

## Questions and Answers (Digest)

**The Financial Results Meeting  
for the first six months of the fiscal year ending March 31, 2013  
held on November 1, 2012**

### Q1

The full-year forecast for operating income has been left unchanged at 70 billion yen. Please give concrete details as to what cost cutting measures you plan to implement in the second half of the fiscal year. Also, the personnel plan for the Delivery Business has been reduced by 1,800 people compared with the forecast at the end of the first quarter. Will it be possible for your personnel to support the work load?

### A1

- We will strictly keep variable costs interlinked with revenues. As for personnel expenses, we will manage the number of working hours and strictly manage outsourcing during the peak delivery seasons.
- Although the personnel plan for the Delivery Business has been reduced by 1,800 people since the first quarter, 1,700 of these were part-timers. With respect to the number of part-timers, we know that we have already secured enough part-timers in the first half and we are looking to the second half to raise productivity and begin benefitting from the effect of our personnel plan.

### Q2

Concerning the delivery volume for TA-Q-BIN, as of the end of October, what effect do you expect from acquiring new consignors in the small-lot commercial? In addition, is there a concern that the unit price will fall when new consignors are acquired?

### A2

- Since October, we have been aggressively acquiring new consignors and we have acquired more contracts than normal months. As we expect the actual delivery operations related to these contracts to begin from November or December, the contribution to the delivery volume of TA-Q-BIN is a little later.
- With respect to the unit price, meanwhile, the large-lot corporate market continues to perform strongly, which brings the overall unit price down year on year due to a change in the product-mix ratio. However, we are not worried about a unit price drop due to the acquisition of new consignors. The first reason is that the competitive environment has settled and the second reason is that rather than acquiring consignors by lowering unit price, we propose solutions that have added value. Our business is more than a simple delivery service. We sell our services based on the combined functions of the Yamato Group and believe that a unit price fall is not a factor.

**Q3**

Please explain why the retail market was weak for TA-Q-BIN.

**A3**

- If you analyze each sector, there are some sectors that were affected by the business sentiment. In particular, the manufacturing and wholesale sector were in a slump. Last year, the manufacturing and wholesale sectors experienced demand related to recovery from the Great East Japan Earthquake. Decline as a reaction to the demand can be thought of as the reason why the retail market has been sluggish.
- Another factor is that the number of new accounts has been few. In order to acquire new consignors, we are presently aggressively conducting sales activities.

**Q4**

Regarding Kuroneko Mail, will the effect of the stricter parcel acceptance policies have gone the full cycle into the second half of this fiscal year? What measures are planned for Kuroneko Mail?

**A4**

- The Kuroneko Mail delivery volume until the end of September was lower year on year. From October, it is at a level that is higher year on year. Not only has the effect of the stricter parcel acceptance policies travelled the full cycle, but by conducting solutions sales at TA-Q-BIN centers, the dispatch volume from small-lot commercial has been secured, and by changing the product-mix ratio, further lowering of the unit price is being prevented.
- In addition, we are conducting envelope filling and sealing services for large-lot corporate clients.

**Q5**

Looking back over the first half of the fiscal year, did the rise in costs exceed the plan?

**A5**

- With respect to personnel expenses, the increase in the number of part-timers and overtime costs were more than planned.
- As for vehicle hiring expenses, costs were a little above the plan. In the second half of the year, we will strictly manage variable costs.

**Q6**

What is the reason for reducing the capital expenditure plan by 14 billion yen compared with the plan that was announced at the end of the first quarter?

**A6**

- After considering the results of the first half and carefully studying the capital expenditure plan, some expenses were deferred to next fiscal year. The core capital expenditure related to the Haneda Chronogate has not changed.