YAMATO GROUP

CONSOLIDATED FINANCIAL SUMMARY

for the First Three Months of Fiscal Year Ending March 31, 2019

Revised on September 14, 2018

YAMATO HOLDINGS CO., LTD.

July 31, 2018

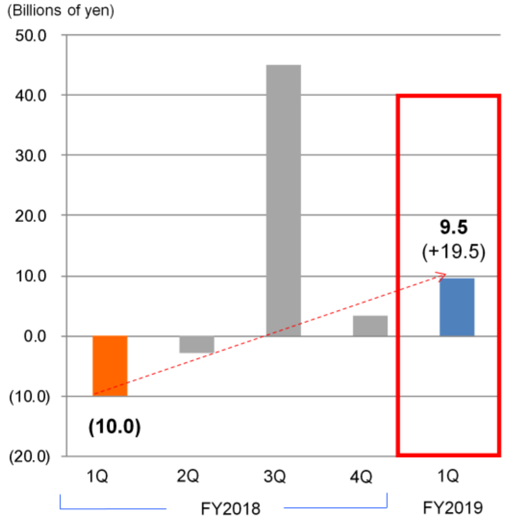
Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2019 were partially revised (disclosed at TSE on September 14, 2018). In these materials, the revised text is as below.

・[Revised text] Page1 [Profit attributable to owners of parent] 3 Months FY2019 Actual.(The revised text is underlined)

1. Highlight (3 Months)

Operating revenue: ¥380.6 billion (Growth ↑7.1%) ☞ **Revenue increased (YoY ↑25.2 b)**
Operating profit: ¥9.5 billion (Growth ↑ - %) ☞ **Profit increased (YoY ↑19.5 b)**

Operating profit (Quarterly Trends)



Operating revenue (Breakdown)

(Billions of Yen)	3 Months FY2018 Actual	3 Months FY2019 Actual	YoY Change Amount	YoY Change [%]
Delivery	273.3	299.1	25.8	9.4
Non-Delivery	82.1	81.5	(0.6)	(0.7)
Total	355.4	380.6	25.2	7.1

Ordinary profit / Profit

(Billions of Yen)		3 Months FY2018 Actual	3 Months FY2019 Actual	YoY Change Amount	YoY Change [%]
Ordinary Profit		(9.5)	9.4	19.0	-
	[Profit margin]	(2.7)%	2.5%	-	-
Profit attributable to owners of parent		(7.9)	2.6	10.5	-
	[Profit margin]	(2.2)%	0.7%	-	-

[Highlight (3 Months)]

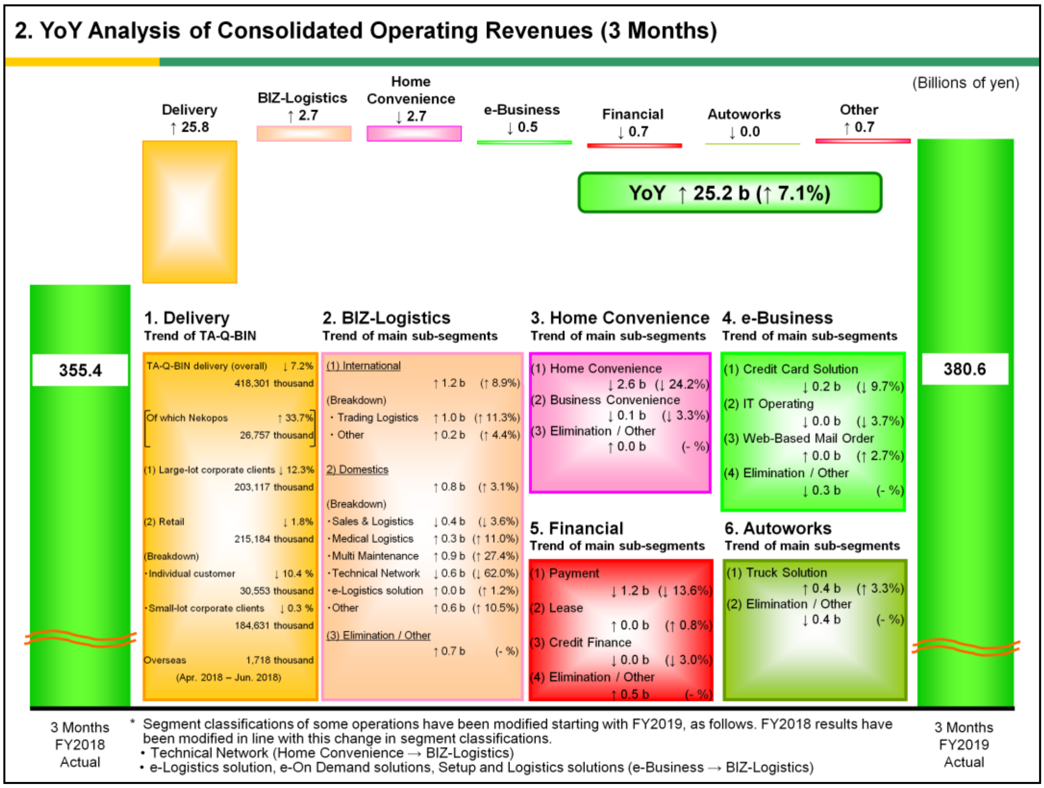
Operating revenue: ¥380.6 billion (YoY ↑ ¥25.2 b / Growth ↑ 7.1%)
Operating profit: ¥ 9.5 billion (YoY ↑ ¥19.5 b)

