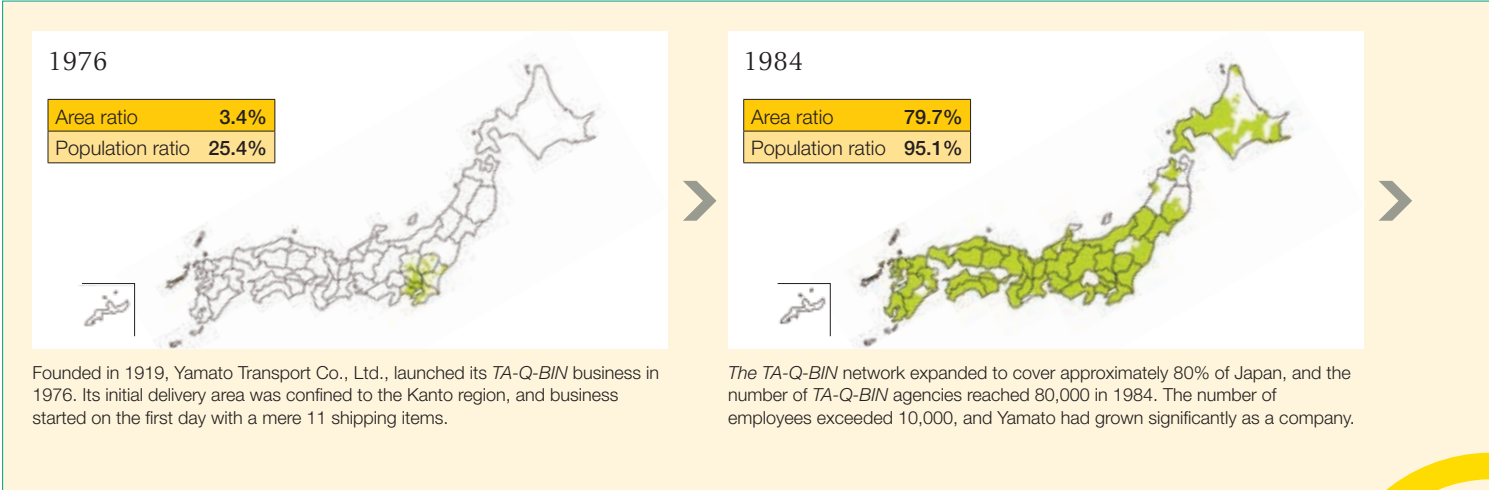


Business Foundation Expanded with TA-Q-BIN at Its Core

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 the development of additional strategic offerings and an improvement in delivery quality. 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 its market share. The Yamato Group is currently developing its overseas TA-Q-BIN business across Asia.

