



YAMATO  
HOLDINGS

# Yamato Group IR Presentation Material

< Fiscal year ended March 2024 >

May 8, 2024

Yamato Holdings Co., Ltd.



# 1. Consolidated earnings (Summary)

## 【Results for the fiscal year ended March 2024】

Operating revenue	1.7586 tn yen ((42)bn yen YoY)	391.7 bn yen for the 4 <sup>th</sup> quarter (Jan.-Mar.) ((12.9)bn yen YoY)
Operating profit	40 bn yen ((20)bn yen YoY)	(10.3)bn yen for the 4 <sup>th</sup> quarter (Jan.-Mar.) ((3.9)bn yen YoY)
Profit attributable to owners of parent	37.6 bn yen ((8.2)bn yen YoY)	

### 【Operating revenues (Year-on-year)】

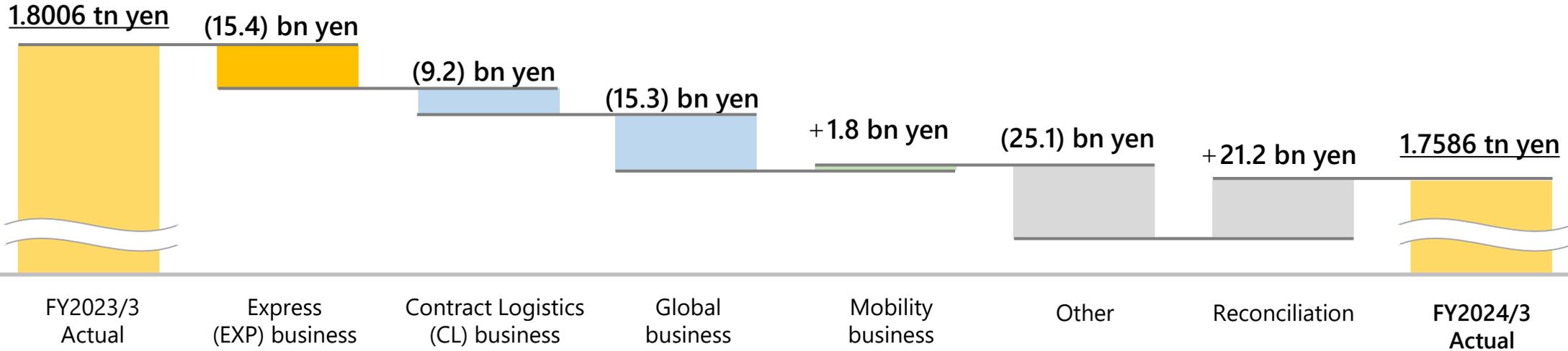
- Parcel delivery demand in the 4<sup>th</sup> quarter was sluggish, mainly in the Retail Division (individuals and small corporates). Although the negative impact of the reversal from online shopping to physical consumption has largely run its course, consumption remained weak due to factors including the decrease in real wages
- Operating revenues declined for the full year. Despite the increase in parcel delivery revenue thanks to price hikes for individuals and existing corporate clients, and the expansion of new business with large customers, revenue declined for the logistics and international logistics businesses

### 【Operating profit, and profit attributable to owners of parent (Year-on-year)】

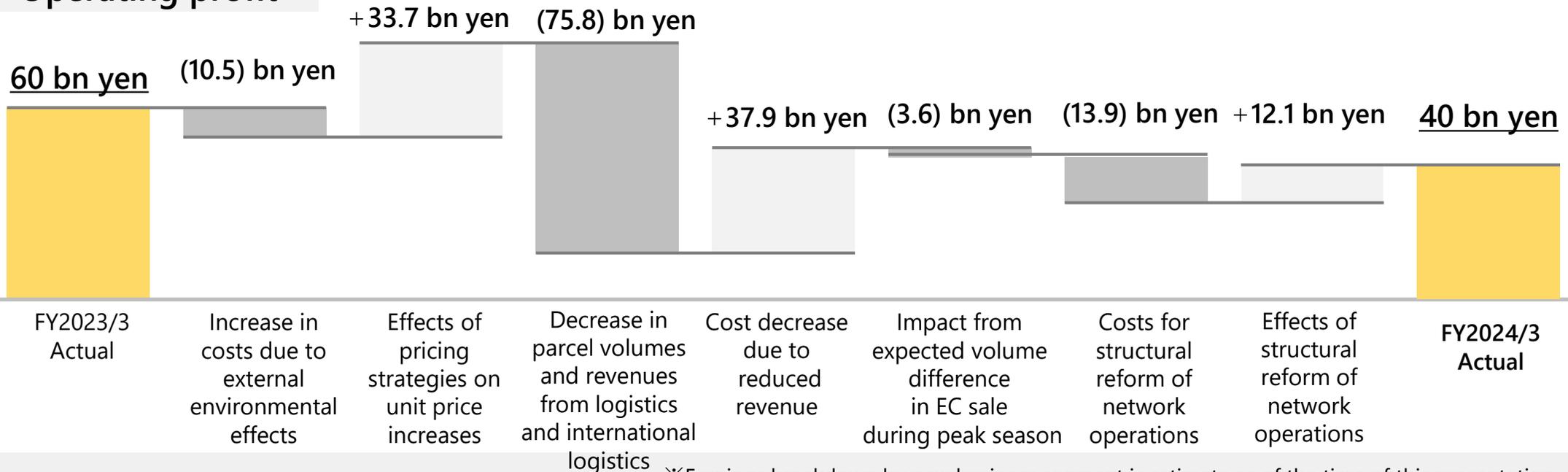
- Operating profit for the full year declined due to cost inflation driven by changes in the external environment, such as the rise in hourly wages and unit prices of outsourcing, and volume being even lower than our expectations, as well as other factors, despite our efforts to lower labor costs and other fixed costs through structural reforms of our network operations, such as the consolidation and enlargement of last-mile pickup and delivery facilities, as well as the transfer of the mailbox delivery services
- The decline in profit attributable to owners of parent ended up being smaller, due to factors including the booking of gains from the sale of fixed assets

## 2. Reasons for increase/decrease in operating revenues and operating profit (FY2024/3)

### Operating revenue



### Operating profit



※Earnings breakdown by new business segment is estimate as of the time of this presentation 2

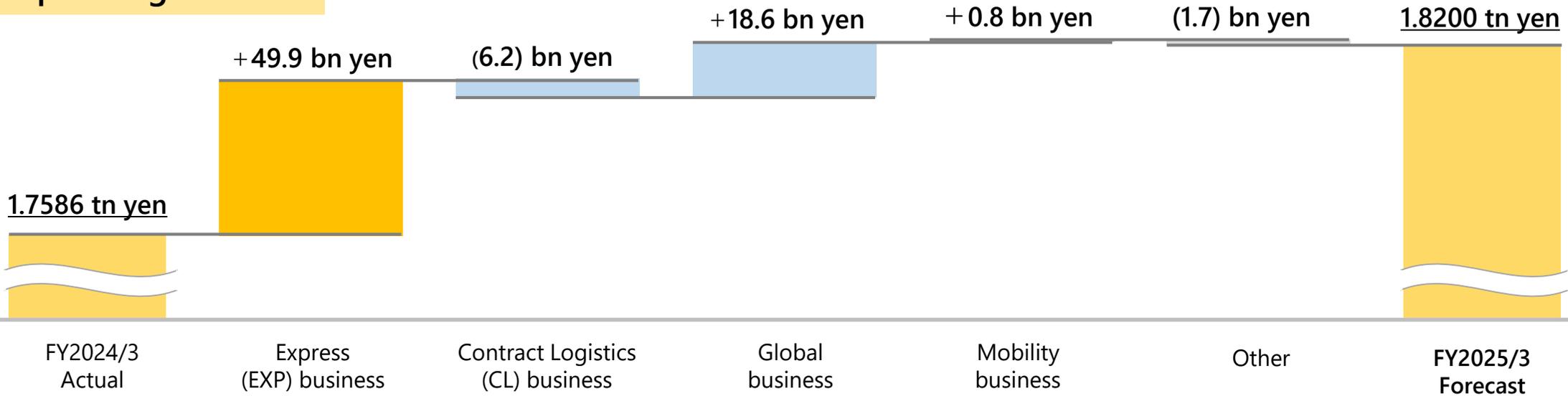
### 3. Consolidated earnings forecast (key metrics)

- Return operating revenues to a growth trajectory, by facing our customers through the One YAMATO structure, and catering to their diverse needs and expectations
  - In light of changes in the business environment, Yamato will rigorously promote the facilities strategy and DX strategy to strengthen the TA-Q-BIN network, and promote with speed new initiatives for future growth, such as freighter operations and mobility / Neko-support businesses
- As for the current fiscal year, we will achieve growth of operating revenue and operating profit while making strategic investments that will serve as the foundation for the future, thereby leading to further growth in the second year of the medium-term management plan and onwards

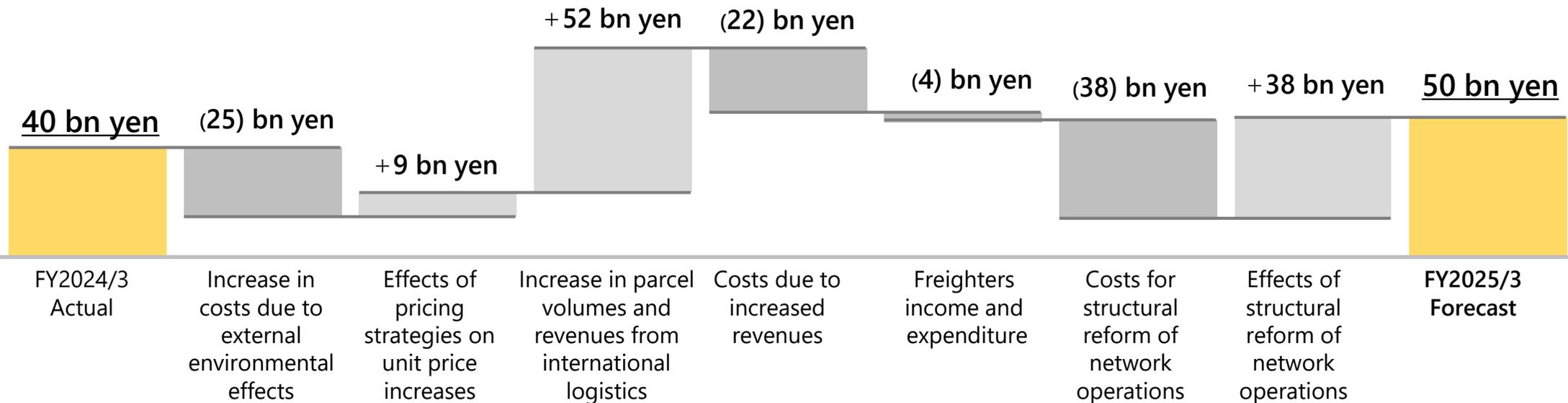
(Billions of Yen)	FY2024/3 Actual	FY2025/3 Forecast	YoY Change	
			Amount	[%]
Operating revenue	1,758.6	1,820.0	+ 61.3	+ 3.5
Operating expenses	1,718.5	1,770.0	+ 51.4	+ 3.0
Operating profit	40.0	50.0	+ 9.9	+ 24.8
Profit margin [%]	2.3	2.7	+ 0.5	-
Ordinary profit	40.4	50.0	+ 9.5	+ 23.6
Profit attributable to owners of Parent	37.6	32.0	(5.6)	(15.0)
ROE [%]	6.3	5.4	(0.9)	-
ROIC [%]	4.2	4.9	+ 0.7	-

# 4. Reasons for increase/decrease in operating revenues and operating profit (FY2025/3)

## Operating revenue



## Operating profit



※Earnings breakdown by new business segment is estimate as of the time of this presentation 4

# 5. Business strategy (Base domain / EXP business)

- **【Retail domain】** Strengthen sales towards small corporates, and design and deploy contact / sales points with customers
- **【Corporate domain】** Continue expanding new business, and strengthen our pricing strategy

## Progress in FY March 2024

(YoY growth rate)

### ✓ Retail domain (individuals and small corporates)

Pricing +5.0% Volume (5.8)%

- Rise in pricing as a result of the revision of reported fares, and the revision of contracts with small corporates
- Volume declined due to sluggish demand as well as the loss of some customers

### 【Challenge】 Strengthen sales to base customers in each region

### ✓ Corporate domain (large corporates)

Pricing +1.0% Volume +1.5%

- Promoted the acquisition of new clients, to address sluggish demand  
→ Volume increased, mainly in cross border EC
- Carefully promoting pricing negotiations with existing clients, in consideration of clients' situations (negotiations are taking longer than initially expected)

### 【Challenge】

Expand value provision to clients, while setting and receiving the right pricing that is in line with the value provided

## Initiatives in FY March 2025

(Billions of Yen)	FY2024/3 Actual※	FY2025/3 Forecast※	YoY Change	
			Amount	[%]
Operating revenue	1,553	1,603	+49.9	+3.2
Operating profit	11.9	21.8	+9.8	+83.1

※ Earnings breakdown by new business segment is estimate as of the time of this presentation

### ✓ Revenue growth in the Retail domain

- Strengthen sales points to small corporates in each region
- Design and deploy contact / sales points, in conjunction with the consolidation of pickup and delivery facilities (capture individual customers)
- Revision of reported fares and pricing (large-sized parcels, temperature controlled and leisure parcels)

### ✓ Revenue growth in the Corporate domain

- Continue to expand new business, that leads to mandates in the Contract Logistics business and the Global business
- Strengthen pricing strategy → Strengthen negotiations with each client to charge the appropriate pricing, based on volume shipped, Yamato's operational burden, etc.

