

## Core Values

1. We all represent the company.
2. We connect our customers' hearts with every delivery.
3. We conduct ourselves both professionally and ethically.

## Management Philosophy

**Yamato helps enrich our society by enhancing our social infrastructure, creating more convenient services for evolving lifestyles and industries, and developing innovative logistics and distribution systems.**

### Editorial Policy

Having built up long-standing relationships of trust with all of its many and varied stakeholders, the Yamato Group discloses not only information of a legal nature but also information considered necessary for its stakeholders. The Yamato Group adopted the policy that such information shall be conveyed promptly and accurately as well as fairly and equitably.

This document, *Integrated Report 2018*, contains information on our efforts to improve corporate value over the medium to long term, centered on measures put forth based on our medium-term management plan, "KAIKAKU 2019 for NEXT100," and includes information on current company conditions.

### Profile

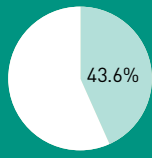
The special characteristic of management at the Yamato Group is its "management starts in the field" way of thinking. Formulated in 1931 to serve as its founding spirit, the Company's Core Values, which have not changed once since the *TA-Q-BIN* services were started in 1976, are positioned as the genesis of the Yamato Group.

The Yamato Group has been creating unprecedented services that are needed by society to respond to changes in social structure, markets, and customer needs (companies and consumers), which have been subtly perceived by employees in the field on the front line of business. These efforts have given the Yamato Group of today its competitive edge.

### Domestic Parcel Delivery Market Share

(Year Ended March 31, 2018)

No. **1**



### Proportion of Japan Covered by TA-Q-BIN Network

(As of March 2018)

**100%**



### TA-Q-BIN Annual Delivery Volume

(Year Ended March 31, 2018)

Approx. **1.8 billion** parcels



### Employees

(As of March 2018)

Approx. **210,000**



### Sales Drivers

(As of March 2018)

Approx. **60,000**



### TA-Q-BIN Centers

(As of March 2018)

Approx. **7,000\***



\* Number of organizations

# Business Structure

## Delivery Business



### ■ Delivery

In the Delivery Business, the Yamato Group concentrated on *TA-Q-BIN*-centered business development, aiming to provide infrastructure that best suits our customers and contribute to enriching people's lives.

Composition Ratio of Operating Revenues  
78.1%

Operating Revenues  
¥1,538.8 billion

## Non-Delivery Businesses



### ■ BIZ-Logistics

In the BIZ-Logistics Business, the Yamato Group is providing customers with innovative logistics systems by combining management resources such as the *TA-Q-BIN* network with logistics functions, maintenance and recall handling functions, cleansing functions for medical devices, and international transportation functions.

7.9%



### ■ Home Convenience

In the Home Convenience Business, the Yamato Group is working toward enabling customers to achieve greater convenience and comfort in their lives through lifetime lifestyle support businesses and corporate enterprise support business that draw on the Yamato Group's nationwide network.

3.2%



### ■ e-Business

In the e-Business, the Yamato Group helps customers streamline their business processes and solve potential issues by proactively developing the solution platform business that combines logistics technology and financial technology with information technology. In addition, with the aim of helping to accelerate growth of Yamato Group businesses, we have been moving beyond conventional information technologies through efforts geared to promoting use of emerging technologies that harness artificial intelligence (AI), the Internet of Things (IoT), and other such innovations.

3.0%



### ■ Financial

In the Financial Business, the Yamato Group has been developing settlement and financial services tailored to a range of customer needs for payment collection of mail-order products, business-to-business transaction settlement, and vehicle leasing.

5.4%



### ■ Autoworks

In the Autoworks Business, the Yamato Group develops its "24-hour-a-day, 365-day-a-year service that enables customers to service their vehicles without stopping operation," thereby providing value to logistics operations and logistics service providers in the form of "improvement of vehicle maintenance convenience" and "reduced maintenance expenses." Furthermore, to better provide one-stop service solutions geared toward customer business operations, we have added services for "maintaining and safeguarding logistics facilities and equipment, and improving such workplace environments," along with "offering insurance plans tailored to customer risk management needs," which provide coverage for such assets.

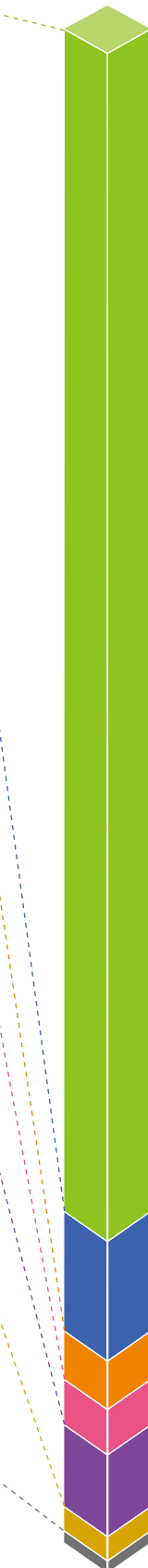
1.6%



### ■ Other Services

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

0.8%



(Year Ended March 31, 2018)

# Organization

As of March 31, 2018

Yamato Holdings Co., Ltd.

