

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 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

(Millions of Parcels)

4,000

3,500

3,000

2,500

2,000

Timeline of New Product Development

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

1,500

1,000

500

1975

1980

1985

1990

Yamato
Japan Post

1986 Takkyubin Collect launched



1988 Cool Takkyubin service launched



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.

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.

We started *Takkyubin* operations in Shanghai and Singapore in January 2010, and Hong Kong in February 2011. Moving forward, the Yamato Group will continue to 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 leading provider of distribution and lifestyle support solution services in Asia.

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%.

2007

As a result of the privatization of the postal service in October 2007, Japan Post Service 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.

* 1 The period April 1999 through March 2000 in this graph only
 * 2 The period April 2007 through March 2008 in this graph only

Trends in Delivery Volume

Truck **Total Number of Deliveries**

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.

Enhancing sender-side customer service

Enhancing delivery-side customer service

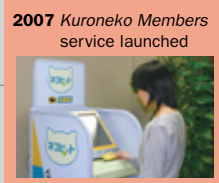
Enhancing services by proposing solutions

1996 Start of year-round operations

1998 Start of Time Period Delivery



2002 Start of Driver Direct service



2007 Kuroneko Members service launched

2009 5 Solution Models (Today Shopping Service, Global Direct, etc.)

2010 Takkyubin services started in Shanghai and Singapore

2011 Takkyubin services started in Hong Kong



1995

2000

2005

2010

2011