### Expand value provided (key driver for FY March 2025)

- Carbon neutral delivery • Visualize GHG emissions Volume ↗ Pricing ↗
- Provide "Okihai" service to Kuroneko Members (to start in June)  
Volume ↗ Cost ↘
- Provide speedy delivery using freighters (started in April)  
Pricing ↗ Revenue from other transportation ↗
- Provide "α+ TA-Q-BIN" solutions through One YAMATO  
Volume ↗ Contract Logistics sales ↗

# 6. Structural reforms of network operations (Base domain / EXP business)

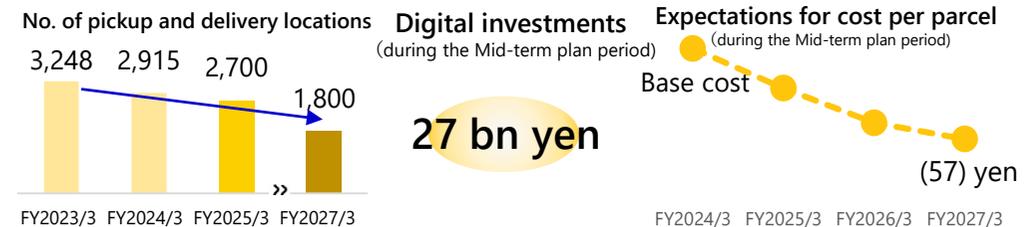
- Continue strengthening the TA-Q-BIN network, which is the foundation of Yamato's sustainable growth
- Accelerate development and implementation of IT systems in order to establish fully digital operations, which will serve as the key driver of strengthening cost control
  - Achieve profitability improvement by expanding the value provision to customers, and creating an environment in which employees and partners can work in safety and comfort, as well as controlling costs based on the level of operating revenues (volume)

## Progress in FY March 2024

- ✓ **Consolidation and enlargement of pickup and delivery facilities**
  - Plans for consolidating and enlarging pickup and delivery facilities are being completed in each region, and will be deployed step by step
  - No. of pickup and delivery locations : 3,248 → 2,915 (as of the end of March 2024)
- ✓ **Establish EC network**
  - Create flexible capacity, through the deployment of EC delivery centers
- ✓ **Outsourcing of mailbox delivery services to Japan Post**
  - Outsource mailbox delivery services, which is non-core, to Japan Post, and reallocate resources
  - Kuroneko DM Bin : Terminated as of end of Jan. 2024, and launched "Kuroneko Yu-Mail" in February
  - Nekopos : Switched step by step to "Kuroneko Yu-Packet" from Oct 2023

## Initiatives in FY March 2025

- ✓ **Consolidation and enlargement of pickup and delivery facilities**
  - Continue to roll out plan to consolidate and enlarge pickup and delivery facilities
- ✓ **Making trunk-route transportation more efficient**
  - Applying the hub & spoke model to the transportation network, and optimizing the no. of vehicles and the loading of cargo
- ✓ **Establish fully digital operations**
  - Realigning operations to automate work instructions and optimally allocate resources in accordance with volume



**Expecting a 25 yen decline in the cost per parcel in FY March 2025 from the previous period**  
 (9) yen in transportation domain, and (16) yen in last-mile domain

Cost per parcel =	Rise in operating costs due to the external environment • Labor cost (unit price of wages) • Vehicle hire cost (unit price of running the vehicles) • Outsourcing costs (unit price of outsourcing)	+	Control operating costs in total, linking it to volume • Labor cost (head count, overtime cost) • Vehicle hire cost (no. of operations) • Outsourcing cost (pickup, handling, ECNW)
	<b>Volume : Increase</b> (3 parcel delivery services)		

※Cost increase due to external impact will be absorbed by raising pricing to appropriate levels  
 ※Cost increase due to promotion of the above measures (depreciation (facilities, digital, etc.), facility usage fee, IT system-related costs) will be absorbed by the positive effects of the above measures (profitability improvement, and cost control linked to operating revenues)

- 【Challenge】**
- Accelerate innovation of "workstyle" and "transport style", using technologies**
- Trial of IT system that adjusts pickup and delivery routes depending on volume at the time
  - Development and trial of system platform that supports terminal operations and improves transportation efficiency

# 7. Business strategy (growth domain / CL business)

- By combining value-add services with TA-Q-BIN, provide total solutions to a wide range of customers
- Promote M&A and strategic alliances that contribute to mid-to-long term growth

(Billions of Yen)	FY2024/3 Actual※	FY2025/3 Forecast※	YoY Change	
			Amount	[%]
Operating revenue	87.2	81	(6.2)	(7.2)
Operating profit	9.2	9.4	+0.1	+1.2

- Expecting decline in revenue, due to the negative rebound from the COVID vaccine mandate and the large recall mandate in FY March 2024 (if this item is excluded, revenue would have grown approx. 2.8 bn yen, +3.5%)

## Business environment, and strengths of Yamato Group

### ✓ Business environment

- Logistics becoming more complicated, with the expansion of EC, and the spread of small-lot high-frequency deliveries  
→ Heightened needs for outsourcing based on the different growth stages of businesses

### ✓ Yamato Group's strengths

- Wide-ranging customer base, built through the TA-Q-BIN business
- High quality logistics technology, nurtured through the healthcare-related businesses (handling of medical devices, pharmaceuticals, etc.)

### 【Challenge】

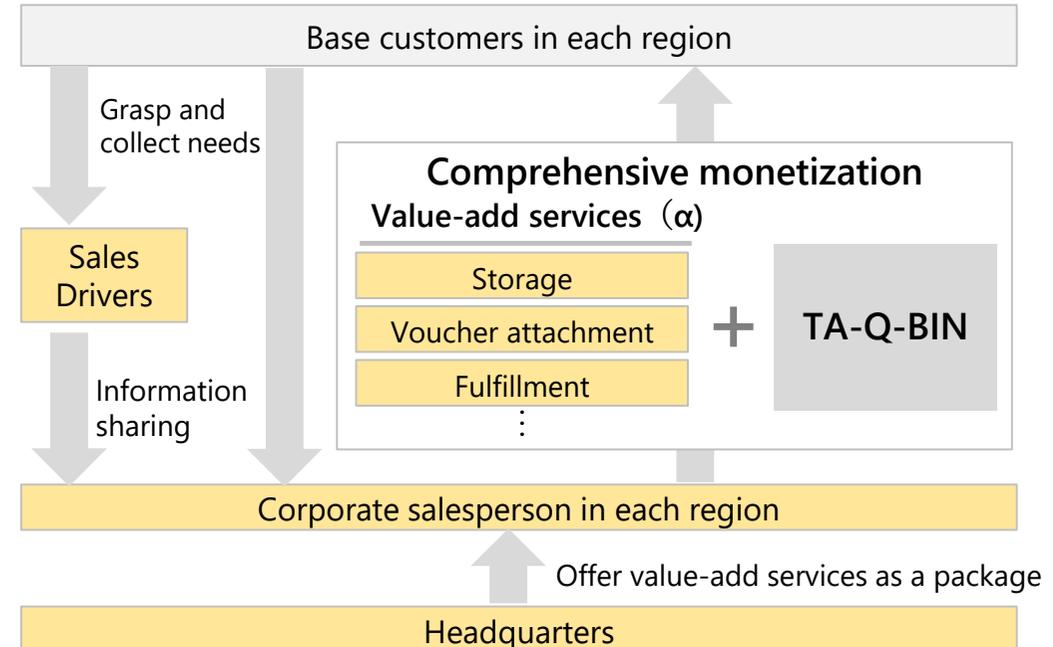
Accelerate the provision of total solutions to the customer base in each region

※Earnings breakdown by new business segment is estimate as of the time of this presentation

## Key strategy

### ✓ Value-add services (α) + TA-Q-BIN

- Package the value-add that leads to the TA-Q-BIN business, thereby strengthening sales to the customer base in each region, and capturing customers who currently use our peers
- Improve profitability of the Contract Logistics business by enhancing value-add, and grow revenue from the EXP business by increasing TA-Q-BIN volume



# 8. Business strategy (Growth domain / Global business)

- Make the most use of Yamato's overwhelming customer base in Japan, our international network, customs expertise for cross border EC, etc.
- Narrow down targeted industries and regions, and promote M&A and strategic alliances that contribute to mid-to-long term growth

(Billions of Yen)	FY2024/3 Actual※1	FY2025/3 Forecast※1	YoY Change	
			Amount	[%]
			Operating revenue	71.3
Operating profit	6.5	7.8	+1.2	+18.8

- Promoted withdrawal of international TA-Q-BIN and other businesses by FY March 2024, and achieved steady margin improvement despite the decline in demand for international transportation
- Seek to scale business in FY March 2025 onwards, in the designated focus areas

## Business environment, and strengths of Yamato Group

### ✓ Business environment

- Changes in clients' supply chains (forming blocks, shift to EVs, disputes, etc.)

### ✓ Yamato Group's strengths

- Overwhelming customer base in Japan, built up through the TA-Q-BIN business (automotives, high-tech, etc.)
- International network spanning 24 countries and regions
  - Nationwide network in Japan
  - Cross border truck transportation between southeast Asia and China
- Customs knowhow for cross border EC coming into Japan
  - Ability to declare to any customs office in Japan, regardless of the airport of arrival or mode of transport (AEO customs operator)
  - Promote digitalization in the numbering of the HS Code etc., to make customs operations more efficient

## Key strategies

### ✓ Forwarding and international CL

- Expand business with the automotive and high-tech sectors, which are growth industries throughout the world
- Strengthen cross border truck transportation functions between the U.S. and Mexico, and between China and southeast Asia
  - Launches International multimodal transport service connecting Southeast Asia and Europe by utilizing Overland Total Logistic Services from May 1, 2024
- Strengthen establishing food cold chain in southeast Asia and India, in anticipation of future growth in domestic demand

### ✓ International express

- Continue to strengthen cross border EC arriving in Japan (become industry no.1 in volume handled)
- Collaborate with our partner (President Transnet Corp.,) and expand cross border EC arriving in Taiwan
- Utilize customs knowhow built through the import business, and expand in the cross border EC market for shipments from Japan, which has a larger market size
- Enhance procurement capability of transportation space, by loading together with general forwarding cargo

### ✓ Global LLP (Lead Logistics Partner※2)

- Make solution proposals based on management challenges faced by clients, and spanning the entire supply chain (anticipate spillover effects to the EXP and CL businesses)

※1 Earnings breakdown by new business segment is estimate as of the time of this presentation

※2 Partner that participates in and supports clients' logistics planning and establishing SCM strategies, instead of just logistics operations and administration

# 9. Business strategy (New domain / Mobility business)

- Promote the introduction and operational support of commercial EVs, based on the vehicle maintenance business, and by utilizing the various knowhow accumulated through Yamato's environmental investments and experiments

**Business platform : Yamato Auto Works Co., Ltd.※**

**Fleet management of commercial EVs**

- ✓ **24-hour, 365-day operation, with a network of 72 locations nationwide**
  - Allows clients to continue operations without interruption for maintenance
  - Supports clients' businesses through Yamato's 72 directly operated maintenance facilities nationwide
- ✓ **Multi-brand capability**
  - Due to our independence, not belonging to any maker group, Yamato can provide maintenance services for a wide range of vehicles
  - Capability to not only service EVs but also install EV charging equipment
- ✓ **Together with vehicle maintenance, Yamato can provide comprehensive support to logistics companies, including the sale of insurance and fuel, maintenance and operations of logistics facilities / equipment, etc.**



No. of facilities : 72 nationwide  
 No. of clients : Approx. 1,700  
 (Approx. 100,000 vehicles)  
 No. of employees : 2,100  
 (out of which, 940 mechanics)

Supporting the introduction of commercial EVs by clients, including maintenance and operations, using Yamato Auto Works as the platform, and applying the knowhow built up through Yamato's environmental investments and experiments

- ✓ **Strength of knowhow accumulated through environmental investments and experiments**
  - Knowhow to introduce commercial EVs and solar power generation equipment (use of cartridge batteries, that makes possible continuous operations without having to wait while charging, etc.)
  - Bargaining power based on Yamato's own large-scale introduction of commercial EVs
- ✓ **Supporting the introduction of commercial EVs, including maintenance and operations**
  - Targeting commercial vehicle users who recognize the need to decarbonize
  - Utilize Yamato Group's client base and purchasing power, to provide life cycle support from the procurement and introduction of EVs, to maintenance, decommissioning, etc.

※Yamato Auto Works : Consolidated subsidiary engaged in vehicle maintenance, etc.

# 10. Value creation using freighters (New domain※)

## • Capturing new demand by leveraging on stable and speedy transportation

### Background for the introduction of freighters

- ✓ Increase in parcel delivery demand, and changes in cargo characteristics
  - Addressing needs for speedy delivery, such as for perishable foods, machinery and EC
- ✓ Shortage of truck transportation capacity (“2024 issue”, etc.)
  - Need to diversify modes of transport, including aircraft, to be able to continue to provide transportation services with stability
- ✓ Changes in the aircraft transportation environment
  - Decline in cargo loading capacity due to passenger aircraft becoming smaller
  - Opportunity to enter the field, thanks to the increase in slots for take-off and landing, as a result of the expansion of runways etc.