Expansion of TA-Q-BIN Network

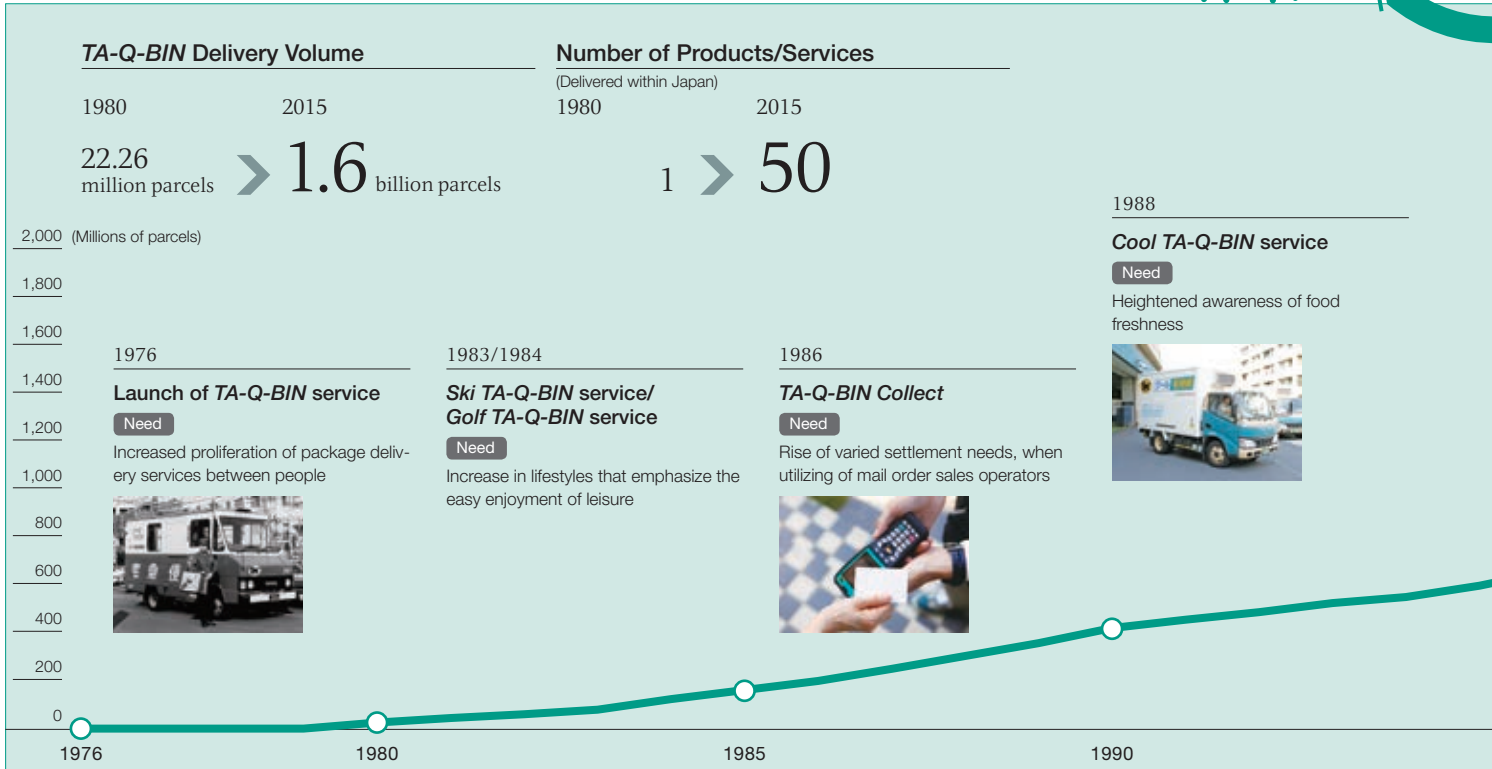


Provision of High-Value-Added Logistics Infrastructure

Not confining ourselves to simple "delivery," we provide TA-Q-BIN as a unique service that exceeds the expectations of society and customers and have put in place a business foundation that is used by a growing number of customers.

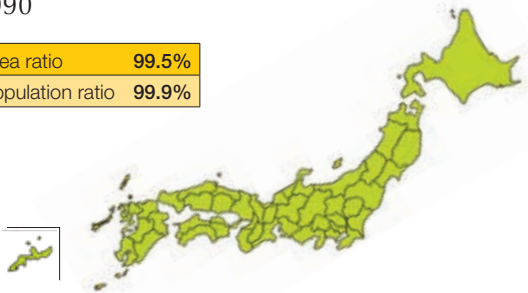


TA-Q-BIN Delivery Volume and Development History for Products and Services



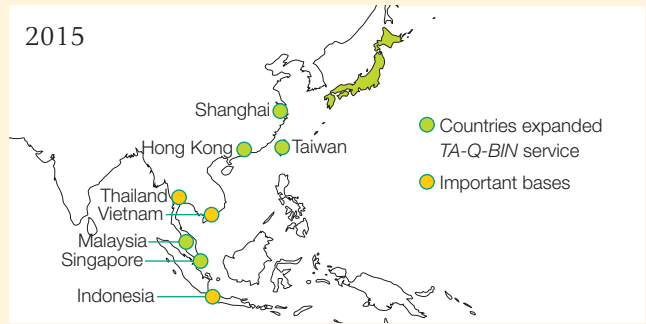
1990

Area ratio **99.5%**
Population ratio **99.9%**



TA-Q-BIN network coverage extended to 99.5% of Japan. We commenced TA-Q-BIN services on the Bonin (Ogasawara) Islands in 1997, completing a nationwide TA-Q-BIN network.