<<Delivery Business>>

・ We promoted our initiatives to rebuild our 'last mile' network that include enhancement of collection and delivery systems while continuing adequate pricing initiatives in order to strike a balance between regaining profitability and expanding collection and delivery capacity.
・ Our financial performance was firm due to rise in TA-Q-BIN unit price, despite increasing expenses related to our reform initiatives.

<<Non-delivery Businesses>>

BIZ-Logistics	Revenue increased but profit decreased mainly as a result of having incurred upfront expenses to achieve business growth, and despite favorable results from existing services for e-commerce business operators and progress made in providing industry-specific solutions.
Home Convenience	Revenue and profit decreased mainly as a result of having factored in an estimated effect, based on investigation results, of a situation involving inappropriate billing for moving services provided to our corporate clients (¥3.1 billion), and despite having achieved favorable results with respect to operating the "Raku Raku Household TA-Q-BIN" service and the "Comfortable Lifestyle Support Service."
e-Business	Revenue decreased but profit increased mainly due to firm results with respect to use of our highly profitable existing services, and despite effects of a decrease in the number of projects involving system processing for customers stemming from a decrease in TA-Q-BIN delivery volume.
Financial	Revenue and profit decreased mainly due to a decrease in "TA-Q-BIN Collect" delivery volume largely stemming from a shrinking market for cash-on-delivery brought about by changing payment settlement needs, and despite increases in the use of our "Kuroneko Web Collect" and "Kuroneko Pay After Delivery Services."
Autoworks	Revenue decreased but profit increased mainly due to progress made in streamlining business processes, particularly in terms of standardizing and enabling visual monitoring of business operations by introducing production methods of manufacturers, and despite sluggish sales of vehicle equipment.



[YoY analysis of consolidated operating revenue (3 Months)]

(1) Delivery Business (Revenue increase)
Positive: TA-Q-BIN delivery volume: ↓ 7.2%, unit price ↑ 19.3%
Negative: Kuroneko DM-Bin volume: ↓ 11.6%, unit price ↑ 3.6%

(2) BIZ-Logistics Business (Revenue increase)
Positive: Increase in volume of business from existing customers for Medical Logistics and Trading Logistics

(3) Home Convenience Business (Revenue decrease)
Positive: Favorable results in use of the “Raku Raku Household TA-Q-BIN” service and the “Comfortable Lifestyle Support Service”
Negative: Results reflect estimated effects, based on investigation results, of a situation where corporate clients were inappropriately billed for moving expenses.

