

**YAMATO GROUP**

**CONSOLIDATED FINANCIAL SUMMARY**

**for the First Quarter of the Fiscal Year**  
**Ending March 31, 2020**



YAMATO HOLDINGS CO., LTD.

**July 31, 2019**

## 1. Financial Results for the First Quarter 2020/3 (Overview)

### Revenue increased but profit decreased

#### Main factors of the profit decrease

- There was an **increase in expenses associated with** carrying out “Work Style Reform” as well as **building the collection and delivery structure**. Operating expenses also increased as a result of having incurred **one-time expenses** that have been curtailed since the fourth quarter of the previous fiscal year. Amid that scenario, operating profit was dampened by factors such as **lower-than-anticipated delivery volume among large-lot corporate clients**, **effects of discontinuing moving-related services**, and **a decrease in revenue in the BIZ-Logistics Business**.
- (Non-operating loss) impairment losses of goodwill relating to the affiliates overseas

#### Initiatives to achieve earnings growth

- ✓ Continuous promotion of adequate pricing initiatives
- ✓ Increase delivery volume as appropriate to the collection and delivery capacity
- ✓ Meanwhile, strengthen cost controls particularly with respect to the collection and delivery structure and the proper number of subcontracted vehicles, with sights set on the scenario of lower-than-anticipated delivery volume among large-lot corporate clients
- ✓ Accelerating solution sales tailored to corporate clients by introducing a new “account management” framework

Consolidated operating revenue: ¥381.7 billion (YoY increase by ¥1.0 billion)

Consolidated operating loss: ¥6.1 billion (YoY decrease by ¥15.6 billion)

## 2. Financial Results for the First Quarter 2020/3 (Overview)

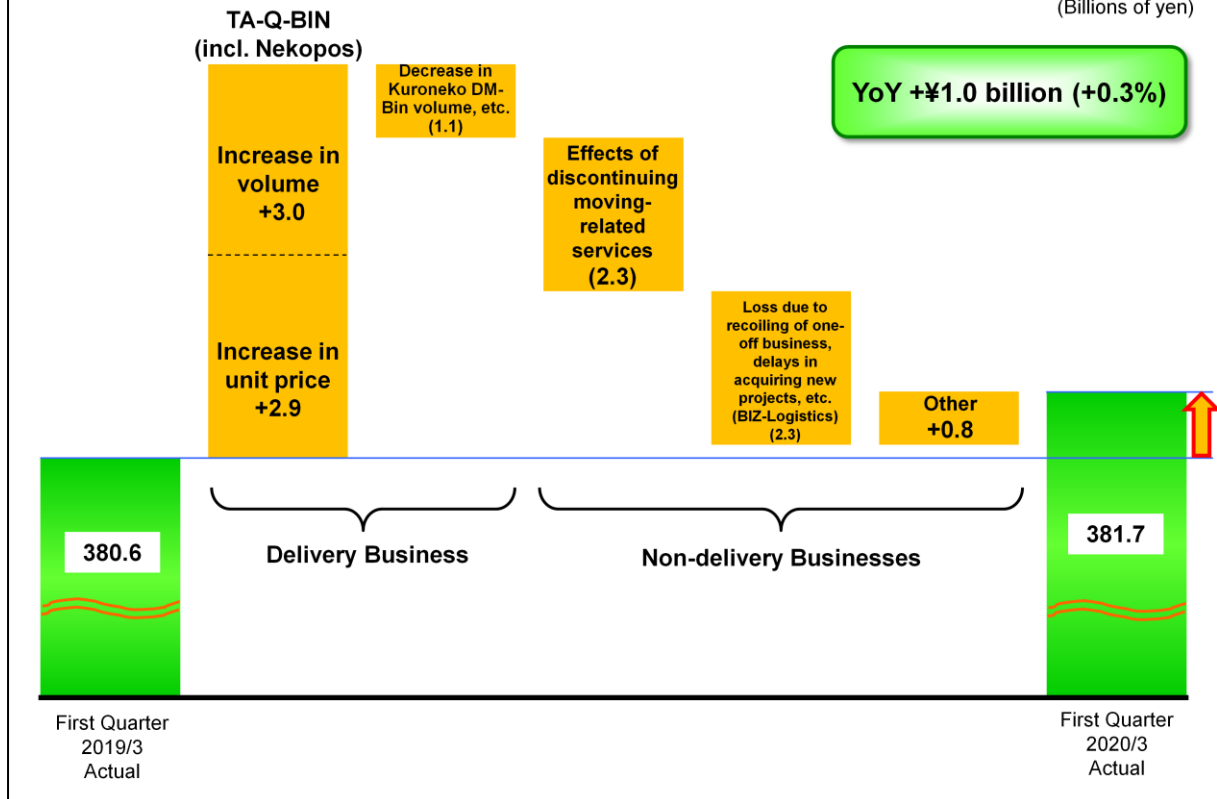
(Billions of Yen)	First Quarter 2019/3 Actual	First Quarter 2020/3 Actual	YoY Change	
			Amount	[%]
Operating revenue				
Delivery	<b>299.1</b>	<b>303.9</b>	<b>+4.7</b>	<b>+1.6</b>
Non-Delivery	<b>81.5</b>	<b>77.7</b>	<b>(3.7)</b>	<b>(4.6)</b>
Total	<b>380.6</b>	<b>381.7</b>	<b>+1.0</b>	<b>+0.3</b>
Operating profit	<b>9.5</b>	<b>(6.1)</b>	<b>(15.6)</b>	-
[Profit margin]	<b>2.5%</b>	<b>(1.6)%</b>	-	-
Ordinary profit	<b>9.4</b>	<b>(9.3)</b>	<b>(18.7)</b>	-
[Profit margin]	<b>2.5%</b>	<b>(2.4)%</b>	-	-
Profit attributable to owners of the Parent	<b>2.6</b>	<b>(9.7)</b>	<b>(12.3)</b>	-
[Profit margin]	<b>0.7%</b>	<b>(2.6)%</b>	-	-