### Earnings model and operational schedule

Charge “TA-Q-BIN price + surcharge”, or charge by “space / weight of cargo”

- Utilize customer base built up through the TA-Q-BIN business, and set routes and timetables to address demand
- Transport regular TA-Q-BIN cargo when there is room in freight capacity (→ contributes to lowering vehicle hiring cost)

Establish stable operational structure, and increase no. of flights

- Plan to spend approx. 17 billion yen in the first year, for flight and ground operations etc.
- Will raise utilization of aircraft, while ensuring quality and safety

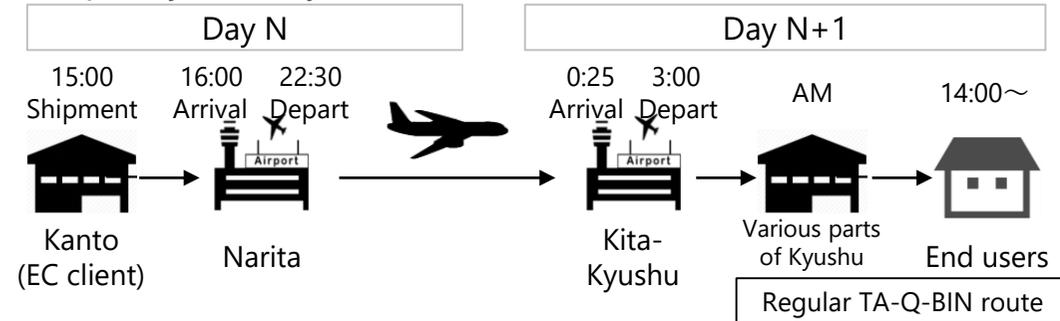
April 11~ : 9 flights per day (Narita ⇄ Shin-chitose / Narita ⇄ Kita-Kyushu / Narita ⇄ Naha / Naha ⇄ Kita-Kyushu)

From around the summer~ : 13 flights per day (Add Haneda ⇄ Shin-chitose / Haneda ⇄ Kita-Kyushu)

### Model cases with clients

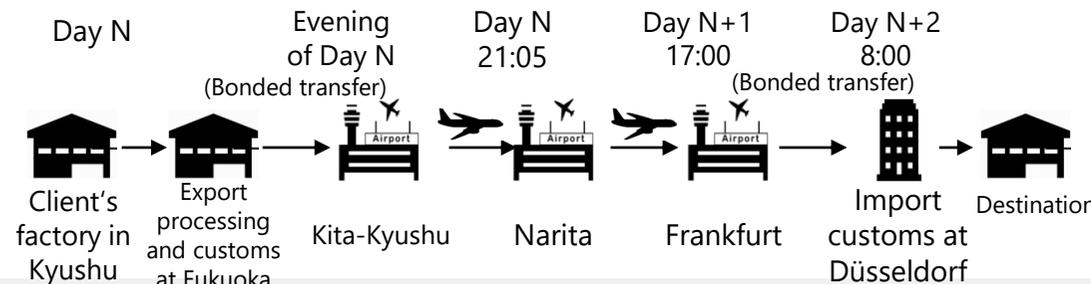
#### ① EC next-day delivery model (to Kyushu and Hokkaido)

- Provide next-day deliveries to regions which used to take 2 days, utilizing the stable transportation capability of freighters, and while charging end users a premium for speedy delivery



#### ② Connection with international flights (industrial products for automotives and semiconductors)

- From Kyushu to Düsseldorf in Germany. Shortened the previous N+4 days to N+3 days, using international flight connection at Narita Airport (cargo is foreign currency-denominated, after clearing customs at Kita-Kyushu)



※Revenues and costs, etc. related to freighters are booked in the EXP business segment 10

# 11. Capital efficiency improvements

- Aim for ROE and ROIC higher than the cost of capital, by strengthening the TA-Q-BIN network (aggressive growth investment for structural reforms of network operations) and enhancing the value provided, and by achieving profit growth and asset efficiency by providing total solutions and expanding the corporate business domain utilizing M&A and strategic alliances

## Balance sheet

Maintain financial soundness, while actively investing in growth, including investments funded by debt

### 【Financial discipline】

Capital ratio : around 45~50%

D/E ratio : around 0.3~0.5 times

### 【Financial soundness】

Credit rating (R&I): AA-

### 【FY2024/3 Actual】

Capital ratio : 51.6%

D/E ratio : 0.16x

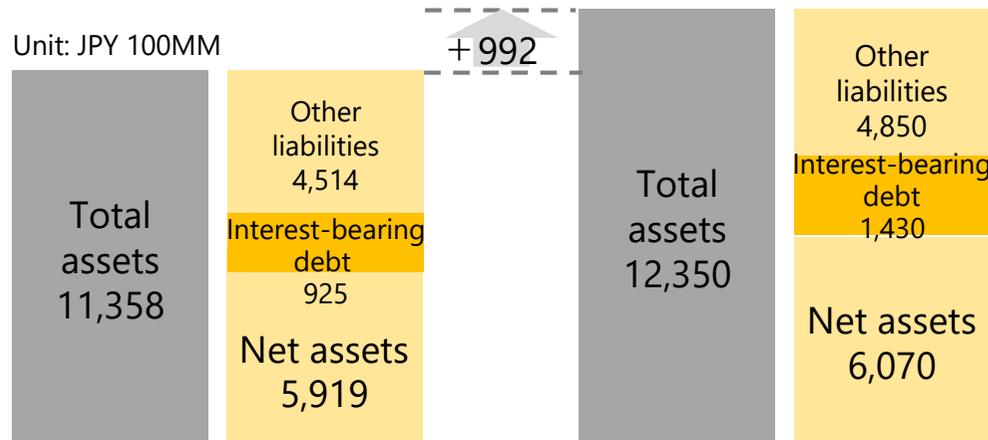
### 【FY2025/3 Estimated】

(without the impact from M&A)

Capital ratio : 48.7%

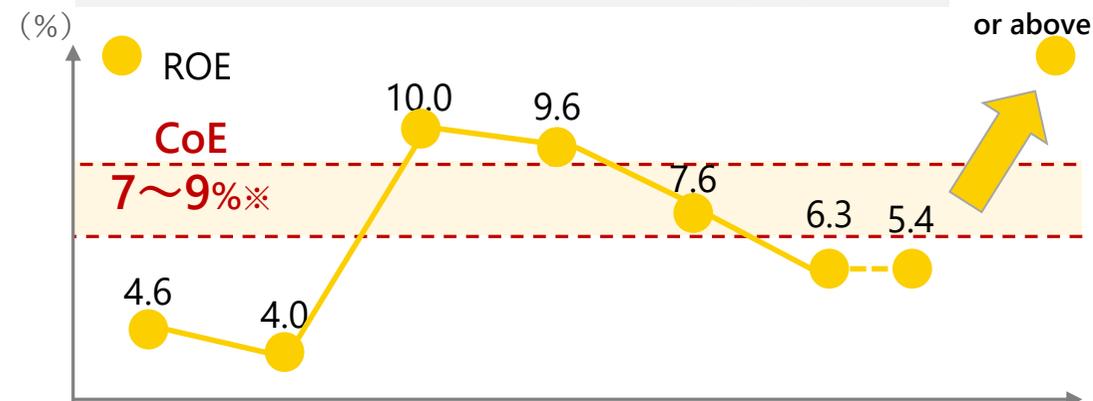
D/E ratio : 0.24x

Unit: JPY 100MM

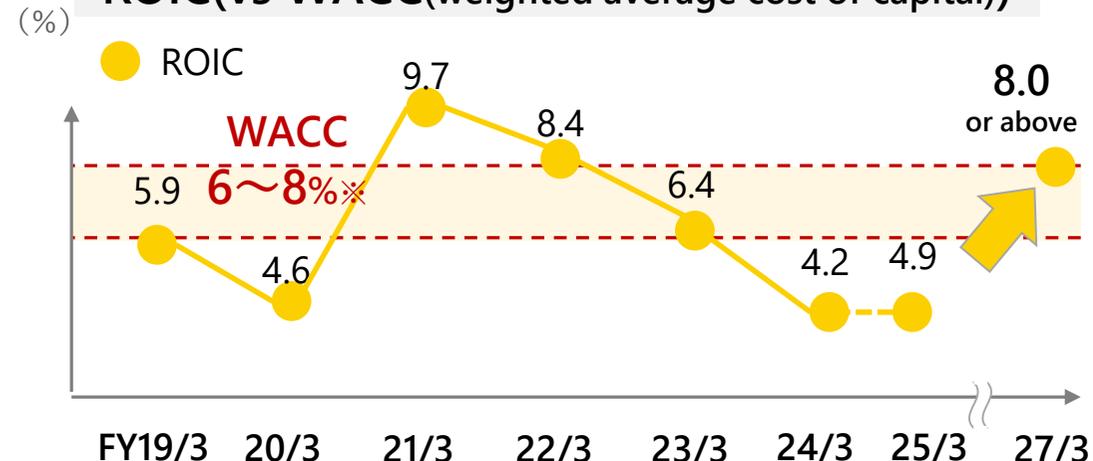


## Capital efficiency

### ROE(vs CoE(cost of shareholders equity))



### ROIC(vs WACC(weighted average cost of capital))



(Actual)(Estimated)(Estimated)

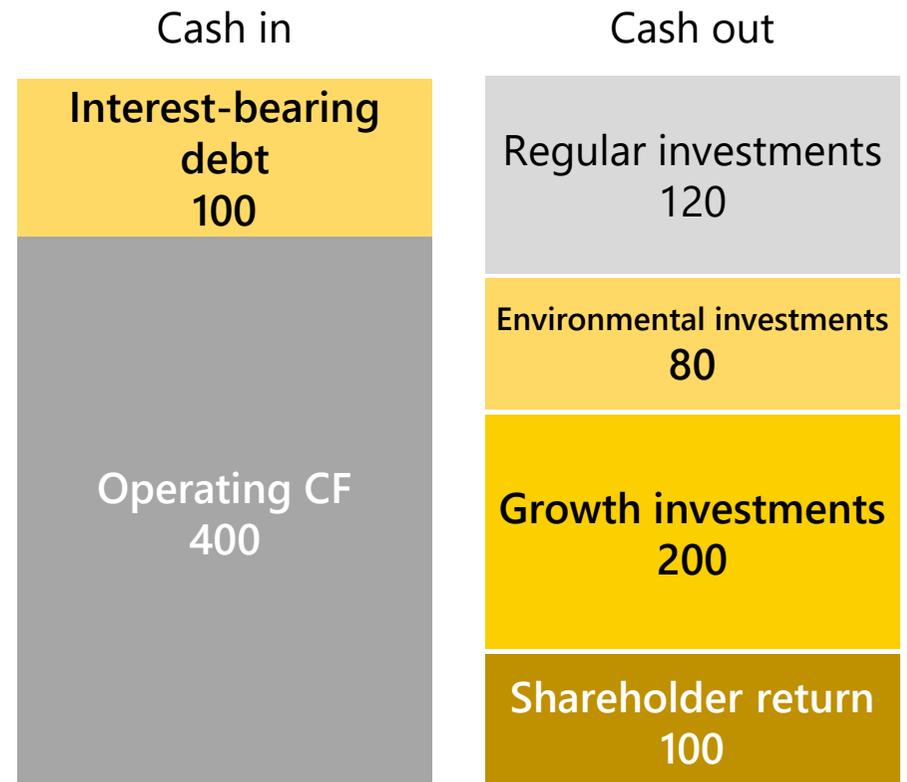
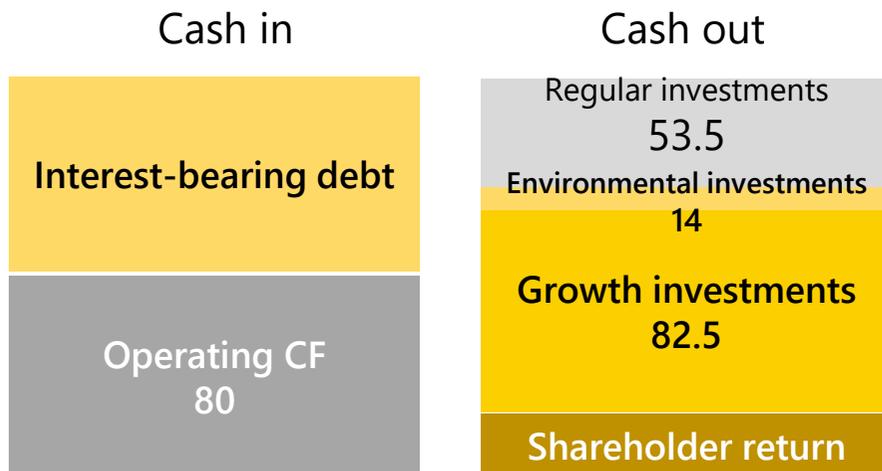
\* Assumptions for the period during the Mid-term Management Plan (FY2025/3~FY2027/3) 11

# 12. Capital allocation

- Make aggressive growth investments using interest-bearing debt, while maintaining financial discipline
- Prioritize stability and consistency of dividends, and flexibly consider share buybacks, based on factors such as future investments, progress in our earnings, and share price trends

【Cumulative image for the 3-years (FY2025/3~FY2027/3)】  
 (without the impact from M&A) (Billions of yen)

【FY2025/3 Estimate】  
 (without the impact from M&A) (Billions of yen)



# 13. Investment plan

- Total investments for the 3 years during the Medium-term management plan “SX2030 ~1st Stage~” is 400 billion yen
- In the first year (FY March 2025), 150 billion yen is scheduled to be invested, mainly as growth investments related to Yamato’s facilities strategy, etc.

investment plan 150 bn yen	Investments in the following areas	Objective
(without the impact from M&A)		
<b>Growth investment 82.5 bn yen</b>	<b>64.5 bn yen</b> Facilities strategy	Enhance productivity and reduce fixed costs Create a worker-friendly workplace
	<b>17 bn yen</b> Promoting DX	Productivity improvement through operational reform Enhance value provision to customers
	<b>1 bn yen</b> New businesses	Create new businesses that contribute to future business growth and to a sustainable future
<b>Environmental investment 14 bn yen</b>	<b>9 bn yen</b> Solar power generation, batteries, etc.	Realize a low carbon society, and provide corporate clients with logistics services that have low environmental impact
	<b>5 bn yen</b> EV charging equipment※	※In addition to those listed on the left, 2,000 EVs (operating leases) are planned to be introduced.
<b>Regular investment 53.5 bn yen</b>	<b>26.5 bn yen</b> Repair of existing TA-Q-BIN facilities, internal combustion vehicles, etc.	Maintain existing network
	<b>27 bn yen</b> Maintenance of other facilities and existing systems, etc.	Maintenance of existing business, etc.

