

**Main Questions and Answers (Summary)**  
**at Financial Results Briefing**  
**for the 3rd Quarter of the Fiscal Year Ending March 31, 2026**

**Q1. What were the factors behind the downward revision to the full-year earnings forecast for the current fiscal year?**

- As for operating revenues, parcel volume weakened due to sluggish consumer sentiment amid rising prices (underperformance in deliveries for EC discount sales and temperature-controlled gifts). In addition, as we focused on “pricing optimization” as a management priority, we intentionally reduced the handling of low-margin parcels, as well as making progress in price increase negotiations, which resulted in a larger-than-expected decline in volume in the Corporate segment.
- Regarding operating profit, the main factor was the delay in optimizing operating costs. In addition to lower transportation efficiency caused by volume being less than expected, it took time to confirm the effectiveness and coordinate with partner companies on the efficiency measures we initiated in “urban short-distance transportation,” which is a core pillar of cost improvement, such as increasing the number of trips per vehicle through centralized dispatch management.
- Having said that, we achieved growth in both revenues and profit in the 3rd quarter (October–December) as well as in the first nine months of the fiscal year (April–December). We also expect to secure increases in both revenues and profit in the 4th quarter (January–March of 2026). Although we revised the full-year earnings forecast, Yamato’s earnings structure is steadily improving, and will accelerate profitability improvements by ensuring appropriate pricing that reflects the value we provide and by generating results from measures such as the optimization of operating costs.

**Q2. How does the new President view the challenges behind the past declines in profitability, and how do you intend to achieve improved performance from**

## **next fiscal year onward?**

- The key challenges in improving profitability are; pricing optimization that outpaces the impact of inflation, accelerating growth in businesses other than TA-Q-BIN, and thoroughly verifying the effectiveness of our investments and initiatives. In the past, as we sought to grow revenues during the phase of market expansion, capital expenditures and fixed costs came first, resulting in a gap with actual demand.
- Based on this reflection, we will strictly enforce discipline in capital allocation, and evolve our management toward pursuing high-quality profit growth that exceeds our cost of capital. Specifically, we will promote the “optimization of customer mix and strategic pricing.” We will strengthen our earnings structure by allocating capacity optimally based on profitability by client, and by strengthening high value-add areas.
- In addition, we will promote the “redefinition of our network structure and reduction of fixed costs.” We will rigorously re-assess the effectiveness of past initiatives from the front lines of business as well as from a financial perspective. Through the consolidation and downsizing of low-utilization facilities, and efficiency improvements in urban short-distance transportation, we aim to achieve a steady recovery in profits by simultaneously driving top-line growth and reforming our cost structure.
- Details of the quantitative targets and initiatives for next fiscal year will be explained at the time of the full-year earnings announcement.