《Non-operating loss》 ¥3.2 billion (YoY increase by ¥3.0 billion)

- Non-operating income: ¥0.6 billion (YoY decrease by ¥0.0 billion)
- Non-operating expenses: ¥3.9 billion (YoY increase by ¥3.0 billion)
- Share of loss of entities accounted for using equity method  
¥3.3 billion (YoY increase by ¥2.9 billion)

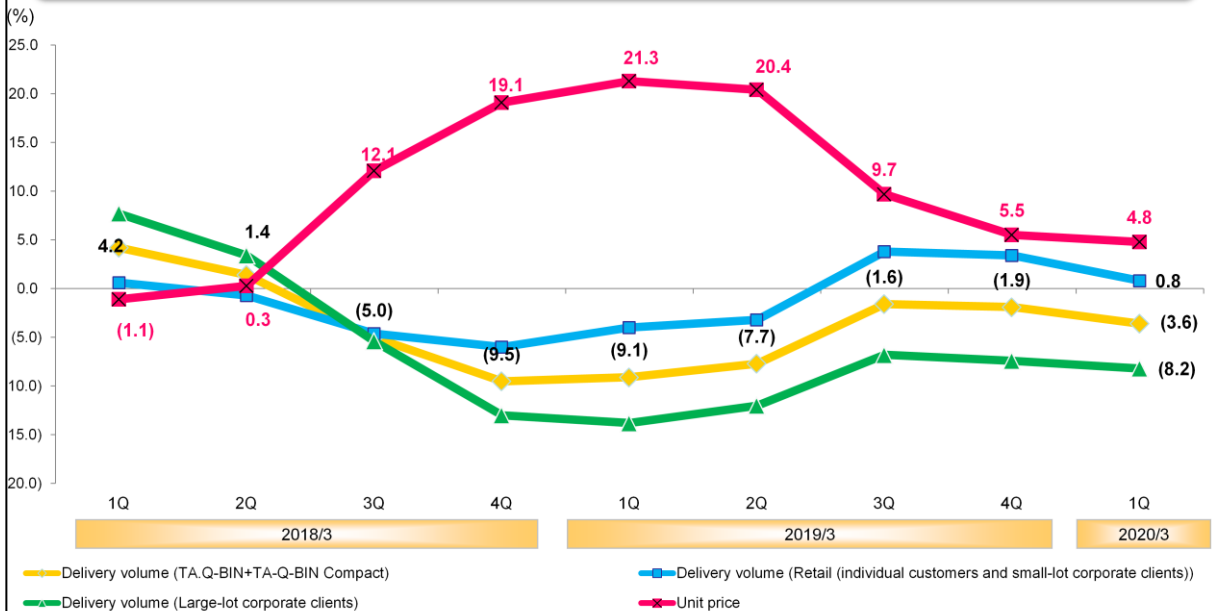
### 3. YoY Analysis of Consolidated Operating Revenue (First Quarter 2020/3)