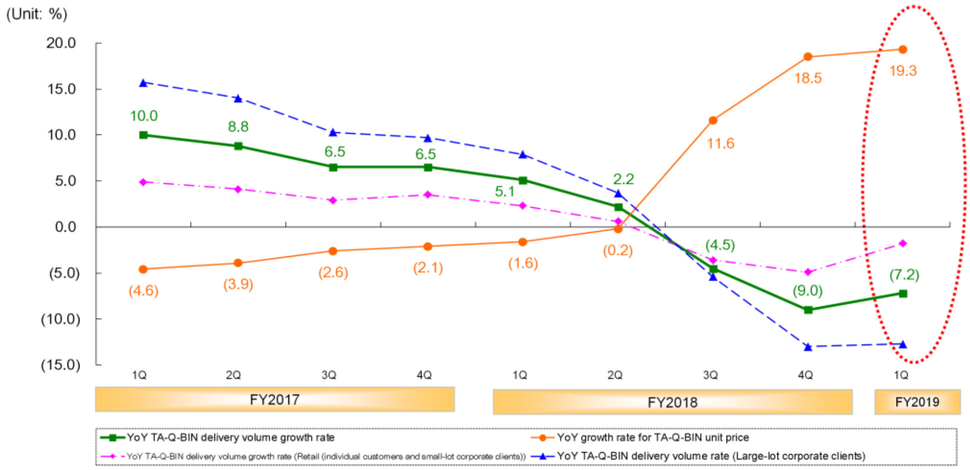
(4) e-Business (Revenue increase)
Negative : Decrease in the number of projects involving system processing for customers stemming from a decrease in TA-Q-BIN delivery volume

(5) Financial Business (Revenue decrease)
Negative: Decrease in “TA-Q-BIN Collect” delivery volume in the Payment business largely stemming from a shrinking market for cash-on-delivery

(6) Autoworks Business (Revenue decrease)
Positive: Increase in business involving vehicle maintenance
Negative: Sluggish sales of vehicle equipment

3. Quarterly YoY Trends of TA-Q-BIN Delivery (1Q)

Delivery volume decreased but TA-Q-BIN unit price increased.
(Volume: YoY ↓7.2%, unit price: YoY ↑19.3%)



(Note)
Figures for TA-Q-BIN delivery volume include delivery volumes of the TA-Q-BIN Compact and Nekopos services.

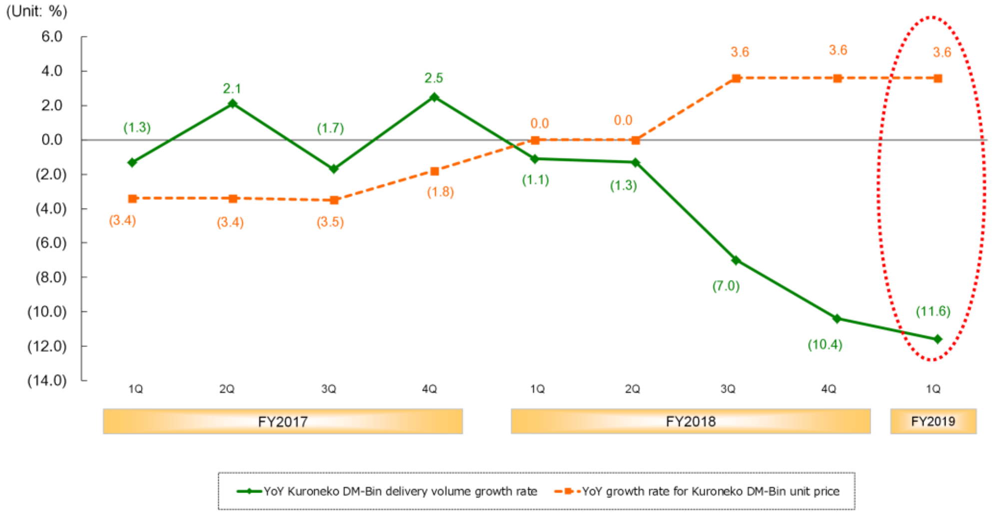
Unit price growth rate by market (1Q)
Retail (individual customers and small-lot corporate clients) ↑12.6%
Large-lot corporate clients ↑27.0%

[Quarterly YoY Trends of TA-Q-BIN delivery (1Q)]

TA-Q-BIN delivery volume:	YoY ↓ 7.2%
Unit price:	YoY ↑ 19.3%

4. Quarterly YoY Trends of Kuroneko DM-Bin (1Q)

Kuroneko DM-BIN delivery volume decreased but unit price increased.
(Volume: YoY ↓11.6%, unit price: YoY ↑3.6%)



