

Market Data

Growth in the Express Home Delivery Market

Trends in Parcel Delivery Volume

This survey uses company-reported parcel delivery volume data compiled by the 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).

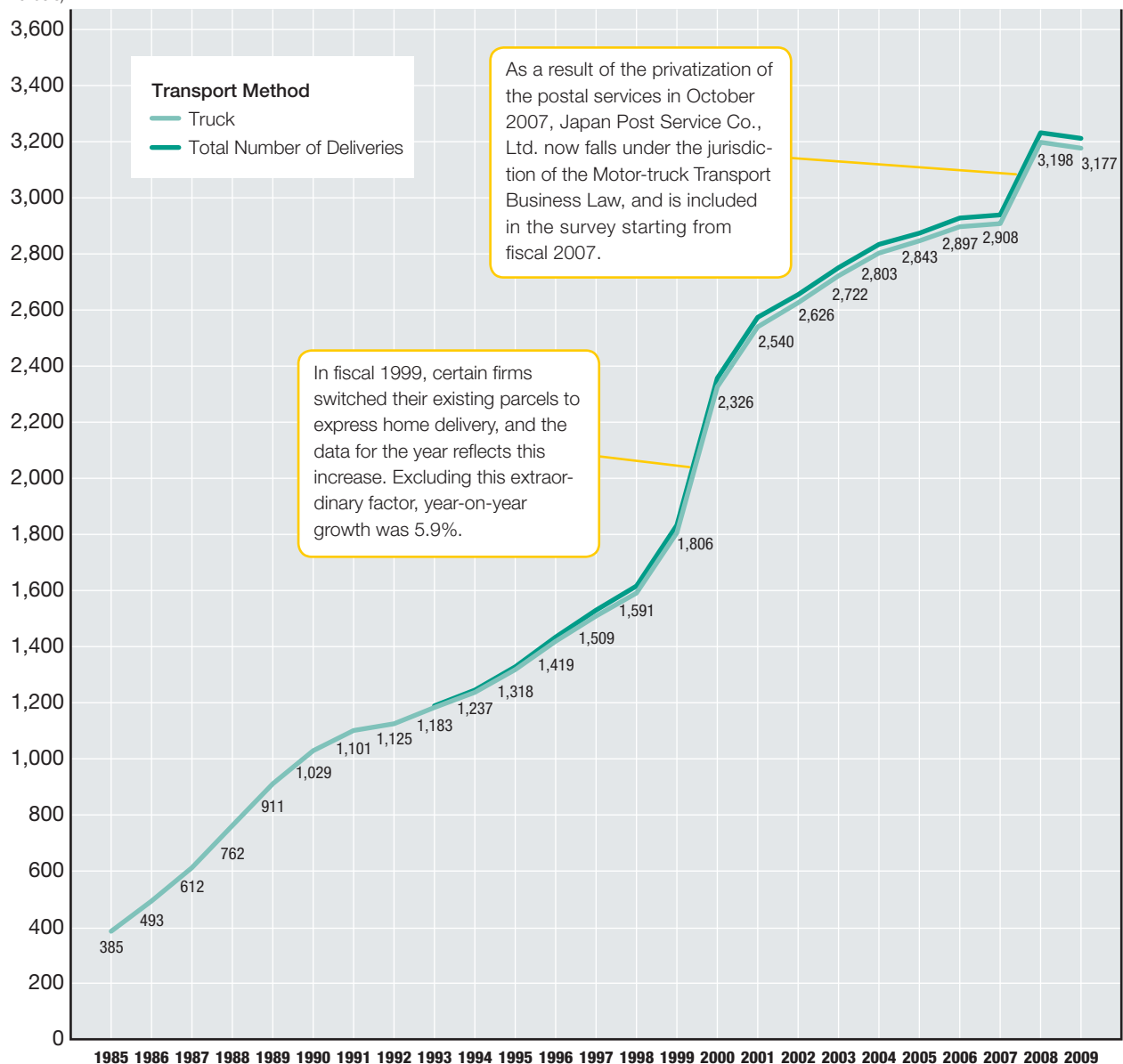
However, lots in which multiple packages are sent together and parcels that do not require a signature on delivery are not counted as “parcels” for the purposes of the survey.

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 outperformed the growth in the express home delivery market as a whole, and we steadily expanded our market share.

Trends in Delivery Volume

(Millions of Parcels)



Notes: 1. “Total Number of Deliveries” includes express home delivery services involving transport by truck, air, and other methods.

2. The number of Hikyaku Express (Sagawa Express Co., Ltd.) deliveries in 2008 has been revised from 1,078,520,000 to 1,049,380,000.

