

Questions and Answers (Digest)
The Financial Results Meeting
for the first six months of the fiscal year ending March 31, 2019
held on November 1, 2018

Q1 Please update us on the current situation regarding your efforts to recruit drivers for early evening and night deliveries with the aim of expanding your collection and delivery capacity.

- When setting up operational frameworks of drivers for early evening and night deliveries in respective geographic areas, we need to plan operations so that they are precisely tailored to each of those areas in order to achieve our initially anticipated results, particularly in terms of reducing working hours and improving service quality.
- To such ends, we are currently making progress in our efforts to painstakingly build such frameworks in line with distinctive characteristics of the respective geographic areas. As for our hiring efforts, we are behind schedule in comparison with our initial plans as of September 30, 2018, but we have been successively recruiting employees with the aim of continuing to build a framework consisting of approximately 10,000 employees.

Q2 Please give us your outlook with respect to TA-Q-BIN delivery volume and unit price.

- As for delivery volume, we are making progress particularly in terms of building the operational frameworks of drivers for early evening and night deliveries, with top priority being placed on reforming working styles. Meanwhile, we aim to increase delivery volume in a manner that strikes a balance as we expand our capacity.
- We will handle such business in a manner that involves initially assessing our delivery volume centered on large-lot customers in the second half of the fiscal year, making sure that it corresponds with our capacity.
- As for unit price, although the relative year-on-year increase in unit price will slow in the second half of the fiscal year, we will successively engage in negotiations involving our adequate pricing initiatives, continuously taking into consideration factors such as the status of our business and the external cost environment.

Q3 Please tell us about your efforts to enhance governance practices on a group-wide basis.

- We are taking steps to drastically and comprehensively rebuild governance across the Company, with efforts being spearheaded by our “Office for Group Governance Reform” which is directly under the control of the President and was established by the Company.