2015



TA-Q-BIN business in Taiwan was commenced in 2000 as the first overseas base in Asia. As at the end of March 2015, the Company has a total of five overseas bases in operation: Shanghai, Singapore, Hong Kong and Malaysia as well as Taiwan. We will extend the TA-Q-BIN business to other parts of the world in the years to come, focusing on East Asia and members of ASEAN.

Customer Base and Service Synergies

By increasing the numbers of customers who use TA-Q-BIN, we have reached the stage where we are able to subtly perceive changes and needs called for by society, improve our high-quality services, and generate the synergies to expand our customer base.



1998

Time Period Delivery

Need

Growing need for specific time zone for delivery in keeping with changing lifestyles

2004

Driver Direct service

Need

Differentiation to speedily respond according to customers' requests



2007

Kuroneko Members service

Need

Service diversification through proliferation of IT



2013

Completion of Haneda Chronogate, the largest general logistics terminal in Japan

Need

Creation of value added through logistics



2010

TA-Q-BIN service expansion in Asia

Need

Development of logistics infrastructure in Asia

2013

International Cool TA-Q-BIN service

Need

Further diversification, sophisticated TA-Q-BIN needs

2000

2005

2010

2015

Management System That Creates New Value

Amid diversifying social needs, we generated business beyond the *TA-Q-BIN* framework, inaugurated a holdings system in 2005 to continue business promotion, and formulated a new management philosophy.

