

Questions and Answers (Digest)

**The Financial Results Meeting
for the first three months of the fiscal year ending March 31, 2018
held on July 31, 2017**

Q1 Please go over the factors underpinning your changes in the forecasts for TA-Q-BIN unit pricing and volumes.

- The revised forecasts for TA-Q-BIN unit pricing and volumes factor in decreases in delivery volumes and increases in unit pricing which have become evident as we carry out negotiations with our large-lot corporate clients.
- With respect to placing controls on total TA-Q-BIN volume, we have put a stop to same-day deliveries made to some of our clients, and are otherwise enlisting their cooperation in terms of asking that they adjust their shipments during peak seasons and cut down on re-deliveries.
- With respect to unit pricing, we are successively proceeding in carrying out negotiations with our large-lot corporate clients. Also, we are gradually increasing TA-Q-BIN unit prices charged to some clients, rather than increasing prices all at once. Consequently, the effects of such measures are likely to materialize beginning in the second half of the fiscal year.
- With respect to our corporate clients, we are developing mechanisms for setting fees in a manner that reflects total costs encompassing changes in the external environment, and we will continue our efforts to review our fees.

Q2 Please provide us with details on the current situation regarding the payments for specially acknowledged working hours.

- Although we have recorded an additional 5.2 billion yen in payments for specially acknowledged working hours, we feel the Company has reached the end of its in-house investigations on the matter with conclusion of the latest fact-finding investigation.
- In the event that we end up facing a situation where an employee files a new claim, for instance, then we will handle the matter on an individual basis. However, it is unlikely that any such development would substantially affect our financial results.

Q3 Please update us on the revenue situation of the overseas business and your outlook in that regard going forward.

- Although the situation remains severe regarding our overseas business, both our operating revenue and operating profit are currently showing signs of improvement. We intend to explain our upcoming initiatives and other such matters in September when we release our Medium-Term Management Plan.