# 14. Shareholder return

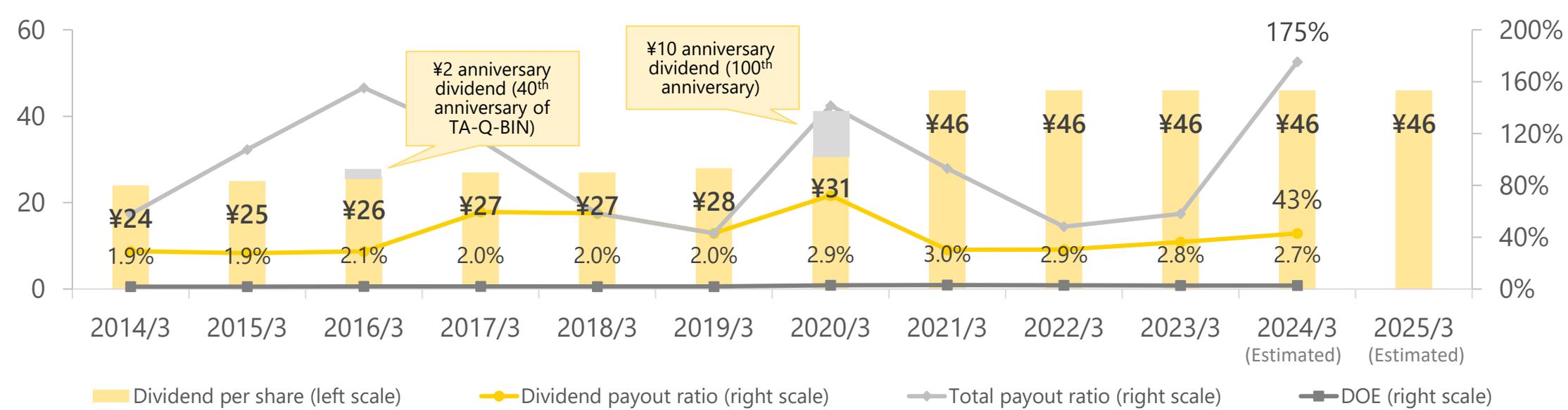
- In the mid-term management plan "SX2030 ~1st Stage~", Yamato will target a dividend payout ratio of 40% or above and a total return ratio of 50% or above, while emphasizing dividend stability and continuity
- The annual dividend per share for FY March 2025 is projected to be 46 yen (same level as the previous year). Yamato will aim to increase the annual dividend per share through the completion of the various measures outlined in this mid-term management plan

**Dividend payout ratio : 40% or above (an increase from the "30% or above" during the previous Medium-term management plan period)**

**Total shareholder return ratio : 50% or above**

**Acquisition of our own shares :** Consider acquisitions flexibly, based on factors such as the progress of disciplined growth investments (ROI above WACC), cash flow, share price, etc.

**Results and forecast of shareholder return(FY2014/3~FY2025/3 Estimate)**



\*DOE: Dividend on Equity Ratio 14

# **Overview of Consolidated Results**

## **for the Fiscal Year Ended March 2024**

# 15. Operating Results (FY2024/3)

- Operating revenues decreased, due to factors including the continued downward trend in logistics and international logistics businesses revenues, despite an increase in parcel delivery revenues as a result of pricing optimization amid continued weak parcel delivery demand
- Operating income declined due to factors such as higher hourly wages and outsourcing unit costs, as well as volume being even lower than expected, despite efforts to reduce fixed costs, including personnel expenses, by promoting structural reforms of network operations (operating income was in line with the previous forecast)

(Billions of Yen)	FY2023/3 Actual	FY2024/3 Actual	YoY Change	
			Amount	[%]
Operating revenue	1,800.6	1,758.6	(42.0)	(2.3)
Operating profit	60.0	40.0	(20.0)	(33.3)
Profit margin [%]	3.3	2.3	(1.1)	-
Ordinary profit	58.0	40.4	(17.6)	(30.3)
Profit margin [%]	3.2	2.3	(0.9)	-
Profit attributable to owners of Parent	45.8	37.6	(8.2)	(18.0)
Profit margin [%]	2.5	2.1	(0.4)	-
ROE [%]	7.6	6.3	(1.3)	-
ROIC [%]	6.4	4.2	(2.2)	-

# 16. Summary of Operating Revenue (FY2024/3)

- Retail BU: Revenues decreased due to lower volume, despite a rise in unit prices
- Corporate BU: Revenues decreased mainly due to the continued downward trend in logistics and international logistics, despite an increase in parcel delivery revenues due to the expansion of new transactions

(Billions of Yen)	FY2023/3 Actual	FY2024/3 Actual	YoY Change	
			Amount	[%]
<b>Retail Business Unit</b>	894.5	877.9	(16.6)	(1.9)
Transportation income	1191.2	1181.2	(10.0)	(0.8)
Logistical support income	3.3	3.6	+0.2	+8.6
Others	25.8	28.9	+3.0	+11.8
Eliminations	(325.9)	(335.8)	(9.9)	-
<b>Corporate Business Unit</b>	846.0	824.0	(21.9)	(2.6)
Transportation income	617.2	627.0	+9.8	+1.6
Logistical support income	259.5	226.5	(33.0)	(12.7)
Logistics	129.2	115.1	(14.0)	(10.9)
International logistics	87.5	70.9	(16.6)	(19.1)
Others	42.6	40.4	(2.2)	(5.2)
Others	33.3	31.8	(1.5)	(4.5)
Eliminations	(64.0)	(61.3)	+2.6	-
<b>Other</b>	60.0	56.5	(3.4)	(5.8)
Transportation income	24.6	22.8	(1.7)	(7.2)
Others	155.1	141.1	(14.0)	(9.1)
Eliminations	(119.7)	(107.3)	+12.3	-
<b>Total</b>	<b>1,800.6</b>	<b>1,758.6</b>	<b>(42.0)</b>	<b>(2.3)</b>

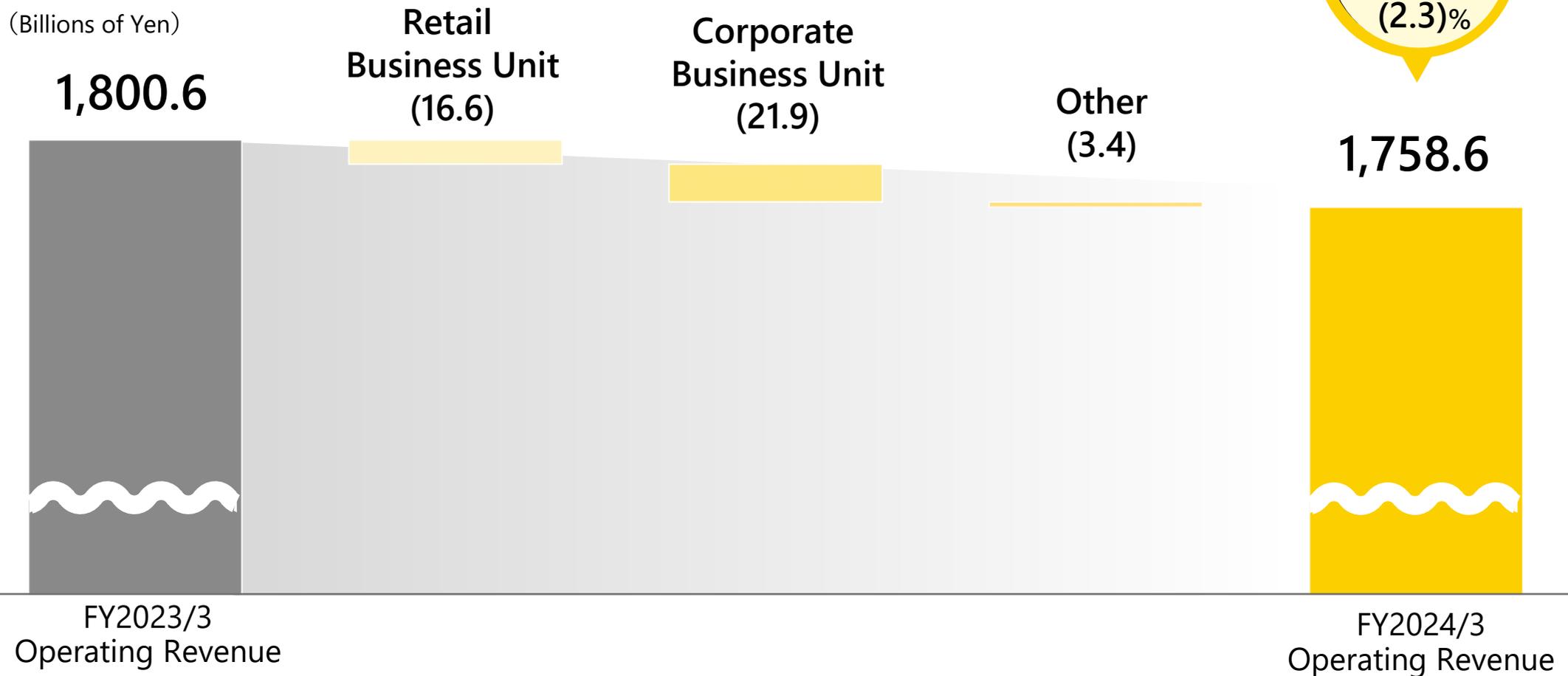
# 17. YoY Analysis of Operating Revenue (FY2024/3)

<u>Retail Business Unit</u>	
Transportation income	(10.0)
Logistical support income	+0.2
Eliminations/Others	(6.9)

<u>Corporate Business Unit</u>	
Transportation income	+9.8
Logistical support income	(33.0)
Logistics	(14.0)
International logistics	(16.6)
Others	(2.2)
Eliminations/Others	+1.1

<u>Other</u>	
Transportation income	(1.7)
Eliminations/Others	(1.6)

(Billions of Yen)

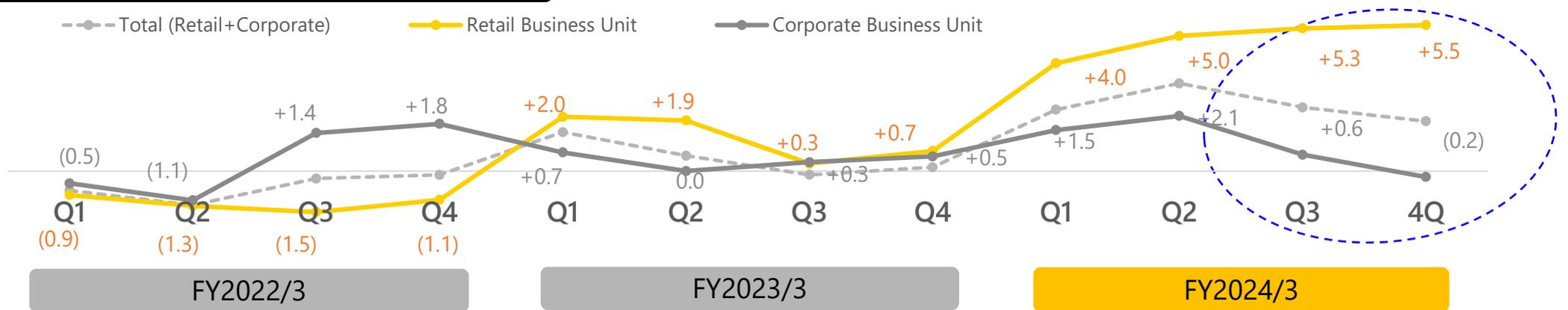


# 18. Quarterly Trends of Parcel Delivery

- **Volume:** Expanded new transactions with large customers amid continued weakness in parcel delivery demand
- **Unit price:** The rate of increase (YoY) slowed down, due to the expansion of new transactions in the corporate sector, and volume decline in the retail sector, where unit price levels are high

	FY2022/3				FY2023/3				FY2024/3			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Delivery Volume (Thousands)	444,328	470,100	540,567	435,687	449,504	490,766	552,115	433,950	442,365	469,592	546,202	428,009
YoY(%)	+3.8	+5.8	+3.6	+6.3	+1.2	+4.4	+2.1	(0.4)	(1.6)	(4.3)	(1.1)	(1.4)
Unit-price (Yen)	687	698	715	696	697	702	714	697	713	725	731	710
YoY(%)	(0.7)	(1.3)	(0.3)	(0.1)	+1.5	+0.6	(0.1)	+0.1	+2.3	+3.3	+2.4	+1.9

## Unit price trend (YoY) by Segment (%)



## Delivery volume trend (YoY) by Segment

Retail Business Unit : **(7.0)%**

Corporate Business Unit : **+4.1%**

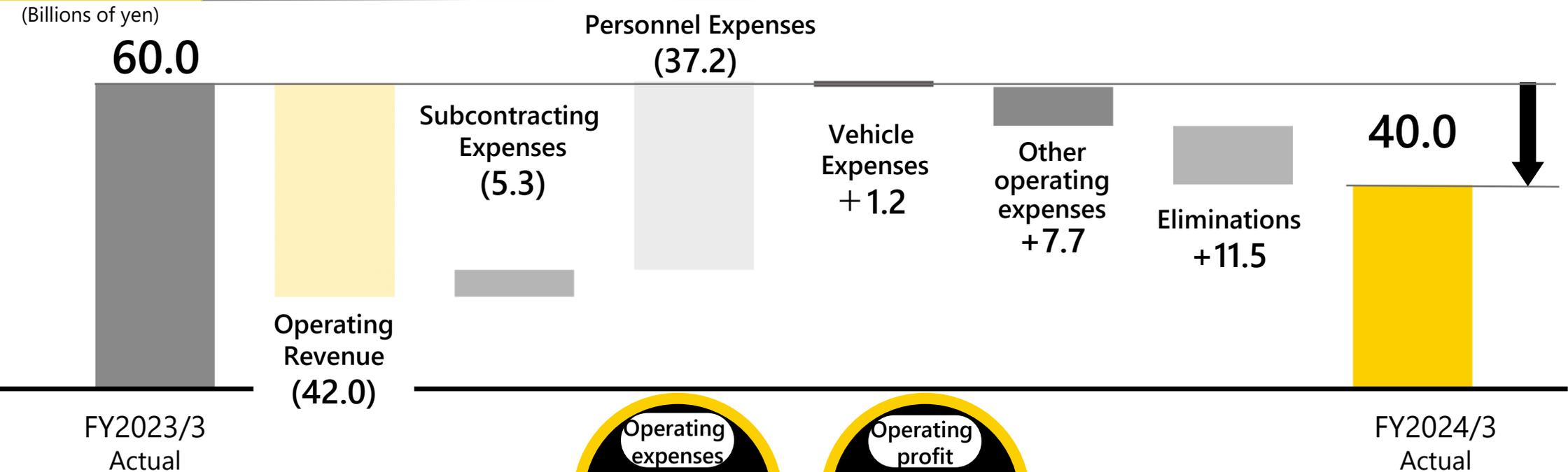
(Q4 Jan. – Mar.)