Management Philosophy

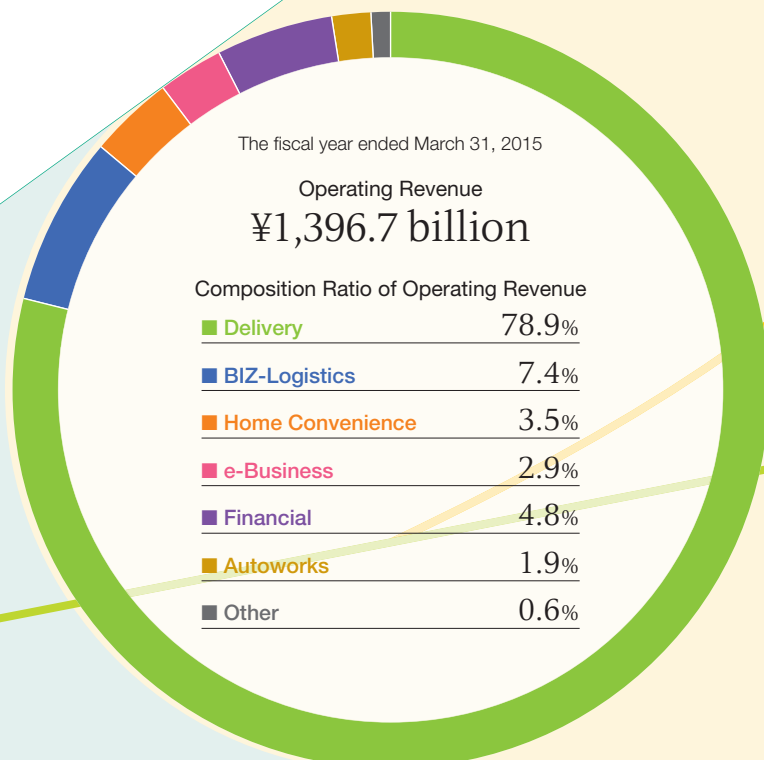
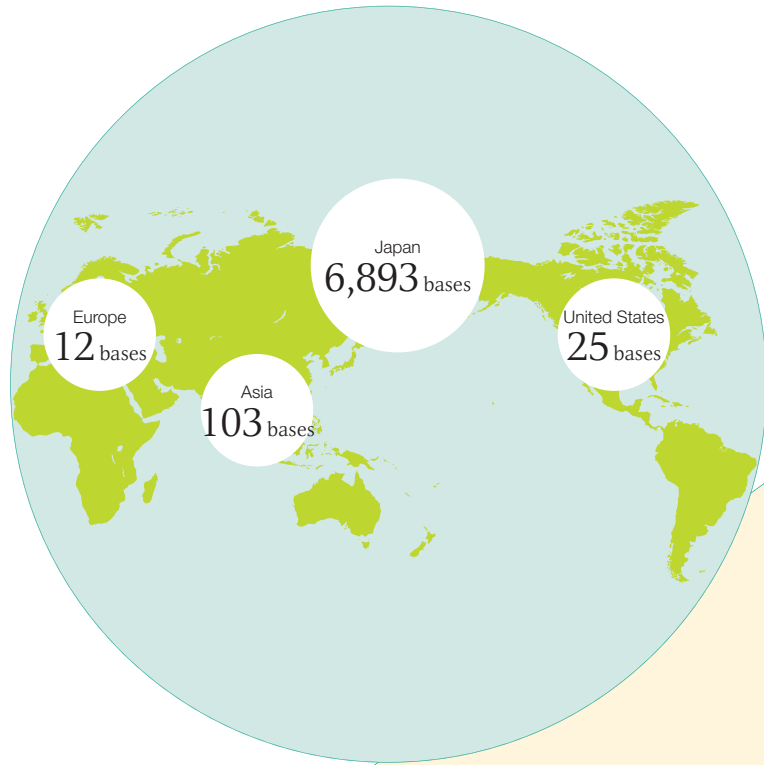
The Yamato Group helps enrich our society by enhancing the social infrastructure of *TA-Q-BIN* networks, creating more convenient services for comfortable lifestyles, and developing an innovative logistics system.

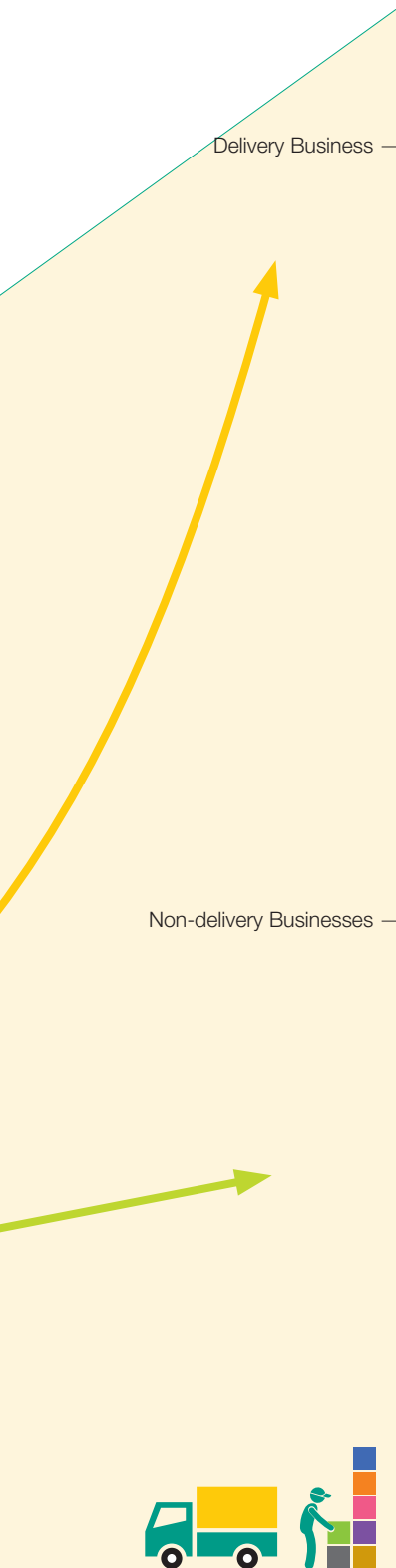
Growing Number of Business Facilities in Japan and Overseas