(Billions of yen)



**4. Quarterly YoY Trends of TA-Q-BIN Delivery Volume (Excl. Nekopos)**  
 (First Quarter 2020/3)

**TA-Q-BIN (excl. Nekopos) delivery volume decreased while unit price increased.**  
 (Volume: YoY (3.6)% Unit price: YoY +4.8%)

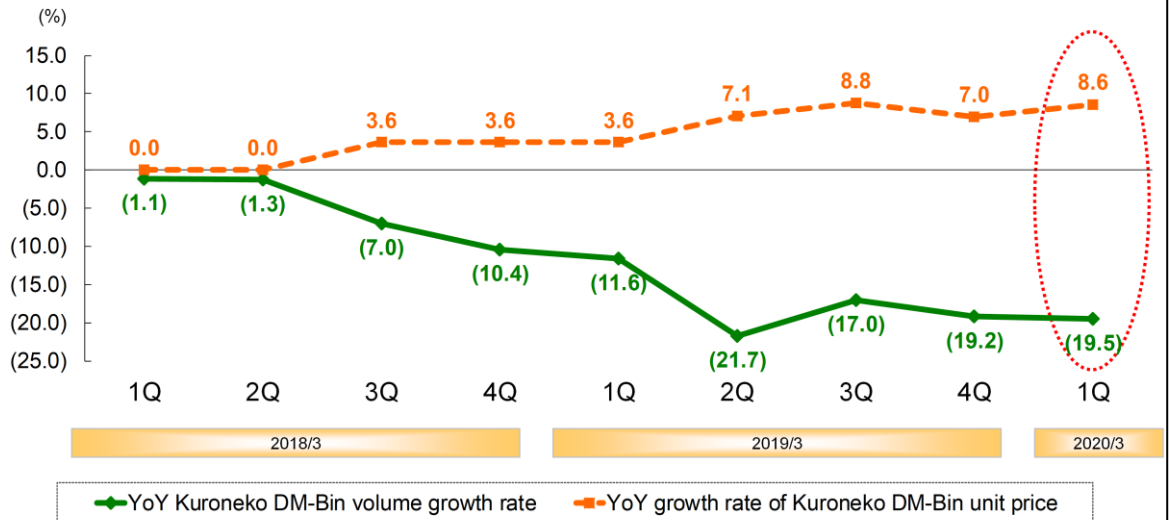


**Unit price growth rate by market (First quarter 2020/3)**

Retail (individual customers and small-lot corporate clients) +2.2%  
 Large-lot corporate clients +6.6%

## 5. Quarterly YoY Trends of Kuroneko DM-Bin (First Quarter 2020/3)

**Kuroneko DM-BIN delivery volume decreased while unit price increased.**  
**(Volume: YoY (19.5)% Unit price: YoY +8.6%)**



