YES!—Package services for EC businesses in which every Yamato Group company coordinates

In the rapidly expanding e-commerce (EC) market, each business operator is finding new opportunities in multiple sales channels, such as store openings in major malls or its own company website. However, the management of orders received, the handling of shipments, and responding to customer increases from multiple sales channels are becoming exceedingly complex. To resolve these types of problems, the Company has been offering its "YES! (Yamato Ec Solutions!)" package services since June 2015 with the intention of providing total support for EC businesses.

YES! provides best-fit packages for all sizes of operation, from recent start-ups and small and medium-sized operators to largescale operators. In addition to the three functions that are regarded as the basic package—receipt of order management, delivery, and payment settlement—we are able to provide a range of optional services in line with the growth of the business, including convenience store pickup, warehouse management, and call center services, etc. By enabling the integrated management of orders received from, for example, multiple malls, individual websites, and actual stores, the introduction of YES! means that invoices can be issued as well. In bundling the services from the management of orders received to the issue of delivery slips, thereby automatically linking the order number with the TA-Q-BIN delivery slip number, EC business operators reach the point where they are able to respond promptly to customer enquiries.

For EC operators, this ability means they can start business without initial investment other than in products on the occasion of their entry into the EC business and are thus able to reduce business risk. The services also lead to improvements in business efficiency and early profitability. At the same time, as far as the Yamato Group is concerned, by packaging the existing functions that each Group company has at its disposal, the services do not lead to additional development costs and enable the Group to reasonably provide competitive services. Leading to unprecedentedly comprehensive proposals made to small and mediumsized business operators, the scope for profit gain has been expanded, and the Group can expect an overall increase in revenue and income, including in its non-delivery businesses.

Since EC accounts for 3.7% of total commercial transactions in Japan and remains low in comparison with the ratio in Europe or the United States, further growth is anticipated in the EC market in the years to come. Going forward, the Yamato Group will expand its services that are of benefit to both EC business operators and customers who purchase from them, while supporting the growth of the EC market.

Outline of YES! Services

Areas of Concern for Business Operators Entering EC Business

- arge initial investments (website construction, systems installation, etc.)
 proportion to sales, growing business workload from inventory control
 romotion, receipt of orders, shipping and payment settlement, etc.

management

Inventory controls

issue of invoices

portions of orders

Leveraging Yamato Group's management resources, YES! provides comprehensive one-stop business support services for EC business operators

Benefits for EC Business Operators

- Enables the start of business operations without incurring initial investment costs when newly entering market; reduces business risk
- Improves efficiency of business operations and realizes early profitability by making costs variable

Benefits for Yamato Group

- · Reasonably provides services by packaging the Group's existing functions
- Expands the number of transactions with small and medium-sized operators, which were previously few
- Expands scope for profit in the Group as a whole, including non-delivery