# 19. Summary of Operating Expenses (FY2024/3)

- Progress in reducing labor costs by optimizing operating costs to strengthen TA-Q-BIN network amid continued increases in wages, outsourcing unit prices, etc.
- The amount of cancellation of internal procurement declined, due to the impact of Yamato Staff Supply being excluded from the scope of consolidation (from the 3<sup>rd</sup> quarter of FY March 2024)

(Billions of Yen)	FY2023/3 Actual	FY2024/3 Actual	YoY Change	
			Amount	[%]
<b>Operating revenue</b>	1,800.6	1,758.6	(42.0)	(2.3)
<b>Subcontracting expenses</b>	657.5	652.1	(5.3)	(0.8)
Commission expenses	352.2	363.1	+ 10.8	+ 3.1
Delivery commission	95.1	96.9	+ 1.7	+ 1.8
Operating outsource	37.3	43.1	+ 5.7	+ 15.4
Other commission expenses	219.7	223.1	+ 3.3	+ 1.5
EC logistics network	46.4	43.3	(3.0)	(6.6)
Other	173.2	179.7	+ 6.4	+ 3.7
Vehicle hiring expenses	208.6	212.6	+ 3.9	+ 1.9
Other subcontracting expenses	96.5	76.3	(20.1)	(20.9)
<b>Personnel expenses</b>	866.0	828.8	(37.2)	(4.3)
Employee salary	589.4	564.9	(24.4)	(4.2)
Legal welfare expenses	106.8	104.6	(2.2)	(2.1)
Retirement benefit expenses	25.1	25.2	+ 0.1	+ 0.4
Bonus/Other personnel expenses	144.4	133.8	(10.5)	(7.3)
<b>Vehicle expenses</b>	51.2	52.5	+ 1.2	+ 2.4
Vehicle repair expenses	24.7	25.9	+ 1.1	+ 4.8
Fuel expenses	26.5	26.5	+ 0	+ 0.1
<b>Other operating expenses</b>	356.8	364.5	+ 7.7	+ 2.2
Depreciation	41.5	44.2	+ 2.7	+ 6.6
System expenses	53.0	57.7	+ 4.6	+ 8.8
Other	262.1	262.5	+ 0.3	+ 0.1
Facilities expenses	82.8	88.2	+ 5.4	+ 6.5
Other	179.3	174.3	(5.0)	(2.8)
<b>Total</b>	1,931.6	1,898.0	(33.6)	(1.7)
<b>Eliminations</b>	(191.0)	(179.4)	+ 11.5	-
<b>Operating expenses</b>	1,740.5	1,718.5	(22.0)	(1.3)
<b>Operating profit</b>	60.0	40.0	(20.0)	(33.3)

# 20. YoY Analysis of Operating Expenses (FY2024/3)



Subcontracting expenses	
Commission expenses	+10.8
Delivery commission	+1.7
Operating outsource	+5.7
EC logistics network	(3.0)
Other	+6.4
Vehicle hiring expenses	+3.9
Other subcontracting expenses	(20.1)

Personnel expenses	
Employee salary	(24.4)
Legal welfare expenses	(2.2)
Retirement benefit expenses	+0.1
Bonus/Other personnel expenses	(10.5)

Vehicle expenses	
Vehicle repairing expenses	+1.1
Fuel expenses	+0.0

Other operating expenses	
Depreciation	+2.7
System expenses	+4.6
Facilities expenses	+5.4
Other	(5.0)

# 21. Operating Expenses (Quarterly / YoY change)

(Billions of Yen)	FY2023/3												FY2024/3											
	Q1			Q2			Q3			Q4			Q1			Q2			Q3			Q4		
	Apr.- June	YoY Change		July- Sep.	YoY Change		Oct.- Dec.	YoY Change		Jan.- Mar.	YoY Change		Apr.- June	YoY Change		July- Sep.	YoY Change		Oct.- Dec.	YoY Change		Jan.- Mar.	YoY Change	
		Amount*	[%]*		Amount*	[%]*		Amount*	[%]*		Amount*	[%]*		Amount*	[%]*		Amount	[%]		Amount	[%]		Amount	[%]
<b>Operating revenue</b>	424.1	+12.0	+2.9	459.5	+22.6	+5.2	512.2	+11.9	+2.4	404.7	(8.4)	(2.1)	420.2	(3.9)	(0.9)	446.3	(13.2)	(2.9)	500.2	(11.9)	(2.3)	391.7	(12.9)	(3.2)
<b>Subcontracting expenses</b>	157.0	+11.7	+8.1	167.9	+14.5	+9.5	181.4	+5.4	+3.1	151.0	(5.5)	(3.5)	158.4	+1.3	+0.9	161.5	(6.4)	(3.8)	180.3	(1.1)	(0.6)	151.8	+0.7	+0.5
Commission expenses	82.0	+10.9	+15.5	89.7	+12.3	+16.0	98.7	+6.3	+6.9	81.6	(0.0)	(0.1)	88.3	+6.2	+7.6	90.0	+0.2	+0.3	101.7	+2.9	+3.0	82.9	+1.3	+1.7
Delivery commission	22.0	+0.5	+2.3	24.1	+2.9	+14.1	27.7	+2.9	+11.8	21.3	(0.0)	(0.4)	23.1	+1.1	+5.2	23.9	(0.2)	(0.9)	29.0	+1.3	+4.8	20.7	(0.5)	(2.6)
Operating outsource	8.7	+0.6	+8.3	9.0	+0.2	+3.1	11.0	(0.6)	(5.4)	8.4	+0.0	+0.2	10.5	+1.7	+20.2	10.5	+1.4	+16.5	13.0	+1.9	+17.9	9.0	+0.5	+6.2
Other commission expenses	51.3	+9.8	+23.7	56.5	+9.1	+19.3	60.0	+4.0	+7.2	51.8	(0.0)	(0.0)	54.6	+3.3	+6.4	55.6	(0.9)	(1.7)	59.6	(0.3)	(0.6)	53.2	+1.4	+2.7
EC Logistics network	10.0	+8.9	+820.2	12.0	+7.7	+178.8	13.3	+2.9	+28.1	11.0	+1.1	+11.2	11.2	+1.1	+11.7	11.1	(0.8)	(7.0)	12.0	(1.3)	(10.2)	8.9	(2.0)	(18.5)
Other	41.2	+0.8	+2.2	44.5	+1.4	+3.3	46.6	+1.1	+2.4	40.8	(1.1)	(2.7)	43.4	+2.1	+5.2	44.4	(0.1)	(0.3)	47.6	+1.0	+2.2	44.2	+3.4	+8.4
Vehicle hiring expenses	50.3	(1.0)	(2.0)	51.9	(1.1)	(2.1)	56.6	+0.5	+1.0	49.7	+0.4	+0.9	50.9	+0.5	+1.2	52.4	+0.5	+1.0	58.1	+1.4	+2.6	51.0	+1.3	+2.7
Other subcontracting expenses	24.5	+1.7	+7.5	26.2	+3.2	+14.2	26.0	(1.4)	(5.4)	19.7	(5.9)	(23.1)	19.1	(5.4)	(22.1)	19.0	(7.2)	(27.5)	20.4	(5.5)	(21.4)	17.7	(1.9)	(10.0)
<b>Personnel expenses</b>	212.0	+2.7	+1.3	221.3	+5.1	+2.4	225.3	+2.1	+1.0	207.3	+0.9	+0.5	209.3	(2.6)	(1.2)	215.6	(5.6)	(2.6)	213.8	(11.4)	(5.1)	189.8	(17.4)	(8.4)
Employee salary	144.4	+2.0	+1.5	148.0	+2.6	+1.8	153.2	+1.5	+1.0	143.7	+1.5	+1.1	142.8	(1.6)	(1.1)	145.6	(2.3)	(1.6)	144.6	(8.5)	(5.6)	131.7	(11.9)	(8.3)
Legal welfare expenses	25.4	(0.7)	(3.0)	27.5	+0.3	+1.4	27.3	+0.3	+1.4	26.4	(0.0)	(0.1)	26.3	+0.8	+3.4	27.0	(0.5)	(2.1)	26.4	(0.8)	(3.2)	24.7	(1.6)	(6.3)
Retirement benefit expenses	6.0	+2.1	+55.3	6.2	+2.0	+48.6	6.3	+0.7	+12.7	6.4	+0.5	+9.3	6.3	+0.2	+4.0	6.3	+0.1	+2.3	6.3	(0.0)	(1.3)	6.2	(0.2)	(3.2)
Bonus/Other personnel expenses	35.9	(0.6)	(1.8)	39.4	+0.0	+0.2	38.2	(0.5)	(1.4)	30.7	(1.0)	(3.4)	33.8	(2.1)	(5.8)	36.6	(2.8)	(7.3)	36.3	(1.9)	(5.1)	27.0	(3.6)	(12.0)
<b>Vehicle expenses</b>	12.7	+0.5	+4.9	13.8	+0.8	+6.7	14.1	+0.8	+6.0	10.5	+0.1	+1.4	13.0	+0.3	+2.6	14.2	+0.4	+2.9	14.3	+0.1	+1.4	10.8	+0.2	+2.8
Vehicle repair expenses	6.4	(0.1)	(1.6)	6.3	+0.0	+1.3	7.2	+0.5	+7.5	4.7	+0.0	+1.7	6.7	+0.2	+4.5	6.6	+0.2	+3.9	7.5	+0.3	+4.9	5.0	+0.2	+6.3
Fuel expenses	6.2	+0.6	+12.6	7.4	+0.7	+11.7	6.9	+0.3	+4.5	5.8	+0.0	+1.2	6.2	+0.0	+0.6	7.6	+0.1	+2.1	6.7	(0.1)	(2.3)	5.8	(0.0)	(0.1)
<b>Other operating expenses</b>	86.9	+2.9	+3.5	90.1	+1.4	+1.6	93.8	+2.1	+2.3	85.8	(5.1)	(5.7)	86.6	(0.2)	(0.3)	91.3	+1.1	+1.3	98.2	+4.3	+4.6	88.3	+2.5	+2.9
Depreciation	10.1	+1.8	+22.6	10.4	+2.1	+25.2	10.5	+1.6	+18.2	10.4	+0.7	+7.7	10.5	+0.3	+3.6	11.0	+0.5	+5.4	11.3	+0.7	+7.5	11.4	+1.0	+9.8
System expenses	13.2	+0.3	+2.7	13.3	+0.2	+1.6	13.5	(0.8)	(5.8)	13.0	(1.0)	(7.4)	14.3	+1.1	+8.6	14.4	+1.0	+8.2	14.9	+1.4	+11.0	13.9	+0.9	+7.3
Other	63.5	+0.7	+1.2	66.3	(0.9)	(1.3)	69.8	+1.3	+2.0	62.4	(4.8)	(7.3)	61.7	(1.7)	(2.8)	65.8	(0.4)	(0.7)	71.9	+2.0	+3.0	62.9	+0.5	+0.9
Facilities expenses	20.2	+1.3	+7.4	20.5	+1.1	+5.8	21.5	+1.1	+5.9	20.5	+0.0	+0.4	21.0	+0.8	+4.4	21.5	+1.0	+4.9	22.8	+1.3	+6.2	22.7	+2.1	+10.7
Other	43.3	(0.6)	(1.4)	45.8	(2.0)	(4.2)	48.3	+0.1	+0.3	41.9	(4.9)	(10.6)	40.6	(2.6)	(6.2)	44.3	(1.4)	(3.2)	49.0	+0.7	+1.6	40.2	(1.6)	(3.9)
<b>Total</b>	468.6	+18.0	+4.0	493.2	+21.9	+4.7	514.8	+10.5	+2.1	454.8	(9.5)	(2.1)	467.4	(1.2)	(0.3)	482.7	(10.4)	(2.1)	506.8	(8.0)	(1.6)	440.9	(13.8)	(3.1)
<b>Eliminations</b>	(46.9)	+4.8	-	(49.2)	+4.9	-	(51.0)	(0.0)	-	(43.8)	+4.1	-	(48.8)	(1.9)	-	(47.1)	+2.1	-	(44.5)	+6.4	-	(38.8)	+4.9	-
<b>Operating expenses</b>	421.7	+22.8	+5.7	443.9	+26.9	+6.5	463.8	+10.4	+2.3	411.0	(5.4)	(1.3)	418.6	(3.1)	(0.7)	435.6	(8.3)	(1.9)	462.2	(1.6)	(0.3)	402.1	(8.9)	(2.2)
<b>Operating profits</b>	2.4	(10.8)	(81.7)	15.6	(4.3)	(21.6)	48.3	+1.4	+3.2	(6.3)	(3.0)	-	1.5	(0.8)	(33.9)	10.7	(4.8)	(31.2)	38.0	(10.3)	(21.4)	(10.3)	(3.9)	-

\* From the FY2023/3, internal transactions between Yamato Transport Co., Ltd. and the former group companies that were integrated into Yamato Transport Co., Ltd. in the FY2022/3, have been reclassified. Figures for FY2022/3 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.