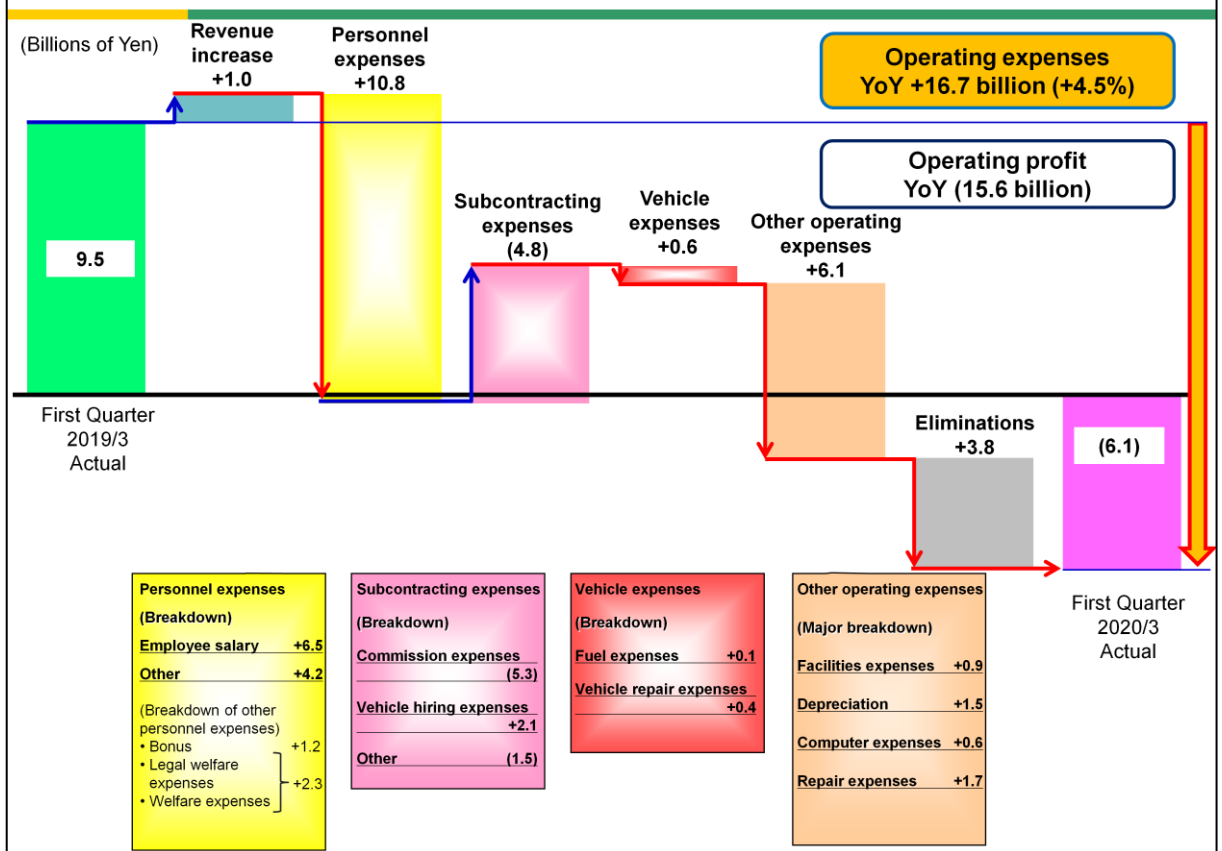
### Shipment volume by market (First quarter 2020/3)

