

Growth in the Express Home Delivery Market

Trends in Parcel Delivery Volume

This survey uses company-reported parcel delivery volume data compiled by Japan’s Ministry of Land, Infrastructure, Transport and Tourism.

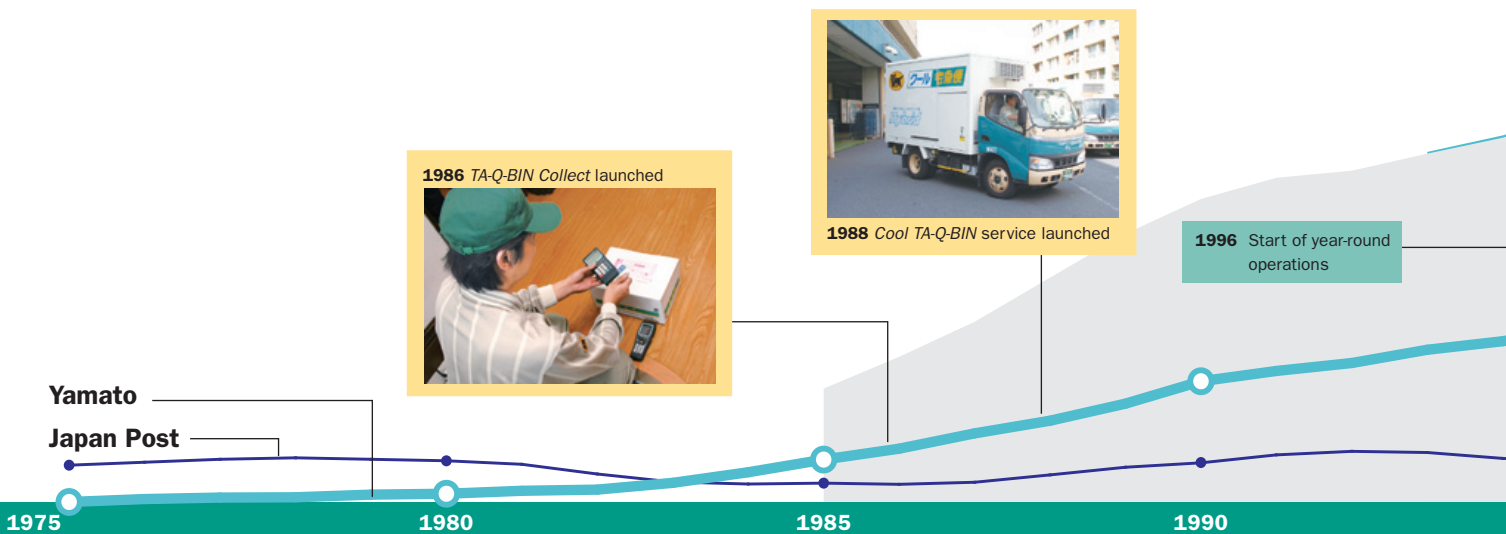
In the data, “parcels” denotes individual packages weighing less than 30 kg, irrespective of the type of delivery (C2C, B2C or B2B).

However, lots in which multiple packages are sent together and parcels that do not require a signature on delivery are not counted as “parcels” for the purposes of the survey.

Growth of TA-Q-BIN

TA-Q-BIN is the Yamato Group’s flagship service offering. Since its launch in 1976, we have pursued a strategy of differentiation based on development of additional strategic offerings such as *Cool TA-Q-BIN* and *TA-Q-BIN Collect*, and improvement of delivery quality, including enhanced features such as *Time Period Delivery* and *Driver Direct* services. As a result of these efforts, the Yamato Group has outperformed the growth in the express home delivery market as a whole, and steadily expanded our market share.

Timeline of New Product Development



Source: Japan Post Holdings Co., Ltd.
Japan Post Co., Ltd.