Shipment volume by market (1Q)
From TA-Q-BIN Centers: ↓10.6%
From corporate sales branch offices: ↓12.0%

Shipment unit price by market (1Q)
From TA-Q-BIN Centers: ↑1.9%
From corporate sales branch offices: ↑6.2%

[Quarterly YoY trends of Kuroneko DM-Bin (1Q)]

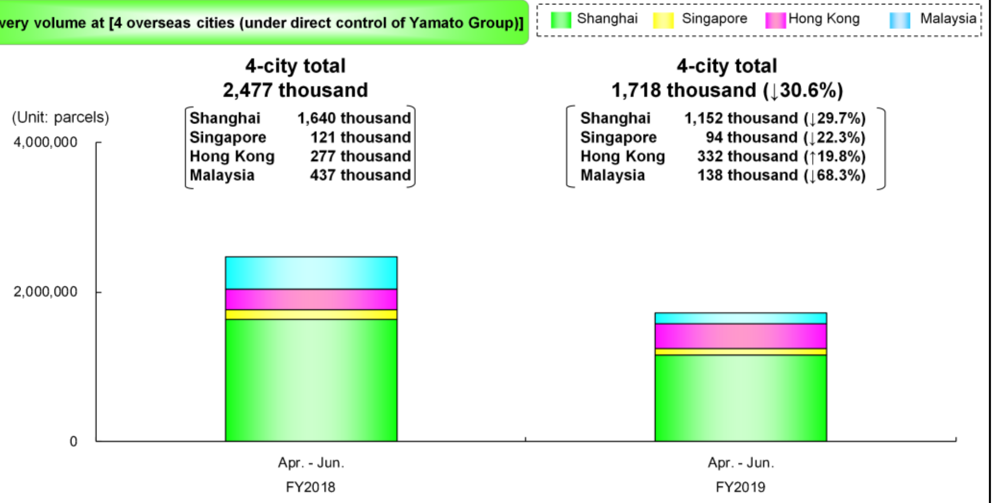
Kuroneko DM-Bin delivery volume: YoY ↓ 11.6%
Unit price: YoY ↑ 3.6%

5. YoY Trends of TA-Q-BIN Business Overseas (3 Months)

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

4-city total (Apr. - Jun. FY2018)	2,477 thousand
Shanghai	1,640 thousand
Singapore	121 thousand
Hong Kong	277 thousand
Malaysia	437 thousand

4-city total (Apr. - Jun. FY2019)	1,718 thousand (↓30.6%)
Shanghai	1,152 thousand (↓29.7%)
Singapore	94 thousand (↓22.3%)
Hong Kong	332 thousand (↑19.8%)
Malaysia	138 thousand (↓68.3%)