From TA-Q-BIN Centers: (18.4)%  
 From corporate sales branch offices: (19.9)%

### Shipment unit price by market (First quarter 2020/3)

From TA-Q-BIN Centers: +6.5%  
 From corporate sales branch offices: +9.0%

## 6. YoY Analysis of Consolidated Operating Expenses (First Quarter 2020/3)



- (1) Personnel expenses +¥10.8 billion +5.5%  
mainly as a result of having increased the workforce to build collection and delivery structure
- 1) Employee salary +¥6.5 billion
  - 2) Bonus +¥1.2 billion
  - 3) Welfare expenses and legal welfare expenses +¥2.3 billion
- (2) Subcontracting expenses (¥4.8 billion) (3.2%)
- 1) Commission expenses (¥5.3 billion) (8.5%)  
Curtailing of delivery outsourcing accompanying development of collection and delivery structure
  - 2) Vehicle hiring expenses +¥2.1 billion +4.4%  
Increased mainly due to higher per-vehicle hiring rates
  - 3) Other subcontracting expenses (¥1.5 billion) (3.8%)
- (3) Vehicle expenses +¥0.6 billion +5.4%
- 1) Fuel expenses +¥0.1 billion +3.1%  
due to a higher unit price of fuel
- (4) Other operating expenses +¥6.1 billion +7.8%
- 1) Facilities expenses +¥0.9 billion +5.4%  
Nagareyama Base and fees for use of parcel lockers, etc.
  - 2) Depreciation +¥1.5 billion +14.6%  
mainly vehicles, machinery and equipment
  - 3) Computer expenses +¥0.6 billion +7.0%  
expenses related to Eighth NEKO System, etc.
  - 4) Repair expenses +¥1.7 billion +55.4%  
Improving working environments to promote "Work Style Reform," etc.

## 7. Summary of Consolidated Operating Expenses (First Quarter 2020/3)

(Millions of Yen)	First Quarter 2019/3 Actual	First Quarter 2020/3 Actual	YoY Change	
			Amount	[%]
Operating revenue	380,690	381,726	+1,036	+0.3
Operating expenses	371,112	387,827	+16,715	+4.5
Personnel expenses	196,727	207,581	+10,854	+5.5
Employee salary	135,851	142,450	+6,598	+4.9
Other personnel expenses	60,876	65,131	+4,255	+7.0
Subcontracting expenses	152,572	147,740	(4,831)	(3.2)
Commission expenses	62,921	57,562	(5,358)	(8.5)
Vehicle hiring expenses	47,731	49,847	+2,116	+4.4
Other subcontracting expenses	41,919	40,330	(1,589)	(3.8)
Vehicle expenses	11,348	11,961	+612	+5.4
Fuel expenses	5,604	5,777	+173	+3.1
Other operating expenses	79,571	85,755	+6,184	+7.8
Depreciation	10,701	12,265	+1,564	+14.6
Eliminations	(69,108)	(65,212)	+3,896	-
Operating profit	9,578	(6,100)	(15,679)	-



## 8. Summary of Operating Expenses in Delivery Business (First Quarter 2020/3)

(Millions of Yen)	First Quarter 2019/3 Actual	First Quarter 2020/3 Actual	YoY Change	
			Amount	[%]
			Operating revenue	299,175
Operating expenses	292,989	313,764	+20,775	+7.1
Personnel expenses	169,723	180,432	+10,709	+6.3
Employee salary	117,266	123,918	+6,651	+5.7
Other personnel expenses	52,456	56,513	+4,057	+7.7
Subcontracting expenses	88,547	87,578	(968)	(1.1)
Commission expenses	35,897	32,929	(2,968)	(8.3)
Vehicle hiring expenses	45,062	47,645	+2,582	+5.7
Other subcontracting expenses	7,586	7,004	(582)	(7.7)
Vehicle expenses	10,019	10,700	+681	+6.8
Fuel expenses	4,615	4,828	+212	+4.6
Other operating expenses	54,812	61,847	+7,035	+12.8
Depreciation	7,081	8,685	+1,603	+22.6
Elimination	(30,113)	(26,795)	+3,317	-
Operating profits	6,186	(9,817)	(16,004)	-

(Note) The figures above include operating expenses related to overseas TA-Q-BIN services.

