) Vehicle hiring expenses ↑ ¥2.3 billion(↑ 4.8%): Increased largely due to a higher per-vehicle hiring rates
 - 3) Other subcontracting expenses ↑ ¥0.2 billion(↑ 0.6%)
- (3) Other operating expenses ↑ 8.1 billion(↑ 10.1%)
 - 1) Depreciation ↑ 2.0 billion(↑ 15.9%): mainly vehicles, machinery and equipment

18. Summary of Operating Expenses in Delivery Business (Fourth Quarter Ended March 31, 2019)

(Millions of Yen)	Fourth quarter ended March 31, 2018 Actual	Fourth quarter ended March 31, 2019 Actual	YoY Change	
			Amount	[%]
			Operating revenue	279,955
Operating expenses	282,895	309,100	+26,204	+9.3
Personnel expenses	162,971	175,101	+12,130	+7.4
Employee salary	114,095	123,474	+9,378	+8.2
Other personnel expenses	48,876	51,627	+2,751	+5.6
Subcontracting expenses	87,027	88,258	+1,231	+1.4
Commission expenses	35,394	34,362	(1,032)	(2.9)
Vehicle hiring expenses	44,270	47,174	+2,904	+6.6
Other subcontracting expenses	7,362	6,721	(641)	(8.7)
Vehicle expenses	8,268	8,513	+245	+3.0
Fuel expenses	4,178	4,203	+25	+0.6
Other operating expenses	53,789	63,911	+10,122	+18.8
Depreciation	9,205	10,984	+1,778	+19.3
Elimination	(29,161)	(26,684)	+2,476	-
Operating profit	(2,939)	(18,640)	(15,700)	-

- 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.

19. Summary of Consolidated Operating Expenses
(Fourth Quarter Ended March 31, 2019, compared with the previous forecast)

(Millions of Yen)	Fourth quarter ended March 31, 2019 Previous forecast	Fourth quarter ended March 31, 2019 Actual	YoY Change	
			Amount	[%]
			Operating revenue	372,389
Operating expenses	379,732	383,701	+3,969	+1.0
Personnel expenses	204,423	201,139	(3,284)	(1.6)
Employee salary	141,744	141,121	(622)	(0.4)
Other personnel expenses	62,679	60,017	(2,661)	(4.2)
Subcontracting expenses	142,680	147,325	+4,645	+3.3
Commission expenses	52,338	59,156	+6,817	+13.0
Vehicle hiring expenses	45,127	49,505	+4,377	+9.7
Other subcontracting expenses	45,214	38,664	(6,550)	(14.5)
Vehicle expenses	12,114	9,770	(2,343)	(19.3)
Fuel expenses	7,159	5,141	(2,018)	(28.2)
Other operating expenses	90,099	88,701	(1,397)	(1.6)
Depreciation	13,891	15,237	+1,346	+9.7
Elimination	(69,585)	(63,235)	+6,350	-
Operating profit	(7,343)	(15,997)	(8,654)	-

[Summary of consolidated operating expenses (Fourth quarter ended March 31, 2019, compared with the previous forecast)]

1. Operating revenue ↓ ¥4.6 billion(↓ 1.3%)

☞ Lower than anticipated TA-Q-BIN delivery volume

- Results deviated from forecast for shipments in the realm of large-lot corporate clients
- Spotty moving-related demand in March

2. Operating expenses

(1) Personnel expenses ↓ ¥ 3.2 billion(↓ 1.6%)

(2) Commission expenses ↑ ¥6.8 billion(↑ 13.0%)

} ↑ ¥3.5 billion

☞ One-time expenses increased as a result of concurrently reforming working styles and developing collection and delivery systems