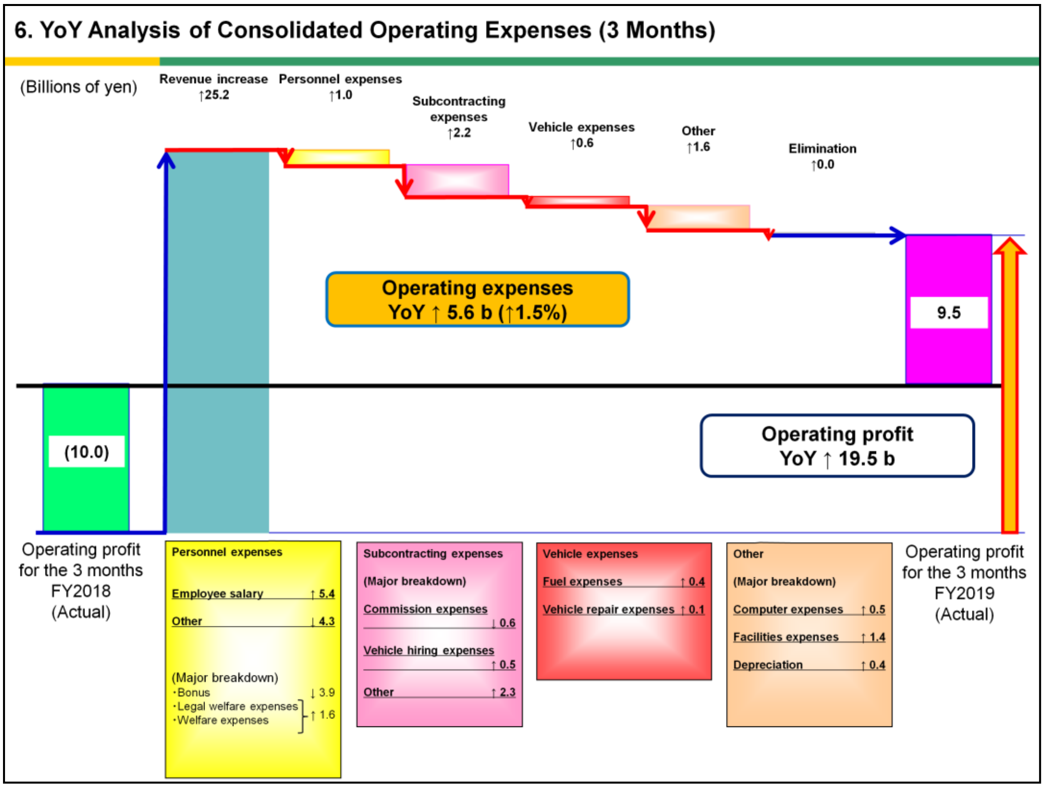


Delivery volume at [4 overseas cities＋Taiwan]

3 Months FY2018 Actual	3 Months FY2019 Actual
32,356 thousand	27,230 thousand (↓15.8%)

[YoY trends of TA-Q-BIN Business overseas (3 months)]

- Delivery volume decreased due to our review of unprofitable transactions, etc.
- We have been promoting efforts to build a cross-border platform that provides substantial added value, through leveraging cold chain network.



[YoY analysis of consolidated operating expenses (3 months)]

(1) Operating revenue increased by 7.1% YoY while operating expenses increased by 1.5% YoY.

(2) Cost environment

i) Personnel expenses increased by ¥1.0 billion mainly as a result of efforts taken to enhance collection and delivery systems.

ii) “Facilities expenses,” under “Other,” increased by ¥1.4 billion, incurred as upfront expenses pertaining to business structural reform initiatives.

iii) Fuel expenses increased by ¥0.4 billion YoY due to a higher unit price of fuel.

iv) Some expense items were reclassified in line with a transfer of operations to the BIZ-Logistics.

7. Summary of Consolidated Operating Expenses (3 Months)

(Millions of Yen)	3 Months FY2018 Actual	3 Months FY2019 Actual	YoY Change	
			Amount	[%]
Operating revenue	355,478	380,690	25,212	7.1
Operating expenses	365,479	371,112	5,632	1.5
Personnel expenses	195,634	196,727	1,093	0.6
Employee salary	130,414	135,851	5,436	4.2
Other personnel expenses	65,220	60,876	(4,343)	(6.7)
Subcontracting expenses	150,359	152,572	2,213	1.5
Commission expenses	63,535	62,921	(613)	(1.0)
Vehicle hiring expenses	47,226	47,731	504	1.1
Other subcontracting expenses	39,597	41,919	2,322	5.9
Vehicle expenses	10,701	11,348	646	6.0
Fuel expenses	5,126	5,604	477	9.3
Other operating expenses	77,954	79,571	1,616	2.1
Depreciation	10,256	10,701	444	4.3
Elimination	(69,171)	(69,108)	62	(0.1)
Operating Profit	(10,000)	9,578	19,579	-

[Summary of consolidated operating expenses (3 months)]

Operating expenses increased (YoY ↑ 1.5%)

Whereas commission expenses decreased in line with lower TA-Q-BIN delivery volume (↓ 7.2%), personnel expenses increased as a result of efforts taken to enhance collection and delivery systems.