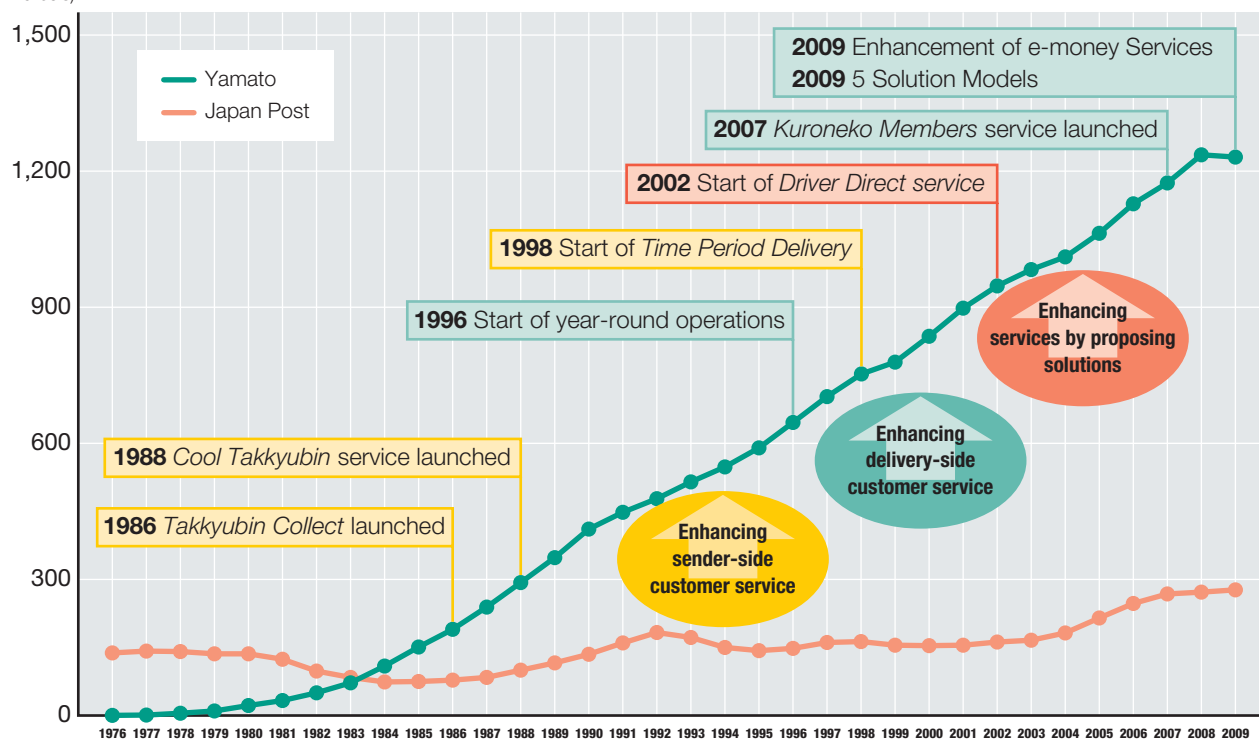
Source: Statistical survey from the Ministry of Land, Infrastructure, Transport and Tourism.

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 logistics technology (LT), information technology (IT), and financial technology (FT), to achieve further growth in the *Takkyubin* service.

In fiscal 2009, the Yamato Group transformed itself into a solution provider, and at the same time implemented fundamental operational reforms in the *Takkyubin* business which we have been running for over 30 years. The fact that our *Takkyubin* service has been able to continuously hold the top market share among parcel delivery services is a testimony to the innovative spirit we have displayed ever since our founding.

Timeline of New Product Development

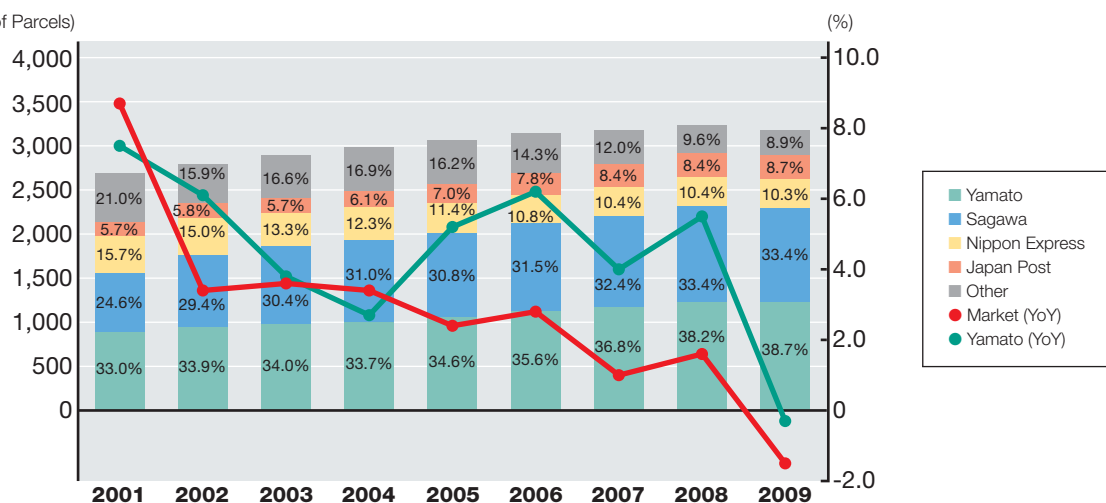
(Millions of Parcels)



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

Market Share

(Millions of Parcels)



Sources: Ministry of Land, Infrastructure, Transport and Tourism and Japan Post Holdings Co., Ltd.