The Yamato Group is currently operating 7,033 business facilities in the world. With the aim of becoming Asia's No. 1 solution provider in distribution and lifestyle support, our goal in the final year of the long-term *DAN-TOTSU Management Plan 2019* that was formulated in 2011, we are naturally making progress as a unified Group with the enhancement of domestic business as well as overseas business, including the growth market of Asia.

Creation of New Value following Organic Integration of Delivery Business and Non-Delivery Businesses

Under the previous operating holding company structure, Yamato Transport Co., Ltd., had both a management supervisory function and a delivery business execution function. Therefore, the management of the entire Group was biased toward the delivery business. In November 2005, we launched a pure holding company, Yamato Holdings Co., Ltd., which assumed the decision-making and supervisory functions, and under the new structure each business company, including Yamato Transport Co., Ltd., fulfills executive functions as part of the holding company. This move was designed to grow not only the delivery business but also the non-delivery businesses by accelerating the management speed.





Business Description



■ **Delivery**

The Delivery Business provides small parcel delivery services for the general public and corporations. Guided by its basic corporate philosophy of “Total Reliability,” the business provides mainly *TA-Q-BIN* services to improve convenience in customers’ lives.



■ **BIZ-Logistics**

The BIZ-Logistics Business is a corporate distribution operation involved in services such as logistics and medical products distribution. The business provides customers with an innovative logistics system by combining management resources such as the *TA-Q-BIN* network with maintenance and recall response as well as international transport functions.



■ **Home Convenience**

The Home Convenience Business is a community-based lifestyle support operation that provides services such as the pickup, delivery, and assembly and installation of home furnishings and appliances. The business provides lifestyle-related services utilizing the Yamato Group’s nationwide network, with the aim of supporting the convenient and comfortable lifestyles of customers.



■ **e-Business**

The e-Business comprises operations in contract data processing and information systems development. The e-Business provides solutions that integrate data, distribution, and settlement functions to raise business process efficiency and solve potential business problems that customers face.



■ **Financial**

The Financial Business provides settlement services and financial products for corporations and the general public. From payment collection on mail-order product deliveries to B2B logistics settlement, the Financial Business is striving to respond to every means of settlement to meet the needs of customers.



■ **Autoworks**

The Autoworks Business performs the maintenance and upkeep of trucks and other vehicles for logistics and distribution business operators under contract. Utilizing technologies for reliably maintaining and repairing trucks, the Autoworks Business provides three forms of value: 1) compliance with statutory vehicle inspections, 2) convenient vehicle maintenance, and 3) reduced maintenance and repair costs.



■ **Other**

The Yamato Group’s Other segment provides box charter business, such as the *JITBOX Charter* service, and extensive shared services centered on the trunk-route transport business.

Yamato Group's Medium-to Long-Term Management Plan

The Yamato Group is making headway in its aim to become Asia's No. 1 solution provider in distribution and lifestyle support to maximize both corporate earnings and corporate value.

Based on the nine-year, long-term *DAN-TOTSU Management Plan 2019* that is designed to establish the Yamato Group in the position of being Asia's No. 1 solution provider in distribution and lifestyle support by the fiscal year ending March 31, 2020, which will mark the 100th anniversary of the Company's founding, the Group is aiming to create new businesses and accelerate growth. Dividing the nine years into the three stages of HOP, STEP, and

JUMP, under the second-stage *DAN-TOTSU Three-Year Plan STEP* medium-term management plan (from the year ended March 2015 to the year ending March 2017), the Group is leveraging and strengthening the business foundation built under HOP and ensuring a sure-footed leap in the final JUMP phase by enhancing its underpinning growth strategy.