(1) <u>**Personnel expenses: YoY ↑ ¥1.0 billion (↑ 0.6%)**</u>

Employee salary: YoY ↑ ¥5.4 billion (↑ 4.2%)

・ Number of employees YoY ↑ 5.2% as of June 30, 2018 (full-time ↑ 2.1%, part-time ↑ 7.7%)

Other personnel expenses: YoY ↓ ¥4.3 billion (↓ 6.7%)

(2) <u>**Subcontracting expenses: YoY ↑ ¥2.2 billion (↑ 1.5%)**</u>

Commission expenses: YoY ↓ ¥0.6 billion (↓ 1.0%)

Vehicle hiring expenses: YoY ↑ ¥0.5 billion (↑ 1.1%)

→ Increased mainly due to higher per-vehicle hiring rates despite a downward trend with respect to TA-Q-BIN delivery volume

(3) <u>**Vehicle expenses: YoY ↑ ¥0.6 billion (↑ 6.0%)**</u>

→ Fuel expenses increased due to a higher unit price of fuel (YoY ↑ ¥0.4 billion ↑ 9.3%)

(4) <u>**Other operating expenses: YoY ↑ ¥1.6 billion (↑ 2.1%)**</u>

→ Facilities expenses: ↑ ¥1.4 billion

→ Depreciation: ↑ ¥0.4 billion

8. Summary of Operating Expenses in Delivery Business (3 Months)

(Millions of Yen)	3 Months FY2018 Actual	3 Months FY2019 Actual	YoY Change	
			Amount	[%]
Operating revenues	273,360	299,175	25,815	9.4
Operating expenses	290,641	292,989	2,348	0.8
Personnel expenses	169,730	169,723	(7)	(0.0)
Employee salary	112,539	117,266	4,726	4.2
Other personnel expenses	57,190	52,456	(4,734)	(8.3)
Subcontracting expenses	89,748	88,547	(1,200)	(1.3)
Commission expenses	36,652	35,897	(755)	(2.1)
Vehicle hiring expenses	44,818	45,062	243	0.5
Other subcontracting expenses	8,276	7,586	(689)	(8.3)
Vehicle expenses	9,441	10,019	577	6.1
Fuel expenses	4,211	4,615	404	9.6
Other operating expenses	53,026	54,812	1,785	3.4
Depreciation	6,718	7,081	362	5.4
Elimination	(31,305)	(30,113)	1,192	(3.8)
Operating Profit	(17,280)	6,186	23,466	-

(Notes)

1. The figures above include operating expenses related to overseas TA-Q-BIN services.
2. Starting with FY2019, the payment business of Yamato Transport (M) Sdn. Bhd. (Malaysia), which was previously included in the Financial Business segment, has been shifted to the Delivery Business segment. FY2018 results for the Delivery Business segment have been modified in line with this change in segment classifications.

9. Operating Results Forecast							
(Billions of Yen)	FY2018 Actual	FY2019 (April 2018 Forecast) A	FY2019 (New Forecast) B	Forecast Change (B-A)		YoY Change	
				Amount	[%]	Amount	[%]
Operating revenue							
Delivery	1,201.7	1,262.0	1,279.0	+17.0	+1.3	+77.2	+6.4
Non-Delivery	337.0	338.0	336.0	(2.0)	(0.6)	(1.0)	(0.3)
Total	1,538.8	1,600.0	1,615.0	+15.0	+0.9	+76.1	+5.0
Operating profit	35.6	58.0	61.0	+3.0	+5.2	+25.3	+70.9
[Profit margin]	2.3%	3.6%	3.8%	-	-	-	-
Ordinary profit	36.0	58.0	61.0	+3.0	+5.2	+24.9	+69.0
[Profit margin]	2.3%	3.6%	3.8%	-	-	-	-
Profit attributable to owners of parent	18.2	36.0	36.0	0.0	0.0	+17.7	+97.5
[Profit margin]	1.2%	2.3%	2.2%	-	-	-	-

[Operating results forecast]

- We will continue our adequate pricing initiatives centered on large-lot corporate clients.
- Expenses related to reform will increase in association with promoting “reforming working styles” and business structural reform initiatives.
- Effects of inappropriate billing by Yamato Home Convenience Co., Ltd. have been factored in.

