

**Questions and Answers (Digest)**

**The Financial Results Meeting**

**for the first nine months of the fiscal year ending March 31, 2018**

**held on January 31, 2018**

**Q1 Please provide us with details regarding how much leeway you have with respect to increasing unit pricing going forward.**

- The timing with respect to revising rates varies depending on the corporate client.
- Currently, our unit price figure does not fully reflect rates with respect to all our corporate clients with whom negotiations have been concluded.
- We will proceed with our efforts to promote adequate pricing throughout ongoing negotiations with our corporate clients going forward.

**Q2 Please let us know what substantial expenses you may incur going forward, in terms of personnel expenses and other such outlays.**

- We are pushing forward with initiatives that include that of improving and developing the employee working environment which will entail expenditures amounting to 100.0 billion yen. In that regard, we are placing management focus on “reforming working styles” under our “KAIKAKU 2019 for NEXT100” medium-term management plan. As part of such efforts, we are going to work toward expanding our delivery capacity particularly by building a framework of drivers for early evening and night deliveries going forward.
- As was explained at the beginning of the fiscal year, our expenditure pertaining to our “reforming working styles” initiatives has been set at 9.0 billion yen. Our plans remain largely unchanged in that regard.

**Q3 Please let us know about progress being made with respect to drivers for early evening and night deliveries.**

- We are currently recruiting potential employees for early evening and night deliveries in some geographic areas.
- We are successively carrying out briefing sessions for potential candidates, and are looking toward next fiscal year with respect to full-scale efforts to build an employment framework in that regard.

**Q4 Please provide with us in on details regarding timing as to when an appropriate level is likely to be reached with respect to commission expenses which have been heading higher.**

- The current situation is one where we are incurring upfront expenditure as a result of placing priority on structural reforms, with a focus primarily on our “reforming working styles” initiatives.
- Whereas we will be setting up a framework that will enable us to initiate employment of drivers for early evening and night deliveries within the time frame

of the “KAIKAKU 2019 for NEXT100” medium-term management plan, our commission expenses related to TA-Q-BIN deliveries will probably reach an appropriate level at the point in time when delivery volume begins to rise amid expansion of our delivery capacity.

**Q5 Have you altered your approach to pricing?**

- Our approach to pricing remains unchanged, and in line with our explanations in that regard thus far.
- We will continue working to ensure that we bring about adequate pricing. This will involve enlisting the understanding and cooperation of our clients, and giving consideration to factors such as parcel volume, size and not-at-home rates, as well as to costs of providing our services, which tend to vary with changes in the external environment.