## 22. Financial Position and Cash Flows

### 【Consolidated Statement of Financial Position】

(Billions of Yen)	As of March 31, 2023	As of March 31, 2024	
		As of March 31, 2024	YoY Change
Total assets	1,107.5	1,135.8	+ 28.3
Current assets	484.6	496.3	+ 11.7
Cash and deposits	185.3	195.0	+ 9.6
Notes and accounts receivable – trade, and contract assets	216.2	212.0	(4.1)
Fixed assets	622.9	639.5	+ 16.6
Buildings and structures	153.4	165.5	+ 12.0
Investment securities	42.7	50.8	+ 8.1
Total liabilities	491.1	543.9	+ 52.7
Interest-bearing debt	48.2	92.5	+ 44.2
Total net assets	616.4	591.9	(24.4)
Shareholders' equity	598.1	569.3	(28.7)
Non-controlling interests	6.0	6.2	+ 0.1
Equity Ratio [%]	55.1	51.6	(3.5)

### 【Consolidated Statement of Cash Flows】

(Billions of Yen)	FY2023 Actual	FY2024 Actual	
		FY2024 Actual	YoY Change
Cash flows from operating activities	89.9	64.3	(25.6)
Cash flows from investing activities	(49.4)	(22.4)	+ 26.9
Free cash flows*	40.5	41.8	+ 1.3
Cash flows from financing activities	(38.6)	(30.7)	+ 7.8
Cash and cash equivalents at end of year	183.2	194.7	+ 11.4

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

## 23. Operating Results Forecast for FY2025/3

- Aim to grow operating revenues by increasing revenues from the three parcel delivery services, by expanding the value provided to customers, and by strengthening pricing strategies, and developing total solutions for a wide range of customers in the Contract Logistics and Global businesses, etc.
- Aim to grow operating income through revenue growth, and by strengthening cost control in conjunction with volume, etc.

(Billions of Yen)		FY2024/3 Actual	FY2025/3 Forecast	YoY Change	
				Amount	[%]
Operating revenue		1,758.6	1,820.0	+61.3	+3.5
Operating profit		40.0	50.0	+9.9	+24.8
[Profit margin]		2.3	2.7	+0.5	-
Ordinary profit		40.4	50.0	+9.5	+23.6
Profit attributable to owners of Parent		37.6	32.0	(5.6)	(15.0)
Volume (Thousands of Units)	TA-Q-BIN/ TA-Q-BIN Compact/ EAZY	1,886,170	2,006,000	+119,829	+6.4
	EAZY	476,143	457,100	(19,043)	(4.0)
	Nekopos/ Kuroneko Yu-Packet	409,650	362,900	(46,750)	(11.4)
	Kuroneko DM-Bin/ Kuroneko Yu-Mail	626,550	126,700	(499,850)	(79.8)
Unit Price (Yen)	TA-Q-BIN/ TA-Q-BIN Compact/ EAZY	721	725	+4	+0.6
	Nekopos/ Kuroneko Yu-Packet	190	194	+4	+2.1
	Kuroneko DM-Bin/ Kuroneko Yu-Mail	68	83	+15	+22.1

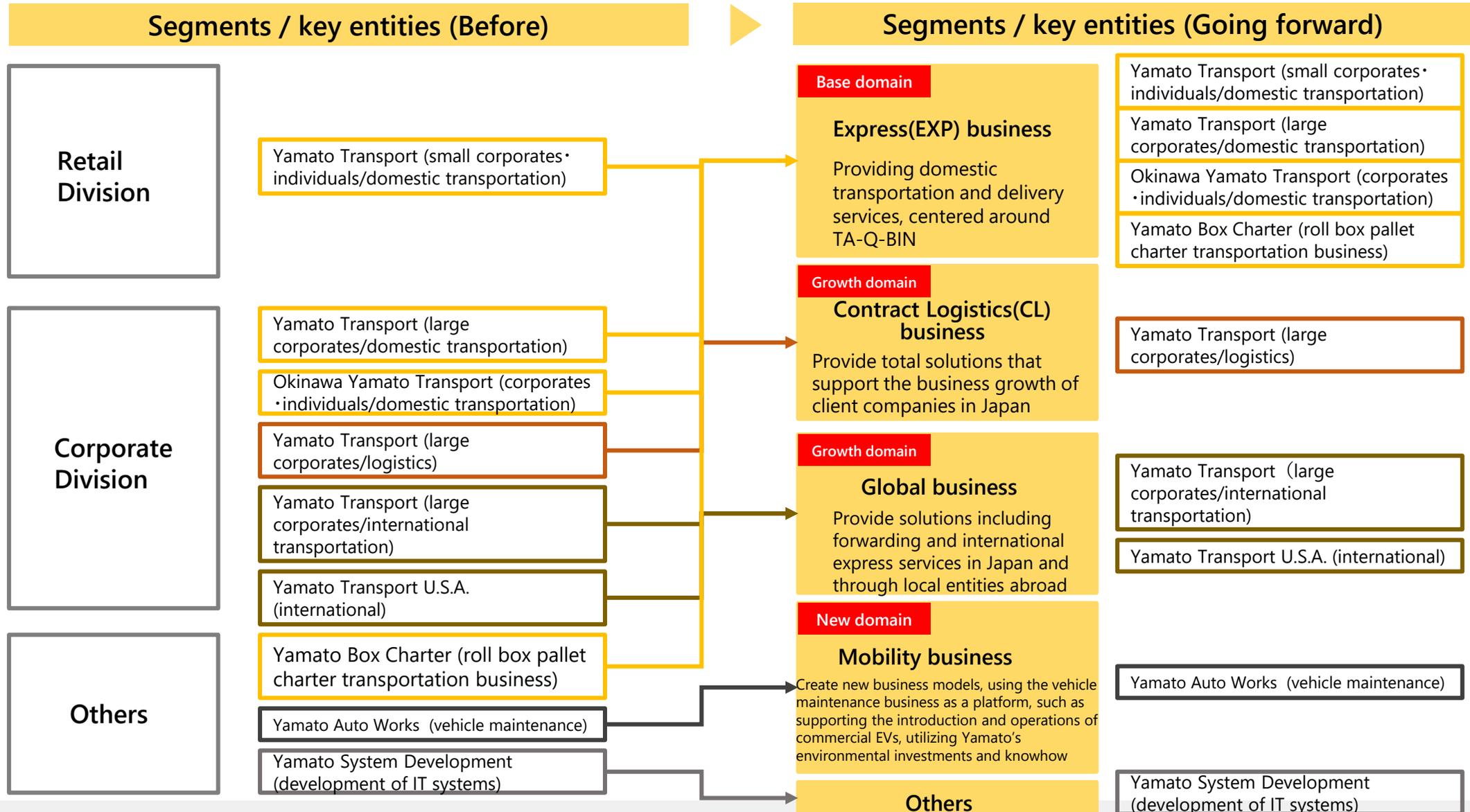
## 24. Operating Results Forecast for FY2025/3 (Breakdown of Operating Expenses and others)

- Operating expenses are expected to rise, due to upward external pressure on wages and procurement costs such as outsourcing, as well as depreciation and facility usage fees as a result of business structure reforms, and the increase in freighter-related expenses. Yamato will strive to optimize personnel expenses, and outsourcing and vehicle hire expenses, by strengthening cost controls linked to volume

(Billions of Yen)	FY2024/3 Actual	FY2025/3 Forecast	YoY Change	
			Amount	[%]
<b>Operating revenue</b>	1,758.6	1,820.0	+ 61.3	+ 3.5
<b>Subcontracting expenses</b>	652.1	678.3	+ 26.1	+ 4.0
Commission expenses	363.1	383.7	+ 20.5	+ 5.7
Delivery commission	96.9	98.7	+ 1.7	+ 1.9
Operating outsource	43.1	45.2	+ 2.0	+ 4.8
Other commission expenses	223.1	239.8	+ 16.6	+ 7.5
EC Logistics network	43.3	32.3	(11.0)	(25.6)
Other	179.7	207.5	+ 27.7	+ 15.4
Vehicle hiring expenses	212.6	221.5	+ 8.8	+ 4.2
Other subcontracting expenses	76.3	73.1	(3.2)	(4.3)
<b>Personnel expenses</b>	828.8	815.3	(13.5)	(1.6)
Employee salary	564.9	543.6	(21.3)	(3.8)
Legal welfare expenses	104.6	104.8	+ 0.1	+ 0.1
Retirement benefit expenses	25.2	27.3	+ 2.0	+ 8.1
Bonus/Other personnel expenses	133.8	139.6	+ 5.7	+ 4.3
<b>Vehicle expenses</b>	52.5	52.6	0.0	+ 0.2
Vehicle repair expenses	25.9	25.5	(0.4)	(1.8)
Fuel expenses	26.5	27.1	+ 0.5	+ 2.1
<b>Other operating expenses</b>	364.5	390.7	+ 26.1	+ 7.2
Depreciation	44.2	51.2	+ 6.9	+ 15.6
System expenses	57.7	60.6	+ 2.8	+ 4.9
Other	262.5	278.9	+ 16.3	+ 6.2
Facilities expenses	88.2	96.9	+ 8.6	+ 9.9
Other	174.3	182.0	+ 7.6	+ 4.4
<b>Total</b>	1,898.0	1,936.9	+ 38.8	+ 2.0
<b>Eliminations</b>	(179.4)	(166.9)	+ 12.5	-
<b>Operating expenses</b>	1,718.5	1,770.0	+ 51.4	+ 3.0
<b>Operating profit</b>	40.0	50.0	+ 9.9	+ 24.8
<b>Total number of employees (Persons)</b>	177,430	176,000	(1,430)	(0.8)
Full-time	88,917	89,800	+ 883	+ 1.0
Part-time	88,513	86,200	(2,313)	(2.6)
<b>Capital expenditure (Billions of Yen)</b>	56.7	150.0	+ 93.2	+ 164.2

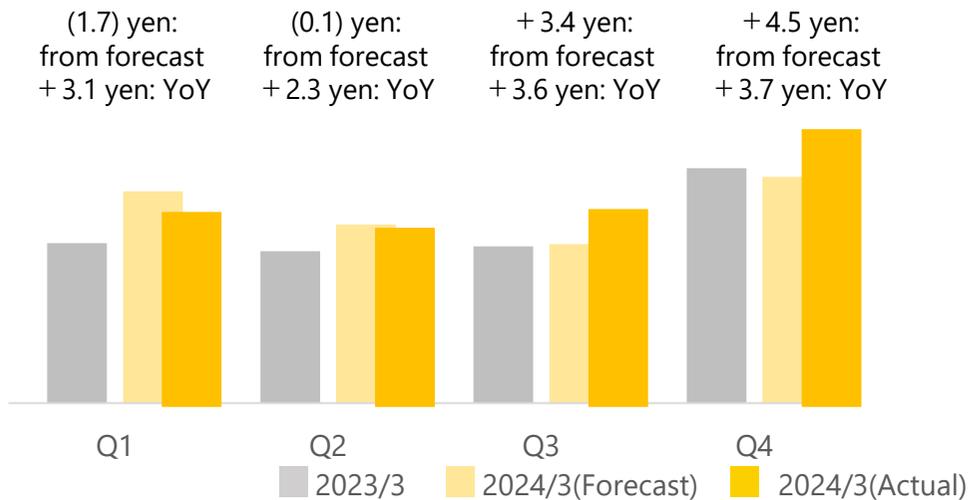
# Changes to reporting segments

• Change to the Express(EXP) business, Contract Logistics(CL) business, Global business and Mobility business, in alignment with our management strategy and structure



# Structural reform of network operations (Status of cost per parcel)

## ➤ Transportation domain (Trunk-route and intra-regional transportation, Terminal operations)



### Cost\* per parcel in transportation domain (Q4)

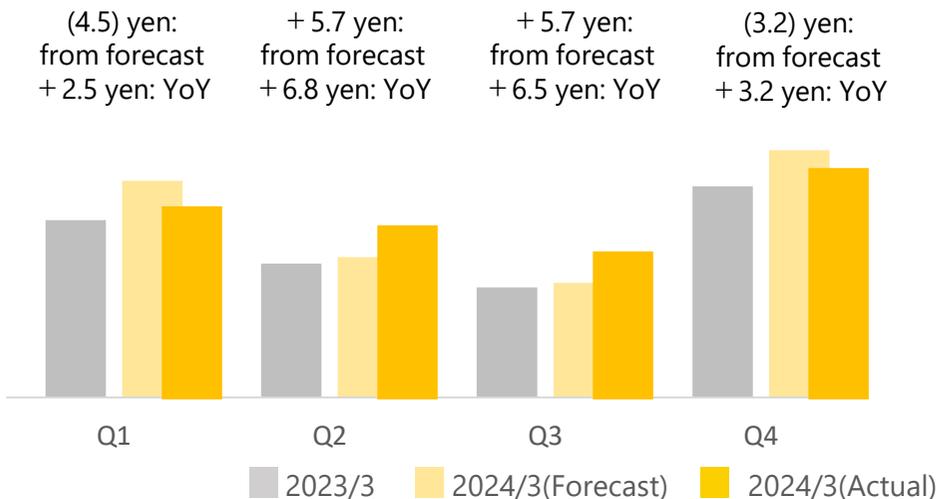
< Main factors for difference from forecast: + 4.5 yen >

- Unmatched capacity for fluctuating workload: +1.2 yen
- Cost optimization (consolidation of operations, etc.) effects not achieved : +3.3 yen

< Main factors for difference with previous period: + 3.7 yen >

- Unmatched capacity for fluctuating workload: + 3.3 yen
- Increase in labor and partner unit costs: + 2.4 yen
- Cost optimization (consolidation of operations, etc.): (2.0) yen