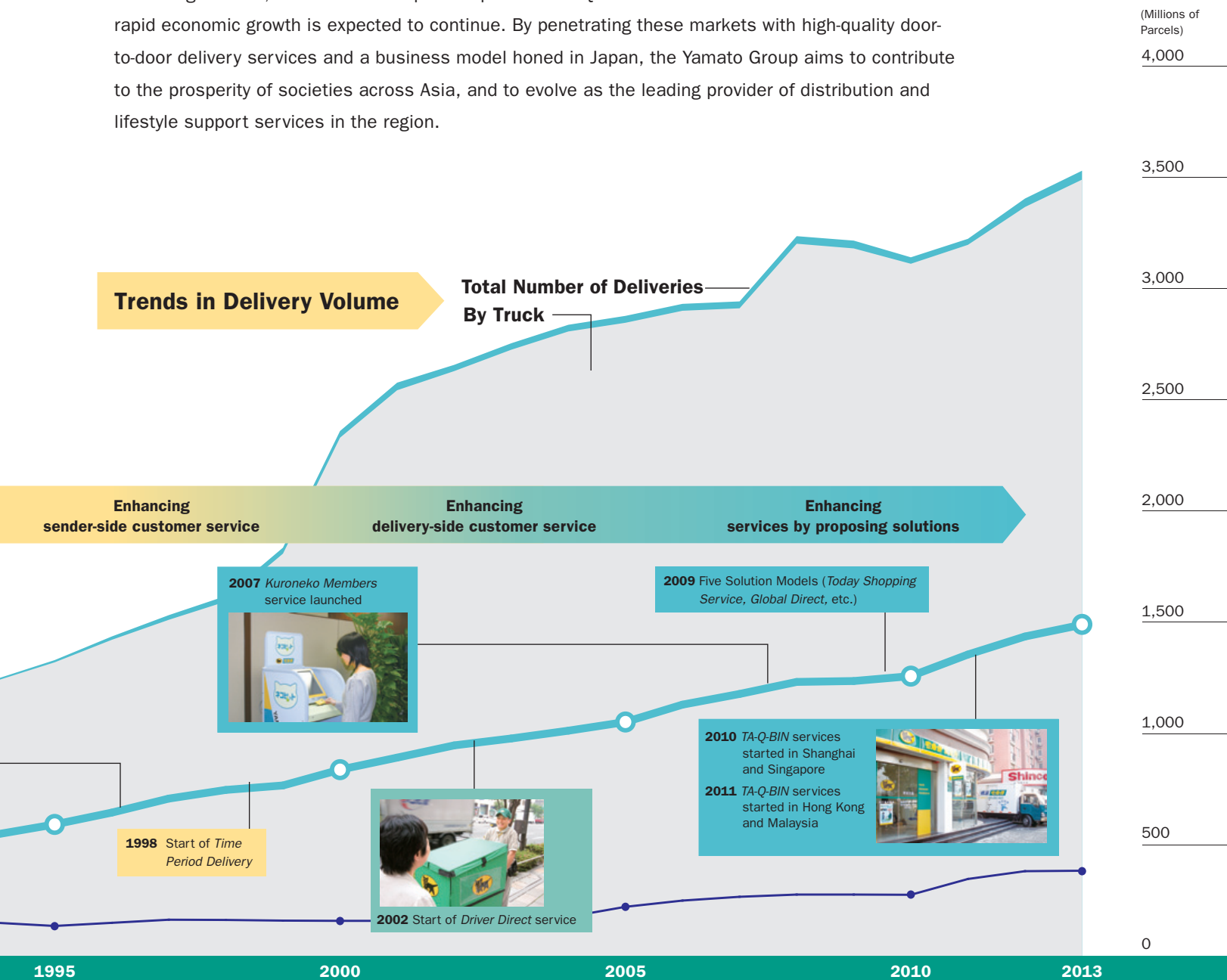
Note: “Total Number of Deliveries” includes express home delivery services involving transport by truck, air and other methods.
Source: Statistical survey by the Ministry of Land, Infrastructure, Transport and Tourism.

Currently, the Group is working not only to develop new strategic offerings and improve service quality, but to also adapt to the needs of customers that have grown in sophistication on an ongoing basis. To this end, the Yamato Group will strive to attain further growth in *TA-Q-BIN* through the generation of new business and solution models in areas of the business in which growth can be expected.

Moreover, the Yamato Group is developing its overseas *TA-Q-BIN* business across Asia.

In addition to operations that have already begun in Shanghai, Singapore and Hong Kong, in September 2011, the Group launched a *TA-Q-BIN* operation in Malaysia.

Moving forward, the Yamato Group will expand the *TA-Q-BIN* business in markets across Asia where rapid economic growth is expected to continue. By penetrating these markets with high-quality door-to-door delivery services and a business model honed in Japan, the Yamato Group aims to contribute to the prosperity of societies across Asia, and to evolve as the leading provider of distribution and lifestyle support services in the region.



(Millions of
Parcels)
4,000

3,500

3,000

2,500

2,000

1,500

1,000

500

0

1995

2000

2005

2010

2013

1999

In fiscal 1999*¹, certain firms switched their existing parcels to express home delivery, and the data for the year reflects this increase. Excluding this extraordinary factor, year-on-year growth was 5.9%.

*¹ The period April 1999 through March 2000 in this graph only

2007

As a result of the privatization of the postal service in October 2007, Japan Post Co., Ltd. now falls under the jurisdiction of the Motor-Truck Transport Business Law, and is included in the survey starting from fiscal 2007*².

*² The period April 2007 through March 2008 in this graph only