  (Full-year: Consolidated operating revenue of ¥9.5 billion, consolidated operating profit of ¥6.0 billion)

☞ Going forward, we aim to keep fulfilling our mission in acting as a company that forms an important part of social infrastructure while continuing to generate growth into the future, with a managerial focus on “reforming working styles.” To such ends, we will do our utmost to regain the trust of our customers who use our services, our shareholders, and our other stakeholders.

10. Operating Results Forecast (Breakdown by Business Segment)

(Millions of Yen)	FY2018 (Actual)	FY2019 (April 2018 Forecast) A	FY2019 (New Forecast) B	Forecast Change (B-A) Amount	Forecast Change (B-A) [%]	YoY Change Amount	YoY Change [%]
Operating revenue							
Delivery	1,201,769	1,262,000	1,279,000	+17,000	+1.3	+77,230	+6.4
BIZ-Logistics	145,614	147,000	152,000	+5,000	+3.4	+6,385	+4.4
Home Convenience	44,868	45,000	36,000	(9,000)	(20.0)	(8,868)	(19.8)
e-Business	26,837	27,500	27,500	0	0.0	+662	+2.5
Financial	82,956	80,500	81,500	+1,000	+1.2	(1,456)	(1.8)
Autoworks	24,641	26,000	27,000	+1,000	+3.8	+2,358	+9.6
Other	12,125	12,000	12,000	0	0.0	(125)	(1.0)
Total	1,538,813	1,600,000	1,615,000	+15,000	+0.9	+76,186	+5.0
Operating profit							
Delivery	6,756	34,000	43,000	+9,000	+26.5	+36,243	+536.4
BIZ-Logistics	7,468	6,000	6,000	0	0.0	(1,468)	(19.7)
Home Convenience	199	900	(5,100)	(6,000)	-	(5,299)	-
e-Business	7,530	9,000	9,000	0	0.0	+1,469	+19.5
Financial	7,913	7,000	7,000	0	0.0	(913)	(11.5)
Autoworks	4,141	4,500	4,500	0	0.0	+358	+8.7
Other	17,217	14,000	17,000	+3,000	+21.4	(217)	(1.3)
Subtotal	51,226	75,400	81,400	+6,000	+8.0	+30,173	+58.9
Elimination	(15,541)	(17,400)	(20,400)	(3,000)	+17.2	(4,858)	+31.3
Total	35,685	58,000	61,000	+3,000	+5.2	+25,314	+70.9
Ordinary profit	**36,085**	**58,000**	**61,000**	**+3,000**	**+5.2**	**+24,914**	**+69.0**
[Profit margin]	**2.3%**	**3.6%**	**3.8%**	-	-	-	-
Profit attributable to owners of parent	**18,231**	**36,000**	**36,000**	**0**	**0.0**	**+17,768**	**+97.5**
[Profit margin]	**1.2%**	**2.3%**	**2.2%**	-	-	-	-

TA-Q-BIN forecasts

- **Delivery volume (forecast)**
  1,796,500 thousand (YoY ↓ 2.2%)
- **Unit price (forecast)**
  ¥659 (YoY ↑ 10.4%)

Kuroneko DM-Bin forecasts

- **Delivery volume(forecast)**
  1,218,500 thousand (YoY ↓ 16.8%)
- **Unit price (forecast)**
  ¥57 (YoY ↑ 1.8%)

(Note) The figures for FY2018 have been partially revised to reflect transfers of operations between business segments as follows:
- Technical Network (Home Convenience → BIZ-Logistics)
- e-Logistics solution, e-On Demand solutions, Setup and Logistics solutions (e-Business → BIZ-Logistics)
- Payment business in Yamato Transport (M) Sdn. Bhd. (Malaysia) (Financial → Delivery)

[Operating results forecast (breakdown by business segment)]

<u>(Differences from the April 2018 forecast)</u>

(1) Operating revenue

→ Delivery Business: TA-Q-BIN delivery volume increased by 26,500,000 parcels due to progress made with "structural reforms in the Delivery Business."
* TA-Q-BIN unit price and Kuroneko DM-Bin (volume and unit price) remain unchanged from previous forecast.