## ➤ Last-mile domain (Pick-up and delivery, operations and admin work in Last-mile Offices)



### Cost\* per parcel in last-mile domain (Q4)

< Main factors for difference from forecast: (3.2) yen >

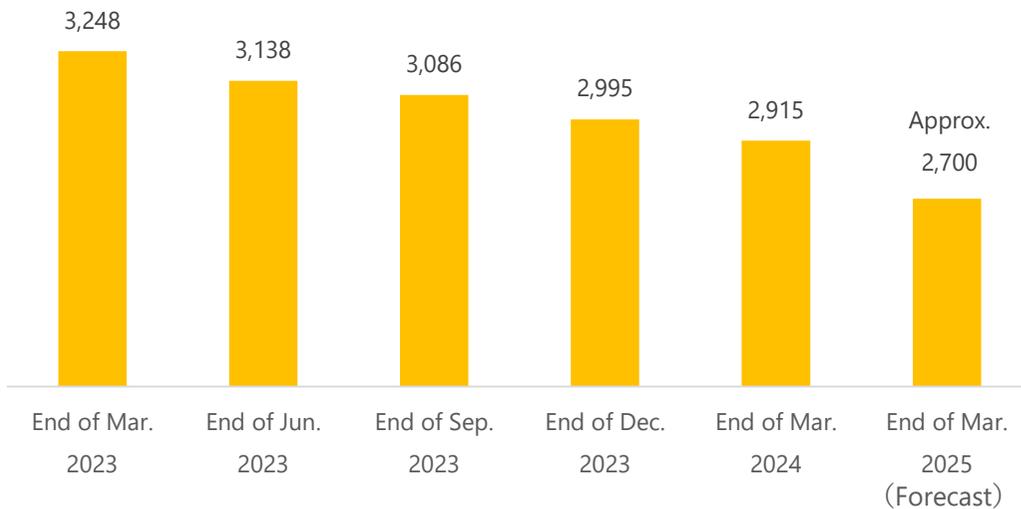
- Unmatched capacity for fluctuating workload: + 0.7 yen
- Decrease in costs due to reduced volume of mailbox delivery works: (3.1) yen
- Increase in labor and partner unit costs: +0.6 yen
- Productivity improvement and personnel optimization through measures: (1.4) yen

< Main factors for difference with previous period: + 3.2 yen >

- Unmatched capacity for fluctuating workload: + 9.3 yen
- Decrease in costs due to reduced volume of mailbox delivery works: (3.1) yen
- Rise in unit cost of wages and partner expenses: + 2.3 yen
- Productivity improvement and personnel optimization through measures: (5.3) yen

\* Figures are total of outsourcing expenses and employee wages related to the operations

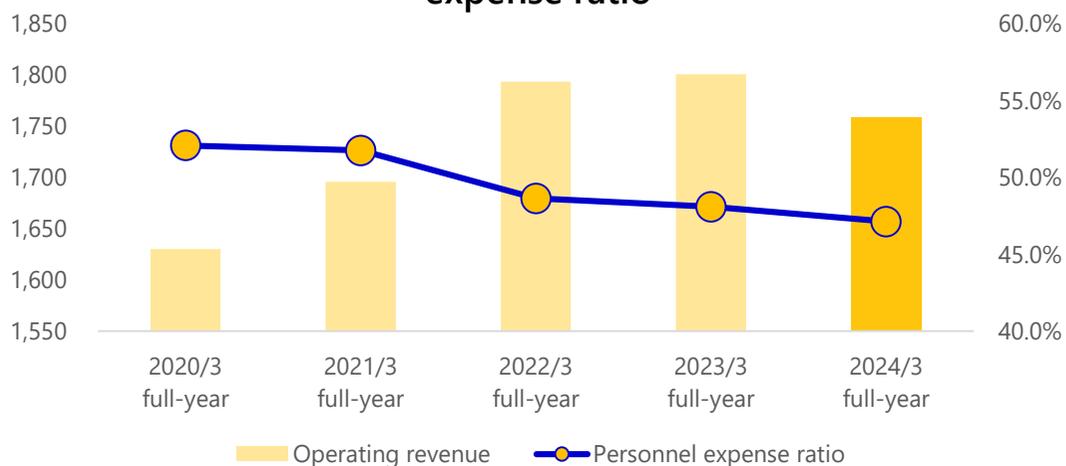
Trend of no. of last-mile facilities



- ✓ Progressing almost in line with plan
- ✓ Will promote further consolidation, in conjunction with the deployment of large-scale delivery facilities

Trend of operating revenue and personnel expense ratio

(bn yen)



- ✓ Optimize headcount, through the implementation of the consolidation and enlargement of facilities, the transfer of post-box delivery business to Japan Post, and the business alliance with Word HD (transfer of Yamato Staff Supply shares)
- ✓ Although operating revenues was lower than last year, the ratio of wages in operating revenues declined
- ✓ Will focus mainly on optimizing the headcount of administrative functions, by enhancing operational efficiency

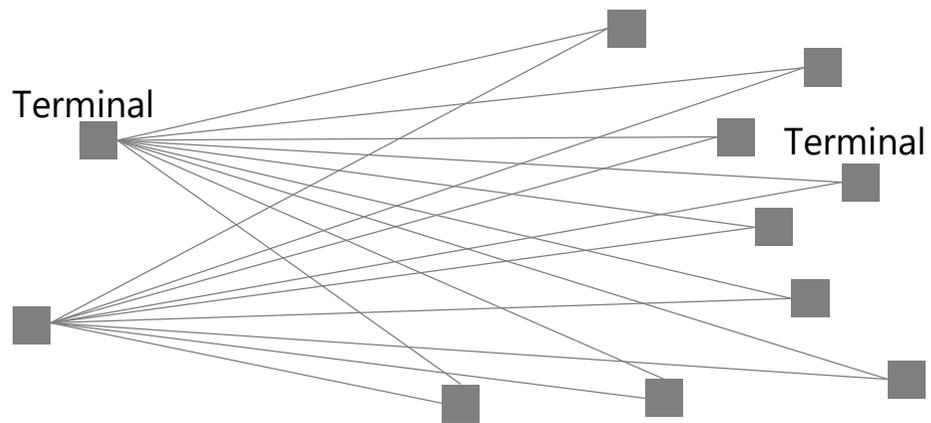
# Structural reforms of network operations

(transform trunk-route transportation to a hub & spoke model)

Innovate the way we transport, from “intricate and complicated” to “simple and easy to understand by anyone”

## Transportation from Terminal to Terminal

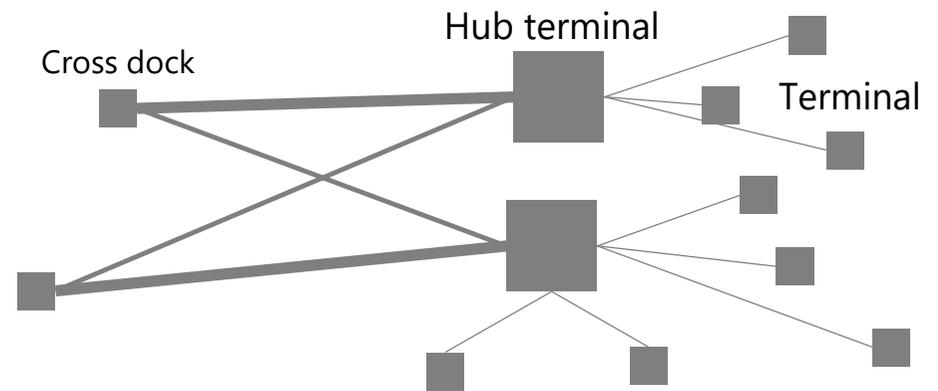
Currently, trucks are running in all sorts of directions



Thorough network from each Base to Bases all over Japan

## Hub & spoke type transportation

Going forward, trucks will run  
“Only to the Hubs”



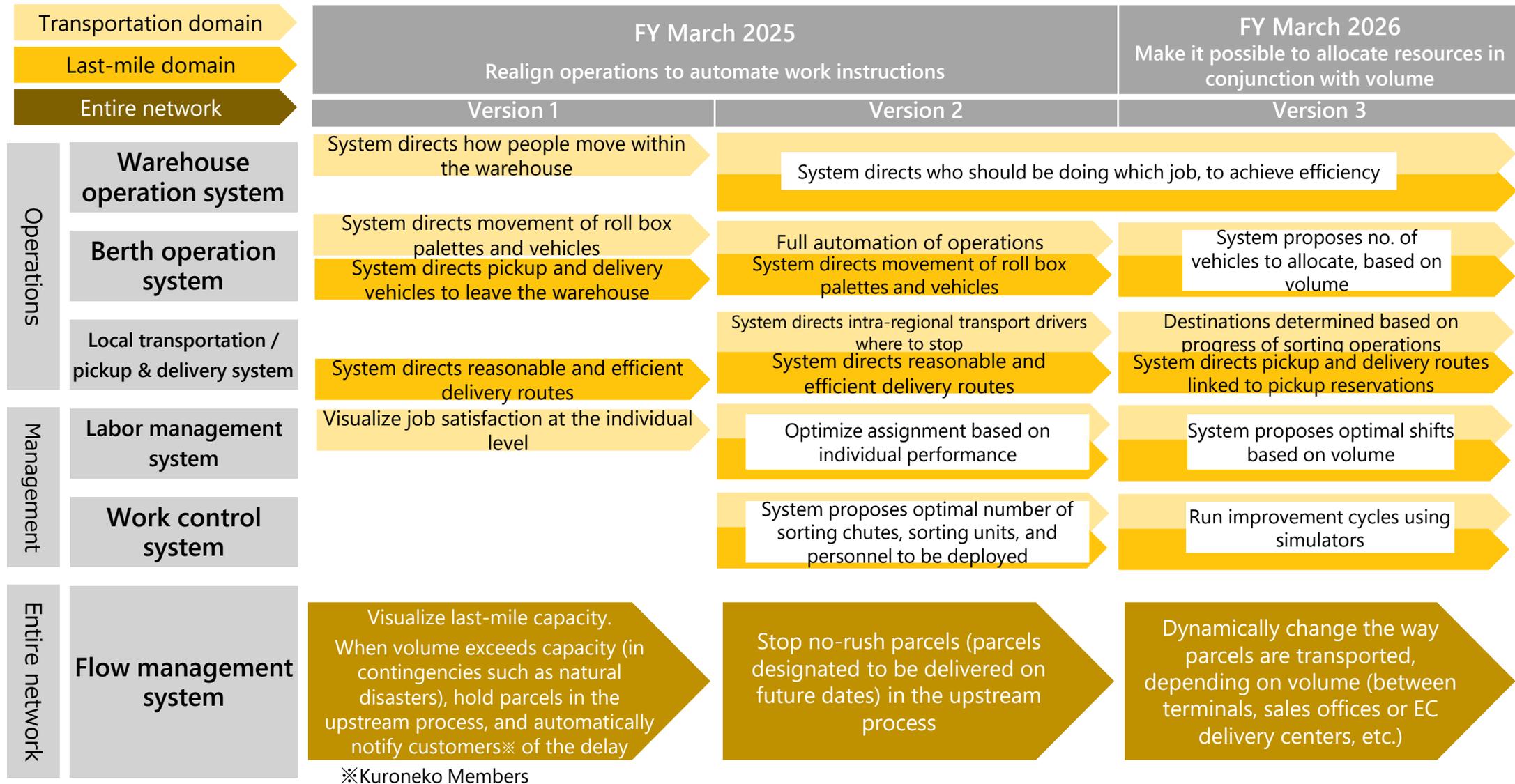
We will drastically reduce the number of long-distance trucks!

## Objective of transforming to a hub & spoke type operation

- ✓ Reduce the no. of trunk-route transportations (routes)
  - ✓ Reduce the no. of destination Terminals
  - ✓ Simplify sorting operations
- Improve loading efficiency
- Enhance sustainability of the network (reduce long-distance transportation, shorten waiting times)

# Structural reforms of network operations (establish fully digital operations)

- Realign operations, thereby automating work instructions and achieving the optimal allocation of resources in conjunction with volume → Improve productivity by eliminating excess and volatility, caused by operations being dependent on the "experience and skills of each individual"



※Kuroneko Members

## Yamato Group Launches International Multimodal Transport Service Connecting Southeast Asia and Europe

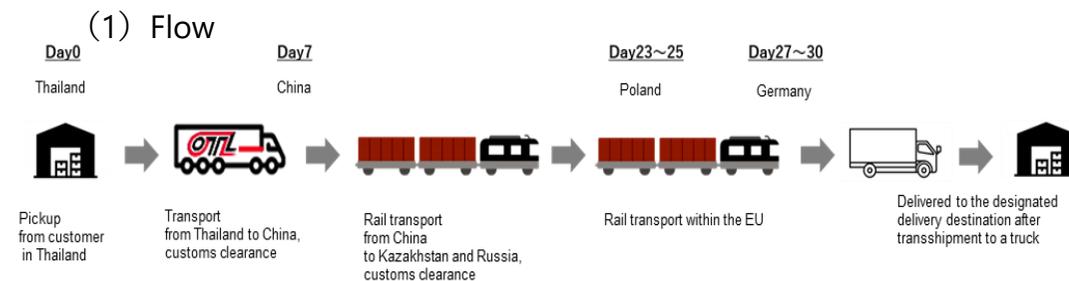
### • Supporting Establishment of Resilient Global Supply Chains in Response to Geopolitical Risks(from May 1, 2024)

#### 1. Background and Purpose

- The Southeast Asian region is a hub for production facilities of electronics-related products and automotive components from various countries worldwide and finished goods are shipped to markets across the globe
- Historically, the shortest maritime (the Suez Canal) route has been predominantly used for transporting goods from Southeast Asia to the European market
- Since late 2023, armed attacks on vessels by militant groups in the Red Sea and its adjacent waters have continued. As a result, many ships have been forced to take a longer route around the Cape of Good Hope in South Africa, significantly impacting global logistics and economies. The transit has been extended by up to 20 days compared to the Suez Canal route, leading to substantial increases in maritime freight rates and insurance costs
- Additionally, geopolitical risks have become more pronounced, emphasizing the critical need for establishing a robust global supply chain that can swiftly adapt.
- Yamato has helped customers build their global supply chains across 24 countries and regions. Furthermore, its group company, Overland Total Logistic Services (OTL) in Malaysia has been providing cross-border truck transport services utilizing container trailers between Southeast Asian countries\* and China since 2001 (\* Singapore, Malaysia, Thailand, Laos, Vietnam and Cambodia )
- Offers clients a new mode of transport, other than marine and air transport, through Yamato's international multimodal and one-stop transport service by trucks and rail, which we began to establish a strong global supply chain to connect Southeast Asia and Europe
- We will continue to propose solutions that optimize the customers' entire global supply chains, aiming for total logistics cost reduction, production efficiency improvement, and environmental impact reduction.