■ Consolidated subsidiaries ● Non-consolidated subsidiaries  
◆ Equity-method affiliates



# Performance Highlights

## Performance Highlights for the Fiscal Year Ended March 31, 2018

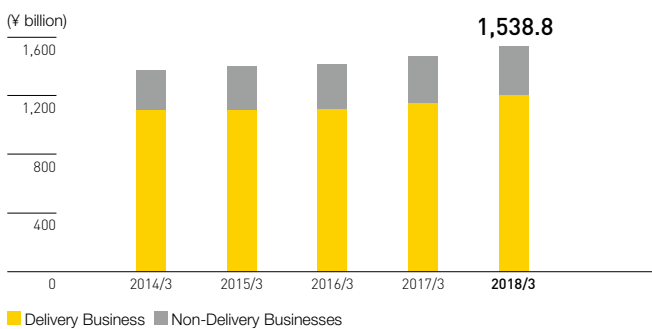
Operating revenues rose 4.9% year on year, to ¥1,538.8 billion. In addition to an increase in the *TA-Q-BIN* unit price, this rise was due to our efforts to enhance existing services in non-delivery businesses, which leveraged the strengths of each Group company, and the active promotion of solution-based sales. These positive factors helped offset the decrease in *TA-Q-BIN* delivery volume that followed the promotion of “Structural Reform in the Delivery Business.”

Operating profit was up 2.3%, to ¥35.6 billion, as growth in

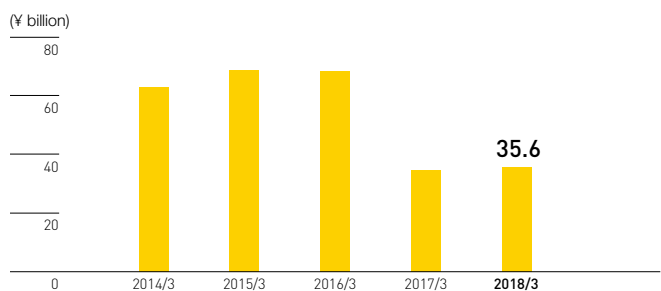
operating revenues outpaced increases in operating expenses. This growth helped outweigh such factors as an increase in labor costs, including those for outsourcing our workforce, which occurred in conjunction with a rise in *TA-Q-BIN* delivery volume in the first half of the fiscal year and efforts to reduce employee workloads.

As a result, profit attributable to owners of parent increased 1.0%, to ¥18.2 billion, while ROE edged down 0.1 of a percentage point, to 3.3%.

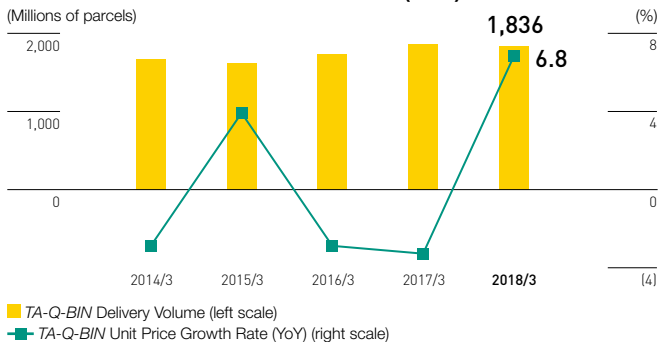
### Operating Revenues



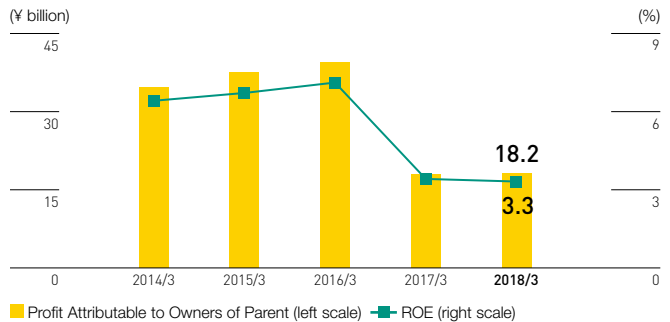
### Operating Profit



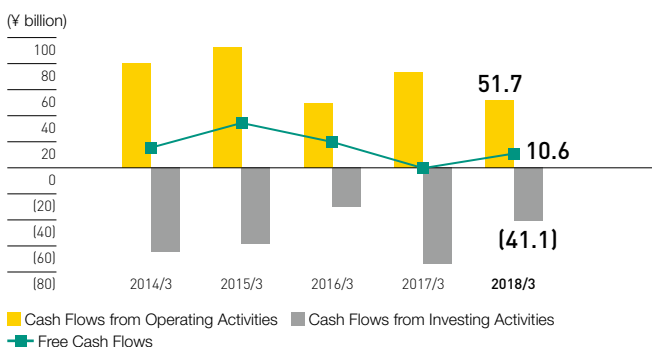
### TA-Q-BIN Delivery Volume / TA-Q-BIN Unit Price Growth Rate (YoY)



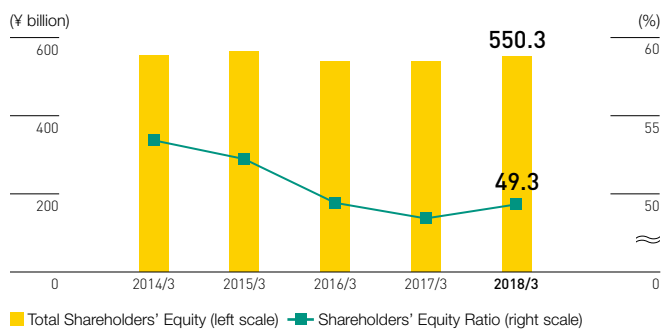
### Profit Attributable to Owners of Parent / ROE



### Operating and Investing Cash Flows / Free Cash Flows\*



### Total Shareholders' Equity / Shareholders' Equity Ratio



\* Free Cash Flows = Cash Flows from Operating Activities + Cash Flows from Investing Activities