**9. 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 (April 2019 Forecast) A	Fiscal year ending March 31, 2020 (New Forecast) B	Forecast Change (B-A)		YoY Change	
				Amount	[%]	Amount	[%]
				<b>Operating revenue</b>			
Delivery	1,297,222	1,350,000	1,350,000	0	0.0	+52,777	+4.1
BIZ-Logistics	147,437	153,000	153,000	0	0.0	+5,562	+3.8
Home Convenience	33,404	42,000	42,000	0	0.0	+8,595	+25.7
e-Business	26,592	27,000	27,000	0	0.0	+407	+1.5
Financial	79,966	83,000	83,000	0	0.0	+3,033	+3.8
Autoworks	25,985	27,000	27,000	0	0.0	+1,014	+3.9
Other	14,705	13,000	13,000	0	0.0	(1,705)	(11.6)
<b>Total</b>	<b>1,625,315</b>	<b>1,695,000</b>	<b>1,695,000</b>	<b>0</b>	<b>0.0</b>	<b>+69,684</b>	<b>+4.3</b>
<b>Operating profit</b>							
Delivery	40,787	50,000	50,000	0	0.0	+9,212	+22.6
BIZ-Logistics	3,329	4,000	4,000	0	0.0	+670	+20.1
Home Convenience	(7,764)	(3,000)	(3,000)	0	0.0	+4,764	-
e-Business	8,740	10,000	10,000	0	0.0	+1,259	+14.4
Financial	6,244	7,000	7,000	0	0.0	+755	+12.1
Autoworks	4,433	5,000	5,000	0	0.0	+566	+12.8
Other	19,372	39,000	39,000	0	0.0	+19,627	+101.3
Subtotal	75,144	112,000	112,000	0	0.0	+36,855	+49.0
Eliminations	(16,798)	(40,000)	(40,000)	0	0.0	(23,201)	-
<b>Total</b>	<b>58,345</b>	<b>72,000</b>	<b>72,000</b>	<b>0</b>	<b>0.0</b>	<b>+13,654</b>	<b>+23.4</b>
<b>Ordinary profit</b>	<b>54,259</b>	<b>72,000</b>	<b>69,000</b>	<b>(3,000)</b>	<b>(4.2)</b>	<b>+14,740</b>	<b>+27.2</b>
[Profit margin]	3.3%	4.2%	4.1%	-	-	-	-
<b>Profit attributable to owners of the Parent</b>	<b>25,682</b>	<b>40,000</b>	<b>38,000</b>	<b>(2,000)</b>	<b>(5.0)</b>	<b>+12,317</b>	<b>+48.0</b>
[Profit margin]	1.6%	2.4%	2.2%	-	-	-	-

**TA-Q-BIN forecasts**

(a) TA-Q-BIN / TA-Q-BIN Compact	(b) Nekopos
• Delivery volume 1,690,000 thousand YoY +1.3%	• Delivery volume 184,000 thousand YoY +36.0%
• Unit price: ¥722 YoY +2.8%	• Unit price: ¥195 YoY +2.1%

**Kuroneko DM-Bin forecasts**

• Delivery volume: 1,060,000 thousand YoY (12.5%)
• Unit price: ¥63 YoY +5.0%

- Operating revenue: Forecast remains unchanged from the previous forecast.  
However, changes were made to the services breakdown with respect to TA-Q-BIN delivery volume in view of the prevailing circumstances  
TA-Q-BIN/TA-Q-BIN Compact 1,690,000 thousand  
(YoY decrease by 10,000 thousand)  
Nekopos 184,000 thousand  
(YoY increase by 10,000 thousand)
- Operating profit: Forecast remains unchanged from the previous forecast.
- Ordinary profit: Decrease by ¥3.0 billion compared to the previous forecast  
Updated the previous forecast to account for effects of impairment loss of the overseas affiliates recognized in the first quarter
- Profit attributable to owners of the Parent: Decrease by ¥2.0 billion compared to the previous forecast  
Updated the previous forecast due to the lower ordinary profit forecast