20. Operating Results Forecast for the Fiscal Year Ending March 31, 2020
(Breakdown by Business Segment)

(Millions of Yen)	Fiscal year ended March 31, 2019 Actual	Fiscal year ending March 31, 2020 Forecast	YoY Change		TA-Q-BIN forecasts
			Amount	[%]	
Operating revenue					(1) TA-Q-BIN (Total)
Delivery	1,297,222	1,350,000	+52,777	+4.1	• Delivery volume: 1,874,000 thousand (YoY ↑ 3.9%)
BIZ-Logistics	147,437	153,000	+5,562	+3.8	• Unit price ¥671 (YoY ↑ 1.1%)
Home Convenience	33,404	42,000	+8,595	+25.7	(2) TA-Q-BIN/TA-Q-BIN Compact
e-Business	26,592	27,000	+407	+1.5	• Delivery volume 1,700,000 thousand (YoY ↑ 1.9%)
Financial	79,966	83,000	+3,033	+3.8	• Unit price ¥720 (YoY ↑ 2.6%)
Autoworks	25,985	27,000	+1,014	+3.9	(3) Nekopos
Other	14,705	13,000	(1,705)	(11.6)	• Delivery volume 174,000 thousand (YoY ↑ 28.7%)
Total	1,625,315	1,695,000	+69,684	+4.3	• Unit price ¥194 (YoY ↑ 1.6%)
Operating profit					Kuroneko DM-Bin forecasts
Delivery	40,787	50,000	+9,212	+22.6	• Delivery volume 1,060,000 thousand (YoY ↓ 12.5%)
BIZ-Logistics	3,329	4,000	+670	+20.1	• Unit price ¥63 (YoY ↑ 5.0%)
Home Convenience	(7,764)	(3,000)	+4,764	-	
e-Business	8,740	10,000	+1,259	+14.4	
Financial	6,244	7,000	+755	+12.1	
Autoworks	4,433	5,000	+566	+12.8	
Other	19,372	39,000	+19,627	+101.3	
Subtotal	75,144	112,000	+36,855	+49.0	
Elimination	(16,798)	(40,000)	(23,201)	-	
Total	58,345	72,000	+13,654	+23.4	
Ordinary profit	54,259	72,000	+17,740	+32.7	
[Profit margin]	3.3%	4.2%	-	-	
Profit attributable to owners of parent	25,682	40,000	+14,317	+55.7	
[Profit margin]	1.6%	2.4%	-	-	

21. Operating Results Forecast for the Fiscal Year Ending March 31, 2020
(Breakdown of Operating Expenses)

(Millions of Yen)	Fiscal year ended March 31, 2019 Actual	Fiscal year ending March 31, 2020 Forecast	YoY Change	
			Amount	[%]
Operating revenue	1,625,315	1,695,000	+69,684	+4.3
Operating expenses	1,566,969	1,623,000	+56,030	+3.6
Personnel expenses	821,715	880,000	+58,284	+7.1
Employee salary	564,377	608,000	+43,622	+7.7
Other personnel expenses	257,338	272,000	+14,661	+5.7
Subcontracting expenses	629,645	610,000	(19,645)	(3.1)
Commission expenses	256,817	237,000	(19,817)	(7.7)
Vehicle hiring expenses	201,377	197,000	(4,377)	(2.2)
Other subcontracting expenses	171,449	176,000	+4,550	+2.7
Vehicle expenses	46,656	50,000	+3,343	+7.2
Fuel expenses	23,981	25,000	+1,018	+4.2
Other operating expenses	342,602	374,000	+31,397	+9.2
Depreciation	51,346	56,000	+4,653	+9.1
Elimination	(273,649)	(291,000)	(17,350)	-
Operating profit	58,345	72,000	+13,654	+23.4

Assumptions of forecasts

• Number of employees (forecast)

Total	234,700	(YoY ↑ 9,575 (YoY ↑ 4.3%))
Full-time	100,500	(YoY ↑ 2,913 (YoY ↑ 3.0%))
Part-time	134,200	(YoY ↑ 6,662 (YoY ↑ 5.2%))

• Other Cost increased due to promotion of "reforming working styles," etc.

Capital expenditure (Forecast)

¥85,000 million


[Operating results forecast for the fiscal year ending March 2020
(breakdown of operating expenses)]

(1) Personnel expenses ↑ ¥58.2 billion (↑ 7.1%)

☞ Increased because the impact of increasing the workforce in the fiscal year ended March 31, 2019 affected results for the entire year, and also due to ongoing efforts to build collection and delivery systems

(2) Commission expenses ↓ ¥19.8 billion (↓ 7.7%)

☞ The one-time expenses are likely to subside given progress being made in building collection and delivery systems



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