→ BIZ-Logistics: Increased by ¥5.0 billion amid progress made in solution sales due to account management

→ Home Convenience: Decreased by ¥9.0 billion as a result of factoring in effects of inappropriate billing

(2) Operating profit

→ Delivery Business: Increased by ¥9.0 billion as a result of adequate pricing initiatives taking hold

→ Home Convenience: Decreased by ¥6.0 billion as a result of factoring in effects of inappropriate billing

11. Operating Results Forecast (Breakdown of Operating Expenses)

(Millions of Yen)	FY2018 Actual	FY2019 (April 2018 Forecast) A	FY2019 (New Forecast) B	Forecast Change (B-A) Amount	Forecast Change (B-A) [%]	YoY Change Amount	YoY Change [%]
Operating revenue	1,538,813	1,600,000	1,615,000	+15,000	+0.9	+76,186	+5.0
Operating expenses	1,503,127	1,542,000	1,554,000	+12,000	+0.8	+50,872	+3.4
Personnel expenses	786,787	840,000	840,000	0	0.0	+53,212	+6.8
Employee salary	536,488	570,000	574,000	+4,000	+0.7	+37,511	+7.0
Other personnel expenses	250,298	270,000	266,000	(4,000)	(1.5)	+15,701	+6.3
Subcontracting expenses	627,207	600,000	604,000	+4,000	+0.7	(23,207)	(3.7)
Commission expenses	269,563	239,000	241,000	+2,000	+0.8	(28,563)	(10.6)
Vehicle hiring expenses	194,338	184,000	186,000	+2,000	+1.1	(8,338)	(4.3)
Other subcontracting expenses	163,305	177,000	177,000	0	0.0	+13,694	+8.4
Vehicle expenses	43,275	45,000	47,000	+2,000	+4.4	+3,724	+8.6
Fuel expenses	21,408	23,000	25,000	+2,000	+8.7	+3,591	+16.8
Other operating expenses	327,488	350,000	349,000	(1,000)	(0.3)	+21,511	+6.6
Depreciation	46,423	55,000	52,000	(3,000)	(5.5)	+5,576	+12.0
Elimination	(281,630)	(293,000)	(286,000)	+7,000	(2.4)	(4,369)	+1.6
Operating profit	35,685	58,000	61,000	+3,000	+5.2	+25,314	+70.9

Assumptions of forecasts

・Number of employees (forecast)

Total	229,500	[YoY ↑ 16,404 (YoY ↑ 7.7%)]
Full-time	96,500	[YoY ↑ 2,966 (YoY ↑ 3.2%)]
Part-time	133,000	[YoY ↑ 13,438 (YoY ↑ 11.2%)]

・Other Cost Increased due to promotion of "reforming working styles," etc.

Capital expenditure (Millions of Yen, forecast)
¥80,000

[Operating results forecast (breakdown of operating expenses)]

(1) Overall operating expenses: ↑¥12.0 billion or ↑0.8% compared with the previous forecast.

(YoY ↑¥50.8 billion, ↑3.4%)

(2) Major changes from the previous forecast

Personnel expenses: Previous forecast for overall personnel expenses remains unchanged.

・ Employee salary: ↑¥4.0 billion or ↑0.7% compared with the previous forecast

Other personnel expenses: ↓¥4.0 billion or ↓1.5% compared with the previous forecast

→ Forecast revised to reflect prevailing circumstances

Subcontracting expenses: ↑¥4.0 billion or ↑0.7% compared with the previous forecast

・ Commission expenses: ↑¥2.0 billion or ↑0.8% compared with the previous forecast

→ Increase largely reflects prevailing circumstances of use of subcontracting associated with higher revenue of the Non-delivery Businesses.

・ Vehicle hiring expenses: ↑¥2.0 billion or ↑1.1% compared with the previous forecast

→ Taking into account prevailing circumstances, the TA-Q-BIN delivery volume forecast has been increased and higher per-vehicle hiring rates are anticipated.

Vehicle expenses: ↑¥2.0 billion or ↑4.4% compared with the previous forecast

→ Fuel expenses are expected to increase due to higher unit price of fuel and other factors.

Other operating expenses: ↓¥1.0 billion or ↓0.3% compared with the previous forecast

・ Depreciation: ↓¥3.0 billion or ↓5.5% compared with the previous forecast

→ Forecast revised to reflect prevailing circumstances

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.