**10. 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 (April 2019 Forecast) A	Fiscal year ending March 31, 2020 (New Forecast) B	Forecast Change (B-A)		YoY Change	
				Amount	[%]	Amount	[%]
				Operating revenue	1,625,315	1,695,000	1,695,000
Operating expenses	1,566,969	1,623,000	1,623,000	0	0.0	+56,030	+3.6
Personnel expenses	821,715	880,000	873,000	(7,000)	(0.8)	+51,284	+6.2
Employee salary	564,377	608,000	601,000	(7,000)	(1.2)	+36,622	+6.5
Other personnel expenses	257,338	272,000	272,000	0	0.0	+14,661	+5.7
Subcontracting expenses	629,645	610,000	614,000	+4,000	+0.7	(15,645)	(2.5)
Commission expenses	256,817	237,000	237,000	0	0.0	(19,817)	(7.7)
Vehicle hiring expenses	201,377	197,000	201,000	+4,000	+2.0	(377)	(0.2)
Other subcontracting expenses	171,449	176,000	176,000	0	0.0	+4,550	+2.7
Vehicle expenses	46,656	50,000	50,000	0	0.0	+3,343	+7.2
Fuel expenses	23,981	25,000	25,000	0	0.0	+1,018	+4.2
Other operating expenses	342,602	374,000	377,000	+3,000	+0.8	+34,397	+10.0
Depreciation	51,346	56,000	56,000	0	0.0	+4,653	+9.1
Eliminations	(273,649)	(291,000)	(291,000)	0	-	(17,350)	-
Operating profit	58,345	72,000	72,000	0	0.0	+13,654	+23.4

**Assumptions of forecasts**

**Number of employees (forecast)**

Total	234,700	[ YoY +9,575 +4.3% ]
Full-time	100,500	[ YoY +2,913 +3.0% ]
Part-time	134,200	[ YoY +6,662 +5.2% ]

**Capital expenditure (Forecast)**

¥85,000 million

- Overall operating expenses: Forecast remains unchanged from the previous forecast.
- (1) Personnel expenses Decrease by ¥7.0 billion compared to the previous forecast
- Employee salary Decrease by ¥7.0 billion compared to the previous forecast  
Forecast updated on the basis of the prevailing recruiting trends
- (2) Subcontracting expenses Increase by ¥4.0 billion compared to the previous forecast
- Vehicle hiring expenses Increase by ¥4.0 billion compared to the previous forecast  
Forecast updated on the basis of the higher per-vehicle hiring contract rates
- (3) Other operating expenses Increase by ¥3.0 billion compared to the previous forecast  
Forecast updated on the basis of the increase of expenses related to "Work Style Reform"

**[Reference] YoY Analysis of Consolidated Operating Revenue (First Quarter 2020/3)**

(Billions of yen)



<b>380.6</b>	<b>1. Delivery</b> [Trend of TA-Q-BIN volume] Domestics (Parcels) (a) TA-Q-BIN (Total) 419,348 thousand +0.3% (b) TA-Q-BIN/TA-Q-BIN Compact 377,359 thousand (3.6%) (c) Nekopos 41,989 thousand +56.9% [Breakdown of TA-Q-BIN total] (a) Large-lot corporate clients 192,573 thousand (5.2%) (b) Retail 226,775 thousand +5.4% [Breakdown of Retail] i) Individual customer 30,215 thousand (1.1%) ii) Small-lot corporate clients 196,560 thousand +6.5% Overseas 1,228 thousand (28.5%)	<b>2. BIZ-Logistics (*1)</b> [Trend of main sub-segments] (1) International (0.7 b) (5.2%) (Breakdown) • Trading logistics service (0.5 b) (5.2%) • Others (0.2 b)(5.3%) (2) Domestics (1.9 b) (6.8%) (Breakdown) • Sales and Logistics (1.0 b) (8.1%) • Reverse Logistics (0.9 b) (18.6%) • Healthcare Logistics (0.0 b) (1.4%) • Others +0.2 b +3.8% (3) Eliminations / Other +0.3b - %	<b>3. Home Convenience (*2)</b> [Trend of main sub-segments] (a) Home convenience (2.6 b) (22.5%) (b) Eliminations / Others +0.3 b - %	<b>4. e-Business</b> [Trend of main sub-segments] (a) Credit card solution +0.4 b +22.1% (b) IT operating +0.3 b +23.6% (c) Web-based mail order solution (0.0 b) (1.6%) (d) Eliminations / Others (0.2 b) (- %)	<b>5. Financial</b> [Trend of main sub-segments] (a) Payment (0.5 b) (6.8%) (b) Lease (0.0 b) (0.4%) (c) Credit & Finance (0.0 b) (4.1%) (d) Eliminations / Others +0.1b - %	<b>6. Autoworks</b> [Trend of main sub-segments] (a) Truck solution +0.1b +1.3% (b) Eliminations / Others +0.2 b - %	<b>381.7</b>