#### 2. Service Overview

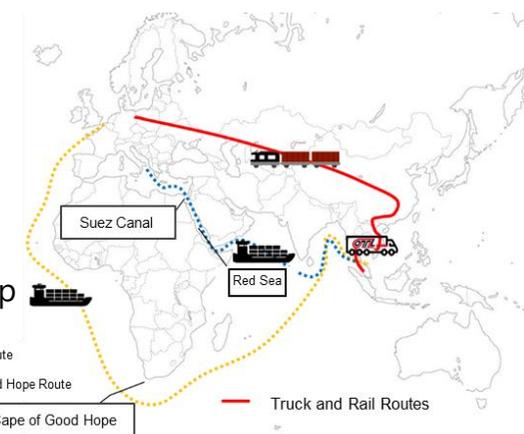
- Provide seamless transportation through the delivery destinations by utilizing OTL's truck transport network for the Southeast Asia to China and partnering with rail service providers for the China to Europe
- Shorter transit times than maritime transport via the Cape of Good Hope, and lower cost and less greenhouse gas emissions than air transport



(2) Service Commencement: May 1, 2024

(3) Service Coverage Areas: Southeast Asia (Singapore, Malaysia, Thailand, Laos, Vietnam and Cambodia) to Europe (excluding Ukraine and Belarus) up to the specified delivery destinations

(4) Transportation Methods: Container leasing or consolidated shipments based on cargo volume.



# Strengthen the Group's management foundation (HR and digital strategies)

- Promote HR and digital strategies linked to management strategies, as the foundation for sustainable corporate value enhancement

## Progress in FY March 2024

## Initiatives in FY March 2025

### HR strategy

- ✓ **Establishment and operation of a job-based HR management system**
  - Revision of headquarter organizational hierarchy and reorganization of executive officer and management positions
  - Revision of the evaluation system for management positions, HR development initiatives for each talent pool, and introduction of an internal open recruitment system
- ✓ **Assignment "the right talent to the right position", for the effective utilization of management resources**
  - Promote reallocation of human resources internally and externally, in line with Yamato's facilities strategy, transfer of mailbox delivery services, call center consolidation, etc.
- 👉 **Challenge is to build a talent portfolio that support new business growth**

- ✓ **Optimization of organization and personnel in accordance with structural reforms of the business, and establishment and operation of HR management system**
  - Optimize personnel management through visualization of positions
  - Expand hiring channels as well as utilize internal open recruitment, to secure and allocate appropriate talent
  - Expansion of training programs to improve performance
    - Redefine roles and compensation of Sales Drivers, branch managers, etc. in conjunction with measures to strengthen the TA-Q-BIN network
    - Allocate talent necessary for business growth in growth and new domains
- 👉 **Assign the right talent to the right roles, based on the personnel plans for each business**

### Digital strategy

- ✓ **Planning and development that is integrated with business**
  - Progress made in optimization of development and operation costs by strengthening technical control
  - Progress in streamlining IT system investments by shortening planning and development periods
- ✓ **Hiring and training of talent to strengthen development and operational structure**
  - Reinforcement of the ability to hire and retain digital talent, by revamping the "Digital Specialist System", providing evaluation and compensation based on specialized skills and business contributions, and offering working conditions that allows a more balanced work style
  - Establish a process to develop the technical skills of digital talent, engage in skill enhancement training, etc., as well as promote training to improve digital literacy in the business divisions
- 👉 **The challenge is to secure human resources effectively, in light of the intensifying competition for talent acquisition**

- ✓ **Promote digital investment, internalize IT system development and operations, and execute talent development cycle**
  - Promote large-scale development projects that realize structural reforms of the business, and renew / upgrade digital infrastructure step by step
  - Bring digital development and operations inhouse
  - Promote new graduate and mid-career recruitment based on the needs of digital talent ("want to hone my skills", "want to use my skills to contribute")
  - Continue training programs to strengthen the skills of Yamato's digital talent, and to improve digital literacy of business divisions.

# Strengthening the Group's management foundation

## (Strengthening sustainable management)

- In the “Sustainable Medium-Term Management Plan 2023”, Yamato promoted measures to achieve the targets set based on materiality, under the theme of “Transformation of Yamato”. As a result, the targets were largely achieved and the issues to be addressed in the future were clarified
- Under “SX2030 ~1st Stage~”, Yamato will work to build a “Sustainable supply chain” that involves our partners

Area	Material Issues	Target for Sustainable Medium-Term Plans 2023	FY2024/3 Actual (provisional figures)	FY2027/3 Targets
Environmental	Energy & Climate	Reduce own GHG emissions* <sup>1</sup> : (10)% (compared with FY2021/3)	(10)%	(25)% Set target for scope3 emission reduction
	Atmosphere	Reduce NOx and PM emissions from vehicles* <sup>2</sup> : (25)% (compared with FY2021/3)	(34)%	(40)% or less
	Resource Conservation & Waste	Use 55% renewable resources and recycled materials for paper materials* <sup>3</sup>	63%	65%
	Resilience of Companies & Society	Provide environmentally friendly products and services* <sup>4</sup>	Development of tools to visualize GHG emissions	Improved accuracy of GHG emissions visualization tools and make use of the Carbon-neutrality of TA-Q-BIN* <sup>5</sup>
Social	Labor	Creating an environment where employees can thrive and play an active role (Reduce overtime for employees: (20)% (compared with FY2021/3))	(7.2)%	Improved employee engagement scores
	Human Rights & Diversity	Ensure 10% of all managers are women	5.6%	10%
	Safety & Security	Achieve zero serious traffic accidents (fatal traffic accidents for which the Company is responsible)	0	0
	Data Utilization & Security	Achieve zero serious information security incidents	0	0
	Supply Chain Management	Complete development and demonstration of monitoring framework* <sup>2</sup>	Monitoring tests conducted and verification completed	Strengthening supplier risk management
	Community	Create a framework to measure effectiveness of corporate citizenship activities and business in resolving social issues	Built a structure to promote activities Identified projects that solve society's problems and prepared a support framework	Promote corporate citizenship activities among employees including Group companies in Japan and overseas

\*1 In-house emissions of consolidated companies in Japan and Swan Co., Ltd. (Scope 1 & Scope 2) \*2 For Yamato Transport \*3 Paper materials refer to cardboard for shipping, pickup and delivery materials, etc.

\*4 Products and services with environmental value and a low burden on the environment \*5 Carbon neutral in accordance with international standard ISO 14068-1:2023 (3 parcel delivery products/~FY2050)

# Operating Results for FY2024/3 Q4 (Jan.-Mar.)

(Billions of Yen)	FY2023/3 Q4 Actual	FY2024/3 Q4 Actual	YoY Change	
			Amount	[%]
			Operating revenue	404.7
Operating profit	(6.3)	(10.3)	(3.9)	-
Profit margin [%]	(1.6)	(2.6)	(1.1)	-
Ordinary profit	(6.1)	(10.1)	(3.9)	-
Profit margin [%]	(1.5)	(2.6)	(1.1)	-
Profit attributable to owners of Parent	6.8	(9.3)	(16.1)	-
Profit margin [%]	1.7	(2.4)	(4.1)	-

# Summary of Operating Expenses for FY2024/3 Q4 (Jan.-Mar.)



(Billions of Yen)	FY2023/3 Q4 Actual	FY2024/3 Q4 Actual	YoY Change	
			Amount	[%]
<b>Operating revenue</b>	404.7	391.7	(12.9)	(3.2)
<b>Subcontracting expenses</b>	151.0	151.8	+0.7	+0.5
Commission expenses	81.6	82.9	+1.3	+1.7
Delivery commission	21.3	20.7	(0.5)	(2.6)
Operating outsource	8.4	9.0	+0.5	+6.2
Other commission expenses	51.8	53.2	+1.4	+2.7
EC logistics network	11.0	8.9	(2.0)	(18.5)
Other	40.8	44.2	+3.4	+8.4
Vehicle hiring expenses	49.7	51.0	+1.3	+2.7
Other subcontracting expenses	19.7	17.7	(1.9)	(10.0)
<b>Personnel expenses</b>	207.3	189.8	(17.4)	(8.4)
Employee salary	143.7	131.7	(11.9)	(8.3)
Legal welfare expenses	26.4	24.7	(1.6)	(6.3)
Retirement benefit expenses	6.4	6.2	(0.2)	(3.2)
Bonus/Other personnel expenses	30.7	27.0	(3.6)	(12.0)
<b>Vehicle expenses</b>	10.5	10.8	+0.2	+2.8
Vehicle repair expenses	4.7	5.0	+0.2	+6.3
Fuel expenses	5.8	5.8	(0)	(0.1)
<b>Other operating expenses</b>	85.8	88.3	+2.5	+2.9
Depreciation	10.4	11.4	+1.0	+9.8
System expenses	13.0	13.9	+0.9	+7.3
Other	62.4	62.9	+0.5	+0.9
Facilities expenses	20.5	22.7	+2.1	+10.7
Other	41.9	40.2	(1.6)	(3.9)
<b>Total</b>	454.8	440.9	(13.8)	(3.1)
<b>Eliminations</b>	(43.8)	(38.8)	+4.9	-
<b>Operating expenses</b>	411.0	402.1	(8.9)	(2.2)
<b>Operating profit</b>	(6.3)	(10.3)	(3.9)	-

## YoY Analysis of Operating Expenses (Q4 Jan. – Mar.)

(Billions of yen)

 FY 2023/3  
 Q4 (Jan. – Mar.)  
 Operating profit  
 Actual

(6.3)

 Operating  
 Revenue  
 (12.9)

 Personnel Expenses  
 (17.4)

 Subcontracting  
 Expenses  
 + 0.7

 Operating  
 expenses  
 (8.9)  
 (2.2)%

 Vehicle  
 Expenses  
 + 0.2

 Operating  
 profit  
 (3.9)  
 – %

 Other  
 operating  
 expenses  
 + 2.5

 Eliminations  
 + 4.9

 FY 2024/3  
 Q4 (Jan. – Mar.)  
 Operating profit  
 Actual

(10.3)

**Subcontracting  
 expenses**

Commission expenses	+ 1.3
Delivery commission	(0.5)
Operating outsource	+ 0.5
EC logistics network	(2.0)
Other	+ 3.4
Vehicle hiring expenses	+ 1.3
Other subcontracting expenses	(1.9)

**Personnel  
 expenses**

Employee salary	(11.9)
Legal welfare expenses	(1.6)
Retirement benefit expenses	(0.2)
Bonus/Other personnel expenses	(3.6)

**Vehicle  
 expenses**

Vehicle repairing expenses	+ 0.2
Fuel expenses	(0.0)

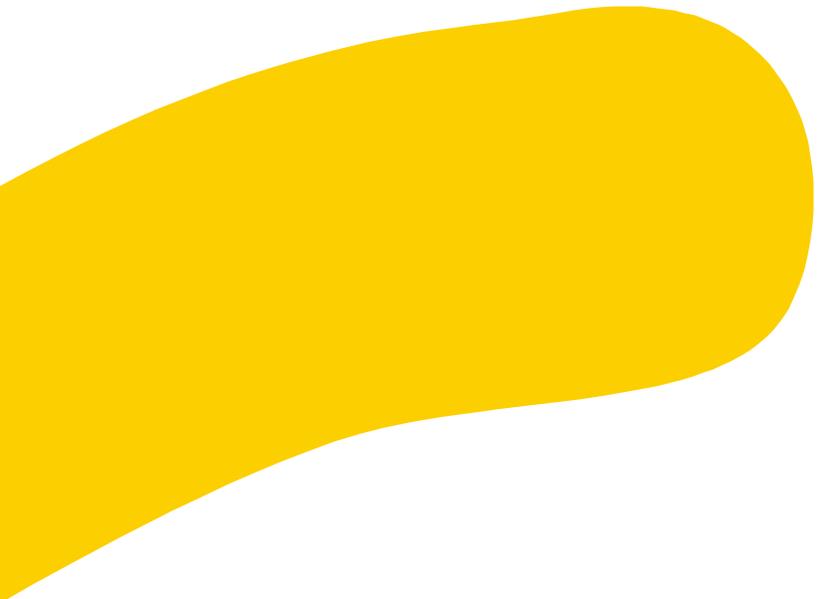
**Other operating  
 expenses**

Depreciation	+ 1.0
System expenses	+ 0.9
Facilities expenses	+ 2.1
Other	(1.6)

- Promoting investments to establish large-scale consolidated facilities
- In terms of digitalization, we will continue to focus on system developments to enhance efficiency of our transportation and delivery operations
  - By reforming the way cargo is transported as well as the workstyle using technologies, we will enhance the work environment, safety and working comfort, while optimizing the costs related to transportation between facilities as well as costs related to the pickup, operations and administrative work in each facility

(Billions of Yen)	FY2023/3 Actual	FY2024/3 Actual	YoY Change	
			Amount	[%]
Vehicles*	10.4	5.5	(4.9)	(47.3)
Offices/buildings and accompanying facilities	17.1	31.0	+ 13.8	+ 80.7
Automatic sorting equipment etc.	3.1	3.1	+ 0.0	+ 0.3
Other hardware, office equipment, etc.	4.1	5.4	+ 1.2	+ 30.3
Digital investments	11.9	11.6	(0.3)	(2.5)
Increasing value provided to customers	4.7	3.0	(1.7)	(36.2)
Improved efficiency of transportation and delivery operations	5.2	4.5	(0.7)	(13.5)
Digital infrastructure construction and development	1.5	3.4	+ 1.9	+ 126.7
Others	0.5	0.7	0.2	40.0
Total	46.9	56.7	+ 9.8	+ 21.0

\* Together with the above investments in vehicles, we will introduce EVs using operating leases (1,398 EVs / Difference from the plan: +198 EVs)



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