

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.

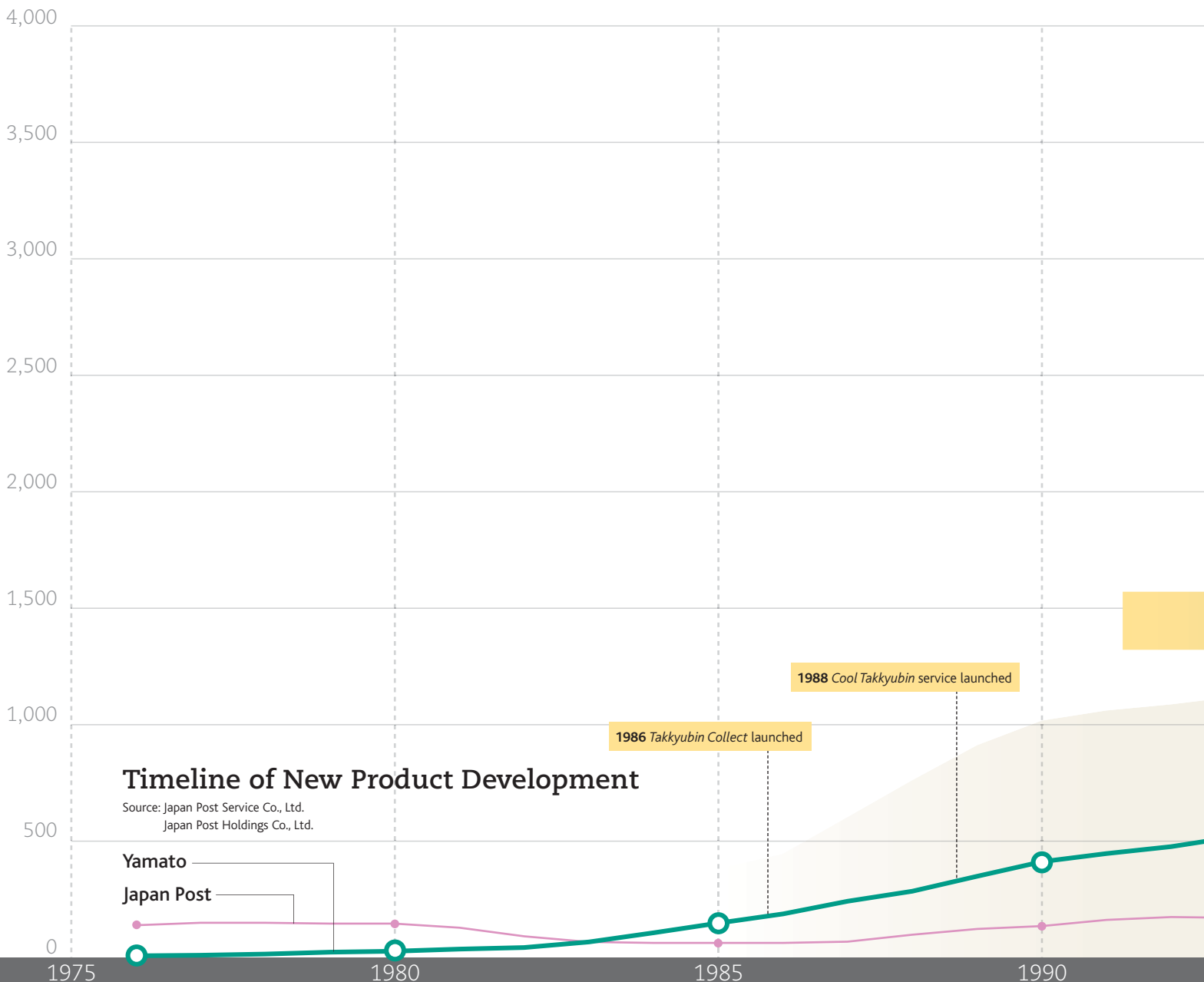
In the data, "parcels" denotes individual packages weighing less than 30 kg, irrespective of the type of delivery (C2C, B2C, or B2B).

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 Takkyubin

Takkyubin 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 Takkyubin and Takkyubin 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.

(Millions of Parcels)



Currently, we are moving beyond developing strategic offerings and simply improving service quality. Targeting business areas where future growth is anticipated, we are creating new businesses and solution models driven by the three functions of information technology (IT), logistics technology (LT), and financial technology (FT), to achieve further growth in the *Takkyubin* service.

In fiscal 2010, as part of our global strategy, in the Asia region we expanded *Takkyubin* operations to overseas locations such as Shanghai and Singapore. Moving forward, the Yamato Group will

expand *Takkyubin* operations farther beyond Japan's shores to more parts of Asia, where vigorous growth is expected going forward. By providing the high-quality *Takkyubin* service and offering global consumers new value previously unavailable outside of Japan, we will strive to become a global supply-chain logistics company centering on Asia.