First Quarter  
2019/3  
Actual

(Note) Some operating results in the fiscal year ended March 31, 2019 have been modified in line with the change in segment classifications of operations as follows (commenced on April 1, 2019):

\*1. BIZ-Logistics

- Sales and Logistics as well as e-Logistics solution are presented as Sales & Logistics
- Multi Maintenance, Technical Network, and Setup and Logistics solutions that belonged to Others are presented as Reverse Logistics.
- Medical Logistics and e-On Demand solutions that belonged to others are presented as Healthcare Logistics

\*2. Home Convenience

- Home Convenience as presented includes Business Convenience

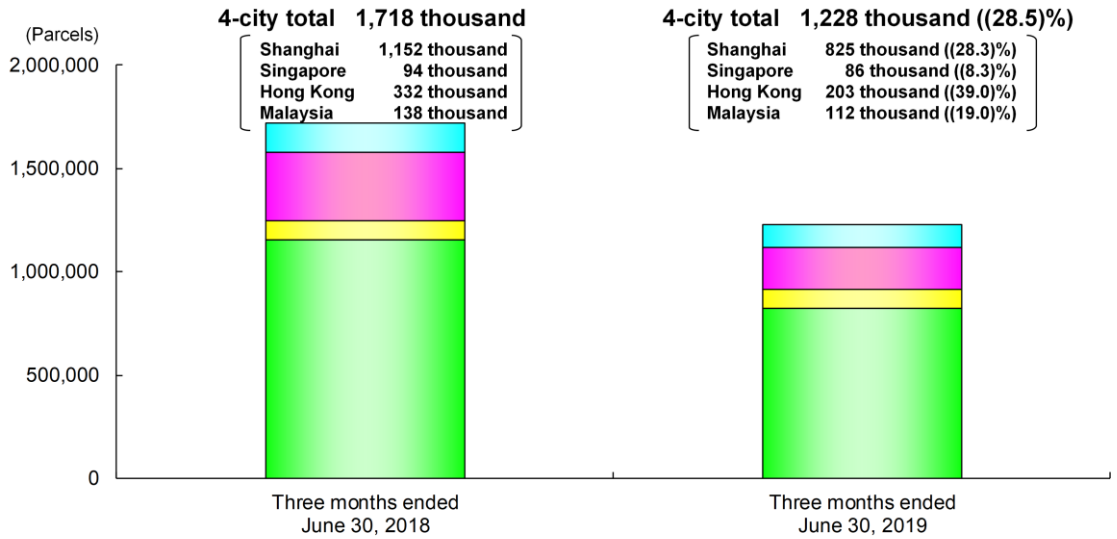
First Quarter  
2020/3  
Actual

We implemented changes with respect to certain business segment classifications in the BIZ-Logistics and the Home Convenience effective from the beginning of the fiscal year ending March 31, 2020.

**[Reference] YoY Trends of TA-Q-BIN Business Overseas (Three Months Ended June 30, 2019)**

**Delivery volume at [4 overseas cities (under direct control of Yamato Group)]**

Shanghai Singapore Hong Kong Malaysia




**Delivery volume at [4 overseas cities + Taiwan]**

Three months ended  
June 30, 2018 (Actual)  
**27,230 thousand**

Three months ended  
June 30, 2019 (Actual)  
**26,554 thousand ((2.5)%)**

Delivery volume decreased due to the latest review of unprofitable transactions, etc.



These presentation materials (with explanatory notes) and the minutes of the financial results meeting Q&A are posted in PDF format on the Company's website in the Investor Relations section.

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