HOP

Year Ended March 2012—Year Ended March 2014



- Further strengthening business foundation and networks

Overview of *DAN-TOTSU Three-Year Plan STEP*

Under *DAN-TOTSU Three-Year Plan STEP*, the Company is carrying out a plan based on two strategies: promoting the “*Value Networking*” design and forging a robust corporate culture.

In promoting the “*Value Networking*” design, the Company creates high-value-added business models by further strengthening the business foundation, such as *Atsugi Gateway* and *Haneda Chronogate*, which were constructed under the previous medium-term management plan HOP, and by promoting logistics network innovation. By making thorough improvements in cost, quality,

and speed, the Company brought about an evolution in logistics and the means to create value. In addition, from a global perspective, the Company is aiming to create new markets centered on Yamato Asia, its supervisory company in the ASEAN region.

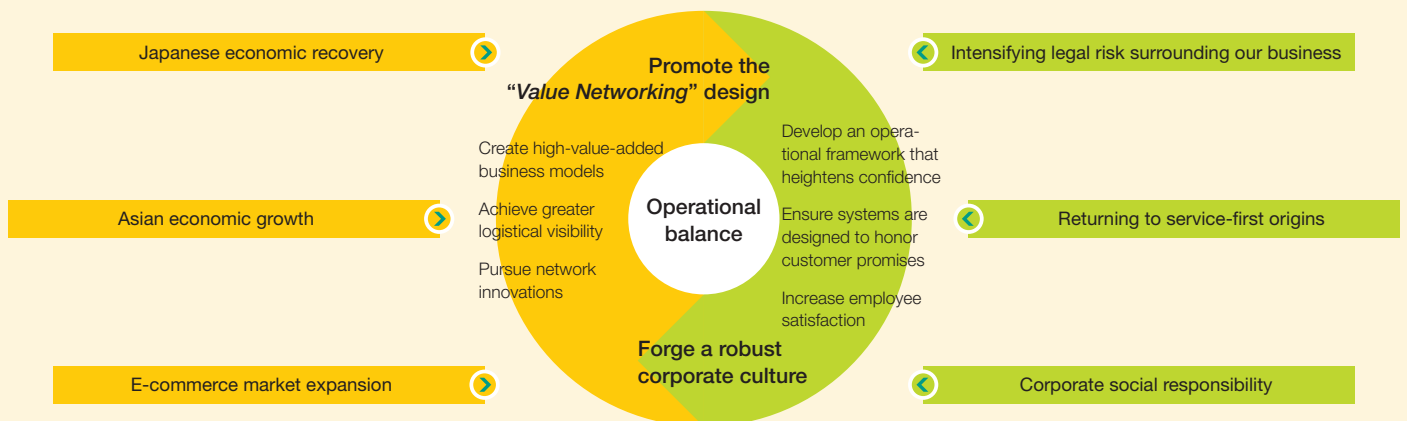
In forging a robust corporate culture, the Company has put in place a framework to maintain quality that will be trusted by customers by further enhancing its governance and the promotion of CSR and by plans to build a stable business foundation to bring about business creation and growth.

STEP

Year Ended March 2015—Year Ending March 2017



- Leveraging the business foundation built under HOP
- Ongoing efforts to further strengthen the business foundation and networks



JUMP

Year Ending March 2018—Year Ending March 2020

Long-term DAN-TOTSU Management Plan 2019 Asia's No. 1 solution provider in distribution and lifestyle support

Long-term DAN-TOTSU Management Plan 2019

- (1) Delivery: Secure growth resources for non-delivery businesses through recovery in TA-Q-BIN growth momentum
- (2) Non-delivery: Create businesses and accelerate growth momentum
- (3) Strengthen governance and promote CSR

